

# The organization of the VOC

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Of all the trading companies of the seventeenth and eighteenth centuries, the Dutch United East India Company (*Verenigde Oostindische Compagnie* or VOC), which was created in 1602, was indubitably the most successful. Soon after its incorporation the VOC succeeded in firmly forcing back the Portuguese, who had established their commercial empire in Asia a century earlier, and pretty well eliminating them as competitors in the trade between Europe and Asia. The principal competitor of the VOC, the English East India Company (EIC), which had been founded in London in 1600, initially lacked the financial capacity, the organizational ability and governmental support to offer the Dutch Company any real threat. It was only at the end of the seventeenth century that the EIC developed into a potent rival worthy of its steel, which would cut the ground from under the feet of the VOC in various regions in the course of the eighteenth century. None the less, until the end of its existence as a trading company in 1800, the VOC remained the largest of the Asiatic companies.<sup>1</sup>

A number of factors which had a bearing on the rapid growth of the Dutch Company can be singled out. To begin with, the capital affluence available in the Dutch Republic provided the VOC with a substantial head start. By means of this the VOC was able to finance the costly military operations which were necessary to win it the world monopoly on fine spices. The conquest of the Banda Archipelago in 1622 gave the Company the monopoly on nutmeg and mace. It took longer to achieve the monopoly in cloves. By extirpating the clove trees on various islands in the Moluccas, the VOC succeeded in concentrating the cultivation of this crop in Ambon. The capture of Makassar in 1667 meant that the last harbour where European and Asian merchants could purchase 'contraband' – that is to say traded outside the VOC – cloves had fallen into the hands of the Company. The monopoly on the trade in cinnamon was obtained by ousting the Portuguese from Ceylon. This took place in two stages: between 1637 and 1642 and from 1654 to 1658.

The operations of the VOC were not just confined to the transport of Asian products to the

European markets. In Asia or *Indië*, as the whole trading area of the Company was known at that time, the VOC managed to accumulate the capital required to build up a trade network between its various establishments. This intra-Asian trade provided a rich source of income for the Company during the seventeenth and eighteenth centuries. Between about 1635 and 1690 this income was greater than the expenditure; consequently the Asian business of the VOC ran at a profit and the enterprise in the Dutch Republic also profited from this. Furthermore, after 1639 the Dutch Company was the only European trader with access to Japan. During the seventeenth century this commercial connection proved extremely profitable and offered the Company a chance to buy up silver cheaply. All European merchants in Asia needed silver to buy textiles in India and pepper in the Indonesian Archipelago. Because of its 'Japanese connection' the VOC was able to make do with a fairly limited export of silver from Europe throughout the seventeenth century.

At the end of the seventeenth century, there was an enormous expansion in trade and shipping between Europe and Asia. Textiles from India, coffee from Arabia and later also from Java, and tea from China captured the European market. This growth in trade was a general phenomenon; other European companies also profited from it and the VOC gradually had to cede its unique position. The monopoly on fine spices faded into relatively limited importance. The income from the intra-Asia trade no longer compensated for the rising expenditure which mounted, at least in part, in response to the rising administrative costs. The upshot was that year after year throughout the eighteenth century the Asian business of the VOC made a loss. Moreover, the trade with Japan almost dried up; after 1700 this became pretty insignificant. The profits from the sale of Asian wares at home were still sufficient to cover the expense of the extensive fitting out of ships for Asia and to cover the annually recurring losses in Asia, but the financial reserves were shrinking.

As a result of these structural changes the VOC leaned increasingly on sales returns in the Dutch Republic. In truth, the financing of the business relied on these sales returns and this put the Company in a vulnerable position: in the period after the outbreak of the Fourth Anglo-Dutch War in 1780, when no return fleets sailed home and

no auctions of any significance could be held, in one fell swoop the Company found itself deprived of its credit and plunged deeply into debt. After this war, the Company was immersed in problems on such a scale it was only able to remain afloat with Government support. The invasion of the French and the collapse of the first Dutch Republic sealed the fate of the VOC. At the beginning of 1796, shortly after the founding of the Batavian Republic, the Board of Directors had to resign and the management was handed over to a *Comité tot de zaken van de Oost-Indische handel en bezittingen* (Committee for Affairs relating to East India Trade and Possessions). The VOC had been nationalized. On 1 January 1800, the VOC charter, the legal foundation of the enterprise, was revoked. Although the state of war in Europe permitted no drastic changes in course as far as shipping and trade to Asia were concerned, it spelled the end of the Company.

The total figures for the two centuries of the Company's operations, for trade turnover, shipping and personnel, are impressive. Despite the dwindling returns, the business was on a much larger scale in the eighteenth century than it had been in the seventeenth. For instance, in total the VOC fitted out some 4,700 ships, nearly 1,700 in the seventeenth century and a good 3,000 in the eighteenth. Between 1602 and 1700, 317,000 people sailed from Europe on these ships, while between 1700 and 1795 this total reached 655,000. Trade figures confirm the growth of the business after 1700. The expenditure on equipage, that is to say shipbuilding and outfitting as well as the money and goods which were sent to Asia, reached the sum of 370 million guilders between 1640 and 1700, and 1,608 million guilders in the years 1700-1795. In these periods, the purchase prices of the return goods shipped home from Asia reached 205 and 667 million guilders respectively; the sales prices of these return wares were 577 million guilders in the first period and fl. 1,633 in the second.<sup>2</sup>

### The Founding of the VOC – the Charter

The VOC was created in 1602 from a fusion of six small companies. Directly after the *eerste schipvaart* (first fleet) of 1595-1597, which had been organized by the *Compagnie van Verre* of Amsterdam, had demonstrated the latent possibilities of Asian trade, companies were set up in Amsterdam, Rotterdam and in Zeeland.<sup>3</sup> These companies accumulated capital for one expedition at a time. None the less, there was continuity in the board of directors; the merchants in charge or

the *bevindhebbers* (directors) sponsored successive expeditions. Each time the ships returned from Asia, the investors, who included not only the board but also other shareholders/stockholders or *participanten*, earned back the capital they had subscribed, naturally augmented by a share in the profit. These companies competed fiercely with each other, which put pressure on the profit margins. The dwindling returns threatened to frighten off investors and to endanger the future of the trade with Asia.

The directors were by no means blind to this development and co-operation was rapidly sought at a local level. In 1600 the Amsterdam companies amalgamated into one *Geünieerde Amsterdamse Oostindische Compagnie* (Unified Amsterdam East India Company), which was granted a monopoly on the trade from Amsterdam to Asia by the Amsterdam burgomasters. Concerted action was also taken in Zeeland. But co-operation did not extend beyond this. The people in Zeeland, for instance, had little stomach for a fusion with companies in Holland; they were afraid that Amsterdam would wield too much power in one united company. Moreover, new companies were being established in other cities – Hoorn, Enkhuizen and Delft. Therefore it seemed as if this mutual rivalry was to continue on well into the seventeenth century.

The eventual unification into one company did not happen spontaneously; it was enforced by the Government. The Dutch Republic was at war with the King of Spain and Portugal. The existing companies, now mainly referred to as the *voorcompagnieën* (pre-companies, proto-companies), were unable to play any role in this conflict with Spain and Portugal. One united Company could be a powerful military and economic weapon in the struggle. The States of Holland under the guidance of Johan van Oldenbarneveldt and, in their footsteps, the States-General paved the way for a fusion. Eventually, after the intervention of the *stadtholder*, Prince Maurits, the Zeelanders were no longer able to keep themselves aloof. On 20 March 1602 the States-General granted the charter by which the *Generale Vereenichde Geotroyeerde Compagnie* (General United Chartered Company) was created.<sup>4</sup> The charter (*octrooi*) was valid for twenty-one years. Rivalry was now out of the question: the charter decreed that no body except the VOC could send ships from The Netherlands to or conduct trade in the area east of the Cape of Good Hope and west of the Straits of Magellan.

Many of the other clauses in the charter referred to the organization of the Company, the position of the Board of Directors and the shareholders, and indicated the way in which

capital could be acquired. These clauses betray traces of the laborious negotiations which had preceded the realization of the charter. The content and elaboration of the terms will be discussed in the sections below. Before doing this, attention will be drawn to the compromising nature of the charter and to the federal structure, which was so characteristic of the Dutch East India Company.

Under the charter the *voorcompagnieën* became departments or *kamers* (chambers) in the united Company. There were six of them: Amsterdam, Zeeland (which had its seat in Middelburg), Delft, Rotterdam, Hoorn and Enkhuizen. Agreement about the share of the chambers in the joint shipping and trade to Asia was reached fairly quickly. The Amsterdam Chamber was apportioned half of all operations, Zeeland a quarter and each of the four remaining smaller chambers were allocated one-sixteenth each. The Zeelanders were reassured by this system of distribution laid down in the charter; as they had feared that, should the capital deposited by the chambers have been taken as the basis for the share in the management of the business, Amsterdam would have won more than half.

The directors of the *voorcompagnieën* became the directors of the chambers as a matter of course. A general board, to be charge of the general management and consist of representatives of the directors of the chambers, was placed in authority above the chambers. One great problem was how the proportional relationships between the chambers, which had now been settled, were to be reflected in the general board. Because Zeeland wanted the vote on the general board to be taken according to chamber – so that each chamber could have as much say as any other chamber – the agreement initially miscarried. Finally the Zeelanders consented to a head count on a board which was to consist of seventeen members. On it, Amsterdam would be represented by eight directors, Zeeland by four and the smaller chambers would have one each, while the seventeenth member would be appointed in turn by one of the chambers other than Amsterdam. The Amsterdammers had assumed that this board, the *Heren XVII*, would meet in Amsterdam, but a concession was made to the Zeelanders on this point. It was decided to introduce an eight-year cycle. For six consecutive years Amsterdam was to be the meeting place and during this time this chamber would also function as the presidential chamber; after this for two years Middelburg was to be the seat of the *Heren XVII* and then the presidency would fall to the Zeeland Chamber.

Now, on paper at least, it was possible to set

down in the charter exactly how much influence and say each chamber would have, however, practice was to reveal how tortuous structure really was. During the seventeenth century, the same administrative practices with which, often as regents, the directors were already familiar in the Dutch Republic gradually evolved. In many respects, the relationship between the boards of directors of the chambers and the meetings of the *Heren XVII*, who after all consisted of delegates from these boards, was comparable to the meetings of the States of Holland and Zeeland and the cities which delegated their administrators to the sessions of the States. Before each meeting of the *Heren XVII*, the chambers were sent an agenda by the presidential chamber. Thereupon their delegates were given voting instructions. When important matters which had not been included in the agenda were raised before the *Heren XVII*, consultations were held.

This was not the only aspect on which the charter was a compromise. Another was in the matter of capital. As the charter was to be valid for twenty-one years, the VOC was no makeshift organization which, as had been the custom of the *voorcompagnieën*, had been set up to finance just one expedition. None the less, no-one had wanted or dared to tackle the consequences of this for the regulations pertaining to the accumulation of capital. Even before the founding of the united Company, the *voorcompagnieën* had solicited money to finance the outfitting of ships for Asia. These ships were now amalgamated into one fleet; consequently, this *vloot van veertien schepen* (fleet of fourteen ships) was the first to be fitted out by the VOC for an expedition to Asia. Hereafter, the charter proclaimed, opportunities would be offered for the depositing of new capital, not just for one expedition, but for a term of ten years, in which period several fleets would be equipped for Asia. The shareholders or *participanten* would be repaid their money in 1612, plus the profit which had accrued up to that moment, and there would be a fresh opportunity to subscribe capital for the next ten years. There was also a provision that, as soon as 5 per cent of the original investment had been returned to the Company immediately after the return wares brought back from Asia had been sold, there would be a distribution of dividends to the shareholders.

These stipulations precluded the accumulation of capital. This was not conform with the aim which had featured prominently in the foundation of the VOC: the provision of a firm and solid basis for trade with Asia. Therefore this provision was more honoured in the breach than in the observance by the directors.

The shareholders had to wait a very long time for a distribution of dividends and there was no restitution of capital after ten years. The original investment remained unchanged throughout the entire life of the Company. The States-General, which had issued the charter, supported the directors in their disregard of these stipulations.<sup>5</sup>

In 1622/23 the charter was renewed for another twenty-one years. After the shareholders had lodged a complaint, they were allowed a little more say, but no real changes were accomplished. Later renewals of the charter often gave rise to political entanglements: various towns and provinces seized the opportunity to bargain for such privileges as places for extra-ordinary directors in one of the chambers, in return for support of the renewal. On these occasions in wartime the States-General sometimes requested money or naval support. It was only late in the eighteenth century that doubts began to arise about the methods employed by the Company and the situation in Asia was brought into the discussions held at the time of the renewal. But, even then, this did not amount to any real criticism: in general the Company enjoyed the support of the States-General and the Government strictly maintained the monopoly of the VOC.

### Directors and Shareholders

After the founding of the VOC in 1602, the seventy-six directors who had headed the *voorcompagnieën* were given control of the new company. The charter which established the monopoly and the duration of the business, albeit provisionally limited to twenty-one years, altered the position of the directors. They now formed a real board, a managerial group, with its own aims, which were distinct from those of the shareholders. Of course they were themselves important investors and, as such, their position and interests did not differ from those of the other shareholders. However, as managers they strove to increase the turnover, and for continuity and consolidation, rather than for any short-term profit which would give the investors a quick return on their investment.<sup>6</sup> In their actions, the directors enjoyed the protection of the charter. Only after ten years, therefore after the expiry of the first decennial capital account, were they required to open the books and to account to the shareholders.

The incomes of the directors were fixed at a certain percentage of the turnover: at 1 per cent of the expenditure on the outfitting or equipage and at 1 per cent of the profits from the sale of the *retourgoederen* (return wares). Directorship was for life. Shareholders had no influence at all on

the appointment of new directors. Directors were supposed to have their shares in the VOC set at a fixed minimum amount: 6,000 guilders (in the chambers of Hoorn and Enkhuizen 3,000 guilders). This sum was regarded as a surety; the directors were held responsible for instances of mismanagement or fraud, though it was set down in the charter that directors were not personally liable for debts incurred by the Company. As has already been said, the stipulations in the charter which favoured the shareholders – the rapid distribution of dividends from the profits made on the imports and the liquidation of the capital after ten years – were not observed by the directors. In short, in return for the right the charter gave the directors to manage the VOC, there were few obligations, and even these were not strictly observed.

The charter fixed the number of directors at sixty: twenty in the Amsterdam Chamber, twelve in that of Zeeland and seven in each of the smaller chambers. As, at the time that the VOC was founded there were more directors in all the chambers, with the exception of Hoorn, provisionally there were to be no new appointments when a vacancy occurred. The appointment procedure, which was prescribed in 1602, gave the States of Holland, and for the Zeeland Chamber the States of Zeeland, the right to choose a candidate from a nomination list of three persons, which had been compiled by the directors still in office in the chamber concerned. At the insistence of the Zeelanders, this stipulation was included in the charter, it was never applied in Holland. A few days before the charter granted, the States of Holland, at the suggestion of the city of Amsterdam, passed a resolution in which the choice from the list of three nominees was made the responsibility of the burgomasters of the city in question. As, naturally, the burgomasters would have so the Amsterdammers argued, *vaste kennisse* (reliable knowledge) of the capacities of the candidates.

The Zeelanders' determination to leave the choice of the candidates to the States was probably prompted by a desire to obviate problems in their own circles. The situation there was more complicated than it was in Holland. Citizens of Veere and Vlissingen had had interests in the *voorcompagnieën* in Zeeland, and these two cities did not want to relinquish their share in the trade with Asia. Finally in 1602, after prolonged contention, both cities succeeded in each obtaining two directors' seats in the Zeeland Chamber. Veere lost one of its seats as early as 1603, because the director from Veere, Balthasar de Moucheron, resigned his place. As there were thirteen

directors still in office, one more than the number prescribed by the charter, there was no question of filling this vacancy. In later years Veere never succeeded in winning back this second seat, despite a stubborn battle which recurred every time there was a new appointment. Middelburg kept a firm hold on the nine places it had in its grasp, and the States of Zeeland took its side. The States of Zeeland held onto its right of nomination until 1646; after this right devolved again to the cities, and each could fill its own places.

The outcome of this was that an intimate relationship developed between the regents of the cities and the directors. Repercussions of party factions, political antitheses and cabals could very easily infiltrate the boards of directors. Nevertheless, given the close ties between the city regents and the VOC directors, it is not possible to draw the conclusion that merchants gradually had to make way for administrators; certainly in Amsterdam good care was taken to see that business expertise was maintained on the board. One of the present-day consequences of the system of appointments employed is that in municipal archives there is a great deal of information to be found about the appointment of directors.

Besides the sixty directors mentioned in the charter of 1602, as time passed directors from outside the chamber cities took their places on the boards of directors. This *extraordinair or buitengewoon* (extra-ordinary) directorship evolved in response to the demands made by various provinces after the States-General had granted the VOC some not insubstantial subsidies in 1606. Because they demanded to be able to supervise how this money was spent, in 1613 and 1614 Gelderland, Utrecht, Friesland and the city of Dordrecht (*als eerste en voorszittende stad*, as premier and presidential city in Holland) were each granted the right to appoint one director. Dordrecht had already attempted to obtain influence in the VOC in 1602 by organizing a capital investment by a great many of its citizens. Therefore the city was able to achieve its aim over a decade later in 1614. In 1642, when the charter was renewed for a second time, a similar post was also granted to Overijssel and *Stad en Lande*.

The vicissitudes which preceded the second renewal of the charter (in 1642) also offered various cities in the provinces of Holland a fine opportunity to acquire a director's place. There had already been a quarrel between Dordrecht, Amsterdam and Haarlem in 1636. The extra-ordinary directorship of the first-mentioned city had been transformed more or less informally into an ordinary one, because the representative from Dordrecht, Elias Trip, had moved to Amsterdam

during his term of office and thereafter was counted as an ordinary Amsterdam director. After Trip's death, Dordrecht wanted this situation to continue, but, on the basis of the order of precedence among the cities of the States of Holland, Haarlem thought that was now its turn and therefore claimed the directorship which had previously been held by Dordrecht. During the storm discussion about the continuation of the charter which erupted shortly afterwards, it was made unequivocally clear to the Company that it had to offer the cities something in return for their support of the renewal. Haarlem and Leiden came off best; these cities secured an ordinary directorship in the Chamber of Amsterdam, but they could not take their seats before 1648. Besides its extra-ordinary directorship in the Amsterdam Chamber, Dordrecht obtained a similar place in one of the chambers in the *Zuiderkwartier* (Southern District, Delft and Rotterdam), later only in Rotterdam. Alkmaar was allowed a director who occupied a place by rote in either Hoorn or Enkhuizen. Gouda lagged behind a little, but later, in 1665, succeeded in securing a place in the Amsterdam Chamber. Much later, in 1696, the *Ridderschap van Holland* secured two ordinary directors' seats in the smaller Holland chambers. These seats were counted over and above the fixed number of sixty.

In a nutshell, in the time-honoured custom of the Dutch Republic, the administrative structure had grown extremely complicated. Moreover, the smaller chambers ignored the formal rules. In the chambers of the *Noorderkwartier* (Northern District, Hoorn and Enkhuizen), the director from Alkmaar was regarded as an *ordinaris*. This director continued to take his seat in whichever Chamber a place had fallen vacant, which meant that the Hoorn Chamber, or as the case may be that of Enkhuizen, sometimes only contained six directors from its own city. After 1669, this same situation developed with the director from the *Ridderschap* in the chambers of the *Zuiderkwartier*.<sup>7</sup>

During the seventeenth century, various modifications were made, not only in the number of directors, but also in their emoluments and election, and in the role of the shareholders. A great deal of discontent simmered among the shareholders about the failure to honour the obligations laid down in the charter of 1602 with respect to the distribution of dividends and the establishment of the capital, as well as about the less than open attitude of the directors towards financial matters. Furthermore, suspicions that the directors were lining their own pockets at the Company's expense were rife among the shareholders. During the lifetime of the first

charter, this led to blazing rows. When the charter came up for renewal, the States-General made some minor concessions to soothe these complaints. First and foremost, changes were made in the way in which the directors were reimbursed. In future the 1 per cent commission would be calculated from the expenditure for the outfitting and from the net, instead of the gross, profits from the sales. This meant a drop in remuneration. In 1647 the whole regulation was abrogated and replaced by a fixed salary of 3,100 guilders per annum for the directors of the Amsterdam Chamber, 2,600 guilders for those in Zeeland, and 1,200 guilders for the directors of the smaller chambers. Moreover, in 1623 the directorship was fixed at a three-year term, but this ruling soon went by the board: later it seems that in most instances directors occupied their seats until their deaths.

Another step was taken in 1623. By means of a very complicated procedure, some control and say was granted to the shareholders by establishing three commissions of *hoofdparticipanten* (principal shareholders) – that is to say those from whom it was required, as it was of the directors, that they had at least 6,000 guilders invested in the Chambers of either Amsterdam or Zeeland and 3,000 guilders in the smaller chambers.<sup>8</sup>

One of these boards, that of the *rekeningopnemers* (inspectors of accounts), was to audit the *generale rekeninge* (general accounts), which had to be presented for the first time after the expiry of the first charter in 1622. After 1647 this audit was carried out every four years, not just in the presence of the inspectors of accounts, but also attended by a committee delegated by the States-General.

The second board of principal shareholders functioned by chamber and was assembled when a directorship fell vacant. By means of *affixie van biljetten* (posting of bills), the same number of principal shareholders as there were directors still sitting was summoned; in other words, the directors and the principal shareholders formed an electoral college which was empowered to draw up a nomination list of three persons. In practice, once again the chambers followed their own rules/steered their own course. In Zeeland, for instance, twice as many principal shareholders as directors assembled. In Amsterdam, by contrast, the main shareholders showed little enthusiasm for such meetings; usually only a few deigned to put in an appearance.

Finally nine principal shareholders were delegated by the chambers to attend the meetings of the *Heren XVII* and participate on their various committees, in which they were entitled to make

recommendations. Four of them came from Amsterdam, two from Zeeland and three from the remaining smaller chambers, which meant that in turn each of these smaller chambers had to forfeit the privilege of having a principal shareholder as a delegate. Their election took place in much the same way as that of the directors: shareholders compiled a list of nominations consisting of three persons, from which the local burgomasters made their choice. As these shareholders were obliged to swear an oath in the presence of the burgomaster (as did the directors), they were known as *bèëdigde hoofdparticipanten* (sworn principal shareholders).

Yet another modification was made to these electoral regulations in 1749. At that time, following a proposal made by the principal main shareholders of the VOC, the *stadhouder*, William IV, was appointed *opperbewindhebber* (director-general). It was now the prerogative of the *stadhouder* to make a choice of new directors and new certified shareholders from the short-list of three names. However, neither William IV nor his successor, William V, took any direct interest in the administration; they were represented in the boards of directors of the chambers and in the meetings of the *Heren XVII* by a *representant* (a proxy).<sup>9</sup>

Finally, in 1786, when the Company was forced to turn to the Government for support, at the suggestion of the States of Holland the board of directors of the Amsterdam Chamber was increased by six. A political battle had preceded this move. The original idea of the States of Holland had been that several more directors should also be nominated in Zeeland. Those directors who had espoused the cause of reform and who had been appointed by the *Patriot*-influenced administration would concern themselves principally with the Asian side of the enterprise. But Zeeland opposed this and, consequently, the expansion of the boards of directors was confined to Amsterdam. In this Chamber the newly appointed directors formed the *Departement tot de Indische Zaken* (Department for Asian Affairs), which was also known as the *Vijfde Departement* (Fifth Department). In view of the fact that the anti-Orange *Patriots* had the upper hand in Holland, initially this appointment was not made by the *stadhouder*, but by the States-General on the recommendation of the States of Holland. When the political situation altered in 1788 and the *stadhouder* regained his former power, his rights in this respect were also restituted. In 1790 the Zeeland Chamber finally gave its approval to the introduction of this administrative body, which was thereafter known as the *Preparatoir Besogne* (Preparatory Committee).<sup>10</sup>

The invasion of the French and the establishment of the Batavian Republic brought the regime of the old management to an end. By decree of the States General dated 24 December 1795, the directors were relieved of their office per 1 March 1796. The management of the Company was entrusted to the *Comité tot de Zaken van de Oost-Indische Handel en Bezittingen* (Committee for Affairs pertaining to the East Indian Trade and Possessions) which consisted of twenty-one members.

### **The Central Management; Tasks and Procedures of the *Heren XVII***

Quite soon after 1602 the *Heren XVII* established a set working procedure. During the seventeenth century this board usually came together three times a year for meetings which lasted for one or more weeks. Occasionally, only two meetings were held and this became the norm after 1751. Between these sessions, there were meetings of committees of directors which prepared policy planning for the *Heren XVII* or inspected the management of the chambers. As were the meetings of the *Heren XVII* these committees, which were not mentioned in the charter and which evolved during the first half of the seventeenth century, were composed of delegates from the boards of directors of the chambers.<sup>11</sup>

The following committees were active:

1. A committee for drawing up the annual balance sheet.
2. A committee for attending and supervising the auctions of the chambers.
3. A committee for inspecting the books of the chambers.
4. A committee which read through the correspondence and documents received from Asia and then composed a draft reply for the administration in Asia. This committee, which was composed of four directors from Amsterdam, two from Zeeland and one from each of the smaller chambers, met in The Hague and was known as the *Haags Besogne*.
5. In wartime, the fleet was issued with secret routes and signals. These were compiled by a *secrete commissie*.

The time of the meetings of the *Heren XVII* and the subjects dealt with at them were largely dictated by the trading and sailing seasons. The autumn session can be considered to be the first in the annual cycle of meetings. This was summoned after the return of the return fleet from Asia,

about the end of August. At this meeting decisions were taken on the following matters:

- The dates of the auctions of the six chambers, the quantity of goods to be offered for sale and the conditions under which these would be sold. This point had to be dealt with quickly, at the beginning of the meeting so that there was time to send notification of the auctions to the large commercial centres of Europe. Moreover, the auctions themselves could not be delayed too late into the autumn, in order to make sure that the merchants would not be prevented from dispatching the goods to the purchasers both at home and abroad because of the onset of the winter. It often happened that the autumn sessions went into recess for a time so that the auctions could be held and to allow the auction committee to do its work. When this happened, the second half of the autumn session fell very late in the year; sometimes the *Heren XVII* even met until Christmas or New Year.
- The number of ships and crew to be sent to Asia. This concerned the ships which from September – therefore while the meeting was still in session – until the summer of the following year were to sail from *patria* (home). Because, the chambers had to have the first ships of this equipage shipshape long before September, a provisional decision had been taken on this point earlier. In the autumn, the definitive list of ships was settled.
- The quantity of goods to be sent to Asia. This decision was an answer to the *eis der behoeften* (order for supplies) sent by the Governor-General and Council in Batavia.
- The quantity of gold and silver, minted and bullion, and the amount of copper coinage to be sent to Asia. This was in answer to the *eis der contanten* (order for ready money) received from Batavia. The decision about the precious metal and copper coin was *provisioneer* (provisional). In the spring, there was a review to see if this needed to be supplemented.
- The compilation of what was known as the *eis van retouren*, a list of the products that the directors wished to receive with the next return fleet from Asia. Usually a provisional list was drawn up first; the *definitieve eis* (definitive order) was only decided upon after the autumn auctions had been held. The directors took account not only of the sales figures from their own auctions, but of from those in London as well. When the autumn session was interrupted by the holding of auctions, a definitive decision could be taken in the second half of this session. Sometimes, however, it was left to the

- directors who attended the auctions to make up the definitive order in collaboration with the directors of the Amsterdam Chamber. In a few instances, the sale of spices in the spring also led to supplements to this definitive list.
- The composition of the Governor-General and Council or the *Raad van Indië* (Council of the Indies) in Batavia and the promotion of high-ranking officials to the overseas establishments. The right to appoint somebody a member of the *Raad van Indië* and commander of a Company establishment was the prerogative of the *Heren XVII*. Often decisions taken on this point were no more than a ratification of an appointment which had already been made in Asia. Furthermore, this item on the agenda gave the directors of the various chambers the opportunity to put forward some protégé for promotion.
  - In all the sessions of the *Heren XVII*, including that in the autumn, the financial situation of the chambers was scrutinized: the cash in hand, the credit balance in the Exchange Bank, the outstanding debts and claims. Moreover, in the autumn, and occasionally in the spring, an inventory of the stocks of cannon was drawn up.
  - At various times during the autumn session extracts were read from the *generale missive* (general dispatch) from the Governor-General and Council of the Indies, which gave a survey of the commercial, financial and political situation of the VOC in Asia. Matters which required urgent attention or which the *Heren XVII* considered could be dealt with immediately were summarized in a letter to Batavia. Other matters were referred to the *Haags Besogne* with the rest of the voluminous collection of documents from Asia.

The next meeting of the *Heren XVII* took place in the early spring, often as early as February, or else in March. During this session decisions were made about the spring auctions, at which the VOC usually offered only spices for sale. Besides this, the gathering gave the directors the opportunity to check work in progress on the outfitting of the ships. This was when the definitive consignment of the amount of ready money was decided. The spring was also time for the *liquidatie en egalisatie van de retouren en van de timmeringhe van schepen* (for the liquidation and settling of the imports and of the building of the ships). On the basis of information supplied by the chambers, the directors checked to what extent the distribution system, which had been laid down in the charter, had been observed. As far as the imports were concerned, this could

mean that one chamber might have to supply another chamber with a certain product or that a financial adjustment had to be made to set the proportions to rights. This could not be done in the case of the building of ships. However, later in the year, when the new programme was finalized, the results of the comparison and any imbalances in building activities up to that moment were taken into account.

Remarkably, it was often at the spring session that a decision about the remittance of dividends was already made. Therefore, this was done even before the auction of spices had taken place in March, and, furthermore, before the end of the financial year, which closed either in the middle or at the end of May. This means that the payments were entered in the books of the year still current. It is true that after 1669, at the suggestion of the Amsterdam Chamber, it was decided to wait until the books had been closed and the balance drawn up before assessing the dividend, but as early as about 1684 the old practices had been resumed.

Finally, it was at the spring session that the date on which the *Haags Besogne* would meet was decided. The directors who had been delegated to this gathering by their chambers had to count on spending quite some time in The Hague. Sometimes the *Haags Besogne* was in session for as long as three months. The return fleet not only brought a *generale missive* from the Governor-General and the Council of the Indies to the *Heren XVII*, but also copies of the correspondence between Batavia and the other branches in Asia. This correspondence, arranged by branch office, with the relevant passages from the *generale missiven* and from letters which had been written earlier on behalf of the *Heren XVII* appended, was read and a reply composed by the *Haags Besogne*. The report of the *Besogne*, which was known as the *Haags Verbaal*, consists mainly of a list of the letters read with a reference to the reply drafted appended, which is nearly always included at the back of the *Verbaal*. Occasionally short remarks were added; sometimes a more extensive commentary was given, for instance, when the directors in The Hague were able to obtain information directly from an employee who had come back from Asia.

As the *Haags Besogne* reviewed the *navale magt* (maritime power), the survey of the Company ships present in Asia, which was prepared in Batavia, this was the body best equipped to draw up a complete list of the whole VOC fleet and, using this as a basis, to make recommendations about the building of new vessels. During the eighteenth century the directors in The Hague began to add more details to the *Verbaal*, for instance, those relating to the sale of European

goods in Asia. Besides this, the Besogne was obliged to shoulder many of the tasks which the *Heren XVII* could not, or would not, handle in their sessions. The directors in The Hague were also regularly requested to speed up or to bring to a close various cases in which the VOC was involved before the *Hof van Holland* (provincial court of justice). Lastly, the directors assembled in The Hague availed themselves of the opportunity to discuss how matters relating to the equipage were progressing. When the Amsterdam directors had not done so during the spring session, they usually presented the *Haags Besogne* with a proposal for sending precious metal with the ships of the current equipage, in anticipation of the expected order from Batavia. This last matter was the only item on which the *Haags Besogne* took a decision. All other matters to which the *Besogne* had turned its attention were then placed before the next session of the *Heren XVII* for deliberation.

After this, in June, the committee whose job it was to audit the books and draw up the annual balance sheet met. On this occasion, not only the directors on this committee – two from Amsterdam, one from Zeeland and three from the other chambers (hence one chamber was not represented) – but also the bookkeepers from the six chambers wended their way to the *Oostindisch Huis* of the Amsterdam Chamber. Here, each in his turn, the accountants presented their books and financial documents for inspection. Finally, the committee drew up the general balance sheet of the VOC in *patria* from the six balance sheets. Among the papers which this committee collected were the lists of the goods sold by each chamber, the stocks, the outstanding debts and credits, the cash in hand and the credit balance in the Exchange Bank. Once every four years when, according to the rules laid down in the charter, a financial accounting had to be made to representatives of the States-General and the principal shareholders, after the books had been closed, they were inspected yet again by chamber.

From Amsterdam, it was impossible for the committee to keep a close eye on the accounting. This was the reason that now and again a committee was appointed *ad hoc* to inspect and check the books on the spot. A widespread fraud perpetrated in the Hoorn Chamber in 1670 was the motive behind the formation of such a committee. The inspection of the chambers did not follow any particular schedule. Sometimes, after a session of the *Heren XVII* in Zeeland had finished, some directors stayed on in order to carry out this task. Then, on their return journey to Amsterdam, they inspected the chambers of Delft and Rotterdam, and later in the year visits were

paid to Amsterdam, Hoorn and Enkhuizen.

The third meeting of the *Heren XVII* took place in the summer, usually in July, but sometimes not until August. This was when the draft reply of the *Haags Besogne* was discussed. After it had been approved and any amendments had been made, this reply was sent to Batavia in September with the first ships of the new equipage. The summer was also the time that provisional estimates were reached about ships, crews and goods for the forthcoming season. Importantly, a decision was made on the quantity of precious metals to be dispatched on the ships sailing in September; therefore this ruling was also an anticipation of the order which would only be received at the end of August and of the definitive decision which would be taken later in the year. In the eighteenth century, a provisional *eis van retouren* (order for return goods) was compiled so that Batavia could set to work as soon as possible to assemble the goods for *patria*; therefore the questions which were decided later in the year by the *Heren XVII* increasingly assumed a supplementary character.

On rare occasions, under the exigency of special circumstances, there was not enough time to summon a full complement of the *Heren XVII*. In such instances, a meeting of the *Halve XVII* was deemed sufficient. For instance, after the outbreak of the war with England and France in July 1672, an extra session of the *Halve XVII* was summoned in The Hague, for just one day, ‘so as not to cause a stir or be conspicuous’. Weather conditions could also throw plans into disarray. In 1681 when a severe frost made the journey by the directors from Holland to Zeeland impossible, a *Halve XVII* was summoned to organize the spring auctions with The Hague once again as the venue. Not unexpectedly, these sorts of meetings trod on many toes. The Zeeland directors were afraid that the other chambers would be all too ready to seize such opportunities to transfer the meetings to The Hague during the time that Zeeland held the presidency. Amsterdam had objections to the *Halve XVII* because it was composed of four Amsterdam directors, two Zeelanders and four (sometimes two) delegates from the smaller chambers. With only four representatives, Amsterdam was underrepresented. Moreover, because of the even number of those present, voting could be deadlocked. Amsterdam wanted voting by chamber, in which the four Amsterdammers would be permitted to have eight votes and the Zeelanders four or – if the Chamber of Zeeland happened to be in the chair – five votes.

The growth of the business and the concomitant increasing workload of the *Heren XVII* meant that in the course of the eighteenth

century the directors found themselves ever more pressed for time. Above all during the lengthy deliberations in The Hague the schedule got increasingly out of hand. Sometimes the summer session could only get under way late in August and by then the return fleet had already arrived home. This was the time when the directors had plenty of work to see to in the chambers and also had to devote their attention to the preparations for the autumn session of the *Heren XVII*. Therefore, in 1751 it was decided to cancel the summer session. The multitudinous provisional decisions about the equipage and suchlike were left in the hands of the *Haags Besogne*; from that time the draft missive of the *Haags Besogne* was dealt with immediately the autumn session commenced, in order to limit any delay in its dispatch to the minimum.

Shortly after the middle of the eighteenth century yet another change was implemented in the organization of the central management. In 1755, it was decided to change the pattern of the trade with China and to send ships directly to China from the Netherlands. This trespassed on the role of Batavia as organizer of shipping in Asia. Moreover, the trade and shipping for China was put in the hands of a separate committee. This *Chinase Comité* (Chinese Committee), composed of directors from various chambers, fixed the equipage for Canton, decided how much tea, porcelain and other goods were to be bought, and corresponded with the VOC employees in China. After its inception, trade with China was dealt with only summarily in meetings of the *Heren XVII*. This form of organization by which the trade and shipping for one area was entrusted to a special administrative branch, remained an exception within the Company and it was not imitated in any of the other areas.<sup>12</sup>

All in all, the central management was clumsily constructed. The *Heren XVII* did not meet in permanent session. The composition of the assembly was constantly changing, and the *Heren XVII* had no administrative staff. None the less, as a consequence of the practices which had evolved, the administration was a force to be reckoned with. The decisions of the *Heren XVII* were binding for the chambers; because each chamber was represented in the XVII, the directors of the chambers executed these decisions without question. There were certain unwritten rules honoured in the selection of delegates to the *Heren XVII* from the chambers of Amsterdam and Zeeland, and probably from the other chambers as well. In Amsterdam burgomasters and former burgomasters had precedence over other directors

after this seniority was taken into account. A similar rule was applied in Zeeland. However, by no means always did directors avail themselves of their 'right' of delegation, and certainly when there were sessions in Zeeland it was sometimes difficult for the Amsterdammers to drum up the eight members required for their delegation. During their term of office, many directors will have attended at least one if not more sessions of the *Heren XVII*; a number of directors attended the sessions so regularly that, despite the many changes, a certain degree of continuity was achieved.<sup>13</sup>

The Amsterdam Chamber wielded great influence in the central administration. The preparations for and the conduct of the sessions of the *Heren XVII* were matters which the Amsterdammers tackled very thoroughly. During discussions of the agenda in the sessions of the *Heren XVII*, the Amsterdam directors had already submitted detailed suggestions on such important items as the equipage or the order for Asian goods, which had been given to the delegation. During meetings, if the other chambers criticized the Amsterdam position, the Amsterdam delegation would consult the other directors in the chamber – something that was less feasible when the meeting was held in Middelburg; in such cases consultation was by correspondence.

Finally, the continuity in the administration was boosted by the work of the Company advocates. These advocates – there was a first and a second advocate – acted as secretary to the directors and, consequently, were the only permanent high-ranking officials who had a function on the central management. The advocate assisted the presidential chamber in the compilation of the agendas for the meetings of the *Heren XVII* and he attended these sessions as well as the meetings of the committees set up by the *Heren XVII*. Besides this, he was in the service of the Amsterdam Chamber. The most famous Company advocate was Pieter van Dam, who, for more than fifty years, from 1652 to 1706, occupied this office and compiled the important *Beschryvinge van de Oostindische Compagnie* about 1700.

### **The Administration and Management of the Chambers**

As managers of the chambers, the task of the directors was to carry out the decisions taken in the sessions of the *Heren XVII*. Very early in the seventeenth century, the chambers were given facilities for this work. An *Oostindisch Huis*, where the directors met, the accountants, cashiers and

clerks could perform their administrative duties and where goods were occasionally stored, was set up in all the cities with chambers. Besides this there were the requisite warehouses and complexes for the building and fitting out of ships: shipyards, sail-makers' workshops, rope-walks, forges; and not forgetting abattoirs, apothecaries and a multitude of other businesses.<sup>14</sup> The internal organization of the various chambers varied somewhat one from the other. When it was all said and done, the chambers of Amsterdam and Zeeland were respectively eight and four times bigger than one small chamber and this alone made different demands on the organization.

In Amsterdam the directors usually met twice a week, on Monday and Thursday. During sessions of the *Heren XVII* and when there were matters which had to be dealt with quickly, extra-ordinary meetings were added. Many activities were, however, handled in committees. Initially the directors followed the practice which had begun in the *voorcompagnieën* of setting up separate committees for each equipage. Directors were appointed for one season or for one year to a committee for shipbuilding, victualling, ammunition, bookkeeping or the sale of goods. Sometime around the middle of the seventeenth century, four permanent committees, which were called departments in the eighteenth century, evolved. When directors were appointed they were given a seat on a committee and mostly remained active there throughout the whole of their term of office.<sup>15</sup>

The various administrative departments and sections of the business fell under these committees. The work was divided up as follows:

1. The *commissie voor de rekenkamer* (committee for the audit office) supervised the chief accountant, the clearing office, the pay office and the clerks' office. The chief accountant made up the ledger and the journal of the chamber and he administered the transfer of shares and the remittance of the dividends. The books in which the transactions with merchants were accounted for were kept in the liquidation office. The pay office was in charge of the extensive personnel administration and the *scheepssoldijboeken* (ship's pay-ledgers) were held there. Lastly, the clerks' office carried out the secretarial duties.
2. The job of the *commissie van ontvangst* (reception committee), often in conjunction with the *rekenkamer*, was to supervise the cashier. This committee was also given the responsibility of the buying up the silver and gold to be sent to Asia. The cashier and his assistants worked in the *ontvangkamer* (reception office).

3. The *heeren van 't pakhuis* (warehouse masters) or, according to their later more dignified nomenclature, *departement van de commercie*, supervised the bookkeepers in the warehouse office. Here a record was kept of which goods had been purchased, which of these were sent to Asia, which imported goods had been received from Asia, and what prices these had fetched at the auctions. Besides this, the directors on this committee had yet another task: they had to examine ministers of religion who wished to be considered for an appointment in Asia.
4. The task of the *commissie van de equipage* (equipage committee) was the inspection of all matter to do with shipbuilding and the outfitting of vessels. These directors supervised the shipyards, they were present when vessels sailed from and dropped anchor in the Texel roads, and were responsible for recruiting sailors and soldiers.

In the Zeeland Chamber the directors formed themselves into three committees: the *commissie van de thesaurie* (finance committee), *commissie van de koopmanschappen* (commerce committee) and the *commissie van de equipage* (equipage committee).<sup>16</sup> Here it was also the custom to give a director a seat on one of the committees as soon as he was appointed but, because equipage and commerce were considered to be much bigger plums on account of the possibility they offered for granting establishments to protégés and obtaining emoluments, there was a great deal of changing around: if a place on the equipage committee fell vacant, very often it was snapped up by somebody from the finance committee and a newly appointed director was placed on the finance committee. The administrative division in Zeeland was identical to that in Amsterdam, albeit there were fewer people employed in the various establishments. Zeeland also had a chief accountant, a cashier's office, a commercial office and a pay office. Just as was the case in Amsterdam, there were bookkeepers and clerks in the shipyards. The office known in Zeeland as the *buiten-comptoir* (external office) was set up in a warehouse.

### The Organization of the VOC in Asia

Although the charter of 1602 was incisive and detailed in the way in which it laid down the organization of the VOC in the Dutch Republic, it was conversely vague about the administrative structure in Asia. The *octrooi* (charter) allowed the Company far-reaching rights in the *octrooigebied*

(trade zone: the area east of the Cape of Good Hope and west of the Straits of Magellan). The VOC could build forts in Asia; employ soldiers; conclude treaties with Asian rulers; and appoint judges. However, these rights were not elaborated on: possibly in 1602 it was as yet impossible to foresee how the authority of the VOC overseas would expand.

The first fleets sent out by the VOC after 1602 were much more heavily armed than the ships of the *voorcompagnieën* had been. The armaments were not so much intended to win territory in Asia, as to inflict as much damage as possible on the Portuguese. To begin with the Company adhered to the pre-1602 practices: the admiral of the outgoing fleet was given the supreme command in Asia and all the Company's employees were subject to him, whether they were in his immediate vicinity on ships or stationed at some trading post or other. After a few years it became apparent that this way of running affairs did not have much to recommend it and that the Portuguese example – a central authority in one fixed place – was worthy of imitation.

In 1609, the directors decided to place the supreme command in Asia in the hands of a Governor-General, who was to be assisted by a *Raad van Indië* (Council of the Indies).<sup>17</sup> After prolonged fighting, Batavia was founded on the site of the Javanese harbour town of Jakarta in 1619. This became the seat of the Governor-General and Council or the *Hoge Regering* (High Government) as the Governor-General and Council were soon designated, and it was designated the administrative centre and rendezvous for the Company's shipping traffic.

The correspondence between the Governor-General and Council and the many branch offices of the VOC in Asia was apportioned out among the councillors. The *generale missive*, in which the Governor-General and Council reported to the *Heren XVII* about the state of Company business in Asia, was also composed according to this division of the *beschrijvinge* (reports) of the branch offices. Each councillor assumed the responsibility for a certain section of this missive, after which, naturally, the whole report was laid before a plenary session of the *Raad van Indië* for approval and signing. It was also the duty of the Governor-General and Council to compile the *generale eis van Indië* (general order from Asia), in which the amount of monies, goods, ships and crews considered necessary for the business overseas was summed up. In the sessions of the *Heren XVII*, it served as a guideline for decision making on this subject. The orders from the various establishments were included in the *generale eis*; the

Governor-General and Council were empowered either to reduce or increase each order according to their own insights. For some years during the second half of the seventeenth century, only Ceylon was permitted to submit its own order to the *Heren XVII*. Conversely, the Governor-General and Council in Batavia acted as a serving hatch through which the orders from the directors at home could be passed on to the branch offices.

There were great differences in size, economic importance and political status between the many branch offices or factories of the VOC in Asia. In their *generale instructie* (general orders) for 1650, the directors distinguished three categories into which the different branch offices could be divided, a division which also reflected the difference in political position:<sup>18</sup>

1. The trade which the Company had won by *eigen conqueste* (by their own conquest), for example the Banda Archipelago and Formosa (Taiwan).
2. Trade carried on under the auspices of exclusive contracts which had been drawn up, for instance, with the ruler of Ternate, and in Amboina (Ambon and the area around it).
3. Trade pursued under the auspices of treaties concluded with Asian rulers or nations, under which the VOC traded on a more or less equal footing with the Asian partner.

Earlier, in 1620, on his return from Asia, the Governor-General had made such a threefold division. The distinction was somewhat artificial. The exclusive contracts had for the most part been exacted by violence so that, for example, in the islands in the Moluccas it would be more correct to speak of a conquest rather than trade on a contractual basis.

The importance and the status of the branch offices were expressed in the forms of address and the salaries of the chief officials. The large establishments, where the VOC also exercised a territorial authority, were under the authority of a *gouverneur* (governor). About 1685 these were Ambon, Banda, the Moluccas (Ternate), Coromandel, Ceylon and Malacca; a century later the Cape of Good Hope, the north coast of Java and Makassar also had a governor. Other such economically important branch offices as Bengal, Surat and Persia were headed by a *directeur* (director, a title which, in the Company parlance, was associated with trade). In Malabar and on the west coast of Sumatra (Padang), there was a *commandeur* (commander) in charge. Ciribon, Banjarmasin and Palembang had a *resident*, while in Japan and on Timor there was an *opperhoofd*

(head of establishment). These authorities did not function autonomously, just as the Governor-General in Batavia they were the first person in a council; they had to make important decisions *in rade* (in council). Also on these councils, a certain degree of division of labour was apportioned to the members. The second-in-command, the *secunde*, was usually an *opperkoopman* (senior merchant) and was in charge of trade. Furthermore, the council should contain a military commander, the head of the bookkeeping and the *fiscaal* (in charge of detecting fraud and other crimes). In practice, the composition of the board could be rather different.

### Batavia as Administrative Centre

All the VOC establishments in Asia (including that at the Cape of Good Hope) were subject to the Governor-General and Council in Batavia. Simultaneously, Batavia was the most important and, for a while during the seventeenth century, the only harbour of arrival and departure for ships to and from Europe. Communications between the directors in the Dutch Republic and the various branch offices was also carried on principally via the Governor-General and Council and their administrative machinery.

There were a number of exceptions to this rule. The VOC establishment at Gamron in Persia and at times the branch offices in India corresponded with the directors at home overland via the Levant. Besides this, after the founding of the establishment at the Cape of Good Hope there was an exchange of correspondence between the administrators there and the directors in the Dutch Republic. Finally, whenever ports other than Batavia were included in the Europe-Asia trade, at that time there was a direct exchange of letters between the directors and that particular establishment.<sup>19</sup>

The Governor-General and Council saw this trade which circumvented Batavia as a threat to their own position. Moreover, they considered that such moves detracted from the efficacy of the role of Batavia as rendezvous. Therefore, the authorities in Batavia were well pleased when the directors stopped the direct trade with Coromandel, Surat and Gamron, which had actually begun before the foundation of Batavia, in 1636. In 1665, however, the Governor-General and councillors had to resign themselves to the fact that Ceylon was to function alongside Batavia as second port for homeward-bound shipping. The *Heren XVII* had given their assent to this trade in order to be able to supply the rapidly growing demand for pepper on the European market – the

pepper from Malabar was imported via Ceylon. Pertinently, this route had the added advantage that cinnamon from Ceylon was imported into Europe more quickly and, because it did not have to be transhipped, in a better condition.

After Ceylon was granted a direct connection with home, fierce competition rapidly flared up between the Governor of the island, Rijklof van Goens, and the Governor-General and Council. Van Goens believed that Ceylon, or more accurately the city of Galle from where the homeward-bound VOC ships sailed, would serve as a better rendezvous for the Indian branch offices of the Company than Batavia. The result of his efforts was that the homeward-bound fleet from Ceylon was sometimes more richly laden than were the ships from Batavia. Observing this, the directors decided to extend this *directe vaart* (direct trade) to Coromandel and Bengal, but this did not prove a success, perhaps partly because Batavia did not support this policy and possibly even sabotaged it. Whatever the cause, little by little, the Governor-General and Council managed to win back lost ground and, by about 1700, apart from Batavia, only Galle had a direct link with *patria*.

The shifts in trade during the eighteenth century ushered in new changes in the shipping. During the first three decades, ships, known as coffee ships, sailed regularly from Mocca on the Red Sea back to the Netherlands via Galle. More importantly, after a caustic debate between the *Heren XVII* and the Governor-General and Council, in 1720 a direct link was established between The Netherlands and Canton. Up to 1733, the Chambers of Amsterdam and Zeeland sent a total of thirteen ships to Canton, which failed to make port there. Thereafter, the organization of this trade was once again entrusted to Batavia on the understanding that of the two or three ships which then sailed annually from Batavia to China, only one would return directly to its homeport; the other ships with their cargoes of tea and porcelain sailed back to the Netherlands via the Sunda Strait. Eventually, in 1756, when the *Chinase commissie* was inaugurated, the trade with China was once again managed from the Dutch Republic; the direct return fleet was resumed.

In the eighteenth century, besides Galle and Canton, the third harbour with a direct connection with the Dutch Republic was that of the main branch office in Bengal. After 1734, two ships sailed annually to Holland from Bengal, and after 1742 this became four. Furthermore, after 1750 one ship per year was sent to Hooghly by the Amsterdam Chamber, and in 1770 a direct

sea link was also established with Coromandel.

The direct shipping link and the correspondence between *patria* and the branch offices in India which this brought in its wake notwithstanding did not represent a fundamental infringement to the position of Batavia as the head office of the VOC in Asia. Batavia remained the centre for administration and bookkeeping. Furthermore, the Governor-General and Council in Batavia continued to forward copies of correspondence with all its subordinate VOC branch offices to the directors at home, including the letters exchanged with Ceylon, Canton and Bengal.

### The End of the VOC

The VOC endured a long drawn-out death agony. As a consequence of the outbreak of the war with England in December 1780, the Company was engulfed by such colossal financial problems that the chambers in Holland had to request suspension of payment. Only the financial situation of the Zeeland Chamber did not yet require such a measure: this chamber did owe the Amsterdam Chamber a large sum of money, but had not borrowed large sums from third parties. The moratorium granted the chambers in Holland robbed the VOC of its credit in one fell swoop. The Company could not longer go ahead under its own steam. It was only thanks to the Government which guaranteed repayments and the payment of interest on any financial obligations the VOC undertook, that the directors were able to keep the Company afloat.

This dependence on the Government led not only to the bolstering of the management by the *Vijfde Department*, but – in 1790 – also gave rise to the setting up of the *Hollands-Zeeuwse Staatscommissie* (Committee from the States of Holland and Zeeland). This committee of political supervision or *politique insien* consisted of four members from Holland and two from Zeeland, who were appointed by the States of their province. After the French occupation and the fall of the former Dutch Republic, the four members from Holland were replaced by *Patriot* regents. Later in the same year, another six *Patriots* were appointed to the committee. Placed under legal restraint, the days of the directors were numbered. In fact this committee proposed replacing the old board of directors by a *Comité tot de Zaken van de Oost-Indische Handel en Bezittingen*. This plan was adopted by the States-General and on

1 March 1796 the directors resigned their posts.

Despite this, the charter of the VOC was simultaneously renewed, initially until the end of

1798, later to 31 December 1800. Consequently, the VOC continued to exist. None the less, the activities of the chambers were reduced to a bare minimum. Personnel were dismissed and workplaces were dismantled. In 1803 the Chambers of Delft, Hoorn and Enkhuizen were abolished. Rotterdam and Middelburg were left with mere sales offices. In the meantime, the fact that the charter had not been renewed meant that the Company had been deprived of a legal basis. In the absence of any new rules, the *Comité* and its successor, the *Raad der Aziatische Bezittingen en Etablissementen* (Council for the Asian Possessions and Establishments) (instituted on 15 May 1800), took the old order as its guideline.

In Asia the many changes undergone by the management of the Company had yet less effect. In 1793 one last attempt was made to halt the rot by sending out two commissioners, S.C. Nederburgh and S. Frijkenius. In 1795, after the outbreak of war, most of the VOC establishments fell into English hands. Java still remained under the Dutch and the Dutch flag still flew over the branch offices in Canton and Deshima (Japan). The war had far-reaching consequences for trade and for shipping between Europe and Java; this could not longer continue on the old footing. Institutional changes in Batavia and in Java came later when, as Governor-General, H.W. Daendels thoroughly reorganized the administration. The great break with the past however came in 1811, when Java passed into British hands.<sup>20</sup>

### Notes

<sup>1</sup> See, for example, the figures for the shipping of the Dutch East India Companies in J.R. Bruijn, F.S. Gaastra and I Schöffer, *Dutch-Asiatic Shipping in the Seventeenth and Eighteenth Centuries*. Rijks Geschiedkundige Publicatiën Grote Serie, 165-167 (3 volumes; Den Haag 1979 and 1987), especially Volumes II and III.

<sup>2</sup> For these figures see: J.R. Bruijn, F.S. Gaastra and I Schöffer, *Dutch-Asiatic Shipping in the Seventeenth and Eighteenth Centuries*. Rijks Geschiedkundige Publicatiën Grote Serie, 165-167 (3 volumes; Den Haag 1979 and 1987), Volume I (for shipping, trade and personnel) and J.P. de Korte, *De jaarlijkse financiële verantwoording in de Verenigde Oostindische Compagnie*. Werken uitgegeven door de vereniging Het Nederlandsch Economisch-Historisch Archief 17 (Leiden 1984) (for trade and finance).

<sup>3</sup> For the *voorcompagnieën*: R. Bijlsma, 'De archieven van de compagnieën op Oost-Indie, 1594-1603', *Verslagen omtrent 's Rijks Oude Archieven* 49 (1926) I, 173-224; Hans de Haan, *Moedernegotie en grote vaart. Een studie over de expansie van het Hollandse handelskapitaal in de 16e en 17e eeuw* (Amsterdam 1977) 79-99; F.S. Gaastra, *De geschiedenis van de VOC* (Zutphen 1992) 13-29.

<sup>4</sup> The original charter is in the archives of the VOC (inv. no. 1). The charter of 1602 and the texts revised at the various renewals have been printed in various places, including C. Cau, *Groot Placcaetboek* I (Den Haag 1658) 530off., and Pieter

van Dam, *Beschryvinge van de Oostindische Compagnie*. F.W. Stapel and C.W.Th. van Boetzelaer eds. Rijks Geschiedkundige Publicatiën, Grote Serie 63, 68, 74, 76, 83, 87, 96, (7 volumes; 's-Gravenhage 1927-1954) first book, part I, 43

<sup>5</sup> J.G. van Dillen, *Het oudste aandeelhoudersregister van de Kamer Amsterdam der Oost-Indische Compagnie*. Werken uitgegeven door de vereniging Het Nederlandsch Economisch-Historisch Archief 14 ('s-Gravenhage 1958) 20-45, deals extensively with the problems which arose during the first ten years and the frustration of the capital investors.

<sup>6</sup> N. Steensgaard, 'The Dutch East India Company as an Institutional Innovation' in: M. Aymard ed., *Dutch Capitalism and World Capitalism* (Cambridge and Paris 1982) 235-257, especially 239-244.

<sup>7</sup> For the appointment, remuneration etc. of the directors: Pieter van Dam, *Beschryvinge van de Oostindische Compagnie*. F.W. Stapel and C.W.Th. van Boetzelaer eds. Rijks Geschiedkundige Publicatiën, Grote Serie 63, 68, 74, 76, 83, 87, 96, (7 volumes; 's-Gravenhage 1927-1954) first book, part I, 156-229. See also F.S. Gaastra, *Bewind en beleid bij de VOC. De financiële en commerciële politiek van de bewindhebbers, 1672-1702* (Zutphen 1989), 25-33.

<sup>8</sup> After 1648, the directors of the Delft and Rotterdam Chambers were only required to invest 3,000 guilders to be shareholders in their Chamber. The functions which were open to the principal shareholders are clearly set out by F.W. Stapel in his edition of Pieter van Dam, *Beschryvinge van de Oostindische Compagnie*. F.W. Stapel and C.W.Th. van Boetzelaer eds. Rijks Geschiedkundige Publicatiën, Grote Serie 63, 68, 74, 76, 83, 87, 96, (7 volumes; 's-Gravenhage 1927-1954) first book, part I, 295 note 5.

<sup>9</sup> For the background to the appointment of William IV as director-general, see Isaac de Pinto, 'Anecdotes historiques touchant le Stadhoudérat des Indes dans l'illustre maison d'Orange en 1748 et 1749'. A.J. Veenendaal Jr. ed. in *Nederlandse historische bronnen uitgegeven door het Nederlands Historisch Genootschap III* (Amsterdam 1983) 125-145.

<sup>10</sup> G.J. Schutte, *De Nederlandse Patriotten en de koloniën. Een onderzoek naar hun denkbeelden en optreden, 1770-1800* (Groningen 1974) 50-54, 96.

<sup>11</sup> The most fundamental work about the administration is that of Pieter van Dam, *Beschryvinge van de Oostindische Compagnie*. F.W. Stapel and C.W.Th. van Boetzelaer eds. Rijks Geschiedkundige Publicatiën, Grote Serie 63, 68, 74, 76, 83, 87, 96, (7 volumes; 's-Gravenhage 1927-1954) first book, part I, which deals, amongst other things, with the *Heren XVII*. See as well F.S. Gaastra, *De geschiedenis van de VOC* (Zutphen 1992), 149-159. F.S. Gaastra, *Bewind en beleid bij de VOC. De financiële en commerciële politiek van de bewindhebbers, 1672-1702* (Zutphen 1989), 47-62. The division of the activities over the meetings of the *Heren XVII* can be found in the proceedings concerning the abolition of the summer session; see VOC, inv. no. 115, proceedings *Heren XVII*, 25th July 1721 and 6th March 1722, and inv. no. 123, proceedings *Heren XVII*, 18th November 1750 and 18th March 1751.

<sup>12</sup> For the Chinese Commissie see: C.J.A. Jörg, *Porcelain and the Dutch China Trade* (Den Haag 1982) 34-38.

<sup>13</sup> F.S. Gaastra, *Bewind en beleid bij de VOC. De financiële en commerciële politiek van de bewindhebbers, 1672-1702* (Zutphen 1989), 268-272, gives the names of the delegates from Amsterdam and Zeeland to the meetings of the *Heren XVII* from 1672-1701.

<sup>14</sup> For the organization of the personnel in the chambers see: F.S. Gaastra, 'Arbeid op Oostenburg. Het personeel van de kamer Amsterdam van de Verenigde Oostindische Compagnie' in: J.B. Kist et al. eds., *Van VOC tot Werkspoor. Het Amsterdamse industrieterrein Oostenburg* (Amsterdam 1986); P.C. Jansen, 'Personeel en produktie van de Kamer Amsterdam van de VOC omstreeks 1750/Personnel and Production of the Chamber Amsterdam of the VOC around 1750' in: J.H.G. Gawronski ed., *Jaarrapport van de stichting VOC-schip 'Amsterdam' 1986/Annual Report of the VOC-ship 'Amsterdam' Foundation 1986* (Amsterdam 1987) 58-64; E. van der Doe en A. Wiggers, 'De Kamer Zeeland van de VOC als werkgeefster: enige opmerkingen over haar personeel aan de wal in de tweede helft van de 18e eeuw', *Zeeuws Tijdschrift* 37, 3 (1987) 107-113; H.L. Houtzager e.a. ed., *Delft en de Oostindische Compagnie* (Amsterdam 1987); R. Daalder en F. Scholte ed., *Rotterdam en de VOC*. Bulletin Historisch Museum Rotterdam 2 (Rotterdam 1988).

<sup>15</sup> The placement in a committee was almost always mentioned in the proceedings of a chamber. For the practice of before 1650, see Noor Oosterhof, 'De politieke en bestuurlijke structuur van de Verenigde Oostindische Compagnie' in: F.M. Wieringa ed., *De Verenigde Oostindische Compagnie in Amsterdam; verslag van een werkgroep* (Amsterdam 1982) 155-188.

<sup>16</sup> The archives of the Radermacher family (Nationaal Archief) contain a host of documents about the internal organization of the Zeeland Chamber.

<sup>17</sup> P.J.A.N. Rietbergen, *De eerste landvoogd Pieter Both (1568-1615), gouverneur-generaal van Nederlands-Indië (1609-1615)*. Werken van de Linschoten-Vereeniging 86 en 87 (2 volumes; Zutphen 1987) I, 15-56, gives the background to the institution of governor-generalship. Pieter van Dam, *Beschryvinge van de Oostindische Compagnie*. F.W. Stapel and C.W.Th. van Boetzelaer eds. Rijks Geschiedkundige Publicatiën, Grote Serie 63, 68, 74, 76, 83, 87, 96, (7 volumes; 's-Gravenhage 1927-1954) third book, gives a detailed description of the organization in Asia.

<sup>18</sup> This division was introduced very early, which is clear from M.E. van Opstall ed., 'Laurens Reael in de Staten-Generaal. Verslag van Laurens Reael over de toestand in Oost-Indië, uitgebracht in de Staten-Generaal op 30 maart 1620' in: *Nederlandse historische bronnen uitgegeven door het Nederlands Historisch Genootschap I* ('s-Gravenhage 1979) 175-213.

<sup>19</sup> For the shipping traffic which bypassed Batavia: J.R. Bruijn, F.S. Gaastra and I Schöffler, *Dutch-Asiatic Shipping in the Seventeenth and Eighteenth Centuries*. Rijks Geschiedkundige Publicatiën Grote Serie, 165-167 (3 volumes; Den Haag 1979 and 1987) Volume I, 128-142.

<sup>20</sup> The Decree dated 11 September 1811, issued by the British Governor-General the Earl of Minto, confirmed the provisional end of Dutch suzerainty in the Indies: 'The island of Java and all the late French or Dutch possessions in the eastern seas having fallen under the British dominion, are hereby declared to form part of the territorial possessions of the Honorable the English East India Company and the said Island en possessions will be subject to such laws, regulations en form of government as may be hereafter established, by His Britannick Majesty in Parliament, or by the Honorable the East India Company...'