

## **'I would not describe myself as an economic historian'**

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**I would like to start with some general questions concerning your position as a historian. Would you describe yourself as an economic historian or as a general historian?**

I would not describe myself as an economic historian. I have written quite a lot in several different areas of history, economic history certainly, but also social history, political history, and some intellectual history. I do not like these labels as a rule. I think one of the main things I am trying to do really in the work that I am engaged in now, and in the past, is to look at the interactions between the different dimensions of history.

**Does this imply you do not see a place in history for a more theoretical approach? From the point of view of an economist your books look rather 'descriptive'.**

No, I do not think it means that. There are certainly a lot of problems in economic history which can only be solved by historians with a solid training in economic history. My point is not so much that what is being done by most economic historians is invalid. My point is that a lot of things are being missed. They are concentrating on economic problems without looking at the way that economic developments are the product of interactions with other things.

**I suppose one of the approaches you are hinting at is the approach that you associate with Fernand Braudel, the so-called serial approach. What exactly is the reason that you are not really fond of 'serialism', which is very popular among (economic) historians of the early modern period?<sup>1</sup>**

I would not want to detract from the achievements and the originality of what Braudel and the Annales-school have done or from the significance within a certain context of what the serialists are doing. There are certainly whole areas of historical study which have been enriched and opened up by their methods and their approach. But I think that at the same time they created a framework which, if allowed a general hegemony over economic-historical studies, has many negative effects as well because it shuts out very large areas of discussion and large areas of evidence from the analysis. It greatly restricts our perspective on economic history.

**In your book you stress the importance of what anthropologists would call 'the**

**native's point of view'. You do not really agree with the way Braudel and other serialists handle it. You thereby create a kind of opposition between on the one hand their serial approach and on the other hand an approach in which the way contemporaries describe their situation is the basic point of departure. Is this not to a large extent a 'fake controversy'? The so-called serial material in the last resort also consists of what contemporaries thought to be the case.**

That is not at all a fake controversy. My basic objection to the serialist approach is that it creates a hierarchy of historical evidence. It says there are two kinds of evidence or facts: there are those which are essentially quantitative in nature and which are the result of amassing large amounts of quantifiable data and those which are 'purely' descriptive, and which are labelled as 'impressionistic' or some equivalent. This hierarchy of evidence is taken to mean that certain kinds of historical findings have a reliability which the great mass of historical evidence does not have. It is this hierarchy of evidence, and this dichotomy of the reliable and the less reliable that I so strongly object to. I think it fundamentally affects the way we use historical evidence and the way we interpret historical developments.

**I suppose you agree that the contemporaries could also be wrong?**

Of course people in the past were often mistaken, told lies, distorted things in their own self-interest, as much as anybody does today. There is no argument about that. My point is that even when people are distorting the situation or arguing from their own self-interest, or telling lies, that is still reflecting something of what is going on. Even lies are not totally arbitrary. There is a reason for them. I am not for a moment suggesting the validity of any single piece of descriptive evidence. What I am arguing for is the overriding validity of the whole mass of descriptive evidence relevant to a particular issue in so far as we are capable of gathering it together.

**I would like to go back to the ideas of Fernand Braudel. In your book you refer to him very often. You call him 'the grand maitre', and I do not get the impression that this is meant as a compliment. All this suggests there is a big difference of opinion between you and him. But is not Braudel, when he is discussing the 'longue durée', almost exclusively concerned with the relation between population and resources and with the basic elements of material life? Your book is on trade, especially luxury trade. Where exactly do your 'visions of history' collide?**

Let us go back to Braudel's vision. He and his disciples did introduce a revolution in historical studies. There is no doubt about that. They argued that the history that was

being written by the historians at their time was a history of events, a history made by small élites, and not a history of the bulk of the population whose principal preoccupation was to survive and to subsist. Therefore instead of making wars, treaties and constitutional arrangements etcetera the central issue of historical study they decided to focus on the basic facts of material life. They looked at all the things it was possible to study, and to measure, in the past: population, prices, wages, the cost of bread. Naturally they put the emphasis on the broader, longer-term shifts and changes. Within such a framework it has less significance to concentrate on the short-term oscillations.

So the 'longue durée' as a conception of the underlying balance in subsistence, in the facts of everyday life, in the material existence of the bulk of the population, for them becomes the main element in history. Obviously this is a completely different perspective. And there is much that is good that flows from that.

### **But then, where is the controversy?**

Braudel argued not only that there was this world of everyday life, which previous historians had ignored, but that the history of political events - about which he writes a great deal in his books - and also the politics of trade if you can call it that, the doings of élites in relation to trade, was, so to speak, the froth of history. It just moves this way or that according to the underlying trends. Therefore if you focus your attention on 'mere' events, you are really missing the main point. Whatever is happening in the world of events is simply following the drift of these underlying forces, which are the real subject.

### **But could not Braudel say that because your book is entirely about events it can in no way be interpreted as an 'attack' on his conception of history?**

He interprets the Dutch trading system, its rise, its greatness and decline in terms of those underlying forces. Now, what was the supreme underlying force in explaining the rise of the Dutch trading system for Braudel? The most important thing was problems with grain subsistence, particularly in the Mediterranean and in Spain. The increasing need in the sixteenth century, with the expansion of Europe's population and the inability of food supplies and food prices to keep up with the growth of population, meant more demand for grain and other supplies of all kind. This generated a much bigger carrying traffic in bulky goods especially grains from one part of Europe to another. He saw this as the basis of the Dutch overseas trading system. And most historians have really adopted this. At least most Dutch historians writing about Dutch trade.

Since Van Dillen - whose emphasis is I think somewhat different - there has been

a very heavy emphasis on the carrying traffic and the grain trade as indeed the basis of Dutch overseas trading system in the Golden Age, and the reason for its greatness and importance. What I wanted to do was to suggest that this whole approach leaves out a very large part of the story and does not explain the nature of this dominance, how it worked and what stages it went through. So this very nice edifice the serialists built, which certainly has its useful side, also greatly distorts our picture and makes it more likely that we will overlook certain things because of the framework it creates.

**I would like to ask you something about the role of the state. According to you the specific political system of their state is one of the three pillars of the supremacy of the Dutch. Would you call the Dutch state a mercantilist state?<sup>2</sup>**

I think that in many ways it was a mercantilist state, although the type of policy that it followed was not so systematically thought out in mercantilist terms in the way that for example French policy in the second half of the seventeenth century was. But perhaps this is inevitable in a non-monarchy. In a republic such as the Dutch Republic, which is a consultative state, the economic policy of the state is always much more the result of compromises, of negotiations, than would be the case with an absolute monarchy such as France was in this period.

**In your book you say that the Dutch conquered hegemony over world trade by means of ‘a unique and characteristically Dutch blend of political intervention and business efficiency’.<sup>3</sup> In what way did the Dutch state support Dutch trade, and in what way did it do so more effectively than other states, for instance the French state?**

In the first place we should ask what was the greatest asset of the Dutch in overseas trade. Surely that was their shipping. If we then ask what was the most substantial support that the state gave, I would say it was in the regulation and protection of shipping. That is a much more complicated thing than it sounds at first glance. Shipping is a very vulnerable asset in all times, and especially in early modern times. There was a great deal of disruption of sea-routes in all the wars, there were many naval powers around and a large part of Dutch trade had to go through very vulnerable channels. In particular three channels were crucial: the Danish Sound, the Scheldt-estuary and the English Channel.

So, the number one service of the Dutch state is not just naval power, but regulating foreign relations and shipping in such a way that sea-routes are kept open, tolls, in the case of the Danish Sound dues, are kept low, and as far as the Scheldt-estuary is concerned, that restrictions are kept in place. So, in war-time or in emergency situations

there were often very drastic regulations of Dutch shipping. For example in the 'Rampjaar' the States General forbade merchant shipping to go out in European waters and the fisheries were kept in. They were not allowed to go out for two years actually, which is a tremendous disruption. But with both England and France attacking the Republic it was just much too dangerous, the losses would have been catastrophic and they needed the men for the navy and the privateers. It was actually quite a good strategy, because by keeping so many thousands of merchant-seamen and fishermen redundant, they could not work and had no alternative but to sign on for the privateers and the navy. So, suddenly the Dutch had huge numbers of naval seamen. The privateering force that was equipped at the time the Republic was at its weakest strategically, in 1672-1673, was so big, so formidable, that it is one of the things that saved the Republic.

**But in what way were the Dutch more effective? One can imagine that the French or the English could have done the same, and they were bigger to begin with.**

I think that the French navy never saw its role as supporting trade. It was used to try to disrupt the shipping of other countries. The Dutch were more effective because they systematically used their naval force for commercial objectives to a greater extent I think than the other naval powers. A good example of this would be the first Anglo-Dutch war, when the English fleet was as strong as the Dutch, but it was used in a quite different way. Not to protect English shipping, but to maximize the power of the English navy at a single point in the North Sea and to try to win the sea-battles. The Dutch lost a lot of battles and suffered a lot of naval reverses from dispersing their fleet so much. But I think in the long run they succeeded by splitting up their forces in all directions, so as to protect all the main trades, channels and sea-routes. It had the effect of minimizing losses and more or less paralysing English trade everywhere outside the North Sea area. Dutch naval strategy was much more orientated towards the protection and promotion of trade.

**Around 1660 France, I would say, became a typical mercantilist state. It is precisely at that time you place the zenith of Dutch primacy. How is it possible that the Republic even at that moment in time could have a hegemony in world trade? French mercantilism could be a hindrance for that, I suppose.**

I think English and French mercantilism both really develop - in the English case in the 1650s, in the French case in the 1660s - in response to a changed commercial situation. I think that this new phase - as I call it - which marks the zenith of Dutch trade, begins in the late 1640s and it caused so much of a setback to both the English and the

French, and to a lot of other trading powers, that their mercantilism really developed in response to that. I see the English Navigation Act of 1651, which is the first really aggressive mercantilist measure amongst the neighbours of the Dutch, as being a direct response to the new situation which arose in the late 1640s.

How is it possible that the Dutch were able to sustain their supremacy for as long as they did? I think it is not that the Dutch Republic was stronger than France or England, but that it was more adapted to use its political, military and naval strength to promote its trade. And it did so very effectively, not least by the use of the privateers in the 1670s, which I just described. I think England was basically stronger than the Republic. But in all three wars the fighting was very short and the English withdrew from it, even when in the first Anglo-Dutch war they won all the battles. They still did not get any advantages; and they still ended the war very early. It was too expensive for them. The merchants was screaming, because they could not stand it, the pressure was too much.

The outcome of the First Anglo-Dutch War was remarkable, in a way the most extreme example of what I have been saying, because the Dutch had rather neglected their navy itself, not in terms of size, as a navy which could convoy shipping, but in terms of its fire power. This actually again reflects the difference between the English and the Dutch navy. The Dutch lost the battles but prevented the English making any economic gain from the wars.

The English concentrated on having a smaller number of warships which were much heavier and had bigger, and a lot more guns on them, whereas the Dutch were not interested in having those powerful warships. They wanted lots of warships, because they were trying to disperse their naval power everywhere. The result of that was that whenever there was a big battle in the North Sea the English did more damage than the Dutch. That was inevitable in this situation. But it was equally inevitable that the English were unable to cope with the Dutch ability to close the Baltic. No English ships went to the Baltic in 1653. The Dutch were able to close the Mediterranean to the English. They did the same in the East-Indies and other places. The whole of English trade was more or less shut down. This was a strategic situation which the Dutch state was able to create. It was just not possible for the English to sustain that for very long. That is why the war was not fought to any result that was favourable to England even though England was basically stronger than the Dutch Republic.

**But how can you explain that a decentralized state would be better suited to work in favour of the merchants? In your book you say: ‘Only in a decentralized but cohesive republic such as the Dutch state was a process of systematic federation of resources feasible’.<sup>4</sup> On the next page however you say: ‘The major disadvantage of the system was that it encouraged disparities of view as to how best to advance**

**the economic interests of the Republic, leading at times to protracted divisions? <sup>5</sup> What exactly is the advantage of having a decentralized state, when you admit yourself it could be a disadvantage because people could disagree about what to do?**

*It could* be a disadvantage. Theoretically of course the Dutch Republic was a very unwieldy and inefficient contraption. No one else in the world wanted to copy it. It did not make an awful lot of sense in theoretical terms. But I think it worked. All the lesser provinces in the Republic were very disunited and very ineffective, if you look at the way most of the provincial states worked. It is difficult to see them following any kind of coherent and systematic policy. I think that the whole system worked because Holland was so preponderant. It had most of the resources and most of the money. And because Holland was so cohesive in its policies throughout early modern times, it was remarkable in that aspect. I think this is what gave the Republic its cohesion.

You ask what were the advantages of the decentralized state in terms of supporting the overseas trading system. I think that there were perhaps three main advantages. One was that in the case of joint stock companies, the VOC and the WIC, it meant that it was possible to federate and associate within one organization capital pooled in different towns and provinces. It was a system that created a balance between central control on the one hand with its board of federal directors for each of the big companies, and which guaranteed local privileges and rights on the other hand. This is a very delicate balance. In most of the monarchies, if they set up a great colonial company, the capital would only be lodged in one place, in London or in Paris. People with money anywhere else would not care to invest it. They would have no kind of control or rights over how it was used. They would have no confidence in its use and they would have no confidence that the original terms on which the company was set up would be respected in the future.

A second major advantage was something that English writers in the later seventeenth century often referred to when they talked about the reasons of Dutch trade superiority. It is what we would nowadays call better 'quality control'. One of the remarkable features of Dutch industry and trade in the seventeenth century is the generally high standard of the products produced in terms of quality and measures. If you buy a certain amount of a product, it is that amount and you are not being undersold or shortchanged. The herring fishery is a very good example of this. The herring fishery is one of the most controlled economic activities in the Dutch Golden Age. Everything in terms of the way the herring is cured, the way it is salted and put in barrels and the amount which is in each barrel and the size of the barrels, it was all very strictly controlled. That was a very important reason for the success of Dutch herring exports.

Not only quantities and qualities were controlled, but many supporting mechanisms

of trade. For instance the example of marine insurance, which usually did not work very well in early modern times. The trouble was that it was so difficult to get the insurers to pay up when a cargo was lost. In the Dutch Republic it did work well because the civic and provincial authorities were relatively so strong. It is all very well to have insurance and insurance policies, but this Dutch system of the policies being copied and registered in civic chambers of insurance and the mechanisms for assessing insurance claims, deciding when the insurers have to pay, and make them pay, and so on, was very much better actually than elsewhere. It was inherent in the kind of political organization.

I think the third factor which was a very important feature of the Dutch republican system was public and state finance. It was much easier for the provinces and towns to raise money and loans from the public when they needed money. Unlike all other early modern governments, the Dutch Republic never had any great difficulty in financing its armies and navies.

**When discussing the decline of Dutch primacy you say: ‘The Dutch world entrepôt ... was living on borrowed time’.<sup>6</sup> Do you mean to say by this that it was ‘inevitable’ that sooner or later such a small country, in the system as it existed in the seventeenth and eighteenth centuries, would loose its primacy?**

Yes, I think it is a most unnatural and surprising situation when a small state with a small population should, by means of having an extraordinary high proportion of Europe’s shipping, and a quite remarkable degree of leverage over international finance, trade and shipping, acquire such an influence on the mechanisms of international trade. It is something which neighbouring countries were hardly likely to look on in a positive light or in a friendly fashion. And it is something which I think was inherently unlikely to survive.

**Then how can you explain that in the eighteenth century the Dutch did fairly well in the East-Indies? The East-Indies trades were really rich trades!**

But did they do so well in the East-Indies?

**They did not do so badly.**

This debate is still going on. I think that the Dutch East-India trade was much more successful than the other Dutch trades in the eighteenth century. That is certainly true. In that sense they did not do badly. But what I am talking about is not absolute volume of trade in any given period. I am talking about dominance, hegemony, primacy which

means the ability to control. Now, you have to understand that like American trade in the eighteenth century, Europe's East-India trade becomes in part a bulk traffic, or at least moves towards being a bulk trade. You start to get certain goods, particularly tea and coffee, being imported in very large amounts. The total imports into Europe from Asia are enormously greater in the eighteenth century than in the seventeenth century. But whereas the volume of the total trade in the seventeenth century was smaller, the Dutch were then in a dominant position in practically all aspects, rough diamonds being the only real exception in Europe's trade with Asia.

In the eighteenth century, especially in the new areas of Asian trade, like the China tea trade, all the dynamism and the ability to control developments seems to have gone out of the VOC. It is much more the English and the French who are making the running. I think that you can see this also in India. Whereas in the seventeenth century the Dutch were the most important European power trading with India, that is certainly not the case in the eighteenth century. No doubt even in the 1720s in total volume the Dutch might still be the biggest, but their trade had become more and more restricted to the very southern tip of India. In India as a whole both the English and the French were much more active than the Dutch from the beginning of the eighteenth century. So, in those terms it seems to me that the VOC is playing a weaker and a much more restricted role in the eighteenth than in the seventeenth century.

**Let us change subject and discuss the breakthrough to world primacy that according to you started in the 1590s. In the conclusion of your book you mention three factors for Dutch primacy.<sup>7</sup> We already discussed one factor, i.e. the role of the state. The other two are a powerful merchant élite with the expertise and resources to undertake 'grandes entreprises commerciales' and a highly developed industrial base. Let us first focus on the second factor, the merchant élite. Before 1580 leading merchants were only 'small fry', but after that date you speak of merchant princes, especially in the rich trades. Where did this merchant élite come from? Were they all refugees, from Antwerp for example?**

If you take the Golden Age as a whole, I would divide the merchant élite in three main categories. The first category were élite merchants who had fled from Antwerp in 1585, many of whom went to Germany to begin with for a few years and only came to Holland or Zeeland - some of them settled in Middelburg - after or during the 1590s or later. Many families turn up in that period, in the 1590s, who had been living in Germany for several years before. Among them were the richest and most important merchant houses of Amsterdam, De Schot, Coymans, Bartolotti and many others. The Godijns are another good example of a leading Amsterdam family who had been in Antwerp, went to Germany, then had to go to Middelburg for a while to arrive in

Amsterdam, later on in the 1590s. Throughout the Golden Age down to the eighteenth century the sons and grandsons and great-grandsons of these families remain one of the main groupings of the Dutch merchant élite.

But equally important with this group, especially in the first half of the seventeenth century, were the regent-merchants, who were native Hollanders. To be a regent your family had to be living in a relevant Holland town for quite a long time. The regents till the 1580s tended to be the richest people in their towns. They were not particularly rich, compared with these Antwerp merchants. Their fortunes had been built up out of other activities. The biggest group amongst these regent-families in the sixteenth century were brewers, but they could also be herring dealers, traders in the Baltic trades, or something like that. But once the rich trades begin to be opened up and the big companies begin to be formed in the 1590s these regents move into that as well. You can see this in the setting up of the VOC in 1602, but also in many other areas of trade, like the West Africa trade or the Levant traffic, or indeed the beginning of the fur trade with Manhattan. Leading regent families, like Witsen, Pauw, Bicker or the family Reynst in the Mediterranean, became leading élite merchants. The regent families form a second block amongst the merchant élite, although on the whole regents are not active merchants any more after about the middle of the seventeenth century.

The third main block amongst the merchant élite, and these are perhaps particularly important in the second half of the seventeenth century and the beginning of the eighteenth century - although one or two families in this category, like the Deutz were already important earlier -, are immigrants from elsewhere, later immigrants from other countries, particularly German Protestants. We find practically no Catholics amongst the Dutch merchant élite in the seventeenth and early eighteenth century. There were lots of rich Catholics around in the Republic, they were often property owners, or owned a lot of houses in particular towns, but you do not find important Catholic merchants at that time. There were a few Jews who I would include amongst the merchant élite, especially the richest, maybe half a dozen or so, merchant families amongst the Sefardi Jews in Amsterdam. Of course they had come mostly from Portugal or Spain in the early or in the middle of the seventeenth century. There is an immigration of élite merchants also from other parts of Europe.

**Is the difference in wealth involved between setting up a bulk trade and a rich trade really that big that one can speak about 'élite' versus ordinary 'small fry'?  
Is it really so much more expensive to set up a rich trade?**

It is not just a question of being more expensive, although that is a large part of it. It is also a question of the way the traffic is organized. If it is a bulky commodity with

low value, this means not only that the capital that is needed to fill one ship is relatively small, it also means that the trade is going to be divided: many ships are needed and the goods are going to be picked up from lots of different ports instead of from one place. And this means that the bulk trade is structurally more suited to being handled by small operatives. With the rich trade the tendency is for the traffic to be controlled by a very small number of merchants. If you take something like the Swedish copper trade or the Archangel caviar trade, which is a very expensive product, or the Cádiz trade - the exporting of linens and textiles to Cádiz and for Spanish America and bringing back silver from Spanish America - or the importing of Spanish wool, which is certainly one of the richest trades into the Republic, you find very small numbers of firms. Normally only half a dozen or so. And that makes sense because usually the supply is loaded at a small number of places. You might be able to ship the whole lot with ten ships, but of course the cargo on each ship is very valuable. The whole of the import of one years Levant products, including the mohair yarns and the raw silks would be worth millions of guilders. And so would be the returns from Spanish America, the so-called silver fleets coming back from Cádiz. The whole lot could be loaded on maybe 10 to 20 ships. This is a very different thing from the bulk traffic. All of the East-India trade in the seventeenth century was usually in any year carried in 10 or 15 ships.

**As a third important factor in explaining Dutch primacy you refer to the highly developed industries in the Dutch Republic. But what exactly is the relationship between trade and industry? Sometimes you seem to suggest that trade generates industry, but then again it seems that industry generates trade.<sup>8</sup>**

Industry generating trade or trade generating industry is a little bit like the chicken and egg argument and I think it does not make a lot of sense to argue about that. The point is that each needed the other and that they go together. But certainly the Dutch in the Dutch Golden Age, or indeed any trading power of early modern times seeking to play a leading role in the rich trades, could not possibly succeed without having a whole range of very sophisticated processing industries, of finishing industries, which could produce the high-value products, or in the case of colonial materials, process them. That was obviously essential to participating in the trade.

**But when did this industry develop?**

In the late 1580s and 1590s. The sophisticated industries of the Dutch Golden Age begin in the late 1580s and 1590s.

**But why do they develop just then?**

Well that is easy to see. It starts with the move of the Flemish textile workers, with the big exodus of 1585 and gathers momentum in the 1590s as the Dutch begin to progress in certain rich trades. Sugar refining is a good example. The Antwerp sugar refiners who left in 1585 did not go to Holland, they went to Hamburg because that is where the sugar was. But when Amsterdam started to rival Hamburg in the 1590s as a depot for sugar some of the sugar refiners came back again and the sugar refining industry started to build up in Amsterdam. So, the industrial processes had to be there at least to some extent at the beginning. As the rich trades develop, the industries increase in number and in sophistication in the early seventeenth century. But I would stress that it was only in the middle years of the seventeenth century when the Dutch trading system moved into its most successful period that Dutch industries developed to their fullest extent. The classic industries of the Dutch Golden Age only really mature, or in some cases even only get started after 1647 - the start of what I call Phase IV (1647-1672).

In the case of the most important textile products, lakens, camlets and fine linens, they all existed in the first half of the seventeenth century, but at a much lower level. The production is much higher in the second half of the seventeenth century. But in the case of a lot of other things, like Delftware, which was sold a lot overseas, and Zaan paper, which was especially important in trade to Russia and Sweden, they really flourished in the second half of the seventeenth century. A lot of paper was exported to Russia and Sweden.

It sounds amusing, but I think the jenever industry is a very interesting example of the superiority of the Dutch trading system and of Dutch industry, and of the way the two interact in the late seventeenth century. I would say that it is the first time in history that there has been a spirit, a strong drink, which was exported on a large scale. Because before Dutch jenever, all previous strong drinks, whether it was Scotch whisky or French brandies or Schnaps made in Germany, were produced in numerous different localities. It was therefore difficult to transport abroad on a large scale or distribute widely. Not only was it produced in many places and therefore scattered in its production, but there was no consistency in the type or quality, which just varied enormously. The Dutch had a very high level of organization and concentration of the industry. They produced enormous amounts all in one place, mostly Schiedam, of great consistency. Most of it went abroad. It was very successful with Russians and Swedes indeed everyone, Africans, American Indians, loved it and it was a great success.

**But why was the Dutch industry in general so highly advanced technically? You said before the Dutch made paper and the Swedes did not. Why was that?**

Well, the paper industry is an example of an industry which was very highly capitalized. Before the Dutch began to succeed in the paper industry most paper production, even the paper that the Dutch traded in, was made in other countries, particularly France and Italy. The Dutch began to succeed in the paper industry only from around 1670 when they introduced new and much more expensive machines, mills and presses. And I think this is generally true of Dutch industry. They had a great disadvantage compared to other European nations in terms of the high cost of labour and the high levels of wages, which were much higher than in other countries. And therefore there was no point in trying to produce easily-made, mass-products which other countries can do equally well. That is just a waste of time. What you have to do is invest in complicated machines and sophisticated techniques which are difficult to achieve. The whole weight of Dutch development in industry is in that area, in sophistication and precision.

**Sophistication is a matter of being technologically advanced or is it a matter of being highly capital-intensive?**

I think it is both. I think that the technological sophistication of Dutch society and economy is a direct result of the high level of wages, the needs of Dutch commerce, and the availability of capital to invest.

**It is not the subject of your book, but why did this all disappear? Why did Dutch superiority on a technological level disappear? Apart from trade primacy the Dutch also lost their technological primacy.**

I do not think it exactly disappeared. I think the Dutch were still technologically a leading power in the early eighteenth century and countries like Sweden and Russia still drew a lot of their techniques and technology from it. The trouble was that the trading system itself was not working any more, particularly after 1720. It sharply contracted. It collapsed in the 1720s and 30s and 40s. And when the trading system is not working, then the technology and the skilled workers who function in these industries can be offered better terms abroad. What happens is that many of the most skilled people leave Holland and go get more favourable positions elsewhere.

**So you mean to say that losing trade supremacy implied losing technological supremacy?**

Eventually.

**And not the other way around?**

Yes.

**I would like to come back to the distinction you make between rich trade on the one hand and bulk trade on the other hand. Is it a differentiation based on social, or on economic criteria? When I read your book I get the impression that sometimes by rich trades you mean trades in which rich people are involved, sometimes trade in highly expensive goods.**

The rich trades are characterized by the high value of the products and therefore by the fact that one needs to have a big capital to invest in that trade. And secondly they are characterized by the structure of the trade. When a trade is dominated by a small number of very wealthy merchants, as all the rich trades are, it has a different structure from the bulk traffic.

**Both criteria are essential?**

They are both parts of the definition of 'rich trade'. They go together, because there are not any rich trades in which large numbers of people participate. They are all dominated by very small numbers of people and there are not any bulk trades in which just a few people are in control. They all have this characteristic, timber, salt or grain, of many people participating in it.

**I think the most important thesis of your book is that the total value involved in rich trades is bigger than the total value involved in bulk trades and for that reason you say it is more important.**

Not only for that reason.

**What are the other reasons?**

I think that the rich trades are much more relevant to the kind of industries that it was possible to develop in the Dutch Golden Age than the bulk trades. I do not think, despite

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what Leo Noordegraaf is trying to argue, that the bulk trade - apart from shipbuilding - could stimulate the kind of industries that would be geared to export.<sup>9</sup> That is not to say that there were no industries already in the Republic before the 1580s, but they were not industries which mattered much in international terms, in terms of exporting goods abroad. Nor was it possible for the bulk trades to create a basis for such industries.

**You more or less equate 'importance' to 'importance for international trade', but could it not be that the bulk trades were very important for industries which produced for the people in the Republic itself?**

Yes, they were.

**But then how can you compare the importance of these two trades, when one is geared to international trade and the other is not?**

Well, I am not so much comparing their importance as saying that the trading system of the Golden Age depended on specific trades and industries. That is what my book and my thesis is about, not the Dutch economy as a whole.

**And if your book was about the Dutch economy as a whole, what would you suggest?**

Well, without the 'rich trades' I think that the Republic would not have had this large number of highly specialized industries in its many towns. Amsterdam, Rotterdam, The Hague, Delft, Gouda they all had many sophisticated industries. I think the result would have been that these cities would have been smaller and they would have had a much narrower range of activities going on in them.

**The question was asked already on the 10th of February: 'In what trade do you think the best profits were made?'. One way of measuring the importance of a certain kind of trade is its total value, an other one, and some might say a better one, is measuring the profits involved.**

In a comparison between rich and bulk trades I am more inclined to stress that the profits are being made in a different way. Jan de Vries in that discussion last week wanted to compare greater or lesser profitability, but I remain convinced that this is a false comparison, because the small trader does not have the option of entering into the rich trade. So he has to gear his activity to that kind of commerce which is possible within his means. He can not exert the same kind of leverage as the merchant who is

engaged in the rich trades and has a much bigger capital. He cannot account for a large share of the bulk trade in the same way as one can in the rich trades, even if the profitability in theoretical terms on any cargo is the same or greater. Because the proportion of the total traffic that is possible for him to handle, would be much smaller, his leverage would be less. And on top of that he will also be conscious of all sorts of social factors. It is not so prestigious to be dealing in herring as it is to be dealing in silk. These kinds of things matter in seventeenth-century society. So I do not think that the question which is more profitable or less profitable is going to be a decisive question in this matter.

**I think this all sounds rather convincing. What makes it all the more amazing so many people are ‘surprised’ by your thesis. Why is there a historiographical tradition of stressing the importance of bulk trade?**

I think it is not all that difficult to understand. The single most impressive thing about the Golden Age Dutch trade is the enormous number of its ships, the vast majority of which were involved in the bulk trade. So if you just look at the numbers of ships and the numbers of seamen who were engaged in different strands of trade, it looks at first glance as if the bulk trades are overwhelmingly more important. And it is only when you take all these other factors into account as well, that you can see that it is actually not so. Not that the bulk trades were not important, they were indispensable to creating the Dutch primacy in international trade in the seventeenth century. They were a basis on which the rest could be built. And perhaps it could not have been built, or not so successfully built without that. But it does not give you the Golden Age and it does not give you the primacy which the Dutch had in international trade. I think it is the shipping aspect which made it look for so long as if the bulk traffic was so enormously, overwhelmingly the main thing.

**Were ships interchangeable between bulk trades and rich trades? You stress there was a big fleet of bulk traders and you call it a precondition for having rich trade. Does that mean it is possible to use a ship both for grain and for luxury goods?**

No, certainly not most of the ships. The great majority of the ships used in the Baltic trade or in the timber trade to Norway were small with very small numbers of men on them. The rich merchants of London never built ships like that in the sixteenth and seventeenth century. They were dealing mainly in cloth, which is very valuable. You are not going to put a hundred-thousand pounds worth of cloth on a ship which has only ten men on it. In that case you want something that is very robust. If you are sending ships to the Mediterranean or any real distance away, you have to be armed. And there

is no point in putting guns on them if they have not a lot of men. A ship with 10 or 15 men is useless for that kind of trade.

**But then, how can it be an advantage having a bulk fleet, when you need a completely different fleet to set up rich trades?**

Because you have got the seamen, the experience in shipbuilding, the timber supplies, the ropes, the sails and a vast knowledge of navigation.

## Noten

- \* Het interview met Jonathan Israel, die thans als hoogleraar is verbonden aan het University College London, werd 17 februari 1992 afgenomen in het gebouw van het NIAS van Wassenaar. Voor publikaties van Israel wordt verwezen naar de literatuurwijzer.
1. Voor Israels kritiek op Braudel en de 'serialists' zie bijvoorbeeld J.I. Israel, *Dutch primacy in world trade 1585-1740* (Oxford 1989), 'Introduction' en idem, 'The "New History" versus "traditional history" in interpreting Dutch world trade primacy', *Bijdragen en Mededelingen betreffende de Geschiedenis der Nederlanden* 106 (1991) 469-479. Het betreft hier een reactie op J.L. van Zanden, 'Een fraaie synthese op een wankel basis', *Bijdragen en Mededelingen betreffende de Geschiedenis der Nederlanden* 106 (1991) 451-457 en L. Noordegraaf, 'Vooruit en achteruit in de handelsgeschiedenis van de Republiek', *ibidem* 458-468.
  2. Israel, *Dutch primacy*, 409.
  3. *Ibidem*, 16.
  4. *Ibidem*, 188.
  5. *Ibidem*, 189.
  6. *Ibidem*, 358.
  7. *Ibidem*, 409.
  8. Zo stelt Israel in de conclusie van zijn *Dutch primacy* op pagina 409: 'penetration of the rich trades [en daarmee de mogelijkheid tot het verwerven van 'primacy'] required a highly developed industrial base'. Op pagina 410 van dat zelfde boek stelt hij: 'Thus, there was a high degree of interdependency between the Dutch commerce in high-value commodities and Dutch industry, each continually reinforcing the other', hetgeen toch al een iets ander licht werpt op de relatie tussen handel en nijverheid. Veel opvallender is echter dat Israel in hoofdstuk 2, 'The origins of Dutch world-trade hegemony', een negatief beeld schetst van het potentieel van de nijverheid in de Noordelijke Nederlanden en in hoofdstuk 3, 'The breakthrough to world primacy 1590-1609', nergens apart aandacht schenkt aan ontwikkelingen binnen de nijverheid. Wat precies haar bijdrage is geweest in althans het verwerven van de suprematie, blijft zo onduidelijk. Vergelijk voor deze kip-of-ei vraag Noordegraafs artikel. Alhier p. 77.
  9. Noordegraaf, 'Vooruit en achteruit in de handelsgeschiedenis'.