

The First Global War: The Dutch versus Iberia in Asia, Africa and the New World, 1590-1609

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Abstract

Are the beginnings of the Dutch expansion outside Europe to be viewed as war or commerce? In assessing the damage done by the Dutch to the various Iberian trade circuits in Asia and the Atlantic during the period between 1585 and 1609, this contribution shows that the Dutch actions against Spain and Portugal had virtually no effect. The Dutch - as well as the other Northwest European powers - could not seriously harm the Iberian expansion system. After 1620 this situation changed, but it remains remarkable that between 1500 and 1800 two expansion systems continued to co-exist in Asia, Africa and the New World.

Keywords

Dutch expansion, Global Warfare, Sefardi Jews, Dutch East India Company, Dutch West India Company

a) The Iberian Expansion System

It seems remarkable that the world outside Europe should have played such an important role in the Dutch struggle for independence against Spain. Before the beginning of the Dutch rebellion, the non-European world was peripheral to the economic interests of the insurgents. However, after the fall of Antwerp in 1585, the Northern Netherlands started a global war with the Iberian powers in Asia, on the coast of West Africa, in parts of South and North America and in the Caribbean. This global war was waged in part with the objective of harming the enemy and in part to increase the benefits derived from trade, which in turn would help to finance the war effort. On the Iberian Peninsula, the profits derived from intercontinental trade and overseas colonization contributed significantly to the financing of the Spanish armies and navies used against the Dutch insurgents. By rapidly expanding to the East and West, the Dutch were hoping to transfer some of those benefits from Spain to themselves.

In order to understand the beginning of the Dutch exploits outside Europe, it is important to survey the structure of the first or Iberian expansion system in order to pinpoint those areas that were most prone to penetration and attacks by the Dutch. The Iberian maritime empire consisted of seven separate circuits. First of all, the Atlantic islands and the west coast of Africa should be mentioned as the first circuit of the Iberian expansion system. The first explorers from Europe in this part of the world were the Portuguese. They traded with the Senegambia region, as well as with the Gold Coast. In these two areas, the Portuguese had hardly any footholds; they only established regular contacts with the Africans along the coast and did not attempt to conquer or occupy any part of it. In addition to these two trading regions, the Portuguese made contact with the Congo and Angola. In both areas the Portuguese extended their influence beyond trade. In the kingdom of the Congo the Portuguese missionaries converted part of the population to Christianity. In Angola the Portuguese established some

small settler communities of about one thousand Europeans in total. Luanda became the center of the Portuguese in Africa.

The second circuit was directed towards the New World, where Spain was the dominant power. This country had established colonies in the Caribbean, Mexico, the Isthmus, and along the Pacific coast. The Spanish presence in this enormous empire was very marginal. It has been estimated that about a quarter of a million Spanish moved to the New World during the sixteenth century. The number of Amerindians in Spanish America has been estimated at around 9 million. The number of Africans remained limited, with an estimated total of 40,000 in around 1600. The principle economic activity in Spanish America was agriculture aimed at local consumption. The main export activity was silver mining, which was responsible for three quarters of the world's production of this precious metal. The massive export flow of silver enabled the colonists in Spanish America to pay for the importation of both luxury products from Europe and expensive slave laborers from Africa (Rahn Phillips 1990: 76).

The third circuit was set up by the Portuguese in the New World. Their colony, Brazil, occupied the coastal area from Recife in the North to Rio de Janeiro in the South. This long coastal strip attracted around 200,000 Portuguese settlers during the period between 1500 and 1600, as well as about 50,000 slaves. The number of Amerindians is unknown, but it seems unlikely that there were more than about 20,000 to 30,000. The principle economic activity in Portuguese America was the production of sugar cane and Brazil wood for export, in addition to subsistence agriculture (Andrade Arruda: 375; Eltis 2000: 9).

In Asia the Portuguese and Spanish presence was extremely limited. Yet both countries were able to organize two separate flows of trade. The fourth circuit was developed by the Portuguese and included the Portuguese trade in Asia. The fifth circuit comprised the trade between Portugal and Asia. The Portuguese presence in Asia averaged around 60,000 men. Most of these Portuguese were in Asia on a temporary basis, as there were no Portuguese colonization schemes. No more than seven ships left each year from Lisbon to the East and the yearly return fleet consisted of about 4 ships. It seems that the Portuguese in Asia made most of their profits in the inter-Asian trade, as well as in privateering, an activity by which they captured Arab, Indian and Chinese vessels (Subrahmanyam and Thomaz: 306-331). The sixth circuit centered on the Philippines, in which Manila became the center of exchange for the silver of Spanish America against products from China and Japan, such as silk and lacquered objects (McAlister 1984: 316,317,371).

The seventh circuit within the Iberian expansion system was the slave trade from West Africa. During the 16th century, the Portuguese brought around 250,000 slaves to Europe, the Atlantic Islands, Spanish America and Brazil. The changing figures and destinations are clearly visible: between 1500 and 1525 the yearly volume of the slave trade averaged 600 slaves and the main destinations were Europe, the Atlantic islands and São Tomé. During the last quarter of the 16th century, the volume of the Portuguese slave trade had risen to 3,800 slaves per year and the main destinations had become Spanish America and Brazil (Curtin 1969: 116,119).

The principal breakthrough for the Dutch toward exploring and exploiting economic opportunities outside Europe came in 1585, when Antwerp fell into Spanish hands. This caused an exodus of merchants who had the necessary knowledge, capital and contacts to trade with other continents. In the North, these refugees from Antwerp were most cordially welcomed, as they could help in the "patriotic struggle" against the "Spanish tyrant" and worldwide "popish superstition." At the same time, however, these merchants from Antwerp, many of them crypto-Jews and *cristãos novos* (New Christians) continued to conduct business within the Iberian trading system (Enthoven 1996: 111; Israel 1989: 29,30; van den Boogaart: 75).

Which Iberian trading circuits were first attacked or penetrated? In Asia, the Dutch attacked the Portuguese trading empire and, after some years, they managed to construct their own trading empire, which seems to have marginalized and even replaced the Portuguese seaborne empire there. In the Atlantic, the Dutch attacked the Portuguese in West Africa and penetrated the trade between

Europe and Brazil in a peaceful manner. The Spanish empire overseas was more difficult to tackle. First of all, it was better defended than that of the Portuguese. Second, the trade to and from Spanish America was organized in convoys, or *flotas*. These were much more difficult to attack than the Portuguese ships which sailed to both West Africa and Brazil all year round, as the trade in slaves and sugar could not be temporized in the same way as the transport of precious metals from Spanish America.

b) The Dutch Revolt and the Beginning of a Dutch Seaborne Empire

As pointed out in the first section of this contribution, the Dutch had little experience in trade outside Europe at the time when Antwerp was taken by the Spanish in 1585. By 1609, however, the Dutch were well on the way to establishing a worldwide trading network with six separate trading circuits. First, the Dutch were growing rapidly as traders and privateers in Asia. Second, the Dutch had developed a regular exchange trade in goods on the coast of Africa, while they were also carrying increasing amounts of sugar from Brazil to the ports of both Holland and Zeeland, directly or indirectly.

This constituted a third circuit. Fourth, the Dutch had established some small settlement colonies on the "Wild Coast," i.e. in the coastal parts of the Guianas. Fifth, the exclusion of the Dutch from the salt pans of Portugal had forced the Dutch to look for salt on the Venezuelan coast, as the salt from Brittany was not suited for preserving herring. The sixth and final circuit consisted of the Dutch trade with North America, but this trade did not really develop until the second decade of the seventeenth century (de Vries and van der Woude 1995: 450-469).

Before turning to a description of these six circuits, the question should be answered as to why the Dutch were able to become a mercantile world power, albeit only for about half a century, i.e. between 1585 and 1650. During that period, the whole country seems to have turned into one gigantic shipyard. Merchants abounded, sending ships everywhere in order to buy and sell. Industries abounded, even though at the time this activity referred to small-scale manufacturing rather than large-scale factories as we have come to know them since the Industrial Revolution. Why were the Dutch able to become the center of the world? Surely the U.K., with more space and twice the population, or indeed France, with six times the population of Holland, both had a much greater chance of becoming world powers than did that small swampy area on the shores of the North Sea.

There are several factors which can explain the rise of the Netherlands and I will mention the three most important ones: i) the Dutch internal political structure; ii) the Dutch position in international politics at the time; and iii) the superior skills of the Dutch in shipbuilding, manufacturing and management.

Let me stress that these advantages did help the Dutch to become the world's most important traders, but that none of them were able to keep the Dutch on top of the world forever. After the mid-seventeenth century, both France and England overtook the Netherlands, as they simply had more people, more money and a much larger internal market than the Dutch Republic. It is strange, in fact, that the Dutch were able to become the leading commercial nation in the world at all. England and France should have taken the lead in the fight against the Iberians for mastery of the oceans. In England, however, there was civil war, as well as regional conflicts when parts of Scotland and Ireland were incorporated into a United Kingdom. Similarly, in France religious and regional problems absorbed much of the energy of the central government in Paris. This was when the Dutch saw their chance. They declared themselves to be no longer subservient to the King of Spain and in so doing became the champions of local government. Actually, a central Dutch state did not exist. The constituent components, the seven independent Dutch states, were the real powers. Among these states Holland was the most influential, and within the state of Holland the cities decided what had to be done.

Now the cities in Holland were all heavily involved in the commercial expansion and the city

governments were mainly elected by and composed of merchants (Enthoven: 95).

In addition to the nation's political structure and the organizational talents of the Dutch should be stressed. The shipping firms were able to offer an assortment of goods (cloth, spices, grain, timber, to name but a few products) at unbeatable prices. Unlike Spain and Portugal, and long before the Dutch started trading globally, they had worked hard to become the transit market of Europe, where goods from southern Europe were exchanged against goods from the Baltic. And last but not least, the Dutch managed to create an environment in which innovations could be not only invented, but also applied. The decentralized political structure of the Dutch Republic made it very difficult to restrict religious and other freedoms, and this was exactly the environment in which innovators - many arriving from abroad - were able to read and write what they wanted and where new designs could be tried out for such diverse items as ships, fire extinguishers, limited companies, insurance, drainage pumps (making it possible to reclaim land), cartography and optical instruments (Davids et al. 1988).

A decentralized government made up of merchants, cheap goods and services, and an innovative environment were the three most important reasons why the Netherlands were able to take the lead in world trade. However, it should again be stressed that none of these factors provided the Dutch with a structural advantage over their competitors. Political decentralization might work wonders for the development of private commerce, but not for the development of an empire. In the long run, only a strong central government backed by an efficient tax system would be able to protect an overseas empire by providing sufficient military and naval power. Between 1600 and 1650, the Dutch merchants were interested in one-time investments in conquest. However, they were not willing to keep paying the large overhead costs necessary to secure their overseas colonies. A well-assorted market with low prices and cheap freightage was not a great advantage when it was the number of naval guns and the size of armies that decided the fate of overseas colonization (de Vries and der Woude: 140-144).

The "Jews" and the First Expansion System

An Iberian venture into the exploration of the world might have followed naturally from the *reconquista* (reconquest) of the peninsula. Because Spain and Portugal were not among the premier trading nations in Europe, this development did not take place. The Italian city states, not Spain and Portugal, were the dominant shippers of inter-European trade. After 1492, the city states continued their commercial ventures behind Spanish and Portuguese fronts. In fact, the Spanish and Portuguese nobility seemed only to be interested in the power and politics of the expansion movement, not in its commercial opportunities (Scammell 1981: 180-183).

In the course of the fifteenth century, the Genoese lost their commercial dominance as the bulk of European trade shifted from the Mediterranean to the Atlantic. Yet Spain itself was unable to fill the gap. Surely, many port cities stimulated the rise of a group of Spanish merchants and entrepreneurs, but both their number and their abilities always fell short of what was required. Throughout the history of Spain, non-Spanish merchants dominated the most dynamic sections of its trade, commerce, and finance, both inside and outside Europe. The actual development of commercial and financial connections with Spanish America is a case in point. On paper, the Spanish merchants had everything under control. Once or twice a year a convoy of ships (the *flotas*) would sail to the New World, carrying products ordered by the colonists, while on the return voyage the Spanish ships would carry precious metals and some other high-value products. Every effort was made to exclude competition. Unfortunately for the Spanish merchants, the export sector of their New World economy was far more dynamic than the *flota* system allowed for.

The production of the silver mines, for example, could be increased only when more labor became available. Since the Spanish were unable to import more mobile labor from the metropolis by instituting a system of indentured labor, the only alternative was the importation of African slaves. The Spanish commercial community, however, never succeeded in developing a slave trade of its own. As a result, the

central agency in charge of commercial links between Spain and Spanish America (the *Casa de Contratación* in Seville) had to arrange for foreigners to provide their colonies with slaves. Such contracts were based on the demand for slaves that had been recorded in previous years and could not be continually adjusted when more slaves were suddenly needed. As a result, large numbers of slaves were smuggled in by non-Spanish slave suppliers (Rawley 1981: 51-77). Similarly, major quantities of Spanish American exports “leaked” away to non-Spanish destinations in exchange for the very imports that Spanish manufacturers could not provide. It seems that neither the Spanish government nor the Spanish mercantile elite invested the profits from its American colonies in ways that would boost the productive capacities of the metropolis. Most of the gold and silver from America was consumed in an attempt to prevent the decline of Spain’s military position in Europe, most notably in Italy and Flanders (Elliott 1970: 283-291).

Portugal, on the other hand, seems to have reacted much more adequately to the commercial challenges of its overseas expansion, at least until 1600. Why was that? The monarchy and nobility in Portugal were no less unsympathetic to trade and commerce than their equivalents in Spain. However, unlike Spain, Portugal had not expelled its Jews as early as 1492, and during the sixteenth century the Portuguese Jews (now converted to Christianity, at least nominally) together with merchants from Italy were the driving force behind the foundation of a worldwide Portuguese trading network. Of course, we should bear in mind that this trading network was rather limited in both scope and volume. The Portuguese had only a few strongholds in Asia and Africa, and much of their “trade” consisted of looting the ships of Arab, Chinese, and Indian traders. Moreover, the beginning of the Portuguese exploitation of Brazil was very modest and did not require much investment in labor and equipment until the beginnings of sugar cultivation after the mid-sixteenth century (Schammell 1981: 240).

Yet there was a Portuguese trade empire in the making, and the Jews and New Christians played an important if not dominant role in this. Some historians even claim that all merchants in Portugal were of Jewish origin since the contemporary sources used *homens de negócio* (businessmen) synonymously with *Cristãos Novos* and *conversos* (converts). Others estimate that about one third of all merchants in Portugal were of Jewish descent. Even the king of Spain at the time seemed to have equated Portuguese merchants and financiers with New Christians, since he hesitated to ask them for help in financing his wars (Ebben 1996: 110,111).

The dominant New Christian and crypto-Jewish presence in Portuguese commerce came to an abrupt end towards the end of the sixteenth century when Portugal began to persecute its baptized Jews and recent converts from Judaism. The Inquisition had been active in Portugal since 1547, but its actions became more severe once the King of Spain, Philip II, ascended to the Portuguese throne. The results of this religious cleansing were disastrous: “The main change between the mid-sixteenth century and the mid-eighteenth century was that the Portuguese merchants had disappeared as a commercial force.” (Shaw 1989: 416) The Portuguese New Christians took up residence first in the colonies such as Angola and Brazil and, when living there became difficult or impossible, in the port cities of Italy, France, the Low Countries, England, and in some Hanseatic cities. The dispersion of New Christian families to Madeira, São Tomé, Angola, Brazil and the trading cities of Northwest Europe turned out to be a commercial blessing in disguise. The diaspora of the New Christians coincided with the development of the second Atlantic system of trade and settlement, and the New Christians (in some cases returning to Judaism) were the first to exploit the new economic opportunities by transferring to the second system an important percentage of the trade in goods and slaves between Portugal and West Africa and Angola, the production, transport, and sale of cash crops from Brazil, and the slave trade between Africa and the New World (Ebben 1996: 111-113).

Why did Portugal deliberately shoot itself in the foot by virtually expelling its commercial class? The answer is that Portugal during the *ancien régime* was a very religious country and that the king and the nobility could do little to stop the policies of the Catholic church. The church in Portugal controlled about a third of all economic activities. In Lisbon alone there were 5,000 to 6,000 mendicant friars. Within the Catholic church, the Inquisition had a large degree of autonomy. Its victims had to surrender all their assets, which the Inquisition used to find more victims. Many Portuguese merchants disappeared into this vortex without a trace, because the Inquisition knew that there were many crypto-Jews among the New Christian mercantile groups and that they usually possessed considerable wealth. The Inquisition tended to stifle all trade, not only that of vulnerable merchants. Credit extended to Portuguese merchants could not be retrieved if the debtor had been put in prison by the Inquisition. Hence, non-Portuguese merchants became reluctant to do business with their Portuguese counterparts (Shaw 1989: 423).

Of course there is much debate about the causes of Portugal's decline. Not all of the causes were directly related to the persecution of the New Christians. It has been pointed out that the profits Portugal derived from non-European trade were bound to decline as soon as the Dutch, French and British ended the Iberian monopoly. It has also been suggested that the Portuguese traders would have lost ground even had the New Christians remained, because these merchants had only family networks to rely on, which were not capable of organizing their activities in effective organizational structures such as the overseas trading companies of Northwest Europe (Emmer 1996: xvi-xxii).

Despite these explanations, there can be no doubt that the root cause of Portugal's economic decline was the emigration of its merchant class – not necessarily Jewish –, the intimidation of those merchants who remained, and the absence of an established class of manufacturers. Many of these same causes also apply to Spain. Both countries were monolithically Catholic and, after the departure of the Jews and their descendants, did not even have the advantage of a "Huguenot challenge," as did France. No wonder that later, during the seventeenth century, some Portuguese pamphleteers pleaded for the return of the expelled *Cristãos Novos*, but it was too late. "Portugal, awash in gold, knew itself to be poor because it had to pay out that same gold to England and other industrial nations in order to feed and clothe its own inhabitants with foreign products, traded by foreign merchants and conveyed in foreign ships." (Shaw 1989: 416)

c) The Beginnings of the Dutch Expansion in Asia

The stimuli for the Dutch expansion in Asia were twofold. First of all, the embargoes of Philip II and III against Dutch ships entering Spanish and Portuguese harbors, as well as the Dutch blockade of the Flemish coast, should be mentioned. Another explanation points to the growing economic interests, as well as to the technical capabilities, of the Dutch in sailing to Asia. The demand for Asian products was growing and the Portuguese were unable to increase the supply of Asian goods. This growing discrepancy between supply and demand would have induced some Dutch investors and merchants to send ships to Asia even if there had been no embargoes and they had been allowed to continue buying Asian products in Iberian ports (Israel 1989: 41; Gaastra 1982: 13-16).

Second, towards the end of the sixteenth century the Dutch suddenly obtained the expertise to send expeditions to the other side of the globe. Merchants from Antwerp with personal experience in both the Portuguese and Spanish Asia trades had left this city after the Spanish takeover in 1585. In addition, several Dutch seamen had sailed to Asia on Portuguese ships and had themselves experienced how business was conducted there. Also, the design and the construction of the ships, as well as navigation techniques, had progressed in the northern Netherlands, increasing the geographical range of the Dutch merchant marine (Enthoven: 248). This explains why the Dutch suddenly seemed able to send ship after ship to Asia. Between 1597 and 1602, 65 Dutch ships sailed to Asia, an average of 13 ships per year. In 1602, several regional East India companies in Holland and Zeeland were dissolved in order to make way for the *Vereenigde Oost-Indische Compagnie* (VOC), the famous United East India Company,

which was to become the largest trading and shipping firm in the world before 1800 (Gaastra 1982: 15,16).

The commercial success of the VOC has obliterated the fact that, between its foundation in 1602 and the truce with Spain in 1609, the Company was much more an instrument of war than one of commerce. In fact, the subsidies it received from the federal government of the Netherlands were not nearly enough to cover its military expenses and, after the first twenty years of operation, the debt accumulated by the VOC nearly equaled the capital outlay of the company. Yet during the period 1602-1620 the average return on the capital invested was about 6 percent per year. This equaled the average interest rate on savings at the time. The yearly turnover during the first seven years of the Company's existence came to about 1 million guilders, half of this coming from trade and the other half deriving from privateering. Between 1597 and 1609, the Dutch captured about 30 Spanish and Portuguese ships in Asia, an average of 2 to 3 ships a year. It seems likely that most of the captured ships were Portuguese, as the Dutch did not attack the Spanish Philippines until 1609. It also stands to reason that most of the Portuguese ships taken in Asia had been employed in trade within Asia. The average yearly departures on the route from Asia to Portugal came to between 5 and 10 ships (Enthoven: 250-255; Duncan 1986: 16,17).

d) The Dutch on the Coast of West Africa, 1590-1609

When did the Dutch first sail to Africa? There is some evidence to show that a captain from Medemblik, Barent Erickz, was the first Dutchman to do so. He was captured by the Portuguese and imprisoned on the islands of Príncipe and São Tomé. There he learned about trading practices on the African coast and, after his release, the Medemblik captain returned to West Africa in 1593, buying pepper, ivory and gold (Enthoven: 264). It seems remarkable how quickly the Dutch were able to establish themselves on the African coast, particularly in the Senegambia area, Cape Verde and the Gold Coast. Most of the Dutch merchants sending ships to Africa had had no previous experience in trade with Africa. The exceptions were the Antwerp merchants in Amsterdam, who had established trading networks along the coast, relying on the support of family members.

To date no comprehensive survey exists of all the Dutch voyages to Africa between 1593 and 1609. All we know is that around 1600 a yearly average of about 20 ships sailed to Africa. Some merchants in Amsterdam founded a company for conducting trade with Africa in 1600 and somewhat later another company was set up for trade with Africa by some merchants in Zeeland. Trade with Africa remained hazardous as the Portuguese continued to take Dutch ships even after 1609, when the Dutch and Philip III, king of Spain and Portugal signed a truce. The Dutch federal government was slow to offer protection to its Africa traders. No Portuguese strongholds were captured and it was not until 1612 that the Dutch government constructed a fort on the African coast in order to serve as a foothold for Dutch traders (Unger 1956: 135-137).

What do we know about the nature and volume of the Dutch trade with West Africa? Again, no systematic study exists, but the available evidence shows that Dutch textiles were exchanged for hides, gum, ivory, beeswax and pepper. The most important African export at the time was undoubtedly gold. The profit rate in the gold trade had been calculated at 77 percent. The total volume per year has been estimated at 1 million guilders (den Boogaart: 80-88,101,102). As a final observation, it should be pointed out the Dutch did not trade in slaves until after truce with Spain ended in 1621. It seems likely, however, that the Dutch traders on the African coast might have bought slaves in order to sell them at some other section of the coast. Also, Dutch ships were used by the Portuguese to bring slaves from Africa to Portugal and to transport slaves from Africa to Brazil and - under special *asiento* - to Spanish America (Phillips, Jr. 1985: 188).

e) The Dutch in Brazil, 1587-1609

There is no doubt that Brazil offered the best commercial opportunities to the Dutch outside Europe. The shortage in tonnage on the route between the Iberian ports and Brazil was such that, in 1585, Philip II allowed Dutch vessels to sail in charter to Brazil for some Spanish merchants. Around 1590, 14 Dutch ships sailed to Brazil, and it must also have been around that year that the first direct voyages took place between the Netherlands and Brazil, returning with Brazil wood and sugar. Of course these direct voyages of Dutch ships were risky, and for that reason the Dutch captains had their vessels re-flagged at neutral ports such as Emden and Hamburg (den Boogaart: 76). The neutrality of these German ports had also been attractive to the Protestant and Jewish merchants of Antwerp who had left this city after it had been taken by the Spanish. However, during the course of the next ten years, a number of these refugee merchants moved to Amsterdam, as business opportunities seemed better there. The main expertise of these ex-Portuguese merchants was in the sugar trade, and they held on to this trade for some time to come.

It should be remembered that the anti-Jewish policies of the Portuguese Inquisition had led to an exodus of Jews, crypto-Jews and *cristãos novos* and that many had gone to the Atlantic islands and Brazil and had specialized in the production of, and trade in, sugar. One of the founding members of the Portuguese synagogue in Amsterdam, Jacob Lopes da Costa, obtained his wealth during his period of residence in Brazil as a tax farmer and as the owner of a sugar mill. Another member of the Sephardi community, Duarte Saraiva (1572-1650), was a member of a well-to-do Pernambuco family. He married in Amsterdam in 1598, returned to Brazil in 1612, and went once more to Amsterdam during the Dutch occupation of Recife (1630-1654). Some members of the Sephardi community had resided previously in Hamburg, Portugal and Venice (Stols 1997: 119-147; den Boogaart: 76-78).

Why did the Sephardi community seem to have an advantage in the sugar trade? The explanation for their dominant position in this trade can be found in the archives of some notaries public in Amsterdam. These archives show how the Sephardi family network operated, as demonstrated by a charter contract in which an Amsterdam Sephardi merchant was the charterer of a ship. According to this contract, the chartered ship was to leave the port of Danzig with grain and sail to the southern coast of Spain or to the north coast of Morocco, where the grain was to be unloaded. From there, the ship would proceed to Tenerife or Cadiz and take in wine, which was to be transported to Bahia in Brazil. From Brazil, the ship would then sail to Lisbon laden with sugar. In most of the ports mentioned, a family member of the Amsterdam merchant would be residing, or at least a common representative shared by several Sephardi families. In the sugar trade, family networks were indispensable and this explains why the *Sephardim* were able to remain the dominant importers of sugar in Amsterdam (Vlessing 1995: 225,231-233).

The *Sephardim* remained pivotal in the Brazilian sugar trade via Lisbon because the beginning of direct shipments between Brazil and the Netherlands were aborted by the Dutch reprisals against the embargo of 1598. In 1599, the Dutch started a series of expeditions aimed at disturbing the Portuguese trade circuits in the Atlantic. The Canary Islands were attacked, São Tomé conquered, and then lost again. In 1604, another Dutch fleet was sent with the aim of disrupting Iberian trade in the Atlantic. As a counter measure, Philip II of Spain expelled all Dutch residents from Brazil, but it is to be doubted whether this ban was very effective. Only the Sephardi networks in the sugar trade were able to cope with all these disruptions (Mauro 1984: 459; Israel 1990: 251,252).

The *Sephardim* got Holland hooked on sugar. During the first decade of the seventeenth century the number of sugar refineries grew rapidly. The Portuguese Jews were very much aware of the fact that their economic clout was disproportionate to their numbers. In fact, they threatened to leave Holland if the authorities did not hand over their consignments of sugar captured aboard Spanish, Portuguese or Dutch ships, assuming these ships had been trading illegally with the Iberian enemy.

When the federal government of the Netherlands proposed the grant of a trade monopoly in the Atlantic to the newly founded West India Company (WIC) in 1621, the *Sephardim* of Amsterdam made a passionate plea to be allowed their own particular trade *niche*. "The document beginning with a quotation from the 1600 *sauegarde* allowing the Portuguese to trade with Brazil by way of Portugal. The Jews write that they had conducted trade with Brazil for about forty years, mainly through the Portuguese harbours of Viana and Oporto, as well as Lisbon. *During these 12 years of peace shipping and commerce increased so considerably that more than 10, 12 and even 15 ships were built in this country each year. Those ships brought here by way of Portugal 40, 50 thousands of cases of sugar each year, as well as Brazil wood, ginger, cotton, hides and other goods...We were so successful that during that 12-year period we drove all the Portuguese caravels that used to carry the sugar from these waters. This was caused by the capacity of our ships so that we could attract half, even two-thirds of this trade to ourselves.*" "Building the ships stimulated employment in shipbuilding and shipping through the import of trunks for masts, which were not available in the Netherlands. The Brazil trade also stimulated the export of Dutch merchandise. But most important was the sugar trade itself. It caused the number of sugar refineries in Amsterdam to increase from three to twenty-five in twenty-five years. Some of the refineries processed 1500 cases of sugar each year and the refined product was exported to other countries. At the end of this document they emphasized that the Brazil trade was their main overseas commercial activity, not commerce with the East Indies or other areas." (Vlessing 1995: 231,232)

What was the value of the direct and indirect trade between the Netherlands and Brazil during the first decade of the seventeenth century? Van den Boogaart calculated a yearly average of between 3 and 6 million guilders for the period from 1600 to 1624. It stands to reason to assume that during the first decade of the trade the yearly value was around the lower limit of 3 million guilders (den Boogaart: 127).

f) The Dutch in the Caribbean and on the 'Wild Coast', 1595-1609

How were the Dutch to attack Spain in the New World? The answer was not easy, as the Spanish silver mines were situated inland, far from the sea, and the transport of the precious metals to Spain was well organized and superbly defended against attacks. So, the only way to attack Spain in the New World was to participate in privateering in the hope of capturing unprotected Spanish ships employed in the inter-Caribbean trade. In addition, the Dutch hoped to pick up some trade by exchanging their products for the hides and tobacco of the Spanish colonists in the poorly defended Greater Antilles. In addition, the Dutch were interested in setting up trade with the Amerindians along the Amazon, Orinoco, Suriname and Essequibo rivers by exchanging knives, steel objects and other utensils for tobacco, pearls and dyewood. Around 1600, some expeditions from Vlissingen (Flushing) managed to establish two small colonies of settlers and traders in the Amazon estuary. In 1605, some Amsterdam merchants organized a company that traded to Guyana and Essequibo. Among the founding members there were no *Sephardim*. Obviously, this was a new trade, mainly centered on tobacco. Van den Boogaart estimated the volume at about 100,000 pounds of tobacco per year and the yearly value of the trade with the Caribbean at half a million guilders (den Boogaart: 139).

In addition to the trade with the Wild Coast and with some of the Spanish Caribbean islands, special mention should be made of the Dutch salt trade with Punta Araya on the Venezuelan coast between 1600 and 1605. In total, 611 ships came to the salt pans there in order to fetch salt. Previously the Dutch had bought salt in Setúbal in Portugal, but this supply was blocked by the embargo of 1598. The Spanish reacted vehemently: they built a fortress at Punta Araya, sent a fleet to drive away the small Dutch salt carriers and depopulated part of Cuba in order to prevent their own colonists from trading with the enemy (Goslinga 1972: 116-140).

g) The Global War between Iberia and the Dutch, 1585-1609

Did the Dutch expansion outside Europe help to weaken the Iberian enemy? Before looking at the available evidence, it seems useful to first identify the economic and geographical areas where damage could be done. Was it indeed possible to inflict damage on the trade circuits and colonization schemes of Portugal and Spain by sending a few ships and some naval expeditions into such vast areas as the Indian and Atlantic oceans? As far as the Spanish activities outside Europe were concerned, these were, generally speaking, well insulated from foreign interventions. In Asia, the Philippines and Manila were indeed once attacked by the Dutch in the period under review, but this attack could in no way seriously disturb the Spanish trade between the Far East and Spanish America.

The Pacific section of the Iberian expansion system was out of reach for the Dutch. The destruction of the Spanish trade would have required a massive and continuous investment in naval power and the Dutch could see that such an investment would not be offset by possible commercial gains ensuing from the destruction of the Spanish Pacific. Similarly, to the Dutch it seemed far too expensive to undertake continuous attempts at destroying the Spanish settlements in mainland America. Of course, certain coastal cities could be attacked, but the investment in such violence was usually higher than the value of the booty. Thus, the truly valuable assets of mainland Spanish America were fairly effectively sealed off from outside attacks.

The only weak spot of the Spanish Empire was situated in the Caribbean. However, during the period under review, the Spanish presence in the Caribbean was declining and there were no great Spanish interests at stake. Only the Greater Antilles were inhabited, and in the rest of the region the Amerindians continued to dominate. This explains why the Dutch, as well as the British and French, were able to establish themselves as traders in the region without any great difficulty. Yet over time the Spanish were able to fend off the Dutch salt carriers and to limit the trade in hides and tobacco between the Dutch and the Spanish colonists on Cuba. In short, the Spanish empire overseas had so many man-made, as well as natural, defenses that the Dutch could only upset the Spanish system by continuously investing considerable amounts of money in violence. This expenditure could hardly be compensated by profits from conquests or privateering, or attempts to replace the Spanish as traders and producers.

For the Portuguese empire, the situation seems to have been different. During the sixteenth century, the Portuguese had established a trading empire in Asia, as well as a profitable trade between Asia and Lisbon. Yet recent research has shown that the Portuguese had overstretched their capacities, as the supply of Asian goods for sale to Europe was sometimes larger than the Portuguese could handle, and that the remainder was brought to Europe via the traditional overland route dominated by Arabs and Italians. As a corollary, the European demand for Asian products, particularly for spices, was growing so rapidly that additional supplies could hardly have diminished the Portuguese trade with Asia (Rahn Phillips 1990: 52-54).

In addition to Asia, Brazil also presented Portugal with a challenge to which it could not respond fully. The slave-worked plantations constituted the most dynamic growth sector of the Atlantic economy at the time. The dramatic increase in the demand for slaves, capital goods, transportation, and refining capacity could not be met by the Portuguese alone. Merchants, investors, colonists and slave traders from the Low Countries - mainly from Flanders - were able to penetrate the trade and production of the Portuguese Atlantic area. After the fall of Antwerp in 1585, merchants and investors with expertise and investments in Brazilian trade and production moved to Zeeland and Holland (Stols: 124-133; Israel 1990: 419-421). This peaceful Dutch penetration of the Brazilian trade turned out to be very advantageous, as was shown above. This leads to the conclusion that a takeover by force would have done more harm to the Dutch than good.

h) Much Ado about Nothing? The Effects of the Dutch Expansion on Spain and Portugal

The assumption that the Dutch expansion in Asia and the Atlantic impeded the war effort of the Iberian enemy is not supported by the available quantitative evidence. In order to prove this point, we will first look at the Portuguese trade with Asia and then at the Portuguese and Spanish trades in the Atlantic. T. Bentley Duncan has provided us with a survey of the shipping movements between Portugal and Asia for the period between 1497 and 1700. In the period under review, i.e. from 1597 to 1609, there was neither a decline in the number of ships leaving Lisbon, nor in the tonnage of ships. Duncan's table mentions 43 ships and 49,200 tons for the period between 1591 and 1600, and 71 ships and 77,190 tons for the period between 1601 and 1610. Arrivals in Lisbon from Asia also increased, from 22 ships and 25,000 tons during the period between 1591 and 1600 to 28 ships and 35,500 tons during the period between 1601 and 1609.

However, these figures do not tell the full story, as the numbers of ships lost in both directions increased dramatically during the two decades under review. Almost one fourth of all ships originating either in Lisbon or in Asia were lost. This would indicate that Dutch privateering in Asia did not reduce Portugal's trade with Asia, but that it impeded Portugal's growth in that trade. Duncan's research, however, shows otherwise. Three quarters of the losses during the first decade in which Dutch penetration took place in Asia were due to shipwrecks without any enemy violence. The author is able to construct only an indirect link between the increase in the incidence of shipwrecks and the Dutch actions. The Dutch presence in Asia was "forcing Portuguese ships to sail at dangerous times, denying them access to Saint Helena and Terceira, closing Goa and sometimes Lisbon by blockades, driving them out of Cochin, and raising protection costs to unacceptable levels". The Dutch challenge, however ineffective and small, seems to have had the opposite effect of what has usually been attributed to it. "The decade 1601-1610 was the busiest in the history of the *carreira*, with 71 departures involving an estimated 77,190 tons of shipping, which was 39% more tonnage than had left Portugal in the most busy decade (1581-1590) up to that time" (Duncan 1986: 16,17). As far as inter-Asian trade is concerned, a similar conclusion can be drawn. James C. Boyajian mentions that "...the *carreira*'s continuing prosperity indicated that at least with respect to coastal trade in India the Dutch and English inroads during the first two decades of the seventeenth century were of no consequence." (Boyajian 1993: 153)

Much more important than the trade both within and with Asia, however, was the production of sugar in Brazil and the ensuing trade between Portugal and Brazil. Were the Dutch able to damage the most rapidly growing sector of the Iberian activities overseas? Stuart Schwartz has attempted to estimate the production of sugar in Brazil, and his figures indicate that Brazilian sugar exports increased from 180,000 arrobas in the 1560s to about 700,000 arrobas in about 1610 (Schwartz 1985: 168). As we have seen previously, increasing amounts of sugar found their way to Amsterdam. The growing interest of the Dutch in the Brazilian sugar trade and sugar production indicates, yet again, that it was very difficult to take away the profits of this trade from the Portuguese. The growth of sugar exports was such that the Portuguese investors, colonists and shipping firms were unable to cope with the increase in shipping. This explains why there was ample room for foreign investments and ships. The sugar brought to the Low Countries would otherwise not have been produced and shipped at all. In fact, there was plenty of irony in the growing Dutch involvement in the trade to and from Brazil, as Dutch attempts to harm this trade would first of all harm the Dutch commercial interests. This is what happened after the end of the Twelve Years' Truce, and the results were indeed disastrous for the Dutch, although much less so for the Portuguese (van den Boogart et al.: 126,127). Last but not least, the trade to and from Spanish America should be mentioned. There is evidence to show that the Iberian war effort against the Dutch was in part financed by the revenues from the New World, which in turn were largely dependent upon the mining of precious metals. Had the Dutch been able to interrupt the flow of precious metals to Spain, they would have damaged the financial capacities of their enemy more

than by any other activity inside or outside Europe (Elliott 1970: 291-293).

Obviously, the Spanish were aware of the importance of the regular flow of precious metals to Spain, and as a consequence invested heavily in the organization and protection of the *flotas*. This means that changes in the amount of revenue flowing into the royal coffers from Spanish America were not due to foreign attacks, but to internal factors such as the discovery of new gold and silver deposits and the depletion of existing mines, as well as to the changes in the level of fraud, while some suggestions even point to the decline in population in the Americas. The Dutch actions in and around Spanish America had nothing to do with the changes in the supply of precious metals. All the Dutch could have hoped for was to achieve a decline in the exportation of "side products" from Spanish America such as hides, tobacco, cacao, sugar, indigo and cochineal. Carla Rahn Phillips has provided us with surveys of the exportation of hides and cochineal for the period under review. The exported volumes of these two commodities varied widely, but there is no indication that the beginning of Dutch trade and privateering in the Atlantic waters had any significant effect on exports to Spain. The decline in the exportation of sugar from Spanish America had set in after 1585 before the Dutch arrived in the Caribbean (Rahn Phillips 1990: table 2.5 (pp. 80, 81), 2.4 (pp. 70, 74), 2.2 (pp. 58-64)).

In short, it seems possible to conclude that Dutch privateering and trade both in Asia and the Atlantic between 1585 and 1609 did not seriously affect Iberian trade and production outside Europe seriously. These Dutch activities did not replace part of the Iberian overseas activities, but they were the beginnings of a rapidly rising second expansion system, which was to co-exist with the Iberian system.

i) Conclusion

In what light should the beginning of the Dutch expansion outside Europe be viewed? Should it be viewed as warfare or trade? In assessing the damage done by the Dutch to the various trade circuits within the Iberian system in the period between 1585 and 1609, this paper has shown that the Dutch actions against Spain and Portugal had virtually no effect. Exports from Spanish and Portuguese America, Africa and Asia continued to grow or at least remained stable. This indicates that the Dutch - as well as the other Northwest European powers - could not seriously harm the Iberian expansion system and were only able to take away possible extra growth. This situation changed somewhat after the end of the Twelve Years' Truce in 1621, but it remains remarkable that between 1500 and 1800 two expansion systems continued to co-exist in Asia, Africa and the New World.

So if the Dutch expansion had a negligible military impact, what of the commercial effects? Was it advantageous to participate in commerce, privateering and settlement in the non-European world? Unfortunately, there is no exact calculation of the contribution of trade to the Dutch GNP around 1600. However, some information is available about the size of the Dutch fleet and the number of sailors employed therein. In 1636 there were around 1,750 Dutch ships in European waters. This would mean that the Dutch ships operating outside Europe (with a yearly maximum of about 100) represented only a marginal additional shipping activity even when we take into account the fact that the ships operating in non-European waters were usually larger than the ships employed in European coastal waters. A similar conclusion can be drawn from the information regarding the number of sailors employed in the Dutch navy and merchant marine. In 1610, Dutch ships were manned by 33,000 men and boys, 6 percent of all Dutch men over the age of 15, and 15 percent of all men in the state of Holland. Of these 33,000 only about 4,000 sailed on ships with non-European destinations. In fact, there were more sailors employed on Dutch ships sailing to the Iberian Peninsula and to Mediterranean destinations than to Asia, Africa and the New World combined (de Vries and der Woude 1995: 469-475).

This leads us to the conclusion that in both military and commercial terms the first phase of the Dutch expansion seems to have been a mistake. This begs the question as to why the Dutch participated

in overseas expansion at all. In answering this question, various Dutch operations outside Europe cannot be considered as regular trade. The salt trade to the Venezuelan coast should be excluded. This trade only continued for as long as it remained impossible to obtain salt in Portugal. The sugar trade to and from Brazil should also be excluded, as most of this trade in the Dutch Republic remained in the hands of the immigrant *Sephardim*. In addition, it should be stressed that most of the Dutch ships in Asian waters and many Dutch ships in the Atlantic were privateers and did not participate in regular trade.

These points suggest that, during the early phase of Dutch expansion, the Dutch merchant community only seems to have invested small amounts of risk capital in non-European ventures, and that most of their capital was tied up in trade and production within Europe. In fact, the yearly turnover of all non-European trade can be estimated at only around 3 million guilders, if one excludes the salt and sugar trades. The archetypal profit-seeking Dutch merchant was, in fact, located inside and not outside Europe.

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