

Money and trust. Amsterdam moneylenders and the rise of the modern state, 1478-1794¹

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Trust is one of the main constituents for a good-functioning society. Trust is also essential for efficient state-institutions. This has been established for our twenty-first century communities: trust reinforces social cohesion and furthers the workings of democratic mechanisms.² Yet in the past trust was by no means a matter-of-course. Numerous societies were confronted with uncertainties and threats, not least caused by their own authorities or by competing elites. Trust was always highest in relatively small, preferably ethnic or religious homogeneous communities.³ To establish trust that surpassed the level of those communities, such as for inhabitants and authorities of larger territories and countries, was difficult to realise and is a rare phenomenon in history.⁴

In the more commercialised societies, the study of money and monetary transactions is one of the available tools to gather information as to the degree of trust.⁵ An even better tool is the study of state loans that are subscribed by domestic creditors. Interest rates are to some degree⁶ reflecting the level of trust. Also, the study of these loans allows us to establish the timing and extent of this trust (increasing over time? significant leaps? how widespread? which categories of the population?). As the same loans contributed to the rise of a long-term public debt, they strengthened the emerging state.⁷ The creation of that public debt was never a conscious strategy from the start. The contracting of loans was usually a solution to a pressing problem experienced by the rulers: rising expenditures, mainly caused by war. The emergence of a long-term public debt was thus an-unintended-consequence with another-unintended-consequence: it furthered state formation, whereas at the same time the promise of interest-payments upon the bonds constituted one of the major binding factors between the

¹ This paper profited from the comments by several participants at the Second Low Countries Conference, April 20-21 Antwerp 2006, where I presented some of the data. I also thank Richard Bakx (National Archives, The Hague) for allowing me to consult a damaged book of the Holland obligations-accounts..

² Robert D. Putnam, *Making democracy work. Civic traditions in modern Italy* (Princeton, NY 1993); Francis Fukuyama, *Trust. The social virtues and the creation of prosperity* (London 1995); Barbara A. Misztal, *Trust in modern societies. The search for the bases of social order* (Cambridge 1996).

³ Avner Greif, *Institutions and the path to the modern economy. Lessons from medieval trade* (Cambridge 2006).

⁴ Douglass North, *Understanding the process of economic change* (Princeton and Oxford 2005) 13.

⁵ Geoffrey Ingham, *The nature of money* (Cambridge 2004).

⁶ Of course other factors influence the level of interest: the amount of free-floating resources, alternative investments, and so forth. See also S.R. Epstein, *Freedom and growth. The rise of states and markets in Europe, 1300-1750* (London and New York 2000) 17-19.

⁷ The most outstanding example is England in the eighteenth century. For the pioneering study in this regard, P. G. M. Dickson, *The financial revolution in England: a study in the development of public credit, 1688-1756* (New York 1967).

state and the investing public. The trust between rulers and ruled was high when interest rates were low and when the group of investors were drawn from a broad section of the population.

In the historiography on public debts the recent trend has been geared strongly to urban finances. All in all, two general models seemed to have existed in urban debt systems: a 'democratic' model, in which a large section of the public was able to profit from the debt service payments upon public loans, and an 'aristocratic' model, in which only a small elite invested in state funds (and hence only a limited group was 'rewarded' by the interest instalments).⁸ In this paper, this typology is applied to the study of state loans that were subscribed by Amsterdam investors from the late fifteenth century up to the late eighteenth century. The Netherlands is of particular interest as it has been claimed that its most important province, the province of Holland, went through a 'financial revolution' in the sixteenth century comparable to the English one of the eighteenth century.⁹ Within Holland Amsterdam was the most important financial market, but the town itself was never the residence of the government. Thus in order to find the means for warfare, trust had to be created between the rulers (residing first in Mechelen/Malines and/or Brussels and thereafter The Hague) and the moneyed classes in this "other" town.

The aim of this paper is to establish how trust came about between the investing public and the central (aka provincial) rulers in the Netherlands, and how the settings of the state loans evolved over time. Throughout the late medieval and early modern period, particular loans and their investors are investigated. In correspondence with the models from the studies of urban public debt, the following characteristics are of interest:

- 1) were investors a small, typical ethnical or occupational elite, specialised in financial services in general (bankers, banking houses, goldsmiths, Lombards/Italian, Jews), or were they dispersed over several communities
- 2) did they belong to a close circle around the government centre (in our case usually The Hague) or were investors not directly tied to the bureaucracy of the emerging state
- 3) did loans come predominantly from societal institutions, such as orphanages or church boards or town governments, or were the investors operating individually
- 4) did the subscribers belong to the richest layers in society only (top-merchants, urban political elites) or were they broadly dispersed over society

Some other characteristics are of importance as well. Could the bonds be transferred to a third party? Were the bonds sold on the free market or were the investors pressurised or forced? A great degree of freedom and easy tradability of the bonds suggests depersonalised relations. Such 'abstract' settings point to a high degree of trust in the state. This proved of particular importance in the English financial revolution.¹⁰

In this paper, I will look only at those loans that were meant to support the rising state, thus levied in general for war purposes, and that were subscribed on the Amsterdam capital market. Other loans, contracted in other towns or the Amsterdam urban loans, will be

⁸ Luciano Pezzolo, 'The Venetian Government Debt, 1350-1650', in: Marc Boone, Karel Davids en Paul Janssens (eds.), *Urban public debts. Urban government and the market for annuities in Western Europe (14th-18th centuries)* (Turnhout 2003) 61-74, 74.

⁹ James D. Tracy, *A Financial Revolution in the Habsburg Netherlands. Renten and renteniers in the County of Holland, 1515-1565* (Berkeley etc. 1985). See also Marjolein C. 't Hart, *The making of a bourgeois state. War, politics and finance during the Dutch Revolt* (Manchester 1993), 161-165; Wantje Fritschy, 'A financial revolution reconsidered. Public finance in Holland during the Dutch Revolt, 1658-1648', *Economic History Review* 56 (2003) 57-89; Oscar Gelderblom and Joost Jonker, 'Completing a financial revolution. The finance of the Dutch East India trade and the rise of the Amsterdam capital market', *Journal of Economic History* 64 (2004), 641-672.

¹⁰ Larry Neal, *The rise of financial capitalism. International capital markets in the Age of Reason* (Cambridge 1990); Craig Muldrew, *The economy of obligation. The culture of credit and social relations in early modern England* (New York etc 1998) 328-329. Bruce Carruthers, *City of Capital: Politics and Markets in the English Financial Revolution* (Princeton: Princeton University Press, 1996).

considered only in passing. A more elaborate version of this paper in the future may well contain these comparisons in full. In studying the state loans on the Amsterdam market and the way they were handled and managed, looking in particular at the creditors who supplied the funds, I hope to reach an insight into how such an abstract structural feature as the 'rise of the modern state' and the trust in its institutions was brought about.

The 1478 loan

The oldest loan for the 'central state' with surviving records as to Amsterdam investors is the loan of 1478. That was the year in which Amsterdam sold life-annuities for Maximilian of Habsburg (the later emperor, reign 1493-1519). Maximilian had married Mary, duchess of Burgundy, the lawful sovereign over these countries (reign 1477-1482). Mary had started her reign with enormous troubles. The death of her father (Charles the Bold) had precipitated a true crisis in early state formation. With the sudden fall of the highly ambitious Charles (duke of Burgundy, reign 1467-1477), a widespread revolt broke out. Above all the powerful city of Ghent protested against the numerous centralising measures of Charles. At the same time France attacked the Burgundian countries, which resulted in substantial territorial losses. Upon her accession, Mary also had to yield way to the States General, the representative meeting of the Burgundian Netherlands. The latter body gained significant political power - among others, Mary's authority to levy taxes and to gather troops was curtailed, which threw back the process of state formation some two or three decades. Meanwhile, the provinces of Holland and Zeeland managed to take advantage of the weakened central power. Among others, they gained the rule that no 'strangers' (i.e. above all Flemish and Brabant officials) were allowed to hold administrative and judicial posts in Holland and Zeeland ('anders dan aan inboorlingen'). This reduced Mary's power to appoint trustful managers over these provinces. After Mary's death (1482), Maximilian became the regent over the Burgundian Netherlands for his son Philip (the later duke of Burgundy, Philip I, reign 1493-1506, whose son (the later Charles V) was to follow Philip as duke of Burgundy and Maximilian as Habsburg emperor). All in all, Maximilian strove to regain the central powers that were lost to Mary in 1477, with limited success however.¹¹

In the years to come, Maximilian's position was far from established. His soldiers mutinied, a massive revolt erupted in Flanders, and in 1488 he was even kept prisoner for a period of three months by the rebels in the town of Bruges. No need to state here explicitly that his reign was characterised by very little trust. In the northern provinces, the rebellious sentiments were not shared to the same degree, although supporters of the rebels captured some of the smaller towns. Still, the continuing burden of heavy taxation caused by the ongoing warfare against France eroded the support for Maximilian. In the far north of Holland, Westfrisian peasants revolted in 1491-1492. Several towns that continued to support Maximilian were faced with a partial bankruptcy in the 1490s, among others Amsterdam.¹²

All along though Amsterdam remained politically faithful to Maximilian. In return for the life-annuities on two lives sold for its overlord in 1478, the prince pledged part of his

¹¹ Wim Blockmans and Walter Prevenier, *In de ban van Bourgondië* (Houten 1988) 148-149, 158; W.P. Blockmans and J. van Herwaarden, 'De Nederlanden van 1493 tot 1555: binnenlandse en buitenlandse politiek', in: D.P. Blok et al. (eds.), *Algemene Geschiedenis der Nederlanden* Vol. V (Haarlem 1980), 443-491, 443; Jonathan I. Israel, *The Dutch Republic. Its rise, greatness and fall 1477-1806* (Oxford 1995) 28.

¹² Bankruptcy= allowed to postpone the payments of debt service upon city loans; Izak Prins, *Het faillissement der Hollandsche steden: Amsterdam, Dordrecht, Leiden en Haarlem in het jaar 1494; uit de wordingsgeschiedenis van den Nederlandsche staat toegelicht* (Amsterdam 1922).

domain revenues from the isle of Wieringen (to the far north of Holland) to service the loan.¹³ Obviously, his command over regular taxation was too weak to be able to reserve part of the tax income for interest-payments. He had to find means “of his own”: the patrimonial domains, that part of the revenue-system that did not stand under control of the provincial estates (controlling the taxes). The nascent state was in the phase of ‘domain-state’, the phase of ‘tax-state’ was still to come.¹⁴ Only by using “his” domainial revenues was trust in the loans established. Again, in 1488 the town issued loans for Maximilian, this time perpetual annuities, for which the overlord pawned to Amsterdam the post of the bailiff of Amstelland and the revenues of some sluices. Furthermore, the town was granted privileges and honours.¹⁵

In getting the loans subscribed, the urban authorities employed their existing regulations concerning their own loans. During these years, the town sold numerous annuities to finance the costs for its own walls and other purposes too. That was a sure element (next to the backing of the domainial revenues) which forged the trust: the loans were placed within a long-standing and trustworthy *urban* tradition. The life-annuities of 1478 were apparently sold to Amsterdammers only. The nominees received compensations at 6.25 per cent per year until the last of the two nominees mentioned in the contract had died. This was actually quite a low rate of interest: even in the eighteenth the rates of interest upon these kind of loans were higher: 7 per cent.¹⁶ Gradually, the amount necessary to provide the instalments would decline; eventually, the obligation to pay would disappear with the death of the last beneficiary/nominee. As long as the payments continued, the town received a certain sum from the Wieringen domains. Meanwhile, the loan constituted one of the bricks for the emerging state: the commitments to service these loans were recognised by Maximilian’s successors (Philip I and Charles V). In due course, numerous similar loans would constitute together the public debt. All along, the overlord continued to grant payments from the domains and allowed the town specific rights connected to these transactions. The town was thus a powerful intermediary in state-formation and in establishing the trust. At the same time, the investors and their beneficiaries/nominees became linked to the rising state in a setting that stressed the personalised bond between investor and public power. As the loans constituted of life annuities, the investment was actually more a family-oriented investment than an individualised relation. Each bond involved at least two persons: some sums were bought by husbands and wives upon their own lives, others upon the lives of their children, others upon the life of the wife and a child. Combinations varied - brothers and/ or sisters

¹³ Amsterdam, Municipal Archives, Archief van Burgemeesters; Charters afkomstig uit de IJzeren Kapel (5054), inv.no 68, Aktes betreffende de lijfrentes aangegaan voor Maximiliaan van Oostenrijk en zijn vrouw Maria van Bourgondië (22-05-1478 and 07-07-1478).

¹⁴ Joseph A. Schumpeter, ‘The crisis of the tax state’, in: International Economic Association, *International Economic Papers* Vol. IV (1954 [1918]), 5-38; Kersten Krüger, ‘Public finance and modernisation: the change from domain state to tax state in Hesse in the sixteenth and seventeenth century. A case study’, in: Peter-Christian Witt, *Wealth and taxation in central Europe: the history and sociology of public finance* (Leamington Spa 1987) 49-62: in a ‘domain state’ the prince is regarded that he should live off his own, i.e. upon his domains. Taxes are only used as extraordinary measures. In the ‘tax state’, taxes are levied as a regular device, which could be used by the prince and other authorities to reach their strategic goals.

¹⁵ Amsterdam, Municipal Archives, Archief van Burgemeesters; Charters afkomstig uit de IJzeren Kapel (5054), inv.no 68, 117 (banmijl stad vergroot 1489); no 170 (keizerskroon verleend 1489); Archief van de Gasthuizen (342), inv no 51-61 (support by Maximilian in obtaining aflatbrief van de jaren 1486-1487).

¹⁶ Usually, life annuities carried the double interest rate as compared to perpetual or perpetual annuities, because the capital sum was never restored to the investors. Thus with a standard rate of 5 per cent, a life annuity was contracted at 9 or 10 per cent.

were noticed to have invested together, or an investor bought a bond upon his own life and upon that of a nephew or niece; and so on.¹⁷

Although the records of 1478 did not survive completely, it was possible to consult the accounts that were kept from 1506 onwards.¹⁸ 28 separate annuities were counted to receive payments. As not the bondbuyers (*rentekopers*) themselves were recorded but the nominees or beneficiaries (*renteheffers*), we should be careful in identifying the buyers. Moreover, few other documents exist that allow for a proper identification. Nevertheless, as the age was recorded it was possible to estimate whether the bond had been bought by the beneficiary or by one of his parents. Combining ‘double’ investments (persons buying more than one bond), the characteristics of the bondbuyers are summarised in table 1.

[table 1 here]

The lowest amount was some 100 guilders, the highest 2000 guilders. Despite the fact that the data are quite limited, they do reveal that in the late 15th century members of the local political elite constituted a particular strong minority among the investors. The largest investor, the alderman (*schepen*) Egbert Jans (furnishing 2000 in bonds), was probably married to a daughter of a goldsmith. Goldsmiths were by tradition used to investing money through loans. Another bondbuyer was the alderman Claes Gerrit Deymans. He was to become treasurer of Amsterdam and Orphan Master in the early 1500s; in those positions he dealt with numerous loans as well. He was married to Dieuwer Henrick Stuersdochter, a daughter of a burgomaster. Pieter Colijns, the third alderman in the list, was probably a cloth merchant. Together their investments (amounting to some 28 per cent of the sums) were significantly larger on average as compared to the sums provided by the other Amsterdam creditors.¹⁹

However, these members of the local political elite were obviously not the dominant group. This statement can be made as other categories are much more underrepresented in these kind of analyses as compared to the local political office-holders.²⁰ In each case, the category of lower office-holders and professions embraced another considerable proportion. They invested just slightly below the average sums of all investors. The proportion of merchants seems to have been quite large (and was probably larger than I could establish). This means that the town of Amsterdam proved a strong mediator between ruler and his subjects. The bonds bought by merchants were typically lower, on average, as compared to the high political office-holders. The sharp difference between mean (total sum divided by number) and median (which separates the upper 50% from the lower 50%) points to a highly skewed distribution: a couple of very large investors next to a rather large group of smaller creditors. The large proportion of merchants does not preclude certain political motivations for investment. Several larger merchants sided with Maximilian in his struggle against the rebellious south, hoping that this would result in a curtailment of the detested monopolistic staple rights of Bruges.²¹

Even though our analysis rests upon a very tiny group, it was possible to reveal a tendency that was to continue later. A significant part of the creditors were found among the Amsterdam political elite, yet numerous others were in a position to buy a bond too. The existing trust between the issuing party and potential investors was thus quite large and enhanced by the urban tradition in raising loans. The gratitude shown by Maximilian towards

¹⁷ Yet not for all; for example, the beneficiaries Mr Pieter Broker en Hugh Jans (son of an apothecary) whose mutual relationship could not be traced.

¹⁸ NA, 1506

¹⁹ Wagenaar III, Elias

²⁰ As this group is best to be traced in other sources they are the only ones that are not underrepresented.

²¹ Ketner, *Handel*, 176.

Amsterdam underpinned the importance of this revenue-raising machinery for the state-under-construction.

The 1550s

The next series of loans that had left sufficient documentation with information concerning the Amsterdam creditors date from the 1550s. Since 1515, the Estates of Holland had started to issue public loans for their overlord Charles (since 1519 Charles V, Habsburg emperor) on a regular basis. Domain-income still provided funding, but increasingly provincial tax income (levied since 1542, consisting mainly of excises upon consumer goods) proved the best guarantee for regular instalments due to the continuing depletion of domain resources.²² Urban authorities still constituted powerful intermediaries, but at provincial level their policies were firmly co-ordinated – since 1515 most major towns had accepted to stand bail for the loans that were issued in the name of Holland.²³ The loans were sold to the public – since 1552 all forced loans were done away with and the subscriptions were voluntary. The instruments were, as in the 1470s-1480s, perpetual annuities (*erfrenten/losrenten*) or annuities upon one or more lives. Interest rates declined, meanwhile, to some 5 per cent.

Within this whole, Amsterdam played a dominant role. No less than 40 per cent of the sums levied through the Holland loans of 1553-1565 came from this town.²⁴ Thanks to the meticulous work of James Tracy as to these loans, we are able to establish the following characteristics (see table 2).

[table 2 here]

Among the investors that could be identified, the proportion of investors from the local political officeholders was high, some 37 per cent. Taken as a proportion from all individual male subscribers (including unidentified investors), this was a mere 14 per cent, thus not so much different as compared to the late fifteenth century.²⁵ Looking at similar distributions concerning investments by other Holland towns, this percentage (be it either 37 or 14 per cent) is on the low side. In most towns the fund-raising machinery was much more dependent upon the local political elite.²⁶ This supports the conclusion, already stated in the analysis of the 1478 loan, that the arrangements of the Amsterdam loans proved a powerful intermediary between the ruler (looking for funds) and potential investors. Moreover, as Amsterdam dominated a large portion of the Holland loans, this role is even more outspoken for this particular town.

Looking again at table 2, those investors that could be identified certainly belonged to the elite and the higher middle classes. This results in an obvious bias in favour of the well-to-do. Even then, the breakdown into separate categories is of interest. Quite a large proportion of the funds came from grain dealers, yet on average more sums were provided by brewers, drapers and 'Baltic exporters' (wine-merchants, soap boilers and herring-packers). The 'grain'

²² Michel Baelde, 'Financiële politiek en domaniale evolutie in de Nederlanden onder Karel V en Filips II, 1530-1560', *Tijdschrift voor Geschiedenis* 86 (1963) 14-33.

²³ Amsterdam only joined in this policy in 1542/3; between 1515-1542 the town sealed its own rentes for their overlord as it had done in the previous period. Tracy, *A financial revolution*, 59-60.

²⁴ Compared to: 17 per cent from The Hague, 4 per cent from Rotterdam.

²⁵ This argument is allowed as the members of the local political elite are best to be traced and identified as such; other categories (merchants, shippers, artisans, professions, lower officeholders) are probably underrepresented in the table. Furthermore, Tracy's category of officeholder is somewhat broader than mine; *A financial revolution*, 149.

²⁶ Manon van der Heijden, *Geldschieters van de stad. Financiële relaties tussen stad, burgers en overheden 1550-1650* (Amsterdam 2006) 166.

and 'Baltic' categories surely reflected the important economic Amsterdam connection in this trade.²⁷ The group 'other' merchants obviously belonged to less affluent classes, just like many of the shippers and shipyard-entrepreneurs.

Yet we should not overlook the fact that quite a significant group of the unidentified male subscribers belonged to much more moderate groups of the Amsterdam society. It is also of interest to pay attention to the other subscribers: women and local institutions. For this purpose, I took a small sample from the 1555 Amsterdam loans, and combined the results with some of Tracy's findings again (see table 3).

[table 3 here]

In the 1555 sample, the investments ranged from 72 guilders to 2640 guilders, provided by an Amsterdam hospital (*Gasthuis*). The 72 guilders were furnished by several investors, among whom Reyer Claes Backer for his daughter and Maere Innedochter upon her own life. My sample obviously missed some of the largest investors (2001 guilders and up) that were listed in Tracy.²⁸ Nevertheless, the 1555 sample did add some detailed knowledge in combination with a calculation of Tracy's data. Perpetual annuities were sold in higher bonds, on average three times as high, as compared to the life annuities. Life annuities were thus the more 'democratic' debt instrument in this era. Institutional investors and widows favoured highly the perpetual annuity, to a lesser degree joined in this preference by the investors from outside Amsterdam. Life annuities were preferred by unmarried women or by married women who had not reached the status of widowhood yet; furthermore, living in Amsterdam resulted in a slight preference in general for the life annuity too. Perpetual annuities carried a less personal (or, with a better term perhaps: familial) character; with a life annuity, the bond between investor and his or her family on the one hand and the ruler or central authorities on the other hand was stronger, just like with the 1478 loan.

The proportion of bonds and funds subscribed by investors from outside Amsterdam ranged from 8 to 10 per cent. Our sample pointed towards a highly differentiated public, as can be seen from the enormous difference between mean (total divided by number) and median (which shows the amount dividing the subscribers between the lowest 50 per cent and the highest 50 per cent). This points to the fact that a couple of very large creditors in this category caused a highly skewed distribution and that the majority consisted of minor investors. A likewise skewed distribution was found among the institutional investors. The total sums derived from this category (hospitals, Church Boards, Orphan Board) were modest, yet on average they furnished significant sums.²⁹ Tracy also showed that the proportion of funds provided by these institutions was considerable, yet their role had been much more outspoken in the earlier sixteenth century.³⁰ This pointed to an increased tendency towards individual subscribers and thus to a growing trust between ruler and the public at large.

As for the individual bondbuyers, I made a separate category for 'collective' subscriptions, which embraced married couples, trustees for others (often out of an inheritance), widows with their children, and other non-identifiable individuals operating together. Tracy put these bonds invariably among the 'male' subscriptions.³¹ This resulted in a slight underestimation of the female buyers in his book. In our sample, this percentage stood at a rather high 45 per cent, in Tracy's analysis, they accounted for a (still high though) 40 per

²⁷ Milja van Tielhof, *Mother of all trades* [Milja van Tielhof, *De Hollandse graanhandel, 1470-1570. Koren op de Amsterdamse molen* (Den Haag 1995)].

²⁸ Tracy, listing the investors providing 2001 guilders and more, in Appendix IIb.

²⁹ In the annuities issued by the town of Amsterdam itself, these investors were much more prominent.

³⁰ Tracy, *A financial revolution*, 125.

³¹ Tracy, *A financial revolution*, 148.

cent of the individual bond-buyers. In my analysis, individual investors consisted of men or women operating separately, albeit from Amsterdam or from out of town, thus leaving out only the collective and institutional investors. On average, the women supplied smaller funds as compared to male investors. For a part (but only for a part only) this was explained by the high amounts furnished by political office-holders. Among the women, the widows generally were counted among the largest creditors. Still, they did not dominate the category of female bond-buyers.³² A remarkable aspect were persons coming from the lower and the lower middle classes, above all among the female bond-buyers. The category 'religious individuals' included a large section of beguines or women living at the *Begijnhof*.³³ Their bonds were quite small, as can be seen from the low average.³⁴ Furthermore, no less than 6 of the 103 individual bondbuyers were female servants ('*dienstmaagd*'). They did not typically belong to the households of the local political elite. Invariably, they bought life annuities, not perpetual annuities. Not surprisingly, most investments by the servants belonged to the lowest sums subscribed. Nevertheless, for these investors these sums were quite substantial and must have constituted a large amount of their possessions.

This analysis showed that the new central authorities had been quite successful in binding a lot of individuals to their cause. The subscribers were not necessarily always and only the wealthiest individuals, although it is significant that the elite bought public bonds to a high degree as well. For quite a large number of households the ownership of a bond constituted a ready token of the presence of an emerging state; a token that yielded twice a year a regular income moreover. In contrast, in most of the other European countries state-formation meant more often than not only a negative burden for the population at large because of the increasing burden of taxation. The levy of taxes in Holland was accompanied by a regular feature of instalments upon the public bonds which must have contributed to a general acceptance of high taxes (and thus contributed to state formation). It is not without significance that this peculiar type of state-formation favoured in particular the Holland inhabitants, and within Holland, again the Amsterdammers – the profitable effects of state formation were obviously skewed to that town in particular. And in this whole, the mediating role of the urban and provincial institutions must be stressed again. Only through the careful management by urban and provincial authorities was trust established, further enhanced by the imposition of provincial taxes which guaranteed the funding of debt-payments. Tracy was truly right to label this development 'a financial revolution'.

The early seventeenth century

In 1572 the Low Countries revolted against the ruling prince, Philip II of Spain (Charles V's son). Of all Holland towns, Amsterdam remained the longest loyal to the king – only in 1578 did this city join the cause of the rebels. Even then, it had to be forced to do so by the rebellious troops. To some degree, the large number of bonds owned by the Amsterdam households might have contributed towards this outstanding loyalty to the Habsburg ruler. However, by the end of the 1570s the new constitution with increased powers for the provincial level had proved a strong and viable alternative. Increasingly, the public bonds that had been sold in 1553-1565 had been guaranteed and serviced by provincial taxation, not by domains or some other lordly income-source. The future of debt-servicing upon outstanding

³² A comparison with the 1478 loan is alas not possible - in the latter loan I could not determine whether a father or mother was responsible in a large number of cases.

³³ Beguines lived in the *Begijnhof*, a separate quarter from the rest of the town. Although they shared a common religious life, they took no vows and were free to leave the community as they wished.

³⁴ Probably, as this category of Tracy also includes more wealthy (male) religious subscribers, an analysis allowing for singling out of the Beguines will point to a much lower average for this group.

bonds had shifted clearly to the province of Holland and not to the prince. His domain revenues had been depleted and he obviously did not enjoy the trust of the new provincial authorities.

Yet it took at least two decades before the province of Holland was able to sell annuities to the manner of the 1550s and 1560s. Between 1572 to 1605 the fund-raising machinery for war had to rely increasingly upon taxation, not loans.³⁵ In particular during the 1570s, payments upon annuities – be it urban or provincial loans – had been suspended. Interest rates rose and fluctuated strongly. Conversions of loans to lower interest rates were applied too. Nevertheless, the trust of the investing public in general was hardly shaken: most investors had not received instalments during a period of three years only. With the disappearance of Spanish troops, order was restored and trust was restored as the new authorities recognised all public loans that had been issued prior to the Revolt. Amsterdam's urban credit that had been deeply shaken already emerged in 1585 as a powerful fund-raising machine again.³⁶

The numerous new taxes that were imposed during 1572-1605 came to serve the revival of the financial revolution in the seventeenth century. I would date this revival of the sixteenth century financial revolution in the 1620s, with a hesitant start dating from the 1590s. In the 1620s the Holland public debt rose rapidly, a rise that was to continue (albeit at variable rates) up to the end of the Republic in 1795. Interest rates declined, first to 5 and then to 4 per cent. The wide array of excise duties allowed the Dutch authorities (above all the Holland provincial authorities) to contract massive new loans. But in the Dutch Republic, trust was not everywhere as prominent as in Holland. Only the provinces of Zeeland and Utrecht (that had imposed similar heavy duties upon consumer goods) managed to establish a comparable degree of trust between investing public and authorities. Their taxes served as a fine guarantee to pay the interest to the creditors. At Union level (the Generality, the United Provinces combined, ruled by the States General and the Council of State) the trust in state loans was restricted to the Union Receiver in The Hague. This state banker was in a position to get loans subscribed, yet the amounts were always lower as compared to the Holland loans. As in practice much of his debt servicing was shifted to Holland again, he profited from the general trust established in Holland. State formation in the Netherlands rested predominantly upon the provincial receivers of Holland, not upon the Union Receiver.³⁷

The earliest accounts allowing an analysis as to the characteristics for Amsterdam investors date from the early 1620s. The earliest 'new' perpetual annuity dated from 1578, the earliest 'new' life annuity from 1616.³⁸ These loans were managed by the Amsterdam Receiver, who collected the provincial taxes in the Amsterdam district. At his office the investors were to receive their instalments.³⁹ Table 4 presents some results concerning the Amsterdam annuities under the new constitution since 1578 up to 1625.

³⁵ Wantje Fritschy, 'A financial revolution reconsidered. Public finance in Holland during the Dutch Revolt, 1658-1648', *Economic History Review* 56 (2003) 57-89.

³⁶ Martijn van der Burg en Marjolein 't Hart, 'Renteniers and the recovery of Amsterdam's credit (1578-1605)', in: Boone, Davids en Janssens (eds.), *Urban public debts*, 197-216.

³⁷ Marjolein 't Hart, *The making of a bourgeois state. War, politics and finance during the Dutch Revolt* (Manchester 1993) 165.

³⁸ It is possible that between 1578 and the early 1620's more perpetual and life annuities had been contracted; the reason they were not in the records might have been that had been repaid (for perpetual annuities) or died out (for life annuities) or converted into other loans. It is not likely that these would have involved considerable sums.

³⁹ The Amsterdam District Receiver was appointed by the province, upon nomination by the Amsterdam authorities. See Marjolein 't Hart, 'Mutual advantages. The Receiver Johannes Uijttendogaert as a broker between the political economies of Amsterdam and the Republic', in: Oscar Gelderblom (ed.), *The political economy of the Low Countries* (Aldershot, forthcoming 2007).

[table 4 here]

Just as in the sixteenth century (see table 3), the Amsterdam annuities were rather individualised, with continuing few investments by institutions or by collective subscribers.⁴⁰ Like before, the institutional investors favoured the perpetual annuities; in this they were joined by the collective subscribers (generally trustees for orphans and so on). Life annuities were typically more individualised instruments, geared towards the interests of certain family groups. However, this time, in contrast to the sixteenth century, the 'democratic' character of the life annuities had declined. The difference in average amount between perpetual annuity and life annuity (which had been 3:1 in the sixteenth century) had disappeared. Now, the distribution of life annuities were much more skewed: a majority of the life-annuity bonds were still rather small (thus to some degree still quite 'democratic'), but a rather large part of the life annuities were now bought by a rather limited group of big investors. This is also measured by looking at the amount subscribed by the top-ten investors: almost 70 per cent.⁴¹

Another difference with the sixteenth century was the higher degree of subscriptions from outside Amsterdam. This was more prominent with the perpetual annuities as compared to the life annuities (31 per cent of the subscriptions to the perpetual bonds, providing also 31 percent of the total amount subscribed).⁴² Most of them came from villages and small towns in the direct neighbourhood of Amsterdam and in the northern part of Holland. The intermediation by the Amsterdam Receiver had obviously resulted in a greater trust of the investing public in the larger Amsterdam area. Trust had become less dependent upon the typical urban setting and its traditions as in the sixteenth century.

Comparing table 3 and table 4 further, the proportion of female investors had declined significantly. This decline was strong and most outspoken among the life annuities, and is to some degree related to the more skewed distribution mentioned above, along with the large part of these loans being monopolised by a limited group of buyers. The limitation to a more select group of investors was fortified by the lower amounts raised through life-annuities: roughly three times more perpetual annuities were sold in the early seventeenth century. The partial 'aristocratisation' of the life-annuities can be illustrated by looking at the top-ten investors. In the 1555 sample, five of the top-ten investors had been female (among them three widows). As for the 1616-1625 life annuities, the largest investor was Cornelis van Lockhorst, buying for 15278 guilders upon the lives of his children. Descendant from a Utrecht noble family, he had moved to Amsterdam around 1600 and had established himself as a paper merchant there.⁴³ Second (with 13333) came Abel Matthijs Burch, one of the numerous lower office-holders in Amsterdam (*regent*). With no children of his own,⁴⁴ he put one of his life-annuities on - coincidence or not - a child of the Van Lockhorst family as nominee. Only third came a woman, Anna Wijmers, the widow of Jean Six, a wealthy cloth merchant, who invested 4444 guilders.⁴⁵ The first high local political officeholder was number four on this list: Hendrick Reynst (2222 guilders) among others alderman, cashier of

⁴⁰ In other Holland towns, for example in Rotterdam, the role of institutions was more substantial. See Marjolein 't Hart, 'Mobilising resources for war in eighteenth century Netherlands. The Dutch financial revolution in comparative perspective', Paper for the IHEA Congress in Helsinki (25 August 2006) Session 69 "Mobilising Money and Resources for War".

⁴¹ This degree of concentration is higher also because of the smaller number of loans. Thus as such it is not a 'hard' measure; nevertheless it does point into a less 'democratic' direction.

⁴² The largest investors from outside Amsterdam also came from further away: Kampen, Leeuwarden, The Hague; the majority of the non-Amsterdam investors came from villages and towns nearby.

⁴³ Elias 201. The amounts of total investment seem odd (15278, 13333, 4444, and so forth); yet often the instalments for the separate bonds were in rounded figures –100, 200, and so on, thus the nuisance was limited.

⁴⁴ Elias 328-329.

⁴⁵ Elias 458.

the Amsterdam Bank and later also a director of the powerful East India Company.⁴⁶ Only the last one of the top-ten was a woman again: Annetje Bakkersdochter, the widow of the alderman and stockfish merchant Joris Jorisz (1111 guilders).⁴⁷ Looking at the top-ten of the perpetual annuities, this list showed a larger proportion (three) of institutional investors: a Church Board, a Poor House, and the Amsterdam House of Correction. Again, only two were female, the most important being Aaf Doededochter, the widow of Reynier Claes Reyniersz, one of the lower officeholders (*regent*) investing 2708 guilders.⁴⁸

Yet the annuities were gradually replaced by a new type of loan: the obligation. These had originally been short-term bonds, with varying terms, but by the early seventeenth century the 6-month obligation had become standard. Soon, many of these bonds were renewed time and again, thus constituting a sort of *floating* debt. In due course, a majority was renewed as a matter-of-course, thus constituting in fact a long-term debt, just as the annuities. In contrast to the annuities, these obligations could more easily be redeemed, sold, re-sold or used in a conversion of another loan; many were put to a name but a minority was sold to bearer (*'toonder'*). The rise of this loan type in itself signalled the trust in more depersonalised and more flexible credit relations between the rising state and the investing public. Table 5 shows how the distribution between the various loan instruments was to shift towards the obligations in the course of the seventeenth century.

[table 5 here]

Amsterdam was by no means the first among the Holland offices to issue obligations on a large scale. The timing of the introduction of the obligations varied strongly: by 1620 obligations were already widely in use at the The Hague and Delft offices, Receivers that had an office near the government centre itself. There, the trust in these bonds with a less obvious link to the urban past was already high. Amsterdam's investors were probably not used to such massive amounts of obligations. At least from the surviving records, the number of people willing and ready to invest in these funds seemed to have been rather restricted. The 1616-1617 obligations of the Amsterdam Receiver were provided by four (or perhaps three) persons only: Mr Jasper van Vosbergen for 40,000 guilders; Bartholomeus Panhuijsen for 70,000 guilders; the same but now as a trustee for Jan Hesse with 30,000 guilders; and finally Juffrouw Catharina Malapert, widow of Jan Vueren, for 60,000 guilders. Neither of these persons had an obvious connection to Amsterdam.⁴⁹ Rather, they seemed to have belonged to the circle of investors of the Holland and Union Receivers in the Hague and Delft.

Nevertheless, since the early 1620s this instrument came to share the characteristics of the annuity issues. The 1625/26 Amsterdam issues were still dominated by a rather small group of very large investors, but in the 1630s and 1640s, they had become more 'democratic' in character as can be seen from the mean and median amounts. At the same time, the concentration of funds provided by the top-ten diminished to some 30 per cent (see table 6).

[table 6 here]

The series for Amsterdam showed that after a probably slow start in the 1610s and the early 1620s the market for obligations had grown more mature. The gap between mean and median investments in 1625/26 still pointed to a couple of wealthy individual investors – many of whom still with connections to the The Hague governmental institutions – yet in comparison

⁴⁶ Elias 369.

⁴⁷ Elias 245.

⁴⁸ Elias 18.

⁴⁹ Still under research.

with the 1616/1617 loans the link with Amsterdam was more clearly established. Thus, among the top ten investors, we did find Nicolaas Pauw (70,000 guilders) and Adriaan Pauw (52,000 guilders). The latter had been pensionary (*pensionaris*, high secretary) for Amsterdam and was to become later the pensionary for Holland. He owned a *hofstede* in Heemstede and was also one of the directors of the powerful VOC, the East India Company. Others among the top-ten were again Cornelis van Lockhorst (34,000 guilders, the Amsterdam paper merchant) and the Amsterdam cloth merchant Jacob Hendrik Servaes (with 13,000). Cornelis van Lockhorst was also the largest investor (56,937 guilders) of the obligation-buyers of the Holland (residing in The Hague) Receiver in 1625:⁵⁰ he was thus much of a hybrid figure in the rising debt of the Republic. Two major Amsterdam institutions bought obligations too: the hospital (*gasthuis*) with 38,000 guilders and the Regents of the Leper House (12,800). Our only anonymous investor of these years was also among the top ten with 36,000 guilders. Yet beside these massive sums some smaller investors were noted too, the smallest sum being 200 guilders provided by a widow.

By the 1630s, the number of bonds subscribed to bearer (*toonder*) had increased to some 13 per cent. Thereafter it declined. This had no direct bearing as to the impersonal nature of the bonds: in connection with the new taxes that were levied on interest-payments upon government bonds, it had been stipulated that receivers had to keep close account of the names.⁵¹ Looking at the proportion of female investors, the trend seemed to have been consistent to the perpetual annuities: by comparison, less women bought bonds. Collective investors constituted a continuous minority, not much different from the perpetual annuities. Likewise, institutional investors took up about 3 per cent of the bonds, although their participation varied strongly. The amounts subscribed by persons living outside Amsterdam was changing: after the (probable) high proportion of the 1616-1617 loans, this declined rapidly to some six per cent, then to three per cent, and then it seemed to have disappeared altogether. The obligations issued by the Amsterdam receiver became typically an investment for Amsterdammers only. This may point to a lowering trust of the investing public in the countryside, but it can also be an indication that the Amsterdam public was eager to buy these bonds which left the potential investors from outside town empty-handed.

Yet by the later seventeenth century, in 1665 the trend seemed to have been reversed again, to higher average amounts, to a lower degree of 'democracy', and towards an increased aristocratisation. The average amounts had increased substantially and the concentration among the top-ten investors too.⁵² Whether this trend was also observed in the other Amsterdam bonds, in the later seventeenth and the early eighteenth centuries, will be discussed in the next section.

The Amsterdam annuities of later seventeenth century

Meanwhile, the Republic's revenue-raising machinery had grown less dependent upon Amsterdam as compared to the sixteenth century. By 1667, only 15 per cent of the Holland outstanding debt was managed by the Amsterdam district receiver (as compared to some 40 per cent around 1555). This was to increase to some 22 per cent by 1683. Among all Holland Receivers, the one in The Hague stood out: he handled 38 per cent of the outstanding capital in 1667, and some 26 per cent in 1683. The trust in the office nearest the central and provincial government was thus quite substantial, the trust in the loans of the numerous other offices was considerable. The dependence upon the Amsterdam capital market had declined.

⁵⁰ NA Financie van Holland 3.01.29, inv nos 245

⁵¹ D. Houtzager, *Hollands lijf- en losrenteleningen vóór 1672* (Schiedam 1950), 169.

⁵² (unfortunately we do not have any records on the Amsterdam obligations between 1654 and 1793)

⁵³ But Amsterdam was of more importance than that mere 15 or 22 per cent: his receiver proved repeatedly able to get his loans subscribed, in contrast to all other Holland state bankers.⁵⁴ This points to a general high degree of trust of the Amsterdam investing public towards the state bonds, next to a fair amount of free-floating resources on this major capital market of course.

We analysed the subscribers to life and perpetual annuities, this time of the period 1665-1675. I singled out the top-ten: they are represented in table 7. Two were institutional investors, only one was a female. The high status of the men is striking: all males in the top-ten were addressed with the 'gentry-distinction' *Heer*, they all owned a country-house, and two were even (to become) nobles. This is consistent with the oligarchic trend among the Amsterdam elite and points to an obvious aristocratisation of the Amsterdam bond-buyers. These investors also belonged to the wealthiest group of Amsterdammers.⁵⁵

[table 7 here]

Our number one in the list bought no less than 24 life-annuities, all destined for his grandchildren. Heer Elbert Spiegel lived, like the Amsterdam district receiver, on the fashionable Herengracht in Amsterdam, and acted as Receiver-General of the Amsterdam Admiralty.⁵⁶ In that position, he must have issued a lot of public bonds himself: his trust in the state machinery must have been very strong. The other individual top-ten investors belonged invariably to the most prominent Amsterdam patriciate families: Hooft (Hendrik and Aarnout), Hinlopen (Johan and his wife Lucia⁵⁷), De Vlaming van Outshoorn, Rendorp and Geelvinck. Their preferred investment were life-annuities: buying additional securities for the careers of their children. Also the famous statesman Johan de Witt (with a most obvious 'The Hague' connection) bought life-annuities for his children Anna, Agatha, Maria, Jan, and Jacob. De Witt had married into the Amsterdam patriciate too (Bicker family). Merchants (i.e. merchant with no high political office) had disappeared completely from the top-ten. The political elite (the patriciate families of Amsterdam) predominated, and they predominated more strongly as compared to the sixteenth century or the early seventeenth century.

Yet the 'democratic' character was not lost completely. Several investors that were not valued in the *Familiegeld* of 1674 (thus probably owning less than 1,000 guilders) were noticed too. The smallest investment was 175 guilders, from a certain Dirckje Jans Vaandeken (1632-1704, daughter of Trijntje Jans), for a life-annuity on her own life. The occupations of the investors varied likewise: from the wife of a haft-maker to shopowners, lieutenants of the army and paper merchants. Still, the average amount subscribed by those investors that could not be identified (and thus likely not to belong to the elite) was quite high: some 2500 guilders. This was considerably more as compared to the average amounts of annuities in the seventeenth century, thus pointing to a general higher wealth-level of the investors.

Looking then at some specific characteristics: if we would leave the collective and institutional investments out, a distribution of 70 per cent male and 30 per cent female creditors was left. Overall, the proportion of female investors was lower as compared to the

⁵³ 1667: R.Liesker and W. Fritschy, *Gewestelijke financiën ten tijde van de Republiek der Verenigde Nederlanden. Deel IV, Holland (1572-1795)* (The Hague 2004) table I.4.6; 1683: National Archives Den Haag, Archief Financie Holland 3.01.29, inv. no. 855.

⁵⁴ Cornelis Hop en Nicolaas Vivien, *Notulen gehouden ter Staten-Vergadering van Holland (1671-1675)*, ed. N. Japikse (Amsterdam 1903), 92.

⁵⁵ tax register of 1674 (*Familiegeld*), see Elias

⁵⁶ Elias, 400-401.

⁵⁷ Not in the top-ten, but among the other investors, the family Hinlopen was prominent too: Adriana, Jacob, Jacob Jacobsz, Johan, Michiel, Sara and Johanna Maria Hinlopen. Sara Hinlopen was also an investor in the obligations.

sixteenth century, but consistent with the trend noted earlier in our analysis of the early seventeenth century loans. Remarkable was the limited role of widows, but this figure may well have been pushed downwards because of the large number of unidentified women. As before, males tended to furnish larger sums (see table 8).⁵⁸

[table 8 here]

Again, as with the earlier loans, the high political officeholders were there. Their average investment was the largest of the selected categories. Although they were obviously dominating the top-ten of the investors, they did not dominate the overall distribution. A difference was noted between high political officeholders of Amsterdam and those with some (additional) connection to the government in The Hague: their invested sums were significantly larger. Lower officeholders constituted the most prominent group (37% of the investors) followed closely by the merchants (35 per cent of the investors). Looking at their respective bonds, the lower officeholders either had a greater trust in the state loans as compared to the merchants, and/or they belonged to the wealthier strata of society, and/or they were more willing to invest their funds in these assets. However, among the merchants the directors of one of the major colonial companies (VOC and WIC) belonged to the largest investors again. The category of professions (lawyers, doctors, ministers) was another considerable minority. The group of artisans and entrepreneurs was limited but supplied on average high amounts. Two other categories are of interest further: the close relatives of the receiver who issued the loans, and the remonstrants, a religious/political sect to which the receiver belonged himself as well. Thus much of the willingness and trust to invest funds was partly caused by a social link to the state banker himself.⁵⁹

The Amsterdam annuities of the early eighteenth century

In the later seventeenth century a tendency towards higher average amounts had been established, and a certain extent of aristocratisation of the investors – at least among the top-ten was noticed. To what degree was this trend continued in the eighteenth century? For this purpose we analysed again the life annuities issued by the Amsterdam tax receiver, now for the period 1733-1734. By this time, no perpetual annuities were issued any more. All loans consisted either of life-annuities or of obligations (the latter varying from time to time as lottery loan, twenty-years annuities or thirty-years annuities). Interest rates declined gradually now from 4 to 3 per cent.

The tendency towards larger bonds was continued indeed: the smallest individual life annuity was now 500 guilders. The average, though, was still much like the 1660s and 1670s (see table 9).

[table 9 here]

Yet the investing public had changed considerably. Now, the category of high local political officeholders clearly dominated: they even furnished the majority of the sums. In our 1733-1734 annuities, no artisans were traced any more.⁶⁰ The merchant influence had diminished, and the group of rentiers (*rentenier*= living from *renten*-income) had become a new category.

⁵⁸ I did not include the median as a separate column, as this furnished little extra information.

⁵⁹ 't Hart, 'Mutual advantages', forthcoming.

⁶⁰ They might have been among the 8 male investors about whom no further details are known as yet.

[table 10 here]

The category high officeholders (almost all burgomasters of Amsterdam at some time) comprised 19 persons. Almost all owned a hofstede (15) and were addressed by the title of *Heer*. 16 of them lived on the most fashionable canals (Herengracht and Keizersgracht) in Amsterdam. On average their income was estimated at 20,000 guilders a year; and at least 8 of them belonged to the wealthiest 100 *Amsterdammers* of the time.⁶¹ Remarkable was the high average of the bonds they bought: 8000 guilders and more.

As for those belonging to the first category with also an occupation as a merchant (the second category in table 3), their income was estimated at 16,000 guilders per year. A majority of the persons (7 out of 9) in this group were director of one of the two powerful colonial companies, the VOC or WIC, or both. The merchants buying bonds, but with no position as burgomaster or the like, were generally less wealthy: roughly some 14,000 guilders. Their average bonds were smaller, yet still larger as compared to the next category, those of the low officeholders and professions (average income 10,000). The rentiers were generally people of more modest means, with an average income of 4,000 guilders, but differences were large. Elisabeth Jacoba Bors van Waveren was estimated an income of 12,000. She was single and lived in with the wealthy widow of Jan Deutz van Assendelft (a bankers' family), whereas Maria de Wit was estimated to have enjoyed an income of 600 guilders a year only.

The comparison revealed a clear development: much more than in the previous centuries, investors in life annuities had become a more close and restricted group. The category of 'merchants' had been pushed back (apart from those who enjoyed the position of director of one of the colonial companies) and the high officeholders had become the dominant group. Their possible side interests in trade or handicrafts were negligible, apart from the position in one of the colonial companies.

The availability of data concerning the average annual income made it possible to analyse the relative position of bonds among other possible investments (see last column table 10). On average (looking at medians this time), the high political officeholder invested roughly 42 per cent of his annual income in these bonds. Merchants (with no high political office), lower officeholders and professions came to some 31 to 33 per cent, but rentiers stood out with an astonishing 75 per cent.

Probably, the tax receiver did not close his doors for those with moderate funds. Yet the opportunities to invest in these highly desired bonds had decreased for those that did not belong to the ruling elite and to those that were not specialised in finding these opportunities, such as the rentiers. Life annuities thus served in particular the interests of the local political officeholders and the rentiers by the early eighteenth century. The increasing role of high political officeholders is consistent with the findings of Julia Adams: the policy of the Dutch patriciate household-heads had become increasingly geared towards the furthering of their own family-interests.⁶² Indeed, these life annuities enabled the investors to take care of their beloved ones for the future. This had not been different in the seventeenth century, yet the degree of elite participation had increased considerably, at the expense of the people with more moderate means.

⁶¹ Median 15000, based upon 17 observations – some of them had died before 1742, the year of the register. W.F.H. Oldewelt (ed.), *Kohier van de personeele quotisatie te Amsterdam over het jaar 1742* (Amsterdam 1945), Vol. I-II.

⁶² Julia Adams, *The familial state. Ruling families and merchant capitalism in early modern Europe* (Ithaca and London 2005) 138.

The obligations of the 1790s

Throughout the eighteenth century, Dutch public credit had maintained a strong position, just like the previous century. Holland bonds (and of course the Amsterdam varieties of those bonds) were usually sold above par on the free market and it was never particularly difficult to get the new loans subscribed.⁶³ Repeatedly, the public even complained about the restricted opportunities to invest in state bonds.

Yet in the 1780s Holland's credit declined, which was shown in the prices an ordinary 1000-guilder Holland/Amsterdam obligation made on the public market.⁶⁴ After the demise of the Fourth Anglo-Dutch War (1780-1784) a political movement (Patriot uprising) arose that stood highly critical to the oligarchic rule.⁶⁵ Order was restored only in 1787 with support of troops of the Prussian in-laws of Stadholder William V of Orange. This invasion had a disastrous effect upon public credit, and above all in Amsterdam. Some of the most powerful Amsterdam banking houses (e.g. Stadnitski) were unwilling to support the Orangist government.⁶⁶ They demanded the full amnesty and free return of a couple of Patriot rebel leaders before they were willing to come to the rescue of the Dutch state.⁶⁷

Trust in government bonds was hurt and the increasing opportunities to invest funds elsewhere switched the preferences of the well-to-do.⁶⁸ Higher interest rates (rising again to 5 per cent) did not solve the problem: the Amsterdam receiver could still not get his loans subscribed. The solution to try a forced loan did bring in funds, yet harmed the general trust in the bonds again. During the last two centuries, most Holland bonds had been sold voluntarily.⁶⁹

It is unfortunate that few records for the eighteenth century survived. We can only dispose of the ledgers for the obligations issued in 1793-1794 (see table 11). These loans were certainly not representative for the whole eighteenth century. They were contracted during a period in which the credit of Holland was obviously very low. Nevertheless, it was possible to get some information. Surprisingly, the investments were smaller as compared to those of the seventeenth century.

[table 11 here]

To a significant degree the standard amount of obligation had become 1000 guilders, although they could be as small as 100 guilders. Yet few investors bought an obligation of 100 guilders on its own. Most 100-bonds were sold in combination with higher amounts: for example, an investor could supply 2600 guilders, this was divided over 1000+1000+500+100. The reason was that a 1000-obligation made a better relative price on the market as compared to a 600- or 1600- or 2600- obligation. The high degree of anonymous subscribers (the proportion of bonds sold to bearer) had increased substantially: now some 80 per cent. This rendered it difficult to be sure about the average amounts. Still, these data do point to a greater flexibility

⁶³ *Maandelyksche Nederlandsche Mercurius* 1760s-1770s noting the prices of the 1000 Amsterdam, Holland and Union obligations sold at public auctions in Amsterdam. Bonds smaller or other than a 1000-quantity (or 2000 or 3000) were obviously less popular.

⁶⁴ Jan Luiten van Zanden and Arthur van Riel, *The strictures of inheritance. The Dutch economy in the nineteenth century* (Princeton 2004) 39.

⁶⁵ Simon Schama, *Patriots and liberators. Revolution in the Netherlands 1780-1813* (Oxford 1977).

⁶⁶ See also J.M.F. Fritschy, *De patriotten en de financiën van de Republiek. Hollands krediet en de smalle marges voor een nieuw beleid (1795-1801)* The Hague 1988) 197, 291; James Riley, *International government finance and the Amsterdam capital market* (Cambridge 1980) 56.

⁶⁷ A.J. van der Meulen, *Studies over het ministerie van Van de Spiegel* (Leiden 1905) 337.

⁶⁸ Riley, *International government finance*.

⁶⁹ Apart from 1672 and 1747, all Holland loans had been contracted voluntarily.

of the eighteenth century Holland obligations. Also, many bond-buyers regarded their investment as a temporary one. There was still trust, but few were willing to be bound for the long-term.⁷⁰

As for the investors that did buy a bond on their own name, another characteristic feature was noticed: the increased investment by collective investors (inheritances, trustees). In the seventeenth century, these investors had favoured the perpetual annuities. As the latter were not issued by the Amsterdam Receiver any more, their attention had shifted towards the obligations. Even then, their proportion had risen also as compared to the perpetual annuities investments of the seventeenth century. Moreover, their average investments had increased substantially. For this group of subscribers, alternatives to invest (e.g. in foreign bonds) were probably rather restricted.

The composition of the female bond-buyers had changed too: they had grown into a more diversified group. The mean for women investors was 2400 (median 1000), for men 2000 (median 1100). Compared to the seventeenth century this was a significant reversal of the trend: female investors had always supplied less funds (on average, mean and median) seen against the funds provided by male bond-buyers. But now, the “rich widow investor” had become prominent: widows supplied by far the largest sums (3500 median, 4700 mean). The high median pointed to the fact that the “small widow investor” seemed to have disappeared altogether.

Of the individual subscribers, only 11 per cent (10 individuals) could be identified as to occupation or social background. This is astonishing low.⁷¹ None of the them exercised a high local political office. In this group of ten, most were low political officeholders (5) or officers in the army (3), only one was known as a merchant: Paulus Andries van Eijs, who was also Extraordinary Treasurer for Amsterdam and low political officeholder.⁷² Two investors (Van Eijs and mr Jan Willem van Loon (3000 guilders) were later to receive (in the Kingdom of the Netherlands) ennoblement with the title of *Jonkheer*.⁷³ The fact that these persons bought bonds should not astonish us at all, but the total absence of high local political officeholder was highly remarkable – not one burgomaster was found, not one VOC director either (apart from a widow of a VOC director).

[table 12 here]

The list of the top-ten investors (see table 12) was led this time by two collective investors, the trustees for a certain Ten Hove and the heirs of Anna Elisabeth Haas. Third came a married woman, of whom we have no further details. On the fourth place a shared position: this time a general of the Dutch army, Polman Gneijs, together with Mr Pieter Witsen Elias, a lower officeholder but also owner of a *hofstede*, and Roelina Maria Putman, an unidentified widow. Then came the person with the closest links of this top-ten to the local government: Mr. Cornelis Backer Cornelisz., secretary to the Amsterdam Admiralty and *regent*, investing 8000 guilders.

Trust was thus geared now more strongly to two groups in society having few other alternatives to invest funds: women, trustees and other collective investors. The categories of

⁷⁰ By comparison, the bonds sold by the Receiver General of the Union (The Hague) in the 1780s showed a lower degree of anonymous buyers (29 per cent, whereas in the seventeenth century this had been 54 per cent in the mid-seventeenth century). Many investors there came from Orangist circles, like members of the Orange family and military commanders. Perhaps the investors were proud to be known as supporters of the regime.

⁷¹ At this moment, the available study of Johan Elias on the prosopography of the Amsterdam political elite has been used. Further research is possible, but the data of Elias proved otherwise much higher matches in our analyses of the other tables.

⁷² Elias 862

⁷³ Elias 757

high political officeholders, low political officeholders and merchants were probably not absent, but much less prominently there as compared to the earlier period. Only a couple of months later, they proved to have gambled right: in January 1795 the Dutch Republic fell prey to the invading French troops.

Conclusion

From the late fifteenth century until the 1780s, trust in state loans had been remarkably strong in the Netherlands. The degree of trust was extraordinary and accounted to a large degree for the successes of the Dutch state in warfare and colonial competition. Interest rates were the lowest in Europe, the number of investors was large, there was never a specific domination by particular ethnic or occupational groups among the creditors. Trust was always high in the close neighbourhood of the government centre (The Hague, with Delft), but also remarkably high in the other towns of Holland. The richest layers of society invested in government bonds, but also individuals of the lower and middling classes subscribed to state loans. Societal and religious institutions were always prominent investors, yet the degree of individualisation was strong and was growing since the early sixteenth century. The bulk of the bonds were sold voluntarily; investors were not forced to buy the bonds. In the seventeenth century the bonds gradually came to carry a less personal character, with the increased issue of obligations, although the life annuities continued to constitute a particular strong bond between investor (and his family) and the state.

The trust between the central state and the investing public at the Amsterdam market was established through the powerful intermediation of the town in the fifteenth century, through town and province in the sixteenth century, and through the provincial receiver operating in the Amsterdam district in the seventeenth and eighteenth century. Several interesting developments were noticed. The proportion of investors from outside Amsterdam declined since the 1630s. Amsterdam public credit was increasingly geared towards its own inhabitants. Instruments that had carried quite a 'democratic' outlook in the fifteenth and sixteenth century (life annuities) became almost monopolised by a relatively small group of investors in the course of the seventeenth century. By the eighteenth century, this trend seemed to have been strengthened. Categories of investors like artisans, female servants and the small widow-investors seemed to have disappeared over time. Life annuities were issued less and less, but when they were issued, the elite managed to grab the largest section of these loans, leaving less for those of a middling sort with no connections to the local government. Throughout, the role of the intermediary (provincial receiver) was strong: many of his personal relations managed to buy the favoured life annuities.

With the coming of the crisis in the 1780s, a problem was the enormous dependency upon that same group of investors from the Amsterdam political and economic elite. An additional problem was Amsterdam's decline within the international financial markets. After the defeat in the Anglo-Dutch War and after the Patriot rebellion it was difficult to restore the trust between the traditional pillars of investment (the high local political officeholders and the wealthiest merchants) and the state. The Amsterdam Receiver experienced enormous difficulties to get his loans subscribed. Trust was low and interest rates increased. Thanks to the rich past of Holland's credit, investors were still to be found. Yet most of the investors of the 1790s belonged probably to categories that had gradually been pushed in a marginal position in the public credit system in the period before 1780.

TABLES

	<i>Proportion of investors</i>	<i>mean</i>	<i>median</i>
High local political office-holders ⁷⁴	17%	1400	1500
Low political office-holders, professions ⁷⁵	17%	680	610
Merchants ⁷⁶	28%	775	375
Others, not identified		780	600
All (N=18)	100%	850	600

Source: NA, Grafelijkheidsrekenkamer 3.01.27.02 inv. 5057.

	<i>Proportion of investors</i>	<i>Mean</i>
Local political office-holders ⁷⁷	37%	1573
Idem, with no other business than local political office	13%	1618
Professions	11%	847
Brewers	7%	1257
Drapers	7%	1826
Baltic exporters ⁷⁸	10%	1604
Grain dealers	22%	1178
Other merchants	20%	833
Shippers/shipyard entrepreneurs	10%	755
All merchants, brewers, drapers, shippers, entrepreneurs	76%	1154
Idem, but not combining with local political office	52%	972
All identified investors (N=100 *)	100%	1181
All incl unidentified investors (N=267)		714

Source: Tracy, *A financial revolution*, 169-179; own calculations.⁷⁹
 * as some categories are overlapping, the adding does not arrive at 100%. The number of identified male investors just happens to add to 100 individuals exactly.

⁷⁴ The following were aldermen (*schepenen*): Claes Gerrit Deymans, Egbert Jans and Pieter Colijns. Wagenaar, *Amsterdam, in zyne opkomst* (Amsterdam 1767) Vol. II 334.

⁷⁵ Probably the following: Mr Jacob Melis, Mr Albert Dirx and Mr Pieter Broker (together with a son of Hugh Jans, apothecary; Elias, 180).

⁷⁶ Probably the following: Pieter Colijns (also high political officeholder, investing 1500 pounds), Simon Pieters, Gerrit Simons, Jacob Reyers, and Pieter Buker or Bicker. F. Ketner, *Handel en scheepvaart van Amsterdam* (Leiden 1946) 90, 157-158.

⁷⁷ 13 % if we would take those that had a high political office without being a merchant or industrial entrepreneur at the same time, 37 % if we would combine all high local political officeholders.

⁷⁸ Following Tracy: wine merchants, soap-boilers, herring-packers.

⁷⁹ Figures in Tracy's table do not always add up; corrections applied (subtotal on p. 170 not 77 but 87; sums invested 118090 and not 118834 (see page 166)). The data did not allow to calculate a median, thus only the average/mean (sum divided by number of investors) is presented here.

	<i>my 1555 sample</i>			<i>(Tracy)1553-1565</i>			
	% of sum	% of subscribers	In guilders			% of sum	% of subscribers
			Mean	Median	Mean		
% investors from outside Amsterdam	8%	10%	344	86	535	8%	9%
% Amsterdam institutional investors	13%	6%	910	180	1156	6%	3%
% collective investors	3%	3%	344	288	Generally included among 'male individual investors'		
% religious individuals	Generally included among 'males' or 'females'				146	2%	6%
% individual investors		81%			599	86%	82%
All investors, N=	53000	127	422	240	494	260000	526
<i>Individual investors only:</i>							
% males	58%	55%	424	288	721	72%	60%
Of whom local political officeholders	15%	6%	972	912	1496	24%	9%
% females	42%	45%	375	144	417	28%	40%
Of whom widows	9%	7%	672	480	755	12%	9%
Of whom servants	1%	6%	88	84	n.a.		
Total individual investors	N=103 (100%)				N=434 (100%)		
Source: NA GRK 5058, fols. 14-34; Tracy, <i>A financial revolution</i> 145 (partly own calculations).							

<i>Type:</i>	<i>Perpetual annuities 1578-1625</i>			<i>Life annuities 1616-1625</i>			
	% of subscribers	Mean	Median	% of subscribers	Mean	median	
% male investors (of all individual investors)	64%	1100	800	73%	1600	550	
% female investors (of all individual investors)	36%	900	600	27%	900	550	
% widows (of all individual investors)	10%	1600	900	7%	2200	1100	
% collective investors (of all investors)	10%	1500	900	-			
% institutional investors (of all investors)	3%	2700	2900	-			
% from outside Amsterdam (of all investors)	31%	1100	800	11%	550	550	
% of sum provided by top-10 investors (of all investors)	27%	4900	4200	69%	4500	2100	
All (in guilders)	182000	1100	800	65200	1400	550	
Number of investors	159			46			
Source: NA, <i>Financie van Holland</i> 3.01.29, inv.nos. 307 and 367.							

Type of loans	Amsterdam office
Perpetual annuities	4,9%
Life-annuities	11,1%
Obligations	84,0%
Total	100,0%
N= (in guilders)	1,210,403

Source: National Archives The Hague, Archive Financie Holland 3.01.29, inv. no. 855

	1616/17	1625/26	1637/39	1648/50 and 1654	1665
Mean investment	50000	5500	3700	2900	4200
Median	50000	2000	3200	2000	3000
Number of investors	4	97	159	137	69
% anonymous	0%	1%	13%	6%	7%
% female investors	33%	34%	19%	31%	27%
% of collective investors	25%	5%	12%	9%	8%
% of institutional investors	0%	5%	2%	0%	3%
% from outside town	100%	6%	3%	0%*	0%*
% provided by top-ten	100%	59%	28%	30%	42%
*= probably					

Source: NA Financie van Holland 3.01.29, inv nos 245, 246, 249, 250, 251.

Table 7. Details of the top-ten investors in perpetual and life-annuities of the Amsterdam district Receiver, 1665-75		
<i>Amount (guilders)</i>	<i>Name</i>	<i>Details</i>
44,950	Heer Mr Elbert Spiegel	(1600-1674), Receiver General of the Amsterdam Admiralty, member of an Amsterdam patriciate family ⁸⁰
38,000	Orphan Board Amsterdam	<i>Weesmeesters</i> : ⁸¹ a.o. Heer Cornelis de Vlaming van Outshoorn (see no. 4 in this list); Heer Cornelis Geelvinck (see no. 10 in this list)
28,900	Heer Johan Hinlopen	(1626-1666), <i>Regent</i> and member of an Amsterdam patriciate family, married to Lucia Wijbrants (no. 8 in this list), left an inheritance of 230,000 guilders ⁸²
24,600	Heer Cornelis de Vlaming van Outshoorn	(1613-1688), <i>Ridder</i> , tenfold Amsterdam burgomaster, wealth assessment 169,000 in 1674, member of an Amsterdam patriciate family ⁸³
24,300	Heer Raadpensionaris Johan de Witt	(1625-1672), one of the most well-known statesmen of the Republic, married into a powerful Amsterdam patriciate family ⁸⁴
21,000	Heer Mr Hendrik Hooft	(1641-1707), Judge Advocat General of the Amsterdam Admiralty, assessed at 135,000 guilders in 1674, member of an Amsterdam patriciate family ⁸⁵
18,200	Heer Joachim Rendorp	(1608-1678), brewer, director of the Nordic Company, assessed at 120,000 guilders in 1674, member of an Amsterdam patriciate family ⁸⁶
17,000	Lucia Wijbrants	(1638-1719), married to Heer Johan Hinlopen, no. 3 in this list, daughter of Machteld Pater, related to the in-laws of Johannes Uijttendogaert ⁸⁷
16,600	Heer Aarnout Hooft	(1629-1680), <i>Ridder</i> , merchant and director of Guyana Colony, member of an Amsterdam patriciate family, re-married in 1665 to a niece of Lucretia, the wife of Johannes Uijttendogaert ⁸⁸
16,400	Heer Cornelis Geelvinck	(1621-1689), manifold Amsterdam burgomaster, one of the wealthiest: assessed for 291,000 guilders in 1674, member of an Amsterdam patriciate family ⁸⁹

⁸⁰ Elias, *Vroedschap*, 401; he was not assessed in the *Familiegeld* tax register as he died in 1674.

⁸¹ Wagenaar, *Amsterdam Vol. III*, 384.

⁸² Elias, *Vroedschap*, 309.

⁸³ *Ibidem*, 505. Later, he was also VOC-director; Councillor of the Admiralty; and member of the Council of State.

⁸⁴ Married to Wendela Bicker, Elias, *Vroedschap*, 174.

⁸⁵ *Ibidem*, 495.

⁸⁶ *Ibidem*, 454. Wagenaar, *Amsterdam Vol. III*, 416: Later, he became commissioner of the Great Excise, and issued many annuity loans for the urban government.

⁸⁷ Elias, *Vroedschap*, 309.

⁸⁸ *Ibidem*, 148; see also his diary: Arnout Hellemans Hooft, *Een naekt beeldt op een marmore matras seer schoon. Het dagboek van een grand tour (1649-1651)* (ed. by E.M. Grabowsky and P.J. Verkrujisse, Hilversum 2002).

⁸⁹ Elias, *Vroedschap*, 481.

Table 8. Details of annuities 1665-1675, Receiver Amsterdam District, in percentages and guilders			
<i>Category</i>	<i>% of subscribers</i>	<i>% of amount</i>	<i>Mean</i>
Collective investors	4%	4%	4000
Institutions	1%	4%	11700
Individuals	92%	92%	4000
<i>All investors (N=348) and all invested sums (1.4 million guilders)</i>	<i>100%</i>	<i>100%</i>	<i>4000</i>
Males	70%	80%	4400
Females	30%	20%	2600
Not identified	48%	31%	2500
Identified	52%	69%	5200
<i>All individuals (N=328) and their invested sums (1.3 million guilders)</i>	<i>100%</i>	<i>100%</i>	<i>4000</i>
High political officeholders	16%	22%	8000
Idem, with connection to central government	5%	19%	10000
Lower officeholders	37%	46%	6600
Merchants	35%	36%	5500
Of whom directors major colonial companies	12%	16%	7200
Professions	28%	20%	3800
Artisans/entrepreneurs	7%	8%	5700
Widows	2%	2%	4600
Close relatives to Amsterdam receiver*	5%	4%	5800
Remonstrants	10%	15%	5800
<i>All identified individuals (N=170) and their invested sums (900,000 guilders):**</i>	<i>100%</i>	<i>100%</i>	<i>5200</i>
*sisters, brothers, cousins, nephews and nieces			
** sums do not at to 100% as the categories are overlapping			
Source: NA Financie van Holland 3.01.29, inv no 367			

Table 9. Life annuities issued by the Amsterdam office (1733-1734)	
Total amount in guilders	336,996
Average in guilders	4000
Median in guilders	2000
Number of investors	86
% of female investors	32%
% investors from outside town	Low
% amount provided by top-ten	34%
Source: NA Financie van Holland 3.1.29 inv nos 328, 371.	

Table 10. Estimated annual income and characteristics of Amsterdam life annuities (1733-34) according to occupational category of the investors (in guilders and in percentages)						
	<i>Estimated income (average)</i>	<i>Mean investment</i>	<i>Median investment</i>	<i>% of amount invested</i>		<i>Median investment / income</i>
High officeholders, top political leaders, burgomasters ⁹⁰	20,000	8333	8000	36	54	42
Combination high officeholders and merchants ⁹¹	16,000	5926	5000	18		37
Merchants ⁹²	14,000	4373	3000	13		31
Low officeholders, lower regents, lawyers, professions ⁹³	10,000	3262	2000	16		33
Rentiers (predominantly women)	4,000	3000	2000	12		75
Others (captains and skippers)	n.a.	4667	2000	5		n.a.
All (N=60)	n.a.	4000	2000	100		n.a.

Source: NA Financie van Holland 3.1.29 nos 328, 371; Oldewelt, Kohier personeele quotisatie.

Table 11. Some characteristics of the obligations, issued by the Amsterdam receiver (1793-1794), in percentages and guilders (rounded figures)				
	<i>% of subscribers</i>	<i>% of amount</i>	<i>mean</i>	<i>median</i>
% of all bonds sold anonymous		79%	860	1000
% of bonds sold to a name		21%	860	1000
% of known investors: collective	19%	28%	3300	1300
% of known investors: institutions	4%	4%	2600	2100
% from outside Amsterdam	20-40%?			
% male investors (of all known individual investors)	66%	62%	2000	1100
% female investors (of all known individual investors)	34%	38%	2400	1000
% widows (of all known individual investors)	8%	17%	4700	3500
All known investors (N=112 and 250,000 guilders)	100%	100%	2200	1000
% identified	11%			
% of the total amount by top-ten (among known investors)	42%			
Lowest amount supplied by a non-anonymous buyer	100			

Source: NA Financie van Holland 3.01.29 inv no 274, 275.

⁹⁰ Among whom nine merchants, one paper manufacturer and one widow of a town councillor (Sara Hinlopen).

⁹¹ 7 of the 9 were VOC and or WIC directors (*bewindhebbers*) (their average investment 4517 guilders, median 3000).

⁹² Among whom not one WIC or VOC director; including one widow of a merchant.

⁹³ Notaries, clerks, secretaries, treasurers, churchwarden, and one publisher.

<i>Amount (guilders)</i>	<i>Name</i>	<i>Details</i>
20,000	Trustees Ten Hove	Collective investor
16,500	Heirs of Anna E. Haas	Collective investor
11,000	Cornelia van Beke, geb. de Jonge	Wife of Van Beke
10,000	Mr Pieter Witsen Elias	<i>Regent</i> , lived on Herengracht and owner of <i>hofstede</i> ⁹⁴
10,000	Polman Gneijs	General of Dutch army ⁹⁵
10,000	Roelina Maria Putman	Widow of Herman Borgerink ⁹⁶
8,000	Mr Cornelis Backer Cornelisz	<i>Regent</i> and secretary to the Amsterdam Admiralty ⁹⁷
8,000	Margaretha Clara Berewout	Widow of Jan Boudaan, from Middelburg, director of VOC Amsterdam ⁹⁸
6,000	Mr Paul Hurgronje	From Middelburg, councillor in Amsterdam Admiralty for Zeeland, lived in Amsterdam ⁹⁹
5,000	Heirs Johanna Cornelia de Graaf	Collective investor

⁹⁴ Elias, 904.

⁹⁵ Probably not living in Amsterdam.

⁹⁶ Probably from Overijssel.

⁹⁷ Elias 680.

⁹⁸ Elias, *Vroedschap*, 802.

⁹⁹ *Ibidem*, 777