



Dutch Economic, Commercial & Financial History

The Dutch “Golden Age” (roughly 1630-1730) saw pathbreaking developments in technology and science, trade and finance. The Dutch East India Company (VOC) became the world’s first shareholder-owned multinational and the Dutch have remained amongst the largest equity investors in the U.S. after American Independence.

Jonathan I. Israel, **Dutch Primacy in World Trade 1585-1740**, Oxford Univ Press, 1989.

The most up-to-date broad overview of the Dutch expansion overseas, and the development of the Dutch “entrepot”—the nexus of supply, transport, finance and distribution services, including the emergence of the Dutch East India Company (VOC) and the West India Company (WIC). While employed by the VOC, in 1609 Henry Hudson discovered what was to become New Netherland. But it was the WIC that ultimately founded and governed New Netherland starting in 1620.

C. R. Boxer, **The Dutch Seaborne Empire 1600-1800**, Originally published in 1965, reprinted by Penguin Books in 1990.

Professor Boxer (University of London, Yale) wrote a series of books, including *The Dutch in Brazil 1624-1654* (1957), *Anglo-Dutch Wars of the 17th Century* (1974), *Jan Compagnie in Japan 1600-1817* (1936), and *Dutch Merchants and Mariners in Asia 1602-1795* (1988),

Jan de Vries and Ad van der Woude, **The First Modern Economy—Success, Failure, and Perseverance of the Dutch Economy 1500-1815** (Cambridge Univ. Press, 1997).

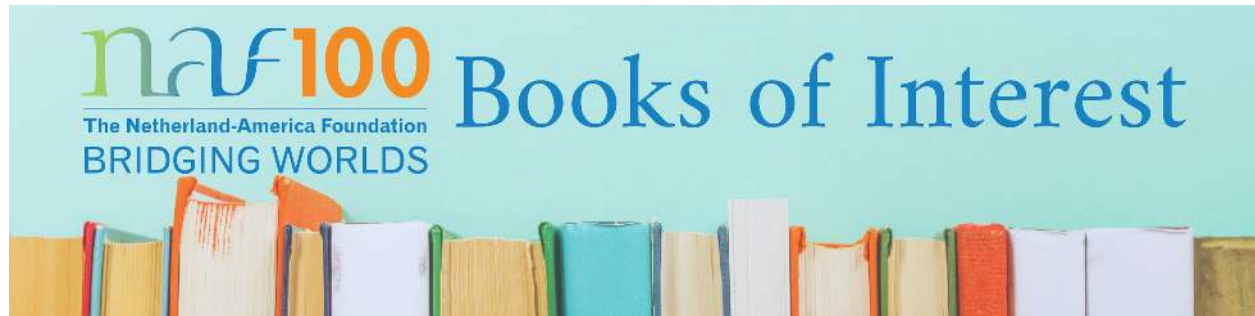
The most authoritative economic history of the Dutch Republic and years of French occupation, written by two prominent economic historians. Early urbanization, education, “rule of law,” decentralized government structures and adoption of a modern monetary system all coalesced and made the Netherlands the “first modern economy.”

J. Luiten van Zanden and Arthur van Riel, **The Strictures of Inheritance—The Dutch Economy in the Nineteenth Century** (Princeton Univ. Press, 2004).

From the cover: “Between 1780 and 1914, the Netherlands went through a double transition. Its economy—which, in the words of Adam Smith, was approaching a “stationary state” in the 18th century—entered a process of modern economic growth...At the same time, the country’s sociopolitical structure was undergoing a radical transformation as the decentralized polity of the republic gave way to a unitary state.”

M. 't Hart, J. Jonker and J. Luiten van Zanden, **A Financial History of the Netherlands** (Cambridge Univ. Press, 1997).

A collection of essays by Dutch historians that illustrate a Dutch financial economy the size and influence of which far exceeded the size of the Netherlands. Discusses financial innovations, the role of the Amsterdam capital markets, etc., in an international context.



Pieter J. van Winter, *American Finance and Dutch Investment 1780-1805*, 2 volumes, with an Epilogue to 1840, edited by James C. Riley, Arno Press, 1977.

Van Winter's work, originally published in 1927 as *Het aandeel van den Amsterdamschen handel aan den Opbouw van het Amerikaansche Gemeenebest* (published on behalf of the Nederlandsch Economisch-Historisch Archief by Martinus Nijhoff) remains the most authoritative study on the role of a number of private Dutch banks in the financing of the fledgling new republic of the United States and American businesses, culminating in Hope & Co's financing (along with Barings) of America's purchase of Louisiana from France.

A.J. Van Veenendaal, *Slow Train to Paradise: How Dutch Investment Helped Build American Railroads* (Stanford Univ. Press, 1996).

Dutch banks played prominent roles in lending monies to the new republic of the United States – some Dfl 30.4 million before 1794, \$15 million in 1803 for the funding of the Louisiana Purchase, and thereafter plenty of smaller loans for governmental infrastructure projects. But towards the 1870s, Dutch investors supplied a veritable flood of loans (and, to a lesser extent, equity monies) for U.S. railroads. The first cross-border, high yield (junk?) financings? This book is interesting financial history.

Larry Neal, *The Rise of Financial Capitalism—International Capital markets in the Age of Reason*, Cambridge Univ Press, 1990. Essays on the emergence of banks, financial instruments and capital markets in Amsterdam and London in the 17th and 18th century.

William N. Goetzmann & Geert Rouwenhorst (eds), *The Origins of Value—The Financial Innovations that created Modern Capital Markets*, Oxford Univ Press, 2005.

"From the invention of interest in Mesopotamia and the origin of paper money in China, to the creation of mutual funds, inflation-indexed bonds and global financial securities, here is a sweeping survey of financial innovations that have changed the world...". Yale professors Goetzmann and Rouwenhorst and other prominent economists and historians document a number of capital markets innovations, including the introduction of shares of common stock in 1602 by the VOV, perpetuities issued in 1648 by a hoogheemraadschap (water board) that are still paying interest, Amsterdam as the birthplace of futures and options trading, annuities and the origin of mutual funds in the Netherlands (in 1774).

Harold J. Cook, *Matters of Exchange—Commerce, Medicine, and Science in the Dutch Golden Age*, Yale Univ Press, 2007.

From the flap: "...A leading authority on the history of medicine and science presents convincing evidence that Dutch commerce—not religion-- inspired the rise of science in the sixteenth and seventeenth centuries.....Cook scrutinizes a wealth of historical documents relating to the study of medicine and natural history in the Netherlands and elsewhere in Europe, Brazil, South Africa and Asia....He uncovers direct links between the rise of trade and commerce in the Dutch empire and the flourishing of scientific investigation...."



Mike Dash, *Tulipo Mania- The Story of the World's Most Coveted Flower and the Extraordinary Passions it Aroused*, Crown Publishers, 1999.

The history of how the speculators and ordinary citizens in the 1630s in Amsterdam and other Dutch cities drove futures prices of tulips (yes, tulips) sky-high before the market's crash left hundreds of thousands penniless. Possibly the first bubble of modern times.

Mike Dash, *Batavia's Graveyard—The True Story of the Mad Heretic who led History's Bloodiest Mutiny*, Crown Publishers, 2002.

Things got out of hand on many ships of the Dutch East India Company (VOC), but never like at the *Batavia*. In November 1628, the VOC's flagship *Batavia* sailed from Amsterdam to Java. On June 4, 1629 the *Batavia* struck a reef off the western coast of Australia. A power struggle ensued amongst the 300 survivors; a junior officer, Jeronimus Cornelisz won out and began a reign of terror. When three months later help arrives from Java, only 70 are alive, a battle erupted and Cornelisz, a religious fanatic, found his own demise. The discovery of *Batavia's* shipwreck in 1960 did spawn a new wave of research on the VOC's bloodiest and most bizarre voyage to the East.