

# *The role of mercantilism in Anglo-Dutch political relations, 1650–74<sup>1</sup>*

By GIJS ROMMELSE

The three Anglo-Dutch wars of the seventeenth century are traditionally seen as mercantile confrontations. This view has been challenged by political historians. Firstly, this article discusses the historiographic developments in this field. Secondly, it aims to explore the relationship between Anglo-Dutch mercantile competition and political and diplomatic relations in the period 1650 to 1674. It favours an integrated approach in which all these dimensions are taken into account. The article argues that the 1667 Peace Treaty of Breda was a major turning point in Anglo-Dutch relations after which mercantilism ceased to dominate Anglo-Dutch political relations.

Between 1652 and 1674, England and the United Provinces fought three bloody wars against each other. Large and powerful fleets with thousands of sailors and soldiers clashed on the North Sea and in the English Channel. Smaller squadrons patrolled the Mediterranean and carried out raids on the African and American coasts. Contemporary observers perceived these naval confrontations as the ultimate showdown between the two greatest maritime powers of Europe. The battles left a clear mark on public and political memory. The character and causes of the Anglo-Dutch wars have since then been studied by both politicians and historians. Images of these wars were exploited in eighteenth-century English and Dutch partisan rivalry and have been glorified in nineteenth- and twentieth-century Dutch nationalism.

Until recently, historians have always argued that economic dominance and maritime hegemony were the prime issues at stake during the Anglo-Dutch wars. Only since the mid-1990s has this interpretation been challenged. Some authors have argued that mercantile interests were not of crucial importance in the deterioration of Anglo-Dutch political relations. This new argument has since then been supported and disputed in historiography. The aim of this article is therefore twofold. First, it attempts to offer a historiographic overview. Secondly it discusses the relationship between Anglo-Dutch mercantile competition on the one hand and political and diplomatic relations on the other. This article will argue that the 1667 Peace Treaty of Breda was a major turning point in Anglo-Dutch relations after which mercantilism ceased to dominate Anglo-Dutch political relations. Before that year, however, economic strife was the predominant factor.

<sup>1</sup> This article was first given as a paper at the Williamite Universe symposium on late seventeenth-century Anglo-Dutch relations (University of London, 23 June 2007). Earlier drafts of this article have been commented on by J. R. Jones (emeritus University of East Anglia) and H. L. A. Dunthorne (University of Swansea). I am grateful for their advice.

To answer the questions posed, the term ‘mercantilism’ and its usage in this article require some explanation. Traditionally, authors have used it to describe protectionist policies, including the use of force, and legislation that governments implemented to advance, protect, and expand national trade, industry, and shipping.<sup>2</sup> In the case of England, these measures were the result of intensive lobbying by commercial interest groups. In the case of France, protectionist policies were introduced by Louis XIV and his minister Colbert in an attempt to strengthen the king’s financial resources. Some authors have argued that the Dutch Republic was only the victim of foreign mercantilist attempts to take over economic and maritime primacy in world trade. Mercantilist forces were relatively weak in the Dutch Republic because the Dutch favoured free trade and shipping.<sup>3</sup> Voorthuysen and Klein, on the other hand, have argued that a policy of non-intervention can also be considered a form of mercantilism.<sup>4</sup> This view has now largely fallen out of favour and the Dutch Republic is generally not considered a mercantilist state. Nowadays historians often refrain from using the term ‘mercantilism’ because there is no agreement on its definition. The diversity of argument has instead led to a variety in terminology. For the sake of argument, however, the term mercantilism will be used in this article.

## I

Traditionally most historians have classified the First and Second Anglo-Dutch Wars (1652–4 and 1665–7) as the outcome of commercial and maritime rivalry. Merchants and companies from both countries competed for every major trade both within and outside Europe. The English governments were eager to defend and advance economic interests and the Dutch leaders were prepared to respond by force. Wilson was the most prominent historian to favour this mercantilist explanation.<sup>5</sup> He aimed to integrate economic, political, and naval history in an attempt to refine this interpretation and provide the context in which mercantile rivalry could lead to war. The third war (1672–4) did not completely fit in with this picture and was sometimes completely ignored.<sup>6</sup> Wilson never completely managed to connect the mercantile interest groups to the political process. He analysed the various commercial, industrial, and maritime interests, but he did not explain how economic interest groups were organized, what tactics they employed for influencing the political agenda, how this lobby interacted with the different English governments, and why politicians were so receptive towards these developments.

In 1996, Jones, a political historian, stressed the important and largely neglected political and diplomatic process that preceded the actual outbreak of the three wars.<sup>7</sup> Other political historians like Hutton and Seaward have reached similar

<sup>2</sup> For example, Colbert’s prohibitive tariffs that were meant to exclude Dutch and English competition from the French market, or the various English Acts of Navigation that were intended to harm Dutch shipping and create an English staple market.

<sup>3</sup> Van Tijn, ‘Dutch economic thought’, pp. 8–9.

<sup>4</sup> Voorthuysen, *Republiek*, pp. 129–30; Klein, ‘Dutch trade policy’, pp. 39, 42–7.

<sup>5</sup> Wilson, *Profit and power*; Boxer, *Anglo-Dutch wars*; Japikse, *Republiek en Engeland*; Davis, *English merchant shipping*, pp. 28–31.

<sup>6</sup> Wilson, *Mercantilism*, p. 16.

<sup>7</sup> Jones, *Anglo-Dutch wars*.

conclusions.<sup>8</sup> Jones maintained that English domestic political developments had played a fundamental part in causing each of the wars. The first war, he claimed, was the direct result of the failure of Anglo-Dutch negotiations about a union between both states. The Commonwealth felt threatened and responded in force. Economic competition between both countries only played a subordinate role in his argument.<sup>9</sup> In drawing this conclusion, Jones elaborated on an important article by Groenveld, a Dutch historian who argued that the English Civil Wars had been crucial in bringing about the war with the United Provinces.<sup>10</sup> The second war, Jones stated, was caused by a bellicose group of ambitious English politicians and naval officers who managed to influence the political agenda. They used mercantile points for their personal advantage. The third war was a carefully designed attempt to strengthen the political and financial position of the English monarchy. This time mercantilist arguments only served as a pretext for war and were in fact cynically abused by the king and his ministers.<sup>11</sup>

In the same year a totally different interpretation was introduced when Pincus published his important work *Protestantism and patriotism*. In this book and in a number of articles he offered a challenging new interpretation of English political culture, the making of English foreign policy, and Anglo-Dutch relations in the second half of the seventeenth century. Pincus's argument was that political and religious ideologies were the most important factors in the making of English foreign policies and in Anglo-Dutch relations. Economic and maritime strife were, he argued, of minor importance and were only expressions of ideological differences. The first war, he claimed, broke out because the Commonwealth considered the Dutch to be worshippers of Mammon rather than God and their Orangist sympathies made them a danger to the young English republic.<sup>12</sup> The second and third wars erupted because Anglican royalists perceived the Dutch regent regime as a threat to the newly established monarchy.<sup>13</sup> The Dutch aspiration for a commercial 'universal monarchy' made them untrustworthy and deceitful. Their Protestantism was in fact no more than Catholicism in disguise.<sup>14</sup>

In 2007, Claydon, a scholar of political culture, published a history of Britain's national and religious identity during the period 1660–1760. He elaborated on Pincus's ideological argument, but believed that ultimately it was English religious zeal that caused the second and third wars. Claydon argued that competition over trade, industry, and shipping was an important underlying source of tension. He did not discuss this in any detail, however. From the English perspective, national honour was also at stake as the Dutch refused to acknowledge English maritime sovereignty. These issues were, he stated, reflected in banal pamphlet rhetoric and Court propaganda. Anti-Dutch emotions did not, however, lead to a coherent

<sup>8</sup> Hutton, *Restoration*, pp. 214–19; Seaward, *Cavalier Parliament*, pp. 120–1.

<sup>9</sup> Groenveld, 'English Civil War'; Jones, *Anglo-Dutch wars*, pp. 107–12.

<sup>10</sup> Groenveld, 'English Civil War'.

<sup>11</sup> Jones, *Anglo-Dutch wars*, pp. 145–51, 179–81.

<sup>12</sup> Pincus, *Protestantism and patriotism*, pp. 14, 87–100.

<sup>13</sup> *Ibid.*, pp. 318–30; *idem*, 'Popery, trade and universal monarchy', pp. 26–8; *idem*, 'Republicanism, absolutism and universal monarchy', p. 262.

<sup>14</sup> Pincus, 'English debate', pp. 37–43; *idem*, 'Popery, trade and universal monarchy', pp. 26–8; *idem*, 'Republicanism, absolutism and universal monarchy', pp. 246–62.

anti-Dutch ideology. Instead the rivalry with the Dutch helped unleash English religious sentiment, which ultimately inspired the military effort.<sup>15</sup>

Despite these recent additions to the historiographical debate, the predominant view continues to stress the importance of commercial, industrial, and maritime rivalry. Authors like Israel and Ormrod have elaborated on Wilson's integrated approach and have tried to refine the traditional mercantilist argument by analysing the economic and political relationship between England and the Dutch Republic.<sup>16</sup> Israel criticized Jones and Pincus for failing to acknowledge the importance of commercial and maritime competition between England and the United Provinces. Israel has argued that their alternative explanations were not plausible. Prior to the First Anglo-Dutch War, the Commonwealth's only natural ally was the Dutch Republic and it would, in Israel's view, have been illogical to attack the only fellow Protestant republic. Jones, in his eyes, failed to discuss the huge impact made by Dutch privateering and the naval war effort on English trade and shipping during the third war. Pincus, he stated, had disregarded Dutch and other foreign source material. Also he had ignored 'the wider European strategic and political as well as economic realities'.<sup>17</sup>

Israel's criticism of Pincus's work is justified. Obviously Anglo-Dutch mercantilist rivalry left its impression in pamphlet literature and political ideology. English foreign policy was, however, not determined by an ideologically coherent programme. There is an abundance of source material, political and diplomatic, as well as economic, that suggests that commercial competition was the prime factor in Anglo-Dutch relations. Arguably political ideology played a part in Anglo-Dutch relations. This ideology, however, was very much connected to the emerging notion of the interest of the state. English political ideology was heavily coloured by anti-Dutch rhetoric in mercantilist pamphlet literature. The government, eager to gain public support for its policies, used similar language to legitimize its actions. Jones's arguments have added a very important political dimension to the historiography.<sup>18</sup> The mercantile rivalry between both countries is still fundamental for understanding the three wars, but analysing the political process, the strategic situation, and the organization and practices of mercantile interest groups is essential for understanding how mercantile competition could lead to war.

Ormrod, a student of Wilson, spent little time discussing the political events of the Anglo-Dutch collisions but instead focused on analysing the economies of both countries. He concluded that English mercantilism helped reshape the North Sea staplemarket system and undermined Dutch commercial dominance.<sup>19</sup> Other recent studies by Rodger and Rommelse have elaborated on both Jones's and Wilson's ideas and have attempted to combine the mercantilist and the political interpretation.<sup>20</sup> These contributions have focused on the question of how and why mercantile rivalry could penetrate into the core of political decision-making and lead to war. The connection between City and Court, economic competition, mercantile lobbying tactics and networking, and the political process were all

<sup>15</sup> Claydon, *Europe*, pp. 133–52.

<sup>16</sup> Israel, *Dutch primacy*, pp. 197–291; idem, 'England's mercantilist response', pp. 50–9.

<sup>17</sup> Israel, 'England, the Dutch Republic, and Europe', pp. 1118–20.

<sup>18</sup> Rommelse, 'Dutch radical republicanism', pp. 241–4, 252–60.

<sup>19</sup> Ormrod, *Rise of commercial empires*, pp. 41, 314, 337–9.

<sup>20</sup> Rodger, *Command of the ocean*, pp. 65–7; Rommelse, *Second Anglo-Dutch War*.

aspects of this integrated approach. In an attempt to move away from the Anglo-centric argument of most authors, English, Dutch, French, and Spanish primary and secondary sources have been used in order to construct a history that discusses the events from various perspectives.

Thus, historiography on the subject of the three seventeenth-century Anglo-Dutch wars has diversified during the last two decades. It is remarkable how different schools of historians do not, or hardly, engage with each other's arguments and conclusions. Many economic historians focus on the economic aspects of Anglo-Dutch relations but largely ignore political and diplomatic relations. Many political historians, who mainly concentrate on political culture and language, see Anglo-Dutch mercantile tension as a cliché and have attempted to play down its importance. There are, however, a number of scholars, such as Gauci, Greenfeld, Scott, Leng, and Glaisyer, who have recently tried to bridge the gap between political culture, state formation, and economics.<sup>21</sup> The following sections aim to apply this integrated approach to analyse Anglo-Dutch mercantile, political, and diplomatic relations, providing an overview of the causes of the three seventeenth-century Anglo-Dutch wars.

## II

In 1650 the First Stadholderless Period (1650–72) started when Prince William II suddenly died. He left an infant son and a much weakened House of Orange. Earlier that year his conflict with the States of Holland had escalated into a major political crisis, culminating in a surprise attack against the cities of Amsterdam and Delft. William had hoped to restart the war against Spain, which would give him the opportunity to build a reputation as a military commander and strengthen his political position. Some of Holland's most important cities had opposed a new war. His unexpected death turned the tables completely, allowing the Holland regents to build a republican regime that they themselves referred to as the True Freedom. The States of Holland left the stadholdership and the supreme command over the army and navy vacant. They were now in a position to appoint and select magistrates and officials themselves, a privilege previously enjoyed by the stadholder. In 1651, the seven Dutch provinces held a Great Assembly in The Hague to discuss the form and structure of the Republic. Some of the other provinces had strong Orangist sympathies but were in the end persuaded to give way to Holland. The Assembly confirmed the political dominance of Holland and firmly established the republican True Freedom.<sup>22</sup>

During the 1640s, the States General had been careful not to become involved in the English Civil Wars. English parliamentary attempts to negotiate closer connections with the Dutch Republic were rebuffed. Royalist approaches were dealt with in a similar fashion. The result of neutralist positioning, however, was that both English combatant sides were alienated from the Dutch Republic. Both royalist and parliamentary privateers captured large numbers of Dutch merchant

<sup>21</sup> Gauci, *Politics of trade*; Greenfeld, *Spirit of capitalism*; Scott, ' "Good night Amsterdam" '; Leng, 'Commercial conflict'; Glaisyer, *Culture of commerce*.

<sup>22</sup> Israel, *Dutch Republic*, pp. 595–609, 700–13; Groenveld, *De prins voor Amsterdam*, pp. 16–31; Geyl, *Orange and Stuart*, pp. 59–80.



vessels.<sup>23</sup> In 1649, Parliament once again offered to negotiate a closer union with the Dutch Republic. The Commonwealth wanted to protect its position by aligning with the only other Protestant republic. This would help the English in pursuing an ambitious and aggressive Protestant foreign policy. This prospect in itself was enough to lead the now dominant province of Holland to dismiss the proposals advanced by the famous St John-Strickland mission to The Hague for a close union of the two states. The States General needed little discussion with the envoys to realize that this meant English dominance. The regents distrusted the motives and objectives of the revolutionary and regicidal rulers of England, fearing that a union would imperil the economic and political benefits that peace with Spain had brought, and suspected that the English republicans would use a union to advance their economic and mercantile interests at the expense of those of the Dutch, who they would be tempted to regard as the junior partner. In 1652, war broke out.<sup>24</sup>

Underneath the abrupt breakdown of diplomatic relations and the subsequent escalation of hostilities lay commercial and maritime tension. Once the Spanish–Dutch peace talks were underway, Dutch Levant and Iberian trade began to flourish. As Israel has argued, Dutch merchants, benefiting from the abundance of relatively cheap shipping and the cessation of hostilities, soon dominated the markets that had previously been dominated by English traders. Dutch merchants could now freely export their commodities to markets that had until then been undisputed English territory.<sup>25</sup> Dutch merchants had also benefited from the English Civil Wars and now supplied English colonists in the West Indies with whatever they needed. The island of Barbados had remained in royalist hands and Dutch traders had shipped slaves to the plantations.

Dutch commercial primacy created at the expense of English interests was an affront in the eyes of the so-called ‘New London merchants’.<sup>26</sup> From 1648 onwards, this group of Puritan interlopers, who had previously infringed on existing monopolies, had managed to exert considerable influence on the English political agenda. These traders were, as Brenner argued in a groundbreaking study, connected by family ties and shared a common social, religious, and ideological background.<sup>27</sup> They had connections with the Rump Parliament and managed to make overseas trade an important issue in the English political debate.<sup>28</sup> Some of these merchants sat in the purged Parliament, while others gained functions in institutions including the Admiralty, and in 1650 a new Council of Trade was created in an attempt to advance English trade and shipping.<sup>29</sup>

In 1651, the New London merchants played an important part in convincing Parliament to adopt the Act of Navigation. This had not been easy, as much domestic opposition had to be overcome. Wilson emphasized that it took the Council of State and the Council of Trade over one year to balance the various and

<sup>23</sup> Groenveld, ‘English Civil War’, pp. 546–65.

<sup>24</sup> Groenveld, ‘English Civil War’, pp. 555–7; idem, ‘Seventeenth-century Anglo–Dutch wars’, p. 175.

<sup>25</sup> Israel, ‘England’s mercantilist response’, pp. 51–5.

<sup>26</sup> Brenner, ‘Civil War politics’.

<sup>27</sup> Ibid., pp. 70–7; idem, *Merchants and revolution*, pp. 113–15.

<sup>28</sup> Brenner, ‘Civil War politics’, pp. 76–82, 96–105; idem, *Merchants and revolution*, pp. 577–9.

<sup>29</sup> Ibid., pp. 600–4; Groenveld, ‘English Civil War’, pp. 548–51, 559–60.

sometimes conflicting mercantile interests.<sup>30</sup> The act stipulated that all goods imported into Commonwealth territory should be carried on English vessels or ships from the country of the products' origin. Transport of goods from any part of the Commonwealth to another should be carried out using English ships. The law aimed to 'increase . . . shipping and . . . [encourage] the navigation of this nation, which under the good providence and protection of God is so great a means of the welfare and safety of this Commonwealth'. All violations of this act would be punished with seizure and confiscation of goods and ship.<sup>31</sup> It is obvious that the law was meant to harm Dutch maritime supremacy, as the Dutch possessed a majority share in European shipping. There were simply no other competitors that could at that moment be hurt. Prior to and during the war the New London merchants played a significant part in the deterioration of Anglo-Dutch relations. They functioned as prize officers in the admiralty courts and in this way facilitated the damaging of Dutch maritime trade.<sup>32</sup>

The First Anglo-Dutch War was the direct result of English mercantilist policy-making and Dutch determination to defend their economic position.<sup>33</sup> The St John-Strickland mission was a diplomatic attempt to kill two birds with one stone. It was intended to strengthen England's position abroad as well as smother Dutch commercial expansion. When Dutch regents recognized the real intentions of the mission and rejected its proposals, the New London merchants did not hesitate to seek support for their aggressive anti-Dutch policies. The failure of the English embassy was a serious political setback but was only a single event. It does not explain why the English public supported the war with so much enthusiasm. Decades of economic, industrial, and maritime competition, on the other hand, had left a clear mark in English politics and public opinion. The Act of Navigation was therefore a clear declaration of economic war in itself.

The political appearance and subsequent activities of the New London merchants meant an important change in English politics. Wilson argued that economic thought and policy had been linked together as early as 1622.<sup>34</sup> It is true that English governments had stimulated and regulated overseas trade during the first half of the seventeenth century. They had offered diplomatic representation to English economic interests; for example, in the Anglo-Dutch negotiations about Indonesian trade. These regimes, however, had never sought active cooperation with commercial interest groups. Chartered companies had petitioned the monarch or Privy Council for certain rights and privileges, but would not systematically seek governmental representation or participation. Also, Parliament did not provide a forum in which mercantile interests could be promoted. It was called infrequently with several long periods during which none met or was expected to meet so that there could be neither continuity of policies nor the revision of existing ones. When Parliament did meet, short sessions made it difficult to draft, discuss, and pass complex bills.

<sup>30</sup> Wilson, *Profit and power*, pp. 56–7.

<sup>31</sup> Firth and Rait, eds., *Acts and ordinances*, pp. 559–62.

<sup>32</sup> Groenveld, 'English Civil War', pp. 559–61; Ormrod, *Rise of commercial empires*, pp. 32–3; Brenner, *Merchants and revolution*, pp. 633–7.

<sup>33</sup> Farnell, 'Navigation Act of 1651'.

<sup>34</sup> Wilson, *Mercantilism*, pp. 12–19.

The New London merchants used very different methods in securing political support in what after 1648 was a smaller and more homogeneous single-chamber Parliament meeting almost every weekday. Introducing new mercantilist legislation against the Dutch rivals was a novelty that previous generations of traders had only dreamt of.<sup>35</sup> The Act of Navigation of 1651 was therefore a milestone in the process of English state-building. Formulating economic policies based on national interest became the guiding principle for mercantilists for the next 150 years. Their 'new economic consciousness', as Greenfeld called it, went hand in hand with emerging national sentiment and was part of the development of more secular principles in politics.<sup>36</sup> The formulation and implementation of economic and protectionist policies with the involvement of Parliament had become an important part of the *raison d'état* and state-building.<sup>37</sup>

In the Dutch Republic the economic elite found it much easier to place their issues directly onto the political agenda. Ever since the Dutch Republic had taken shape, commerce and government were intimately connected. As early as 1602, the States General had involved themselves with economic politics when they ordered the establishment of the Verenigde Oost-Indische Compagnie (VOC; United East-India Co.), although this was not a popular policy nor one demanded by mercantile interest groups. All small companies in various Holland and Zeeland towns had been forced to join the new organization. The States General provided a charter for the monopoly on all trade and shipping east of the Cape of Good Hope. The company also received delegated state powers because it was licensed to conclude treaties and alliances with Asian princes and states, and wage war if necessary. In this way profit could be maximized and Spanish and Portuguese enemies confronted with force. The establishing of the West Indische Compagnie (WIC; West India Co.) in 1621 followed this successful formula and was again intended to damage Spanish overseas interests.<sup>38</sup> The States General maintained permanent commissions for the East and West Indian trade. Keeping duty tariffs on imports and exports low compared to taxation on domestic consumption was another policy intended to stimulate maritime commerce.<sup>39</sup>

Most historians consider the Dutch state to have been weak and ineffective compared to some of its neighbours.<sup>40</sup> Other European states grew ever more powerful during the second half of the seventeenth century, whereas the Dutch Republic was often divided. The States General found it almost impossible to reach unanimous decisions because the provinces often had conflicting political and economic interests. The tax system was decentralized and the percentage contributed by each province became fixed. The institutional structure of the United Provinces and the political deadlock between the provinces made changes to this system impossible. The Dutch Republic therefore had to rely on loans from

<sup>35</sup> Thomas Mun wrote his famous *Englands treasure by forraign trade: or the inbalance of our forraign trade is the rule for our treasure* in the 1620s. It was only published in 1664 by Sir Richard Ford. Bonney, 'Evolution', pp. 177–83.

<sup>36</sup> Greenfeld, *Spirit of capitalism*, pp. 41–3: 'This was undoubtedly a proposition validating material self-interest, but it was clearly advocated only as a means to a higher collective end' (p. 43).

<sup>37</sup> Rommelse, *Second Anglo-Dutch War*, pp. 15–25; Gauci, *Politics of trade*, p. 12; Wilson, *Profit and power*, p. 27.

<sup>38</sup> Van Goor, *De Nederlandse koloniën*, pp. 32–9; Bruijn, 'Scheepvaart en overheid', pp. 81–3.

<sup>39</sup> 't Hart, 'Freedom and restrictions', pp. 109–10, 122–3.

<sup>40</sup> For example, 't Hart, 'Freedom and restrictions', pp. 122–3; idem, *Making of a bourgeois state*, pp. 216–26; Ormrod, *Rise of commercial empires*, p. 21.



its own citizens.<sup>41</sup> It nevertheless succeeded in making overseas trade subservient to its own political and military aims long before England or France issued protectionist legislation. In this respect the process of Dutch state-building was some 50 years ahead of these countries. Wilson's rhetorical question whether or not 'the loose federal machinery of government [should] be regarded as a state' therefore does not seem to be justified.<sup>42</sup>

Johan de Witt (1625–72) became pensionary to the States of Holland in 1653. He was the *de facto* political leader of the Dutch Republic during the First Stadholderless Period (1650–72). His regime was highly pragmatic and very practical. He and his fellow regents understood very well that profits made in overseas trade and shipping were of the utmost importance. These allowed the States General to borrow funds when the territorial and political safety of the Dutch Republic was at stake. Money made in commerce had been essential in fighting off Spain during the Eighty Years War because it enabled foreigners to be hired for the army and the navy. Economic interests were therefore an essential part of the political agenda.<sup>43</sup>

Most Dutch regents held political positions in their hometowns. A small number of them were selected to represent their city on the provincial level or their province on the national level. They were backed by local or provincial factions. The Dutch political system depended on patronage.<sup>44</sup> Regents and their relatives held functions with the admiralties and on the boards of the VOC and WIC. They invested in state loans, real estate, shipping, and shares. This meant that the influential group of regents and their families had a great deal to gain from economic stability. Their financial and political positions, as well as their families' interests, depended on it.<sup>45</sup> It is not surprising that overseas commerce became a fundamental principle in Dutch foreign policy. The conservative regents incorporated this into their republican ideology of *raison d'état*.

### III

In 1658, Cromwell died, leaving his son Richard to deal with growing public discontent. In 1660, General George Monck seized power with his army. Having consulted with Parliament and the City of London, negotiations were opened with the exiled Charles II. Later that year Charles was crowned king of England, Ireland, and Scotland. The new government faced a number of complicated problems. The different religious and social groups that had fought the civil wars would have to be reconciled for the regime to be effective. Charles, who was advised in this matter by Clarendon, issued the Declaration of Breda, granting a full pardon to all his former opponents. Within two years, however, religious

<sup>41</sup> 't Hart, *Making of a bourgeois state*; idem, 'Dutch Republic', p. 67; Fritschy, '“Financial revolution” reconsidered', pp. 62–79.

<sup>42</sup> Wilson, *Mercantilism*, p. 20.

<sup>43</sup> Franken, 'General tendencies', pp. 3–7; Boogman, 'Raison d'état politician', pp. 56–63.

<sup>44</sup> Roorda, *Partij en factie*, pp. 1–5; Groenveld, *Evidente factiën in den staet*, pp. 10–13, 73–7; De Jong, *Een deftig bestaan*, pp. 35–51.

<sup>45</sup> Bruijn, 'Scheepvaart en overheid', pp. 81–3; Enthoven, 'Een symbiose tussen koopman en regent', pp. 234–6; De Jong, *Een deftig bestaan*, pp. 75–7.

controversy between the Anglicans, Presbyterians, and other dissenters dominated the political agenda again.<sup>46</sup>

Inevitably Charles had difficulties in obtaining the allegiance of many diverse and formerly mutually hostile groups. He was able to pardon old opponents but lacked the resources to reward the loyalty of many of those who had fought for his father and to satisfy the aspirations of the younger groups of courtiers. The inadequacies of the permanent revenue voted by the Convention Parliament in 1660, and the depression of trade, landed rents, and industries that he inherited from the Commonwealth, were not rectified by grants in 1661–2 and a new Hearth Tax. The disbandment of the unreliable army also absorbed money.<sup>47</sup>

In order for revenue to increase, it was necessary for customs and excises to rise because these were the most important sources of income. Customs, and excises to a lesser extent, depended largely on foreign trade and could fluctuate as a result of economic developments. In the 1650s, English trade and shipping had suffered from wars with the Dutch Republic and especially Spain. The exports of cloth and raw and semi-raw materials were in a recession. There was a shortage of shipping capacity. The difficulties in foreign trade had contributed to the failure of the Protectorate and subsequently to the king's return. After the Restoration, these problems continued to plague the new government. The new king failed to get a regular and predictable income and could not obtain loans at moderate rates of interest.<sup>48</sup>

To remedy the situation, Charles allowed commercial interests a more prominent place on the political agenda. In July 1660, the Committee for Trade and Plantations was established. The members were ordered to deal with the steady stream of economic requests and mercantilist petitions that threatened to flood the Privy Council. The other purpose of the new committee was to help increase the monarch's insufficient revenue.<sup>49</sup> Some months later, two new commissions were formed out of the old one: the Council of Trade and the Council of Foreign Plantations. The first institution consisted of 63 members in total, many of whom were experienced merchants. The chartered companies were invited to select representatives. These specialists met with politicians and nobles, enabling them to carry their interests directly to the highest political echelons. Sometimes the specialists even attended the Privy Council sessions in order to provide expert advice on certain matters. Many of the ideas of mercantilist thinkers and pamphleteers were discussed and considered.<sup>50</sup>

English economic elites used various different methods to influence the process of political decision-making. Companies like the East India Company (EIC) and the Levant Company paid money to politicians, nobles, and diplomats in order to press certain issues.<sup>51</sup> Individual merchants had taken seats in the City of London Common Council and the Court of Aldermen. Some of them had managed to win seats in the House of Commons. In the Rump Parliament of

<sup>46</sup> De Krey, *London and the Restoration*, pp. 4–16, 64–140.

<sup>47</sup> Hutton, *Restoration*, p. 127; idem, *Charles the Second*, pp. 133–65, Seaward, *Cavalier Parliament*, pp. 217–20.

<sup>48</sup> Chandaman, *English public revenue*, pp. 9–11; Rommelse, *Second Anglo-Dutch War*, pp. 44–5.

<sup>49</sup> Andrews, *British committees*, pp. 61–2.

<sup>50</sup> Rommelse, *Second Anglo-Dutch War*, pp. 50–2.

<sup>51</sup> Shermann, 'Pressure from Leadenhall', pp. 330–51; Rommelse, *Second Anglo-Dutch War*, pp. 52–5.

1649–53, mercantilism had been present as a political force.<sup>52</sup> By contrast, in the 1660s, English mercantilism stretched out its arms like an octopus creating an efficient lobby that could influence politics on every level. The new government, seeking both political support and financial advantage, believed it opportune to allow these interest groups direct access to politics.<sup>53</sup>

The clearest example of cooperation between Court and City was the setting up of the Company of Royal Adventurers trading into Africa (RAC). The new company, with many former New London merchants among its founders and investors, received a charter and naval support from government. All prominent royals and nobles invested sums of money. Charles and his brother James, Duke of York, became the most prominent patrons of the new company. Courtiers and politicians believed the promising African trade would yield both financial and political profits. Young, ambitious politicians like Arlington, Clifford, and Coventry believed that cooperating with the Royal Adventurers, the EIC, and the Levant Company would also help them climb the political hierarchy. Displaying loyalty to the monarch's mercantilist policies could strengthen their position at Court. Charles stimulated this development because it enabled him to use the younger generation to exert pressure on the older generation headed by Clarendon. He could then, as a master of puppets, control the various factions.<sup>54</sup>

In 1660, the States General believed that a new political order could be created in western Europe. The Restoration had brought to power a new regime that might be willing to improve Anglo-Dutch relations. De Witt thought that a series of bilateral agreements between the major European powers could impose peace upon the whole continent. The States General decided to send delegations to Paris, London, and Madrid. The ultimate aim was to conclude defensive alliances with the French and English. Thus a Triple Alliance could be forged, allowing the Dutch Republic to reap the fruits of a peaceful and stable Europe.<sup>55</sup>

In November 1660, the four Dutch delegates in London proposed an 'unbreakable and everlasting alliance'.<sup>56</sup> They discovered, as they admitted to De Witt, that the negotiations would be more complicated than previously expected. The City of London and the House of Commons were pressing Charles for mercantilist legislation that would directly harm Dutch maritime trade. In August 1660, the Commons had passed a law that was essentially the same as the 1651 ordinance, that was to come into force from 1 December, which prohibited the transport of goods to the British Isles by ships from a third country. English products could only be exported on English vessels.<sup>57</sup> This did not stop many Dutch traders from attempting to smuggle British wool to the Republic where it was used in the cloth industry. The logical next step was the 1663 Staple Act.<sup>58</sup> All goods from English colonies first had to be shipped to an English harbour on English merchantmen

<sup>52</sup> Brenner, *Merchants and revolution*, pp. 577–9.

<sup>53</sup> Gauci, *Politics of trade*, pp. 197–9, 232–3; Rommelse, *Second Anglo-Dutch War*, pp. 52–5.

<sup>54</sup> Zook, *Royal Adventurers*, pp. 7–12; Davies, *Royal Africa Company*, p. 41; Jones, *Anglo-Dutch wars*, pp. 145–6; Wilson, *Mercantilism*, p. 19.

<sup>55</sup> Rowen, *John de Witt*, pp. 443–7; Groenveld, *Evidente factiën in den staet*, pp. 44–6; Boogman, 'Raison d'état politician', pp. 67–8; Franken, 'General tendencies', pp. 7–13.

<sup>56</sup> The Netherlands National Archive, States General, Secrete Kas Engeland, Dutch embassy to the States General, 26-11-1660.

<sup>57</sup> Kammen, *Empire and interest*, pp. 23–4; Harper, *English navigation laws*, pp. 87–8, 281.

<sup>58</sup> Rommelse, *Second Anglo-Dutch War*, pp. 58–62.

before they could be re-exported to Europe. All European exports to the American colonies should then be shipped via Britain and on British vessels.<sup>59</sup>

It is obvious that English merchants had copied Dutch practices and tried to build a colonial staplemarket like the one the VOC had created in Batavia. The Dutch Republic was a clear example of the ideal mercantile society where traders had almost direct access to the process of political decision-making.<sup>60</sup> The significance of the Dutch staplemarket has been challenged in modern historiography, but was obvious to contemporary English observers.<sup>61</sup> Pamphleteers urged the government to advance English economic interests by copying Dutch methods. Their writings often claimed to represent and defend English national interests.<sup>62</sup>

Almost immediately after his Restoration, Charles decided to take steps to support English foreign trade and shipping. In 1660, he granted a charter to the Royal Adventurers trading into Africa and he prolonged the EIC monopoly. He sent Henry Bennet on a diplomatic mission to Madrid to negotiate the release of ships belonging to the Levant Company. The setting up of a Royal Fishing Council in 1661 with promises of subsidies from the Crown was a potential threat to Dutch fishing interests, but never got underway. The Dutch delegates in London made futile complaints about the protectionist measures that were taken. In The Hague, De Witt did what he could to persuade the English government to end its mercantilist policies. Charles and his ministers, however, were much more inclined to listen to the growing mercantile lobby in the City of London. Charles told the Dutch delegates that he had not been able to obstruct the renewed Act of Navigation. This claim was not at all sincere, but was only a means to delay the deterioration of Anglo-Dutch political and diplomatic relations.<sup>63</sup>

In the meantime, economic and maritime rivalry had become paramount. Many Dutch vessels were arrested and taken to English ports for violating the Act of Navigation. The Dutch VOC and WIC used similar practices in Asia and Africa. The VOC considered the Indonesian Archipelago its monopolized domain and would not tolerate any English vessels near its factories. English ships were also caught in the crossfire between Dutch military and naval actions against Portuguese belongings in Asia. In Africa, the Dutch WIC was desperate to defend its position. The company had lost Brazil in 1645 and its African trade was now its *raison d'être*. Both in London and The Hague, diplomats complained about the obstruction of trade and confiscations. The EIC paid Sir George Downing, the English ambassador in the Dutch Republic, to defend its interests. Both the RAC and the EIC had their petitions and arguments printed in order to influence public opinion. The VOC and the WIC did the same thing in the Dutch Republic. As a result, the diplomatic negotiations, which been completely dominated by points of economic conflict, failed to produce a defensive alliance. In 1662, only an insignificant agreement of friendship was signed between England and the Dutch

<sup>59</sup> Kammen, *Empire and interest*, pp. 23–4.

<sup>60</sup> Appleby, *Economic thought*, pp. 73–88; Wilson, *England's apprenticeship*, pp. 160–7.

<sup>61</sup> Lesger, *Rise of the Amsterdam market*; idem, 'Hollandse wereldstapelmarkt'.

<sup>62</sup> Gauci, *Politics of trade*, pp. 160–6; Greenfield, *Spirit of capitalism*, pp. 41–3.

<sup>63</sup> Rommelse, *Second Anglo-Dutch War*, pp. 26–7, 58–64.

Republic. It did not solve any of the controversial points, but merely delayed their escalation.<sup>64</sup>

In the following years, confrontations between the English and Dutch companies in Africa and Asia grew more frequent and much more aggressive. In 1663, Charles ordered James, the Lord High Admiral, to send Richard Holmes to Africa to 'defend' the English African trade. Holmes used this commission to conquer nearly all Dutch factories and fortresses on the African coast. When confronted, Charles denied his involvement and promised to look into the matter.<sup>65</sup> De Witt, however, soon understood that Charles was only bargaining for time. The English takeover of New Netherlands in May 1664 confirmed this view. De Witt decided to retaliate against Holmes's actions and managed to pass a resolution through the States General that was not detected by Downing and his informers.<sup>66</sup> Admiral De Ruyter, who commanded a squadron in the Mediterranean, was given secret orders to sail for Africa and recapture what had been lost. His mission was very successful from the Dutch perspective<sup>67</sup> and led Samuel Pepys to comment that the Royal Adventurers were virtually bankrupt.<sup>68</sup> When the news reached London, war became unavoidable. The king's honour and the people's call for vengeance demanded action against the Dutch.<sup>69</sup>

In London, political preparations to convince Parliament of the need to undertake the war were already underway. In March 1664, a number of important government officials persuaded the House of Commons to order a parliamentary commission to undertake a general investigation into the depression that supposedly plagued English trade and shipping. The commission was taken over by Bennet's and James's factions and chaired by Thomas Clifford. It ordered all companies to report on all difficulties they encountered. A huge list of damages inflicted by the Dutch was composed. The statements of the companies led the commission to report that 'the wrongs inflicted by the Dutch are the greatest obstacle to foreign trade, and that His Majesty should be moved to take a speedy course for their redress'.<sup>70</sup>

The king was more than happy to consent to Parliament's official request. He had already informed his sister that 'I am now sending Sir George Downing into Holland to make my demands there. They have never yet given me any satisfaction for all injuries their subjects have done mine, only given good words and nothing else, which will not be sufficient, for I will have full satisfaction, one way or other'.<sup>71</sup> The government, Parliament, the City of London, and the chartered companies all supported this line of anti-Dutch mercantilist policy. In December 1664, Parliament voted the astonishing sum of £2.5 million to undertake the war.<sup>72</sup> Financial

<sup>64</sup> Ibid., pp. 78–91.

<sup>65</sup> Jones, *Anglo-Dutch wars*, pp. 150–1.

<sup>66</sup> Rowen, *John de Witt*, pp. 460–2.

<sup>67</sup> Verhoog and Koelmans, *Reis van Michiel Adriaenszoon de Ruyter*, pp. 17–20.

<sup>68</sup> Pepys, *Diary*, 22 Dec. 1664: 'I hear fully news of our being beaten to dirt at Guinny, by De Ruyter with his flecte . . . it being most wholly to the utter ruine of our Royall Company . . .' [WWW document]. URL <http://www.pepysdiary.com/archive1664/12/22> [accessed on 14 April 2009].

<sup>69</sup> Jones, *Anglo-Dutch wars*, pp. 150–1.

<sup>70</sup> Seaward, 'House of Commons', pp. 444–7; Hartmann, *Clifford*, pp. 35–6; quotation from Rommelse, *Second Anglo-Dutch War*, p. 101.

<sup>71</sup> Bryant, ed., *Letters*, pp. 161–2, Charles to Henrietta Anne, 21 July 1664; Schoolcraft, 'Capture of New Amsterdam', pp. 687–8; Ormrod, *Rise of commercial empires*, pp. 40, 310–11.

<sup>72</sup> Seaward, 'House of Commons', pp. 450–2.



independence and broad political support for the government seemed to have been achieved. Charles's government had managed greatly to improve its position by serving what was portrayed as English national interest.<sup>73</sup> Later that month, Thomas Allin attacked a Dutch fleet of merchantmen returning from Smyrna. This was the straw that broke the camel's back, and the States General declared war in January 1665.<sup>74</sup>

In England, the new government had clearly manifested itself as the defender of the English mercantile cause. Combining both national and private interests, courtiers and politicians cooperated with the economic elites. English foreign policies, which had initially been inconsistent, were now made serviceable to the national economic interest. This was again a breakthrough in English mercantilism. The Dutch Republic, meanwhile, felt its maritime dominance was threatened. But because of their 1662 defensive alliance with Louis XIV, the States General believed they were in a position forcefully to uphold and protect Dutch economic interests against English challenges.

#### IV

In July 1667, after three campaigning seasons and a number of bloody naval confrontations, England, the Dutch Republic, and France negotiated a peace treaty in the Dutch town of Breda. In the previous year Charles, facing bankruptcy, had ordered his brother James not to prepare the fleet for the upcoming season. Sailors could only be paid with tickets and naval stores could no longer be obtained on credit. The Crown was forced to hand over the initiative to the Dutch and concentrate on coastal defence instead. The absence of the English fleet, meanwhile, allowed Dutch shipping to recover.<sup>75</sup>

In January 1666, finally living up to the terms of the 1662 Franco-Dutch alliance, Louis XIV had declared war on England. The French invasion of the Spanish Netherlands in May 1667 had put his Dutch ally in a very awkward position, however. De Witt still required French assistance to secure a favourable peace treaty with England. Louis XIV understood this and believed he could invade the Spanish Netherlands with the States General unable to protest.<sup>76</sup> One of the most important guiding principles in De Witt's conception of international politics, however, was that the Spanish Netherlands should at all times be kept as a buffer between France and the Dutch Republic.<sup>77</sup> Franco-Dutch relations had already been under pressure because of Colbert's tariffs, but now turned sour.

Charles, understanding the difficult situation his enemies were in, believed he could still obtain a reasonably beneficial agreement. The English representatives at the peace negotiations in Breda tried to delay discussions while French and English diplomats secretly talked about cooperation. Charles offered Louis a *carte blanche* in the Spanish Netherlands in exchange for his assistance in obtaining

<sup>73</sup> Jones, *Anglo-Dutch wars*, pp. 93–4.

<sup>74</sup> Rommelse, *Second Anglo-Dutch War*, pp. 120–1.

<sup>75</sup> Rommelse, 'English privateering', pp. 28–9; idem, 'Prizes and profits', pp. 153–9.

<sup>76</sup> Rommelse, *Second Anglo-Dutch War*, pp. 184–8.

<sup>77</sup> Boogman, 'Raison d'état politician', pp. 67–8; Franken, 'General tendencies', pp. 12–14.

favourable conditions from the Dutch Republic. De Witt, in an attempt to break free from this political deadlock, then ordered the famous Raid on the Medway. The damage and subsequent panic and anger forced the English to give way at the negotiations. The political damage sustained by Charles's regime was considerable and a quick peace agreement was now urgently required.<sup>78</sup>

The final agreement was favourable to the Dutch but was also rather lenient on England. The Act of Navigation would be interpreted with more flexibility. Germany would be recognized as a natural hinterland and so Dutch ships would be allowed to transport German goods to English ports.<sup>79</sup> Foreign privateers were no longer allowed to sell their Dutch and English prizes in each other's ports. No letters of marque or reprisals were to be issued without proper judicial process. English and Dutch privateers were not allowed to accept commissions from third nations. No compensation would be paid for any sustained losses and no prizes or conquests would be returned. This was good news for the VOC because it had captured the island of Run during the war. The VOC had succeeded in keeping the EIC out of the Indonesian Archipelago.<sup>80</sup> The WIC had taken Surinam and kept this with a view to cultivating sugar cane. New Netherlands remained in English hands, however. The WIC had asked the States General for the return of this settlement but this point was sacrificed, as the other two territories were deemed more important.<sup>81</sup>

From the English point of view, the possession of New Netherlands was crucial. The Acts of Navigation and the Staple Act had been intended to protect the domestic market and especially Atlantic commerce. New Amsterdam had been a loophole in the English monopoly on North American commerce and had now been closed permanently, although for some time Dutch traders continued to trade illegally with the colony. The Staple Act could now, as Ormrod rightly argued, be enforced much more effectively and the colonial staple market be realized.<sup>82</sup> It is remarkable how Dutch contemporaries failed to recognize the importance of this asset to the English mercantile cause.

Realization of this dominance in Atlantic trade had been the ultimate goal of the New London merchants ever since the 1650s. They had been responsible for the first Act of Navigation and had introduced mercantilism to the core of English policy-making. The merchant community had been very active in these markets and, as Wilson has already pointed out, the Treaty of Breda now provided them with an opportunity to establish a monopoly.<sup>83</sup> It is ironic how a Dutch victory, obtained in a war to defend Dutch economic dominance, ultimately paved the way for English primacy in world trade. From the English perspective, however, the short-term results of the Second Anglo-Dutch War were disastrous. The EIC had lost many ships and any chance of returning to the rich Indonesian trades. The Royal Adventurers trading into Africa had been bankrupted by De Ruyter's action

<sup>78</sup> Jones, *Anglo-Dutch wars*, pp. 94–6, 174–8.

<sup>79</sup> The Act of Navigation had stipulated that all goods imported into Commonwealth territory should be carried on English vessels or ships from the country of the products' origin. German products were now considered Dutch and could be transported on Dutch merchantmen.

<sup>80</sup> Rommelse, *Second Anglo-Dutch War*, pp. 184–9, 196–8.

<sup>81</sup> Den Heijer, *De geschiedenis van de WIC*, p. 88.

<sup>82</sup> Zahedieh, 'Making mercantilism work', pp. 144–6; Ormrod, *Rise of commercial empires*, pp. 40, 310–11.

<sup>83</sup> Wilson, *Profit and power*, pp. 143–58.

of 1664. The Royal Fishing Company had collapsed. The Levant trade had come to a standstill during the war.<sup>84</sup> Hundreds of rich vessels had been captured by Dutch privateers.<sup>85</sup>

Most of the English mercantilists had now come to understand that dominance in world trade could not be taken from the Dutch by force. The mercantilists in the later 1660s still urged the government to advance English interests, but could no longer count on the government's ready ear. From the government's point of view, there was no desire to continue this partnership. The war had failed to produce political and financial benefits. The factions and individuals who had favoured the war had not reaped the profits they had hoped for. Instead the king and his ministers faced huge debts and even greater political damage.<sup>86</sup> The regime now looked for other ways to achieve its goal. Charles and a select number of his ministers and courtiers believed that the political power of the Crown could be permanently increased, ending royal dependence on parliamentary and mercantile partnership.<sup>87</sup>

The Third Anglo-Dutch War (1672–4) was undertaken because of political reasons rather than economic ones. Charles and a number of his ministers thought the position of the Crown could be much improved by means of a new war against the Dutch Republic.<sup>88</sup> In 1670, England and France signed the secret Treaty of Dover. Both states agreed to crush the Dutch Republic between them. England was to receive control over the Schelde Estuary and Charles's finances would be strengthened by a large French subsidy. The republican regime of the Dutch Republic would be abolished once it had been defeated. Prince William III would be put in control over what remained of the Dutch territory. In addition, Charles promised to convert to Catholicism. His brother James, Duke of York, had already done so in 1669.<sup>89</sup> Altogether, this would leave Charles in a much-improved financial situation that would allow him to refrain from calling together another session of Parliament. His kingship would be much strengthened and would resemble the French absolutism he so much admired.<sup>90</sup>

In the English political and public spheres, great authority was still attributed to mercantile interests. Recognizing the general validity of these issues, Charles used mercantilist arguments as a pretext to legitimize the war.<sup>91</sup> A new Anglo-Dutch conflict, however, could only bring more destruction and disruption to English overseas commerce. The war was unpopular from the start and would only have provoked more opposition. Most people saw that the war, and particularly the considerable expansion of the army, which remained in the country throughout, must have been intended to strengthen the power of the monarchy.<sup>92</sup> English commercial interests were now harmed by France's protectionist tariffs. Most

<sup>84</sup> Rommelse, *Second Anglo-Dutch War*, pp. 184–92.

<sup>85</sup> Bruijn, 'Dutch privateering', pp. 89–93.

<sup>86</sup> Rommelse, *Second Anglo-Dutch War*, pp. 189–96.

<sup>87</sup> Jones, *Anglo-Dutch wars*, pp. 94–103.

<sup>88</sup> Jones, *Anglo-Dutch wars*, pp. 9, 180; Hutton, *Charles the Second*, pp. 266–82.

<sup>89</sup> Spurr, *England in the 1670s*, pp. 11–12.

<sup>90</sup> Jones, *Anglo-Dutch wars*, pp. 9, 180; Hutton, *Charles the Second*, pp. 266–82.

<sup>91</sup> Jones, *Anglo-Dutch wars*, pp. 180–1.

<sup>92</sup> Spurr, *England in the 1670s*, pp. 33–57.

merchants had favoured anti-French policies instead of a new war against the Dutch.<sup>93</sup>

## V

In the long run, Anglo-Dutch economic rivalry, the emergence of mercantilist politics, and the increasing interdependence of state and trade were all aspects of the rise of Europe.

Using statistical estimates of urbanization and gross domestic product, Acemoglu, Johnson, and Robinson have tried to prove that the rise of Europe between 1500 and 1850 was largely caused by Atlantic trade. They have argued that countries that were involved in trade with Asia, Africa, and the Americas became wealthier than others and experienced a higher percentage of urbanization. The profits generated by these activities allowed a growing group of bourgeoisie in these countries to demand, obtain, and sustain institutional reforms protecting their property. Britain and the United Provinces were in an ideal situation to profit from Atlantic trade because of their geographical location and political institutions. States with absolutist regimes or traditions profited less from the fruits of Atlantic trade. In other words, the yields of Atlantic commerce stimulated the emergence of new capitalist institutions. This in turn unleashed a much greater economic potential, ultimately leading to European world domination.<sup>94</sup> The argument and approach of Acemoglu et al. are very valuable historiographic contributions. By combining statistical estimates, econometric tools, and political history, they have attempted to bridge the gap between the different disciplines.

Their econometric approach confirms, to a large extent, the argument in this article concerning the political and institutional change that England went through during the 1650s and 1660s. Wealthy merchants managed to influence politics and developed ties with the political elite. Penetrating political institutions was only the next logical step. Acemoglu et al. have stressed that this development was essentially intended to contain the government's control over private property. In their eyes this process caused friction between traditional elites and the new bourgeoisie.<sup>95</sup> This, however, was not the case in England during the 1650s and 1660s, because this was very much a mutually beneficial partnership. It is true that political and economic changes were often accompanied by strife between interest groups. Yet the Rump Parliament and the Restoration regime were eager to cooperate with the mercantile elites. This strengthened both their political foundation and financial position. Also, the government tried to facilitate trade and shipping by permitting new institutions or creating them itself.

The analysis of the Dutch situation presented by Acemoglu et al. is not, however, completely accurate. They have argued that the Dutch Revolt against the Spanish monarchy could be characterized as a struggle between Dutch merchants and the House of Habsburg.<sup>96</sup> Many historians would hesitate to agree with this simplified interpretation.<sup>97</sup> Whereas it is true that Philip II's fiscal policies caused much

<sup>93</sup> Priestley, 'London's merchants', pp. 206–7, 215–19.

<sup>94</sup> Acemoglu, Johnson, and Robinson, 'Rise of Europe', pp. 4–7, 44–5.

<sup>95</sup> *Ibid.*, pp. 2–6, 22–7, 29–33.

<sup>96</sup> *Ibid.*, pp. 32–3.

<sup>97</sup> For example, Groenveld et al., *De Tachtigjarige Oorlog*, pp. 73–147.

resentment in the Low Countries and contributed to the outbreak of the rebellion, religious and political tensions were equally important in this process. More fundamental, however, was the lack of institutional change in the Dutch political system. The Dutch Republic was very much the unexpected product of the Revolt against the Spanish monarchy. The States General functioned as a platform where all seven provinces met but provincial sovereignty was never transferred to this level. Largely as a result of provincial rivalry and particularism, Dutch political institutions hardly evolved during the seventeenth and eighteenth centuries. This petrified system would prove more and more problematic as surrounding states grew stronger and imposed anti-Dutch mercantilist policies. Dutch mercantile interests were, however, prominently represented on the political agenda. This was due to the lack of institutional change and Dutch political practice and culture.

## VI

During the 1650s and 1660s, English mercantilist forces succeeded in introducing economic interests to the core of English politics and policy-making. Mercantile lobbies created effective networks and managed to infiltrate existing and new political institutions, changing the structure of English politics for good. The various governments were receptive towards this development, but primarily when this suited their political agendas. During the second half of the seventeenth century, commercial, maritime, and industrial interests became more and more associated with the English national interest. The mercantile forces used this ideological notion to present their case as a matter of English prestige and power. The government understood the general validity that mercantile terminology held among the English people and used it for political leverage.

The Dutch state was relatively weak and vulnerable due to its decentralized political structure. In the early seventeenth century, it had established a partnership between state and economy. Already in the late sixteenth century, the Dutch political elite upheld, regulated, and stimulated Dutch maritime and commercial rights. Dutch political leadership, especially during the period of True Freedom, was intertwined with the commercial elite. The States General made the economy serviceable to their political and military priorities. In this aspect of state-building, the Dutch state had been ahead of its time and a source of inspiration for foreign mercantilists. Only in the 1650s and 1660s did the English governments begin effectively to follow this example.

Mercantilism, therefore, was the most important factor in Anglo-Dutch political and diplomatic relations between 1650 and 1667. Despite the current historiographical diversity, this is still the predominant interpretation. Political historians such as Jones, Pincus, and Claydon have contributed valuable new ideas to the debate. Yet, in their attempt to move away from the traditional mercantilist interpretation, they have attributed too much weight to one argument, producing a one-sided picture of Anglo-Dutch relations. Integrating the mercantile, political, diplomatic, and ideological dimensions restores the balance. The highly polemical pamphlet literature served as a means to legitimize policies and to present certain disputes as cases of national interest. Yet the 'banal language'<sup>98</sup> used in these writings should not be mistaken for ideology.

<sup>98</sup> Claydon, *Europe*, p. 140.



After the Treaty of Breda, most commercial and maritime disputes had been solved. Both the English and the Dutch gained from this agreement. After 1667, mercantile groups in both states shifted their focus to the new challenge posed by Colbert's policies. The United Provinces, however, continued to feel the strains of the mercantilist policies that England formulated against them. The effects of the successive Acts of Navigation were not felt immediately but gradually grew more pronounced. According to historians such as O'Brien and Ormrod, this mercantilist legislation ultimately paved the way for British economic primacy. In the long run, the Dutch state was ineffective and its political structure too decentralized to permit effective countermeasures.<sup>99</sup>

*Netherlands Institute of Military History*

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<sup>99</sup> Ormrod, *Rise of commercial empires*, pp. 337–8; O'Brien, 'Mercantilism and imperialism', pp. 469, 485–8, 496.

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