

# ***From De la Court to Vreede. Regulation and Self-regulation in Dutch Economic Discourse from c. 1660 to the Napoleonic Era***

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## **Introduction**

Ever since the middle of the seventeenth century the Dutch Republic has been seen as a paragon of a society where the market reigned supreme. The United Provinces have been taken as an outstanding example of a fully-fledged commercial society. For English writers like Thomas Mun, Sir William Petty, Sir William Temple, Sir Josiah Child and Sir Thomas Culpeper Jr., the Dutch case was a prime 'source of evidence' to learn how a market economy actually worked. 'If Dutch accomplishments inspired some Englishmen with a zeal for the right ordering of trade', Joyce Appleby has written, 'it prompted those with a more speculative bent to search for the secret spring of the new market economy'.<sup>1</sup> When French economic writers by the middle of the eighteenth century developed their own *système libéral*, they did not only consult (and translate) the works of those predecessors in England, but drew inspiration from the Dutch model as well. One of the books that is said to have exerted most influence on the thinking of Vincent de Gournay, an *intendant* at the Bureau de Commerce, who is being honoured as the foremost promotor of *laissez-faire* views in France during the early 1750s, was the *Aanwysing der heilsame politike Gronden en Maximen van de Republike van Holland en West-Vriesland* published

<sup>1</sup> N.G. Pierson, "Beschouwingen over Holland's welvaart bij Engelsche economisten der zeventiende eeuw", in idem, *Verspreide economische geschriften*, vol II (Haarlem 1910), pp.209-246; Joyce O. Appleby, *Economic Thought and Ideology in Seventeenth Century England* (Princeton 1978) esp. pp.73-98.

by Pieter de la Court in Holland in 1669 (but often mistakenly ascribed to former Grand Pensionary Johan de Witt), which, among other things, contained an elaborate plea for self-regulation in economic life. According to one of the many 'bright young men' who saw Gournay as their mentor in economics, Anne Robert Turgot, the intendant, spoke highly of the free internal market in the Dutch Republic, which was not confined to particular times or places, but continued everywhere all the year round.<sup>2</sup> In the most recent overview of Dutch economic history in the early modern period written by Jan de Vries and Ad van der Woude, the commercialized, market-oriented character of the Dutch economy and the weakness of hierarchical and collective relationships are once again strongly underlined.<sup>3</sup>

Yet, recent research on corporate organizations in the Dutch Republic has revealed that this perfect early specimen of a commercial society also harboured a large number of guilds, which showed a remarkable 'economic and social vitality'. Jan Lucassen and Maarten Prak found that guilds in the Dutch Republic were 'a vital and flowering institution in what was probably the most modern economy of its times. The creation of numerous new guilds in the XVIIth and XVIIIth centuries, their absolute numbers, and more specifically their importance in Amsterdam, undisputed centre of Dutch capitalism, all point in this direction'. The period of greatest expansion of the guild system coincided with the period of fastest economic and urban growth: between c. 1590 and 1670.<sup>4</sup>

<sup>2</sup> Simone Meyssonier, *La Balance et l'Horloge. La genèse de la pensée libérale en France au XVIIIe siècle* (Paris 1989) esp. pp.168-209; Philippe Minard, *La fortune du colbertisme. État et industrie dans la France des Lumières* (Paris 1998), pp.213-214; Murray N. Rothbard, *Economic Thought before Adam Smith. An Austrian Perspective on the History of Economic Thought*, vol. I (Cheltenham 1995), pp.386-388; Ivo Wildenberg, *Johan en Pieter de la Court* (1622-1660, 1618-1685). *Bibliografie en receptiegeschiedenis* (Amsterdam 1986), pp.54-55. Although Johan De Witt was involved in the editing of some parts of the *Aanwysing*, he was definitely not its author.

<sup>3</sup> Jan de Vries and Ad van der Woude, *The First Modern Economy. Success, Failure and Perseverance of the Dutch Economy, 1500-1815* (Cambridge 1997) esp. pp. 162, 693-699.

<sup>4</sup> Jan Lucassen and Maarten Prak, "Guilds and society in the Dutch Republic (16th-18th Centuries)", in S.R. Epstein, H.G. Haupt, C.Poni and H. Soly (eds.), *Guilds, economy and society* (Sevilla 1998), pp.63-77; Piet Lourens and Jan Lucassen, "Ambachtsgilden binnen een handelskapitalistische stad: aanzetten voor een analyse van Amsterdam circa 1700", *NEHA-jaarboek voor economische, bedrijfs- en techniekgeschiedenis* 61 (1998), 121-162.

Moreover, it is commonly assumed by historians of the economy of the Dutch Republic that the guild-system in the United Provinces – apart from a virulent attack in the work by the same De la Court admired by Gournay – was hardly ever seriously criticized until the very last years of the Old Regime. This idea goes back to a study by Cornelis Wiskerke about the abolition of the guilds in the Netherlands, which appeared in 1938.<sup>5</sup> It is still widely accepted today.<sup>6</sup> Wiskerke claimed that radical criticism of the corporate system did not emerge until shortly before the Batavian Revolution of 1795 and was mainly influenced by the example of France. According to Simon Schama, it was the Scottish theorist of economic liberty himself who inspired the Dutch revolutionaries in their assault on corporate privileges. When the National Assembly of the Batavian Republic in March 1797 discussed the clause in the draft-constitution of the Batavian Republic abolishing guilds, fraternities and corporations, ‘the *laissez-faire* champions’ were ‘sufficiently familiar with Adam Smith to cite him often *in extenso*’ in support of their cause, ‘without doing too much violence to the sophistication of his thesis’.<sup>7</sup>

Although capitalism and corporatism were by no means incompatible, the apparently unassailable status of the guild system would nevertheless imply that the market could not operate in a completely unrestricted way. How can these different insights on the nature of the economic order in the Dutch Republic be reconciled? A clue can perhaps be found in a distinction drawn in an essay by P.W. Klein on Dutch trade policy in the age of mercantilism published in 1989. Klein argued that the degree of liberty in the Dutch economy differed significantly by sector of activity. ‘While the international tip of

<sup>5</sup> C. Wiskerke, *De afschaffing der gilden in Nederland* (Amsterdam 1938) esp. pp 90-96.

<sup>6</sup> Recent examples include: Joost van Genabeek “De afschaffing van de gilden en de voortzetting van hun functies”, *NEHA-Jaarboek voor economische, bedrijfs- en techniekgeschiedenis* 57 (1994), pp. 63-90 esp.64-65, Jan Lucassen en Piet Lourens, “Ambachtsgilden in Nederland; een beknopt overzicht”, in K. Goudriaan, M. Hulshof, P. Lourens and J. Lucassen, *De gilden in Gouda* (Gouda/Zwolle 1996), pp.9-19 esp. p.17; Lucassen and Prak, “Guilds and scoiety”, p.63; Maarten Prak, *Republikeinse veelheid, democratisch enkelvoud. Sociale verandering in het Revolutietijdvak. 's-Hertogenbosch 1770-1820* (Nijmegen 1999), pp.277-279.

<sup>7</sup> Simon Schama, *Patriots and Liberators. Revolution in the Netherlands 1780-1813* (New York 1977), p.259.

economic activity enjoyed a large measure of freedom, the lower strata of collection and distribution, supply and customer industries and the labour intensive service sector were subject to regulation by government intervention. Quality prescriptions, measures concerning prices and wages, labour regulations, regulation of work-time, these and other restrictions on economic freedom were the order of the day'.<sup>8</sup> Thus, the extent of self-regulation was probably larger in the sector of the Dutch economy that showed the highest degree of orientation to the international market than in the sectors that to a greater or lesser extent were geared to domestic markets. It should be borne in mind, though, that export industries (notably textile manufacture) and overseas trading ventures (notably the Asia and the West-Indies trades) were subject to regulation as well and that regulation in the 'lower strata' of collection, distribution and production was cast in different forms. While some branches of activity stood under direct supervision by town governments, many others were dominated by guilds and corporations, which were in turn subject to government control.<sup>9</sup>

If this dualistic image of the economy of the Dutch Republic is essentially correct, it is worthwhile taking a closer look at the economic discourse conducted in The Netherlands between the time when the corporate system - as a cornerstone of regulation of the 'lower strata' of collection, distribution and production - had been put firmly in place and the moment when the first steps were taken towards its formal abolition, that is between about 1660 and the Napoleonic Era. How did people reflect on these different sides of the economic order? Was there a tendency to plead for a shift from regulation to self-regulation in the 'lower' sector, or conversely, for an enhancement of the degree of regulation in the sector oriented to the international

<sup>8</sup> P.W. Klein, "De Nederlandse handelspolitiek in de tijd van het mercantilisme: een nieuwe kijk op een oude kwestie", *Tijdschrift voor Geschiedenis* 102 (1989), pp.189-212, esp.pp.205-206.

<sup>9</sup> Lourens and Lucassen, "Ambachtsgilden", pp. 133-148; C.A. Davids, "Neringen, hallen en gilden. Kapitalisten, kleine ondernemers en de stedelijke overheid in de tijd van de Republiek", in C.A. Davids, W. Fritschy en L.A. van der Valk (eds.), *Kapitaal, ondernemerschap en beleid. Studies over economie en politiek in Nederland, Europa en Azië van 1500 tot heden* (Amsterdam 1996), pp.95-120.

market? Did the discourse change direction as the economic and political circumstances altered and if so, in what respect, when and why?

This article will show not only that the idea of self-regulation as a guiding principle for all sectors of economic life, including the 'lower strata' of collection, distribution and production, was a much more recurrent presence in Dutch economic discourse between c. 1660 and 1800 than hitherto believed, but also that the measure of freedom in the 'international top' of economic activity was time and again a subject of serious discussion as well. The economic order in the Dutch Republic was conceived in neither sector as so natural, immutable and self-evident as is now commonly assumed. The relationship between regulation and self-regulation after 1660 was dynamic rather than static. The dynamics between these principles in economic discourse eventually contributed to the recasting of the economic order of The Netherlands in the Napoleonic Era in a very different mixture than that prevalent in the middle of the seventeenth century.

### **Economic discourse in the Dutch Republic**

Economic thought in early modern Europe generally has been studied from two different perspectives. The first strand of studies examines the formation and exchange of economic ideas from the point of view of what Schumpeter has called 'the history of economic analysis', that is 'the history of intellectual efforts that men have made in order to *understand* economic phenomena, or, which comes to the same thing, the history of the analytic or scientific aspects of economic thought'.<sup>10</sup> This line of research primarily looks at the evolution of concepts, methods and theories of economic phenomena in the light of their relevance for the genesis of modern economic 'science'.<sup>11</sup> Economic discourse in the Netherlands has sometimes been studied from this

<sup>10</sup> Joseph Schumpeter, *History of Economic Analysis* (Oxford 1954), p.3.

<sup>11</sup> Examples of studies of this kind include (aside from the classic survey by Schumpeter himself): Terence Hutchison, *Before Adam Smith. The Emergence of Political Economy, 1662-1776* (Oxford 1988) and Murray N. Rothbard, *Economic Thought*.

perspective, too, mainly by nineteenth-century Dutch economists and historians. The chief concern of these historians of economic thought was to find an answer to the question, to what extent Pieter de la Court, as an early proponent of *laissez-faire*, could be considered a precursor to Adam Smith, or put in negative terms, why De la Court's contributions had passed into almost total oblivion and the real Smith had not arisen in Holland, but in Scotland. As regards the history of economic thought in the Netherlands, the period between the age of De la Court and the early nineteenth century did not hold any interest for them at all. It was perceived to be an intellectually waste land.<sup>12</sup> The same position has in fact been taken by authors of general histories of economic thought. While overviews on the seventeenth century normally devote ample attention to the natural-law theory of Grotius and sometimes make a brief reference to the ideas of De la Court or his near-contemporary Dirck Graswinckel, surveys on the evolution of economic thought after 1700 leave the impression that the United Provinces no longer harboured any writers worthy of note at all.<sup>13</sup> The only writers of Dutch origin who figure in the general histories of economic thought in the eighteenth century - Bernard Mandeville, Jacob Vanderlint, Matthew Decker and Isaac de Pinto - all lived abroad when they published the works which now are acknowledged as significant contributions to economic analysis, such as *The Fable of the Bees*, *Money Answers All Things*, *An Essay on the Causes of the Decline of the Foreign Trade* or the *Traité de la Circulation et du Crédit*. Mandeville, Vanderlint and Decker had migrated to England, De Pinto had moved to France.<sup>14</sup>

<sup>12</sup> Wildenberg, *Johan en Pieter de la Court*, pp.57-64; A.C.A.M. Bots, "Economisch denken tijdens de Republiek", in *Algemene Geschiedenis der Nederlanden*, vol.VII (Bussum 1980), pp.320-324; O. van Rees, *Geschiedenis der staathuishoudkunde in Nederland tot het einde der achttiende eeuw*, vol. I (Utrecht 1865).

<sup>13</sup> Schumpeter, *History*, pp.116-119, 136, 182, 185, 197, 368-370, 373; Hutchison, *Before Adam Smith*, pp.5, 15, 16, 68, 97, 156, 215, 390; Rothbard, *Economic Thought*, p.369.

<sup>14</sup> Schumpeter, *History*, pp. 184, 325, 327, 367; Hutchison, *Before Adam Smith*, pp.115-126, 129-133, 391, 393-394, 400, 406; Rothbard, *Economic Thought*, pp. 334, 337. On Mandeville's Dutch background see Rudolf Dekker, "'Private vices, public benefits' revisited: The Dutch background of Bernard Mandeville", *History of European Ideas* 14 (1992), pp.481-498 and on De Pinto: I.J.A. Nijenhuis, *Een joodse filosofie. Isaac de Pinto (1717-1787) en de ontwikkeling van de politieke economie in de Europese Verlichting* (Amsterdam 1992).

The second tradition of writing on the history of economic thought is mainly concerned with tracing the relations between economic discourse and the history of economic policy, the history of political thought or the history of ideas at large - in short: with placing economic discourse in the socio-economic, political and intellectual context of its time. In studies of this kind the subject is often more circumscribed in time and place than in books that belong to the first tradition.<sup>15</sup> This second, contextualist strand of research includes such works as Meyssonier's and Kaplan's studies on the genesis of 'liberal' thinking and the liberalization or de-liberalization of the grain trade in eighteenth-century France, Tribe's inquiry into the transformation of economic discourse in Germany between 1750 and 1840, Hirschman's, Rosanvallon's and Appleby's books on the role of the concepts of 'passions' and 'interests', on the evolution of the idea of the 'market' and on the relationship between economic thought and ideology in seventeenth-century England, respectively, Hont and Ignatieff's and Pocock's collections of essays on the concepts of 'wealth', 'virtue' and 'commerce' in political and economic thought in eighteenth century-Scotland, England and North-America and Perrot's and Winch's intellectual histories of political economy in the seventeenth and eighteenth centuries and in the period between the beginning of the career of Adam Smith and the advent of the Poor Law.

Occasionally, this alternative perspective has been applied to the history of economic thought in the Dutch Republic as well. In each of these cases, the focus has been on the life and work of individual thinkers.

<sup>15</sup> Meyssonier, *La Balance*, Steven L. Kaplan, *Bread, Politics and Political Economy in the Reign of Louis XV* (2 vols., The Hague 1976), Keith Tribe, *Governing Economy. The Reformation of German Economic Discourse 1750-1840* (Cambridge 1988), Albert O. Hirschman, *The Passions and the Interests. Political Arguments for Capitalism before Its Triumph* (Princeton 1977), Pierre Rosanvallon, *Le libéralisme économique. Histoire de l'idée de marché* (Paris 1989), Appleby, *Economic Thought*, Istvan Hont and Michael Ignatieff (eds.), *Wealth and Virtue. The Shaping of Political Economy in the Scottish Enlightenment* (Cambridge 1983), J.G.A. Pocock, *Virtue, Commerce and History. Essays on Political Thought and History, chiefly in the Eighteenth Century* (Cambridge 1985), Jean-Claude Perrot, *Une histoire intellectuelle de l'économie politique, XVe - XVIIIe siècle* (Paris 1992), Donald Winch, *Riches and Poverty. An Intellectual History of Political Economy in Britain, 1750-1834* (Cambridge 1996).

Contextualist studies have appeared, notably, on Pieter de la Court, Isaac de Pinto and Gijsbert Karel van Hogendorp.<sup>16</sup> The present article links up with this second strand of research, but concentrates on a theme instead of on a particular thinker, viz. the issue of regulation and deregulation in Dutch economic thought between the time of De la Court and the Napoleonic Era. Unlike studies in the first tradition of research, it is not concerned with the question, in what respect specific concepts, methods and theories made a contribution to the emergence of modern economic 'science', let alone, to what extent notions from the seventeenth or eighteenth century were 'correct' from the present-day point of view. The focus will be throughout on economic discourse in the context of its time.

In contrast to the picture presented in the 'Whiggish' tradition of writing on the history of economic thought, the Netherlands was, in fact, by no means devoid of intellectual reflection on economic issues after the age of De la Court. Etienne Laspeyres has shown in his pioneering study on the *Geschichte der volkswirtschaftlichen Anschauungen der Niederländer und ihrer Litteratur zur Zeit der Republik*, published in 1863, that the Dutch Republic in the eighteenth century saw the appearance of even more books, tracts and treatises on economic subjects than in the century that went before. Of the 644 writings published between 1600 and 1794 which Laspeyres examined in the course of his inquiry no less than 332 dated from the period after 1700.<sup>17</sup> Part of this output originated from institutions of higher learning. As in Scotland or Germany, universities in the Dutch Republic were an important centre for the study of economic phenomena, although the first separate course on economics ('staathuishoudkunde') was not introduced until after

<sup>16</sup> Th. Van Tijn, "Pieter de la Court. Zijn leven en zijn economische denkbeelden", *Tijdschrift voor Geschiedenis* 69 (1956), pp.304-370, Nijenhuis, *Een joodse filosofie*, Paul Chr.H. Overmeer, *De economische denkbeelden van Gijsbert Karel van Hogendorp (1762-1834)* (Tilburg 1982).

<sup>17</sup> Etienne Laspeyres, *Geschichte der volkswirtschaftlichen Anschauungen der Niederländer und ihrer Litteratur zur Zeit der Republik* (Leipzig 1863, facsimile edition Nieuwkoop 1961), part II, Bibliographie der volkswirtschaftlichen Schriften.

<sup>18</sup> T.J. Boschloo, *De productiemaatschappij. Liberalisme, economische wetenschap en het vraagstuk der armoede in Nederland 1800-1875* (Hilversum 1989), pp.17-28.

1815.<sup>18</sup> From around 1700 onwards, it was not unusual for students in a Faculty of Law to earn a doctor's degree by composing a dissertation (in Latin, of course) on an economic subject such as the juridical basis for markets or the granting of privileges to guilds or chartered companies. The Dutch translator of Adam Smith, a lawyer and regent from the city of Schoonhoven called Dirk Hoola van Nooten, got his doctor's degree in 1768 by writing a dissertation on bills of exchange. Some of his empirical data were borrowed from well-known surveys on commercial practice in Amsterdam, such as the manuals by Phoonsen (1716) and Le Long (1729).<sup>19</sup> Economic issues were also dealt with in textbooks or lectures published by professors of law. Outside academy, economic discourse was conducted in the form of pamphlets, tracts, memoranda, petitions, essays in independent periodicals, contributions to transactions of literary and philosophical and reform-minded societies and commentaries on translations of foreign books. Moreover, efforts were being made to connect debates in academic circles and in society at large by having academic texts translated into Dutch. In the 1770s, for example, lectures by professors Cras, Tydeman and Van der Keessel at the Athenaeum Illustre in Amsterdam, the University of Utrecht and the University of Leiden, which were originally delivered in Latin, soon appeared in a Dutch version as well.<sup>20</sup>

Although economic discourse in the Dutch Republic was not different from discourse conducted in other countries of Europe as far as the relative number and variety of contributions to the public debate are concerned, it surely diverged in substance from the late seventeenth century onwards. Economic discourse in the Netherlands after that date was hardly concerned with the issues that formed the focal point of debate in other countries in Europe. Controversy was absent on the compatibility between 'virtue' and 'commerce'. The existence of

<sup>18</sup> Dirk Hoola van Nooten, *Specimen juridicum inauguralis de litterarum cambialium cessione sive indossatione* (Leiden 1768).

<sup>20</sup> H.C.Cras, *Het omzigtig beleid der staatsbestierderen in het bevorderen van den koophandel* (Leiden 1772), M.Tydeman, *Redevoering over de weelde* (Utrecht 1773), D.G. van der Keessel, "Over de liefde voor het vaderland in de Nederlandsche jeugd op te wekken", *De Denker*, 12 (1775) nrs. 590 and 591 18 and 25 April 1774, pp. 121-136.

commercial society was not really considered to be in need of any justification at all. It was simply accepted as a matter of course. It was assumed that the Republic owed its very being to the growth of commerce. Thus, economic writers in The Netherlands did not busy themselves with making comparisons between agrarian and commercial societies, contrasting the relative merits of landed versus moveable assets or ruminating about the corrupting or mollifying influence of commerce on the morals in society.<sup>21</sup> This did not mean that the concept of 'virtue' did not figure in Dutch economic discourse at all, but in so far as 'virtue' was connected with economic development this relationship was constructed in a different way. The decline of commerce was by some authors ascribed to the decline of 'virtue' in terms of a degeneration in morals, manners and lifestyle, instead of the decline of virtue being imputed to the rise of commercial society. The Dutch version of the international debate on the benefits or harm of 'luxury' was conducted from more or less the same point of view.<sup>22</sup> In contrast with France, there was in eighteenth-century Netherlands no prolonged discussion on the question, whether the trade in a subsistence good like grain should (or might) be controlled by the central government or be left to the free play of the market. This issue, which in the seventeenth century more than once had been the subject of fierce disputes (including a contribution from Dirck Graswinckel noted by Schumpeter)<sup>23</sup>, ceased to stir debate after the War of Spanish Succession. Except for a brief moment in the beginning of the Seven Years War, Dutch entrepreneurs no longer saw the freedom of trade

<sup>21</sup> Wyger Velema, "Homo mercator in Holland. Elie Luzac en het achttiende-eeuwse debat over de koophandel", *Bijdragen en Mededelingen betreffende de Geschiedenis der Nederlanden* 100 (1985), pp.427-44, esp. pp.443-444; Nijenhuis, *Een joodse filosofie*, p. 97; Dorothee Sturkenboom, *Spectators van hartstocht. Sekse en emotionele cultuur in de achttiende eeuw* (Hilversum 1998), pp.201-209; Pocock, *Virtue, Commerce and History*, pp.48-50, 103-123; Jeanne Schuler and Patrick Murray, "Educating the passions: Reconsidering David Hume's optimistic appraisal of commerce", *History of European Ideas* 17 (1993), pp.589-597.

<sup>22</sup> Nijenhuis, *Een joodse filosofie*, pp.104-112.

<sup>23</sup> Dirck Graswinckel, *Placaaten, ordonnantien ende reglementen op 't stuck van de lijftocht* (Leiden 1651); "De denkebeelden onzer voorouders over den vrijen graanhandel", *Tijdschrift voor Staathuishoudkunde en Statistiek* IX (1853), pp.69-88.

threatened by a design of the central government to interfere with the export of grain.<sup>24</sup>

The central problem in Dutch economic writings was a different one. It had to do with the view, which in the eighteenth century came to be shared in ever wider circles, that the United Provinces were losing the high level of economic power and prosperity they had attained before the middle of the seventeenth century.<sup>25</sup> Dutch economic writers were not worried about the vindication of commerce but about the origins and redress of decline. The question that lay at the heart of economic debates in the Dutch Republic was: what were the causes of the economic decline of the Netherlands and by what measures could it be reversed? Discourse on economic matters generally revolved round such issues as the following: could decline be reversed by enhancing the degree of coordination of the economy or, on the contrary, by increasing the extent of self-regulation? If the former course were desirable, at what sector of activity should this enhanced coordination be directed: at the sector of the Dutch economy that showed the highest degree of orientation to the international market or rather to the lower strata of collection and distribution, which to a greater or lesser extent were geared to domestic markets, or perhaps even to both? Which bodies or authorities should be assigned the task of carrying out the coordination of economic activities and in what ways should these proceed: should the task be entrusted to urban governments, to provincial or central authorities or be left to semi-public chartered or privileged bodies; should coordination be restricted to the business of creating and maintaining favourable conditions for economic development and technological innovation or should it also include the power to introduce and uphold

<sup>24</sup> W. Bunk, *Staatbuisboudkundige geschiedenis van den Amsterdamschen graanhandel* (Amsterdam 1856); J. G. van Dillen, "Dreigende hongersnood in de Republiek in de laatste jaren der zeventiende eeuw", in idem, *Mensen en achtergronden* (Groningen 1964), pp. 193-226; J. Hovy, *Het voorstel van 1751 tot instelling van een beperkt vrijhavenstelsel in de Republiek* (Groningen 1966), pp. 120-123; "Eerbiedige bedenkingen over een verbod van uitvoer van granen buiten 's lands", and "Bijzondere aenmerkingen van de negotianten van Amsterdam", *Nederlandsche Jaerboeken XI* (1757), pp. 95-107.

<sup>25</sup> Wijnand W. Mijnhardt, "The Dutch Enlightenment: Humanism, Nationalism and Decline", in Margareth C. Jacob and Wynard W. Mijnhardt (eds.), *The Dutch Republic of the Eighteenth Century* (Ithaca/London 1992, pp. 197-223, esp. p. 207.

an effective system for the protection of trade, transport, industry or agriculture?

If the other course were to be preferred, viz. to increase the extent of self-regulation, it was a matter of debate to what degree the prevalent systems of regulation in the various sectors of economic activity should be dismantled: should all existing charters, privileges, government ordinances and corporate bodies, which in one way or another restricted the freedom of economic life, simply be abolished or should they only be discarded in part, or to some extent be adapted and reformed? And how and to what extent was it desirable and possible to influence consumer preferences and the behaviour of entrepreneurs to the effect that domestic production would revive?

The debate on these issues can be said to have started about 1660 and to have evolved in several phases, which did not see a broadening of the spectrum of positions but rather a change in focus and relative weight. It reached a provisional conclusion in the years immediately after the Batavian Revolution of 1795, when both the political structure and the economic order of the Netherlands were eventually put on a new base.

### **Between *laissez-faire* and mercantilism**

It is only a mild exaggeration to say that the whole spectrum of positions on regulation and self-regulation in economic life were to be held in economic discourse in the Netherlands between the middle of the seventeenth and the beginning of the nineteenth century, was already in place in the 1660s and 1670s. A broad variety of arguments, opinions and policy suggestions can be found in the writings by Johan and Pieter de la Court, Willem van der Voort or Arend Tollenaar, which were composed at the time when the conflict between the Republic and England came to a head and the antagonism with France first burst into the open. The gamut of views ran from a plea for a nearly undiluted kind of *laissez-faire* to the defence of an almost full-blooded form of 'mercantilism'.

The most extreme position on the side of *laissez-faire* was taken by the brothers Johan and Pieter de la Court, who belonged to the circle of

leading manufacturers and merchants in Leiden cloth.<sup>26</sup> In a manuscript tract most probably written by the younger of the two brothers, Johan, called *Het Welvaren van Leiden*, which circulated in Leiden and other places in Holland around 1660<sup>27</sup>, it was argued that the wealth of this city, which in the author's view essentially depended on the production and trade in cloth, could only be maintained if all restrictions on liberty, whether religious, political or economic, were abolished. Absolute freedom in social and economic life was required. Guilds or other corporate organizations like *ballen* or *neringen* should no longer have the power to impose and enforce rules that hampered the free conduct of business. The case for deregulation rested mainly on economic grounds: maintenance of a system of regulation by corporate bodies led to a rise in the cost of living and, by the enforcement of rigid prescriptions on quality, hampered the flexibility of response to changes in demand in export markets.<sup>28</sup> In an adapted and expanded version of this tract, authored by Pieter, which was published in 1662 under the title *Interest van Holland, ofte Gronden van Hollands-Welvaren* and in 1669 appeared in a second, enlarged edition as *Aanwysing der heilsame politieke Gronden en Maximen van de Republike van Holland en West-Vriesland*<sup>29</sup>, the scope of the argument was extended to comprise the whole province of Holland and West-Friesland, which formed the heart of the Republic of the United Provinces. In the *Interest* and the *Aanwysing* Pieter de la Court contended that Holland's wealth largely derived from four sources: industry, fisheries, trade and merchant shipping. As in Leiden, the level of prosperity in Holland could only be maintained if the strength of these sources of wealth was not stifled by a web of rules and regulations. The natural liberty of the inhabitants of Holland to seek their means of

<sup>26</sup> Van Tijn, "Pieter de la Court", pp.305-321.

<sup>27</sup> Jan Lucassen, "Het Welvaren van Leiden (1659-1662): de wording van een economische theorie over gilden en ondernemerschap", in Boudien de Vries *et al.* (eds.), *De Kracht der Zwakken. Studies over arbeid en arbeidersbeweging in het verleden* (Amsterdam 1992), pp.13-49, esp.13, 40-41.

<sup>28</sup> F. Driessen (ed.), *Het Welvaren van Leiden. Handschrift uit het jaar 1659* (The Hague 1911) cap.22-52.

<sup>29</sup> Van Tijn, "Pieter de la Court", p.334; Wildenberg, *Johan en Pieter de la Court* (Amsterdam 1986) pp.53-56, 63.

subsistence should not be hindered by any sort of chartered or closed company or corporate organization. Formal monopolies were deemed to be prejudicial to the general interest of Holland, for similar reasons as those advanced in the case of Leiden. This applied not only to guilds and other corporate organizations in urban economic life such as *ballen* and *neringen*, but also – De la Court added in the *Aanwysing* – to chartered companies in overseas trade, such as the West India Company and even that mighty institution, the *Verenigde Oostindische Compagnie* (VOC), which had received from the States-General the sole right of carrying on trade between the Dutch Republic and the area to the East of Good Hope.<sup>30</sup>

For all their proto-Smithian ideas, the De la Court brothers are nowadays known as ‘mercantilist’ rather than ‘liberal’ writers.<sup>31</sup> The reason is that their plea for deregulation in economic life was to some extent counterbalanced by elements that had much in common with contemporary ideas on economic policy in other countries of Europe that later on became known as ‘mercantilism’. They were not averse to advocating protectionist measures. Levying extra taxes on foreign goods was a good thing, according to Pieter de la Court, as long as it did not divert trade. The settlement of overseas colonies should be encouraged in the interest of the motherland. To ensure that the interests of the four ‘pillars’ of Dutch prosperity would be well looked after, De la Court suggested that all subordinate government agencies dealing with matters pertaining to industry, fisheries, trade or merchant-shipping should include persons who had a stake in these activities themselves and that a ‘general college or council of commerce’ should be established in which each of the four sectors would have a fixed number of representatives in

<sup>30</sup> V.D.H. (= Pieter de la Court), *Interest van Holland, ofte Gronden van Hollands-Weharen* (Amsterdam 1662) pp.35-46, V.D.H. (= Pieter de la Court), *Aanwysing der heilsame politieke Gronden en Maximen van de Republike van Holland en West-Vriesland* (Leiden/Rotterdam 1669), pp.33, 59-89.

<sup>31</sup> Wildenberg, *Johan en Pieter de la Court*, pp.61-62; Van Tijn, “Pieter de la Court”, p.359, J.G.van Dillen, “Betekenis van het begrip Mercantilisme in de economische en politieke geschiedschrijving”, in idem, *Mensen en achtergronden*, pp.116-149, esp.pp.146-147; W.D. Voorthuijsen, *De Republiek der Verenigde Nederlanden en het mercantilisme* (The Hague 1964) pp.24-26; Hovy, *Het voorstel*, pp.220-221.

proportion to its importance.<sup>32</sup> Thus, the writings of De la Court did also contain notions that inclined to the other side of the spectrum between *laissez-faire* and protectionist ideology.

When competition from England and Hamburg in trade and shipping became more intense and Colbert's mercantilist programme in France in the late 1660s got into full swing, the protectionist position in the Dutch Republic began to receive more reasoned support as well. Willem van der Voort, a prominent Amsterdam merchant who became Pieter de la Court's brother-in-law in 1660, argued in 1671 that the Dutch should take care not to give foreigners more favours in trade and shipping with the Netherlands than they received in return. Foreigners should be forbidden to import products other than those from the country of origin and to carry these goods in other ships than those owned in that country or in the Dutch Republic.<sup>33</sup> Other protectionist writers took as their starting-point, in Jonathan Israel's words, 'the recognition of the need to make a virtue of necessity and use the economic conflict with France to stimulate industrial development in the Republic'.<sup>34</sup> At the very start of Louis XIV's first war against the United Provinces in 1672, Arend Tollenaeer presented a set of 'articles of political faith' to the States of Holland which he had thoroughly discussed with the regent Coenraad van Beuningen, who was the principal advocate of a mercantilist policy in the city council of Amsterdam.<sup>35</sup> For the protection of industry in Holland Tollenaeer thought it necessary not only that the old-established ban on the import of dyed and finished wool and the newly-imposed prohibition on the import of French commodities should remain in force for many years to come, but

<sup>32</sup> De la Court, *Aanwysing*, pp.87, 99, 114, 120-121, 142-160.

<sup>33</sup> 'Van der Voorts 'Speculatiën op 't stuck van de comertie ende navigatie dese(r) landen', in: J.H. Kernkamp (ed.), 'Brieven uit de correspondentie van Pieter de la Court en zijn verwanten (1667-1683) met bijlagen (1657-1685)', in *Bijdragen en Mededelingen van het Historisch Genootschap* 72 (1958), pp.90-95.

<sup>34</sup> J.I. Israel, *Dutch Primacy in World Trade 1585-1740* (Oxford 1989), p.347.

<sup>35</sup> Arend Tollenaeer, *Remonstrantie ofte verzoogh inhoudende verscheyden schatten van groote consideratie* (The Hague 1672), idem, *Stucken, bewijzen ende berichtingen dienende voor verdere bijlagen* (The Hague 1672); C.W. Roldanus, *Coenraad van Beuningen, staatsman en libertijn* (The Hague 1931), pp.96-105; M.A.M. Franken, *Coenraad van Beuningen's politieke en diplomatieke activiteiten in de jaren 1667-1684* (Groningen 1966), pp.90-91.

also that the coordination of economic policy between cities in Holland should be improved by the formation of a 'council of commerce, manufactures and trades' under the aegis of the States of Holland and that the other provinces of the Union should refrain from levying duties on manufactured products from Holland. The recruitment of craftsmen and manufacturers for foreign countries or the transport of industrial equipment abroad should be forbidden. Industrial producers should be assisted by the establishment of an insurance fund. The consumption of domestic industrial products had to be encouraged by lowering the cost of living (article 13 read: 'cheap fish and meat' ) and by obliging all regents, officials and civil servants to wear only clothes made in Holland. Tollenaer decried the 'sinful' fad for French fashion and reminded the ministers of the Reformed Church of their duty of 'brotherly love' to reclaim the sinners to the way of righteousness: buying Dutch goods.<sup>36</sup>

At the time of the next war with France protectionist tendencies were pushed to extremes by writers whom Laspeyres has characterized as 'the foremost supporter of the protective system grown out of the economic warfare against France' and 'a mercantilist of the purest water', Christopher Indise-Raven and Johannes Voetius, respectively.<sup>37</sup> For the first time the protectionist case was bolstered with 'bullionist' arguments. Indise-Raven stressed the need for a rigorous and coordinated enforcement of existing import bans on French commodities to cut the outflow of 'Dutch' money to France and thus enable the growth of substitute industries and cripple the war machine of Louis XIV. In order to increase the money supply in the Dutch Republic for the benefit of commerce and the conduct of war, he also pleaded for raising the nominal value of silver by some 5 % to divert a larger part of the bullion flow from Spain to Holland.<sup>38</sup> Voetius,

<sup>36</sup> Tollenaer, *Remonstrantie*, p. 6, 10, 16-17; *idem*, *De voor-looper wegens de ontdekkinge van diversche seer schadelijcke en schandelijcke in ende uytheemsche landtverraders ende landtverraderessen* (The Hague 1674).

<sup>37</sup> Laspeyres, *Völkswirtschaftlichen Anschauungen*, pp.136, 138.

<sup>38</sup> Christopher Indise-Raven, *Consideratie op de middelen tot voordeel van den staat ende afbreuk van den vyant* (Amsterdam 1691); *idem*, *Vrankrijk verduurt en overwonnen door de band van de Unie deser Staten* (Amsterdam 1691) pp.4-7; *idem*, *Remonstrantie en middelen tot redres van de vervalte munten der Vereenigde Nederlanden* (s.l., 1693), pp.6-7, 14-16, 25.

the first university professor to engage in the debate on self-regulation in economic life, showed himself an outspoken champion of export bans on subsistence goods and import prohibitions on finished goods, not just to protect domestic trades and industries, but also to prevent the dilution of product quality, combat luxury consumption and impede the outflow of bullion.<sup>39</sup>

Tradition has it that neither the extreme *laissez-faire* views on the economic order of the De la Court brothers nor the protectionist thoughts put forward in the *Interest*, the *Aanwysing* and the writings by Tollenaer and others struck a responsive chord among Dutch readers before the end of the eighteenth century. It is normally assumed that the idea of doing away with the powers of guilds and other corporate organizations did not re-emerge until the eve of the Batavian Revolution in 1795, while Tollenaer, Voetius, Indise-Raven and the like are, on the other hand, at best regarded as interesting but irrelevant exceptions to the prevailing consensus on the necessity of free trade as a guiding principle of Dutch economic policy.<sup>40</sup> It is true that the drastic proposals for self-regulation set forth by the De la Courts did not receive any immediate support and that the trade policy of the United Provinces was more geared to promoting the prosperity of the staple market than to protecting the interests of industrial producers.<sup>41</sup> Yet, this traditional interpretation tends somewhat to underestimate the measure of acceptance of those more radical ideas.

To take the last assumption first, protectionist thoughts in the Netherlands in the late seventeenth and early eighteenth centuries were

<sup>39</sup> Johannes Voet, *Commentarius ad Pandectas*, 2 vols. (Leiden 1698-1704) Lib. XVIII tit.1 nr. 19 p.774; Laspeyres, *Volkswirtschaftlichen Anschauungen*, pp.27, 136-137.

<sup>40</sup> Van Dillen, "Betekenis", pp.145-146; Hovy, *Het voorstel*, p.220; it is even assumed that De la Court's economic ideas for a long time did not have any influence at all, except on Spinoza, see I. Hasenberg-Butter, *Economics in Holland 1800-1870* (Ph.D.diss. Duke University 1960), p.183, Wildenberg, *Johan en Pieter de la Court*, p.51, Wim Klever, *Zuivere economische wetenschap. Een ontwerp op basis van spinozistische denkbeelden* (Amsterdam 1990), p.99.

<sup>41</sup> De Vries, *Economische achteruitgang*, p.45; Hovy, *Het voorstel*, p.158-161; Emile Verviers, *De Nederlandsche handelspolitiek tot aan de toepassing der vrijhandelsbeginselen* (Leiden 1914) pp. 93-94; H.R.C. Wright, *Free Trade and Protection in The Netherlands 1816-1830. A Study of the first Benelux* (Cambridge 1955), pp.58-59; cf. also Karel Davids, "Openness or secrecy? Industrial Espionage in the Dutch Republic", *Journal of European Economic History* 24 (1995), pp.333-348, esp.pp.341-344.

not as deviant as has been suggested. Jonathan Israel has pointed out that both during the War of 1672-1678 and during the Nine Years' War protectionist measures in retaliation to the high tariffs on Dutch imports introduced by Louis XIV's France were put into effect, which gave a significant stimulus to the rise of new export-industries such as paper-making, gin distilling and the production of sail-canvas. At the height of the War of 1672, the city council of Amsterdam encouraged to the change in public taste in favour of Dutch fabrics championed by Arend Tollenaer.<sup>42</sup> The revised general list of import and export duties issued by the States General in 1725, which formed the basis of Dutch trade policy for the rest of the eighteenth century, contained more protectionist items in the interest of home industry than the previous list of 1655.<sup>43</sup>

The economic ideas of the De la Court brothers did not remain completely isolated either. A pamphlet of 1690, *Het waere interest van Vereenigde Provintien en bysonderlyck dat van Hollandt*, presented in a nutshell an argument in the same vein as in the work by De la Court which was echoed in its title. 'It is a false interest in a state', the author stated, 'that trade, crafts and arts are reserved to some with the exclusion of others... One ruins the public for the sake of enriching a private person'.<sup>44</sup> Another pamphlet, published by an anonymous author shortly after the end of the War of Spanish Succession, entitled *Korte schets van 's Lands welwezen door de laatste vrede, nevens aanmerkingen op het stuk van de commercie en Barrière* (1714), contains a more elaborate argument on Dutch economic policy and institutions that on even more points resembles the views put forward in *Het Welwaren*, the *Interest* and the *Aanwysing*. This holds true for both sides of De la Court's thought.<sup>45</sup> In common with the brothers De la Court, the author was on the one

<sup>42</sup> Israel, *Dutch Primacy*, pp. 290-291, 340, 342-352; Roldanus, *Coenraad van Beuningen*, pp.96-105; Franken, *Coenraad van Beuningen's politieke en diplomatieke activiteiten*, pp.93-95.

<sup>43</sup> Hovy, *Het voorstel*, pp.124, 142; De Vries, *Economische achteruitgang*, pp.46-49; J.L.F.Engelhard, *Het generaal-plakkaat van 31 juli 1725 op de conwooiën en licenten en het lastigeld op de schepen* (Assen 1970).

<sup>44</sup> *Het waere interest van Vereenigde Provintien en bysonderlyck dat van Hollandt* (s.l. 1690) p.31.

<sup>45</sup> The resemblance with De la Court was noticed by Hovy, *Het voorspel*, pp.225-226.

hand in favour of taking measures of a protectionist, even mercantilist nature in the interest of the prosperity of Dutch industry, trade and fisheries: levying extra taxes on the consumption of English goods (in retaliation to the high tariffs on Dutch products imposed in England), exemption of duties for the import of raw materials and for the export of herring and manufactured goods, introduction of subsidies on exports, promotion of the settlement of colonies and the exploitation of mineral resources overseas for the benefit of the motherland. In order to improve the coordination of economic policy at the level of the federal state, he equally made a plea for the establishment of a 'grand council of commerce', composed of representatives of 'chambers of commerce' to be installed in separate cities of the Republic.<sup>46</sup> On the other hand, the author showed himself to be a kindred spirit to the De la Court brothers by advocating a large measure of deregulation both in overseas shipping and trade and in domestic production and distribution. Shipping and trade to the West-Indies should in his view be completely liberalized; the charter of the West India Company had to be revoked. As far as the area to the East of the Cape of Good Hope was concerned, he argued that - in return for a certain amount of protection money - all citizens of the Dutch Republic should be allowed to trade to places where the VOC had no vested commercial interest. In the Republic itself, there should never be any more restrictions on the export of grain. All restraints upon the access to crafts and trades should be lifted; foreigners and native citizens should be equally free to practise whatever trade they wished. Guilds should henceforth only busy themselves with the improvement of quality.<sup>47</sup>

The author of the *Korte schets* went beyond the De la Court's model by expressing an explicit concern with the conditions that would encourage technological innovation. The principal reason for his plea to liberate the admission to crafts and trades was to facilitate the growth of knowledge. Arts and sciences could only advance if there were no barriers to the entry of people who could bring new or improved sorts of skills. For the same

<sup>46</sup> *Korte schets van 's Lands welwezen door de laatste vrede, nevens aanmerkingen op het stuk van de commercie en Barrière* (s.l. 1714), pp. 20, 39, 48, 67, 69.

<sup>47</sup> *Korte schets*, pp.36-37, 50, 54, 63-67.

reason he argued that inventions should be stimulated by the award of premiums rather than by the granting of patents. It would in his view moreover be extremely useful for the diffusion of knowledge, if in all great commercial cities 'able teachers' were appointed who would give public lectures on philosophy, mathematics and especially chemistry, which formed the basis of all crafts, arts and sciences.<sup>48</sup> This was indeed an entirely new element in the discourse on self-regulation in economic life in the Netherlands, which would not become central to economic discussions, however, until the last quarter of the eighteenth century.

### The protectionist turn

The discourse on regulation and self-regulation entered its second phase when alarming tidings on the loss of market shares, the collapse of industries and the growth of poverty and unemployment in the 1730s and 1740s made the question of economic decline more pressing than ever before. The decreasing importance of the Netherlands as a central entrepôt in European trade, which also affected the financial strength of the five Admiralties (as these agencies received a large share of their income from the collection of import and export duties), the contraction of export markets in Spain, the Levant, Denmark, Sweden and Prussia and the rapid shrinking of leading sectors of urban employment such as textile making, brewing and the manufacture of Delftware led by the middle of the eighteenth century to increasing distress and social unrest in many cities in the Dutch Republic.<sup>49</sup> When on top of it all the United Provinces failed to put up a credible defence against the advancing French armies at the end of the War of Austrian Succession, matters came to a head in a wave of protests and revolts in the years 1747-1749, which not only led to a restoration of the *stadholderate* of the Prince of Orange in all the provinces of the Republic and a purge among the regent class, but

<sup>48</sup> *Korte schets*, p.68.

<sup>49</sup> Israel, *Dutch Primacy*, pp.37-398; Hovy, *Het voorstel*, pp.184-218; De Vries and Van der Woude, *The First Modern Economy*, chs. 8 and 10.

<sup>50</sup> Jan de Jongste, "The Restoration of the Orangist Regime in 1747: The Modernity of a 'Glorious Revolution'", in: Jacob and Mijnhardt (eds.), *The Dutch Republic*, pp.32-59.

also to a flood of projects for political and institutional reform.<sup>50</sup> This reform tendency reached its peak in August 1751, when Stadholder William IV presented to the States General and the States of Holland a far-reaching proposal for a revision of the trade policy of the Dutch Republic.<sup>51</sup>

The submission of this 'Propositie' was both preceded and followed by an intensive debate on economic issues by merchants, manufacturers, regents, civil servants, professional writers as well as tradesmen, craftsmen and other people of the 'middling sort' by means of pamphlets, tracts, petitions, memoranda and contributions to the nascent independent press. It was also in this very period that authors of academic dissertations on economic subjects at last went beyond the usual round-up of classical authorities and great juridical minds and began to turn their gaze to what actually happened in their own society. Compared with the first phase of debate, the novelty of this second round of discussion on regulation and self-regulation in economic life did not reside in a widening of the spectrum of positions but rather in a change in focus and relative weights. At the level of international economic relations, the point at issue was now not a choice between the continuation of a low-tariff system and the introduction of protectionist measures but a decision between an extension of protectionism or an increased liberalization of trade. At the level of internal conditions, by contrast, the discourse did not hinge upon the question of self-regulation as such but around the effects of existing regulations on general welfare, the nature of malfunctions in these regulations and the relationship between moral virtue and the prosperity of native industries.

Naturally, the worsening of economic conditions in the 1730s and 1740s was attended by the rising clamour for protectionist measures from industrial circles. There was once again a spate of demands and proposals for higher tariffs on foreign commodities, lower import duties on raw materials, a reduction in the cost of living for the benefit of urban industry, a ban on the export of industrial equipment and an improvement in the coordination of economic policy by the establishment of a general council of commerce at the level of provincial and federal government. Many writers held the view that the tariff-list of 1725 had made too little

<sup>51</sup> On the contents of the 'Propositie': Hovy, *Het voorstel*, pp. 364-408

allowance for the interests of native industry. Some authors took the idea of re-organizing Dutch economic policy along mercantilist lines one step further than their predecessors at the end of the seventeenth century by suggesting the issue of a general ban on the use of foreign textiles or promoting the production of inland wool by granting subsidies for the breeding of sheep.<sup>52</sup> One of the leaders of the radical reform movement in Haarlem in the late forties, the pattern-maker Hendrick van Ginnig, argued in a remarkable mercantilist tract presented to the Stadholder in April 1749 that a high degree of national self-sufficiency could be achieved not only by increasing domestic industrial production through measures like import restrictions, reduction of the cost of living and the application of 'mechanical engineering' in order to 'make goods for the lowest cost in the fastest way', but also by enhancing the productivity of the land with the aid of science and enlarging the area that would yield useful materials for industry, for example by extending the breeding of sheep and the cultivation of timber in the dunes and converting pleasure-gardens of the rich into arable fields.<sup>53</sup>

But there was also a counter-current against this tendency to a closed economy. The 'Propositie' of 1751 was a manifesto for increased 'openness'. The gist of the proposal was a plan to turn the whole of the United Provinces into a sort of free port. A large number of goods would be exempted from import and export duties, while import duties on a variety of other goods would be reduced. It was expected that in consequence the volume of trade passing through the Dutch Republic would grow substantially and the Netherlands would thus be reinstated in their former position as a central entrepôt in European commerce. The idea of introducing a free-zone system in the Dutch Republic on the model of Hamburg and Genoa first emerged in the late 1720s and 1730s in merchant circles in Rotterdam and Amsterdam. A project to that effect was presented to the States General by a French trader living in Rotterdam, Estienne Caillaud, as early as 1727. The final text of the 'Propositie', with

<sup>52</sup> Hovy, *Het voorstel*, pp.277-316.

<sup>53</sup> Algemeen Rijksarchief The Hague (ARA) Archief Stadhouderlijke Secretarie 532, Hendrick van Ginnig, 'Generaele gronden van een commercie-raad', 6 April 1749, esp. f.2-4, 6-7, 11, 16-17.

the annexed treatise on the commerce of the Republic, the transit-traffic ordinance and lists of taxed, banned and exempted goods, was largely prepared by the Amsterdam merchant Thomas Hope, who acted as one of the principal advisors to Stadholder William IV.<sup>54</sup> Yet the proposal was not a simple translation of trading interests. It did not contain a plan for a complete free-zone system, but for a *porto franco* regime in a limited form. The 'Propositie' aimed to take account of the interests of industry, whaling and the fisheries as well, not only by abolishing import duties on raw materials, but also by retaining import duties on many finished goods and keeping all extant prohibitions on trade in other products firmly in place. The fiscal interests of the Admiralties would be safeguarded, it was suggested, by tightening the supervision on the collection of those duties that remained. Fraud would no longer be condoned.<sup>55</sup> Thus, the 'Propositie' comprised a fair dose of protectionist elements. It was not a blank cheque for free trade.

Internal conditions for economic decline became a subject of discussion as well. This debate was partly concerned with aspects of the institutional context in the narrow sense of the word, in particular with the effects of existing local regulations on general welfare and the way these regulations functioned in practice. In the academic world, which by this time formed the regular setting for the education of the political elite, the issue of the actual effects of *monopolia* on public welfare was first broached in dissertations by Daniël Tulleken and Daniël van Goens in the early 1740s. While Tulleken vigorously argued that guild restrictions were useful and that guild members by no means lacked an urge for improvement, Van Goens remarked that guild regulations, due to a tendency to exclusiveness, contained many elements that were contrary to public welfare. Monopolies that were harmful to the 'general welfare', he pointed out, could be banned under the *Eeuwig Edict* issued in 1540 by the then sovereign of the Netherlands, Charles V.<sup>56</sup> During

<sup>54</sup> Hovy, *Het voorstel*, pp.224-237; on the authorship of the 'Propositie': pp.397-408

<sup>55</sup> Hovy, *Het voorstel*, pp.370-381; De Vries, *Economische achteruitgang*, pp.50-55.

<sup>56</sup> Daniël Tulleken, *Dissertatio politico-juridico inauguralis quo disquiritur utrum monopolia reipublicae utilia sint* (Leiden 1741), pp.17-18; Daniël van Goens, *Disputatio juridica inauguralis de monopolis* (Leiden 1743), pp.36-43, 54-55.

the turbulent days in the late forties, the debate rapidly spread to much wider circles in society. Spokesmen of the 'disgruntled citizenry' in Amsterdam alleged that guilds had fallen victim to abuses as a consequence of the fact that guild officers, being chosen by the town magistrate, were no longer sensitive to the 'welfare of the guild members' and that the antidote should be sought in the election of new officers by the members themselves, who would see to it that all rules and regulations would be diligently maintained. Another advocate from the Amsterdam protest movement claimed that basic foodstuffs would be cheaper if the setting of prices were not left to the discretion of the traders themselves nor controlled by the local magistrate, but came under the supervision of the pre-eminent representatives of the urban citizenry, the commanding officers of the civic militia.<sup>57</sup> In Friesland, the leaders of the reform movement petitioned the provincial States for ruling, first, that all privileges granted to individual persons for the exploitation of manufactures should be revoked and everyone should be permitted to start a manufacture if he wished, and second, that every town or district would be free to establish guilds and to make regulations ensuring that these guilds 'would not be a charge but a comfort to the general public, and should serve for the advancement of artisans and craftsmen'.<sup>58</sup> In another tract presented to the Stadholder in April 1749, the Haarlem artisan Hendrick van Gimnig proposed a set of general principles according to which a new codification of guild statutes should be brought about. It was of special importance in his view that detailed provisions should be made to ensure that guild officers were regularly replaced and that in employment and training facilities native citizens as a rule were preferred to 'foreigners'.<sup>59</sup>

<sup>57</sup> *Historische beschrijving of onzijdig relaas van het algemeen misnoegen der burgeren van Amsterdam* (Amsterdam 1748), pp. 3-5, 17-18; *Het geheim der zake, of noodzakelijkheid van een goed burgerlijk bestier nopens de levensmiddelen en koopwaren in de gantsche Republiek* (s.l., 1748), pp.11, 14, 19.

<sup>58</sup> C.J. Guibal, *Democratie en oligarchie in Friesland tijdens de Republiek* (Assen 1934), pp. 162, 169; comparable opinions to those voiced in Amsterdam and Friesland were expressed in Haarlem, see J.A.F. de Jongste, *Onrust aan het Spaarne. Haarlem in de jaren 1747-1751* (Amsterdam/Dieren 1984), pp.164-165, 228-232.

<sup>59</sup> ARA, Archief Stadhouderslijke Secretarie 579, Hendrick van Gimnig, 'Generaele regel op welke men alle kamers of gildens zoude kunnen schicken', 6 April 1749.

Other writers, especially in the independent press, associated the question of economic decline with the issue of moral responsibility of the citizenry at large. They argued that the root cause of the decline of the Dutch economy should be sought in the degeneration of morals. Even if they did not endorse Tollenauer's condemnation of the reign of fashion as an outright sin, they felt that the growing indulgence of luxury in the Republic did harm to the Dutch economy by leading to increased consumption of foreign goods and an over-extension of credit. Mandeville's praise of private vices was not shared by social commentators in his former fatherland. Thrift was deemed to offer a better recipe for prosperity than prodigality. The fateful bent to 'foreign' luxury was not ascribed to the rise of commercial society, but to the spread of an 'aristocratic' life-style among the urban middle classes.<sup>60</sup> Opinions differed about the means by which this aberration could be stopped, however. There was a strong tendency in favour of a solution by prescription. Import of foreign textiles should be banned and all regents, civil servants and officials should be obliged to buy only clothes made by native producers.<sup>61</sup> But there were also voices that laid stress on the principle of free choice. In 1754, an author who claimed to speak for the interests of native industry stated that the best means for recovery was 'the immediate, voluntary, generous and complete consumption and promotion of inland products'.<sup>62</sup>

The advocates of 'closedness' and the consolidation of local regulations eventually left a stronger imprint on economic policy after 1750 than the champions of 'openness' and institutional reform. By 1755, the proposal for the introduction of a limited free-port system had come to a dead end, mainly because of the resistance on the part of the Admiralties (which feared a loss of income) and of the province of Zeeland (which feared a further decline in trade). The only concrete spin-off of the protracted discussions on the 'Propositie' was the abrogation of import and export

<sup>60</sup> *De Hollandsche Spectator*, nr.25, pp.193-200, 18 January 1732; *De Patriot of politieke bedenkingen over den staat der Vereenigde Nederlanden in het jaar MDCCXLVII*, pp.169-176 esp. p. 171-175 7 November 1747, pp. 217-224 19 December 1747; Sturkenboom, *Spectators van hartstocht*, pp.207-210.

<sup>61</sup> Hovy, *Het voorstel*, pp.262-270, 278-295

<sup>62</sup> *Hollands algemeene bloeij of ruïne door het al of niet gebruiken van eigen manufacturen* (Leiden 1754), p.20.

duties on a very small number of goods.<sup>63</sup> In the sphere of foreign economic relations, Dutch policy took a further step in the direction of protectionism with - at last - the issue of an ordinance by the States of Holland obliging all regents, officials and civil servants to use only woollen or silken fabrics made in Holland, exempting the herring fisheries from the paying of export duties introducing bans on the recruitment of skilled craftsmen and the export of machines, tools and implements for a large number of industries by the States General, the States of Holland and individual towns.<sup>64</sup> At the lower strata of production, collection and distribution, the existing system of regulation was by and large maintained.

### **The call for internal reform**

The discourse on regulation and self-regulation took yet another turn after c. 1770, when discussions on the origins and redress of economic decline in the Dutch Republic were increasingly bound up with the intense debate on political and institutional reform, which reached its climax in the struggle between the 'Patriot' movement and the supporters of the Orangist regime in the middle of the 1780s.<sup>65</sup> Due to the intervention of the Prussian army in September 1787, the clash ended with the defeat of the 'Patriot' revolution and the flight of thousands of Patriots across the borders of the Republic.

The variety of media in which this debate was conducted widened still further, as in addition to pamphlets, tracts, petitions, memoranda, academic publications and the now burgeoning independent press, an important outlet emerged in the form of transactions of the newly-established literary and philosophical and reform-minded societies. The question of economic decline was a major concern for such societies as the *Hollandsche Maatschappij der Wetenschappen*, the *Provinciaal Utrechtsch Genootschap van Kunsten en Wetenschappen*, the *Maatschappij tot Bevordering van den Landbouw*, *Felix Meritis*, the *Oeconomische Tak* or the *Maatschappij*

<sup>63</sup> Hovy, *Het voorstel*, pp.594-604, 649-651; De Vries, *Economische achteruitgang*, p.55.

<sup>64</sup> Voorthuijsen, *De Republiek*, pp.46-64, 72-98; De Vries, *Economische achteruitgang*, pp.121-122; Davids, "Openness or secrecy", pp.344-347.

<sup>65</sup> This story is told in Schama, *Patriots and Liberators*, ch.3.

*tot Nut van 't Algemeen*. Many of them made this very question (or aspects thereof) the issue of a prize contest. Besides, Dutch readers could become more aware of ideas, opinions and policy measures relating to economic issues in other countries in Europe not only by essays borrowed from foreign periodicals which were occasionally inserted into the Dutch independent press but also by a number of translations of foreign tracts and monographs, enlarged with editorial introductions and/or annotations, and by numerous reviews and summaries in *TLS*-like reviews of books and treatises that had recently been published abroad. Between 1770 and the Batavian Revolution Dutch translations appeared of, among other works, Montesquieu's *De l' esprit des lois* (twice), Campomanes' *Discurso sobre el fomento de la industria popular*, Véron de Forbonnais' *Éléments du commerce*, Iselin's *Träume eines Menschenfreundes* and Condillac's *Le commerce et le gouvernement*.<sup>66</sup> Even if a Dutch translation of the *Wealth of Nations* did not appear until 1796, the educated audience in the Netherlands would have been aware of its existence and the main line of the argument in Part I soon after its publication in London thanks to an 15-page review in the *Algemeene Bibliotheek* early in 1777.<sup>67</sup>

In the continued discourse on regulation and self-regulation, the need for some measure of protection for industry and the real existence of moral causes for economic decline were now taken for granted. The debate in this phase largely concentrated on the relation between moral revival, institutional reform and economic prosperity. It was a widely held assumption that the economic decline of the Republic could only be reversed by moral regeneration, a reform of the institutional structure, or both. The key issue was, how these changes could be carried out and to what extent the institutional structure should be transformed.

The old theme of civic responsibility for the restoration of the domestic economy was revived in novel ways. In a lecture on the love of one's country

<sup>66</sup> J.P. Duyvenman, "Feiten en feitjes betreffende de groei van de economische wetenschap in Nederland", *De Economist* 126 (1978), pp.1-36 esp. pp.2-4; W.R.E. Velema, "Republican readings of Montesquieu: The *Spirit of the Laws* in the Dutch Republic", *History of Political Thought XVIII* (1997), pp.43-63; Pedro Rodríguez Campomanes, *Verhandeling over het ondersteunen van de gemeene industrie in Spanje* (Utrecht 1780), François Véron de Forbonnais, *Begin, opkomst en voortgang van den handel* (Amsterdam 1779).

<sup>67</sup> *Algemeene Bibliotheek*, I (1777) pp.77-92.

addressed to 'Dutch youth' in 1774, the Leiden Professor of Law D.G. van der Keessel did not stop at the observation that decreasing patriotism was one of the main causes for the decline of trade and industries, with the attendant appeal to prefer domestic products over foreign ones, but went out of his way to impress his audience with the awareness that love of one's country really meant love for the 'whole united Netherlands', and not love for one's own city or province. Local or regional patriotism would not help the revival of industry: 'whatever is not beneficial to the Netherlands as a whole, is not useful but harmful for the fatherland', he claimed.<sup>68</sup> In a prize-winning essay submitted to the *Hollandsche Maatschappij der Wetenschappen*, Hendrik Herman van den Heuvel, Clerk at the Court of Justice in Utrecht, made a concrete proposal to turn such patriotic sentiments into practical actions. He suggested forming a 'patriotic society', which on the model of the Society for the Encouragement of Arts, Manufactures and Commerce in London would aim at promoting new inventions and discoveries by awarding premiums and organizing prize contests and whose members would commit themselves supporting the patriotic cause by favouring native labour over foreign employees, buying home-made products instead of imported goods and desisting from any service that might help competitors abroad. As an additional stimulus, Van den Heuvel also took care to spread in 1776 a Dutch version of a conspectus of all prize questions (plus the winning answers) set by the Society of Arts.<sup>69</sup>

<sup>68</sup> Van der Keessel, "Over de liefde voor het vaderland", pp.124, 132-133.

<sup>69</sup> Hendrik Herman van den Heuvel, "Antwoord op de vraag.: welk is de grond van Hollandsche koophandel, van zijne aanwas en bloei etc.", *Verhandelingen uitgegeeven door de Hollandsche Maatschappij der Wetenschappen te Haarlem*, 16 (1775) pp.1-160, esp. pp.150-154; J. Bierens de Haan, *Van Oeconomische Tak tot Nederlandsche Maatschappij voor Nijverheid en Handel 1777-1952* (Haarlem 1952), pp.4-9; Van den Heuvel was in some ways anticipated by an anonymous author in *De Koopman*, 4 (1773) nr. 21, pp.161-167, who called for the formation of a fund by merchants to award premiums for new inventions to craftsmen and tradesmen. P.C.H.Overmeer, "The limitations of Dutch economic policy, 1780-1850: the incompatibility of aims of visions", in S. Groenfeld and M. Wintle (eds.), *State and Trade. Government and the Economy in Britain and The Netherlands since the Middle Ages* (Zutphen 1992), pp.73-89, esp. p. 74 states erroneously that the society was founded 'at the suggestion of ... Campomanes', whereas Van den Heuvel himself in a treatise added to his translation of Campomanes published in 1780 declares quite clearly that he did not become acquainted with the work of the Spanish economist until much later.

Although Van den Heuvel's idea met with much approval and a 'patriotic society' - the *Oeconomische Tak* - shortly afterwards came into existence as an offshoot of the *Hollandsche Maatschappij* in 1777, albeit in a more muted form than the author originally intended,<sup>70</sup> there was also doubt whether this type of civic initiative really provided an effective answer to the vexing problem of economic decline. For example: did the promotion of new industries not simply spell a loss for the market prospects of the existing ones?<sup>71</sup> Boudewijn Tieboel, author of a winning essay in another prize-competition, organized by the *Provinciaal Utrechtsch Genootschap van Kunsten en Wetenschappen* in 1784 on 'the real causes as to why our neighbours, particularly the Germans, held chemistry in greater esteem and engage in more general study than in our country', laid the burden of responsibility to encourage the growth and diffusion of chemical knowledge squarely at the feet, not of private individuals, but of local governments. In common with the author of the *Korte schets* of 1714 (but apparently unaware of his existence) Tieboel proposed that city governments should appoint lecturers 'at a decent and lavish salary' to teach chemistry for the benefit of pharmacy, commerce and industry.<sup>72</sup>

But there was also a growing feeling that pious calls and monetary incentives were not enough. It would be necessary to reform the institutions that regulated economic life themselves. A radical critique of the corporate system in the manner of De la Court and the *Korte Schets* re-emerged, in fact, long before the 1790s, and even before the first appearance of Dutch translations of books that made an eloquent plea for a liberalization of economic life, such as the *Discurso* by Campomanes or the *Träume* by

<sup>70</sup> Bierens de Haan, *Van Oeconomische Tak*, pp.7-15.

<sup>71</sup> "Gedachten over den Oeconomischen Tak, den binnenlandschen koophandel en fabrieken", *De Staatsman* 4 (1781), pp. 110-126, esp p.113-114 ; cf. *De Vaderlander*, 1 (1776) nr.85 12 August 1776, pp.257-263, nr. 88 2 September 1776, pp.281-288, 4 (1778) nr. 166 2 March 1778, pp. 64-72, nr. 167 9 March 1778, pp.73-76, nr. 168 16 March 1778, pp.81-88; "De voordeelen van den Oeconomischen Tak", *Algemeene Bibliotheek* 3 (1782), pp.55-74.

<sup>72</sup> Boudewijn Tieboel, "Antwoord op de vraag... welke zijn de eigenlijke oorzaken, waarom de scheidende bij onze nabuuren, en vooral bij de Duitschers, in meer aanzien, en meer algemeener oefening is, dan in ons vaderland", *Verhandelingen van het Provinciaal Utrechtsch Genootschap van Kunsten en Wetenschappen* 4 (1786) pp.1-105, esp. p.68.

Iselin around 1780. 'Is it allowed in a free country, to foil and frustrate natives, who were by nature free, in their natural freedom to seek their livelihood in their own fatherland?', the author of an essay in the spectator *De Koopman* in 1770 asked rhetorically, and he claimed: 'Self-interest and desire for mastership were the origin of closed guilds and these in turn were the causes of the decline of arts, crafts and manufactures and the ruin of our country'.<sup>73</sup> Adriaan Rogge, a merchant from the Zaanstreek, whose essay on the rise, decline and the means of recovery of Dutch commerce in 1775 received an award from the *Hollandsche Maatschappij* simultaneously with the one by Van den Heuvel, argued that all prohibitions on the establishing of manufactures, crafts and trades in the countryside for the sake of protecting the interests of urban guilds should be abolished.<sup>74</sup> Another prize-winning author in a contest organized by a philosophical society, the litmus manufacturer Wijnand Koopman from Utrecht, voiced the opinion that many guild regulations - such as those of the hatmakers', weavers', clothiers' and wine merchants' guilds in his hometown - simply had turned into a nuisance; in his view, anyone who had obtained citizenship of a city, should be allowed to practise any trade that he thought to be able to master.<sup>75</sup> 'Guild laws .... should be mostly regarded as remnants of an age of barbarism', declared an anonymous writer in the spectator *De Borger* in May 1780, 'they (were) not seldom a barrier to industry, because they sometimes exclude(d) competent artisans from practising their craft, while others, having no competition to fear from people more able than themselves, (were) too indolent or self-indulgent to bring their own creations to perfection'.<sup>76</sup> The author of a 'Brief treatise on guilds' included in the spectator *De Staatsman* in 1780 criticized guilds on the grounds that they were a monopoly which was extremely

<sup>73</sup> *De Koopman* 2 (1770) nr.26, pp.201-204.

<sup>74</sup> Adriaan Rogge, "(Tweede) Antwoord op de vraag..: welk is de grond van Hollandsche koophandel, van zijne aanwas en bloei etc.", *Verhandelingen uitgegeeven door de Hollandsche Maatschappij der Wetenschappen te Haarlem* 16 (1775), pp.161-306, esp. p. 299.

<sup>75</sup> Wijnand Koopman, "Antwoord op de vraag... hoe zoude men de fabryken en trafyken.. best kunnen inrichten tot algemeen voordeel", *Verhandelingen van het Provinciaal Utrechtsch Genootschap van Kunsten en Wetenschappen* 1 (1781), pp. 133-206, esp. pp.172-173.

<sup>76</sup> *De Borger* 2 (1780) nr.86 15 May 1780, pp.287-288.

detrimental to the interests of the nation, that they were completely useless for maintaining order between artisans and merchants and that they tended only to encourage incompetence, laziness and bad faith.<sup>77</sup> The Patriot Gerrit Brender à Brandis, a teacher of mathematics and astronomy and inspector of weights and measures in Amsterdam, argued in 1786 that in the Netherlands, in contrast with England, technological innovations were hampered by guild laws and called for the abolition of 'all slavery by guilds, in so far as they injured merchants and manufacturers'.<sup>78</sup> In an elaborate treatise published in 1786 (and reprinted in 1787), *Bedenkingen over het aanstellen van regenten, in een vry gemeenebest*, which is now being recognized as an original contribution to the development of democratic patriotism in Holland, the guilds were denounced as 'a real monopoly' by which 'many inhabitants were exposed to the most extreme extortions' and 'slavish prescriptions' and by which they were 'prevented from being useful to general society'. What was more fitting 'in a free state' than stimulating the citizens' industry by all possible means? But this was thwarted rather than encouraged by guild regulations. Guilds 'in their present state' must be considered 'not only useless but even detrimental to the general welfare'.<sup>79</sup> Thus, the critique of the corporate system was already well advanced before Patriots in exile in France in the early 1790s stated the proposition that the next revolution in the Netherlands should also entail the suppression of all guilds, fraternities and corporations.<sup>80</sup>

Still, criticism of guilds in the seventies and eighties did not always lead to the conclusion that a drastic reform was in order. Although Van den Heuvel had reservations about the corporate system as well, he only advised removing some harmful effects by lowering entrance fees or

<sup>77</sup> M.F.\*\*\*, "Korte verhandeling over de gildens", *De Staatsman* 3 (1780), pp. 129-145; it is possible that the editor(s) of *De Staatsman* (L.Th.Nassau la Leck?) has borrowed this essay from a foreign (French?) source, as was the case with other contributions to this periodical, see S. Klein, *Patriots Republikanisme* (Amsterdam 1995), pp.67-76.

<sup>78</sup> Gerrit Brender à Brandis, "De koophandel en fabryken der Engelschen met die der Nederlanders vergeleken", *Vaderlandsch Kabinet van Koophandel, Zeevaart, Landbouw, Fabryken*, tweede stuk (1786), pp.111-162 esp. pp.143, 157-159.

<sup>79</sup> *Bedenkingen over het aanstellen van regenten, in een vry gemeenebest* (s.l. 1786), pp.140-142. The author was possibly the Amsterdam lawyer Rutger Jan Schimmelpenninck, see Klein, *Patriots Republikanisme*, pp.264-266.

<sup>80</sup> Wiskerke, *De afschaffing*, pp.95-96.

paying the fees from the city treasury.<sup>81</sup> A cloth manufacturer from Leiden, Jan van Heukelom, complained in a prize-winning essay in 1781 that the freedom of entrepreneurs to introduce innovations in industry was hampered by existing regulations, which protected the rights of 'a few privileged' workers, but he thought that problem nevertheless could be solved by improving cooperation among guilds.<sup>82</sup>

The corporate system found its defenders as well. Guilds and corporations were by no means uniformly condemned. Another prize-winning author in the contest organized by the *Hollandsche Maatschappij*, tax-collector Cornelis Zillesen from Schoonhoven, was of the opinion that guilds were useful for the order of society, provided that they behaved with moderation and were kept under firm control by the government.<sup>83</sup> Both *De Borger* and *De Staatsman* published statements in vindication of the system as well, claiming that laws barring the sale of goods by foreign pedlars should be much more strictly maintained and that guild regulations were not only more flexible in practice than they seemed to be on paper but were, indeed, essential for the preservation of such provisions as the training of apprentices, because they guaranteed that investments in time and effort would be repaid.<sup>84</sup> Willem Poelman, author of a Ph.D dissertation *De jure monopoliorum* defended at the University of Leiden in 1782, agreed with other academic writers on the subject (like Van Goens) that guilds could be suppressed by the government under the *Eeuwig Edict* of Charles V if they were harmful to the 'general welfare' but also observed that they operated for the benefit of society, because their entry regulations ensured that both the less rewarding and more attractive economic tasks would be fulfilled.<sup>85</sup> The then professor of public

<sup>81</sup> Van den Heuvel, "Antwoord", p.75.

<sup>82</sup> Jan van Heukelom, "Antwoord op de vraag... hoe zoude men de fabryken en trafyken.. best kunnen inrichten tot algemeen voordeel", *Verbandelingen van het Provinciaal Utrechtsch Genootschap van Kunsten en Wetenschappen* 1 (1781), pp. 3-132, esp. pp.86-87.

<sup>83</sup> Cornelis Zillesen, "(Derde) Antwoord op de vraag... welk is de grond van Hollandsche koophandel, van zijne aanwas en bloei etc", *Verbandelingen uitgegeeven door de Hollandsche Maatschappij der Wetenschappen te Haarlem* 16 (1775), pp.307-548, esp. p.422.

<sup>84</sup> *De Borger*, 2 (1780) nr.68 pp. 138-144; "Gedagten over den Oeconomischen Tak", *De Staatsman*, 4 (1781) pp.110-126, esp. pp.121-125.

<sup>85</sup> Willem Poelman, *Specimen academicum inaugurale de jure monopoliorum* (Leiden 1782) pp.42-43, 56-62.

law in Leiden, Ferdinand Pestel, stated in his authoritative textbook on the polity of the Dutch Republic that guilds and other corporate organizations in urban economic life such as *ballen*, in spite of the occurrence of abuses or corruption, should be maintained.<sup>86</sup> And Elie Luzac, eloquent defender of the Stadholderate and stern critic of the Patriot movement, noted in the third volume of his great work on the wealth of Holland that 'some people had written against the guilds, saying that they were injurious to the liberty required for manufacturing and that they should be suppressed' But it was in this case the same as in other matters, he commented: 'as soon as one finds some harm, one rejects it completely', Yet, the 'burden' of guilds in the Dutch Republic was much less heavy than in other countries, he claimed, and they even contained 'many good arrangements, that could not be found elsewhere'.<sup>87</sup>

For all their revolutionary fervour, Patriots before the 1790s did not push their criticism of privileged monopolies to the ultimate consequence suggested by De la Court: an attack on the greatest monopoly of all, the exclusive right on the Asia trade from the Netherlands granted to the *Verenigde Oostindische Compagnie*. Although the mounting financial difficulties of the VOC gave rise to an increasingly intensive debate after 1770, the focus of the discussions was on the pros and cons of different projects for reform, not on the question whether the Company's charter should be revoked. None of the participants before 1790 suggested opening up the Asia trade completely to private merchants.<sup>88</sup> In academic writings on privileges and monopolies, such as Poelman's dissertation,<sup>89</sup> the monopoly of the East India Company was usually justified with the argument that a concentration of forces was necessary to ward off external threats. It was not until the early nineties that a few exiled Patriots in

<sup>86</sup> F.W. Pestel, *Commentarii de Republica Batava*, second enlarged edition (Leiden 1795), vol. I, 480-485, cf. Laspeyres, *Volkswirtschaftlichen Anschauungen*, p. 41 en I.J.H. Worst, "Staat, constitutie en politieke wil. Over F.W. Pestel en de variëteit van het achttiende-eeuwse orangisme", *Bijdragen en Mededelingen betreffende de Geschiedenis der Nederlanden* 102 (1987), pp.418-515 .

<sup>87</sup> Elie Luzac, *Hollands rijkdom*, vol. III (Leiden 1782) p.403.

<sup>88</sup> G.J. Schutte, *De Nederlandse Patriotten en de koloniën. Een onderzoek naar hun denkebeelden en optreden 1770-1800* (s.l. 1974), pp. 49, 104; J.J. Steur, *Herstel of ondergang. De voorstellen tot redres van de V.O.C. 1740-1795* (Utrecht 1984).

<sup>89</sup> Poelman, *Specimen academicum*, pp.31-32.

France and a critical VOC employee in Java, Dirk van Hogendorp, flatly advocated the dissolution of all chartered companies, including the East India Company.<sup>90</sup>

### **Reversal of fortunes**

After January 1795, the context for the discourse about regulation and self-regulation was radically changed. The victorious march of the French army into the heartland of the Dutch Republic led to the collapse of the Orangist regime and the coming to power of the Patriots who had wandered in the political wilderness since the crushing of the Revolution of 1787. The succession of the Republic of the United Provinces by the newly-proclaimed 'Batavian Republic' opened the way for a fundamental debate not only about the restructuring of the polity itself, but also about the reformation of the economic order in both the 'higher' and 'lower' strata of economic activity, in which the extreme positions in the spectrum between *laissez-faire* and mercantilism seemed for a while as realistic as the moderate ones. When the protracted discussions about the draft-Constitution were brought to an end in January 1798 by a coup d'état carried out by 'unitarist' members of the Assembly (with the aid of French troops) against the moderate and federalist elements, which tipped the scales towards the establishment of a unitary, centralized state, the opportunities for recasting the economic order seemed greater than ever before.

Under the new regime the 'default value' in discussions on key issues of regulation and deregulation tended to be reversed. The relative weights in the spectrum of positions began to shift. The idea that coordination of economic activities should no longer primarily be left to urban governments or to semi-public bodies but should be entrusted to the central government soon became the mainstream view. It came to be taken for granted that the government of the Netherlands, in line with the governments of other centralized states in Europe, should aim to devise and implement an economic policy which would embrace all

<sup>90</sup> Schutte, *Nederlandse Patriotten*, pp.97-98, 104.

sectors of the national economy. This notion found a clear expression in the instruction for the head ('Agent') of the department of National Economy established in 1799. The Agent, who would act as advisor to the Directorate of the Batavian Republic, was charged with the task 'of taking unremitting care for everything that [could] tend to the promotion, expansion, stimulation and encouragement of commerce, seafaring, fishing, manufactures, trades, agriculture and other means of existence as well as to the growth of national industry and wealth in general'.<sup>91</sup> It was during this very founding phase of the centralized state that the first attempts were undertaken, both by the newly-appointed Agent Johannes Goldberg and his staff and by 'political economists' from outside, to put together a complete statistical picture of the national economy as an aid to the formulation of economic policy. The example set by the Count of Neufchâteau in France may have served as a source of inspiration.<sup>92</sup> In this changed context, the view that trade and shipping between the Netherlands and Asia should be brought under supervision of the state, was no longer eccentric either. Besides, the financial situation of the VOC had already worsened to such an extent that the Company for its survival had become completely dependent on government support. Although the idea of formal nationalization in the name of 'the general interest of the people' was still thought to be a bridge too far, control over the East India Company *de facto* passed into the hands of the state at the end of 1795 and its charter was not prolonged after 1800.<sup>93</sup>

In debates on external economic relations, it was the advocates of the extension of protectionism who for the moment possessed the high ground. 'We have had enquiries [about the state of various branches of the economy] before', the Leiden cloth manufacturer Van Heukelom

<sup>91</sup> W.M. Zappey, *De economische en politieke werkzaamheid van Johannes Goldberg* (Alphen aan de Rijn 1967), p.32.

<sup>92</sup> Zappey, *De economische en politieke werkzaamheid*, pp.44-52, 229; De Vries and Van der Woude, *The First Modern Economy*, ch.13.3; W.M. Keuchenius, *De inkomsten en uitgaven der Bataafsche Republiek, voorgesteld in eene Nationale Balans* (Amsterdam 1803); R. Metclerkamp, *De toestand van Nederland in vergelijking gebragt met die van enige landen van Europa* (s.l. 1804).

<sup>93</sup> Schutte, *De Patriotten*, pp.106-115; E.S. van Eyck van Heslinga, *Van compagnie naar koopvaardij. De scheepvaartverbinding van de Bataafse Republiek met de koloniën in Azië 1795-1806* (Amsterdam 1988), pp.37-41, 97.

wrote in 1800 to the Agent of National Economy, 'but the commercial party always brought them to nought; under former governments, only the merchants had anything to hope for'<sup>94</sup> The Agent of National Economy himself, an insurer by profession, believed that economic policy of the Netherlands first and foremost should be directed at protecting the interests of trade, but was also in favour of coordinated support for native industry by means of subsidies, premiums to stimulate technological innovations, reduced import duties on raw materials and abandonment of excise duties on fuel.<sup>95</sup> Gijsbert Karel van Hogendorp, a prominent former Orangist regent from Rotterdam, who was well acquainted with recent developments in political economy, in 1802 expressed the fear that the new government would pursue a radical protectionist policy and cautioned that industry and agriculture could never recover and expand if commerce, the backbone of the wealth of the Netherlands, were destroyed.<sup>96</sup> In the first series of separate lectures on economics ever to be delivered in the Netherlands, Adriaan Kluit, a former Professor of Law at the University of Leiden, who in 1795 had been discharged because of his Orangist sympathies and since earned a living by giving private tuition, taught his students around 1800 that measures such as high import duties or prohibitions on foreign manufactures, freedom from export duties for domestic products, a drawback system for the re-export of foreign commodities and subsidies for native producers would be excellent instruments to restore the prosperity of native industry.<sup>97</sup>

The protectionist agenda was most openly pursued by those who, like Van Heukelom, stood up for the interests of the textile industry. Their foremost champion was Pieter Vreede. Vreede was a cloth manufacturer and a declared Patriot from Leiden, who after the abortive revolution of 1787 had moved his business first to Lier in the Austrian Netherlands and later to Tilburg in Brabant. Having returned to the political stage after the outbreak of the revolution in 1795, he rose to the pinnacle of power

<sup>94</sup> Quoted in Wright, *Free Trade*, p.67.

<sup>95</sup> Zappey, *De economische en politieke werkzaamheid*, pp.41-42, 197.

<sup>96</sup> Overmeer, *Economische denkbeelden*, p.175.

<sup>97</sup> O. van Rees, "Het collegie van Adriaan Kluit over de statistiek van Nederland", *Tijdschrift voor Staathuishoudkunde en Statistiek*, 12 (1855) pp.245-262, esp. pp.256-257.

as one of the most vocal representatives in the National Assembly and a member of the Directorate, which ruled the Batavian Republic after the coup d'état in January 1798. Being pushed aside by another coup six months later, he returned to Tilburg and devoted himself again to his business affairs and the advancement of the interests of domestic industry. In an elaborate tract on the regeneration of the 'decayed' manufacturing sector published in 1802, Vreede argued, first, that national wealth rested on the combination of 'flourishing agriculture, an extensive manufacturing sector, prosperous commerce and a large shipping industry', second, that the position of the existing industries in the domestic market was sorely in need of protection, third, that protection of domestic industries could very well be reconciled with concern for the interests of commerce by introducing a drawback ('draaibak') system, which consisted of levying import duties on foreign manufactures to the level at which domestic products could compete on the inland market and repaying the amount, when these commodities were re-exported, and finally, that such a drawback system definitely could *work*.<sup>99</sup> When the tide reversed in favour of the commercial interest after 1803 under the impact of political restoration, Vreede remained one of the most outspoken and determined advocates of a coordinated policy of regulation of external economic relations to protect the interests of the manufacturing sector.<sup>100</sup>

But the most heated discussion arose about the question whether, now that the age of liberty, equality and human happiness had finally arrived, guilds and corporations should be allowed to retain their existing powers of regulation of local economic life or should be abolished altogether. The discussion was conducted both at a practical level and at a level of principle. Did the supposed benefits of the suppression of guilds and corporations for the regeneration of economic life outweigh the pretended disadvantages for the general welfare, the social order and

<sup>99</sup> Pieter Vreede, *Mijn levensloop*, ed. by M.W. van Boven, A.M. Fafianie and G.J.W. Steijns (Hilversum 1994), pp. 9-24.

<sup>99</sup> Pieter Vreede, *Proeve om de verheffing van het diep vervallen fabrykwezen te vereenigen met de belangen van den koophandel, zeevaart en landbouw* (Haarlem 1802) esp. pp. 4-5, 13-21, 27, 29-35, 47-53.

<sup>100</sup> Wright, *Free Trade*, pp. 68-77, 138, 152.

the state? Could their continued existence be reconciled with the new doctrine of human and civil rights and the general happiness of society or not? As soon as the newly-installed provincial governments had proclaimed the 'Rights of man and citizen' in early 1795, containing the ominous clause that 'the natural liberty of man' consisted of the right 'to do everything which did not disturb the rights of others', guild-members in many cities in the Netherlands began to mobilize to protect the corporate system.<sup>101</sup> In collective petitions presented to town governments and the first National Assembly, which convened on 1 March 1796, as well as in a number of pamphlets authored by individual guildsmen, which appeared in the following spring and summer, ordinary tradesmen and craftsmen, as in the late forties, again made their voices heard in the debate on regulation or self-regulation in economic life. Drawing upon a rhetoric that reached back at least fifty years<sup>102</sup>, they pointed to the invaluable importance of guilds and guild-members for the maintenance of the quality of goods, the income of the public treasury, the arbitration of disputes within the urban community, the support of the ill, infirm and elderly through mutual insurance schemes and the protection of the citizen's livelihood against the intrusion of foreigners and other types of 'outsiders', such as Jews; although, admittedly, guilds and corporations had not remained free from abuses, this was not a sufficient reason to abolish the corporate system altogether. Moreover, linking up with the new revolutionary discourse, they argued that liberty could only flourish if bound by a set of social rules and that guild-members, as 'men and citizens', were entitled to the protection of their rights as well, namely the property right vested in their mastership of a particular craft or trade.<sup>103</sup>

<sup>101</sup> Wiskerke, *De afschaffing*, pp.97-98, 108-112; Prak, *Republikeinse veelheid*, pp.279-283.

<sup>102</sup> Maarten Prak, "Individual, corporation and society: the rhetoric of Dutch guilds (18th.C)", in M. Boone and M. Prak (eds.), *Status individuels, status corporatifs et status judiciaires dans les villes européennes (moyen âge et temps modernes)* (Leuven/Apeldoorn 1996), pp. 255-279.

<sup>103</sup> Hermanus Wijkmans, *De gilden getoetst aan het algemeen belang der maatschappij, ten proeve voor de noodzaakelijkheid der instandhouding van dezelve* (Rotterdam 1796) esp. pp.10-17, 33-45; Fredrik Kliefoot, *Verhandeling over de instandhouding der gilden, getoetst aan de gezonde reden* (Amsterdam 1796) esp. pp. 27-49; Wiskerke, *De afschaffing*, pp.98-100, 109-112; H.Cohen-Koster, "De afschaffing van de gilden in Haarlem", *Haerlem Jaarboek* 1969 (Haarlem 1970), pp.74-127, esp. pp.89-93.

But their opponents contended that the quality requirements set by guilds were not necessary at all, that guild regulations in reality had hindered economic activities and that had only worked for the benefit of guild-members at the expense of their fellow citizens. Cornelis Zillesen, who by now had turned into one of the fiercest critics of the corporate system, even went so far as to claim that the destruction of guilds was the principal means for the recovery of manufactures, trades and industry. The continued existence of 'privileged monopolies' was seen to be incompatible with the rights of man and the general happiness of society. 'Personal interest should never be valued higher than the general interest', another opponent quoted Campomanes approvingly.<sup>104</sup>

If Simon Schama is right, we should assume that the deathblow to the old system of regulation at the lower strata of, collection, distribution and production was dealt by thunderbolts from the *Wealth of Nations*. When the clause in the draft-constitution of the Batavian Republic abolishing guilds, fraternities and corporations finally came up for discussion in the National Assembly of the Batavian Republic in March 1797, Schama has written, 'the *laissez-faire* champions' were 'often' citing Smith 'in extenso' in support of their cause. But did they? In fact, there was only one participant in the discussion, a building contractor representing the district of Vlaardingen (Holland), Petrus van Zonsbeek, who once mentioned that 'a certain English writer, a great man, named Smit, if (he) was not mistaken, had written so much to the detriment of guilds as anybody could say about it'.<sup>105</sup> The other '*laissez-faire* champions', including Pieter Vreede, declared themselves in favour of the suppression of guilds not because 'Smit' had said so, but because

<sup>104</sup> Cornelis Zillesen, *Ontwerp, hoedaanig der Bataaven één en onverdeeld Gemeenebest bestuur langs grondbeginselen van de rechten der menscheid, vrijheid, gelijkheid en broederschap dient ingericht te zijn* (Leiden 1795) pp.68-70 and the review of this pamphlet in the *Vaderlandsche Bibliotheek*, VIII eerste stuk (1796) pp.255-258; Cornelis Zillesen, *Wijzgerig onderzoek wegens Nederlands opkomst, bloei en welvaard* (Amsterdam 1796) pp.186-194, 369-391; *De gilden getoetst aan de rechten van den mensch en burger en het algemeen geluk der maatschappij* (Amsterdam 1796) esp. p.12, 15, 17-18, 23-25, 38-41, 43; *Adres aan de Nationale Vergadering representerende het volk van Nederland (door) het Comité van Algemeene Welvaart te Haarlem* (s.l., 1795) esp. pp.8-12, 30-60.

<sup>105</sup> *Dagverhaal der Handelingen van de Nationaale Vergadering*, 15 March 1797, pp.255-268, esp. p.261.

they believed that guilds were contrary to the principle of equality and the rights of man and because they thought that guilds had smothered innovation, hampered the development of industry, prevented the immigration of skilled people from abroad and harmed the interest of the countryside, as in their view experience had amply shown.

Adam Smith was not the supreme authority, in the Netherlands at this time, he would later be made out to be. Avid readers of the Scottish sage were as yet hard to find. Barely a month before the debate in the National Assembly took place, Dirk Hoola van Nooten, who in the summer of 1796 at his own expense had published a Dutch translation of the first ten chapters of Part I of the *Wealth of Nations*, complained in a letter to Adriaan Kluit that 'the sale of Smith (was) so small that (he) fear(ed) he would have to resolve to stop the undertaking and to console himself with the thought that he had at least made as many efforts as could reasonably expected'.<sup>106</sup> The rest of the translation has never appeared. The circle of people who were sufficiently acquainted with the work by Smith, either in the original version or in the incomplete translation by Hoola van Nooten, to be able to digest his thoughts, was still very limited around 1800, although it was not without influence. Aside from Van Zonsbeek, Hoola van Nooten and 'early adopters' in the late seventies and eighties like Van den Heuvel, Koopman and Gijsbert Karel van Hogendorp<sup>107</sup>, they included the merchant Willem Six, the insurer Johannes Goldberg and the lawyer Cornelis Van Maanen, who during the Napoleonic Era all rose to hold key positions in the centralized bureaucracy.<sup>108</sup> Adriaan Kluit often referred to Smith (in Hoola van Nooten's translation) in his lectures on economics in Leiden.<sup>109</sup>

<sup>106</sup> University Library Leiden, Manuscript Department, Hs. LTK 1000 letter from Dirk Hoola van Nooten to Adriaan Kluit 21 February 1797.

<sup>107</sup> Laspeyres, *Volkswirtschaftlichen Anschauungen*, p.41; Duyvcrman, "Feiten en feitjes", p.4; for Van den Heuvel's acquaintance with Smith, see the treatise added to his translation of Campomanes, pp.9 and 30.

<sup>108</sup> Zappey, *De economische en politieke werkzaamheid*, pp.58-59, 231-232; Tom Pfeil, 'Tot redding van het vaderland'. *Het primaat van de Nederlandse overheidsfinanciën in de Bataafs-Franse Tijd 1795-1810* (Amsterdam 1998), p.407.

<sup>109</sup> Van Rees, "Het collegie van Adriaan Kluit", pp.250-252.

But even those who tried hard to make Smith's work more widely known in the Netherlands did not show themselves uncritical supporters. Although Hoola van Nooten believed that among all the political economists who in recent times had spread 'enlightened ideas' about the wealth of peoples and states Adam Smith deserved the highest praise for his achievement in expounding 'this entire science... in the most beautiful manner', and that the most important 'lesson' from this new branch of science was the need for liberty in economic life and the supremacy of the market<sup>110</sup>, he also felt free to express reservations about a number of points. One of those points concerned the very issue that was at the centre of debate in the National Assembly on 15 March 1797: the suppression of guilds. In a recurrent commentary on Smith's attacks on guilds and corporations, Hoola van Nooten remarked that guild regulations in the Netherlands were not as oppressive as in England. There were, for example, no general laws that fixed long terms of apprenticeship. Indeed, Smith's Dutch translator did not object to the existence of guilds as such. If guild laws prevented incompetence and fraud, if guilds remained accessible to all and if any tendencies to exclusiveness were kept in check by urban authorities, then the maintenance of such institutions was simply a matter of good government.<sup>111</sup> Hoola van Nooten's critical remarks were at every turn shared by Kluit.<sup>112</sup>

The fact that the work of Smith in the late 1790s played only a minor role in economic discourse was not peculiar to the Netherlands. It was more or less typical for Continental Europe at the time.<sup>113</sup> Yet, in contrast with Germany, for example, the initially lukewarm reception of Smith cannot be ascribed to a domination of the academic world or policy-

<sup>110</sup> *Naspeuringen over de natuur en oorzaken van de rijkdom der volkeren gevolgd naar het Engelsch van den heer Adam Smith, door M. Dirk Hoola van Nooten*, Eerste deel, eerste stuk (Amsterdam 1796) pp. XLVI-LX.

<sup>111</sup> *Naspeuringen*, pp. 445-446, 508-509, 519-524, 563-564.

<sup>112</sup> Van Rees, "Het collegie van Adriaan Kluit", p. 260.

<sup>113</sup> Melchior Palyi, "The introduction of Adam Smith on the Continent", in J.M. Clark (ed.), *Adam Smith 1777-1926* (Chicago 1926), pp. 180-233; Tribe, *Governing Economy*, pp. 133-148; Rothbard, *Economic Thought*, pp. 492-502; cf. also Ch.-Ch. Lai, "Translations of the Wealth of Nations", *Journal of European Economic History* 25 (1996), pp. 467-500.

making institutions by another tradition of economic analysis, such as Cameralism.<sup>114</sup> It is true that Kluit's favourite economist was Johann von Justi<sup>115</sup>, but the study of economic phenomena at Dutch universities in the late eighteenth century was marked by eclecticism rather than by the prevalence of a particular system or 'school'. If Smith was not readily accepted, he was not spurned either. The point was, that at this juncture of political history in the Netherlands, opponents of regulation in local economic life had not much need for his assistance. The use of self-regulation and the suppression of guilds and corporations could equally well be argued without having recourse to Smithian economics, namely by building on the tradition of empirical critique of the corporate system that had emerged in the Dutch Republic itself, by drawing inspiration from criticism voiced by foreign authorities like Campomanes and by borrowing from the ideology of equality and the rights of man that had developed in France during the last decades of the Old Regime and reigned supreme since the outbreak of the Revolution. Pieter Vreede, who in the debate in the National Assembly of March 1797 showed himself to be one of the most determined opponents of guilds and corporations and as a member of the Directorate after the coup of January 1798 was directly responsible for pushing through the constitution which brought their formal abolition<sup>116</sup>, had as a textile entrepreneur in Leiden before 1787 become familiar with the practical objections to the corporate system and in all probability had been acquainted with the ideas of *philosophes* like Rousseau since his involvement in local literary and philosophical societies in the early 1770s.<sup>117</sup> Adam Smith did not achieve his status as a nearly infallible authority on economics and economic policy until the second quarter of the nineteenth century, when economics had at last become firmly established as a separate discipline at Dutch universities and the foundation was laid for the ideology of 'liberalism' which later would serve as battering-ram against many of those

<sup>114</sup> Cf. Tribe, *Governing Economy*, pp.91-118.

<sup>115</sup> Van Rees, "Het collegie van Adriaan Kluit", p.256.

<sup>116</sup> The story of their actual demise, which dragged itself out until 1818, does not concern us here; see Wiskerke, *De afschaffing*, pp.128-223.

<sup>117</sup> Vreede, *Mijn levensloop*, pp.10, 16, 38, 94.

regulations of economic life that were kept in place after the Napoleonic Era.<sup>118</sup> It is no coincidence that in this very period economists and historians first began to wonder to what extent Pieter de la Court, as an early proponent of *laissez-faire*, could be considered a precursor to the Scottish founding father of the Classical School.

## **Conclusion**

The discourse on regulation and self-regulation in the Netherlands between about 1660 and the Napoleonic Era can be described as both unvarying and changeable. While nearly the entire spectrum of positions that would ever be held on these issues was already in place in the 1660s and 1670s, there were important shifts in their relative weights and in the focus of debates. The first pleas for deregulation in the ‘lower strata’ of collection, distribution and production and the introduction of protectionist measures joined with enhanced regulation in the sphere of external economic relations – could be heard in the very period when the corporate system reached the height of its expansion and the Dutch Republic – in Israel’s words – still enjoyed ‘primacy in world trade’. These positions were not incompatible either, as the work by De la Court attests. Yet some views were at a given moment more current than others. The discussion would take many twists and turns before the extreme positions in the spectrum between *laissez-faire* and mercantilism were defended again simultaneously with renewed vigour in the time of Pieter Vreede.

But why were specific positions at a given moment in vogue or not? Why did the discourse on regulation and self-regulation change direction? Under what circumstances did a particular train of thought gain wider currency? Regulation in the sphere of external economic relations first became ‘thinkable’, as we have seen, as a pragmatic response to the growing threat to Dutch leadership in world trade on the part of France. The tendency to ‘closedness’ and extension of protectionist measures only gathered strength by the middle of the eighteenth century, however, as a result of an increased awareness that the very survival of the Dutch

<sup>118</sup> Boschloo, *De productiemaatschappij*, chs.2, 5 and 6.

manufacturing sector was now at stake and under the impact of a change in ideology in the ruling elite and civil society to the effect that the duty to the fatherland was held in much higher regard than ever before.<sup>119</sup> When the commercial interest after 1795 temporarily lost its hold on political power, protectionist thinking for a time even set the tone of the day. Deregulation at the local level for a long time remained a much more heterodox idea. The snag was that regulation in the 'lower strata' of collection, distribution and production was so closely interwoven with the whole fabric of urban communities that a radical departure from the established set of rules in the economic sphere would have far-reaching ramifications for the social and political order as well. In discussions on the corporate system around 1750, the focus was still on the need for redress rather than on the possibility of all-out suppression. The idea that guilds and other corporate organizations should be deprived of their powers did not gain wider currency until a movement emerged that set out to bring about the political and institutional reform of the Republic itself: the movement of the 'Patriots'. But in contrast with what is usually assumed, this idea did not first arise among exiled Patriots after 1790, but already spread when the movement had gathered strength in the seventies and eighties. Considering the fact that the Patriot movement drew much of its support from the very groups in society that also formed the backbone of the corporate system (urban artisans and shopkeepers)<sup>120</sup>, this may seem surprising at first glance. One should bear in mind, however, that the Patriots from the start also recruited heavily from groups which had no stake in the preservation of the corporate system at all, such as members of the intellectual professions, like Brender à Brandis, and industrial entrepreneurs like Koopman and Vreede. It was the latter section of the movement that grasped the reins of power at the national level after the Revolution of 1795.

The discourse on regulation and self-regulation in the Netherlands between c. 1660 and 1800 was not conducted in abstract terms of market

<sup>119</sup> Davids, "Openness or secrecy", pp. 346-347.

<sup>120</sup> Prak, *Republikeinse veelheid*, pp. 190-197; Wayne Ph. Te Brake, *Regents and Rebels. The Revolutionary World of an Eighteenth-Century Dutch City* (Oxford 1989) pp. 71-79, 173-177.

forces. It was couched in terms of duties, rights and wrongs. The arguments used were mainly of a pragmatic and moral nature. The critique of the existing system of regulation in the late eighteenth century was based on arguments about the need to keep up with foreign competition, the right to entrepreneurial freedom and the incompetence, waste of talent and 'extortions' that would result from the maintenance of privilege. It should be noted that most of the basic ideas on regulation and self-regulation had already been formulated before the influence of foreign writers in Dutch economic discussions began to be felt in the last quarter of the eighteenth century. As in seventeenth-century England, and mid-eighteenth century France, information from foreign countries tended to serve as 'a source of evidence' or a reservoir of rhetorical devices to bolster an argument or a case that had evolved from 'native' roots rather than as a dominant mould for economic thinking. The reception of the *Wealth of Nations* was no exception.