



PRIVATE TRADE AND INFORMAL NETWORKS IN VOC BENGAL (1702-1796)

The case studies of Governor Baron van Eck and
Governor Vernet in the eighteenth-century world
system

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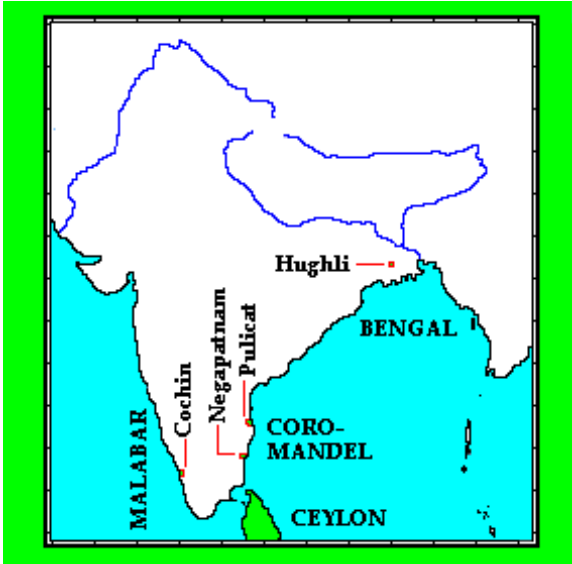
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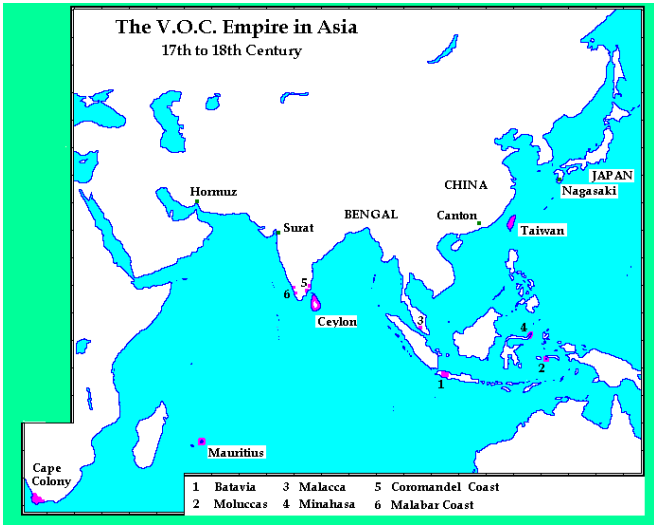
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Map I: map of Dutch factories in the Indian subcontinent, seventeenth century.



Map II: Map of main settings of the VOC in the seventeenth and eighteenth century.



I: Introduction

In his 2010 paper, Jan de Vries makes the distinction between 'soft' and 'hard' globalization; according to De Vries, 'the early modern era does not deserve to be called the first age of globalization, the chief reason for this being the exercise of monopoly power by the European trading companies.'¹ This era, roughly between 1400, when the Portuguese started to explore the oceans, and 1800, can thus be called an age of 'soft' globalization. The age of 'hard' globalization started in the 1790s, when worldwide price convergence started: this argument, originally by Williamson and O'Rourke², counters the argument made by Flynn and Giraldez, that globalization started in 1571, when the silver trade in Manilla began.³ A third definition, proposed by Held *et al*, measures globalization along four factors: intensity, extensity, velocity and impact.⁴ According to Held *et al*, the *process* of globalization can be traced back to Roman times, when links between Roman Europe and parts of Asia were established.

De Vries asserts that longstanding links between European trading companies and Asia were established after 1500, but claims that 'the European trading companies were able to exploit these new opportunities only very partially.'⁵ Furthermore, De Vries states that transaction costs remained 'stubbornly high' for the European trading companies, and that the profits that were made by these very trading companies also remained rather low, contrasted with the situation after 1800, when the trading companies gave way to a whole new sort of influence by Europeans: colonialism.

This view, however, is too narrow in the opinion of the author. Not only trading links were established during the sixteenth century between Europe and Asia, they were present before. Moreover, the penetration of Europeans in both Asia and Africa already started with the expansion of the Portuguese empire in the fifteenth century, and created more links than the economic links that De Vries describes in his article. Thus, the impact of the soft globalization may have been more lasting

1 Jan de Vries, 'The limits of globalization in the early modern world', *Economic History Review*, 63, 3 (2010), 715.

2 Jeffrey Williamson and Kevin O'Rourke, 'When did globalization begin?', *European Review of Economic History*, 6 (2002), 23-50.

3 David Flynn and A. Giraldez, 'Born again: globalization's sixteenth-century origins (Asian/Global versus European Dynamics)', *Pacific Economic Review*, 13 (2008), 359-387.

4 David Held, Anthony McGrew, David Goldblatt & Jonathan Perraton, eds., *Global transformations: politics, economics, and culture* (Stanford 1999).

5 De Vries, 'The limits of globalization', 730.

and influential than the narrower set of economic links described by De Vries.

Recently, a group of (mostly) Portuguese scholars started the DYNCOOPNET program; Dynamic Complexity of Cooperation-Based Self-Organizing Networks in the First Global Age.⁶ These scholars makes some interesting assumptions:

1. Cooperation tied together several self-organizing networks.
2. The world system became, at this period, a dynamic, open, complex, non-linear system.
3. The history of any place within this world cannot be understood without examining how it was connected to other locations and to the system as a whole.
4. There are variations among sub-systems, which constitute an aspect of the system's complexity.

According to the DYNCOOPNET project, the fifteenth century constituted what could be called the 'First Global Age'; informal networks, that were created in the fifteenth century due to the first Portuguese expansion, were an important factor in this 'First Global Age'. This contrasts the thesis by De Vries and Williamson and O'Rourke that hard globalization could only exist after the worldwide price convergence of the 1820s. Whereas Williamson and O'Rourke base their arguments on economic data, De Vries focuses more on the formal side of the economy. Both find that the trade between Europe and Asia before the nineteenth century mainly drew on luxury trade, and that the volumes of this trade were quite limited.⁷

The DYNCOOPNET scholars, on the other hand, stress the importance of the informal networks and the informal economy.⁸ This approach gives us some important advantages over research into the formal economy. Indeed, as De Vries notes in his articles, the size of the trade between Europe and Asia was rather limited, focusing almost exclusively on luxuries for the European elites. Moreover, the Europeans did not produce goods for the Asian market. And, indeed again, did global price convergence not take place until the nineteenth century. In this thesis, I would, however, take a more broad definition of globalization. The narrow definition of hard globalization, taken by De Vries and Williamson and O'Rourke, does not cover globalization as a term in my opinion: the social, cultural and more broad economic effects of globalization are not included in this definition. Because of this, a definition like the one proposed by David Held *et al* seems more interesting:

⁶ <http://www.dyncoopnet-pt.org/>

⁷ De Vries, 'The limits', 715-728.

⁸ Amélia Polónia, 'Ruling strategies and informal power of self-organising networks in the First Global Age', working paper.

'(...)globalization can be thought of as the widening, intensifying, speeding up, and growing impact of world-wide interconnectedness.'⁹

In this thesis, I will thus make use of the assumptions made by the DYNCOOPNET scholars, in order to take a closer look at the article by De Vries. Furthermore, it assumes that globalization is a long-term process and that globalization is not a process that began in the early nineteenth century, but rather at the end of the fifteenth century and the beginning of the sixteenth century, when the discovery of America and the voyages of the Portuguese connected several continents by establishing trade links and networks. This thesis will, nevertheless, focus on the late seventeenth century and eighteenth century, as the European trade networks in Asia were by then fully established.

The emphasis on the informal structures of the economy will be of great importance in this thesis, as it is able to provide answers that a study of the formal structures of the economy cannot. To tackle the argument by De Vries, I would like to make a case study of an eighteenth century trade network: although the assumptions of the DYNCOOPNET scholars are mainly about the Portuguese case in the fifteenth and sixteenth century, these assumptions still are useful, in my opinion, to study trade networks in the early modern period. Due to the limited amount of sources in the Netherlands, a case study of the Vereenigde Oostindische Compagnie (VOC), or Dutch East India Company, in Asia in the eighteenth century is the best option to deal with the subject. An interesting place to start the research is *In the Shadow of the Company*, a PhD thesis by Chris Nierstrasz.¹⁰ Nierstrasz places a strong emphasis on the privileges that servants of the VOC were allowed in terms of trading goods in the intra-Asian network. Through informal networks these servants were able to profit from the monopoly that the VOC held until 1784.¹¹ Others, such as Om Prakash, also stress the use of informal networks within the VOC trade network.¹²

The DYNCOOPNET scholars not only stress the importance of the informal networks in the economy, but also assume that some kind of world system existed in the early fifteenth century, prior to the first great voyages of the Europeans to Asia. This kind of 'world system' theory, first proposed

⁹ <http://www.polity.co.uk/global/whatisglobalization.asp>

¹⁰ Chris Nierstrasz, *In the Shadow of the Company: The VOC (Dutch East India Company) and its Servants in the Period of its Decline (1740-1796)* (Leiden/Boston 2012).

¹¹ Ibidem, 156-165.

¹² Om Prakash, 'The Dutch East India Company in Bengal: Trade Privileges and Problems, 1633-1712' in: *Indian Economic & Social History Review*, 1972, Vol.9(3), pp.258-287.

by Immanuel Wallerstein¹³, is also taken as one of the assumptions in this thesis. In contrast with Wallerstein, however, Asia is not seen as a periphery or a world economy, but as one of the main systems within the world system. The sophisticated system of the intra-Asian trade made the Asian subsystem, or subsystems, important in the then-existing world system, as Janet Abu-Lughod already noted in her 1989 book.¹⁴ Thus, the position of the Asian subsystems and the intra-Asian trade will also be taken as a starting point of this thesis.

To prove that informal trade networks indeed contributed to globalization in the early modern age, I would like to focus on private trade in the Dutch network in the Asian subsystem, especially in Bengal, modern day Bangladesh. By tracing these private traders and how they interacted within the VOC network and the intra-Asian trade system as a whole, I hope to paint an interesting picture of the informal economy in the Dutch part of Asia. I choose Bengal because of its rich material of available secondary sources.¹⁵ However, other examples may be used to illustrate some important points made in this thesis such as the Dutch presence in Gujarat, Java or other places in Asia. Thus, this thesis questions two things: firstly, in what way did the servants of the VOC make use of the informal networks that existed in the VOC network in the intra-Asian network? Secondly, can we speak of early modern globalization when we look at these interlopers, and how did they contribute to this?

In the historiography about private trade within the VOC network, three visions exist, according to Chris Nierstrasz.¹⁶ Two of these originate in the works of early twentieth century Dutch historians, such as J.J. Steur and J.K.J. de Jonge. One of them is that private trade was not allowed at all by the Seventeen Gentlemen during the eighteenth century. The other is that private trade was only permitted under the reign of governor Gustaaf Van Imhoff, between 1743 and 1750, and that the

13 Immanuel Wallerstein, *The Modern World System: Capitalist Agriculture and the Origins of the European World-Economy in the 16th Century* (New York 1974).

14 Janet Abu-Lughod, *Before European Hegemony: The World System A.D. 1250-1350* (New York/Oxford 1989).

15 Nierstrasz, *In the Shadow of the Company*, 127-152; Prakash, 'The Dutch East India Company in Bengal'; Om Prakash, *The Dutch East India Company and the Economy of Bengal, 1630-1720* (Princeton 1985); Jan Parmentier, *De Holle Compagnie: Smokkel en legale handel onder Zuidnederlandse vlag in Bengalen, ca. 1720-1744* (Hilversum 1992); Els Jacobs, *Merchant in Asia: The Trade of the Dutch East India Company during the Eighteenth Century* (Leiden 2006), 91-178. ,

16 Chris Nierstrasz, 'Reguleren of corrumperen? De VOC en hervormingen in de privé-handel (1743-1799), in: *Tijdschrift voor Zeegeschiedenis*, 25 (2006), 2, 165-176.

permission for private trade was abolished under his successor governor Jacob Mossel.¹⁷ Others, such as Els Jacobs, have indeed taken the second view, acknowledging that private trade was allowed for a short period, but that it had only a small impact on the VOC in the eighteenth century.¹⁸ Moreover, she sees the private trade as a form of corruption. In the historiography on the VOC, it is common to explain the abbreviation VOC as 'Vergaan Onder Corruptie', or 'Gone because of corruption'.¹⁹ Nierstrasz, however, takes a different view on the private trade of the VOC. According to him private trade was permitted from 1743 onwards until the fall of the VOC in 1796. The evidence from primary sources is indeed overwhelming that private trade was allowed from 1743 onwards under different governors. Thus, the view by Nierstrasz will be taken as the primary view of this thesis.

Om Prakash, another important scholar on the VOC in Asia, acknowledges that private trade existed in the VOC empire in the eighteenth century, but that this was mainly of use to use the aid and knowledge of local merchants, such as Bengal merchants.²⁰ Prakash does not agree with the fact that the private trade primarily led to the decline of the VOC in the late eighteenth century. However, Prakash mainly stresses the role of informal networks in the VOC network, not specifically the private trade. Another scholar, Julia Adams, an American sociologist, also stresses the role of the informal networks in the VOC network, namely that brokerage relations between servants and high-placed personnel of the VOC enabled the Seventeen Gentlemen to uphold the monopoly of the VOC in Asia. In her own words, she claims that this 'network of brokerage relations enabled the VOC principals to maintain some measure of cartel discipline.'²¹ This did not mean that private trade was permitted by the Seventeen Gentlemen, but that in practice VOC servants had access to Company monopoly goods because of their privileged intermediary position.²² Adams thus takes the view that private trade was not allowed in the late eighteenth century, but that in the network of brokerage relations semiprivate trade existed. Although this thesis takes the view of Nierstrasz that private trade was

17 Ibidem, 166-8.

18 Jacobs, *Merchant in Asia*

19 Nierstrasz, *In the Shadow of the Company*, 2-6.

20 Om Prakash 'The European Trading Companies and the Merchants of Bengal, 1650-1725', in: *Indian Economic Social History Review*, 1 (1964) 37, 37-63.

21 Julia Adams, 'Principals and Agents, Colonialists and Company Men: The Decay of Colonial Control in the Dutch East Indies', in: *American Sociological Review*, 61, 1 (February 1996), 21.

22 Ibidem.

permitted from 1743 until 1796, the theory of brokerage relations by Adams and the view by Prakash may help us to understand the private trade of the VOC in the eighteenth century even better. Thus, the three views will be used complementary to one another, as they can be used *vis-à-vis*.

In order to conduct research about this particular topic, I aim to go through letters and other document of some servants of the VOC to find how they were 'go-betweens' or 'cross-cultural brokers' in the Dutch intra-Asian network. Many of the letters by servants of the VOC can be found in the Dutch National Archive and in the K.I.T.L.V., the Dutch Royal Institute for Philology and Anthropology. These letters will, among other documents, form the main body of the research conducted into the informal institutions of the VOC in the intra-Asian trade in the seventeenth and eighteenth century.

Firstly a detailed part about the trade of the VOC in the intra-Asian trade will follow this introduction. Secondly, a short comparison with the situation of the English East India Company (EIC) will follow, as the English also extensively took part in the intra-Asian trade, especially in the second half of the eighteenth century. Thirdly, the results of the research into the primary sources will be described and analyzed. Finally, the final conclusion will be drawn from the preceding parts.

II: The world system and the VOC in Asia in the seventeenth and eighteenth century

In 1634, the VOC was given permission by the Seventeen Gentlemen, the central board of directors of the VOC who were based in the Netherlands, to establish a factory in Bengal, the region which nowadays covers Bangladesh and some part of East India.²³ Although the VOC had already established other factories, for instance at the Cape of Good Hope, the Bengal factory provided the VOC with interesting opportunities to penetrate in the intra-Asian trade network.²⁴

The trade network in Asia already was a developed system of various sub-systems;²⁵ for

23 Prakash, 'The Dutch East India Company in Bengal', 262.

24 Luc Nagtegaal, *Riding the Dutch Tiger: The Dutch East Indies Company and the northeast Coast of Java, 1680-1743* (Leiden 1996), 108.

25 Abu-Lughod, *Before European Hegemony*.

instance, Bengal merchants already traded goods with various parts of what is nowadays India from the fifteenth century. Other trade networks included networks in Java, what later became the most important factory for the Dutch, in the city of Batavia. Although this thesis is primarily concerned with the Bengal region, it is inevitable that, in the context of the VOC network in Asia the influence of the VOC in other regions will also be examined sometimes, especially the trade with Japan and Java.²⁶ The penetration of the Bengal region gave way to numerous opportunities for the VOC to participate in the intra-Asian trade and profit from them in various ways. Prakash notes the 'strategic significance of the intra-Asian trade' for the VOC because of the high-quality goods that were produced in the Bengal factories and the connections that the local merchants had in the intra-Asian network.²⁷ The Bengal area constituted the link between the Indian subcontinent, Japan and China and the Indonesian archipelago. Furthermore, the trade from the Bengal region was highly profitable for the VOC in the seventeenth century and became more prominent in the VOC trade after the establishment of the factory in 1634. After the first factory was established in Houghly, others were quickly built in the Bengal region. It became the single most important trade area for the VOC after Java in the seventeenth century. Only at the beginning of the eighteenth century it became less important, due to the internal strife of Asian empires and the growing power and influence of the East India Company, the British Company.²⁸

The Bengal region was under the influence of the Mughal rulers in the seventeenth century. Due to their rich sources, such as silk, saltpeter and opium, the Bengal area was one of the most important areas in the intra-Asian system. Although they exercised trade on their own, they allowed foreigners to compete in the intra-Asian trade.²⁹ This was an important step for the European trading companies, because in the first half of the seventeenth century they were still too weak to force the Mughal emperors to concede privileges for the trading Companies. To maintain the trust of the Mughal rulers and other local princes, many gifts and presents were brought to the local rulers from various parts of Asia and Europe.³⁰ Local Bengal merchants were less respected and the VOC

26 This is because the trade with Japan and Java in the intra-Asian trade network mostly took place with the Bengal region: see Prakash, *The Dutch East India Company*, 118-21 and 142-61.

27 Prakash, *The Dutch East India Company*, 15.

28 Jan Parmentier, *De Holle Compagnie*, 16-7.

29 Prakash, *The Dutch East India Company*, 15.

30 Prakash, 'The Dutch East India Company in Bengal', 281.

employees often took advantage of the Bengal merchants, by forcing them to give up part of their monopoly to the VOC.

When the Dutch first arrived in the beginning of the seventeenth century,³¹ the political situation in Bengal was rather uncertain. The internal political strife forced the VOC to please more than one ruler, a problem that recurred in the eighteenth century. Moreover, in the eighteenth century the competition of the EIC became much stronger. Not only did more private merchants from England harm the monopoly of the VOC, the military and administrative presence of the EIC grew in the early eighteenth century and caused trouble for the VOC, a Company that did not have the manpower of the EIC.³² After the Fourth Anglo-Dutch War (1780-1784) the VOC lost the monopoly on trade from Bengal as the military power of the English had by then become way too strong for the VOC, especially after the EIC had driven out the French out of India and Bengal during the Seven Year's War (1756-1763).³³ The earlier admission of private trade in 1757 for EIC servants had also contributed to the growing influence of the English in Bengal and Asia as a whole.³⁴ Parmentier even claims that from the 1720s the trade of the VOC was already so much in decline that the effective monopoly had already gone to the EIC by that time.³⁵ Even before that time, private English merchants were sent by the EIC to participate in the intra-Asian trade to hinder the VOC monopoly.³⁶ They maintained contacts with local Bengal merchants and conducted private trade with both Batavia and the British homeland. The EIC and the English government supported these merchants, for instance by lending them military aid in late seventeenth century. By the eighteenth century these merchants were given permission by the EIC to conduct private trade with local Bengal merchants, as long as they paid part of their profit to the EIC. In the late eighteenth century, under the India Act of governor Pitt, the EIC even paid bonuses to those merchants that had made the most profit in the

31 Ibidem, 261.

32 John Keay, *The Honourable Company: A History of the English East India Company* (London 1991), 296-8.

33 Ibidem, 319-27.

34 Peter J. Marshall, *East Indian Fortunes: The British in Bengal in the Eighteenth Century* (Oxford 1976), 158.

35 Parmentier, *De Holle Compagnie*, 16-7.

36 Jacobs, *Merchant in Asia*, 142.

trade in India.³⁷ These 'interlopers' provide an interesting case study for this thesis. Because of their contacts with the local merchants and their ability to communicate with them and the local rulers they became interlopers or 'go-betweens', people between two cultures.

The English merchants became more and more of a threat in the eighteenth century due to their use of the Bengal merchants. The EIC established factories in several parts of Asia in the late seventeenth century, on the Indian coast and in Bengal. Furthermore, a fort was built in Houghly either in the early eighteenth century on the recommendation of Agent William Hedges.³⁸ Successive EIC Governors in Asia established more of these factories, Madras in India being one of the most famous of them. This happened partly by military force and partly by signing contracts with local rulers. Also, patronage under EIC rule in Bengal happened very often after the 1720s. Before the 1720s the private English traders were supported by the EIC.³⁹ The English were thus a constant threat to the VOC monopoly. Furthermore, the EIC proved to quite excellent in pleasing local rulers. This tactic, practiced first by the VOC, was copied by the EIC and improved. Besides the threat of the EIC, other European companies also tried to profit from the trade from Asia and the trade within the intra-Asian network, such as French, Swedish and Flemish companies.⁴⁰ For instance, the French East India Company also established a factory in the Bengal region in 1691.⁴¹ Although the competition of the French and Swedish companies was quite limited for the VOC, private merchants working with permission of these Companies were certainly a threat to the VOC, as they conducted trade with Bengal merchants and used the knowledge of the local merchants.

To take part of in the intra-Asian trade, the VOC took several measures to assure that the monopoly in the Asian trade was upheld. One way to achieve this was to use local merchants as brokers or middlemen.⁴² Because of their knowledge of the intra-Asian trade network and especially their knowledge of the local languages, they were ideal partners for the VOC merchants and employees to conduct trade with. When the VOC had firmly established the monopoly in the second

37 Keay, *The Honourable Company*, 435.

38 Ibidem, 171.

39 Marshall, *East Indian Fortunes*, 181.

40 Parmentier, *De Holle Compagnie*, 29-36 en 52-7.

41 Indrani Ray, 'The French Company and the Merchants of Bengal 1680-1730', in: *Indian Economic Social History Review*, 41 (8) 1971, 42.

42 Jacobs, *Merchant in Asia*, 98.

half of the seventeenth century, these same merchants were quite often driven into non-monopoly areas for the Dutch. Moreover, many merchants, for instance in Bengal, were temporarily locked up or otherwise driven from their profession. Prakash thus notes the many 'dishonest practices by the Company's employees'.⁴³

The knowledge of the Bengal merchants helped the VOC in gaining profits. Although the official VOC rules did not permit it many VOC employees took part in private trade in Bengal silk or other spices or goods that were traded in the intra-Asian trade.⁴⁴ Also, in other parts of Asia VOC employees took part in private trade, as Table I shows.

Table I: Exports of opium from Batavia to the Pasisir by private traders, in Dutch rix-dollars, 1672-1740.

1672	577	1695	130,103	1720	99,480
1675	11,227	1700	42,096	1725	67,081
1680	23,487	1705	59,125	1730	42,015
1685	30,751	1710	38,092	1735	13,538
1690	77,025	1716	78,410	1740	13,043

[Source: Nagtegaal, *Riding the Dutch Tiger*, 147, based on Dagregister Batavia.]

As Batavia was the center of the Dutch presence in Asia, most private trade took part by importing and exporting goods from Batavia. Remarkably the table shows that a surge in private opium trade appeared in the late seventeenth century. The fact that this very thing happened, was a signal for many of the governors of the VOC that private trade may have been part of the intra-Asian trade system for a long time and that there was no use in containing the merchants to conduct private trade. Moreover the governors of Batavia, Bengal and other areas under Dutch control in the second half of the seventeenth century and the first half of the eighteenth century, saw that they could enrich themselves by allowing private trade.⁴⁵ Unfortunately for them, the Seventeen Gentlemen held on to the VOC monopoly until 1743, when Van Imhoff forced them to accept the private trade, as the VOC was obviously already in decline, something Van Imhoff clearly saw. Under other governors, such as Jan Lubbert Baron van Eck, private trade was accepted in the early eighteenth century. For instance, Baron van Eck permitted private trade from Batavia, as long as they paid a 5% commission over the traded good. As a result, private trade surged, as is also seen in Table I. Especially between

⁴³ Prakash, *Dutch East India Company in Bengal*, 83.

⁴⁴ Hans Van Santen, *De Vereenigde Oost-Indische Compagnie in Gujarat en Hindustan, 1620-1660* (Leiden 1982), 11-5.

⁴⁵ Nierstrasz, *In the Shadow of the Company*, 139-40.

Batavia and the Coromendal Coast, where the monopoly of the VOC was not very strictly enforced and the control mechanism of the VOC that worked in other parts of Asia was not yet developed.⁴⁶

The sea route to Bengal from Batavia was one of the least regulated routes by the VOC in Asia, and therefore both a vulnerable route to the VOC monopoly and an excellent opportunity for VOC employees interested in private trade.⁴⁷ Om Prakash even called 'the Bengal-Batavia branch (...) the most notorious for private trade'.⁴⁸ According to his estimates, around 1680 private trade on the Batavia-Bengal route might have been as big or even bigger than the regulated, formal trade by the VOC. For instance, directors of the VOC set up small private companies, where family members or other influential VOC employees also took part in. From the ports of Bengal goods were brought to local markets, where they were sold for high prices and the earnings were divided between the private company and the VOC. Julia Adams claims that this 'network of brokerage relations enabled the VOC principals to maintain some measure of cartel discipline.'⁴⁹ According to Adams, this was especially true in the early period of the Dutch presence of the intra-Asian trade. Although the private trade certainly had its impact on the economic performance of the VOC, even in the seventeenth century the patrimonial relationships within the organization and the fact that many VOC employees could profit from the system of the monopoly made it a sustainable system for a long time.

At this point, I will take a closer look at the specifics of the Bengal trade. The trade in Bengal consisted mostly of silk⁵⁰, but also of saltpeter and other spices. As noted before, the Dutch first established a factory in Bengal in 1634; another three followed quickly. Bengal merchants were already very active merchants in the intra-Asian trade network, so that it was quite easy for the Dutch to step in the network. The silk trade especially was quite lucrative, because in Europe the demand for the raw silk from the local Bengal factories was quite high. Later, as noted above, the Dutch also exported part of the silk produced in Bengal to Japan, where the Emperor did not allow local merchants to conduct trade outside Japan. To finance the trade of Bengal goods were also imported to the Bengal region and sold to local merchants. Silver and pepper especially were quite popular for

46 Ibidem, 101-2.

47 Julia Adams, 'Principals and Agents', 21-2.

48 Prakash, *The Dutch East India Company*, 84.

49 Adams, 'Principals and Agents', 21.

50 Marshall, *East Indian Fortunes*, 160.

the European companies to sell to the merchants of Bengal. Rarely were these goods imported from Europe, as most of the goods the VOC sold were brought from other places in Asia such as silver from Pegu, Arakan, and Persia, and pepper from Sumatra and the Malay peninsula.⁵¹

The export was far more important for the VOC than the imports into the Bengal region. As mentioned above, the silk trade was the most lucrative for the Company. Other textiles were also very popular in other parts of Asia. In the 1690s the textile trade surged, due to an increased demand from the Indonesian Archipelago and other parts of Asia (see Table II).

Table II: Bengal Textiles Exported to the Indonesian Archipelago, 1666-1718

Year	Pieces
1666-67	6,258
1678-79	10,000
1692-93	51,558
1702-03	38,338
1711-12	47,459
1717-18	46,510

[Source: Prakash, *The Dutch East India Company*, 146-7, based on Invoices of goods exported from Bengal.]

Although due to war, the English threat and other reasons the export was not always quite stable, Table II gives a good overview of the exports of textiles from Bengal in the late seventeenth century and beginning of the eighteenth century. Especially in the late seventeenth century the trade towards the Indonesian Archipelago boomed. In less than thirty years the export of Bengal textile pieces surged from some 6,000 pieces to more than 50,000 pieces. This is in part explained by the fact that the Dutch also established factories in what is nowadays Indonesia, where they built Batavia and created the center of their activities in Asia. In the beginning of the eighteenth century the competition for the textiles of Bengal already became tougher mainly because other European trading companies, such as the EIC and the French East India Company, also known as *de Compagnie de Indes*.⁵² From the beginning of the penetration of the VOC into the intra-Asian network, private English merchants had made life difficult for the VOC. They often acted on behalf of the EIC, as they

51 Prakash, *The Dutch East India Company*, 54.

52 Jacobs, *Merchant in Asia*, 115.

traded goods and transferred their money to the EIC headquarter in London.⁵³ When they came back to London after their voyage to Asia, they got some of the profits that the EIC made in Asia. The advantage for the English merchants was that they were more free than VOC employees to move where they wanted to go, and as a result could use local merchants as middlemen or brokers or act as brokers themselves.⁵⁴ The Asian merchants that acted as brokers or middlemen were often called *gomasta*.⁵⁵

For the VOC, the threat of the other European trading companies, such as the French, Swedish and Danish East India Companies, was virtually non-existent in the seventeenth century. Only in the eighteenth century the French East India Company managed to claim some parts of Bengal as a place where they could somewhat exert authority over the trade.⁵⁶ For high VOC employees, the façade of the foreign threats proved to be an excellent excuse to conduct private trade for their own profit.⁵⁷ From the 1730s onward, the VOC monopoly on many goods in Asia suffered from competition of other European Companies, still mainly the EIC, but also the trading companies from Sweden, Denmark and Flanders.⁵⁸ As private trade was not allowed by the Seventeen Gentlemen of the VOC, most high-placed VOC employees made use of the local merchants, the *gomasta*, or even English private merchants.

Private trade became more widespread under VOC employees in the beginning of the eighteenth century. A governor of the VOC in Bengal, Pieter van Dam, in the early eighteenth century wrote that 'als een gesaghebber in Bengale comt, gaat hij ten eersten snuffelen naar zijn voordeelen'; when an authority comes to Bengal, he first sniffs around looking for his profits.⁵⁹ According to Frank Lequin, a Dutch author writing on the VOC and its employees, the eighteenth century saw a surge in

53 Ibidem, 142.

54 Marshall, *East Indian Fortunes*, 160-1.

55 Jacobs, *Merchant in Asia*, 97.

56 Ray, 'The French Company', 43.

57 Ibidem, 95.

58 Parmentier, *De Holle Compagnie*, 29-70.

59 Cited in: Frank Lequin, *Het Personeel van de Verenigde Oost-Indische Compagnie in Azië in de 18^e eeuw, meer in het bijzonder in de vestiging Bengalen* (Alphen aan de Rijn 2005), 207.

private trade by VOC employees and their misuse of the VOC monopoly.⁶⁰ Not only the VOC employees tried to put personal goods on board of VOC ships and ships of other companies, some even started own companies or cooperated with some *gomasta* to raise funds for a voyage in Asia.⁶¹ The practice of private trade was important not only in Bengal: in Batavia the trade in both textiles and opium became more important in the late seventeenth century, as described before. Especially in the last twenty years of the seventeenth century, when the European trading Companies except the EIC were not much of a threat to the monopoly of the VOC, the imports of opium and textiles from the coast of what is nowadays India saw a sharp rise.⁶²

In 1743, governor Van Imhoff allowed VOC employees to conduct private trade. Although many sources do not tell us how much private trade was conducted by the VOC employees we can still see that this was an important business, even before 1743. According to Nierstrasz, plans for permitting private trade had been laid out already in the early eighteenth century. The uncertain political situation in Bengal and other parts of Asia made the spice trade quite vulnerable.⁶³ By permitting employees to conduct private trade Van Imhoff hoped that it would indirectly benefit the VOC. Nierstrasz further notes that:

'Even before Van Imhoff's reforms of 1743, the pursuit of private trade had been considered a desirable change of course by various officials. (...) Therefore, it is essential to note that the idea of freedom of trade was not without precedent and ran throughout the whole period of the existence of the Company like a continuous thread.'⁶⁴

Although the monopoly of the VOC remained in place up to the Fourth Anglo-Dutch War (1780-1784), private trade in various forms was permitted due to the reforms by governor Van Imhoff. They were also finally approved by the Seventeen Gentlemen in the Republic. They were often wealthy men from the Dutch elite and remained in place through patronage networks. The permission of private trade by VOC employees was thus seen as a threat for their own network and gains from the trade of the VOC. In the beginning of the eighteenth century it became more and more clear that reform was

60 Ibidem, 206.

61 Jacobs, *Merchant in Asia*, 98.

62 Nagtegaal, *Riding the Dutch Tiger*, 143-8.

63 Nierstrasz, *In the Shadow of the Company*, 77.

64 Ibidem, 79.

necessary to uphold the monopoly of the VOC. Even before the reforms of Van Imhoff in 1743, the VOC occasionally permitted private trade or set up separate trading companies to trade with several parts of Asia. The so-called *kambang* trade, private trade in Japanese, was already established in the early eighteenth century: Dutch merchants got the sole right to trade with the Japanese, a traditionally closed country until the mid-nineteenth century.⁶⁵

Table III: Bengal Textiles Exported to Japan, 1669-1718

Year	Pieces
1669	5,074
1690-91	29,581
1703-4	16,940
1709-10	43,667
1716-17	5,100

[Source: Prakash, *The Dutch East India Company*, based on the Batavia Dagregister.]

The Dutch merchants were only allowed to stay at the island of Deshima before the coast of Japan, but they had nevertheless the monopoly on exporting Japanese goods and importing goods from other parts of Asia, such as silver and silk. Because the Japanese emperor had cut off all foreign influence except for the Dutch merchants, the VOC permitted private trade by its employees with Japan. The profits made by the merchants were subsequently taxed by the VOC. The trade with Japan thus became quite profitable for the VOC. Table III again shows large fluctuations in the number of goods exported from Bengal to other parts of Asia. Because of the wars with the English and the fact that the Seventeen Gentlemen did not like the fact that the Japanese set the price for their silver, the trade with Japan declined rapidly after 1672, the so-called ‘Rampjaar’, or Year of Disaster, for the Dutch.⁶⁶

The opportunity to trade with the Japanese was one of the main reasons the VOC were able to keep up the monopoly on many goods produced in Asia and penetrate so deeply into the existing intra-Asian trade network, a network that already had shaped itself in the thirteenth century.⁶⁷ Because the Japanese produced goods that were in high demand in both the rest of Asia and Europe, private trade was common for the Dutch merchants that stayed on the island of Deshima, as it was quite a lucrative business. The fact that the Japanese made copper and silver, goods that were not produced in the rest of Asia and thus had to be imported from Europe if the VOC wanted to trade

65 Ibidem.

66 Prakash, *The Dutch East India Company*, 132-41.

67 Janet Abu-Lughod, *Before European Hegemony*, 291-315.

with those goods, made the Japanese goods of great importance for the Dutch, especially in the seventeenth century.⁶⁸ From 1685 onward, already, VOC employees were allowed to conduct private trade on the island of Deshima. But even before the permission of private trade, it had existed at Deshima.⁶⁹ The fact that the position of the VOC in Japan was quite vulnerable, made it easy for the Seventeen Gentlemen to permit private trade. Moreover, it also stimulated the local economy, a wish of the local governor of Nagasaki.⁷⁰ As all of the trade at Deshima had to be approved by the local Money Chamber, not very much of the private trade took place through unofficial channels; however, 'the history of Deshima is (...) riddled with smuggling incidents', notes Jacobs.⁷¹ Most of the private trade of the VOC employees in Deshima consisted of goods that were not profitable for the VOC to trade in, for instance western medication or coral.⁷² Although the trade with the Japanese quickly declined in the eighteenth century, the Seventeen Gentlemen wanted to keep Deshima and the Japanese trade out of the influence of other European powers. In order to do so they had to permit private trade. One method to profit from the private trade was to allow it, but take a certain percentage of the profit. This was also the case in Japan where private trade was not especially harmful to the VOC monopoly, because it kept Japan out of the English influence.⁷³

Tactics such as taxing the private trade of its employees became one of the core points of the new system of the VOC trade after 1743. The trade that VOC employees conducted stayed rather lucrative, even though the English competition became stronger in the eighteenth century. Furthermore, separate companies were established in Asia, for instance to regulate the Sumatra trade and, although it was officially forbidden by the Seventeen Gentlemen in Holland, private enterprises were set up, such as the 'Opium Society'.⁷⁴ As we shall see in the next part of this thesis, this sometimes led to high profits for the VOC. However, other VOC employees mainly conducted private trade for their own gain, as the fourth section shows. We will now continue to look at two

⁶⁸ Jacobs, *Merchant in Asia*, 145-55.

⁶⁹ Ibidem, 156.

⁷⁰ Ibidem.

⁷¹ Ibidem, 157.

⁷² Ibidem.

⁷³ Ibidem.

⁷⁴ Nierstrasz, *In the Shadow of the Company*, 77.

case studies of VOC governors who conducted private trade in the second half of the eighteenth century, when the VOC monopoly was under harsh pressure.

III: The private trade of VOC employees in Asia in the eighteenth century: the case study of Baron van Eck

In his book, *In the Shadow of the Company*, Nierstrasz extensively uses collections from the Dutch National Archive for his study of private trade by VOC employees in the eighteenth century, especially the archive of governor Jan Lubbert Baron van Eck.⁷⁵ This study will also draw extensively on letters and documents that were written by Van Eck, who was governor of Ceylon in the late eighteenth century from February 1762 until the first of April 1765. Although his time as a governor was quite limited, interesting letters and documents by him were left behind. Before Van Eck was appointed governor of Ceylon, he was governor of Coromandel for three years. Van Eck became governor of Ceylon when the VOC was at war with the Kingdom of Kandy, an independent kingdom on the island of what is nowadays Sri Lanka. Although Van Eck was busy regaining the Kingdom of Kandy until 1765, he stimulated trade from and to Ceylon. Furthermore, Van Eck conducted private trade in his time as a governor of both Ceylon and Coromandel.

To also examine the Bengal region, this study also extensively uses the archive of G.J. Vernet, who was the governor of Bengal in the mid-eighteenth century, from 1752 until 1766.⁷⁶ Vernet was a governor roughly at the same time as Van Eck. Both men wrote many letters regarding the business of the VOC in Asia, but also some letters about their private trade, as it was allowed by the reforms of Van Imhoff after 1743. This proves that high-placed personnel of the VOC used this opportunity to conduct private trade, as is shown in letters, contracts and budgets that were left behind by them and their family members.

First, a note on the methodology. From the archive of Van Eck only documents from his private archive are used, such as budgets and payment orders. From the archives of Vernet, I also primarily looked at his private exchange of letters. The main goal of this research is to compare the indications, both implicit and explicit, of private trade of the two men in the intra-Asian trade in the eighteenth century. As they were from two different locations, it is interesting to look at their visions on private trade in their documents. Moreover, Prakash notes that the Batavia-Bengal trade route was notorious for the use by VOC servants for private trade, as the Bengal factory in Houghly did not pay attention to the incoming goods. As Van Eck was director of the Ceylon branch of the VOC, Vernet

⁷⁵ National Archives, Archief van Lubbert Jan, Baron van Eck (1719-65); Nierstrasz, *In the Shadow of the Company*, 220-260.

⁷⁶ National Archives, Archief Collectie Vernet.

was the director of the Houghly factory, and the *de facto* governor of the Bengal region. As a result, the two men are excellent examples of high-placed VOC servants who conducted private trade in the eighteenth century.

In the Van Eck archive some letters and budgets are clearly meant for private use and correspondence. For instance, a contract between Van Eck and a French merchant, named 'Monsieur La Beaume' in the contract, which dates from 1761.⁷⁷ In the contract, Van Eck and the merchant La Beaume agree on the goods that should be transferred by ship to the king of Pegu, a local ruler. In another document, a complete list of goods that Baron van Eck sends to the king of Pegu can be found.⁷⁸ On the list among other things a 'grootte diamante ring', a tall diamond ring, probably as a gift to the king of Pegu, can be found. As mentioned in the previous chapter the Dutch controlled the intra-Asian trade in the seventeenth century, partly due to the fact that the local rulers gave the right to trade to the VOC. For instance, the Japanese ceded the sole right to Dutch merchants to conduct trade with Japanese merchants in the seventeenth century. However, when the EIC started to threaten the existing order more and more in the eighteenth century, the VOC lost many of these monopolies. In order to maintain the confidence of the local rulers, the Dutch gave presents to the local rulers. In the second half of the eighteenth century the rivalry of the English became bigger, as they also tried to win the trust of the local rulers, in order to gain trade privileges. The list of goods sent to the king of Pegu is an excellent example of this practice: Pegu, a city in what is nowadays called Myanmar, was an important port in the early modern period in the intra-Asian trade network.⁷⁹ Although the trade was relatively insignificant for the Dutch compared to Japan or Persia for instance, the eastward trade was nonetheless an interesting operation for the VOC; many Asian merchants went to Pegu, Arakan or the Philippines.⁸⁰ As the VOC used many of these merchants as brokers or middlemen, the importance of the eastward trade cannot be underestimated. In the eighteenth century the Asian merchants too more or less refrained from the trade with Pegu. Still, as the budget document by Van Eck shows, the VOC wanted to keep the confidence of, in this case, the king of Pegu, so that the English could not overtake the trade eastwards of Bengal.⁸¹

77 NA, Collection Van Eck 4, 10 March 1761, contract between Baron van Eck en La Beaume.

78 NA, Collection van Eck 7, Van Eck to the King of Pegu.

79 Prakash, *The Dutch East India Company*, 224-226.

80 Ibidem, 228.

81 NA, Collection Van Eck 7; Prakash, *The Dutch East India Company*, 231.

Not only did Van Eck send a large diamond ring to the king of Pegu, many other goods can be found on the list. For instance, Van Eck notes that ten 'verschillende Chinese waaren', various Chinese goods, are on the ship. Cumulatively, Van Eck sends goods worth more than 2500 Dutch rixdollars to the King of Pegu.⁸² In order to send the goods to the King of Pegu, Van Eck shipped his private goods on a VOC ship that carried VOC monopoly goods. So, Van Eck used the VOC monopoly routes to cover up his private trade. As many of the goods that Van Eck traded were not under the VOC monopoly rules that the Seventeen Gentlemen had set up, this was allowed for VOC employees after the reforms of Van Imhoff. For instance, cinnamon from Ceylon and textiles and silk from Bengal remained under the monopoly of the VOC.⁸³ Many other goods that were not sold in high quantities were not included in the rules that the Seventeen Gentlemen had set up. Some the goods are quite expensive, such as the diamond ring, but what really sticks out is the fact that Van Eck sends so many goods. Moreover, goods like rings or coats were not goods normally bought by the VOC for trade in both Asia itself or to send to Europe. We can safely assume that these goods were private goods bought by Van Eck in earlier times. In other documents that can be found in his private archive, Van Eck instructs his brothers to pay various merchants in the Bengal port who came up with goods for private use of Van Eck.⁸⁴ This suggests that private trade for Van Eck was both a way to profit from the VOC monopoly and to keep in place the VOC monopoly by trying to keep the confidence of, in this case, the king of Pegu. Not only did private trade enrich the governors of Batavia and other high-placed servants, but it was also a way to tie them to the Company as such, as Julia Adams has already observed.⁸⁵ In this case, it looks likely that Van Eck sent many goods to the king of Pegu in order to deny the English access to the goods that were produced in Pegu and the knowledge of its merchants.

Although the English became a threat to the Dutch hegemony in the early eighteenth century, other European companies stepped into the intra-Asian trade network during the first twenty or thirty years of the eighteenth century. Not only did some Dutch merchants try to bypass the monopoly of the VOC in Asia⁸⁶, Danish and French merchants also tried to grab some of the profits in

82 NA, Collection Van Eck 7.

83 Jacobs, *Merchant in Asia*, 40-57.

84 NA, Collection Van Eck, 5.

85 Adams, 'Principals and Agents', 21.

86 Parmentier, *De Holle Compagnie*, 29-36.

the promising Asian trade network. As another document in the Van Eck collection shows us, Van Eck signed a contract with the French broker and merchant La Beaume and some representatives from the Danish East India Company on the tenth of March 1761.⁸⁷ In the contract, the three parties agree that the ship "Koning van Denemarken" , or "King of Denmark", will be used for a voyage to Pegu, Bengal and other Asian places from Tranquebar. Pegu is again one of the places that is mentioned; although Prakash claims that the trade eastwards was a rather minor part of the trade, the documents of Van Eck show that this was nonetheless an important place within the intra-Asian network of the VOC. In the contract written in French Monsieur Le Beaume is made responsible for the voyage as a whole; 'Monsieur Le Beaume (...), a feul le pouvoir de toutes les operations de commerce, comme il le jugera bon pour le bien commun de tous les interessés.'⁸⁸ By agreeing to this, Le Beaume takes the responsibility for the whole commercial operation. In another passage in the contract the three parties agree on the personnel that will be on the ship and the fact that Van Eck pays half of the costs for the ship crew. No word in the contract, however, mentions goods that are taken on the voyage itself. The list of the goods sent to the king of Pegu might explain this fact. However, the list of goods for the king of Pegu is not dated.

The fact that Van Eck takes part in a voyage of the Danish East India Company and a French merchant proves that this is not primarily meant to keep up the VOC monopoly. According to the Dutch historian Jan Parmentier the Danish and Swedish Companies became more of a threat to the monopoly of the VOC from the 1730s on. For instance, the Danish East India Company established a factory in Bengal, something that the Dutch governor De Schonamille was not fond of.⁸⁹ It proved that he was not able to effectively hold the VOC monopoly over the Bengal region. In a remarkable move De Schonamille contacted the English governor for the Bengal region, Alexander Hume, to line up with the English against new companies from France and the Scandinavian countries.⁹⁰ In the early eighteenth century the English and the Dutch cooperated to keep their own respective monopolies, although the English were already gaining greater influence in Asia, either in Dutch-controlled areas and other areas. The documents by Van Eck show that the situation in Asia changed much in only twenty years in Asia. After 1757, when the English became the *de facto* monopolists in the intra-Asian trade, the decline of the VOC accelerated and the relationship with the EIC became more troubled.

87 NA, Collection van Eck, 4.

88 Ibidem.

89 Parmentier, *De Holle Compagnie*, 68-9.

90 Ibidem, 70.

The Fourth Anglo-Dutch War (1780-1784) effectively ended the presence of the VOC in Asia and their part in the intra-Asian trade network, although the Dutch kept control over what is nowadays Indonesia.

Were the Scandinavian companies seen as a threat in the early eighteenth century, the contract between Van Eck, merchant Le Beaume and the Danish East India Company shows that the decline of the VOC in the second half of the eighteenth century forced them to cooperate with the Scandinavian Companies. Moreover, Governor De Schonamille had already invested in voyage of the Swedish ship “Fredericus Rex Sueciae” in 1739. Although De Schonamille may have seen the coming of the Scandinavian Companies as threat to the existing order in Asia, it also enabled him with opportunities for private trade.⁹¹ Although the “Sueciae” was wrecked between Bengal and the east coast of India in the end, De Schonamille had invested heavily in the cargo on the ship, as did other Dutch merchants and VOC personnel based in Bengal.

The cases of De Schonamille and Van Eck show that the Scandinavian Companies enabled high-placed VOC personnel to conduct private trade. When we look again at the theory put forward by Julia Adams, it seems that the balance between the private trade and the upholding of the VOC monopoly in the intra-Asian trade flipped the coin towards private trade and personal gains. In the historiography of the VOC, its decline and downfall is more than often attributed to the corruption of VOC servants in the second half of the eighteenth century, as well as the financial stability of the VOC in the eighteenth century, along with ‘the English threat’, as described in earlier parts of this thesis.⁹² However, when we look at the case of Van Eck the assumption that corruption of the VOC servants led to the downfall of the VOC might not be proven quite right. Because Van Eck took part in private trade he enabled himself to send goods to the king of Pegu in order to look after the interests of the VOC. Although we cannot say for certain that Van Eck conducted private trade to enrich himself, it is likely that Van Eck also tried to uphold the monopoly of the VOC in parts of Asia, especially Pegu, as the documents show.⁹³ Furthermore, Van Eck traded with the Danish Company and a French merchant in this case, not necessarily shying away from the VOC monopoly or from pursuing private gains.

Another proof that Van Eck did not necessarily try to shy away from the VOC monopoly, comes from another private document. In October 1763 Van Eck sent a letter to the Gentlemen

91 Parmentier, *De Holle Compagnie*, 74-75.

92 For an overview of the debate about the decline of the VOC, see: Nierstrasz, *In the Shadow of the Company*, 1-6.

93 NA, Collection van Eck, 2-12.

Seventeen to demand a pay for Jean Salièneres after the autumn sale of 1764. "(...) gelieve na het aflopen den nagaande verkooping van 1764 (...) aan de Heer Jean Saliènerres, koopman tot Amsterdam (...), sestien guldens tot 10. Grooten ijden guldens zijnde alhier aan 't coumptoir geeven", Van Eck writes in this letter.⁹⁴ Although this is not a lot of money in eighteenth century terms, it is still interesting when we consider that this is a private purchase that Van Eck plans to do in the autumn of 1764. The fact that he asks permission to the Gentlemen Seventeen is quite remarkable, although private trade had been permitted for twenty years for VOC servants by that time. The question remains why then Van Eck asks the Gentlemen Seventeen for this purpose: it is not likely that Van Eck tried to enrich himself by conducting this trade, but rather wanted to share the profit between him and the VOC. The document does not clearly reveal what Van Eck intends to buy in the autumn sale in Batavia. In another document in his private archive, Van Eck writes letters to both his brothers and Jean de Salièneres in which he commands the local bank to pay them. Furthermore, in another handwriting on the pieces of paper, it is confirmed that the money assigned to them is paid.⁹⁵ Thus, it does not look likely that Van Eck deliberately wanted to shy away from the VOC monopoly, but that he truly wanted to keep up the Company monopoly.

This again fits in with the theory put forward by Julia Adams. Van Eck did not want to bypass the Gentlemen Seventeen in a time of decline, but by conducting private trade he tried to uphold the VOC monopoly, as was shown in his eagerness to keep the king of Pegu as a local ruler friendly to the VOC interests.⁹⁶ Moreover, Van Eck effectively used two French middlemen or brokers to lead the voyages. The contract between the Danish East India Company, Van Eck and Monsieur Le Beaume clearly gives the overall responsibility to Le Beaume, although Van Eck was the main financier in the contract, as he paid half of the costs that were made during the voyage.⁹⁷ In the case that the ship would be lost or the voyage was not profitable, Van Eck could hold Le Beaume responsible. This kind of use of brokers fits in with the theory of Adams of 'brokerage relations'⁹⁸ and the observations of Prakash and Nagtegaal about the treatment of middlemen by Dutch servants in Asia.⁹⁹

However, not only French or other foreign merchants were used as brokers or middlemen in

94 NA, Collection van Eck, 6.

95 NA, Collection Van Eck, 5.

96 NA, Collection Van Eck, 2 and 7.

97 NA, Collection Van Eck, 4.

98 Adams, 'Principals and Agents', 21.

the eighteenth century by VOC servants in order to pursue their own private trade or trade in the interests of the Company. The first document in the Van Eck collection shows a budget of the current accounts of Van Eck in May 1756 en 1758.¹⁰⁰ In one of the accounts, there is spoken of a certain Albert Nack, a Dutch merchant who bought and delivered goods for Van Eck. For instance, there is spoken of 'Het afgegevenen volgens orders aan den Baron Croese', for the price of 200 rixdollars.¹⁰¹ In the late seventeenth century, some 50.000 rixdollars were exported in opium by private traders in total from Batavia, for instance.¹⁰² This is clearly an account of Van Eck using a middleman to help him trade private goods. In this case, three or four goods are sent to Baron Croese; this is almost certainly Karel Aeneas Jacobus de Croeser, a Flemish noble who later became the mayor of the Belgian town of Bruges. This is also an interesting case when we look at the bigger developments in that time. According to Parmentier, Flemish merchants set up private companies in the 1730s who tried to compete with the VOC in Asia in the spice and textile trade, mainly in the Bengal area, but also in other places in Asia.¹⁰³ Although the Dutch and English governors tried to stop the Flemish merchants by denying them access to certain ports and areas, they were nonetheless quite successful in breaking into the intra-Asian trade, until 1734, when a 'Pragmatic Sanction', issued by Maria-Theresa of Austria, forced the so-called 'Oostendse Compagnie' to stop her activities.¹⁰⁴ This was one of the Companies from Flanders set up by private merchants, in order to be more competitive with the VOC. Other private Flemish merchants, however, continued their work in the intra-Asian trade. The question here is, why Van Eck chose to send goods to Baron Croese: is it to keep some Flemish nobles as a friend and to refrain them from investing in Flemish voyages to Asia, or is it simply a symbol of friendship? In this case the latter looks more probable, as it is not known that Baron Croese took part in an active way in Asian trade or tried to help Flemish voyages to go to the East. However, the fact that Van Eck sent lots of goods to the king of Pegu suggests that Van Eck was quite aware of the political and financial situation of the VOC in the second half of the eighteenth century. His informal

99 Prakash, 'The Dutch EIC in Bengal', 280 ; Nagtegaal, *Riding the Dutch Tiger*, 121.

100 NA, Collection Van Eck, 1.

101 Ibidem.

102 Nagtegaal, *Riding the Dutch Tiger*, 148.

103 Parmentier, *De Holle Compagnie*, 37-48.

104 Ibidem, 49.

diplomacy may reflect this knowledge, and we cannot say for sure that, when we take into account the increasing threats of Flemish, French and Scandinavian Companies and merchants that he decides to send as a symbol of friendship.

Earlier we saw the list of goods sent to the king of Pegu, goods that were meant to keep alive the interests of the VOC in Pegu. In another document, a letter to a man called Verquet, Van Eck excuses himself that he has not managed to send the goods to Pegu that he had promised.¹⁰⁵ The fact that the letter is written in French makes it plausible that we have a French or Flemish merchant again in this case. Van Eck excuses himself for the fact that he cannot fulfill his obligation to send the goods to Pegu, and instead explains that he sends a sum of money to the merchant.¹⁰⁶ Probably these are also goods that are meant for the king of Pegu; Verquet, the merchant, may act as a broker or middleman in this case. Again, we can see the efforts of Van Eck to keep the interests of the VOC alive in Pegu; if we look at the other documents by Van Eck, such as the current account of Van Eck with the merchant Albert Nack, it is quite probable that Verquet was supposed to act in the same way as Nack, namely to deliver goods to a certain person, in this case probably again the king of Pegu.

The last document in the Van Eck archives of interest, is an abstract of the goods that Van Eck sold in Batavia in 1759.¹⁰⁷ Here we see something different from the other documents that are found in the archive. Whereas Van Eck mainly bought goods and sent them to other areas in Asia and Europe, for instance to the King of Pegu and Baron Croese, Van Eck here mandates the auctioneers Pieter Nasfel and Christiaan Willen Mey to sell goods owned by him privately to Abram Kort, probably also a Dutchman, to use in his house.¹⁰⁸ According to the document, Kort pays 33 rix-dollars to Pieter Faure and David de Cordia, 'voor reekening van den weledelenheer Lubbert Jan van Eck'.¹⁰⁹ Here again a system of brokers and middlemen is used by Van Eck. Faure and De Cordia collect the money for Van Eck and may keep something as profit for themselves. Most of interest is the fact that Van Eck seems to sell the goods for his own profit with no reason to keep up the monopoly of the Company, as we have seen in other documents. This might have been incidental, as 8 October 1759 is the date on this abstract, while the letter to the merchant Verquet, in which Van Eck promises to send money

105 NA, Collection Van Eck, 2.

106 Ibidem.

107 NA, Collection Van Eck, 3.

108 Ibidem.

109 Ibidem.

instead of goods to Pegu, dates from 1758, and the contract between Van Eck, Monsieur Le Beaume and the Danish Royal Company from 1761.¹¹⁰ In this document, regarding the auction of the goods previously owned by Van Eck, there is no sign of acting in the interest of the Company, but merely conducting trade for his own profit.

Overall however, Van Eck presents himself in his letters to various merchants as a faithful servant of the VOC in the mid-eighteenth century, a time when the VOC obviously not maintained the power in Asia that it had in the seventeenth century. Most of his private trade seems related to an effort to keep the VOC monopoly in place, not to overthrow the monopoly by trying to act 'in the shadow of the Company', and seek profit for himself. Furthermore, the fact that Van Eck used Dutch merchants as middlemen or brokers supports the premise that private trade was not solely used for the own profit of VOC servants or governors.¹¹¹ As a result some of the trade Van Eck conducted may have been of profit to himself, but most of the trade was in the interest of the Company just as Gustaaf van Imhoff had hoped when he allowed private trade after his appointment as the Governor of Batavia in 1743.¹¹² Nierstrasz also notes that many VOC servants set up private companies or worked together with private merchants to take part in trade within the intra-Asian trade network of the VOC. The fact that Van Eck signed a contract with the French merchant Le Beaume and the Danish Company to set up a voyage to Pegu, is a prime example of this kind of acting in the interest of the VOC monopoly.¹¹³ Thus the case study of the archives of Baron van Eck supports most the claims made by Nierstrasz, namely that the allowance of private trade in 1743 not so much contributed to the downfall of the Company monopoly in Asia but did more to keep up the interests of the VOC. He also notes that the costs of trade actually reduced for the Company after 1743.¹¹⁴

We will now move on to a second case study, namely the case study of the private trade of Vernet, the Governor of Bengal between 1752 and 1766.

IV: The private trade of VOC employees in Asia in the eighteenth century: the case study of Governor Vernet

110 Ibidem, 2, 3 and 4.

111 Nierstrasz, *In the Shadow of the Company*, 211-3.

112 Ibidem, 80.

113 Ibidem, 82; NA, Collection Van Eck, 4.

114 Ibidem, 80.

The Collection Vernet in the National Archives comprises a large collection of letters and other documents regarding the activities of the VOC in Asia and especially Bengal. In this collection especially the twelfth volume of the collection is of interest to this study, as it gathers all the private correspondence of Vernet in his time as a Governor.¹¹⁵ Due to the limited space in this thesis, I concentrate on a small part of this volume, as it comprises over two-hundred letters, budgets and missives. The first thing that stands out when we look at the Vernet collection is that he indeed took actively part in private trade, but not so much within the intra-Asian trade networks. The twelfth volume of this collection is mainly incoming post, as do other volumes of the Vernet Collection. This makes it difficult to judge whether the private correspondence of Vernet mainly existed of incoming posts. In the inventaris of the archive, not much is found on letters written by Vernet himself, except for some official documents written by Vernet to the Houghly Council. Again, due to reasons of limited space, I will only look at the incoming private post of Vernet.

Another important observation is that almost all of the letters to Vernet are from Europe, and especially from Dutch towns and cities such as Alkmaar and Amsterdam.¹¹⁶ Almost no traces can be found of letters or documents that were written in Asia, as was the case with the letters and documents of Van Eck. For instance a current account found in the archive of 1757 speaks of a Dutch merchant, de 'Heer Cornelis van Korthals' and an unknown signer, 'den tekenaar dezes', who sent this account to Vernet. According to the account, they shipped goods from Batavia to Alkmaar four times, each time worth 400 rix-dollars. Moreover, as the budget explains, the goods are sent to 'Mejuffrouw Anne Françoise Vernet', the wife of Vernet. Moreover, they charge Vernet 193 rix-dollars for the voyage to Europe: "Het saldo destes dat op heden zijn weledele bij denselver reck. Courant met den Heer Cornelis van Korthals en den tekenaar dezes in qualiteit van zijn edele generaale gemagtig dens hier te leenden ten faveure gebragt is met 193 fl."¹¹⁷ When we analyse this budget we can see that Vernet owned goods in Bengal that he sent to his wife, maybe as a present or something considered necessary. There is no mention of what the goods actually were. When we consider this, this clearly differs from the kind of private trade Van Eck conducted: no mention in his letters or accounts are of family members or his wife. In contrast, Vernet ordered the two Dutch merchants to ship some goods from Bengal, or maybe other parts of Asia, to Alkmaar where his wife lived at the time when he was a Governor of Bengal.

Vernet put great trust in the Dutch merchants to ship the goods to his wife and according to

115 NA, Collection Vernet, 12.

116 Ibidem.

117 Ibidem.

the account on the credit side, he already paid them in advance: "(...) bij den op gisteren geslooten en met het schip Bronstee afgesonden rekening bij mij te voren".¹¹⁸ In this document, we can trace a way of conducting private trade in another way than Van Eck did. Namely, by putting goods in ships that were primarily used as normal VOC ships to travel to Europe. In this case, the "Bronstee" may have been a ship that undertook a voyage to Europe with raw silk, the main export product of Bengal. Although the export of raw silk from the Bengal region declined in the second half of the eighteenth century, some 100.000 pounds of raw silk were still transported by 1750 to Europe.¹¹⁹ In many cases the demand for silk from Bengal was so low in Holland that there was still room on many of the VOC ships to ship other goods; many high-placed VOC employees and officers used this as a way of conducting private trade, without necessarily shying away from the monopoly of the VOC.

Another account sent to Vernet in 1758 elaborates on the goods that his wife sent back to him with the "Bronstee", although this account is sent to Vernet from the Cape of Good Hope on 13 May 1758.¹²⁰ Many goods are on the cargolist; among them are various types of fruit, rosins and "tuinzaaden", or seeds for use in gardens. Furthermore we can find references in the account to a "wissel ten lasten der Compagnie aan evengemelde Heeren per assignatie gesonden".¹²¹ An "assignatie" in Dutch means an order to pay and in this case it might be money sent from Amsterdam to Bengal by the Seventeen Gentlemen or by Vernet's wife. On the previous account, no mention is made to Vernet of a cheque that Vernet himself sent to Alkmaar or Amsterdam.

Although much of the trade by Governor Vernet existed of trade with Holland and accordingly with Dutch merchants as middlemen, a good look at the documents reveals that he also took part in trade alongside some Englishmen. A letter from the Englishman Charles Chambers, dated on the 28th of December 1763, mentions the successful joint venture that the two men had undertaken somewhere in the previous years. 'I have wrote you (...) in Company with W. van Hemert the needful relating to your affairs under our joint Management (...).' Apparently, Chambers and Vernet joined forces for a trade expedition to or from Asia, with the help of a certain Van Hemert. Van Hemert probably acted as the middlemen between the two, as Chambers writes from London, while Vernet is still in Bengal. Moreover, Chambers adds that he is open to another joint expedition: "I have only to add that in whatever mean be conclusive to your interests in the present, or future commands you

118 Ibidem.

119 Jacobs, *Merchant in Asia*, 115.

120 NA, Collection van Eck, 12.

121 Ibidem.

shall be pleased to inrush to my Management, either jointly or separately, you may depend on my utmost diligence and fidelity".¹²² When we compare this to the case of Van Eck, we find some interesting similarities between the private trade the two Governors conducted. Whereas Van Eck made use of French merchants and even sent goods to Flemish noblemen, Vernet has set up a private Company with an English merchant to compete in the intra-Asian trade, by using the influence of Vernet as a Governor in Asia and the connections of the English merchant Chambers in London.

As already noted, the EIC was already quite active in the Bengal area from the 1660s.¹²³ In the early eighteenth century, the influence of the English in Asia, but especially in Bengal, began to grow, either due to the military strength of the EIC and the use of private English merchants in the intra-Asian trade. In the 1730s, the rivalry between the EIC and the VOC reached a high point because of the importance of Bengal as a key to the intra-Asian trade, but they also cooperated as a way to counter the influence of the smaller Companies from Scandinavia and Flemish and private Companies.¹²⁴ In the Vernet case, we can see that some kind of cooperation did indeed exist between the English and the Dutch, although this may only have been possible because of the influence of Vernet as a Governor and the fact that this did not harm the monopoly of the EIC, a monopoly that they gained after 1757 when Governor Plassey took over in Bengal as the leader of the English in Asia. As Chambers also mentions the sister of Vernet in his letter to Vernet, it looks likely that the two men were old friends who decided to set up a private Company, something that became more common in both the Dutch and English Companies in the late eighteenth century.¹²⁵

After 1757 there were no more fixed salaries for EIC employees and thus less control on the activities that the EIC employees conducted.¹²⁶ Although private trade had existed for a long time in the EIC the opportunities to take part in private trade grew enormously after 1757, due to the lack of control.¹²⁷ In the case of the letter of Chambers to Vernet, these circumstances may have influenced their decision to cooperate with one another in a private Company. Clearly, Chambers has no

122 Ibidem.

123 Marshall, *East Indian Fortunes*, 158-61; Jacobs, *Merchant in Asia*, 142.

124 Parmentier, *De Holle Compagnie*, 29, 37 and 70-5.

125 Nierstrasz, *In the Shadow of the Company*, 82.

126 Marshall, *East Indian Fortunes*, 182-3.

127 Ibidem, 158.

intention of quitting their cooperation, even urging Vernet to come back to him and his management if he wants to set up another trade voyage. Due to the loose rules of the EIC in the late eighteenth century, this was indeed possible for English merchants such as Chambers.

Seen from the perspective of the VOC such cooperation as between Vernet and Chambers may have deteriorated the position of the VOC even further. Whereas Van Eck clearly sent goods to the king of Pegu, assumingly to keep him as a friend of the Dutch in Asia, Vernet shows no ambition to hold up the position of the VOC in the intra-Asian trade network, preferring to join an English merchant in a private company. In some works about the decline of the VOC, this kind of employees are held responsible for its decline, as the private trade of the VOC employees hurt the common trade of the VOC so much that both their monopoly and market share quickly went down, in favor of the EIC.¹²⁸ The case of Vernet seems one that underscores this assumption: his private trade does not help the case of the Dutch in the intra-Asian trade network. Moreover, he joined forces with an English merchant, albeit using a Dutch merchant as a middleman in the voyages. Whereas Van Eck took part in private trade along with French merchants and the Danish royal Company, he at least seemed to act in the interests of the Company; the sending of private goods to his wife and the cooperation of Vernet with an English merchant is not so likely to do so.

Clearly, Vernet was quite actively in conducting private trade from and to Bengal. In the Vernet archives, a lot of private budgets of him can be found. Furthermore, along with the letter of the English merchant Chambers, a letter can be found by the Dutch merchant Hendrik Cramer, “uwe gehoorzaeme Dienaer” (your faithful servant). Cramer writes on behalf of a larger group of Dutch merchants, probably based in Amsterdam, as the letter is written from there to the Houghly factory in Bengal on the 16th of October 1762.¹²⁹ In the letter they ask Vernet to pay them for their work, three months prior to the letter: “Drie maande na ligt gelieve bij uwe: te betaelen (...) onvoldaan zijnde aan de Heeren Cornelis Erckelen en Cornelis van Harthals ofte dezelfde een somma van drie duysent gulden (...)” Accordingly to the letter, the merchants took goods worth three thousand guilders of Vernet on their voyage back home to Amsterdam. Although there is no mention of the corresponding budget in the letter and the budget cannot be found in the Vernet archive, it clearly describes another act of private trade by Vernet; not only does the writer of the letter name himself “uwe gehoorzaeme Dienaer” or “your faithful servant”, he also names the names of the two Dutch merchants who brought private goods to the Netherlands explicitly. Moreover, the letter is explicitly addressed to Vernet himself, and thus may have been regarded as a letter not suitable to be seen by

128 Gaastra, *Bewind en Beleid bij de VOC: De Financiële en commerciële politiek van de bewindhebbers, 1672-1702* (Zutphen 1989).

129 NA, Collection Vernet, 12.

many others in the Houghly factory.

Many of the budgets found in the Vernet archives, either, are signed by private Dutch merchants. For instance, a budget sent from the Cape of Good Hope in 1762 elaborates on the many goods and products that were sent by Vernet's wife to Bengal.¹³⁰ This may have been used a disguise to conduct private trade, by sending presents to his wife or receiving them from his wife. Although there is no space to elaborate on this particular topic, I would suggest that this may have been an important form of conducting private trade in the eighteenth century, and that it would deserve more attention in the research about private trade. Interestingly, the account is sent to "Louis Vernet, Oppercoopman en Gesaghebber tot Bengaalen"; not only do the Dutch merchants acknowledge Vernet as the "Gesaghebber" (Governor) of Bengal, but they also call him "Oppercoopman", or leading merchant. In other incoming documents from some years before, there is no mention of such a title for Vernet. This might point to an increasing activity by Vernet in the years 1756-1762 in private trade, besides his job as a Governor of Bengal. The corresponding current account sent to Vernet reveals that he indeed increased his private trade, although this proof is thin because of the fact that the current account only handles one voyage. However, in total 1987,23 in guilders is sent by Vernet's wife to the Cape of Good Hope and Bengal including many species, fruits and other goods, such as rosins. Even more interesting may be the fact that two bills of exchange are sent to Vernet: one bill of exchange is worth 1183,17 guilders, quite a large sum of money for the mid-eighteenth century. Not only is the bill of exchange sent to Vernet, it is also sent in cash, instead of using a bank or broker, as was more usual from the mid-seventeenth century for transferring money over vast distances.¹³¹

One of the most interesting facts of this account is that so much money is sent in cash to Vernet by his wife. In comparison to the former budgets that I analyzed¹³², this budget is more clearly divided into two parts: one of small goods such as fruits from Holland, a kind of trade that was turned a blind eye to by the Seventeen Gentlemen even before the reforms of Van Imhoff in 1743, and a large amount of money sent to Vernet by his wife. The purpose of these bills of exchange in cash is not clear from the account, and no accompanying letter is to be found in the archive. The competition and rivalry of the EIC in the eighteenth century may be a reason for sending money to the Dutch settlements in both Asia and Latin America, as the decline of the VOC in Asia also meant that sometimes salaries were not paid in time or not even paid at all.¹³³ Another reason might be the increasing trade

130 Ibidem.

131 Gaastra, *De Geschiedenis van de VOC*.

132 NA, Collection van Eck, 2.

in financial products, although not much is being found in secondary literature on the financial trade of the VOC in Asia.

V: Conclusion

The debate amongst historians about the impact of the private trade on the decline and fall of the VOC in Asia is still not decided between those who argue that private trade accelerated the decline of the VOC and those who argue that it strengthened the presence of the VOC in Asia. In the case studies that have been conducted in this thesis we can also see both sides of this coin. The impact and intentions of the private trade of Van Eck and Vernet differ so markedly, that both sides of this debate are potentially supported by our separate case studies. Although a middle way in this case seems the more likely option, it is instead most convincing to suggest that the case study of Van Eck proves more of the points that are brought forward by Nierstrasz and others, because of the fact that the Van Eck archive is better documented than the Vernet archive. This is proven in the documents where his private trade clearly stands out, and which give detailed information about the contracts he signed. On the contrary, the documents of Vernet do not reveal whether his private trade was registered in the VOC archives, although his type of writing makes one suspicious about his intentions regarding private trade.

The fact that private trade indeed had an influence on the decline of the VOC in the late eighteenth century, is surely bolstered by the archival work presented here. In 1796 the VOC was declared bankrupt after its long decline, and the era of the VOC was finally over. The private trade of the VOC servants had not, as had been hoped by Van Imhoff, countered the growing influence of the English in Asia, particularly in Bengal. The silk trade of Bengal rapidly went into the hands of the English after 1757, and the decline of the VOC in Asia may have been most clearly in Bengal as a

133 Nierstrasz, *In the Shadow of the Company*, 197-200.

result and stood as a proxy for other VOC strongholds.¹³⁴ Bengal had been the major stronghold of the VOC after the strong decline of the Japanese trade in the early eighteenth century, but as the English merchants integrated into the intra-Asian trade networks and gained influence over the silk factories of Bengal, the monopoly of the VOC became much more vulnerable to the threat of the EIC, although they managed to keep current-day Indonesia.¹³⁵ Bengal may be viewed as the most important domino stone in the intra-Asian trade network that was controlled by the VOC; after the loss of the monopoly there, the English could both exercise power in the Bengal area and allow private trade. In contrast, the measures that the VOC took, also by allowing private trade, did not have the effect that they wanted. As Nierstrasz puts it:

'The expansion of private trade rights to the whole intra-Asian trade and thence even to the European trade is an unequivocal indication that private trade reforms were strongly linked to the efforts of the Company to combat the decline of both its political and its financial power, it was not in a position to provide an umbrella under which Dutch private traders could conduct their trade. This is an important reason why an robust development of Dutch private trade did not occur, contrary to that which took place in the British country trade.'¹³⁶

Although the trade of the Company saw a surge under Governor Mossel because of his regulations after 1761, this rising economic activity in the intra-Asian trade network only lasted a short time in the 1760s.¹³⁷ However, according to Nierstrasz in an article he published in 2006, the reforms were not far reaching enough and the geographical and administrative restrictions made the reforms quite unsuccessful.¹³⁸ In fact, the decline of the VOC had set in already in the mid-eighteenth century, when both Vernet and Van Eck governed over a part of the VOC empire. The extent to which the private trade harmed or accelerated the decline of the VOC or, according to Nierstrasz and others, indeed lengthened the presence of the VOC in Asia, is indeed still debatable. Some historians of the VOC have assumed that the appointment of Mossel by the Seventeen Gentlemen was the death blow to the private trade sector of the VOC, while others have even regarded the private trade by the

134 Prakash, *The Dutch East India Company*, 260-1.

135 Prakash, 'The European Trading Companies', 52.

136 Nierstrasz, *In the Shadow of the Company*, 87.

137 J.L. Blussé, *Strange Company, Chinese settlers, mestizo women and the Dutch in VOC Batavia* (Dordrecht 1986), 33.

138 Chris Nierstrasz, 'Reguleren of corrumperen?', 165-176.

Dutch as non-existent.¹³⁹ This thesis has in following the approach of Nierstrasz demonstrated that private trade was quite common under high-placed VOC servants. Moreover, private trade has taken an important place in the eighteenth-century history of the VOC, although the private trade did not reach the level of the English. It could not, however, prevent the eventual downfall of the Company in Asia in the late eighteenth century, except for Indonesia.

When the Dutch penetrated the intra-Asian trade network for the first time in the mid-sixteenth century, they made use of an already well-functioning network of ideas, information and goods. Two centuries later, the threat of the EIC, other European trading Companies and the corruption within the higher ranks of the VOC spun the Company in decline. As Nierstrasz notes, the corruption of VOC servants especially is noted as a cause of the decline of the VOC by many historians, whereas Nierstrasz argues that this was not the case.¹⁴⁰

This thesis has taken the approach of Nierstrasz further, by not only examining the larger picture of the VOC network in Asia, but by focusing on two smaller case studies, one of the Governor of Ceylon, Jan Lubbert Baron van Eck, and one of the Governor of Bengal, Louis Vernet. Interestingly, the two case studies contradict each other in many ways. Whereas Van Eck presents himself in his letters and documents as a guard of the VOC monopoly, Vernet mainly is looking for his self-interest by conducting private trade, bypassing the VOC monopoly in many ways and enriching himself, especially by sending private goods to his wife and friends. The case study of Van Eck more or less confirms the view Nierstrasz set out in his work, while the case study of Vernet is more likely to confirm the view of some classic VOC historians, such as Prakash and Femme Gaastra.

The case of Van Eck proves an excellent example of someone who tried to maintain the monopoly of the VOC by conducting private trade. For instance, Van Eck sent goods to the king of Pegu to maintain his friendliness towards the Dutch and the VOC in particular. By conducting such acts and creating networks between local Asian merchants, local rulers and both European merchants and Companies, Van Eck may have benefited the VOC until the very late eighteenth century; in contrast, Vernet mainly used Dutch merchants as brokers, and thus did not create longstanding links between the Dutch and Asian and other European merchants. When we return to the theory by Julia Adams, who claims that the VOC monopoly was upheld by patronage and the use of 'brokerage relations' between high-placed VOC servants and both European and Asian merchants, this theory certainly applies to the case of Van Eck; by both using existing informal networks and creating networks of information and transport himself, we may even consider Van Eck as an excellent

139 For an overview, see: *Ibidem*, 166-8.

140 Nierstrasz, *In the Shadow of the Company*, 2-6.

example of someone who made connections in the early modern world, by both working with other Europeans but also with Asian merchants and rulers. This case study certainly proves that not all private trade should be considered as a necessarily bad thing.

In conclusion, this thesis holds lessons on three levels; on a micro level (the case studies), a more general level (the decline of the VOC) and on an abstract level (in a wider framework). Within this framework, case studies of people like Van Eck have wider implications for the study of networks and connections in the early modern age. As mentioned in the introduction, this thesis assumes that the 'First Global Age', that started in the fifteenth century and linked several parts of the world with another and became more and more intertwined. Furthermore, the case of Van Eck proves that cooperation indeed 'tied together several self-organizing networks', as the private trade made use of the kind of brokerage relations as described by Julia Adams. Furthermore, the world system in the 'First Global Age' became indeed a quite dynamic and open system, in which connections and trading links and networks were possible between merchants from various continents. High-placed servants in various Companies, such as Van Eck in the VOC, played both an active and facilitating role in this process.

The evidence presented here suggests that globalization really took off in the sixteenth century, when the networks between Asia, Europe and the Americas took shape in a way that made networks of trade and information possible. Our evidence shows that soft globalization, the era when longstanding links between various continents developed, as a concept certainly applies to the case of the VOC in the seventeenth century. Some authors, such as Held *et al*, have indeed asserted that the fifteenth century saw the creation of links in political, social and economic sense¹⁴¹, as is shown in the case study of Van Eck. Although the era of hard globalization, the era of worldwide global price convergence, had not yet begun, the connection of the intra-Asian subsystem with the European trading companies certainly helped to integrate the world by creating formal and informal networks. These informal networks certainly did not make global price convergence possible, but actually did help to shape a new world in which various continents were connected in a way they never had been. More research is needed in order to prove that soft globalization indeed took place in the early modern world and that it contributed to the foundations of the modern world system. Globalization is not only global price convergence, it is also a case of the connection of people, ideas and the possibility of creating new interpersonal social, political, and economic networks in manifold ways.

141 Held *et al*, *Global Transformations*, 15.

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