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Reversals of Fortune in the Tea Industry

Part IV: The Dutch Trade in the Orient



The Return to Amsterdam of the Fleet of the Dutch East India Company

by Andries van Eertvelt

The return of the *Hollandia*, the *Mauritius*, and the *Duyfken* from the first Dutch expedition to the Orient is celebrated in this 1599 painting. A fourth ship was lost at sea, as were 160 of 249 men who made this historic voyage.

Dutch merchants sent four ships, along with 249 men, to the Orient in 1596. The venture was funded by a group of nine private individuals who pooled a total of 290,000 guilders, a vast sum which was equivalent to the annual wage of nearly 1,000 men. According to Jonathan Israel, “the profits of this first expedition were meager, but the merchants remained undaunted.” Indeed, within the next few years dozens of ships would be dispatched from Amsterdam, which would soon become the European center of maritime trade.

Please turn to page 44.

Most of our 2007 First Flush Darjeeling Teas have arrived! Please refer to pages 8-12 for a complete list.

Please note: Upton Tea Imports will be closed for our annual vacation from June 30 through July 8. Orders received by June 28 will be shipped by June 29.

Reversals of Fortune in the Tea Industry, Part IV

Part III of our series concluded with the formation of the Portuguese *Estado da Índia*, the Portuguese Empire in the East. Portugal's ascent in the Orient was gradual but steady, beginning with the colonization of a few settlements along the coast of Africa, and finally reaching western India in 1498. At its height, the Empire had settlements throughout the Orient, as far east as Nagasaki, Japan. Prince Henry "The Navigator" (1394 - 1460) set the stage for this unprecedented expansion, and it continued for another two centuries after his death.

By the end of the fifteenth century Lisbon had become the hub of maritime opportunism, attracting the most capable and ambitious navigators of the time. Christopher Columbus, born in Genoa, was but one of many Italians who moved to Lisbon in pursuit of an Atlantic-based maritime career. Portuguese navigators, such as Fernão de Magalhães (Ferdinand Magellan), seized opportunities from Portugal's rival, Spain. Fortune and adventure were to be had for a few, but overall it was also a time of struggle and great disappointment.

As Portugal was establishing an east-bound sea route to the Orient, Spain was exploring a west-bound alternative. This division of effort was orchestrated by Pope Alexander VI in an attempt to avoid war between the two rivals, and supposedly maximize the conversion of the non-Christian world. The specifics were formalized in the Treaty of Tordesillas (1494), long before the riches of the west were understood. By the time Portugal reached the Orient in 1497, she realized that Spain had been dealt the better hand, and her main advantage was the lead time she had in establishing bases for Oriental trade. These assets were jealously guarded.

A large landmass, later to be named *America*, frustrated Spain's efforts to chart a westerly route to the Orient. But it soon became her greatest source of wealth, principally due to the enormous deposits of silver and gold that were "discovered" therein. This distraction was one of the many convenient circumstances that allowed Portugal to remain the only significant European trader in the Orient for several decades. But Spain's westerly progression soon threatened Portugal's exclusivity.

Spain established her first settlement in the Philippines in 1565. The site was the island of Cebu, not far from where Magellan was killed 44 years earlier. Although Magellan's expedition completed the first circumnavigation of the globe, he only reached the Philippines before he was killed in an avoidable conflict with natives.

Realizing that Spain's settlement in Cebu was a threat to their monopoly, a Portuguese squadron tried to dislodge the settlers in 1568. They were unsuccessful in their attempt, and subsequent efforts to block Spanish trade failed as well. Friction between Portugal and Spain over access to the Orient might have reached a full state of war, had it not been for a twist of fate that united Spain and Portugal under King Philip II in 1580.

Portugal's King Sebastião I brought about his own demise in what seems to have been a poorly orchestrated and recklessly executed battle against Moroccan Ottomans in 1578. With no successor to the Portuguese throne, King Sebastião's uncle, King Philip II of Spain, appropriated Portugal to his kingdom, thus reuniting the two superpowers. Even if it did not *eliminate* the hostilities between Portuguese and Spanish interests in the Orient, the then-popular code of chivalry obliged allegiance to the common throne, and thereby avoided mutual annihilation.

At the height of her expansion, most of the male population of Portugal who were not fighting wars were either at sea or assigned to overseas Portuguese settlements. Foreign navigators and sailors who flocked to Lisbon found little difficulty finding employment in the services of the Portuguese, and by the end of the sixteenth century, the once-secret trade routes charted by Portuguese navigators were known throughout Europe. In an ironic twist, the next dominant player would be the Dutch, who would also be the first to introduce tea to Europe.

The end of the sixteenth century was a time of rapid change for both Spain and Portugal. It was also a turning point in the domination of European sea power. At this time, Spain and Portugal seemed unstoppable, but trouble had been brewing in the Netherlands, the lower part of which had been subject to Spanish and/or Habsburg rule since 1482. The Netherlands were of little interest to Spain and Austria except as a source of taxes. Minor skirmishes and tax rebellions were generally settled promptly, but the

underlying spirit of resistance to foreign rule continued unabated.

By this time, another force was creating a theological divergence between the Netherlands and Spain. Scholars in northern Europe were raising questions about the very essence of truth, and how it relates to individual perceptions and free thinking, sparked by a renewed interest in the writings of Ancient Greek philosophers. Desiderius Erasmus of Rotterdam (c.1466-1536) was an early champion of free thinking and individualism, which were in stark contrast to the dogma of Papal infallibility espoused by Spain. Although Erasmus is said to have “laid the egg that Martin Luther hatched”, there were lively disagreements between them, and their motives were quite different. Erasmus’ greatest impact may have been his staunch support of freedom of thought and the importance of the individual, a theme that would permeate the writings of Dutch and French philosophers for decades.

Meanwhile, life in Spain and Portugal for non-Catholics was becoming increasingly difficult. The Spanish Inquisition, launched by Ferdinand and Isabella in 1478, was revitalized by Philip II, partly in reaction to “heretical” teachings of the Protestant Reformation. Jews and Protestants flocked to the more tolerant Netherlands to escape religious persecution, but Spanish oppression was difficult to escape for long. Taxes and the Inquisition finally led to outright revolt in 1566.

Had Philip II successfully quelled the revolt, the course of history would have been quite different. But in 1568, William I of Orange-Nassau (a.k.a. *William the Silent*, 1533-1584) made a decision that brought the revolt of 1566 to full war with Spain.

William wanted a bloodless resolution to the issues between Spain and the Netherlands, but his efforts at reconciliation failed. In 1568 he took sides with the revolution, leading a successful attack on the Spanish army. Historians consider this the start of the *80 Years War*. Ill-equipped and poorly trained, William’s army was no real match for the Spanish army. Had it not been for the strong leadership of William and his ability to rally his men to fight against great odds, the war likely would have ended sooner. Ironically, it was also the actions of Spain during the early years of the war that solidified the resolve of the diverse



William I "The Silent", Prince of Orange, by Christoffel Van Sichem, the Elder

people of the Netherlands against their common enemy.

By 1576 the war was a decade old. Spain’s lengthy battles on several fronts were draining the treasury, leaving her finances in shambles. Unpaid Spanish soldiers, frustrated with an ongoing war for which they remained unpaid, took their rage out on the citizens of Antwerp. Referred to as the *Sack of Antwerp* (a.k.a. the *Fury of Antwerp*), the horrific events of November 4, 1576 would assure that the Netherlands would fight to the death for their freedom.

When the Dutch formally declared their independence from Spain in 1581, King Philip was prompt to respond, declaring William an enemy of the throne and offering a bounty on his head. William was eventually assassinated by a Spanish loyalist in 1584, which only amplified the Dutch hatred toward Spain and permanently installed William as the “Winston Churchill of the Netherlands” (c.f. K.W. Stewart’s *William of Orange and the Revolt of the Netherlands, 1572-84*).

While waging war with Spain, the Dutch were actively trading with Portugal. In fact, the Dutch were, by far, the largest shipper in the Baltic, and they were the largest distributor of Portuguese goods from the Orient. Ironically, the

policies of Spain were forcing prosperous non-Catholics to move north, where they could avoid persecution and simultaneously participate in the growing economy of Amsterdam. Spain, meanwhile, was getting further entrenched in expensive wars on several fronts.

Desperate to force an end to war with the Netherlands, Philip closed the ports of Spain and Portugal to Dutch trading ships in 1598, convinced that this economic blow would force them to surrender. This ill-fated decision had just the opposite effect, and it simply forced the Dutch to bypass Portugal and trade directly in the Orient.

Built to withstand the rough North Sea, Dutch ships were quite capable of sailing to the Orient and back. They were smaller and more maneuverable than most Portuguese ships, but carried comparable armaments, giving them a distinct advantage. The alliance of Portugal with Spain under Philip II gave the Dutch free license to consider Portugal an enemy as well as a competitor in the Orient.

Dutch traders had been anxious to bypass Portugal and trade directly in the Orient for years, and the closing of the ports of Spain and Portugal was impetus to do so. A pilot voyage had already been made in 1596, and a second fleet was dispatched even before the return of the first! A century after da Gama returned from the Orient, tea would finally reach Europe, but it would be the Dutch who would make it happen.

According to W. H. Ukers (*All About Tea, Vol 1*):

The Portuguese had the sea trade to themselves up to 1596, carrying silks and other rich produce on their return voyages to Lisbon, where Dutch ships became the principal carriers to the ports of France, the Netherlands, and the Baltic.

In 1595-1596 Jan Hugo van Linschooten, 1563-1633, a Dutch navigator who had sailed to India with the Portuguese, published an account of his travels, a work which fired the Dutch merchants and ship captains with a desire for a share of the rich oriental trade. His account is notable because it contains the first notice of tea [as chaa] in the Dutch language...

By 1602 the Dutch had dispatched so many ships (sixty-five in all) that their spice market was saturated and prices softened. Dutch merchants responded by establishing the Dutch East India Company, *Verenigde Oostindische Compagnie*

(VOC), uniting competing merchants under a single, joint-stock company.

What Portugal had achieved in a hundred years would quickly be eclipsed by the Dutch, and the seventeenth century would mark the *Dutch Golden Age*. Fundamental to the Dutch success was the ascent of a new entrepreneurial mercantile class, which held business interests above all others, including, of course, religious proselytizing. There were incredible challenges, but overall they were hugely successful. In *Devil Take the Hindmost*, Edward Chancellor states:

Although the Dutch did not invent the institutions and practices of financial capitalism such as banking, double-entry bookkeeping, joint-stock companies, bills of exchange, and stock markets, they brought together and established them on a secure basis in a mercantile economy organized around a highly evolved profit motive. ... By the early seventeenth century, capital from across Europe was invested in a variety of Dutch financial assets, from property to annuities, municipal bonds, bills of exchange, and medium-term loans. Amsterdam was not simply a great entrepôt, it was the financial capital of the world.

English navigator Sir James Lancaster reached the Orient with a small fleet in 1591, preceding the Dutch by five years, but the spirit of enterprise that was thriving in Holland gave the Dutch an insurmountable advantage. It was, in fact, Dutch tea that first reached England in 1657.

The Golden Age of the Dutch Republic would never have occurred had it not been for its draw of the best minds and talent from neighboring countries. Jonathan Israel, in *The Dutch Republic, Its Rise, Greatness, and Fall (1477-1806)* states:

The north Netherlands produced, or were the adopted home of, a remarkably large number of the greatest minds and cultural figures of early modern Europe, among them Erasmus, Lipsius, Scaliger, Groitius, Rembrandt, Vondel, Descartes, Huygens, Vermeer, Spinoza, and Bayle. This astonishing concentration, in such a small space, not only coincided with, but was linked to, Dutch pre-eminence in commerce, shipping, and finance, as well as in agriculture and technology.

Our series on *Reversals of Fortune in the Tea Industry* will continue in the next issue of the *Upton Tea Quarterly*.