

Anglo-Dutch Economic Relations in the Atlantic World, 1688–1783

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Between the Glorious Revolution and the American Revolution, Britain and the Netherlands had significant economic connections that affected the Atlantic trade of both countries. Anglo-Dutch economic relations had their foundations in various factors. Anglo-Dutch trade had flourished from the Middle Ages onwards. London and Amsterdam were the major financial capitals of Europe, with considerable interaction among them. The English and the Dutch were natural allies as maritime powers between 1674, the end of the third Anglo-Dutch War, and 1780, when after a century of almost complete neutrality in major wars, Britain and Holland became embroiled in conflict during the American revolutionary war. In the period covered in this paper, harmonious relations between Britain and the Netherlands were embedded in formal treaties dated 1674, 1675 and 1678.¹ Anglo-Dutch involvement in colonial affairs antedated that time: Dutch merchants had carried out extensive commerce with Virginia in the mid-seventeenth century and the Dutch community's commercial activities in New Netherland continued after England captured that colony in 1664 and renamed it New York. The Dutch connection with Virginia declined in the 1690s but Dutch economic and cultural influence in New York continued well into the eighteenth century.² Anglo-Dutch economic

1 Alice Clare Carter, *Neutrality or Commitment. The Evolution of Dutch Foreign Policy, 1667–1795* (London: Edward Arnold, 1975); Hugh Dunthorne, *The Maritime Powers, 1721–1740: A Study of Anglo-Dutch Relations in the Age of Walpole* (New York: Garland, 1986).

2 Victor Enthoven, "Going Dutch. Interloping in the Dutch Atlantic World" in *Small is Beautiful? Interlopers and Smaller Trading Nations in the Pre-Industrial Period*, Proceedings of the XVth World Economic History Congress in Utrecht (Netherlands) 2009, ed. Markus A. Denzel, Jan De Vries, and Philipp Robinson Rössner (Stuttgart: Franz Steiner Verlag, 2011), 21–48, 28–29, 31; Christian J. Koot, *Empire at the Periphery: British Colonists, Anglo-Dutch Trade, and the Development of the British Atlantic, 1621–1713* (New York: New York University Press, 2011) and "The Dutch and the Making of the British Atlantic, 1621–1733," in this volume; Victor Enthoven and Wim Klooster, "The Rise and Fall of the Virginia-Dutch Connection in the Seventeenth Century," in *Early Modern Virginia: Reconsidering the Old Dominion*, ed. Douglas Bradburn and John C. Combs (Charlottesville: University of Virginia Press, 2011), 90–127; Wim Klooster, "Anglo-Dutch Trade in the Seventeenth Century: An Atlantic Partnership?" in *Shaping the Stuart World, 1603–1714: The Atlantic Connection*, ed. Allan I. Macinnes and Arthur H. Williamson (Leiden: Brill, 2006), 261–284.

relations were also influenced by the restructuring of Dutch capital input into the long-established Anglo-European trades in the late seventeenth and early eighteenth centuries. This helped to facilitate British expansion in transatlantic trade in the same period by allowing British merchants to undertake a substantial range of commission trades with colonies.³

Britain had a much larger stake in the Americas than the Netherlands and France, the two other main European powers in the north Atlantic trading world. By 1775 British America covered 467,836 square miles with a population of 3.1 million; the Dutch Empire in the Americas comprised 146,466 square miles with less than 0.2 million settlers; and the French Empire in the Americas consisted of 45,339 square miles with a population of almost 0.5 million.⁴ Whereas Britain could always count on numerous emigrants to destinations across the Atlantic and military-fiscal support for her colonies, the Dutch lacked significant numbers of out-migrants and sufficient military and naval support to protect colonies from the incursions of rival powers.⁵ Between 1688 and 1783 Britain and the Netherlands had no rivalry for territory in the Americas whereas competition between Britain and France for command of the ocean and overseas territories led to frequent wars.

This paper analyzes Anglo-Dutch economic relations between the Glorious Revolution and the American Revolution to highlight the interaction of Britain and the Netherlands in the burgeoning Atlantic trading world of that period. The paper is divided into two sections. The first section considers the Dutch financial contribution to British public credit as the foundation of maintaining safety in the Atlantic against French rivalry. As we will see, Britain had the financial and administrative means, coupled with naval power, to weather the slings and arrows of regular wartime disruption. The financial, administrative and naval support offered by the state was necessary for the success of British trade and expansion in the Atlantic world. The protective framework of the Navigation Acts and the fiscal-military strength of the British state were

3 David Ormrod, *The Rise of Commercial Empires: England and the Netherlands in the Age of Mercantilism, 1650–1770* (Cambridge: Cambridge University Press, 2003), 65, 333, 342.

4 Calculated from data in Carole Shammas, “The revolutionary impact of European demand for tropical goods,” in *The Early Modern Atlantic Economy*, ed. Kenneth Morgan and John J. McCusker (Cambridge: Cambridge University Press, 2000), 163–185, 184–185. Native Americans are excluded from the population totals.

5 P.C. Emmer, “Jesus Christ was Good, but Trade was Better’: An Overview of the Transit Trade of the Dutch Antilles, 1634–1795,” in *The Lesser Antilles in the Age of European Expansion*, ed. Robert L. Paquette and Stanley L. Engerman (Gainesville: University of Florida Press, 1996), 206–208.

especially important in this regard. This paper shows that the Dutch contributed financially to the strength of public credit in Britain and thereby assisted in the British attempt to stave off the rivalry of the French in the eighteenth-century Atlantic trading world.

The second section discusses Anglo-Dutch economic relations in the eighteenth-century Atlantic. Britain pursued mercantilist policies initially created to combat Dutch commercial rivalry. It might seem that such acts of trade would limit Anglo-Dutch economic relations in the Atlantic trading world simply because the laws were intended to restrict trade to the benefit of the mother country. But such restrictions were not the whole story. Anglo-Dutch economic relations flourished within the Atlantic sphere of trade in several ways. First, within the parameters of the English Navigation Acts, there was legitimate scope for Anglo-Dutch connections in relation to English re-exports of colonial staple produce from London and Glasgow to Amsterdam and Rotterdam. This turned out to be an important branch of trade for both Britain and the Netherlands. Second, despite the English takeover of New Netherland, the merchants of New York continued to have an important Dutch component until at least the American War of Independence. This meant that trade between New York and other English territories, especially in the Caribbean, had a significant Dutch influence between 1689 and 1776. Third, the important role played by two tiny Dutch Caribbean islands – Curaçao and St. Eustatius – as transit points for the international exchange of goods served Anglo-Dutch economic relations in a mutually beneficial way. Fourth, Dutch smuggling to North America, in defiance of mercantilist restrictions, demonstrated the links between Dutch and Anglophone merchants as part of the Atlantic trading system. Fifth, Bermuda's merchants and mariners found a significant outlet for their maritime activities through commercial contacts with Dutch Caribbean islands.

I

Protectionism, coupled with a powerful navy, a strong state, and the funding to prosecute war, became part of the “inseparable connections” that combined to forge Britain's rise to global power over the course of the eighteenth century.⁶

6 For the interrelated nature of these factors, see Patrick O'Brien, “Inseparable Connections: Trade, Economy, Fiscal State, and the Expansion of Empire, 1688–1815,” in *The Oxford History of the British Empire. Volume 2: The Eighteenth Century*, ed. P.J. Marshall (Oxford: Oxford University Press, 1998), 53–77.

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Protection afforded by the Navigation Acts and the Royal Navy was an essential feature of the pursuit of mercantilist objectives. The five Navigation Acts implemented between 1651 and 1696, and the three Anglo-Dutch wars of 1653–1655, 1665–1667 and 1672–1674, eliminated the Dutch from much of the carrying trade and ensured that Amsterdam did not become a greater trading entrepôt than London. The Act of 1660, for instance, stipulated that all commodities taken to and from the colonies should be carried in English or colonial ships, and that masters and three-quarters of the crew were to be English or colonial subjects. The act was intended to oust the Dutch from trade with Virginia. The Acts of Trade continued throughout the eighteenth century. The only major changes to them were the inclusion of Scotland within the free trade area after the creation of Great Britain in 1707 and the exclusion of the North American colonies after they declared independence in 1776. Ireland, regarded as a rival to English trade and navigation, was excluded from operating under the navigation system except for the trades in linen, provisions and servants.⁷

The Navigation Acts were reinforced by fiscal policies that gave colonists considerable preference in the British domestic market through heavy duties on foreign products, such as tobacco and sugar, entering Britain. This contrasted with the Dutch situation in which protection was not granted to products shipped from the Americas.⁸ By 1750 the Navigation Acts had effectively restricted Dutch commercial activities in the Atlantic and Britain's extra-European trade was much larger than that of the Dutch.⁹ Moreover, Britain had the resources to ensure that her shipping and trade was backed up by strong naval power. Between 1689 and 1763 annual investment in the army and navy nearly always accounted for two-thirds of government expenditure.¹⁰

7 Kenneth Morgan, "Mercantilism and the British Empire, 1688–1815," in *The Political Economy of British Historical Experience 1688–1914*, ed. Donald Winch and Patrick K. O'Brien (Oxford: Oxford University Press, 2002), 165–191.

8 John J. McCusker, "British Mercantilist Policies and the American Colonies" in *The Cambridge Economic History of the United States*, 3 vols., 1: The Colonial Era, ed. Stanley L. Engerman and Robert E. Gallman (Cambridge: Cambridge University Press, 1996), 337–362; Patrick O'Brien, "Mercantilism and Imperialism in the Rise and Decline of the Dutch and British Economies, 1585–1815," *De Economist* 148 (2000): 459–501, 483–484.

9 Niels Steensgaard, "The Growth and Composition of the Long-Distance Trade of England and the Dutch Republic before 1750," in *The Rise of Merchant Empires: Long-Distance Trade in the Early Modern World 1350–1750*, ed. James D. Tracy (Cambridge: Cambridge University Press, 1990), 102–152.

10 John Brewer, *The Sinews of Power: War, Money and the English State, 1688–1783* (London: Unwin Hyman, 1988), 40.

Investment in the Royal Navy (operating at much higher levels than funds poured into the army) enabled Britain to establish dominance in European waters during the eighteenth century and thereby support overseas operations.¹¹

Nevertheless, trade also occurred between different national flags beyond the confines of the Acts of Trade, whether legally or illegally. The best-informed estimates of the scale of this commerce suggest that it was significant in value. Thus Robert Dinwiddie's reports of 1743 and 1748 both reckoned that the trade from colonies in British North America and the West Indies to foreign possessions held by the Spanish, French and Dutch amounted to £1,115,000.¹² It is not known what proportion of this commerce comprised smuggling, but the extent of illegal trade in the Caribbean was extensive and involved every colony in the Americas. The Dutch in particular were deeply involved in smuggling in the West Indies.¹³ The prevalence of significant levels of illicit commerce is not surprising. Individual states developed laws for the conduct of oceanic trade and shipping along mercantilist lines, but merchants and consumers had a growing demand for European manufactured goods in the colonies as well as interests in commodities that could not be delivered through legal means.

Mercantilist policies increased the burden of taxation and the accumulation of a National Debt. Funds to support British overseas trade and expansion came from indirect taxes and from the ability of the Bank of England, founded in 1694 under a Dutch monarch, to raise loans and maintain a National Debt. Parliament agreed that government loans would be guaranteed against tax yields. Indirect taxation in the form of customs and excise revenue (including colonial sugar, rice, and tobacco) rose significantly in the eighteenth century.¹⁴ The National Debt escalated from £16.7 million to £744.9 million between 1697 and 1815. Peacetime taxation multiplied by a factor of fifteen over that period. The success of the state's handling of a "financial revolution" after the Glorious Revolution is an important reason

11 N.A.M. Rodger, *The Command of the Ocean: A Naval History of Britain, 1649–1815* (London: Allen Lane, 2004).

12 Kenneth Morgan, "Robert Dinwiddie's Reports on the British American Colonies," *William and Mary Quarterly*, 3rd series, LXV no. 2 (2008): 305–346, 322, 336, 342.

13 Wim Klooster, "Inter-Imperial Smuggling in the Americas, 1600–1800" in *Soundings in Atlantic History: Latent Structures and Intellectual Currents, 1500–1830*, ed. Bernard Bailyn and Patricia L. Denault (Cambridge, Mass.: Harvard University Press, 2009), 141–180, 140, and *Illicit Riches: Dutch Trade in the Caribbean, 1648–1795* (Leiden: KITLV, 1998).

14 Ralph Davis, "The Rise of Protection in England, 1689–1786," *Economic History Review*, 2nd series, 19 (1966): 306–317.

why Britain was able to limit French territorial ambitions in North America at the Peace of Paris in 1763.¹⁵

The Dutch played a significant role in establishing sound, effective public credit in Britain after the Glorious Revolution. Dutch financiers and advisors accompanying William of Orange to London brought with them practices such as the resale of shares in joint-stock corporations. This helped to establish stock exchanges in Britain. The Bank of England was modeled on the Amsterdam Wisselbank; the National Debt also followed Dutch practice. Adam Smith noted the importance of Dutch overseas investment: “The mercantile capital of Holland is so great that it is...continually overflowing, sometimes into the public funds of foreign countries.”¹⁶ Dutch investors were attracted to British securities by the high return on English bonds and by the convergence of Dutch and English public debt institutions.¹⁷

After the financial storm of the South Sea Bubble of 1720 had passed, foreign holdings of British government securities (especially by the Dutch) reached a substantial size in 1723–1724 and increased until the 1780s, when over half of the 350 million guilders of Dutch holdings in foreign government debt were invested in England. In addition, Dutch investment dominated the foreign holdings of the London-based South Sea Company in the 1720s and 1730s.¹⁸ These developments occurred because the Dutch had substantial surpluses that they could not invest at home owing to the decline in their own industrial base and because of the efficiency with which public credit was established in England as part of the “financial revolution.”¹⁹ Moreover, interest rates were often higher in London than in Amsterdam and the British government was

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- 15 Brewer, *The Sinews of Power*, 30; Julian Hoppit, “Checking the Leviathan, 1688–1832,” in *The Political Economy of British Historical Experience 1688–1914*, ed. Donald Winch and Patrick K. O’Brien (Oxford: Oxford University Press, 2002), 268, 284.
- 16 R.H. Campbell and Andrew S. Skinner, eds., *Adam Smith, An Inquiry into the Nature and Causes of the Wealth of Nations*, 2 vols. (Oxford: Oxford University Press, 1976), 2: 632.
- 17 Jan de Vries and Ad Van der Woude, *The First Modern Economy: Success, Fortune, and Perseverance of the Dutch Economy, 1500–1815* (Cambridge: Cambridge University Press, 1997), 142.
- 18 Jan De Vries, “The Netherlands in the New World: The Legacy of European Fiscal, Monetary, and Trading Institutions for New World Development from the Seventeenth to the Nineteenth Centuries,” in *Transferring Wealth and Power from the Old World to the New World: Monetary and Fiscal Institutions in the 17th through the 19th Centuries*, ed. Michael D. Bordo and Roberto Cortés-Condo (Cambridge: Cambridge University Press, 2001), 100–139, 132.
- 19 P.G.M. Dickson, *The Financial Revolution in England: A Study in the Development of Public Credit, 1688–1756* (London: Macmillan, 1967).

more reliable in repaying loans than the French parlements. During the early 1780s, the Dutch sharply reduced their investments in Britain because the Netherlands and Britain became enemies in the fourth Anglo-Dutch war (1780–1784) and the continuing American revolutionary war was a threat to public credit. Until then, however, the Dutch regarded the government debt serviced by the Bank of England to be as secure as the state debt of the Netherlands. Dutch loans helped significantly in paying for Britain's Continental armies and Continental allies during the eighteenth century.²⁰ Thus Holland made a significant contribution to the level of public credit in Britain, enabling Anglo-Dutch economic relations to be conducted peacefully, with British fiscal-military backing, in the Atlantic world.

II

The Navigation Acts permitted the re-export of colonial commodities to non-Anglophone centers after the goods had entered and cleared a British or British-colonial port. Anglo-Dutch economic relations benefited from this commerce, especially in relation to the re-export of North American rice and tobacco from Britain to the Netherlands. Between 60 and 80 percent of the rice exported from South Carolina and Georgia to Britain ended up in Holland and Germany. Britain was a low consumer of rice, but rice was an important substitute commodity for grain in several continental European markets, including the Dutch Republic. By the early 1750s, contemporaries noted that the Dutch were the most consistent north European buyers of such rice and that they dominated the market. Indeed, between 1760–1763 and 1772–1744 British re-exports of rice to Holland trebled.²¹ The Dutch were also avid consumers of tobacco imports even though tobacco was manufactured in the

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20 Larry Neal, *The Rise of Financial Capitalism: International Capital Markets in the Age of Reason* (Cambridge: Cambridge University Press, 1990), 17, 142, 147, 212; Alice Clare Carter, *Getting, Spending and Investing in Early Modern Times: Essays on Dutch, English and Huguenot Economic History* (Assen: Van Gorcum & Company, 1975), 39, 45; James C. Riley, *International Government Finance and the Amsterdam Capital Market 1740–1815* (Cambridge: Cambridge University Press, 1980), 125; Charles Wilson, *Anglo-Dutch Commerce & Finance in the Eighteenth Century* (Cambridge: Cambridge University Press, 1941), 69, 75, 78, 117, 137–158, 198.

21 Kenneth Morgan, "The Organization of the Colonial American Rice Trade," *William and Mary Quarterly*, 3rd series, 52, no. 3 (1995): 433–452, 436–437; R.C. Nash, "South Carolina and the Atlantic Economy in the late Seventeenth and Eighteenth Centuries," *Economic History Review*, 2nd series, 45 (1992): 677–702, 692.

United Provinces.²² Already by 1700 Holland imported one third of the tobacco imported to England and then re-exported. A half-century later over half of all re-exported tobacco from Britain (notably from Scotland) went to the Netherlands: between 1755 and 1759, for instance, the Netherlands imported almost twice as much British colonial re-exported tobacco as France. Between 1771 and 1792 The Dutch market was the most important destination for re-exports of British tobacco.²³

After peace talks were concluded between England and the Netherlands in 1674, trade and economic cooperation between the two countries resumed rapidly. New York in this process became a leading player in Anglo-Dutch economic relations in the Atlantic world for nearly a century thereafter as the Dutch contingent of merchants in Manhattan continued to trade with both England and the Netherlands. Some of this trade was conducted legally. Holland supplied German osnaburghs (cheap linens), Indian calicoes, muslins and taffeta, paper and glazed tiles. Dutch city inhabitants were entitled to receive letters of denization which gave them the right to send vessels from the British North American colonies to the Netherlands provided they entered an English port on their outward and return journeys to observe British customs procedures under the Navigation Acts. Dutch-speaking merchants in New York were joined there by factors of some Amsterdam trading houses. New England, notably Massachusetts and Rhode Island, also conducted trade with Dutch merchants in the Netherlands and the West Indies.²⁴

A substantial amount of Dutch trade with Britain's American colonies, however, involved smuggling via various loopholes in the mercantilist system. This "informal supranational trade" was part and parcel of transatlantic interconnections in the seventeenth and eighteenth centuries.²⁵ In the 1740s, for example, Thomas Hancock sent ships via a triangular route between Boston,

22 For the value of English re-exports of tobacco to Holland, 1700–1760, see Ormrod, *The Rise of Commercial Empires*, 189.

23 Jacob M. Price, *France and the Chesapeake: A History of the French Tobacco Monopoly, 1674–1791, and of its Relationship to the British and American Tobacco Trades*, 2 vols. (Ann Arbor: University of Michigan Press, 1973), 2: 735 and Philipp Robinson Rössner, *Scottish Trade in the Wake of Union, 1700–60. The Rise of a Warehouse Economy* (Stuttgart: Steiner, 2008), 328, 333.

24 Enthoven, "Going Dutch," 40.

25 Claudia Schnurmann, "Atlantic Trade and American Identities: The Correlations of Supranational Commerce, Political Opposition, and Colonial Regionalism," in *The Atlantic Economy during the Seventeenth and Eighteenth Centuries: Organization, Operation, Practice, and Personnel*, ed. Peter A. Coclanis (Columbia, sc: University of South Carolina Press, 2005), 186–204, 187, 192.

the Caribbean islands and Holland. Fish was dispatched from Boston to the West Indies on these voyages, payment taken in bills or produce, and freight loaded for Holland. Hancock also received goods from Amsterdam via St. Eustatius.²⁶ Plenty of smuggled Bohea tea made its way either directly from the Netherlands or via overland routes to New England. It sold for much less than the price of tea supplied by the English East India Company. It has been argued that such smuggling of tea from the Netherlands helped to create the conditions for the Boston Tea Party in 1773.²⁷ Irish merchants and ship captains were responsible for some of this trade by sending tea aboard provisions ships from Irish ports to the West Indies whence it was shipped to mainland North America among vessels laden with molasses.²⁸

New Yorkers found it relatively easy before 1776 to land goods clandestinely at coves and inlets along the shores of New Jersey, Connecticut and Long Island Sound, especially where there was no customs house. Sometimes these shipments arrived via elaborate multilateral routes to avoid customs regulations and searches.²⁹ On other occasions, roundabout voyages were unnecessary because false ships' papers could be purchased or agreements made with foreign merchants for secret landings. On still other occasions, goods were dispatched from Dutch ports, transferred to English- or colonial-owned vessels in small Caribbean islands, and then sent to a landing place such as Sandy Hook, where cargoes could be off-loaded and taken overland to New York while the vessels arrived empty in the Hudson River.³⁰ Coarse woolen cloths, guns, gunpowder, tea and fine cloth were among the goods landed in these places from Amsterdam at lower wholesale prices than from English merchant firms. Dutch merchants usually offered twelve months' credit to pay

26 W.T. Baxter, *The House of Hancock: Business in Boston 1724–1775* (Cambridge, Mass.: Harvard University Press, 1945), 83–85, 94.

27 John W. Tyler, *Smugglers & Patriots: Boston Merchants and the Advent of the American Revolution* (Boston: Northeastern University Press, 1986), 187, 189–190, 192; Benjamin L. Carp, "Did Dutch smugglers provoke the Boston Tea Party?" *Early American Studies* 10, no. 2 (2012): 335–359.

28 Thomas M. Truxes, *Irish-American Trade, 1660–1783* (Cambridge: Cambridge University Press, 1988), 45.

29 On Anglo-Dutch smuggling in New York, see Virginia D. Harrington, *The New York Merchant on the Eve of the Revolution* (New York: Columbia University Press, 1935), 250–276.

30 Thomas C. Barrow, *Trade and Empire: The British Customs Service in Colonial America 1660–1775* (Cambridge: Harvard University Press, Mass., 1967), 148; Frank Wesley Pitman, *The Development of the British West Indies 1700–1763* (New Haven: Yale University Press, 1917), 193.

for these goods. Payments were made in bills of exchange on Amsterdam or by shipping wine from the Azores, Madeira and the Canary Islands. To facilitate such trade, four prominent merchant partnerships in Amsterdam had close connections with Dutch-speaking merchants in New York: John de Neufville & Son, John Hodshon, Daniel Crommelin & Son, and Levinus Clarkson.³¹ For the return voyage from New York or New England ports to the Netherlands, mercantilist regulations could sometimes be avoided by sending ships via the Orkneys, where they cleared part of their cargo and then continued their voyage around the east coast of Scotland and England to Amsterdam or Rotterdam.³²

During the eighteenth century, New York's trade with Dutch merchants was not just confined to voyages that followed various routes between Amsterdam, Rotterdam and Manhattan; it also involved considerable commercial activity with the Caribbean and the "wild coast" of Dutch settlements in northeastern South America. A flourishing trade was maintained between Colonial British North America, primarily New York and New England, and the Dutch colony of Surinam. This was a legitimate trade within the rules of the Navigation Acts, which did not restrict Americans from exporting provisions to the colonies of continental European powers.³³ North American ships accounted for 90 percent of the trans-Caribbean traffic through Surinam. Merchants in New York and New England largely financed this trade. The total value of Surinam exports to North America between 1705 and 1744 was over 1.5 million guilders while the total value of North American imports into Surinam in the same period was over 3 million guilders. Surinam sent molasses and rum to New England ports. New York and New England ports shipped building supplies and household items to Surinam but particularly followed a specialized trade in supplying small horses, suitable for no other market, to Surinam's plantations. Horses were needed as draught animals for sugar mills, but they could not survive an Atlantic crossing.³⁴ In 1720 it was noted that Surinam

31 Cathy Matson, *Merchants & Empire: Trading in Colonial New York* (Baltimore: Johns Hopkins University Press, 1998), 146–147, 208–211.

32 Barrow, *Trade and Empire*, 179; Neil R. Stout, *The Royal Navy in America, 1760–1775: A Study of Enforcement of British Colonial Policy in the Era of the American Revolution* (Annapolis: Naval Institute Press, 1973), 44.

33 Baxter, *The House of Hancock*, 54–55; Pitman, *The Development of the British West Indies*, 197.

34 See Johannes Postma, "Breaching the Mercantile Barriers of the Dutch Colonial Empire: North American Trade with Surinam during the Eighteenth Century," in *Merchant Organization and Maritime Trade in the North Atlantic, 1660–1815, Research in Maritime History* no. 15, ed. Olaf Uwe Janzen (St. John's, Newfoundland: Memorial University of Newfoundland, 1998), 107–131 and his "Suriname and its Atlantic Connections,

received all its mill horses from Massachusetts and Rhode Island, as well as fish and stores.³⁵

Two other Dutch colonies on the northeastern coast of South America had substantial trading contacts with North America. These were the adjacent settlements of Demerara-Essequibo and Berbice. Between 1700 and 1819, 1965 ships entered Essequibo from North America. Demerara's North American trade was larger than this. Between 1740 and 1819 some 7044 ships entered Demerara from North America, including many vessels from New England ports, New York City, Philadelphia and Baltimore. As with Surinam, there was a regular trade in horses to drive sugar mills.³⁶ As most plantations in Demerara were owned by British investors by 1760, the trade between North America and that Dutch colony was stimulated partly by the need for livestock and commodities to suit joint Anglo-Dutch needs.³⁷

Curaçao and St. Eustatius were essential nodes for shipments involving trade with either Britain or its colonies. These Dutch islands were well situated to take advantage of intercolonial trade across national boundaries: they had proactive middlemen who maintained their livelihoods by oiling the wheels of legal and illegal commerce.³⁸ St. Eustatius lay near the British islands of Nevis, St. Kitts, Antigua and Montserrat and the French island of Guadeloupe. Curaçao was less than forty miles from the Venezuelan coast, offering a gateway to Spanish American possessions. Both St. Eustatius and Curaçao benefited from the growth of the intra-Caribbean commodity trade – the *kleine vaart* or small circuit – after 1700.³⁹ They served “as general emporia for

1667–1795” in *Riches from Atlantic Commerce: Dutch Transatlantic Trade and Shipping, 1585–1817*, ed. Johannes Postma and Victor Enthoven (Leiden: Brill, 2003), 287–322, 294, 300–305, 316.

35 Pitman, *The Development of the British West Indies*, 210.

36 Eric Willem van der Oest, “The Forgotten Colonies of Essequibo and Demerara, 1700–1814,” in *Riches from Atlantic Commerce*, ed. Postma and Enthoven, 323–361, 354–356.

37 British plantation ownership in Demerara is examined in Gert Oostindie, “A Victory of ‘British Capital, Industry, and Perseverance’ over Dutch ‘Old School’? The Takeover of Berbice, Demerara and Essequibo, 1750–1815,” in this volume. See also Richard B. Sheridan, *Sugar and Slavery: The Economic History of the British West Indies, 1623–1775* (Baltimore: Johns Hopkins University Press, 1974), 442–444. For an important Barbadian investor in Demerara in the 1740s, see S.D. Smith, *Slavery, Family and Gentry Capitalism in the British Atlantic: The World of the Lascelles, 1648–1834* (Cambridge: Cambridge University Press, 2006), 105–107.

38 For illicit trade at Curaçao, see Linda M. Rupert, *Creolization and Contraband: Curaçao in the Early Modern Atlantic World* (Athens, Ga.: University of Georgia Press, 2012).

39 Enthoven, “An Assessment of Dutch Transatlantic Commerce, 1585–1817,” 390. Contacts between St. Eustatius and the British West Indies in the early eighteenth century are discussed in Koot, *Empire at the Periphery*, 182–201.

everything that was bought or sold in the Caribbean.” Both islands had limited produce of their own. But the range and turnover of goods from elsewhere available at these free ports ensured that ship captains could find cargoes suitable for destinations elsewhere in the Caribbean, in North America or back in Europe. It was reported in 1766 that all sorts of North American goods were brought to St. Eustatius. The French were active in trading there and exchanged their molasses, rum and cotton in St. Eustatius for North American provisions.⁴⁰

Curaçao and St. Eustatius had further advantages as transit points to facilitate Anglo-Dutch economic relations. Speculative ventures to Curaçao and St. Eustatius stood a very good chance of acquiring the commodities, commercial information and bills of exchange they needed.⁴¹ Sloops were supplied from Bermuda to Curaçao and St. Eustatius to facilitate trade on those islands.⁴² Goods were often cheaper in these Dutch islands than elsewhere in the Caribbean. Dutch and East India goods were taxed at a modest 2 percent ad valorem duty in Statia. In 1770 rum could be purchased in these Dutch islands at six pence per gallon (or 40 percent less) than in Barbados or Jamaica.⁴³ Anglo-American merchants were drawn to St. Eustatius partly because trade there helped to overcome their negative balance of payments with Britain. New Englanders could earn significant credits in their carrying trade to the Dutch Caribbean islands.⁴⁴

Curaçao was originally a base for Dutch smuggling to Spanish America. It had a capital city, Willemstad, with a natural port, multilingual merchants with access to bills of exchange, and facilities for ship repairs. Representatives of Dutch-speaking New York commercial houses were resident there.⁴⁵ It was noted in 1710/1711 that Curaçao received many provisions (bread, butter, flour

40 Richard C. Simmons and Peter D.G. Thomas, eds., *Proceedings and Debates of the British Parliaments respecting North America, 1754–1783*, 6 vols. (New York: Kraus International Publications, 1984), 2: 575.

41 Richard Pares, *Yankees and Creoles: The Trade between North America and the West Indies before the American Revolution* (London: Longmans, Green, 1956), 101.

42 Klooster, “Inter-Imperial Smuggling,” 167.

43 Michael J. Jarvis, *In the Eye of All Trade: Bermuda, Bermudians, and the Maritime Atlantic World, 1680–1783* (Chapel Hill: University of North Carolina Press, 2010), 169; John J. McCusker, *Rum and the American Revolution: The Rum Trade and the Balance of Payments of the Thirteen Continental Colonies, 1650–1775* (New York: Garland, 1989), 403–404.

44 Victor Enthoven, “‘That Abominable Nest of Pirates’: St. Eustatius and the North Americans, 1680–1780,” *Early American Studies* 10, no. 2 (2012): 239–301, 243, 269.

45 Wim Klooster, “Curaçao and the Caribbean Transit Trade,” in *Riches from Atlantic Commerce*, ed. Postma and Enthoven, 204; Enthoven, “Going Dutch,” 41.

cheese, rice) from British colonies in North America and rum, sugar, cotton, ginger and indigo from Jamaica and other British West Indian islands. **Cocoa** linens, muslins, canvas, riggings and sails were among the commodities exchanged in return for these products. Curaçao's trade with British West Indian settlements became an important facet of the commerce of those islands. This can be seen from a contemporary observation from 1726 that the current problems of private traders in Jamaica arose from insufficient ships to pursue an effective illicit trade with Curaçao.⁴⁶

St. Eustatius was an important rendezvous point for North American traders to transport fish and lumber indirectly to the French Windward Islands and to receive French Caribbean produce in return.⁴⁷ Curaçao and St. Eustatius had few plantations but were widely used for the exchange of goods across imperial boundaries. Dutch, British, American, French and Spanish merchants and ship-owners all made use of the convenience of these small places for the circulation of goods either to North America or within a flourishing intra-Caribbean trade.⁴⁸ After Parliament passed the Molasses Act (1733), which imposed heavy duties on rum, molasses and sugar imported into the North American colonies, St. Eustatius became a nodal point – or black market – through which cheap French molasses and sugar reached North America.⁴⁹ In 1770 some 58,000 gallons of molasses was exported to British North America from Suriname.⁵⁰ In 1744, 525 ships from the British West Indies entered St. Eustatius and 476 vessels cleared from there to the British Caribbean. In 1776, 354 vessels entered St. Eustatius from the British Caribbean islands and 475 ships left St. Eustatius for the British islands. Ships plying between St. Eustatius and St. Kitts were prominent in this trade.⁵¹

Curaçao and St. Eustatius served a particular purpose for British and Colonial North American merchants as rendezvous points because they were neutral in wartime. The Dutch at Curaçao and St. Eustatius (both of which had sizeable Sephardic Jewish trading communities) had continuing trade links

46 Stephen Alexander Fortune, *Merchants and Jews: The Struggle for British West Indian Commerce, 1650–1750* (Gainesville: University of Florida Press, 1984), 127, 143.

47 Richard Pares, *War and Trade in the West Indies 1739–1763* (Oxford: Oxford University Press, 1936), 128, 350. For Curaçao's connections with the French Caribbean, see Wim Klooster, "Curaçao as a Transit Center to the Spanish Main and the French West Indies," in this volume.

48 See, for example, Simmons and Thomas, eds., *Proceedings and Debates*, 2: 578.

49 Enthoven, "That Abominable Nest of Pirates," 272.

50 McCusker, *Rum and the American Revolution*, 338.

51 Cornelis Ch. Goslinga, *The Dutch in the Caribbean and in the Guianas 1680–1791* (Assen: Van Gorcum, 1985), 204–205.

with merchants in Barbados and the British Leeward Islands of Anguilla, Montserrat, St. Kitts and Nevis.⁵² Governor Henry Worsley of Barbados in 1723 claimed there was an extensive network of illicit trade with Barbados that included Curaçao and St. Eustatius, both of which served as a vital source of specie for Barbadians.⁵³ Other parties benefited from the commercial centers of Curaçao and St. Eustatius. Dutch merchants exploited their West Indian islands as transit points for the exchange of commodities and finance by sometimes falsifying papers in order to trade with the settlements of other European powers in the Caribbean. They were quick to exploit lax customs procedures.⁵⁴ But the English also made full use of St. Eustatius as a commercial nodal point: by 1750 most of the island's inhabitants were English and some of these settlers had set up stillhouses there to distill French rum. Evidence survives from 1758 of extensive cargoes of beef arriving at St. Eustatius from Ireland.⁵⁵ Madeira wine also flowed via the Dutch Caribbean islands for smuggling into North America.⁵⁶

Curaçao shipped many of its Caribbean imports to the Netherlands: in 1710/1711 it was noted that about fifty ships left the island each year laden with English plantation goods for Holland.⁵⁷ But Curaçao also sent *cacao* slaves, molasses and bills of exchange to New York to be credited against the accounts of those who had sent Dutch goods to the Caribbean. St. Eustatius reshipped many goods it received to other parts of the West Indies.⁵⁸ American tobacco arriving at St. Eustatius was transferred to ships sailing for Holland. Smuggled goods were sent back for clandestine landing on the shores of New York, New Jersey, Connecticut and Rhode Island. Merchants based in the British West Indies stored goods at St. Eustatius because they feared French attacks on their own islands. Statia's textile sales to other Caribbean islands exceeded £100,000 sterling a year in the 1750s.⁵⁹

52 Enthoven, "An Assessment of Dutch Transatlantic Commerce," 412; Thomas M. Truxes, *Defying Empire: Trading with the Enemy in Colonial New York* (New Haven: Yale University Press, 2008), 58, 60.

53 Fortune, *Merchants and Jews*, 102.

54 Richard Pares, *Colonial Blockade and Neutral Rights 1739–1763* (Oxford: Oxford University Press, 1938), 205–206.

55 Pitman, *The Development of the British West Indies*, 421.

56 David Hancock, *Oceans of Wine: Madeira and the Emergence of American Trade and Taste* (New Haven: Yale University Press, 2009), 121.

57 Fortune, *Merchants and Jews*, 143.

58 Wim Klooster, "An Overview of Dutch Trade with the Americas, 1600–1800," in *Riches from Atlantic Commerce*, ed. Postma and Enthoven, 377; Matson, *Merchants & Empire*, 185.

59 Jarvis, *In the Eye of All Trade*, 166.

New York and New England maintained continuing commercial connections with Curaçao and St. Eustatius. Thus between December 1729 and December 1730, for example, twenty-nine ships cleared New York for Curaçao and twelve vessels entered New York from Curaçao. Most of these vessels maintained trade balances in favor of New York.⁶⁰ These links aided the illegal shipment of goods from Dutch to British hands and vice versa in North America and the West Indies. During the 1740s, for example, the New York merchant William Beekman sent provisions (flour, beef, pork, sometimes butter) to Curaçao and St. Eustatius. These shipments were mainly intended for French and Spanish subjects. Beekman received payment from Curaçao in cash (mainly Spanish pieces of eight). He was paid from St. Eustatius in molasses, sugar, cotton wool or gunpowder.⁶¹ By 1756 it was common for ships from New York to clear customs for Nevis and St. Kitts, thereby observing the provisions of the Navigation Acts, but then to head for St. Eustatius, often using forged certificates to smooth their passage. These vessels dropped off embargoed grain for French buyers and picked up ~~cocoa~~ and sugar intended for Amsterdam without paying duties.⁶² It was claimed at the time that New Yorkers acquired considerable riches by carrying goods for the French by way of St. Eustatius (and also via the Danish Caribbean islands).⁶³ But commodity shipments also flowed back from St. Eustatius to North America. A statement from 1771 suggested "it was well known that St. Eustatius is the channel through which the colonies are now chiefly supplied with tea."⁶⁴

New York had a significant commercial involvement with Curaçao during the Seven Years' War. This has been explained by New York and Curaçao both having numerous Dutch-speaking merchants and by the wide-ranging commodities available through commerce with New York.⁶⁵ In addition, examples abound of New York vessels calling at Curaçao and St. Eustatius in the Seven Years' War to purchase prize goods for shipment to Holland, relying on London merchants to transfer funds to pay for the transaction, and to load

60 Pares, *Yankees and Creoles*, 49; Pitman, *The Development of the British West Indies*, 212.

61 Philip L. White, *The Beekmans of New York in Politics and Commerce 1647–1877* (New York: New York Historical Society, 1956), 319–320.

62 Matson, *Merchants & Empire*, 272.

63 Pitman, *The Development of the British West Indies*, 312.

64 K.G. Davies, ed., *Documents of the American Revolution 1770–1783 (Colonial Office Series). Volume III. Transcripts 1771* (Shannon: Irish University Press, 1973), 80. See also Philip L. White, ed., *The Beekman Mercantile Papers 1746–1799*, 3 vols. (New York: New York Historical Society, 1956), 2: 686, 694.

65 Truxes, *Defying Empire*, 60.

logwood on Dutch vessels bound to Amsterdam.⁶⁶ These international exchanges of goods were not always welcomed by national rivals. Thus Britain tried to reduce French commercial activity in neutral St. Eustatius during the Seven Years' War by authorizing the seizure of Dutch ships supplying the French.⁶⁷

Considerable Dutch-Irish cooperation also existed during the Seven Years' War in relation to Curaçao and St. Eustatius. Merchants in Ireland chartered ships to provide salted provisions for these Dutch islands for transfer to the French West Indies. Irish expatriate firms in Holland shipped goods to St. Eustatius and Curaçao under the Dutch flag's protection. Irish merchants were found among the expatriate community on St. Eustatius, sometimes in the guise of naturalized Dutch citizens. Irish firms in the French West Indies had commercial links with the Dutch West Indies and acted as factors for Dutch merchant houses in Europe and the Caribbean. Bills of exchange arising from trade with Curaçao and St. Eustatius were sometimes cleared by members of London's Irish community. Irish merchants also sent salted beef and pork from Cork and Waterford to the Dutch and French West Indies on vessels registered in Amsterdam and Rotterdam.⁶⁸

St. Eustatius was a bustling site of international flows of trade during the American War of Independence. It was a cosmopolitan site for trade, with French, Spanish, English and Dutch merchants based there.⁶⁹ In May 1776 Sir Joseph Yorke, the British ambassador at The Hague, stated that "St. Eustatius is the rendezvous of everything and everybody meant to be clandestinely conveyed to America."⁷⁰ Thus, during the American revolutionary war, arms shipments were made to the island. These were mainly intended for the Americans. It has been suggested that St. Eustatius was "probably the single largest source of gunpowder for the North American revolutionaries."⁷¹ But Britain also benefited from St. Eustatius as a commercial entrepôt during the war. Many British colonial merchants emigrated there in 1776. They built new warehouses, received crops from British colonial planters, purchased

66 Matson, *Merchants & Empire*, 272.

67 Barrow, *Trade and Empire*, 162.

68 Thomas M. Truxes, "Dutch-Irish Cooperation in the Mid-Eighteenth-Century Wartime Atlantic," *Early American Studies* 10, no. 2 (2012): 302–334, 313, 317–328.

69 Evangeline W. and Charles M. Andrews, eds., *Journal of a Lady of Quality; Being the Narrative of a Journey from Scotland to the West Indies, North Carolina and Portugal, in the Years 1774–1776* (New Haven: Yale University Press, 1921), 136–137.

70 J. Franklin Jameson, "St. Eustatius in the American Revolution," *American Historical Review* 8 (1903): 683–708, 688.

71 Klooster, "Inter-Imperial Smuggling," 177.

provisions and American tobacco, and dealt with American rebel traders. Provisions from St. Eustatius were sent to feed slaves on Antigua.⁷² The Philadelphia merchant Stephen Girard summed up the commercial bustle of this small island in his remark in 1780 that “there is here [i.e. in St. Eustatius] a swarm of men from all parts of the world only occupied in settling their affairs quickly to get away as soon as possible.”⁷³

Until about 1780 St. Eustatius justified its reputation as “the golden rock” because it was one of the richest trading centers in the Caribbean. Its demise as a commercial entrepôt came with a British military assault on the island.⁷⁴ On 3 February 1781 the British navy captured over 150 vessels at St. Eustatius together with goods and properties worth over £3 million – much of the seizure belonging to British colonial merchants and planters.⁷⁵ After the war ended in 1783, St. Eustatius experienced more competition from other colonies where ships of various nations exchanged goods, and, as a consequence, it never recovered its former position as a significant transit point for goods in the Caribbean.⁷⁶

Bermuda’s intercolonial commerce also included a significant illicit trade with Curaçao and St. Eustatius. Bermudians gained international news, European manufactured goods, coffee, chocolate, rum, molasses and other tropical produce at these islands, which also served as markets for selling vessels. They benefited from the relatively cheap prices for goods offered by traders in Curaçao and Statia. Bermuda’s ship captains sold salt, dyewoods and turtles in these Dutch islands. These transactions were allowed under British law; what was not permitted was smuggling goods that should have passed through British colonial customs houses. Bermudian-Dutch smuggling was already extensive by the 1710s. Bermudians acted mainly as buyers in these Dutch islands. They gained the cooperation of merchants there who

72 Selwyn H.H. Carrington, *The British West Indies during the American Revolution* (Dordrecht: Foris Publications, 1988), 76–80; Andrew Jackson O’Shaughnessy, *An Empire Divided: The American Revolution and the British Caribbean: The American Revolution and the British Caribbean* (Philadelphia: University of Pennsylvania Press, 2000), 218.

73 Thomas M. Doerflinger, *A Vigorous Spirit of Enterprise: Merchants and Economic Development in Revolutionary Pennsylvania* (Chapel Hill: University of North Carolina Press, 1986), 217–218.

74 Ronald Hurst, *The Golden Rock: An Episode of the American War of Independence, 1775–1783* (London: US Naval Institute Press, 1996), 1, 73; Goslinga, *The Dutch in the Caribbean*, 146; Jameson, “St. Eustatius in the American Revolution,” 683–708.

75 Carrington, *The British West Indies during the American Revolution*, 80.

76 Han Jordaán and Victor Wilson, “The Eighteenth Century Danish, Dutch and Swedish free ports in the northeastern Caribbean: Continuity and change?,” in this volume.

were adept at using Bermudian vessels to ship their goods to British North American and Caribbean ports under the guise of using British registries of the Bermudian sloops. As Governor William Poppel of Bermuda noted in 1749, Dutch captains “could go to each English settlement once, give in bond, and never return there again.” Bermudians also tapped the market for selling their vessels in Dutch Caribbean islands. By the 1720s, they regularly sold between fifteen and twenty vessels per year at St. Eustatius, about half of the ships they constructed annually. In 1741 Governor Alured Poppel of Bermuda stated that “our sloops are generally built for sale and the Dutch are the general purchasers.” Customs house ledgers in 1770 state that Bermuda’s legal sugar imports amounted to 78 cwt. but Bermudians took three times that amount just from St. Eustatius. In the same year Bermudian ships cleared Statia with at least 11,000 gallons of rum, which was twice the amount legally landed.⁷⁷

III

Anglo-Dutch economic connections were extensive in the Atlantic world between the Glorious Revolution and the American Revolution. During almost a century of peaceful relations between Britain and the Netherlands when war on the high seas was a frequent occurrence between Britain and her rivals (France, Spain, North America), the Dutch supported Britain’s public credit by significant amounts of investment in the British National Debt while the fiscal-military strength of Britain protected Anglo-Dutch commercial endeavors from enemy incursions. Neither Dutch public finances, which lacked a centralized fiscal system, nor the Dutch navy were able to offer such strong protection for Dutch transatlantic trade between 1689 and 1783.⁷⁸ Cordial economic relations between Britain and the Netherlands therefore played a crucial role in supporting the overseas commerce of both nations. As British settlements in the Americas were extensive and Dutch colonies were relatively small, each nation could conduct her trade to take account of their special advantages. British mercantilist restrictions helped to protect the wealth and profits of her transatlantic trade to Britain and the British American colonies, while the Dutch role as carriers of trades through transit points gave Holland a

⁷⁷ Jarvis, *In the Eye of all Trade*, 160, 167–170, 172–173.

⁷⁸ De Vries, “The Netherlands in the New World,” 109; Jaap R. Bruijn, *The Dutch Navy of the Seventeenth and Eighteenth Centuries* (Columbia, sc: University of South Carolina Press, 1993).

pivotal role in the international commercial emporium of trade between North America, the Caribbean and European markets.

The flexibility of the English navigation system allowed Anglo-Dutch commercial relations to flourish in the Atlantic trading world. Within the purview of the Navigation Acts, Britain re-exported colonial staple produce from London and Glasgow to Amsterdam and Rotterdam while British colonial merchants plied livestock and commodities between New York or New England and the Dutch colonies of Demerara-Essequibo, Berbice and Surinam. Goods were dispatched from Holland directly to New York and New England, with Dutch-speaking merchants in North America using their denization rights to claim legal importation. Probably more important, however, was smuggling of tea, rum and molasses by the Dutch from the Caribbean to New York, New Jersey and New England in defiance of laws such as the Molasses Act (1733) and customs regulations. Within the Caribbean, the international exchange of goods via the nodal points of Curaçao and St. Eustatius enabled Britain to take advantage of the availability of French produce in neutral islands. This commerce suited the Dutch because it fitted their niche role as carriers of commodities and facilitators of commodity exchange beyond national imperial boundaries. It also served the British need to provide provisions and other commodities to Bermuda and her Leeward and Windward Island settlements, especially during wartime.

Anglo-Dutch cooperation in the Atlantic trading world began to unravel towards the end of the American War of Independence. In early 1781 British naval forces sacked St. Eustatius, which never recovered its commercial position in Caribbean trade thereafter. Spain opened Trinidad to international trade and France made St. Lucia a free port in 1787. These changes undermined Statia's role as a transit point for commodity exchange in the Caribbean.⁷⁹ Britain and Holland engaged in the Fourth Anglo-Dutch War between 1780 and 1784 after the Dutch supported the rebellious North Americans against British sovereignty. This war brought the Dutch transatlantic slave trade temporarily to a halt.⁸⁰ French occupation of the Netherlands in 1795 led Britain to treat Holland (now under the guise of the Batavian Republic) as a threat and in subsequent years Demerara-Essequibo and Berbice fell under British control during the Napoleonic wars. Substantial British investments in the plantations

79 Jordaan and Wilson, "The Danish, Dutch, and Swedish free ports of the northeastern Caribbean," in this volume.

80 Johannes Postma, *The Dutch in the Atlantic Slave Trade, 1600–1815* (Cambridge: Cambridge University Press, 1990), 284–285.

of those territories ensued.⁸¹ At the conclusion of the Napoleonic wars in 1815, however, Britain and the Netherlands never fully revived the inter- and intra-Caribbean trade and the commercial connections between North America and the West Indies that had characterized the years of Anglo-Dutch cooperation between the Glorious Revolution and the American Revolution.

81 Seymour Drescher, *Econocide* (Pittsburgh: University of Pittsburgh Press, 1977), 94–96, 102.

Author Queries:

AQ1: Please check the range of the year “1665–1657”.

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