

### 3 Toward the Modern Economy: The Example of Holland

The Spanish and Portuguese monopoly of trade was challenged in the late sixteenth century, first by English privateers who preyed on the Spanish fleets crossing the Atlantic and then by the Dutch who were in revolt against their sovereign, the Spanish king Philip II (1556–1598). Earlier, the Dutch had traded with both Spanish and Portuguese ports, but were not allowed to seek markets directly with the Americas or the East Indies. When Philip II, who was also king of Portugal from 1580, excluded the rebellious Dutch from trading in his ports—a policy that was renewed by his son, Philip III (1598–1621)—Dutch merchants decided to break the Portuguese monopoly over trade with the East Indies. In doing so, they launched the first of many commercial wars designed to win control over world trade markets.

To encourage trade with the East Indies, the Dutch government established a private limited stockholding company, the East India Company, and granted it a monopoly over trade and colonization anywhere east of the Cape of Good Hope or beyond the Straits of Magellan at the southern tip of South America. The company was granted the right to build fortresses, to raise armies, to establish laws and courts in territories it captured from the Spanish or the Portuguese, and to enter into diplomatic alliances with other princes. The East India Company was the foundation on which the Dutch built their colonial empire. Other European states established similar corporations to further trade and colonization.

William Carr

#### THE DUTCH EAST INDIA COMPANY

In 1693, William Carr, the English consul at Amsterdam, wrote a travelers' guide to the leading cities of Holland, Flanders, northern Germany, and Scandinavia. Of these, the largest and wealthiest was Amsterdam in Holland. In less than a century, this once small medieval city had grown to become the most important commercial port in the West and the center of European financial capitalism. In the following selection, Carr describes the commercial trading system of the famous Dutch East India Company, which established trading posts in South Africa, the Persian Gulf area, India, Ceylon, Bangladesh, Indonesia, China, and Japan. Although not mentioned by Carr, the Dutch West India Company conducted similar operations in the Caribbean and North America. The Dutch trading post of New Amsterdam at the mouth of the Hudson River would become the city of New York, the world center of finance capitalism in the twentieth century.

... The East India Company of the Netherlands is said to be a commonwealth within a commonwealth, and this is true when you consider the sovereign power and privileges the company has been granted by the States General [the ruling council of the Dutch Republic] and also consider its riches and vast number of subjects, and the many territories and colonies it possesses in the East Indies. The company is said to have 30,000 men in its constant employ and more than 200 capital ships, in addition to its sloops, ketches, and yachts. The company possesses many colonies formerly belonging to Spain, Portugal, and various Indian princes, and as good Christians company members have spread the Gospel of Christ in these lands, printing the Bible, prayer books, and catechisms in Indian languages and maintaining ministers and teachers to instruct those that are converted to the faith. Having said that this company is so extensive—as it were a commonwealth apart—I will demonstrate that it is a commonwealth first by its power, riches, and strength in the East Indies, and second, by its position in Europe. . . . But I will begin at the Cape of Good Hope [Africa] where the company has built a fort where it maintains a garrison to defend its ships when they stop there for fresh water. From there let us view the company on the island of Java, where it has built a fair city called Batavia and fortified it with bastions like those in Amsterdam. This

city is the residence of the company's grand minister of state, called the General of the Indies. He has six privy counsellors (ordinary) and two extraordinary; they oversee the concerns of the company throughout the Indies, including matters of war and peace. . . . The General of the Indies has horse and foot soldiers, officers, and servants—as if he were a sovereign prince—all paid for by the company. . . . So formidable is the company in the East Indies that it looks as though it aims to rule the South Seas. It also has a great trade with China and Japan. . . . With Persia also it has great commerce and is so confident that it wages war with the Persian monarch if he wrongs it in trade. It also has several colonies on the coast of Malabar and Coromandel [west coast of India] and in the country of the Great Mogul. . . . But especially let us examine the company on the rich island of Ceylon [Sri Lanka] where it controls the plains, so the king of the island is forced to live in the mountains while the company possesses the city of Colombo. . . . I will say no more of the company's power in the Indies, but let us examine its position in Europe. To begin with, in Amsterdam the company has two large stately palaces, one being in the old part of the city, and the other in the new; in the old part it keeps its court—where the Resident Committee of the company sits—and sells the company's goods.

### REVIEW QUESTION

1. What evidence of the Dutch East India Company's power does Carr provide?

## 4 The Jews of Spain and Portugal: Expulsion, Forced Conversion, Inquisition

For centuries the Jewish community in Spain had distinguished itself in commerce and intellectual pursuits, and Jews had served Spanish kings as ministers and physicians. However, the five-hundred-year struggle, seen as a crusade, to

1391, mobs slew some 50,000 Jews and prom number of *conversos* or converts. A century Ferdinand and Isabella, fearing that conver their relatives and erstwhile co-religionists t pulsion of those Spanish Jews who would ne many as 150,000 Jews fled; it is not known ho

Old Christians disdained the *conversos* or converts of secretly practicing Judaism and rine in business, the professions, govern The hostility to *conversos* also had a racial c contrary to Catholic theology, that baptism v Jews. Old Christians were obsessed with ra with New Christians, even if the family had tions, and barring their entry into certain mili acceptance, one had to prove a lineage that ha

## PROCEEDINGS OF THE INQUISITION: THE TOR DEL CAMPO

For centuries the Spanish Inquisition, estab backsliding by New Christians and run by cler that denigrated Jews and Judaism, relentless dants. The following account taken from the tribunal's procedures. In 1567, Elvira del Cam considered herself Catholic and married a Cath tion by neighbors who observed that she refra to Jews) and put on clean clothes on Saturday (t Elvira assured the clerical judges that she was a performed these innocent practices in fulfillme her dying mother when she was eleven. Subjec woman confessed to Judaizing. The court con her to three years in prison, and required her heretic. Although released a few months after poverty and shame, and her life was ruined.

She was carried to the torture-chamber and told to tell the truth, when she said that she had nothing to say. She was ordered to be stripped and again admonished, but was silent. When stripped, she said "Señores, I have done all that is said of me and I bear false-witness against my-

told ne but to comme what h truth a nothin