Information as a means to power: the use of unique mercantile knowledge

© Ida Nijenhuis, Huygens ING
Do not cite without permission.

In this paper I want to investigate the supposed link between information and power by studying the attempts of an early-modern Dutch merchant to convince the States General of the United Provinces of the need to accept and realize his plans and projects. In his Wealth of Nations (1776) Adam Smith condemned the close relationship between commerce and politics, seeing how the so-called “mercantile system” had degenerated into what he viewed as a conspiracy between merchants and politicians. In the Dutch Republic Smith’s opinion reverberated in Elie Luzac’s Hollands Rijkdom (1780-1784) when he wrote that merchants should stay clear of government. The nature of their trade, focused on profit, made them incapable of serving the public interest which ought to be left to qualified statesmen. Yet, in the seventeenth century, the interaction between merchants and government was phrased quite differently. In many (Dutch) publications dealing with matters of state and economy, commerce, liberty and republicanism constituted a beneficial trinity. References to Christian humanist values, embodied in the God-fearing merchant as defined by Dirck Volckertsz. Coornhert in his De Coopman (1580), served to understand and to support this union. Coornhert’s merchant took care his soul was not endangered by love of gain, idleness, untrustworthiness and other sins. This ideal type guided early modern traders who went by professional ethics that corresponded with Coornhert's profile but were realistic at the same time. They did not expect the God-fearing merchant always to be provided for and knew in trade to be dependent on others [Kooijmans 1995, 69-70]. Early modern merchants were also well aware of the fact that in their dealings mutual trust and reliable information were of the essence. Knowledge of goods, markets and the reputation of trading partners decided on success or failure of a trading company - and in such circumstances one needed of course as much reassurance as was available. On the one hand the rule of law took care of the basic security of property and person and made merchants observe contracts. Experience-based knowledge and news were the other props of commercial society: “Information was the basis of the merchant’s business” [Lesger 2006, 214].

Merchants often claimed knowledge because of their experience in overseas trade and they recorded this information in mercantile manuals. Between 1470 and 1700 about 3200 books and supplements for the use of merchants were published throughout Europe [Kaiser 1991, 2-3] containing numerical data as well as commercial practices. These publications also instructed
readers in the correct, dispassionate way to conduct deals. Often these handbooks functioned as a public display of mercantile information, thus demonstrating “that merchants were worthy public servants willing to communicate their knowledge freely, but at the same time only they possessed the unique skills and experience necessary to interpret this information for profit” [Leng 2014, 102]. However, in general mercantile communities did not apply open access-policies with respect to their trade knowledge. Especially from the late sixteenth century onwards, when international trade became increasingly viewed as of crucial importance for the wealth and power of states, merchants knew the political value of their information and tried to make good use of this asset.

In historiography this interaction of economics and politics is dealt with by a plethora of experts in economic, social, political or intellectual history. In his influential States of Credit: Size, Power, and the Development of European Politics (2011) political scientist David Stasavage, for example, tries to prove the joint development of credit and representation in medieval and early modern Europe. In his argument Holland (functioning as pars pro toto for the Dutch Republic) figures as a state in which an oligarchy of merchants exercised political control and created an easy access to credit. According to Stasavage, the Dutch system of representation went hand in hand with lower costs of borrowing, enabling the state to act promptly in, for instance, matters of defence. Stasavage is not interested in the organisation and articulation of political representation, nor does he discuss how competing commercial interests were represented on the provincial and the ‘national’ level. The existence of a mercantile elite with easy access to credit, investing in public debt and exercising political control is stated without further ado. The fact that these merchants were also in possession of specific (financial) knowledge and trade experience that helped them to wield power is not a part of his argument. However, it is by studying both the ideas and projects of merchants as well as their strategy to get them realized that we may learn about power struggles and claims to political representation by those outside the governing mercantile elite. Their expert knowledge functioned as a key to power, but in more sense than one: it could enhance the state as well as the merchants that possessed it.

A case in point is the Antwerp merchant Willem Usselincx (1567-1647). He belonged to the group of Calvinist merchants who fled the Southern Netherlands after the fall of Antwerp in 1585. Before Usselincx moved to Amsterdam (first mentioning of him being there is from 1591), he had travelled and traded in Spain, Portugal and the Azores. There he talked to the sailors and merchants who returned from their voyages to the Indies with the intention to get new and reliable information on the Atlantic territories from them. After these years Usselincx possessed thorough and extremely valuable knowledge of the economic opportunities in the West Indies. Also, around 1600, his trading
activities had made him a wealthy man. He invested heavily in the Beemster land reclamation project, but at the same time got captured by the vision of a Dutch agrarian colony in the West Indies. Usselincx consequently became one of the first Dutch authors to formulate a protestant ideology in which commercial and political interests merged. He combined his perspective of empire with the conviction that by challenging the Spaniards in the region that provided them with the means to wage war, the Dutch would be able to both preserve their independence and liberate the still occupied South. To this end Usselincx tried to persuade the States of Holland and the States General of the need to create an overseas empire based on trade and agriculture. As a first generation immigrant he himself could not enter the various representative institutions in his new fatherland. Therefore, from the 1590s onwards, Usselincx used his professional knowledge of overseas trade in propagating the establishment of a chartered West-Indian Company (WIC). He presented numerous propositions and memorials on this project to the States General and outside this august assembly he tried to mobilize ‘public opinion’ by publishing many pamphlets. However, in these texts Usselincx did not divulge his unique geographical and economic knowledge of the Atlantic.

Usselincx is in many ways the most interesting intellectual precursor of both Grotius and the De La Court-brothers. Though both his person and his political economy have received substantial scholarly attention, most of it is outdated or fragmented. Two nineteenth-century economic historians, Etienne Laspeyres (1863) and Otto van Rees (1868), were the first to study Usselincx’ economic ideas. Then, in 1887 and 1914, two biographies appeared, written by J. Franklin Jameson and C. Ligtenberg respectively. In the past decades, historians of overseas history like Henk den Heijer (1994), only indirectly paid attention to the Antwerp merchant’s ideas while discussing him as the architect of the WIC. Thus far, Benjamin Schmidt has come closest to a modern assessment of Usselincx’s ideology in his 2001 monograph *Innocence Abroad. The Dutch Imagination and the New World, 1570-1670* while Arthur Weststeijn (2012) refers to him as a confident pamphleteer for military and commercial enterprise overseas, without the hesitations other writers like Justus Lipsius and Caspar Barlaeus expressed with regard to the corrupting effects of empire.

Yet, it seems that it was Usselincx’s knowledge of overseas territories and not his Calvinist, ‘democratic’ imperialism (he defended the representative rights of the smaller shareholders in the WIC and the civil liberties of the native population overseas) that made him a person of interest to the representatives in both the States of Holland and the States General. From the 1590s onwards Usselincx used his network of Calvinist friends in the Amsterdam magistrate and in the province of Zeeland to gain support for his project. He was also close with men who had expert geographical
knowledge of the West Indies and who lend their support to his plans in their first phase: the protestant minister and geographer Petrus Plancius (1562-1622), the merchant and explorer Jan Huygen van Linschoten (ca. 1563-1611) and François Francken (d. 1617), member of the Court of Appeals of Holland and Zeeland. Around 1606 this joint endeavour resulted in substantial political and financial backing for the project, though not for Usselincx’ agrarian colonies nor for his recommendation to give the smaller shareholders (investing at least 200 pounds Flemish) a voice in the election of the Company’s directors. The States of Holland had a committee studying the viability of a trading company in the Atlantic and the States General asked the provinces for their opinion in this matter. Then negotiations for a peace treaty or a truce for several years between the States General and the Habsburg archducal court in Brussels started. In these talks, Grand Pensionary Oldenbarnevelt used the threat of founding a company for the West Indies next to the already existing one for the East as a ploy to make the Habsburg envoys more compliant. A public debate on ‘peace or no peace’ [Stensland 2011] ensued in which Usselincx also participated by publishing a number of pamphlets, starting with the *Bedenckingen over den Staet van de Vereenichde Nederlanden, nopende de Zeevaert, Coop-handel, ende gemeyne Neeringhe inde selve, ingevalle den Peys met de Aerts-hertogen in de aenstaende Vrede-handelinghe getroffen wert* [Considerations on the State of the United Netherlands, in respect to Navigation, Commerce and general trade in the same, in case Peace is made with the Archdukes in the imminent Negotiations] (1608). The title-page of this pamphlet contains a marine view and a telling motto: *occasio calva est post*: use the opportunity when it presents itself and let nothing pass which will advantage you [Kairos], an urgent message Usselincx wanted to convey to his readers.

In his next discourse, titled *Naerder Bedenckingen etc.* [Further Considerations etc.], published a few months later, however, Usselincx already on the first page mentions his efforts to found the WIC as a means ‘to bring the fire into the houses of the arsonists’ and also as the opportunity to spread Calvinism among the indigenous population, blind heathen, whose souls had to be saved from the tyrannies of Rome and Spain. On page 2 he restates his case as follows:

- “That by reason of the peace commerce will greatly decline, the emigrants will return, and consequently this state will be much weakened, and the enemy much strengthened.

- That by the peace no security, advantage or safety will be gained for this state, with the subjugated provinces remaining in the state in which they are now.

- That the greatest security lies in winning hearts [of those exiled from the Southern Netherlands], which can be secured, if their privileges and freedom are maintained.
- That this may justly be, and ought to be attempted, and, these being refused by the enemy, no peace ought to be made.

- Lastly, if the enemy refuses this, whether these provinces still have the means to sustain the war longer.”

[translation Franklin Jameson 1887, 188]

Though his language was fierce and permeated with a sense of moral obligation, Usselincx did not convince his readers. His demands were unrealistic and his predictions regarding the Republic’s commerce and the returning exiles erroneous. Therefore, in his next pamphlet, also of 1608, he fully turned to discussing the necessity to uphold free trade in the West Indies in the peace negotiations and in doing so, he more or less heralded Grotius’ famous theory on the free seas of 1609. Preserving the freedom of trade by erecting the WIC meant defying the claims of hegemony the Habsburgs had made in the Atlantic area. As Usselincx wrote in one of his many memorials to the States General, “the riches of the West Indies have caused the heads of the Spaniards to be turned to the frenzy of universal monarchy […], but by the law of man and the law of nations trade is free for all, and no one in the world has dominion over any particular region”. In his *Vertoogh, hoe nootwendich, nut ende profijtelyck het zy voor de vereenichde Nederlanden te behouden de Vryheyt van te handelen op West-Indien, In den vrede met den Coninck van Spangien* [Exposition, how necessary, useful and profitable it is to the United Netherlands, to preserve the Freedom of Trading with the West Indies, in the peace with the King of Spain] Usselincx made the case for “a mutually profitable relationship between overseas settlements and Dutch metropolises, with raw materials and manufactured goods, jobs and labour, exchanged to the benefit of all” [Schmidt 2001, 181]. This blissful state could be realized by not giving in to the Spanish demands in the negotiations to part with trade to the Indies in exchange for peace, and by opening up trade to the West Indies by establishing the WIC or allowing merchants to trade in the Atlantic with passports. Liberating and civilizing the American Indians and making profit would combine nicely, because Usselincx expected them not only to eagerly await their liberation from papist oppression, but also to be in need of clothes and other products manufactured in the United Provinces. Together with their saviours they would create thriving agrarian colonies in which their labour would be free and therefore productive.

Notwithstanding the mixture of patriotic, religious and commercial sentiment, the 1608-pamphlets failed to sway the peace-inclined majority in the States General led by Oldenbarnevelt. But new chances arose, when during Twelve Years’ Truce the Grand Pensionary lost the internal struggle for
political, economic and religious power to the party of orthodox Calvinists, led by the war-minded stadholder Maurits. The stadholder had supported Usselinx’s project in the States General from the very beginning, because it indicated the continuation of war and the promise of riches. He continued to do so, when around the end of the truce, Usselinx, at that time impoverished due to the failure of the Beemster project, resumed his attempts to found the WIC. More than once the stadholder asked the ‘Hoogmogenden’ to compensate and reward the Calvinist patriot, which they did, be it scantily. In 1621, on the waves of Maurits’ political purges, they also approved of a charter for an Atlantic company, roughly based on the one of the already existing company for the East Indies and a far cry from Usselinx’ original plans. To cite Schmidt again: “Gone was the economic emphasis on settlement and agricultural production; gone was the evangelical drive and inducement of Protestant emigration; gone was the (relatively) democratic government structure that granted nominal participation to the investors. Rather, the WIC charter established a company dedicated to trade and war” [Schmidt 2001, 193]. This perversion of his vision of a Calvinist empire drove Usselinx to writing memorials and publishing pamphlets again, one of his advantages being the fact that he still was one of the best informed merchants on the region and its trade.

Though it is clear that Usselinx failed to convince the political establishment in the Dutch Republic, and especially the merchant oligarchy of Holland, of his views, they did not completely disown him. While they recorded more than once that Usselinx was a nuisance - Oldenbarnevelt for instance was quite open in his dislike of the man - they were well aware of his information edge over them. Therefore, every time the States of Holland or the States General decided not to comply with Usselinx’s propositions and requests, they kept him dangling or, as they phrased it, “niet affslaen maer aen de handt houden”. They feared he might offer his knowledge to other governments, which in the end he did. As stated above, Usselinx himself was reticent with his information. In the Vertoogh of 1608 he defended his refusal to mention the precise locations in the Atlantic where the Dutch could successfully attack the Spaniards, by stating that he did not want to alert the enemy by going public. Later on he also mentioned that giving detailed information would reduce his bargaining power. Especially after 1616, when the failed Beemster project had reduced Usselinx to poverty, he pursued a quid pro quo strategy. As investors showed a lukewarm response to the newborn company, Usselinx’s assistance was indispensable and his pragmatic advice (“please the investors”) indeed resulted in amplifications of the charter that secured more capital. At the same time he continued to advocate the necessity of changes to the charter in accordance with his original project and he also kept claiming financial redress – both to no avail. In 1623, then, Usselinx traded
in the States General for the King of Sweden, who was most sympathetic to his overseas plans, however lacked the money.

Bibliography


Monica Stensland, ‘Peace or no peace? The role of pamphleteering in public debate in the run-up to the Twelve-Year Truce’ in: Femke Deen, David Onnekink, Michel Reinders (ed.), *Pamphlets and politics in the Dutch Republic* (Leiden, 2011) 227-252.