

War and Society

The Dutch Republic, 1581–1806

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1 Medieval Origins

Originally, the Netherlands comprised the lands of the delta formed by the rivers Rhein, Meuse, and Scheldt. Between 1384 and 1482, the Dukes of Burgundy (of the French House of Valois) acquired the various lordships, counties, and duchies comprising these lands through a series of inheritances. Although brought together in a personal union, the Low Countries — which became known as the “Seventeen Provinces” — remained quite fragmented in fiscal and political matters.¹ Since the long amalgamation was voluntary and the Burgundians had to compete with other potential claimants, every successive acquisition had to confirm the local customs and privileges. To add to the confusion, the provinces were fiefs to either the Holy Roman Empire or France.

The Low Countries were unusual because of the high degree of urbanization (the highest in Europe, perhaps with the exception of certain areas in Italy), developed commerce, relatively weak landed nobility, and nearly no feudal institutions. As we have seen, cities were the original cradle of representative institutions, and in this respect the densely urbanized Low Countries were quite advanced. In addition, the hard cooperative work of constructing dams and canals united peasants into communal drainage associations, which were also somewhat democratic in their organization and operation. The cities developed councils (of both nobles and commoners) that sent representatives to the provincial estates (**States**), where they met with nobles and, in some provinces, the clergy. The most important role of these States was to consent to contributions to the ruler’s income (ordinary land rent paid twice a year, and extraordinary subsidies for emergencies). Each province was governed by a **stadtholder**, a prominent Dutch noble who represented the ruler, and who was assisted by a council drawn from both nobility and commoners.²

We should not imagine that this was some state of cooperative bliss, however. The large cities managed to extract a variety of privileges from the rulers (e.g., the right to withhold subsidies if the ruler violated his promises) and they came to dominate the smaller cities and the villages in their hinterland. They used administrative and judicial regulations to subjugate the non-city dwellers and quite regularly resorted to military force to impose their influence. The major cities like Bruges and Ghent, whose populations around 1300 were already 45,000-50,000 and 65,000 respectively, fought a series of wars in the late fourteenth century. The Dukes of Burgundy mostly put an end to these internal wars by mobilizing their external resources to alter the distribution of power and pacify the provinces.³ In doing so, they provided the environment where the cities came to cooperate on the provincial level in order to press their corporate interests on the princes.

Since urbanization preceded the amalgamation of the provinces into the Burgundian in-

¹Today these lands contain Belgium, the Netherlands, Luxembourg, as well as parts of France and Germany. The original principalities were the Duchies of Brabant (with the important Margraviate of Antwerp), Limburg, Luxembourg, Guelders; the Counties of Artois, Flanders, Namur, Hainaut, Zeeland, Holland, Zutphen; the Lordships of Mechelen, Frisia, Groningen, Drenthe, Overijssel, and Utrecht.

²*Stadtholder* (also sometimes spelled *stadholder*) is the standard English rendering of *Stadhouder*, which literally translates to “place-holder” for the ruler (e.g., King Philip II as Count of Holland). The stadtholder was appointed by the prince. From 1572 the rebel provincial States elected their stadtholder, and to indicate that despite the name this was a fundamentally different position, I have capitalized it.

³Wim Blockmans. 1997. “The Low Countries.” In Peter Blicke, Ed. *Resistance, Representation, and Community*. Oxford: Clarendon Press, pp.257–66.

heritance, the Dukes encountered well-developed but highly varied regional institutions. Although the Dukes did attempt to meld the provinces into a coherent whole through centralized fiscal institutions, they were generally unsuccessful. Their near constant involvement in war prevented long-term planning and the fiscal pressure was usually resolved through short-term expedients. In order to obtain these urgent fixes (in the form of subsidies or loans guaranteed by specific revenues), the Dukes had to bargain with the provincial representatives, who were able to block the more obnoxious efforts of centralization. The cities in particular fiercely resisted the imposition of new taxes, and succeeded in obstructing even reforms that aimed at assessing the tax base itself. They repeatedly refused to institute indirect taxes, preferring to grant temporary subsidies and eventually consenting to ten-year grants of taxes on landed property instead. (As usual, the nobility and the clergy managed to avoid paying these taxes even though they were nominally included.) When the dukes tried sterner measures, the cities rebelled and even though they could be subdued, it was difficult and costly, and, once the dukes got involved in another external war, temporary. The resulting fragmentation and obfuscation was such that “the conclusion must be that the dukes themselves could not possibly have had a clear view of their own financial position”.⁴

Each time the ruler needed more money, he would have to summon the provincial Estates (most importantly, the wealthy towns) and negotiate. The process was slow and cumbersome, which led Philip the Good to start convening the **States-General** in 1464. These were primarily intended to speed up the bargaining of subsidies but since the provincial States regularly refused to grant their representatives the power to consent to anything without going back to them for advice, its ability to meet these expectations was minimal. In addition, since the States-General could not convene without a summons from the ruler, its role in fiscal and political matters was quite small. It continued to exist, however, and because it comprised delegates from the provincial States, it could claim to represent the interests of all the lands.

When Charles the Bold, the last Duke of Burgundy, died without male issue in January of 1477, the lands went to his daughter Mary the Rich. The French King Louis XI of Valois quickly moved to secure that immense inheritance, and frightened Mary who sought to resist him by turning to her subjects in the Netherlands, where she had to go to receive formal recognition as the ruler. Her subjects were happy to exploit that weakness and upon her **Joyous Entry** to Ghent (in Flanders) in February, they managed to obtain a charter that restored all the rights and privileges that the Dukes had abolished during their long attempts to centralize the provinces. In particular, she had to promise not to marry, declare war, or levy taxes without the consent of the States, which could meet on their own whenever and wherever they wished. Mary married Maximilian I, the Habsburg Emperor of the Holy Roman Empire in August of the same year, and when she died in 1482, the Netherlands passed into the Habsburg realm.⁵ The resulting vast conglomerate of territorial possessions in Europe made the House of Habsburg by far the dominant rulers (Figure B).

The Habsburgs also tried to centralize the provinces, but they had to work within the

⁴Blockmans, “The Low Countries in the Middle Ages,” p. 283; Blockmans, “The Low Countries,” p. 269.

⁵King Louis XI used the Salic Law to assert his claim on the other parts of the Burgundian inheritance, which passed into the French royal domain. This ended the semi-independent existence of a rich territory, which could have easily evolved into a state had its rulers were not so quick to wage (and lose) wars.

institutional framework that was already in place when they acquired them. Moreover, their frequent wars also forced them to make regular concessions to the cities and the handful of remaining large feudal lords. The cities managed to insulate themselves from taxes on trade or commercial transactions, and the provinces retained their representative institutions. The Emperor Charles V (who had been born in Ghent in 1500) spent much of his time at war with France, whose territory his Habsburg domains now encircled and with the Ottoman Empire that was still pushing into Europe. Since the Estates would not agree to higher taxes, the heavy fiscal demands of these wars were met partially by administrative improvements but mostly by borrowing. Some of the taxes that were slow in coming could be raised immediately by selling heritable or lifetime annuities (the former with a 6.25% yield, the latter somewhat higher) secured by the ordinary revenue, which was backed by the States. In contrast, loans directly to the Habsburgs commanded interest rates between 12 and 22%, reflecting the higher risk associated with lending to sovereign borrowers. Although the original intent was to redeem the annuities as quickly as possible, a large portion remained outstanding. This constituted debt, which mounted with the years, and in 1531, over 63% of the ordinary income from Holland was assigned to its service. In other words, less than 37% of that income was actually available to the ruler.⁶

This level of spending was unsustainable, and in 1542 the Emperor convened the States-General to discuss new taxes. He proposed a 1% levy on all exports, a 10% tax on income from real property and annuities, and 10% tax on income from commerce. The provinces, which were particularly fearful of the export tax making them non-competitive and the commercial tax dampening economic activity, resisted so that the yield from these was quite small. Only the tax on real estate took hold, but it was not enough to turn the tide. As the deficit mounted, people stopped buying the annuities because it became clear that the guaranteed ordinary revenue would not be enough to service them, let alone redeem them. The government asked the States to sell annuities that they then fund by whatever means they desire. After some hesitation, the States agreed and in 1542, they imposed new taxes to back the heritable annuities that they began to sell. The taxes varied by province, but they tended to be mostly excise and on land. Since these taxes were collected and administered by the States themselves the public not only paid them but gobbled up the annuities as well. The States gained a measure of independence from the government because they could use the surplus of the revenue for whatever purposes they saw fit, and they improved their credit even more through the regular redemption of these annuities.

The weak bargaining position in which his wars had placed him had led the Emperor to agree to policies that further fragmented his fiscal authority.

The immense variation [in taxation] between the territories within the relatively small area of the Low Countries is not merely to be explained by different levels of urbanization and commercialization. The rulers and their advisers were only vaguely aware of their territories' fiscal potential: this led to a relatively low burden in Hainaut and an extremely high one in Holland, while in other regions the level of the aids compensated for a low income from the domains. The political influence of the States, and especially of the large cities, prevented the full implementation (and thus the success) of most of the government's

⁶Veenendaal, Jr. "Fiscal Crises in the Netherlands," p. 100.

schemes for establishing a more rational tax structure in the late medieval period.⁷

Charles did attempt to overcome some of these centrifugal tendencies by asserting a “union” of the territories in his Pragmatic Sanction of 1549. Using his position as ruler of the Holy Roman Empire, Charles V managed to get the Imperial Diet and the States-General to agree to declare the Seventeen Provinces “whole” in the sense that they could not be inherited separately from each other, only as one, and that the Habsburgs would be the heirs of that entity. One hand, this move was the first step toward making the Netherlands one entity. On the other, it angered many Dutch who considered their provinces to be more important. Despite occasional heavy-handed interference into provincial affairs (e.g., the imposition of his own representative in Utrecht), Charles V could not secure the vast revenues needed for his wide-ranging wars (which many Dutch resented anyway because they did not concern them directly and because they interfered with their trade).

When Charles V abdicated in 1555, his son King Philip II of Spain inherited an enormous deficit and limited taxation. At the same time, it was clear that the provinces did have money — their own excise and land taxes were raising substantial amounts — it was “just” a matter of getting his hands on it. But while the Dutch were content to raise taxes to pay the government’s debts to themselves, they became more obstinate with additional funds. They refused to pay for Philip II’s war with the Ottomans, and would not fund the Spanish troops that the King had left in the Southern Netherlands to protect them against France (which they also regarded as a threat to their liberties).⁸ As Philip’s representatives attempted top-down reforms, the opposition stiffened because this approach infringed on the traditional liberties to which the Dutch had become accustomed.

The already volatile situations was further destabilized by serious disagreements over religious policy. Calvinism had entered the Netherlands from France in 1550s, and had found a very welcome reception both among the nobility and in the cities. The moderate Catholic Dutch nobility had not failed to notice the gathering steam of the Reformation, and asked Philip to come up with policies that would accommodate the popular creed and avoid bloodshed. Unfortunately, when it came to the religious conflict, the King had decided to take a firm stand for Catholicism. As would happen later in France when moderate Catholics would rally to the newly converted Henry IV against the Catholic League, most Dutch Catholics had no love for hardcore religious tactics. Philip thus managed to antagonize the Dutch on matters of both economic and spiritual significance.

2 From Resistance to Rebellion, 1566–1581

The first spark came in 1566 with the *Beeldenstorm* (statue storm) — an iconoclastic Protestant outburst that focused on the destruction of religious art, which they perceived as idolatrous. It started in the south (in Flanders) where the Reformed Church had most followers,

⁷Blockmans, “The Low Countries in the Middle Ages,” p. 305.

⁸The Holy League (Spain, Savoy, the Papal States and the Republics of Venice and Genoa) commanded by Don Juan of Austria, Philip’s half brother, destroyed the entire Ottoman fleet at the Battle of Lepanto in 1571. Even though the Turks did rebuild their fleet in just a few years, the battle marked a decisive end to Ottoman domination of the Mediterranean. Philip’s early victories over France gained him Franche-Comté.

but even though there was widespread destruction of church and clergy property, there was very little loss of life. As the wave went north, it began to weaken but the popular enthusiasm — which in some cases mixed anti-Catholic rhetoric with anti-Royal destruction — frightened both the Habsburg Regent Margaret of Parma and the nobility. Although she met with a group of influential Protestant aristocrats and concluded an agreement that allowed Protestants freedom of worship in exchange for them leaving the Catholics alone, Margaret wrote to Philip claiming that over 200,000 people have taken up arms against her authority. Deprived of elite support, the iconoclastic movement fizzled out by the end of the year, but the damage had been done: Philip had decided to crush the Reformed Church in the Netherlands, bring the obstinate States to heel on taxation, and impose a unified centralized administration on the unruly provinces. He endowed the Duke of Alba with nearly dictatorial powers, and dispatched him at the head of an experienced 10,000-strong Spanish army (financed by Spain and Italy) to the Netherlands.

Alba arrived in August 1567, where his army was augmented by another 10,000 troops, mostly foreign, and gained control of the provinces within a year. His methods were not subtle: he used Margaret to lure high-ranked fugitive nobles (which caused her to resign), and then proceeded to methodically execute over a thousand people for treason. As for those nobles that would not come back to be beheaded, like William I of Orange (the Silent), Alba confiscated their estates. Orange was stadtholder of Holland, Zeeland, and Utrecht, and once of the most prominent nobles in the States-General. He invested about 1 million florins toward the creation of an army of mostly German mercenaries, and in 1568 his forces of nearly 30,000 troops invaded the Netherlands, starting what was to become the **Eighty Years War**. The invasion miscarried despite some successes against Alba, who simply evaded battle until Orange ran out of money — the army cost 5,000 per day, and in February 1569 he had to disband it.⁹ Even though this effort failed, Alba's inability to capture Orange, and the fact that the stadtholder was the most important noble at large turned him into a *de facto* leader of the resistance.

These incidents did not exactly make Alba popular in the Netherlands, and rendered his stay dependent on the army. He also needed the army if he was to further Philip's unpopular policies — the Habsburg King was making a bid to coerce the region, but for this he needed money. Alba was unable (or unwilling) to let the Spanish treasury continue to bear that burden, and demanded that the Dutch pay for the Spanish troops that were repressing them. The States-General were convened in Brussels on March 21, 1569, confronted with Alba's demands, and ordered to give their consent within two weeks. The demands were a collection of new taxes, along the lines previously attempted without much success. The proposed 1% levy on all property was not much resisted, and could be implemented with relative ease. And if the 5% sales tax on real estate encountered serious push-back in the States, the 10% tax on all sales and exports ran into a solid wall when the mercantile provinces of Holland, Zeeland, and Flanders united in their opposition to it.

Faced with such intransigence, Alba initially compromised: in return for suspending the 5% and 10% taxes, the Netherlands would pay 2 million florins annually for two years (his initial demand was six years but the States would not agree to more than two). At the end of this period Alba's already limited patience ran out: most of the States had not even

⁹Fritschy, "Financial Revolution," p. 59.

contributed a fraction of the promised amounts, and the duke ordered the notorious taxes imposed without consent and collected by force. This unleashed a fury of protests, civil-disobedience, foot-dragging, and outright sabotage even in the southern Netherlands where Alba's troops were stationed. William of Orange used this opportunity to send emissaries to Holland and Zeeland, and in 1572 the northern provinces were in open rebellion, pledging their support for him. The seasoned **Army of Flanders** began to work its way north by methodically besieging and reducing rebel cities, and occasionally trying to make an example by sacking them or exterminating their citizens even after surrender (as happened in Naarden).¹⁰ Although it made decent progress, the army could not master either Holland or Zeeland without naval support, which was denied by the rebels' victories at sea in 1573. In some instances the desperate Dutch broke the dikes and flooded the polders to prevent the Spaniard from advancing. Figure C might help follow the somewhat confusing course of the revolt over the next twenty-odd years.

The Spanish effort ground to a standstill in 1576 when the army mutinied over lack of pay: Philip had defaulted already in the fall of 1575, had not managed to obtain fresh loans, and the partial payment of 400,000 florins intended for the army was seized by Elizabeth I when ships with the money sought shelter in English ports.¹¹ The mutinous troops marched south on Brussels, sacking a royalist city on the way. In panic, the States of Brabant raised their own troops to defend the city and the royalist provinces convened in a States-General to discuss the removal of the Spanish mercenaries from the Netherlands and to open peace negotiations with Holland and Zeeland. When the Spaniards sacked Antwerp on November 4 (the "Spanish Fury at Antwerp"), the loss of 8,000 lives and over 1,000 houses prompted the States-General into action, and they signed the Pacification of Ghent, in which the royalist provinces made common cause with the rebels in the need of getting rid of the Spanish troops. This treaty provided for common action to drive out the Spaniards, for religious toleration, and for the eventual restoration of royal authority in the Netherlands. It is important to realize that the States-General had been convened by the States of Brabant and Hainaut, and they appointed the stadtholder of Flanders to head the Council of State, effectively usurping a royal prerogative. The need to act quickly was moving even the loyalists against the King.

The new regent Don Juan signed the Pacification in February 1577 (The Perpetual Edict) and the Spanish troops were withdrawn to Italy. With their common cause addressed, the royalist and the rebel provinces quickly diverged. Holland and Zeeland did not trust Don Juan because he had not guaranteed that the States-General would sit permanently in session. Because of this mistrust, they further refused to surrender the fortresses under their

¹⁰The Spanish Army of Flanders was to become the longest-serving contract army, which was kept active from 1567's arrival of Alba until its disbanding in 1706. It developed many features of a regular standing army, such as permanent regiments, barracks, hospitals, and R&R homes. Upon their arrival in the Netherlands, the 10,000 Spaniards were joined by about 10,000 Walloon and German troops to form the core of the army.

¹¹The upkeep of the army cost 1,873,000 florins a year in 1568, but after its drastic expansion the costs were running at 1,200,000 florins a month in 1574. Neither the Low Countries nor the Spanish treasury could sustain such vast outlays despite the influx of gold and silver from the New World. Spain could send only about 300,000 a month. The Army became notorious for its mutinies, with 45 recorded incidents between 1572 and 1609. When the mutineers could not be bought off, the army turned into roving bandits, extorting the locals and provoking new revolts among the Dutch. For the story of this unique army, see Geoffrey Parker. 2004. *The Army of Flanders and the Spanish Road, 1567–1659*. Cambridge: Cambridge University Press.

control. These fears proved well-founded because by the end of the year Philip managed to restore order in his finances and sent another army under the command of the Duke of Parma. These forces arrived in early 1578 and promptly engaged the armies raised by the States-General, who by this time were supported financially by Queen Elizabeth I of England. To prevent further depredations of the Spaniards on its territory, Holland began a rapid construction of a series of fortresses of the *trace italienne* type.

With Parma generally successful in the south, the royalist provinces began to arrange for a separate peace. On January 6, 1579 Hainaut, Artois, Cambrai and several Flemish cities formed the Union of Arras in which they expressed their loyalty to Philip and recognized Don Juan as his Governor-General provided he agreed to restore all the privileges they had prior to the revolt, promise not to garrison foreign troops there, and made Catholicism the only permitted religion. When Parma agreed to these conditions, these provinces signed a peace treaty in May. In response to these developments, on January 23 the separatists formed their own **Union of Utrecht**, which is now regarded as the foundation of the Republic. Initially the signatories were Holland, Zeeland, Utrecht, and Groningen (except the city itself), but soon others, including many from the south, acceded to it. By April 1580, in addition to the founding members the Union comprised Guelders, Groningen, Friesland, Drenthe, Overijssel, Brabant, Flanders, and the cities of Tournai and Valenciennes. By this treaty the States formed a “closer union”, which meant the transfer of defense (along with related taxation and foreign policy) to the Union, and also supported the establishment of Calvinism as the dominant religion in the north. Although the Union did not declare against the King, the Netherlands was split.

The Union did not aim at establishing an independent state: it repeatedly emphasized the rights of the States (which means it was at best a weak confederation) and it even asserted that the provinces were not “separating themselves from the Holy Roman Empire.” In this it was more like a treaty designed for the common defense of the members against Spain and against any dismemberment of the provinces. It confirmed and guaranteed all privileges, liberties, and customs of all cities and corporate bodies (Clause 1). With all provinces having one vote each, it required unanimity to declare war, make peace, levy taxes, enlarge the Union, or alter its articles. In other matters, decisions would be taken by majority rule (Clause 9). The provinces could not be separated from the Union by cession, sale, marriage, or in any other way. They were not to enter separate alliances with foreign powers (Clause 10). The costs of mutual defense were to be shared equally by the Union and by the frontier cities, with the Union assuming the costs of new fortifications. The Union was also to pay for the garrisons and compensate the citizens for quartering. All this expense would be met by excise taxes, which would be farmed out periodically upon a meeting of the States-General. The States-General were also to have the sole right to issue uniform currency, which could not be changed without unanimous consent. The Union also granted freedom of religion although it left it up to the individual provinces to regulate it.¹²

¹²Of the 26 clauses, more than half never went into effect, and the provinces did not even bother to amend the document. The common excise taxes, for instance, lapsed as the provinces reverted to their tried-and-true regional systems of taxation and instead contributed an agreed-upon quota to the central treasury. See J.C. Boogman. 1979. “The Union of Utrecht: Its Genesis and Consequences.” *BMGN: Low Countries Historical Review*, 94(3): 377–407, pp. 390. Available at <http://www.bmgn-lchr.nl/index.php/bmgn/article/view/2114>, accessed February 27, 2013.

Although Orange and the States-General would have preferred a broader union without the Calvinist overtones of the Union of Utrecht and a stronger federal authority, the continuing advance of Parma forced them to agree to it, and Orange signed it in May of 1579. Despite the widening of the Union, the situation of the rebels became desperate in 1580: with Philip's financial backing, Parma conquered Flanders, Brabant, and most of Groningen, Drenthe, and Overijssel. Although Holland and Zeeland, being mostly islands, were difficult to invade, they were vulnerable from the sea and Philip's new naval forces were becoming operational. It seemed that the rebellion would be crushed without outside help, and the States-General resolved to invite the younger brother of King Henry III of France, the Duke of Anjou, to assume the sovereignty of the Netherlands. As a Catholic who had revealed his religious toleration in France, Anjou was acceptable to both Calvinists and Catholics. When Anjou agreed to act as a "constitutional monarch", the States-General took a truly revolutionary step on July 26, 1581 when they formally deposed Philip in the **Act of Abjuration**.

3 The Republic Forms, 1581–1609

The Act of Abjuration — sometimes called the "Dutch Declaration of Independence" — is a truly remarkable document for several reasons.¹³ First, and foremost, it represented a drastic break with tradition. Heavily influenced by revolutionary Calvinist ideas, it declared that the ruler had a responsibility to protect his people, and if he broke this unwritten contract, the people were justified in deposing him as a tyrant. In other words, the people could overthrow their ruler on the grounds that he is destroying the commonwealth. For the first time in modern history the subjects renounced a king. It is worth quoting from the preamble:

As it is apparent to all that a prince is constituted by God to be ruler of a people, to defend them from oppression and violence as the shepherd his sheep; and whereas God did not create the people slaves to their prince, to obey his commands, whether right or wrong, but rather the prince for the sake of the subjects (without which he could be no prince), to govern them according to equity, to love and support them as a father his children or a shepherd his flock, and even at the hazard of life to defend and preserve them. And when he does not behave thus, but, on the contrary, oppresses them, seeking opportunities to infringe their ancient customs and privileges, exacting from them slavish compliance, then he is no longer a prince, but a tyrant, and the subjects are to consider him in no other view. And particularly when this is done deliberately, unauthorized by the states, they may not only disallow his authority, but legally proceed to the choice of another prince for their defense. This is the only method left for subjects whose humble petitions and remonstrances could never soften their prince or dissuade him from his tyrannical proceedings; and this is what the law of nature dictates for the defense of liberty, which we

¹³A modern English translation of the *Plakkaat van Verlattinghe*, from which all subsequent quotations are taken, can be found at <http://www.let.rug.nl/usa/documents/before-1600/plakkaat-van-verlattinghe-1581-july-26.php>, accessed February 26, 2013.

ought to transmit to posterity, even at the hazard of our lives. And this we have seen done frequently in several countries upon the like occasion, whereof there are notorious instances, and more justifiable in our land, which has been always governed according to their ancient privileges, which are expressed in the oath taken by the prince at his admission to the government; for most of the Provinces receive their prince upon certain conditions, which he swears to maintain, which, if the prince violates, he is no longer sovereign.

What follows is a long list of grievances against the King and his governors, and then the actual deposition:

So, having no hope of reconciliation, and finding no other remedy, we have, agreeable to the law of nature in our own defense, and for maintaining the rights, privileges, and liberties of our countrymen, wives, and children, and latest posterity from being enslaved by the Spaniards, been constrained to renounce allegiance to the King of Spain, and pursue such methods as appear to us most likely to secure our ancient liberties and privileges. Know all men by these presents that being reduced to the last extremity, as above mentioned, we have unanimously and deliberately declared, and do by these presents declare, that the King of Spain has forfeited, ipso jure, all hereditary right to the sovereignty of those countries, and are determined from henceforward not to acknowledge his sovereignty or jurisdiction, nor any act of his relating to the domains of the Low Countries, nor make use of his name as prince, nor suffer others to do it. In consequence whereof we also declare all officers, judges, lords, gentlemen, vassals, and all other the inhabitants of this country of what condition or quality soever, to be henceforth discharged from all oaths and obligations whatsoever made to the King of Spain as sovereign of those countries.

The Act then authorized all officials to act in the name of the President and Council of the Province until Anjou assumes the power, and in places where these offices were not yet constituted, to act in the name of the States-General themselves. The only exception were Holland and Zeeland, where the officials would act in the name of the Prince of Orange. Since many officials preferred to quit rather than take the new oath, the Act ended up replacing them with radicals who were prepared to support the next steps the States-General was going to take.

Second, although the Act was not very specific about what actions precisely turned a prince into a tyrant, later exegeses spelled them out: “the king, prince or lord of the country has no power to pledge or still less to sell the provinces, nor may he tax his subjects without the express consent of the States as co-rulers of the country.”¹⁴ In other words, not merely “no taxation without representation” but an assertion of a real power of the purse that would elevate the States to the status of “co-rulers”.

Third (and somewhat parochially), this document was well-known to the drafters of the American Declaration of Independence, and through that its ideas found expression in the

¹⁴This Dutch pamphlet of 1586 is quoted by Veenendaal, “Fiscal Crises in the Netherlands,” p. 107.

foundations of the United States. As John Marshall put it to the Convention of Virginia in 1788, “We may derive from Holland lessons very beneficial to ourselves.”¹⁵

The Duke of Anjou did not arrive until February 1582, and then quickly proved unready to assume the mantle of a constitutional monarch. Initially the Flemish cities welcomed him although even these occasions were marred by the refusal of several members of the Union of Utrecht (Holland and Zeeland among them) to recognize him properly as sovereign. When Anjou’s French troops arrived, even Parma began to worry that the Dutch would reverse his gains. However, his rash youth, inexperience, and pretensions of grandeur undid Anjou when he decided to impose his will on Antwerp instead of working within the limitations he had agreed upon. In January 1583 he arrived with his troops at Antwerp but the citizens foiled his lame attempt to trick them. Still reeling from the Spanish sack of the city seven years earlier, they massacred his entire army of over 1,500 soldiers. Anjou barely escaped with his life and within a few months was forced to leave the country altogether.

The position of the Union drastically deteriorated later in 1582. Philip had patched up a peace with the Ottomans, which released funds for his war in the Netherlands. Parma’s army grew to 61,000 experienced mercenaries who were now based in the south in violation of the Treaty of Arras. The royalist States had reconciled themselves to this because the Army of Flanders resumed its steady progress. In 1584, Ypres, Bruges, and Ghent fell, and Orange himself was assassinated. Flanders and Brabant were almost entirely subjugated even though their States maintained representation in the States-General. The States-General sent an embassy to King Henry III of France to ask him to assume the sovereignty directly now that Anjou was out of the running, but the King declined because France itself was hovering on the brink of renewed civil war between Catholics and Huguenots (Protestants).

Parma conquered Antwerp and Brussels in early 1585, prompting the increasingly desperate States-General to send another mission in search of a protector, this time to Queen Elizabeth I of England. Although Elizabeth declined the offer, she did agree to send an expeditionary force of nearly 8,000 soldiers (to be paid in part by the Dutch, of course) and to appoint the Earl of Leicester as governor-general to head both the political system (through the Council of State) and the military effort. Although Leicester was welcomed by the Calvinists and the provinces who were beginning to resent the supremacy that Holland had attained during the struggle, he soon saw his actions thwarted as well. It was the States of Holland and Zeeland who undermined the Treaty of Nonsuch when they not only appointed Maurice of Nassau (the second son of Orange) stadtholder but also insisted that the stadtholders derived their legitimacy from the States, not from the governor-general.

Holland further aggravated the situation when in 1586 it got the States of Brabant and Flanders ejected from the States-General on the grounds that they no longer controlled their respective provinces (yet another application of the “no representation without taxation” principle). The Union was shedding southern influences and coming under the tighter control of Holland, which now required that all its officers obtain their commissions directly from the stadtholder, who was also to approve military operations. Leicester attempted to redress this tilt by force and in 1587 he occupied several cities. When his efforts to arrest

¹⁵Cited in J.W. Schultenordholt. 1979. “The Example of the Dutch Republic for American Federalism,” *BMGN - Low Countries Historical Review*, 94(3): 437–449. <http://www.bmgn-lchr.nl/index.php/bmgn/article/view/2117/2171>, accessed February 27, 2013.

Maurice and to gain the allegiance of Amsterdam failed, Leicester gave up in exasperation and returned to England at the end of the year. The rebels were yet again without a powerful protector, and they had run out of options.

It was at this point that the States-General stopped trying to find a new protector for the Netherlands and instead assumed sovereignty itself — almost by default and without intending it, the Union had become a Republic in 1588. The States-General moved to The Hague (where the government was to remain to this day), reflecting the dominant position Holland was assuming in this new state.

Good fortune finally smiled on the beleaguered Republic. Since Philip's preparations for an invasion of England were all too evident, Queen Elizabeth took a conciliatory position with respect to the unwelcome developments in the Netherlands — she needed the help of the Dutch navy to counter the Spanish Armada. In August 1588, the English defeated the Armada, which simultaneously took care of the seaborne danger to Holland and Zeeland that a victorious Spanish fleet would have posed. In addition, the succession of the Bourbon Henry IV to the French throne in 1589 renewed the civil war there, and Philip could not resist the opportunity to intervene. He ordered Parma to move the Army of Flanders in support of the Catholic League to prevent Henry from becoming King of France. That effort soon bogged down amid disagreements over strategy within the League. The Spaniards were now stretched thin and fighting on two fronts. Although they had little to fear from the Dutch for the time being, the Republic got some much needed breathing space, which it used very efficiently to develop its own military capability.¹⁶

The provinces had already imposed heavy tax burdens and resorted to forced loans to finance the contract army composed of Dutch, Germans, English, and Swiss. In contrast to the irregularly paid Spaniards who frequently mutinied (or sold conquered cities back to the Dutch), the troops of the Republic were paid well and on time. Not only did they serve without protest, but they were willing to do two things that the professional soldiers of the time regarded to be beneath them. They were willing to *drill* and to *dig*.

Maurice of Orange instituted regular drill in order to discipline the troops and train them in the newly developed techniques that made better use of firearms. One fairly complicated maneuver was the *counter-march*. Arquebuses and muskets, both smooth bore muzzle-loading guns, were powerful but not particularly accurate. Their effectiveness depended on mass and rapid volleys of fire that would saturate the target area and increase the chances of a hit. The problem was that they were also quite slow to reload, which made their rate of fire very limited. The new tactic overcame that deficiency by ensuring that the frontline always comprised troops ready to fire. This was achieved by having the first line fire, and then march back through the ranks while reloading their weapons. In the meantime the second line would advance, fire, and then counter-march to the rear while reloading their weapons. The third line would then advance to the front and fire, and so on. Performing this highly complex tactic in the confusion of battle required much practice, which meant frequent peacetime exercise. While the rowdy Spanish veterans would not submit to the discipline of constant drilling, the well-heeled Dutch troops did. As a result they were the first to develop proficiency in that technique, which was to be copied a few decades later, with devastating military effect, by the Swedes.

¹⁶Glete, "A Bourgeois Fiscal-Military State," p. 153.

The second important innovation was that the regularly employed troops did not scorn digging, an activity usually so despised by the contract soldiers that it had to be done by impressing locals. Forced labor, even when it can be found, does not tend to produce work of high quality. This meant that the investments so crucial to siege warfare were often compromised by the slow and poor construction of the trenches. When the Dutch army dug its own investments, the work went faster, the quality improved, and the relationship with the population in the surrounding countryside did not have to sour on account of impressment.

This (and the train of siege artillery that Maurice assembled) enabled the Republic to start the recovery of grounds lost to the Spaniards. Starting in 1591, the new and improved army invaded the eastern provinces held by the (much weakened) Army of Flanders, systematically reduced all fortifications, and captured numerous towns. By 1594, the Republic's armies were extending their control over the northeast as well, finally subduing the city of Groningen, which had hitherto refused to join the Union even though its own province had been in rebellion. The city and the province were now admitted into the Union with one vote. This brought the number of constituent provinces to the seven that would later give the Republic its official name of the **Republic of the Seven United Netherlands**. Figure A shows the situation as it would be confirmed after eighty years of fighting, with the south (modern Belgium, Luxembourg, and parts of France) becoming the Spanish Netherlands, and the north achieving independence as the United Provinces. In the following year, Henry IV of France, who had converted to Catholicism in an effort to split the Catholic League, finally declared war on Spain, further absorbing Spain's resources.

The Republic's success on land was buttressed by steady performance at sea. Antwerp, the great *entrepôt* of Europe, which had been in Spanish hands since 1585, was blockaded by the Republic's navy. *Entrepôts* had emerged as a solution to two problems of the medieval and early modern worlds. First, the high risks and costs of travel made it desirable for merchants to ship goods part of the way and sell them at such an outpost. The goods would then be sold at a higher price to other merchants that would transport them to their intended point of sale. The trading post permitted the transit without imposing customs duties but made a profit on the price differentials. Second, the uncertainty of supply and inability to gauge demand made it desirable to store merchandise in a central location, and then ship required quantities to places where there was demand for them. Third, this permitted goods to be traded at the port itself, with different merchants buying up what they needed to service their own trade routes. Fourth, this concentration of activity led to the development of insurance and storage facilities that reduced transaction costs further facilitating trade. Fifth, with more merchants operating at the outpost, more information could be exchanged about the conditions of various markets, which lowered the marginal price of the commodities, and allowed the *entrepôt* to realize economies of scale. The latter development gave advantage to early starters, which grew large enough to crowd out the competition. With Antwerp taken out of the game by the Republic, Amsterdam quickly came to prominence and effectively monopolized the transit, storage, and trading of goods for a very long time. All of this, of course, meant increasing profits for the burgers of Holland, more revenue for the Republic, and a more dominant position for Holland in the fledgling state.

The Republic could not enjoy these victories for long: on May 2, 1598 the Treaty of Vervins ended the war between Spain and France. Even though Philip was defeated, the subsequent withdrawal of the Army of Flanders from France caused great anxiety to the

Dutch who now feared a renewed offensive in the Netherlands. In September, however, Philip died and his will produced a surprise: he had bequeathed the Netherlands (all of it — the King obviously had not acknowledged the sovereignty of the Republic) to his daughter Isabella of Spain and her husband Archduke Albert. Since Isabella was known to be childless, the stipulation that the territories would revert to the Spanish Crown upon her death was meant to ensure that the heir King Philip III would end up in possession of these lands before long. The moderate Isabella and Albert could reconcile the provinces to the Crown, if needed with the support of the Army of Flanders, which was to be financed by Philip III in the expectation that he would be the ultimate beneficiary of that reconciliation.

Spain tried to increase the pressure on the Republic by placing an embargo on Dutch trade with the monarchy. Up to now, the rebels had been conducting brisk trade with the very state that was trying to subdue them, not merely because it was profitable but because it was their major source of income.¹⁷ The Dutch reacted by striking at the Spanish trade monopolies in the East and West Indies, and by 1599 were attacking Portuguese possessions in Africa and Brazil. The war had now become not merely economic but global.

Despite some members of the Union favoring reconciliation with Spain provided it involved the acceptance of the principle of the sovereignty of the provinces and guarantees that would protect the Calvinist dominance in the north, the talks led to nothing because the archdukes proved quite unwilling to contemplate such concessions. With new mutinies temporarily weakening the Army of Flanders, the States-General ordered Maurice to resume the offensive. This time, Maurice's usual maneuver and siege tactics were foiled when the Spaniards cornered his army near Nieuwpoort, where he was forced to offer pitched battle for the first time on July 2, 1600. The new army had not been tested in this type of a battle, in which the might of the Spanish *tercios* was legendary.¹⁸ The new tactics, however, paid off: the disciplined volley fire of the Dutch infantry routed the Spanish pikemen, delivering the first victory in pitched battle to the Republic. Even though it was strategically of little consequence (since Maurice was unable to press his advantage), it provided a vindication for the emerging style of army organization and tactics, an important morale boost to the Dutch, and a further indication to the Spanish that subduing the rebels was going to be difficult despite the peace with France.

Although the Army of Flanders recovered and under new command delivered a series of blows to the Republic in 1605, the Dutch displayed remarkable resilience and if they could not dislodge the Spaniards, neither could the Spaniards venture into the core provinces. The Dutch had used the time to build a cordon of fortresses along the borders of the Republic, which essentially mirrored the Spanish fortifications outside the border. The States Army had mushroomed to 62,000, and was well provisioned and paid. Despite its mostly foreign contract troops, it had become a federal force, with native Dutch officers in command. On land a virtual stalemate ensued from 1606.

Soon it also became clear that the embargo was not working. In 1602, the States-General chartered and granted a 21-year monopoly of colonial activities in Asia to the newly formed

¹⁷The system of licenses was pioneered by Zeeland in 1572, and adopted by Holland a year later. The two provinces averaged a total of about 150,000 florins per year between 1574 and 1577 from these permits. Fritschy, "Financial Revolution," p. 60.

¹⁸There were, in fact, very few pitched battles throughout the entire revolt, and almost all of them went to the Spaniards.

United East India Company (*Vereenigde Oostindische Compagnie*, or VOC). This was partly provoked by the formation of the English East India Company in 1600, which posed a competitive threat; partly by the desire to use the invention of limited liability of investors to pool resources and carry out profitable long-distance trade; and partly to unite the government and the elites to inflict economic pain on the Spaniards.¹⁹ This aggressiveness set them on a collision course with England, but for the time being all that mattered was trade and the war with Spain. In 1607, the Dutch navy attacked and defeated a Spanish fleet in Gibraltar, and even blockaded the coast of Andalusia.²⁰

The fiscal and military muscle of the Republic proved too strong for Spain to impose a solution on land. The increasing depredations of the Dutch in Spanish and Portuguese overseas possessions was beginning to strain the Spaniards even though their embargo was hurting the Dutch as well. The enormous cost of the new fortifications were also stressing the already heavily taxed resources of the Republic. Fiscal exhaustion set in, and on April 9, 1609 the two sides concluded a **Twelve Years' Truce**. All hostilities were to cease, and each side would exercise full sovereignty in the territories under its control at the time of the cease-fire. Spain obstinately refused to recognize the sovereignty of the Republic, but it did agree to treat it as if it were independent for the duration of the truce. The armies would no longer levy contributions on enemy territories, and trade was to resume. Estates confiscated during the war were to be restituted or their former owners were to be compensated (the House of Orange derived substantial benefits from this provision).

The Dutch immediately busied themselves on the diplomatic front, gaining formal recognition of their independence from France, the Venetian Republic, and the Ottomans. In June France and England signed a treaty guaranteeing this independence. The Republic quickly expanded its colonial activities. In North America it settled the colonial province of New Netherlands that covered areas that are now in New York, New Jersey, Connecticut, and Delaware. In 1625, the Dutch founded the provincial capital of New Amsterdam, which would be renamed New York in 1667 after the English had seized the Dutch colony. There were more permanent acquisitions in Indonesia and South India, as well as the intrusion into the trade routes in the Mediterranean. The maritime commercial provinces gained heartily from this expansion of trade although cities with more labor-intensive economies lost out to the lower wages in the Spanish Netherlands. It seemed that for the time being, the Republic was there to stay.

To understand the history of the Republic over the next two centuries, we need to take a closer look at its constitutional setup. As we shall see, despite the astounding economic strength, fiscal prowess, and military resilience, the Republic was often disrupted internally by domestic politics, which pitted the republican principles of a loose confederation under the leadership of Holland against the centralizing federalism under the House of Orange-Nassau. The Republic never did solve the problem of effectively combining enough power at the federal level that would provide the state with a steady foreign policy and defense

¹⁹They were targeting Portuguese possessions, but since Portugal had become united with Spain in 1580, these were legitimate targets. Moreover, the Portuguese had long been unwelcome competitors: they had Lisbon as their *entrepôt*, and then used a variety of German, Spanish, and Italian syndicates that all had Hamburg as their *entrepôt*, effectively shutting off the Dutch from the profits of trade with Asia.

²⁰Glete, "A Bourgeois Fiscal-Military State," pp. 153-4.

without it risking reversion to the personal rule of a monarch.²¹ Instead, leadership oscillated violently between the republicans led by the regents of Holland and the Orangists, and it was usually the strain of war that would undermine whichever party happened to be in power at the time and usher in its replacement.

4 Political and Fiscal Institutions

It is not easy to classify the political organization of the Republic.²² It was more than a confederation of mostly independent provinces, but it was not a federal system with a well-articulated central government either. Since the Republic came to be out of necessity instead of by design, its “constitutional” foundation defaulted to the clauses specified in the Union of Utrecht. However, because that treaty was cobbled together in haste to meet the growing urgency of a particular strategic and political situation, it did not provide a well-thought out framework for governance like the American Constitution would centuries later. This meant first and foremost that in the new state sovereignty would be found not at the “national” (federal) level, but at the provincial level — in almost everything the provincial States were what mattered. This further implied that among the States, the wealthier ones would be more important — in practice, this gave dominance to Holland, which was both the wealthiest and the most populous of the constituent provinces. Holland contributed an average of 58% in the provincial quotas financing the Generality between 1586 and 1792. Between the three of them, the maritime-urbanized provinces of Holland, Zeeland, and Utrecht contributed an average of 75%. With the principle *no representation without taxation*, it would not be surprising to find that the policies of the Republic would consistently reflect their preferences.²³ Finally, since there was no constitution, there was no authority that could check the decisions of the States-General nationally or the States provincially. As we shall see, the system did not work on “checks and balances” but on the fact that at the all important provincial level, the States were controlled almost entirely by representatives of the cities. This made these representatives responsive to the city merchants and magistrates, which guaranteed that they would not pursue policies detrimental to urban well-being. With more than half the population of the Netherlands already urbanized, this gave these commoners and indirect but very influential voice.

Let us now give a brief overview of the political system that would govern the Republic until its demise with scarcely any change. At the federal level, there were the States-General (*Staten Generaal*), the assembly of provincial delegates, where each province had

²¹This is the same problem that the Founding Fathers would confront centuries later and one they would successfully solve in the U.S. Constitution, as we shall see in the corresponding lecture.

²²For a concise overview, see Jonathan I. Israel, 1995. *The Dutch Republic: Its Rise, Greatness, and Fall, 1477–1806*. Oxford: Clarendon Press, pp. 276–306.

²³Marjolein 't Hart, “The United Provinces,” Table 9.3, p. 319. Despite what appears to have been a disproportionate contribution by Holland, if one were to take account of the per capita wealth, this province actually appears to have been under-taxed relative to some of the others. This is not surprising, of course, as the States of Holland would naturally exert as much influence as possible at the smallest cost. The vast disparity in wealth between Holland and all the other provinces simply enabled Holland to dominate through its massive contribution while at the same time escaping with what appears to have been a lighter tax burden overall. The quota system was eventually revised in 1792 (right before the Republic’s collapse) and Holland’s quota was increased to 62%. See Israel, “The Dutch Republic,” pp. 286–7.

one vote.²⁴ The provincial States could send as many delegates as they pleased, but only a few could find seats in the building at The Hague. The provincial delegates were not true representatives in the sense that they were not authorized to enter into any agreements outside predefined bounds — for any exception they had to travel back to consult with their provincial States, making this body quite unsuitable for decision-making in emergencies. The States-General could only deal with questions pertaining to the common welfare — declarations of war and peace, foreign affairs and colonial matters, the army and the navy, coinage — and on almost everything unanimity was required. Thus, rich Holland had as much formal power as poor Overijssel (which contributed a mere 3%), but of course in practice this meant that Holland would have to get its way through informal influence, outright bribery, and on occasion coercion, which it regularly did.

In theory, since each of the United Provinces was sovereign with votes that counted equally, all decisions were supposed to be unanimous. In practice, of course, insisting on this would have paralyzed the Republic much like the *liberum veto* would fatally weaken Poland. The States-General essentially worked through majority voting with Holland having a *de facto* veto power. As long as Holland sided with the majority, decisions could be pushed through and Holland worked hard to obtain the necessary votes to ensure that the Generality would act.

The States-General had control over one important source of revenue: the customs duties, which had evolved from the convoy duties collected to protect merchant shipping and the licenses to trade with the enemy that Holland and Zeeland had issued during the war. Although income was considerable due to the expansion of trade, the rates were low (3%-5%) and did not increase for fear of interfering with trade. These taxes were collected and administered by the five separate Admiralties, went directly to the navy instead of the central treasury, and were difficult to monitor. The Admiralties also apparently competed with each other to attract wealthy merchants to ports under their control, which also served to keep the rates down. As a result customs accounted for a small share of the federal budget, and even that share declined over time.²⁵

Even though the States-General did have other sources of revenue (taxes on the Generality Lands annexed in 1648, forced contributions from occupied enemy territory, and the stamp duty), the lion's share (80%-90%) of the federal budget came from provincial taxes.²⁶ The total amount was determined by unanimous vote in the States-General, and then allocated to the individual provinces according to negotiated quotas based on presumed wealth. Each provincial States then raised the prescribed amount in whatever way it saw fit. Some of this money went to the central treasury to be spent for military purposes, but most of it was spent in the province itself on payments for the army and administration. Since ap-

²⁴That is, the seven provinces that were also contributing to the common defense. Drenthe, the eighth and poorest province, did not contribute and did not have a vote.

²⁵In 1590, customs raised 1 million florins, when the tax income of Holland alone was 3 million. The figures for 1648 were 2.8 million and 11.4 million, respectively. See Fritschy, fn. 25, p. 60. Customs accounted for 12.2% of the federal budget in 1641, and only 5.4% in 1790. See 't Hart, Table 9.2, p. 317.

²⁶The Generality Lands, nearly a third of the territory of the Republic, were lands annexed in 1648 with the formal recognition of the Republic. These included Flanders, Brabant, Maastricht, the Overmaas, and Wedde-Westerwolde. These were not constituted as provinces, and it was the States-General that was sovereign in them. Flanders and Brabant, which used to have their own States under the Habsburgs, were thus deprived of the provincial level representation, although the towns did have some voice in the States-General.

pointments in the Union army were controlled by the provinces that paid for them (officers also swore to the provincial States), Holland acquired a disproportionate influence in the army. A similar pattern prevailed in foreign policy, where all but 1 or 2 of the diplomats were appointed and paid by the States of Holland. When a province could not meet its quota obligations, Holland often bailed it out by advancing it money from its own provincial income. In this way, Holland came to dominate the Republic to the point that for foreigners its name became synonymous with the United Provinces.²⁷

There was no unified currency in the Republic — each province minted its own coinage and could decide how much of its to issue. However, the States-General did regular the values, weights, and metal content of the provincial coinage, making them in effect a single currency. Money was extremely stable in the Republic: after the two devaluations during the desperate early years of the Revolt, the value of the currency was set in 1606 and remained unchanged until 1795, an astonishing feat in a world where debasements were common especially when we consider the fact that the Republic spent much of its time at war with more than one of its neighbors.

The “executive” arm of the States-General was the Council of State (*Raad van State*), in which Holland had three members, Friesland, Gelderland and Zeeland had two each, while Groningen, Utrecht and Overijssel had one each (thus, the three maritime-commercial provinces — Holland, Zeeland, and Utrecht — controlled six of the twelve seats). The Council prepared the annual “budget” that determined the amounts the provinces would have to raise, controlled the federal taxes (except customs), and administered the army, the military supplies, and the maintenance of fortifications. It is important to realize that when the request for provincial funds was sent to the States-General for a vote, the likelihood that it would not pass was very small — all amounts were already negotiated within the Council. Initially, there was only vague justification of the actual numbers and no monitoring of expenditures. Over time, the Council began to submit a “State of the Union” type document that tried to list the anticipated expenditures, and in this the document started to resemble an actual budget. Eventually (over a century later), they also started to implement a monitoring system to ensure that the funds were spent appropriately.

The Council, whose administrative duties for the army, fortresses, and the Generality lands made it one of the most important institutions, was not a true executive because it did not have command of the army or the navy. The States-General appointed both the Captain General and Admiral General, but these appointments invariably went to the Stadtholder. The office of Stadtholder (*Stadhouder*) is not easy to define. Its genealogy traces back to the Dutch noble stadtholders of the provinces that worked as kind of governors for the Habsburgs. Of course, with independence this function lapsed and the office should have disappeared. Instead, upon assuming sovereignty the provinces started to appoint their own Stadtholders, who were responsible for the administration of justice. The Stadtholders also often had the right to appoint magistrates and burgomasters in the cities from lists submitted by city councils. This naturally gave them extensive opportunities for patronage. Although each province elected its own Stadtholder, in practice Holland, Zeeland, Utrecht, Gelderland, and Overijssel all appointed the same person from the House of Orange-Nassau, while Friesland and Groningen traditionally appointed a member of the junior branch of the fam-

²⁷Boogman, pp. 397–400.

ily. Also, even though in theory Stadtholders could be replaced, in practice the office was for life, and became *de facto* hereditary for the House of Orange-Nassau until 1747, when it was also declared hereditary *de jure* (along with the posts of Captain and Admiral General). This permanence in office endowed the Stadtholders with semi-monarchical status, enhanced their prestige, and further increased their influence on policy.

The States-General appointed a Stadtholder for the Union, and this was also invariably either the Stadtholder elected by Holland and Zeeland or, if they had not elected one (the provinces sometimes did not have Stadtholders for years), the current head of the House of Orange-Nassau. In a similar fashion, even though the provinces appointed the Captain and Admiral General, in practice since these functions went to the Stadtholders, the command of the Union army and navy always ended up with the Stadtholder from the House of Orange-Nassau. This also contributed to their standing in society, and the military successes gave them a broader appeal politically as well.

The Stadtholder then tended to have the interests of the Union closer to heart, which countered the particularistic tendencies of the provincial States even though it was rare that policy would not reflect the preferences of the States of Holland. His popularity also gave him leverage in bargaining with political opponents, which provided for opportunities to break out of what otherwise would have been political deadlocks. Although the Stadtholder's wealth was always extensive, it never developed into the analogue of a royal domain, and so the Stadtholders never acquired the wherewithal to maintain the standing army without the States-General, who in turn could not have done it without the provincial States. In that respect, the power of the purse remained strictly out of the hands of the military commander, and so the Stadtholder's moral hazard was greatly attenuated. In turn, although the States-General set the foreign policy, the State's control of the all-important annual provincial contributions (and emergency levies) meant that the federal assembly was also heavily constrained. Even though Holland's voice was very dominant, it had to be exercised with discretion and through indirect channels, which meant that satisfying its preferences on a particular issue would often involve political deals that would induce the other provinces to agree. If the States General stood firm and were united with the Stadtholder on some issue, it was extremely difficult for Holland to overcome their opposition. It was a complicated system that nevertheless ensured that the provincial States would have to cooperate for the common welfare.

This is not to say that there was no conflict. In fact, there was a nearly perpetual tug of war between the maritime provinces and the Princes of Orange. The regents of Holland and Zeeland generally favored republican principles and wished to assert not only the power of the purse but also set policy in military and diplomatic matters. This invariably resulted in priority being given to maritime interests at the expense of the land army. As Captains-General, the Stadtholders had exactly the opposite priorities and the officer posts in the army also offered nice opportunities for patronage. When the Republic was at peace and focused on prospering or when the Stadtholder died without a male heir of age, the republican leanings of Holland tended to come to the fore. So much so, in fact, that the States of Holland managed to eliminate the position of Stadtholder twice, once for over two decades (1650–72) and once for forty-five years (1702–47).

At the provincial level, it was the cities that were represented in the States. In Holland, the States had 19 members of which 18 were cities, and only 1 was for the nobility. Al-

though in other provinces the ratio was not as skewed, it was the case everywhere the urban interests dominated these assemblies. This meant that it was the city Councils whose voice was heard, and these were very responsive to their local conditions. Although initially membership in these Councils was ill-defined and quite open. Since the position was not paid, members had to support themselves from their own private incomes, which in practice restricted entry to the wealthy elites from the outset. Moreover, since membership was for life, this practice eventually developed a class of *regents* that became closed to newcomers. The Councils were tasked with electing the magistrates (officials with legislative, administrative, and jurisdictional functions), who could be repeatedly re-elected once their terms expired. This made them quite receptive to the wishes of the Council. This essentially non-elected power elite dominated society and managed to impose an exceptionally heavy taxation burden on the citizens.²⁸

This seems to have accorded the regents nearly unlimited influence: they controlled the States, which in turn appointed the Stadtholder and indirectly controlled the States-General. This control, however, was actually quite circumscribed. First, the they (and their cities) were terrified of losing out in competition with other cities. This meant losing either business that would relocate to places that provided a more hospitable environment or people who would migrate to places that paid higher wages or imposed lower taxes. Within each province, each city jealously guarded all its existing rights and privileges (which were impossible to remove under the unanimity requirement) but once the Republic came into being, no city could hope to obtain privileged treatment because any such attempt would meet with a veto by the others. Thus, while the system did freeze into place existing inequalities, it did not allow for beggar-thy-neighbor policies or further decentralization of authority to the cities. This meant that the burden of taxation imposed by the States would tend to be relatively uniform within its province: the regents in one city were simply too afraid that if they tried to extract more from their citizens, they would lose the tax-base to another city.

Second, a similar logic restrained the ability of the regents to cooperate on the provincial level in order to extract more through the States itself. The Union treaty had prohibited preferential treatment of the province's own citizens by taxing outsiders at higher rates (Clause 18), but the intense provincial competition sometimes resulted in provinces offering tax breaks to their own citizens. In general, however, this kept the level of taxation relatively uniform across provinces as well even though they were each separately responsible for its own system.²⁹

Third, being heavily invested in trade and commerce themselves, the regents' own wealth was directly dependent on the proper functioning of the economy. This meant respect for property rights (so contracts could be predictably enforced, lowering the transaction costs of exchange), and law & order (so that economic activity is not disrupted by frequent riots and revolts). The regents thus had a strong incentive to impose taxes that would be regarded as tolerable. Because of the high ratio of relatively rich elites to the total population, this also

²⁸Occasionally external events would intrude on the powers of this elite. After Louis XIV captured (briefly) several provinces in 1672, the post-war reforms gave the Stadtholder the right to appoint the magistrates in Gelderland, Overijssel, and Utrecht. The reforms lapsed when no new Stadtholder was elected in 1702, but were reinstated in 1747 when the Stadtholder was not only reinstated but became hereditary. See Van Nierop, pp. 276–9.

²⁹Boogman, p. 397–400.

meant that taxes would fall on everyone (there were no exemptions), which certainly worked to enhance their legitimacy. Still, the most effective safety valve was to listen to popular opinion, and in the absence of popular elections, the *petitions* turned into a mechanism for transmission of that information.³⁰

The petitions could be filed by any citizen and directed at any level of government: from the town magistrates all the way up to the States-General. Of course, to have any chance of success at the provincial level, a petition would have to obtain the support of the city Council, just like to succeed at the Generality level, it would have to have the support of the provincial States. The petitions quickly evolved into standardized documents that had to be written on paper of specified size and bear a stamp that cost a few *stuivers*. The stamp was not merely a tax that generated revenue for the government, it was also meant to discourage frivolous petitions. Since most authorities would only look at petitions that were properly written, the system quickly generated an army of lawyers whose business was to prepare these, and submit them to the proper authorities. In addition, since petitioners were not allowed to present their cases in person, it became imperative to make sure that key individuals among the decision-makers were made aware of the petition in advance so that their support could be secured when it was discussed in the corporate group. This naturally led to the creation of an army of lobbyists to complement the army of lawyers writing the petitions.

The vast majority of petitions seem to have dealt with fairly straightforward matters: citizens requesting licenses, declaring bankruptcy, asking for contract enforcement or adjudication of property rights disputes, and so on. Since these types of issues formed the core competence of the authorities, it is not surprising that they took these petitions seriously, and acted with great care. These petitions, however, do not involve any flow of information about policy from the citizens.

The other category of petitions were filed by individuals or groups of citizens asking for some government action or a policy change. The records seem to indicate that the authorities rarely initiated new policies or amendments to existing ones — instead, they waited until some interested group filed a petition. The authorities would then form a committee to study the request, and then deliver a report with a recommendation. If the request was granted, a new by-law would be drawn up and announced in the town hall. Although these petitions never touched on high (foreign or inter-provincial) policy, they did allow ordinary citizens to exert influence on (mostly economic) policies that affected their well-being.

Thus, although the Republic was supposed to be governed by the States-General on matters involving the Generality, in practice the system was very decentralized, with sovereignty residing in the provincial States although some push for uniform and consistent policy could come from the Stadtholder and Holland. The States themselves were responsive to the regents of the various cities that made up their membership. But the regents themselves had strong incentives to guard their local interests, acquire information from the citizens, and cooperate to ensure a relative uniform spread of taxation across the Republic. As a result, even without the formal federal structure one would expect from a functioning state conglomerate like the Republic, the country actually managed surprisingly well.

³⁰Van Nierop, pp. 284–90.

5 Thirty Years' War, 1618–48

The most important incidents during the Truce period occurred in 1617-18, and resulted in the affirmation of the federalist principle, in the assertion of dominance of the Stadtholder in Holland, and in the increase of influence of the Stadtholder in the Generality.

A religious discord that need not detain us here threatened to boil over into civil war.³¹ In August 1617, the States of Holland passed the *Sharp Resolution* over the objections of six cities, including Amsterdam. It authorized city governments to raise troops to ensure public order. These mercenaries (*waardgelders*) were neither part of the Union army nor of the civil militias, and owed allegiance to the municipalities that paid for them. The resolution also asserted that the Union troops in Holland's pay also owed their allegiance to the States of Holland rather than to the States-General. This provoked a constitutional crisis. There was no question that the question about the Union troops threatened the federalist structure of the Generality. The States-General were sovereign when it came to the common defense and related policies, but in everything else the provincial States were sovereign. The status of the *waardgelders*, however, was ambiguous. The Stadtholder Maurice of Nassau and the other provinces immediately protested that Holland had not right to raise troops without the authorization of the States-General. In July 1618, the States-General voted to disband the *waardgelders* of Holland and Utrecht (the city had raised its own after the passage of the *Sharp Resolution*) over their objections, and sent a commission with the Stadtholder to supervise the process. Holland and Utrecht insisted that they had every right to raise troops for internal reasons, and that the action of the States-General was illegal. To no avail: by and large the Union troops remained loyal to the Generality and supported the Stadtholder. By the end of the month Utrecht's *waardgelders* were disbanded without resistance. In August Leiden complied voluntarily, and all provincial opposition to the federalists collapsed. The leaders were arrested, and the councils were purged of confederate elements. The federal principle with respect to armed forces was upheld but with an important shift in the balance. The Stadtholder acquired a secure power base in Holland, and through the province's dominant voice in the States-General, in the Generality as well.

As the Truce was set to expire in 1621, the Dutch government set about to maneuver itself into a more advantageous diplomatic position in case hostilities with Spain resumed. The Protestant Bohemians rose in rebellion against the Catholic Austrian Habsburgs in 1618, setting off what would become the **Thirty Years' War**. The rebels proclaimed Frederick V, the Elector Palatine, their King in 1619, and the Republic intervened in their support. The Dutch paid for part of the rebel army, and provided transport for 4,000 English troops to defend the Electoral Palatinate and support Frederick. Spain cooperated with the junior branch of the family, and raised 25,000 imperial troops in the Spanish Netherlands. These forces marched into Palatinate in the fall of 1620 and occupied most of it. On November 8, the armies of the Holy Roman Empire and the German Catholic League crushed the numerically superior Bohemian army at the **Battle of White Mountain** near Prague. This effectively quashed the rebellion. Frederick went into exile at The Hague, not only losing the Bohemian crown, but also forfeiting his estates in the Palatinate. The Dutch tried to help

³¹For details, see Israel, *The Dutch Republic*, pp. 433–57.

him recover his lands, but in 1622 Spanish and imperial troops completed the conquest of the principality, and in 1623 Ferdinand II, the Holy Roman Emperor, awarded Frederick's electoral title and the Upper Palatinate to his principal ally, Maximilian of Bavaria. Frederick died in exile in 1632 without recovering either his title or his lands. The first phase of the war had gone to the enemies of the Republic.

In the meantime, direct hostilities between Spain and the Republic did resume despite some lukewarm interest on both sides to avoid them. The Spanish commander of the now 60,000-strong Army of Flanders, Ambrogio Spinola, began offensive operations on land, but despite several successes it soon became clear that the Dutch system of border fortifications would be extremely costly to overcome.³² Spain shifted strategy to economic warfare by enforcing the trade embargo, forming the Armada of Flanders, and giving letters of marque to a great many privateer. Although no match in a direct contest with the Dutch Navy, these naval forces were quite successful in harassing merchant shipping and caused an increase in convoy costs, insurance, and customs dues, which made Dutch shipping less competitive. The economic slump added to the strain of keeping 42,000 troops to defend the fortresses and paying the perpetually broke German Protestant forces to keep the war going in Germany.

The first relief came in 1624 in the form of a subsidy from Louis XIII of France, who had agreed to give the Dutch 1 million florin annually to keep fighting the Habsburg threat. The second stroke of luck came in 1628 when the Dutch Navy captured a Spanish treasure fleet, giving the Republic a much-needed infusion of cash. In that year, the Union Army swelled to 70,000 just as the Spaniards had to withdraw both troops and money from the Netherlands to support the Habsburg side against France in a war over the succession of the Duchy of Mantua. The Republic went on the offensive and after repulsing an invasion of the core territories (the States-General mobilized 128,000 troops for that emergency), it broke the line of Spain's strategic fortifications in Brabant in 1629, rising the prospect of conquest of the Spanish Netherlands. After the States-General ignored an offer of truce from King Philip IV (the States of Holland were split on whether to accept it), the Stadtholder Frederick Henry (who had succeeded his half-brother Maurice) invaded Flanders and called on the population to rise against the Spaniards.

These operations coincided with a dramatic reversal of Habsburg fortunes in Germany, where the Swedes had intervened on the Protestant side. Just when the war had seemed on the verge of ending with a complete imperial victory, the Swedish King Gustavus Adolphus, supported by generous French and Dutch subsidies, landed in Germany at the head of 13,000 men. On September 17, 1631, the Swedes delivered a crushing blow to the imperials when they routed the army of the Catholic League (which suffered 23,600 casualties out of a 35,000-strong force whereas the Swedish side won at the cost of 5,550 casualties out of a 41,000-strong army). As the Protestant side (paid in large by Catholic France) rallied in Germany, the Republic intensified its invasion of the Spanish Netherlands, and in 1632 the Stadtholder took Maastricht, prompting the *Infanta* Isabella to convene the States-General for the southern Netherlands for the first time. This assembly immediately pressed for peace

³²For the curious, the cover of my book *Military Threats* is a reproduction of the famous painting *The Surrender of Breda* by Velázquez, which depicts Spinola's most memorable victory on June 5, 1625 after a nearly year-long siege.

and met with delegates of the Republic's States-General. These talks were not authorized by Spain, and would have been meaningless without its consent if they had not collapsed in 1633 due to sabotage by the Stadtholder.

By now Spain was deeply involved in saving their Austrian allies from the Swedes who had continued to be wildly successful despite the death of Gustavus Adolphus in the Battle of Lützen (November 1632). In early September 1634, a Spanish army that had marched from Italy linked with the Imperials at the town of Nördlingen, bringing their total to 34,000 troops. Having severely underestimated the number of experienced Spanish soldiers in the reinforcements, the commanders of the Protestant armies of the Heilbronn League decided to offer battle. The seasoned Spanish infantry — which had not been present at any of the battles that had ended in Swedish victories — was mostly responsible for the complete rout of the enemy army, which lost 12,000 casualties out of 25,600 men (to only 2,400 for the Catholics). Although the battle was not decisive, it had several very important consequences. First, it induced the Protestant German princes to conclude a separate peace with the Emperor, which they did with the Treaty of Prague (May 1635), ending the civil war aspect of the Thirty Years' War. Second, faced with the prospect of a complete Habsburg victory in Germany, France could no longer remain a mere paymaster to the Swedes. It declared war on Spain (1635) and the Holy Roman Empire (1636), and opened offensives against the Habsburgs in both Germany and the Low Countries.

The French war with Spain came at a very opportune moment for the Republic. The feared *tercios* had marched straight to Brussels after Nördlingen and had shifted the balance in the Netherlands. The interests of the Republic and France aligned, leading to an alliance signed in February 1635. According to its terms, the two allies would invade the Spanish Netherlands simultaneously, and either partition the lands among themselves or at least secure their independence. The plan came apart when the Army of Flanders, now 70,000 strong, halted the French offensive, and then began making gains against the Dutch. In 1636, the Spanish forces counter-attacked in northern France, ravaged the provinces of Champagne, Burgundy, and Picardy, and were poised to march on Paris when they ran out of money. The offensive ground to a halt, allowing the French to regroup and push them back to the border. However, even though the Army of Flanders was now sandwiched between the French and the Dutch forces, the Spaniards proved impossible to dislodge from their fortified positions in the southern Netherlands.

Since France had also attacked the Spanish Road, getting reinforcements to the Low Countries had to be done by sea. In October 1639, a new Spanish fleet carrying 24,000 soldiers and sailors was intercepted by the Dutch and destroyed in the **Battle of the Downs**. This victory established the Republic's superiority at sea, and since Spain's stretched finances did not permit rebuilding the navy, the French and the Dutch quickly capitalized on that advantage by seizing Spanish overseas possessions. Spain's troubles were only beginning: the incessant fiscal demands on the population caused both Catalonia and Portugal to rise in revolt in 1640. With France invading to support the Catalans, Spain started falling apart. In 1643, a 23,000-strong French army defeated a 27,000-strong Spanish force at the **Battle of Rocroi**. If it had any chance of remaining a great power, Spain had to extricate itself from the various wars in order to focus on its internal troubles. In Germany, the Swedes also reversed many of the imperial gains since 1634, convincing the Emperor that they would have to be included in a comprehensive peace. Thus, by 1643 the Habsburgs

were quite willing to talk.

Unfortunately, this desire was not exactly reciprocated by their opponents. The Swedes could not disband their army, which by now was 80% foreign (mostly German) mercenaries, without paying the soldiers, and they could not begin to cover the vast arrears. The army had to subsist on contributions from occupied territories until the opponents agreed to pay for their removal. The Dutch were split: the Stadtholder favored pressing on while Spain was weak but the States of Holland were urging for peace. The military operations were hugely expensive, and with Spain no longer a threat, expenditures could be cut. Since the war was also increasing the influence of the Stadtholder, peace would also give the States a chance to regain political primacy in Holland. The French were simply unwilling. With both Richelieu and Louis XIII dead, France now had a five-year old king, Louis XIV, and was ruled by the Chief Minister, the Italian Cardinal Mazarin. Having seen the chance of breaking the Habsburg encirclement once and for all, Mazarin continued Richelieu's policies.

Despite peace negotiations opening in Westphalia in 1643, the war continued. Over the next years, the Habsburg position deteriorated, further softening the demands of the imperial diplomats and strengthening the peace party in Holland. With the mounting costs of war pushing France to exhaustion as well, all belligerents finally seemed ready. After nearly five years of talking and fighting, the warring sides settled their differences in a series of treaties signed between May and October 1648 in Münster and Osnabrück, collectively known as the **Peace of Westphalia**. The first of these, the **Peace of Münster**, ratified on May 15 by the Dutch Republic and the Kingdom of Spain, put an end to the **Eighty Years' War** and formally acknowledged the independence of the Republic from the Spanish Crown. (The comprehensive peace also formally acknowledged its separation from the Holy Roman Empire.) Despite some small territorial gains for the Republic, the treaty codified the division of the Low Countries. The Republic comprised lands that roughly correspond to the present-day Kingdom of the Netherlands, whereas the Spanish Netherlands comprised lands that today contain Belgium, Luxembourg, and Nord-Pas-de-Calais in France.³³

The signing of the peace was not without difficulties because not all provinces were keen on ending hostilities with Spain. Zeeland and Utrecht had been profiting considerably from the transit trade with the Southern Netherlands. With the opening of the Flemish ports — which had been blockaded during the war — trade was bound to flow there instead of the Scheldt and other inland waterways. To add insult to injury, with the blockade lifted, naval stores, salt, fish, wine, and grain could all be shipped directly from the Baltic using Hollander ships, again bypassing the Sheldt. The inevitable winding down of the army also meant fewer people spending money in the garrison towns, which also contributed to a serious recession. In other words, while Holland (and other provinces) prospered from the peace, Zeeland and Utrecht expected nothing but trouble.³⁴ When they refused to ratify the treaty, Holland brought serious pressure on Utrecht, and eventually managed to secure its vote. The Peace of Münster was ratified by six of the provinces, with Zeeland the lone holdout (it did capitulate a few weeks later).

³³We shall have an occasion to discuss the Peace of Westphalia in our lectures on France. For now it suffices to say that it settled all conflicts except the war between France and Spain, which would continue until 1659.

³⁴Israel, pp. 596–8.

6 The Golden Age, 1650–72

The peace brought internal trouble to the Republic. Frederick Henry died in 1647 and his son William II succeeded him as Stadtholder and commander of the States Army. His youth and lack of field command deprived him of the political stature of his father, which created an opening for the States of Holland to re-assert their sovereignty. Even though the Stadtholder opposed the peace and went so far as to absent himself from the ratification at The Hague, the treaty got signed by the States-General. Holland, which had been instrumental in getting the treaty through, pressed its advantage and managed to reduce the standing army from its 70,000 peak to 35,130, and then further down to 29,250 in 1650, its lowest level since 1590. At this point, the Stadtholder and the States of Holland got deadlocked over further reductions. Just like it did in 1618, the disagreement about the control of the army provoked a constitutional crisis. If the States of Holland unilaterally disbanded army units assigned to the province under its repartition, the federal principle affirmed in 1618 would be overturned. The army's vested interests in keeping itself on the payroll favored the Stadtholder, who now planned a military coup. In May 1650, the States of Holland voted unilateral disbanding in a 11 to 8 split, revealing deep fissures within the province itself. Over the protests of Holland and Gelderland, the States-General immediately authorized the Stadtholder to compel every city that had voted for the disbandment to reverse itself.³⁵

On July 30, 1650, William II staged a coup in Holland. He arrested several of the most important regents and compelled Amsterdam to repudiate the unilateral disbandment. The Republic's federal structure was about to be reinforced when the prince suddenly contracted smallpox and died in November. In the resulting confusion, the States of Holland moved quickly to assert their authority and resolved not to elect a new Stadtholder for the province. It would now be the committees of the States of Holland who controlled not only the purse, but also diplomatic and military policy. Since the office of Stadtholder was not hereditary, William II's son (who had been born shortly after his death) — the future King of England, William III — did not automatically succeed him. The regents of Holland blocked attempts to install a Regency and resolved to do away with the office entirely.

The **Great Assembly** of 1651, which met at The Hague, revisited the constitutional structure of the Union. Through skillful diplomacy, the States of Holland managed to persuade five of the provinces — whose Stadtholderate was vacant — to leave the appointment of a new Stadtholder in abeyance indefinitely. Only in Friesland and Groningen, where the office was occupied by the customary cadet branch of the House of Orange (in this case, Willem Frederik), kept their Stadtholder. Eliminating the Stadtholder for the Union, however, opened up the problem of managing the army, and in particular who will get to dispense the patronage by appointing and promoting the officers. Holland got its way on this matter as well when it successfully delegated this to the Council of State (where it controlled three votes out of twelve) instead of the States-General (where it had only one vote of seven). In doing so, it could effectively neutralize the army's Orangist leanings and favor republican officers. Finally, Holland blocked the representation of States Brabant and Drenthe in the States-General despite all other provinces being favorably inclined to admit

³⁵Israel, *The Dutch Republic*, Table 27, and p. 602–9.

them. The States of Holland feared the dilution of its influence in the States-General and the industrial potential of Brabant, which it could suppress in favor of its own textile producers only as long as Brabant was not a full province with its sovereign privileges.³⁶ With the constitutional crisis thus overcome, the Republic entered the **First Stadtholderless Period**, during which it would reach its zenith. It was the so-called “Golden Age” where Holland firmly took the reins under the lead of the formidable Johann de Witt.

Almost immediately, the Republic found itself at war with another: the newly-founded (in 1651) English Commonwealth. While England was torn by civil war, the Dutch vastly expanded their market access in the Baltic, Scandinavia, and Russia. The end of the Thirty Years War also lifted the embargo on Spanish, Portuguese and Italian ports (although the Dutch had traded with the enemy even during the war, indicating just how important this income was for the Republic), and now the lower transportation costs and superior financial system of the Dutch quickly asserted itself in supplanting the English in southern Europe as well. The English cloth industry faced imminent collapse, and English shipping interests suffered considerably because the Dutch took over the importing of goods into England.

In 1651, the English Parliament attempted a clumsy diplomatic solution by proposing that the United Provinces would subordinate itself to England in the manner that Scotland recently had. When the Dutch did not accept, the English passed the **Navigation Act**, which banned the Dutch from carrying goods from Southern Europe into England and from trading with the English colonies in the Caribbean. The English then authorized privateers to harass Dutch shipping, and these started to haul in significant numbers of Dutch merchantmen under the pretext of them having violated the Navigation Act. It became clear that war was unavoidable, and the States-General authorized the refitting of 150 merchantmen for use in convoys. When the Commonwealth learned of this, it geared up its own preparations for war, and on May 29, 1652 an incident in the Channel precipitated the **First Anglo-Dutch War** (1652–54).

The Republic, so strong in its merchant fleet, was not ready for the Commonwealth, which had been building up the navy to counter the royalist threat for years. The English had improved warships that were not only newer than the Dutch but that also mounted superior firepower, with guns that were both heavier and more numerous than the Dutch. The Republic — with its decentralized system of five Admiralties that separately managed their ships — had drastically reduced its navy after the peace with Spain, and had not only sold off many of the vessels, but had let the others deteriorate through lack of proper maintenance. As a result, the English inflicted a series of dramatic defeats on the Dutch, who could ill afford the losses of merchantmen and sailors.

Losing the seas to England, however, was out of the question, so the Republic resolved to fight despite the grievous losses: the Dutch lost over 1,200 ships overall, much of their trade, and the colonies in Brazil (to Portugal). The States-General laid 60 new warships in 1653 and even though they did not match the English in firepower, they at least forbade the admiralties from selling them off (the ships became property of the Generality). Since the Republic did not impress sailors, the manpower losses had to be made up by attracting more seamen with higher wages and compensation payments for losses of limbs or eyesight in battle. As the expenditure mounted, the Orangists began to regain ground but even though

³⁶Israel, pp. 706–11.

there was some pressure to appoint Willem Frederik Captain-General of the Union, the regents were too concerned about weakening the Union during war to pursue these divisions too far, so nothing came of it. The losses did cause rioting and much blame was heaped on De Witt for the failures but the regents closed ranks behind him and the Republic fought on.

Even though the Dutch suffered their worst defeats during the summer of 1653, the tide of war was already turning against the English who turned out to be even more vulnerable to disruption of commerce. The Republic shut down English trade in the Baltic with the help of its Danish ally, swept the English from the Mediterranean, and gained the upper hand in the East Indies. Aggravating these losses, Dutch privateers had proven to be as effective as the English. The Commonwealth was winning the sea battles between the navies but losing the war, so by 1654 Cromwell was prepared to settle on ever decreasing terms. In the end, the **Peace of Westminster** concluded in April, 1654, only included minor concessions by the Dutch although a secret article, known as the Act of Exclusion, obliged the States of Holland to never again appoint any member of the House of Orange-Nassau to any high office. When this clause leaked, it caused considerable outcry in the Republic, De Witt carried the day with the argument that is worth quoting here:

according to the judgment of all political writers of sound mind, high positions cannot be assigned, in a republic, to those whose ancestors held these posts, without considerable peril to freedom.³⁷

Under the tutelage of Holland, the United Provinces pursued a mercantilist policy that avoided international entanglements unless necessary for the security of the state. The Republic did not acquire territories and, since it was not ruled by a monarch, did not pursue dynastic claims.

The conflict with the English, however, had not ended. In 1660, the Stuart Restoration put Charles II — who was an uncle to William III of Orange — on the English throne. The Republic greeted this with optimism and spared no effort to persuade the new king to rescind the Navigation Act of 1651. To this end, they sent him the famous “Dutch Gift”, “a prodigious gift, the most splendid ever presented by the States General to a foreign ruler,” which included Italian and Dutch paintings, Greco-Roman antiquities, and a yacht.³⁸ Even though the King professed to love the gift, the Anglo-Dutch negotiations in London were about to collapse. As English maritime pressure on the Dutch increased, the regents — some of whom had become quite a bit more enthusiastic about William III as a future Stadtholder — closed ranks behind De Witt again. In fact, the mercantilist policies of Charles II drove Zeeland and Utrecht closer to Holland, and harmed the Orangist cause in the Republic. De Witt used the opportunity to adopt a hard line with England and step up naval preparations for war, which everyone expect to come sooner rather than later since now that England had made its peace with Spain (1660), it was bound to redirect its energies to maritime expansion, which would lead to an inevitable clash with the Dutch.

In 1665, Charles II declared war on the Republic, triggering the **Second Anglo-Dutch War** (1665–67). He had the public, the City of London, and Parliament, who were “mad for

³⁷Quoted in Israel, pp. 725–6.

³⁸Israel, pp. 750–1.

a Dutch war”, behind him. Even though the naval buildup of the Republic during the last war had now left the Dutch with better ships, they were still outgunned and outnumbered by the English who had not sat idly by. There was, however, optimism on both sides. The English shared monarchical opinion that republics are weak and ineffective, while the regents believed the Republican institutions to be superior to monarchies.

The initial stages of the war vindicated the expectations of the English, who scored a series of victories during the first half of 1665. In late 1664, the bellicose prince-bishop of Münster, backed by English subsidies, also invaded Gelderland and Overijsel. The army, having been run down because of the spending on the navy, fell back, allowing the prince-bishop to overrun Drenthe. However, contrary to confident predictions, the Republic did not disintegrate. Instead, the provinces rallied behind Holland, and poured money and men at levels that no monarchy could match. In 1666, the Republic began to push back and in April the prince-bishop, who had lost the English subsidies, was forced to conclude a peace, abandoning not only the territories he had occupied but also his avowed aim in the war. The Dutch helped the Danes close the Sound to the English, totally depriving them from access to the Baltic. As during the first war, the VOC scored significant triumphs in the East Indies, and the Dutch navy neutralized the Mediterranean. Dutch privateers, more numerous and better equipped this time around, began to inflict serious damage on the English merchant marine. Even though the English still won most of the fleet engagements, the Dutch navy held its own, scoring some notable victories as well.

In the end, the mounting losses of men, ships, and customs income began to hamper the English war effort as Charles II found Parliament quite unwilling to supply enough resources to refit the navy. Unlike the Dutch, who could absorb their material losses and even make good on them, the English Crown came under increasing strain. In 1667, the Dutch blockaded the south-east coast of England, carried out the humiliating raid up the Medway, and seized Surinam. Charles II was forced to seek terms, and in the **Peace of Breda** (July 1667), he agreed to amend the Navigation Act in favor of the Republic, cede Surinam, and several important forts, and concede the principle of “free ship, free goods” that allowed Dutch ships to sail without being intercepted by the Royal Navy during wars in which the Dutch were neutral. His consolation prize was the colony of New Netherland, which the English had taken before the declaration of war, and its chief city New Amsterdam, now renamed New York.

Although the Republic triumphed, the peace and prosperity turned out to be very much dependent on the geo-political situation. In 1659, the **Peace of the Pyrenees** ended the 24-year war between France and Spain with the latter decisively defeated. Since the Spanish were attempting to reconquer Portugal and was financially exhausted to boot, they immediately started to reduce the Army of Flanders in the south Netherlands to the point that it started to lose the grip on the provinces there. This alarmed the Republic, which needed the Spanish Crown to keep the south Netherlands for two reasons. First, Spain was the only party that was treaty-bound to keep the Scheldt closed to maritime traffic — an issue of extreme economic importance to Amsterdam since it prevented the rejuvenation of Antwerp. Second, the Habsburg presence there provided a protective buffer against Bourbon France, where the young Louis XIV had begun his personal reign in 1661.

This became important in 1663, when Louis XIV canceled his renunciation of the Spanish inheritance rights he had through his wife, a Spanish Infanta (he claimed the since the

renunciation was conditional on a dowry, which had not been paid, it was invalid). When he asserted these claims to territories in the south Netherlands, the Spanish Crown sought help from the Dutch, but was turned down: the Dutch still valued French friendship more than they feared Louis XIV. This was soon to change for in April 1667, the King invaded the Spanish Netherlands at the head of his large modernized army. In the same month, the French published a new list of tariffs that decimated Dutch imports to France, a serious economic blow since France was the largest market for many of the goods on the list.

The 1667 campaign season ended soon after the fall of Lille, and both sides began preparing for the coming year. Spain extricated itself from its war with Portugal by recognizing its independence in February 1668, which released its full army for use against France. Even though Louis XIV had neutralized Emperor Leopold I with an offer to partition Spain, he could not come to an agreement with Charles II, who wanted large French subsidies to make himself independent of Parliament. This failure pushed Charles II toward the Dutch even though he was still quite hostile to them. In January, the Dutch Republic, England, and Sweden concluded the **Triple Alliance**, whose aim was to mediate in the dispute between France and Spain. The alternative, as far as the Dutch were concerned, was the collapse of Spanish rule in the south Netherlands, followed by partition of the territories.

The allies demanded an immediate cessation of hostilities, and in March Louis, who was now faced with a coalition of resurgent Spain and the Triple Alliance, agreed. By the **Treaty of Aix-la-Chapelle**, France had to withdraw from the south Netherlands and Franche-Comté (which it had conquered in February), and got to keep only 12 cities (Lille and Tournai among them). Although Louis had accepted the ultimatum, he never forgave the Dutch. France had been a staunch ally of the Republic in its wars against Spain, against England, and against Münster, and now it had betrayed him by forming a hostile coalition and imposing terms that fell far short both of the King's goals and what the success of his armed forces should have secured. Louis XIV had learned his lesson: to secure his goals and take revenge on the Dutch, he first had to isolate the Republic diplomatically. It would take him nearly four years to do so, but by 1672 he was ready to inflict his *revanche* on the perfidious Dutch.

7 The Stadtholderate of William III, 1672–1702

In Dutch history, 1672 is known as the “Year of Disaster,” for in the war that started in the spring, the Republic came close to extinction, and not only its Golden Age came to an end, but its status as a great power began its rapid slide. The regents were still trying to conduct a policy designed not to upset the French when Louis XIV declared war on April 6. It then transpired that the Sun King had assembled a formidable coalition against the Dutch, with England, Münster and Cologne joining France in a simultaneous assault on the Republic from all sides on land and at sea. The French invasion army alone, at about 130,000, outnumbered the Dutch army four to one. The French made rapid progress, capturing city after city on the lower Rhine, taking a week to conquer territory that the Spaniards had been unable to master for decades. Faced with this inexorable advance, the citizens in some towns, among them the important Utrecht, revolted and opened their doors to the French instead of risking resistance. The Dutch army under William III, who had been elected Captail-General in February, fell back into Holland. In last-ditch effort to stop

the French, the Dutch opened the dikes and sluices and inundated the water-line — the series of defenses conceived by Maurice that permitted the flooding of low-lying areas in Holland Zeeland, turning the core lands of these provinces into islands. The panicked States of Holland opened negotiations with Louis XIV, and carried the States-General on June 26, when they sent a delegate to capitulate to the King's demands.

This abject defeat was narrowly averted when Louis XIV did not find the concessions of the Generality Lands sufficient, and when popular riots erupted across the Republic. The people denounced the defeatist attitudes of the regents and blamed the Republic's misfortunes on their inadequate military preparations. Amid rising discontent that was turning violent, the intimidated regents of Zeeland and Holland appointed William III Stadtholder of their provinces in July, and De Witt was forced to resign as Pensionary of Holland on August 2, only to be lynched (together with his brother Cornelius) on the 20th. The Prince of Orange purged the town councils of republicans and installed Orangists in their place, finally consolidating his grip on the provincial states in Zeeland and Holland. These reforms calmed down the populace enough to stop the rioting, but did little for the Republic's desperate military situation. By the end of the summer the French and the Munsterites had overrun most of the Republic but it was the water-line that held up their advance, forced them to wait for the next campaign season, and gave the Republic its breathing space.

When hostilities resumed in earnest in 1673, the Republic was in a much better shape. In three battles with the combined Anglo-French fleet, admiral De Ruyter pulled off a spectacular victory despite facing overwhelming forces. The damage inflicted on the English forced Charles II, whose Parliament, disturbed by the mounting losses to Dutch privateering, refused further funding, to sue for peace. In February 1674, the Anglo-Dutch peace removed England from the opposing coalition, and with it, the English subsidies that had sustained the Munsterite war effort dried up. By April the prince-bishop had to abandon all gains and withdraw, causing the collapse of that front against the Republic. Meanwhile, the feverish diplomatic activity of 1672 also bore fruit for in 1673 the Emperor, Brandenburg, and Spain all entered the war on the Dutch side. Taxes went up and more borrowing allowed military expenditures to soar to more than five times Holland's annual revenues despite most of the Republic remaining under French occupation. The Dutch army swelled to over 100,000 and went on the offensive. By the summer of 1674, Louis XIV had to abandon all of his conquests except two fortresses. This level of effort seemed unsustainable, so the French resolved to outlast the Dutch in a war of attrition. The King, however, was wrong: although the Republic trimmed down its army to about 68,000 in 1675, when it became clear that Louis XIV was not going to follow his erstwhile allies into peace, military expenditure — mostly financed through new debt — again increased, with the army going back to over 90,000 in 1677. The Republic was going to see this war to the end.

William III's success in defending the country raised his prestige and in the euphoria, the States of Holland voted to make the Stadtholderate hereditary in the male line House of Orange-Nassau. The Prince lost no time in consolidating his position: when the provinces of Utrecht, Gelderland, and Overijssel were liberated from the French, he had the States-General impose changes to their systems of government that allowed him to purge the provincial assemblies. William, however, overplayed his hand when in January 1675 the States of Gelderland voted to confer upon him the sovereignty over their province. Vesting the sovereignty of a province in a hereditary ruler instead of the States went contrary to the

entire constitutional makeup of the Republic, and set off an immediate and very forceful reaction in Zeeland and Holland. William III was forced to decline the offer although he did manage to strengthen his position by having the States-General declare the highest military offices of the Union (the Captain-General and Admiral-General) hereditary in the male line of the Prince of Orange.³⁹

In an important way, the Prince was brought to power by the populace who had been angry with the inept and corrupt leadership of the regents, and especially their inability to defend the country. As the war dragged on, the heavy taxes made the new rule less desirable, and even though the citizens were determined to stay the course, their commitment to the Orangist cause began to waver when William III pursued centralization policies and when he decided to prolong the war after the liberation of the provinces. The Prince had eliminated provincial influence in policy-making, promoted his favorites, and soon his rule became even more corrupt than that of the regents, where power was at least dispersed and so did not allow for the massive opportunities for corruption accorded to people very close to William. When the Prince and his allies suffered a military reversal in 1677, the discontent occasioned by this disillusionment became so open that Louis XIV exploited it by making separate offers to Holland at the peace conference that had begun at Nijmegen. The anti-Orangists in Amsterdam finally managed to get the States-General to agree to an immediate cease-fire on these terms and — after a brief hiccup occasioned by Louis XIV who rashly violated his promises causing the Dutch to resume their advance, forcing him to beat a hasty retreat — the **Peace of Nijmegen** was signed in 1678. The Republic had abandoned its allies in the lurch, leaving the Emperor, Spain and the Elector of Brandenburg no choice but conclude their own peace with France.

William III was also unhappy with the peace imposed upon him by the States-General for he correctly foresaw that it left Louis XIV in a very strong position, which the King would be quick to exploit. And so the Sun King did: with the Emperor suddenly forced to divert his attention east where the Turks had mounted what would prove to be their final assault on his domains, and the Elector of Brandenburg now cooperating with France, Louis XIV began the bizarre semi-legal territorial acquisitions in Alsace, Lorraine, and along the border with the Spanish Netherlands. Initially, he even cowed the Dutch into silence by threatening to reimpose the ruinous trade embargo that he had lifted with the peace treaty but Orange managed to persuade the States-General that the Republic would have to ally with Spain to prevent the French from acquiring the Spanish Netherlands. The effort to raise troops for the purpose, however, collapsed because the assemblies were unwilling to risk another war with France. The Republic would stay out of the **War of Reunions** (1683–84), and in fact accepted the deal Louis XIV offered: a twenty-year truce in the Spanish Netherlands, with France keeping Luxembourg and the rest of the recently annexed territories. With Spain unable to resist on its own and the Emperor defending Vienna from the Turks (whom Louis XIV secretly encouraged), the Dutch failure to intervene caused the settling of the war on French terms.

If anything, this failure to contain Louis XIV taught the Stadtholder that despite his popularity and recently won constitutional powers, he was incapable of moving the Republic without the agreement of the States of Holland, which itself required the assent of the all-

³⁹Israel, pp. 815–7.

important city of Amsterdam. In fact, at the urging of the city, the Generality had already cut the military expenditures considerably. William III then switched to supporting the city's requests for increased naval spending and tried to appease the regents, but had little success. Peace worked in favor of the republican forces that depended heavily on their lucrative trade with France, and as long as Louis XIV did not threaten these arrangements, the regents were able to prevent William from joining any anti-French coalitions. It would take the French to provoke the very close cooperation between the Stadtholder and the States of Holland that would eventually cause momentous changes with global implications.

As soon as the Emperor prevailed against the Turks, the prospect of another war between Habsburg and Bourbon became near certainty. In an attempt to revive the sluggish French economy (the depression was partially caused by the massive outflow of Huguenot capital after the king revoked the Edict of Nantes), Louis XIV embarked on mercantilist foreign policies designed to curb Dutch penetration of the French economy. He reimposed the infamous tariff that Colbert had introduced in 1667 and that the King himself had promised not to reinstate in the Peace of Nijmegen. He slapped on further import duties that essentially shut down the textile and herring trades with France, and by 1668 the Republic could no longer ignore the fact that the French King was pursuing a deliberate policy to ruin it. The influence of the Stadtholder grew, and with it, the Republic began to draw closer to the opponents of the French.

Just as the Dutch were gravitating toward the Habsburgs, the Catholic King James II of England was moving toward closer cooperation with the Bourbon King. Despite having formed England's first standing army of 40,000, James faced serious opposition in Parliament, which was worried about his Catholic and absolutist tendencies. Initially, his opponents had decided to wait him out: James did not have a direct heir and next in line for the throne was his daughter, the Protestant Mary, who had married William III in 1667. But this changed in 1688 when James had a son, and suddenly the reality of a Catholic dynasty ruling over England, Scotland and Ireland became a distinct possibility. This made a significant faction in Parliament quite receptive to the overtures of William III who was fearful of another Anglo-French alliance in the coming war.

William III carefully, and in stages, brought the States of Holland into confidence in the summer and early fall of 1688 and revealed his daring plan. He argued that war with France was coming in view of the ruin of the Dutch economy inflicted by its policies. He wanted approval for the 14,000 crack troops he had already recruited in Germany, and asked them to ban French imports in retaliation. While the regents demurred on the latter, the information about the proposed ban leaked and angered Louis XIV who ordered the arrest of all Dutch ships in French ports. The outrage that sparked carried the Dutch retaliation, and Amsterdam approved the reciprocal arrest of all French ships in addition to the import ban. On September 24, Louis XIV seized the initiative and attacked across the Rhine in what can only be described as a preemptive strike designed to compel resolution of the territorial disputes before the Emperor had disengaged from the Turks and hopefully encouraged the Turks to keep at it. This precipitated the **Nine Years' War** (1688–97), otherwise also known as the War of the League of Augsburg.

On September 29th, William revealed his full plan to a secret session of the States of Holland. Now that the war with France seemed inevitable, the Republic was threatened by two enemies, one powerful on land and the other powerful at sea, and it had to prevent their

alliance at all costs. To this end, William proposed to invade England and dethrone James II, an early instance of regime change. He wanted to act immediately while there was still a notable faction in Parliament opposing James II. The Republic could not adopt a defensive posture and hope for the best, he argued. It had to stake everything on a daring strike: if the invasion succeeded, it would not only knock out a formidable opponent, but bring it into the war with France on the Dutch side. The States agreed, and the secret resolution aimed to make the English “useful to their friends and allies, and especially to this state.”⁴⁰ This they did knowing full well that if they invaded England, war with France would automatically follow (Louis XIV had warned them as much). Thus, by October 1688 the Dutch Republic had resolved to deliberately precipitate a war on two fronts against the most dangerous monarchies in Europe.

What followed is nothing short of amazing. In near total secrecy and with astonishing speed, the Republic amassed an invasion army of 21,000, complete with a powerful artillery train (which itself required 5,000 horses), and a fleet of 500 vessels that was *four times larger than the famous Spanish Armada of 1588*. The States of Holland approved the plans at the end of September, and the Republic invaded England in November (and this only because the fleet was delayed for weeks due to inclement weather)! When the prevailing westerly winds — which normally gave the advantage to the English — finally turned, the fleet sailed stretching across the canal from Dover to Calais, twenty-five ships deep. The landing in Devon was unopposed but the promised English support failed to materialize: the opponents of James II were going to wait until it was clear which side was going to prevail. It was then that James II lost his nerve and failed to resist: on December 18, 1688 William III of Orange entered London in triumph after the English king fled. In what is known as the **Glorious Revolution**, Parliament proclaimed William and Mary joint sovereigns of England in February, but their position was not secure. Both Scotland and Ireland, aided by Louis XIV, rose in rebellion and the Republic found itself committed to military pacification of England just when it was trying to fend off the French. At least William had gotten the Dutch troops off the Republic’s payroll and onto the backs of English taxpayers. It was not until July 1690 that the Jacobites were decisively defeated at the Battle of the Boyne in Ireland that William’s position in England was safe.

This division of the Dutch army until 1691 caused consternation in the Republic, which had to provide the bulk of the defenses in the Low Countries. To help alleviate the situation, William III — who desperately wanted to focus his attention on France and the Netherlands — made an arrangement that would save the Republic in the short run but doom it in the long run. With the Republic heavily committed to the war on land, England was to take the lead in the fight on the seas. The naval ratio was set as 5 : 3 in favor of England, and was the beginning of the end of maritime power of the Dutch.⁴¹ The regents of the maritime provinces saw the danger in this but could do nothing while the war with France was going on. Many were also fearful of the Stadtholder-King who now controlled the standing armies of two countries and who could choose to use them to convert the Republic into a monarchy. The clamor about a possible move to a constitutional monarchy of the type that had recently

⁴⁰Cited in Israel, p. 849.

⁴¹This would not be the last time one Power would save another in distress only to pick its carcass clean in the process. The way the English saved the Dutch in the Nine Years’ War reminds me of the way the Americans saved the British in World War II.

been installed in England were not lacking, both among Orangists and their detractors who were using that to consolidate support for their resistance to the centralizing tendencies of the Orangists.

The Republic had now cobbled together a formidable anti-French coalition with England, Spain, Brandenburg, and the Emperor. But Louis XIV's France proved to be a tough nut to crack, and the war went on. The Republic began to buckle under the continuing economic pressure from the disruption of commerce. Even worse, the Republic entered what would prove to be an irreversible process of de-urbanization: the population of its major towns stagnated and then began to decline. It would not recover before the end of the Republic in a little over a century: the Dutch cities, once forming the densest and most populous urban network in Europe, began to hemorrhage their people just when the rest of Europe was seeing rapid urban growth. We shall explore the consequences of this in our discussion of the 18th century. For now, suffice it to say that the war was costly and without an end in sight, William III entered secret negotiations with Louis XIV as early as 1693. It is remarkable that neither the English Parliament nor the States-General were aware of these talks, only the most important members of the Amsterdam regent elite were kept in the loop so they could support the formal peace negotiations once the agreement was reached informally.

The **Peace of Rijswijk** conceded almost everything the Dutch had wanted: the French were to evacuate Luxembourg and many of the fortified border towns, with Louis XIV renouncing his claims in the Spanish Netherlands. The hateful tariffs of 1667 were abolished, and the Sun King recognized William III as King of England, Scotland, and Ireland. Many of the concessions, however, turned out to be a sham. The French interpreted the abolition of the tariff to apply only to goods that were still under that tariff. Since most of the tariffs were actually increased during the war, that tariff applied to almost nothing, and as a result of the French interpretation, the tariffs that remained in force were actually at the *higher* wartime levels. The Dutch protested until Louis XIV agreed to a compromise, which fixed the tariffs somewhere midway between the 1667 level and the low 1664 one desired by the Dutch. Moreover, for reasons we shall explore in our discussion of Britain, William III's position in England had weakened considerably because the ongoing demands of war finance had paved the way for Parliament to assert its supremacy. Indeed, from 1691 on, England can be regarded as a constitutional monarchy with Parliament wielding the power of the purse (it would be consolidated over the following three decades).

8 Decline and Fall, 1702–1806

8.1 The Second Stadtholderless Period, 1702–46

William III died in March 1702, the year Europe plunged in the devastating **War of Spanish Succession** (1702–14).⁴² The death of the Stadtholder released the pent up opposition to the House of Orange, and the Republic reverted to the confederate arrangements of the Golden Age. Within months, the republican regime was restored, with the provincial states assuming all the powers that the Stadtholder had taken away from them. The pendulum,

⁴²See the lecture notes on France for this war.

which had swung to the centralizing federalism of the Princes of Orange with Maurice in 1618, then back to the republicans during the Thirty Years' War, then again to the Orangists in 1650, then back to the republicans for the First Stadtholderless period in 1650, then again to the Orangists in the Year of Disaster 1672, now went back to the republicans. This time it would stay in their camp for forty-five years, known as the **Second Stadtholderless Period** (1702–47). A new wrinkle was added because whereas William III had named Johan Willem Friso of the cadet branch of the House of Orange (William himself had no children), the title Prince of Orange was also claimed by the King Frederick I of Prussia (who was the son of Stadtholder Frederick Henry's eldest daughter, Luise Henriette, who had married the Great Elector Frederick William in 1646). The King immediately annexed two counties in Overijssel upon the death of William III and when confronted by the States-General simply threatened to abandon the anti-French coalition. The danger of a Hohenzollern becoming the Stadtholder of the Republic was used by the States of Holland to block any recognition of special treatment for the House of Orange and they let the dispute between the two claimants drag on for thirty years. The transition did not go smoothly outside Holland for William III had extended his patronage deep below the provincial level and into the city town halls. The States of Utrecht, Gelderland, and Overijssel abrogated the special terms on which they had been readmitted into the Union after their liberation from the French in 1674–5, but they soon lapsed into civil conflict over the redistribution of political power. All of this was happening just as the Republic was exerting what would prove to be its greatest military effort.

It was in May 1702 that the Republic — driven by Holland and in alliance with England, Austria, and Prussia — declared war on France and Spain over the partitioning of the Spanish inheritance. The Republic had two goals. The first, and obvious one, was to reverse the ascent of the Bourbon Philip V (the grandson of Louis XIV) to the throne of Spain. The resulting Franco-Spanish condominium would be a grave, and possibly unstoppable, threat to the rest of Europe in general but to the Republic in particular because the Spanish Netherlands that had been a Habsburg buffer between the Dutch and the French would now simply bring the Bourbons to the borders of the Republic. In addition, Philip V had already begun to undermine Dutch prosperity by giving preferential treatment and lucrative contracts to the French. The second aim was actually directed at its nominal ally, England which was poised to reap the overseas benefits of any war in Europe. The Republic, sandwiched as it was between several belligerent land powers, could not easily afford to contest the seas with England that had the luxury of its island isolation. In fact, as the Dutch committed even more forces to the operations on land, the English dominance on sea became virtually assured.

The Republic's military effort was prodigious. The army expanded from its peacetime strength of 40,000 to over 100,000, and even though this did not quite match the army expansions in France, Austria, or Prussia, it had been done with a fraction of their population bases. At its peak in 1708, the army of the Republic reached 119,000 of which 75,000 were the newly enlarged standing army, and the other 42,000 were hired in Germany. Although some of these expenditures were financed with contributions from occupied territories in the southern Netherlands, most was paid for by the Generality. Taxation went up but not only slightly; it was borrowing at unprecedented levels that kept the Republic afloat. Holland's public debt, pushed by the Nine Years' War to 38 million guilders in 1678, mushroomed to

128 million by 1713. The strain was becoming obvious: at sea the English preponderance not only solidified the 5 : 3 agreement, but continued to widen the gap. The English were also paying the lion's share of subsidies to the Germans. Finally, when the Duke of Marlborough was appointed commander of the Dutch army (in addition to the English one), the subordination of the Republic to England extended to land forces as well.

Marlborough proved to be an excellent choice, however, because under his command the Anglo-Dutch armies won astounding victories at Blenheim (1704) and Ramillies (1706). The allied forces overran Castille and Savoy, and the allied fleet secured the Mediterranean. Battered on all sides and confronted with economic disaster at home due to a series of bad harvests, Louis XIV offered generous peace terms that went so far as to promise not to intervene in support of his grandson when the allies remove him from the Spanish throne. It was now that the King's past behavior came to haunt him for even though the Dutch were keenly interested, they were not prepared to take the Sun King at his word. The Dutch decided to press on until France was utterly defeated. This proved to be a costly mistake: with his back against the wall and with France invaded, Louis XIV made an unprecedented appeal to the populace, and threw everything against the allies. They were stopped and the fighting developed into a stalemate. In Spain, the population of Castille rallied around Philip V and he was able to drive the allies back into Portugal and Catalonia, after which the fighting stalemated there as well. From 1710, the opponents were deadlocked and with the Dutch refusing to listen to peace terms, Louis XIV turned to the English. It was they who betrayed the anti-French coalition and worked out terms with France that were decidedly advantageous to England and much better for Louis XIV than the concessions he had offered the Dutch.

By the **Peace of Utrecht** (1713), Philip V was to remain on the Spanish throne but to renounce the French, and in return England was to gain extensive trading privileges and confirmation of its conquests of Gibraltar and Minorca. There were riots in the Republic when the terms were revealed and even though the remaining three allies tried to continue without England, they quickly found out that they had neither the military nor the fiscal resources to do so. The peace was thus imposed by the Anglo-French secret cooperation and it sealed the fate of the Republic. The Southern Netherlands were transferred to the Habsburgs and became known as the Austrian Netherlands, with the Emperor undertaking to uphold the 1648 terms that Spain had agreed to (the closure of the Scheldt in particular), and to contribute toward the upkeep of the so-called "Barrier" fortified towns that would continue to be garrisoned by the Dutch. The Austrians, however, proved much more interested in promoting the economic development and prosperity of the south. They began rapid modernization programs that diminished the influence of the nobility and transferred management to professional officials. The provincial States continued to meet, grant subsidies, and collect the taxes, but their influence in policy and administration markedly declined. The reforms bore fruit, and it was the Austrian Netherlands that emerged first from the agricultural depression in the 1720s, and where the economic troubles plaguing the North did not hurt so badly.

For the Republic was in trouble. Within two years, the Dutch eviscerated the army whose numbers fell from 130,000 to 34,000 in 1717. These cuts were not without precedent, of course, but 1717 was not 1648: all the other belligerents kept much larger permanent armies. In 1732, Holland overhauled its direct tax on property and land, the *Verponding*,

which had not been revised since 1632. It was not enough for the Republic's main problems were economic and demographic, and both were permanent. Dutch prosperity was driven by the maritime provinces, and these were reliant on the high value "rich trades" (spices, silk, quality textiles) and export industries employing highly skilled labor (Delftware, Gouda pipes, tobacco-processing, sugar-refining). The lucrative trade routes with the East Indies, the Americas, and the Levant had provided the foundation for prosperity in the Golden Age. But from the 1720s, this system rapidly disintegrated. First, others states caught up in skilled labor and engaged in mercantilist policies designed to promote their own industries. More and more states began to shut out foreign products (for some, like textiles, this essentially meant Dutch), and while Britain could compensate for market losses on the continent by increasing trade with its colonies, the Republic had neither the navy nor the resources to follow suit. As the industries collapsed, wealth became concentrated in the hands of *rentiers* who now derived their income from their investments in government debt. By the middle of the 18th century, non-productive property owners came to dominate the regent caste exclusively. There were almost no merchants left amid the ruling class that held its assets in securities, bonds, and VOC shares. Although there was a significant increase in the outflow of Dutch capital seeking more lucrative markets (the low rates in the Republic reflected the low investment risks, but with the establishment of the Bank of England, the higher rates in London attracted a lot of Dutch money), the vast portion of elite wealth was tied to fate of the state. A collapse in Generality bonds would wipe out the wealth of the entire elite.

8.2 The Orangist Revolution, 1747–80

The Republic attempted to steer a neutral course in foreign affairs, but this proved impossible. In the **War of Austrian Succession** (1740–8), all of its great power neighbors were fighting each other: Austria allied with Britain against Prussia allied with France. By treaty, the Republic had to come to the aid of Austria against France and even though the French offered a sweet deal for abandoning that obligation, the Dutch felt they could not afford to antagonize the Austrians and especially their British allies. The Republic's armies swelled to 84,000 men, and since the debt was already at the limit, new taxes were introduced to pay for them. The *Personeel Quotisatie* of 1742 was a novel income tax imposed in Holland on all incomes over 600 guilders, its incidence meant to spare anyone earning artisan wages or below. With the Austrians busy in Germany, the Dutch had to bear the brunt of fighting in the Southern Netherlands but proved unequal to the task. When the French armies commanded by Louis XV invaded the Austrian Netherlands in 1744, his 90,000-strong army met with little resistance with Menin and Ypres falling in less than a week and nine days respectively. The Army of Flanders made such rapid progress that the Dutch sought peace, but the French rebuffed them. In May 1745, the French defeated an Anglo-Dutch-Hanoverian army at Fontenoy and overran the Austrian Netherlands. When the Scottish Jacobites invaded England, it was not only that the British withdrew all their troops from the Austrian Netherlands, but that the Dutch were obligated by treaty to send 6,000 men to aid the British against the rebels. The French then carried all before them and in 1746 they occupied Antwerp and Brussels; the Austrian Netherlands had fallen, exposing the Republic to invasion.

The French did not delay, and in 1747 Maurice de Saxe, the highly successful Marshal of France responsible for the conquest of the Austrian Netherlands, finally turned his attention to the United Provinces. In April, the French invaded the Republic, resurrecting the memory of the Year of Disaster. As before, the public blamed the regents for the humiliating military defeats although unlike 1672, there had been precious little the regents could have done to avoid them for the Republic had been seriously outmatched by the great powers. When Zeeland and Holland restored the Stadtholderate, the others followed suit. By mid May, William IV became the first ever Stadtholder of all provinces of the Union. When the Prince did not move fast enough to purge the detested regents, rioting broke out all over the country, forcing the holdouts to capitulate and hand over power to the Stadtholder. Utrecht, Gelderland, and Overijssel not only accepted the reimposition of the limitations of 1675, but had to concede further powers to William IV. For the first time, the post was declared hereditary in the male line of the House of Orange, and the Republic began to resemble a constitutional monarchy even though it still lacked an actual monarch.

The rioting became a revolution in 1748, when it targeted the tax-farmers, the detested *pachters*. The town councils responded by suspending excise and municipal taxes, but when violence did not subside, the States of Holland abolished the tax farms altogether upon advice by the Stadtholder. The generous terms of the **Treaty of Aix-la-Chapelle** (October 1748), under which Louis XV returned his conquests in the Low Countries in exchange for some colonies France had lost to Britain, restored the status quo *ante bellum* for the Netherlands. Unfortunately, for the Republic this meant a resumption of its economic slide, with political instability now added to the industrial and demographic decay. Despite attempts to reform the institutions into an integrated federal structure with coherent direction from the center, the new regime instead moved toward the creation of a monarchical-style court. When William IV unexpectedly died in 1751 leaving a 3-year old minor under the regency of his wife, Anne of Hanover, the tendency toward disregarding provincial interests and concentrating patronage at the court intensified.

In 1766, William V came of age and became the Stadtholder of all provinces but could not come up with solutions to the general decline that had now persisted for over half a century. The international situation had actually gotten even more complicated with the **Diplomatic Revolution** of 1756, which saw the major realignment in the continental alliances. Austria who had traditionally been allied with Britain against France and Prussia now switched to alliances with France and Russia, while both isolated Prussia and marginalized Britain drifted into an alliance with each other. This posed several very grave difficulties for the Republic. First, the now unfriendly Austrians demanded the dismantling of the Barrier system in 1781, and the opening of the Scheldt in 1784. In three years, both military and economic defenses of the Republic disappeared. Second, the supposedly friendly Prussians still harbored their territorial ambitions, and these would be (indirectly) aided by the marriage of the Stadtholder to princess Wilhelmina of Prussia in 1767, a niece of Frederick the Great. Third, the still extensive colonies were now helpless to resist if the British decided to take them.

Sandwiched between four hostile and rapacious powers, the Dutch had to build up their military defenses but could only hope to be allowed to stay neutral. William V and the States of Holland, however, could not agree whether the navy or the army should be given priority as the country was in no condition to spend on both. The deadlock would be painfully

broken by the American Revolution, which split the Republic between Orangists, who supported the British, and the mercantile communities who favored the American colonies. The Dutch conducted brisk trade with the Americans, and supplied weapons and munitions to the rebels. When the British arrogantly attempted to bully the States-General into curbing this trade under threat of seizure of Dutch ships in violation of the 1674 agreement of “free ship, free goods”, even the Stadtholder could not oppose the Anglophobia that gripped the country. As the British began losing the American colonies, their determination to make up these losses at Dutch expense ensured that the Republic would have to fight another war. The British were incensed when the capture of Dutch vessels finally revealed the full extent of the Republic’s support for the Americans, and the troubled financial and economic state of its affairs led them to conclude that it would be an easy target.

8.3 The Patriots and the Batavian Republic, 1787–1806

The British had calculated correctly: the **Fourth Anglo-Dutch War** (1780–4) led to the complete collapse of the Republic and the loss of most of its colonies to the English. When a string of stunning reversals at the hands of the British came during 1781, the Republic began to disintegrate internally. Public outrage at the debacle was fueled by intense propaganda by the radical **Patriot** movement. The Patriots did not merely want to abolish the Stadtholderate and return to the “True Freedom” of De Witt’s republican system. They held both to be equally corrupt and perversions of the early ideals of the Revolt of 1572. According to the Patriots, the Dutch had rebelled because the Spanish monarchs had attempted to strip them of their freedoms, defined in strictly democratic terms as the rights of citizens to gather, choose representatives, and protect their liberties with the assistance of their militias and guilds. The provincial States and the regents that populated them had subverted these liberties when they banned town councils from consulting the militias and guilds, but it was the House of Orange — with its control of the armed forces — that had been the chief instrument of suppression of freedom. Thus, the Patriots vented their fury on the Orangists, pressed for wresting control of militias from the regents, proclaimed the sovereignty of the people, and agitated for the restoration of direct citizen participation at the local, and from there, provincial and national, levels.

The movement began in Utrecht but quickly gathered strength, and by the summer of 1786 the Patriots were ascendant in Utrecht, Holland, and Overijssel, forcing authorities to either give in to their demand or flee amid the violence of the reconstituted militias (called Free Corps). The Orangists held their positions in Zeeland, Friesland, with Gelderland split. When the council of Gelderland asked the Stadtholder to send troops to suppress the Patriots, which they duly did, the country appeared to be on the verge of civil war. It was at this critical juncture that the regents — who had been either cowed by the Patriots or only sympathetic with their reforms so long as they were limiting the power of the Stadtholder but not when they entered the radical democratic phase — began to desert. While the Patriots still gained ground in Holland, the Orangists forces consolidated in Zeeland. But it was to be a foreign intervention that would tilt the scales decisively against the Patriots.

In 1786, Frederick the Great died, and his successor as King of Prussia was Frederick William II, brother to Wilhelmina (the Stadtholder’s wife). In June 1787, the Patriot Free Corps of Gouda arrested Wilhelmina, and even though no harm came to her, the King

declared it an insult to the House of Hohenzollern. The British, who had been growing increasingly uneasy about the weakening of Orangist authority at the expense of the decidedly Anglophobe Patriots, encouraged the King, and in September a 26,000-strong Prussian army invaded the United Provinces and made for The Hague and Amsterdam. Faced with a real army of professional soldiers, the Free Corps disintegrated, and William V was restored.

The new regime banned political meetings, imposed press censorship, dissolved the Free Corps, and revived the traditional militias governed by the town councils. It also finally embarked on much needed reforms. In 1791, the WIC, which had revealed itself incapable of either administering or defending the colonies, was liquidated and the States-General assumed jurisdiction of its territories in the Gyuanas. In 1792, the government finally revised (for the first time since 1658) the provincial quotas to account for the great disparity in population that had developed among the provinces. Holland's share rose to 62% (from 58.25%) while Zeeland's dropped drastically to 3.9% (from 9.25%) and Friesland's was also seriously adjusted downward to 9.3% (from 11.6%). But all of this was a case of too little too late, for in 1792 the French Revolution lashed out at its real and imagined enemies and the most prominent on its hit list was the Emperor.

Between 1792 and 1794, the French revolutionary armies overran the Austrian Netherlands. The Patriot movement revived in the Republic, and by the time the French armies advanced to Utrecht in January 1795 (crossing over the frozen rivers forming the traditional defense lines), there was widespread genuine popular support for their entry. The Stadtholder fled for Britain, military resistance ceased, and the government collapsed. The invasion was "almost like a carnival," and there was very little violence, not even against the Orangists. For the time being, the French did not interfere with the setting up of the new government, which also changed the name of the country to the **Batavian Republic**.

The Paris government recognized the new Republic, but imposed hefty reparations as indemnity for its predecessor's war against France, and annexed States Flanders and several cities, including Maastricht. The Republic was already groaning under an impossible debt of 760 million guilders (455 million issued by Holland, 155 by the other provinces, and 150 by VOC, WIC, and the five admiralties), and the indemnity immediately added another 100 million. Annual debt service stood at over 25 million, and the cost of French occupation (which the Dutch had been obliged to pay) added another 12 million, when the average ordinary revenue stood between 28 and 35 million annually. Given the 20 million the Republic itself needed in order to function, annual expenses hovered around 57 million, a deficit nearly twice the income.

The new government liquidated the VOC but before the States-General could assume its responsibilities, they were compelled to convene a National Assembly to set up the constitution of the Batavian Republic. In the 1796 elections, all men over 20 and who were not on poor relief could vote, but the resulting assembly was dominated by representatives from the professional, regent, and noble classes. The constitution it produced preserved the federal organization of the Republic and was rejected by the electorate in 1797. The French then backed a radical coup, which purged the federalists from the Assembly, and in April 1798 a new constitution — this time for a unified state — was approved with a vote from which both Orangists and federalists were barred. The fact that only about a third of the electorate had voted undermined the legitimacy of the new constitution and its major

provisions went unimplemented. Another, more moderate, coup in 1801 ensured that there would be little pressure from the top to overthrow the old institutions completely.

As a client state of revolutionary France, the Batavian Republic was exposed to attacks of France's enemies. Britain lost no time and by the end of the century it had conquered most of the Dutch colonies. Dutch shipping and all its industrial support systems were devastated, the depopulation of the cities accelerated, and the Republic sank further into debt. When Napoleon went on the offensive in 1803, the Republic was supposed to play a major role in the planned invasion of Britain. It simply could not deliver, and in fact its economic imperatives militated strongly against the economic warfare that Napoleon was trying to wage against Britain. The French clamped down on the clandestine trade with Britain and caused an open rift between the Emperor and the Dutch government. This provoked Napoleon into imposing a new constitution in 1804, but in October 1805 the **Battle of Trafalgar** not only forced him to scrap the invasion plans, but encouraged the Dutch to push for relief from financial burdens. Outraged, Napoleon gave the Republic a stark choice: become a kingdom under the rule of his brother Louis Bonaparte or suffer outright annexation to France. On June 5, 1805, the Dutch representatives, who had not been allowed to submit the issue to a plebiscite, humbly petitioned Louis to accept the Crown of Holland. The Republic was no more.

Louis Bonaparte turned out to be a much better king than anyone had expected, and he defended the interests of the Kingdom of Holland so successfully, that Napoleon forced him to abdicate in 1810, and the country was annexed to France. After the disaster of 1812, Napoleon's power in Europe began to collapse and the regents of Holland invited William VI to become its sovereign prince. In 1814, the Allies agreed to combine the Southern Netherlands with the territories of the former Republic and to offer the Crown to William VI, to which he agreed. On March 16, 1815 the United Kingdom of the Netherlands was established. The Union would not last, however, for in 1830 the Kingdom would be forced to recognize the separation and independence of the south, this time reconstituted as the Kingdom of Belgium.

9 Paying for the Republic

Reconstructing the finances of the first twenty years or so of the revolt is far from straightforward. The most extensive work has been done on Holland — it might not have been the typical province, but as the largest and the wealthiest in the Union, it contributed the largest share (about 65%) to the war effort. In the early years of the revolt, the fate of the rebels was unclear, so there was very little incentive for the Dutch to risk their resources on loans: if you invested your money with one side in a conflict and the other side prevails, a long and scrupulously honored tradition says that the victor will not pay the debts of the loser when these debts were incurred to fight the victor. Domestic borrowing could not pick up until the Republic became a reality, and until it also became possible to contemplate independence. As a result, most of the war would have to be funded from other sources.⁴³

Some nobles did invest in the revolt. As we have seen, the first attempt to evict the Army

⁴³The information about the funding of the first 20 years of the Dutch Revolt comes mainly from Fritschy, "Financial Revolution" and Tracy, "Founding of the Dutch Republic."

of Flanders from the Netherlands was mostly funded personally by Orange, but when he could not bring Alba to battle before running out of money, his army melted away and he was forced to flee his creditors. Since Alba had sequestered his estates in the Netherlands, Orange's personal interest in recovering these possessions cannot be neatly separated from the more principled fight against Spanish dominance and for traditional "liberties". In fact, one of the important clauses of the truce would restore these properties to the House of Orange (although by that time William I was already dead, assassinated in 1584 on orders from Philip). Overall, while the nobles did contribute to the rebellion, their collective funds could not hope to compete with the resources Spain could bring to bear even while its finances were stretched.

Zeeland and Holland issued letters of marque to privateers who were authorized to attack enemy shipping in exchange for a share of the booty. One estimate puts the contributions from privateers to an average of 148,000 florins between 1573 and 1576, but the problem was that the pirates sometimes hijacked Dutch merchantmen (which undermined domestic support for the policy), as well as English merchantmen (which proved a liability when the Dutch turned to Queen Elizabeth for help). The more regularized approach was to issue permits to trade with the enemy and impose convoy fees for protecting the merchant fleet from enemy attacks. The two maritime provinces introduced the practice in 1572-3, and the issue of licenses alone netted an annual average of about 150,000 florins in 1574-77 for the two. The States-General eventually converted these into a regularized system of (supposedly) uniform Generality customs dues that were under the administration of the five Admiralties. These funds went directly to the navy and were not available for the warfare on land.

Even then, this was mere pittance compared with the requirements of the war. For example, the monthly pay for a company of 150 men was 1,300 florins (8.67 florins per man). In 1573 Orange claimed to have 25,000 soldiers under his command, so his *monthly* outlay on wages for the soldiers alone would have amounted to 216,667 florins, or 2.6 million per year. These expenses did not include officers' pay, artillery, munitions, fortifications, and defense of invested cities.⁴⁴

The rebels looked for a wealthy foreign paymaster that would help the finance their revolt. They approached Queen Elizabeth I of England in 1572, and she agreed to a subsidy of 300,000 florins. However, when the depredations of the Dutch privateers outraged the English merchants, she suspended her support. Six years later, she agreed to another subsidy of 1 million florins over two years, and provided another 15 million in loans between 1585 and 1603.⁴⁵ The rebels also went to France for subsidies, and even though the amount received is not precisely known, it might have been about 300,000 total in 1573-4, and another 10 million between 1598 and 1610. Overall, annual foreign subsidies averaged about 1.24 million in 1585-90, 571,000 in 1591-97, 1.1 million in 1598-1603, and 538,000 in

⁴⁴Tracy, "The Founding of the Dutch Republic," p. 105. He gives slightly different numbers that total 2.4 million per year although these are not consistent with the annual wages listed in fn. 21. It is also important to realize that Orange might have been exaggerating the number of men under his command. At any rate, the numbers are so clearly out of whack with the revenue of the States-General that the precise details might not be that important.

⁴⁵The loans were secured by three cities, and the loans that the Republic contracted for after 1603 were mostly used to redeem the cities from the English.

1604–10. Although substantial, these subsidies also fell short of the requirements of war, especially in the early years of the revolt.

By 1572 the situation had become so desperate financially that the States of Holland took several drastic steps. Between 1572–5, the States imposed a moratorium on interest payments for the annuities, which could not have helped their credit. Although cities could still sell *renten*, whenever a city joined the rebellion, its sales of annuities sharply declined reflecting the uncertainty about its ultimate fate. The States eventually restarted debt service, but the payments were slow, and always for debt that was more than a decade overdue. This relief also proved insufficient, so in 1573 the States devalued the currency by 15%. All coins were ordered back to the mints where they were marked so they would be worth 15% more than their face value. Circulation of unmarked coins was banned. This yielded an additional 250,000 in revenue. Another devaluation followed in 1575, when the States of Holland introduced the silver Lion Dollar (*leeuwendaalder*) — the first coin that did not bear the name or arms of Philip II — and demonetized the old silver coins. The Lion Dollar was minted from silver worth 29 *stiuvers* but valued at 32, with the difference constituting a “war tax” of 10%. The profit was estimated at 20 million *stiuvers*, and since 1 florin was worth 20 *stiuvers*, to 1 million florin. These devaluations were considered so harmful for trade that they were never repeated. In fact, as we saw above, after the values of the seven coinages were stabilized and regulated in 1606 by the States-General, no more currency manipulation took place during the life of the Republic.

The States (and sometimes Orange directly in his capacity as the commander in chief) squeezed more money from them by requesting extraordinary loans, some of which were secured against taxes but many of which were levies without reimbursement. Between 1572 and 1574, the burghers of Delft (the largest city while Amsterdam remained royalist) alone provided an extra 106,131 florin. After some negotiations with the States, the provincial towns agreed on a quota system, the so-called “repartitions” (*repartitiën*), according to which extraordinary levies would be allocated among them. The quotas were roughly proportionate to the tax receipts so that some of the repartitions could be hypothecated. The repartitions often had the flavor of forced loans and did not endear themselves to the burghers. If we include the loans directly negotiated with individual cities for specific circumstances (e.g., relief of a siege), the total amount that the cities committed to raising in this way seems to be about 600,000 florin between 1572 and 1575. Even if we charitably assume that the cities delivered on these commitments (and not all did), the amount still fell desperately short of the needs of the military.⁴⁶

To these occasional expedients, one might add the proceeds from confiscated Catholic and royalist property, which were either sold or granted as compensation for loans from cities to the States. Although it is not known what amounts these confiscations yielded overall, this source was limited and was quickly exhausted.

The States’ suspension of payments on the *renten* did nothing to improve the credit of the provincial government, which was confronted with rates between 30% and 40% on its obligations (*obligatiën*, a type of short-term promissory notes) in 1575, at a time when the cities themselves could still borrow comfortably at less than a third of these rates on municipal credit. Money was available, it seems, just not to the States, at least not in the

⁴⁶Tracy, p. 106–7.

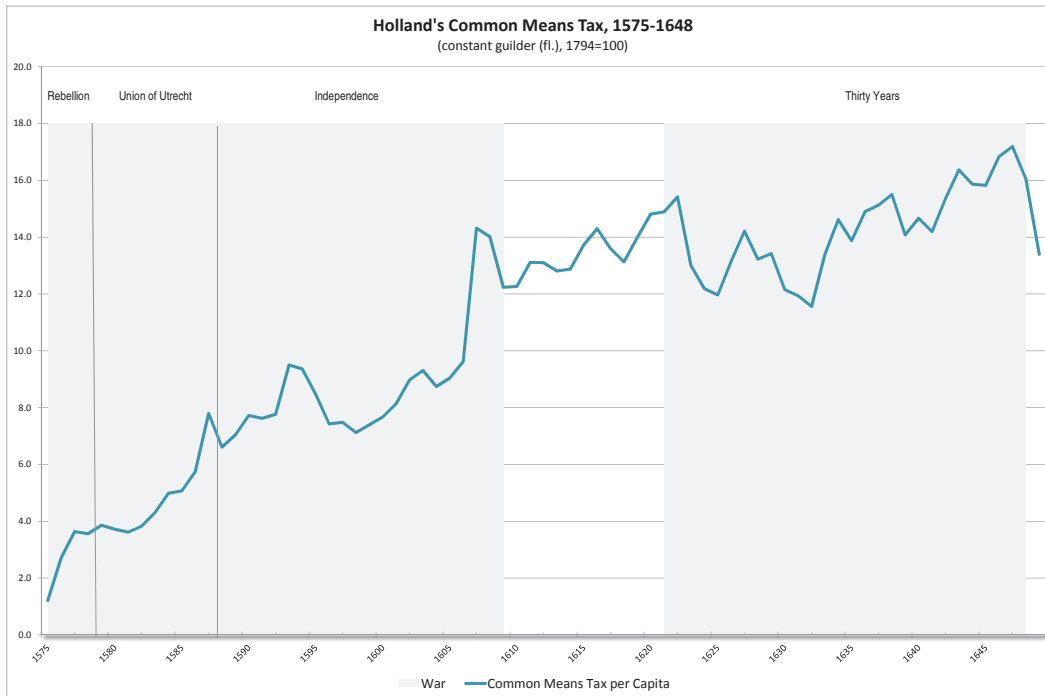


Figure 1: Per Capita Revenue from the Common Means, Holland, 1575–1648 (constant florin, base year 1794).

Sources: see note for Figure 2.

form of risky loans. The States then did something that the Habsburgs never could: they decided on a massive increase in taxes. Although the excise was agreed upon in 1540, it was fairly modest even when it was implemented. The new “common means” for defense (*gemene middelen*) introduced in 1574 also relied on excise and land taxes, but their scale was unprecedented. Unlike their Habsburg-era counterparts, which funded the service of annuities, the new taxes were meant to finance the war, and they had to be spent on the war. This should come as no surprise, since the impetus behind this drastic step came from Orange who had threatened to resign his post if the States did not fund the war adequately.

The States first appropriated much of the cities’ income from excise by decreeing that henceforth the cities would only be entitled to between a third and half of that revenue. Moreover, the new taxes were extended to the countryside, which had previously only paid land taxes (these also remained in effect). The rates were increased, and the number of taxable commodities went up as well. Where initially it was mostly beer and wine that were subject to excise, the list soon expanded to include meat, woolen cloth, fish, soap, horned cattle, milling of bread grains, and so on. Figure 1 shows just what this must have meant for the average taxpayer, whose tax burden would quadruple as a result of the new impositions, and would double yet again by the time the Generality decided to go its own way in 1588. At the time of the Twelve Years’ Truce, per capita revenue from the common means taxes stood at the astonishing *fourteen* florin (that’s nearly fourteen times the per capita revenue in 1574). Another way to think about this is in terms of the tax burden of an employed urban day-laborer with wages sufficient to support a family of four. At the

beginning of the revolt, he paid 5% of his income in taxes, but by 1630 he was paying 16%. In the same years, a middle-class man supporting a family of four paid 6% and 20% of his income in taxes. This was at a time where despotic rulers were happy to extract 2-3% of the income of their subjects in taxes. It is also interesting to note that despite this sharp uptake in taxation, real income was also going up — the economy was growing faster than taxation despite the war!

Figure 2 shows the per capita tax revenue and total public debt of Holland over the life of the Republic. The amounts were deflated using 1794 as the base year. The plots are in base-10 logarithms of the actual amounts, which means that every unit increase on the y-axis corresponds to a 10-fold increase in the per capita amount. The figure shows that the overall level of per capita taxation was stabilized by the time of *de facto* independence in 1609, and would remain relatively unchanged for nearly 90 years. Since the population of Holland was growing over that period, the States could rely on increasing (and stable) revenues, which allowed them to finance numerous wars. The hugely expensive wars of the Spanish and Austrian successions in the 18th century necessitated another general increase in per capita taxation. Part of the problem was that population growth had stagnated (the overall number even declined), and there was a widespread economic slump for most of the century, which depressed revenue.

Even though Holland and Zeeland did not obtain the desired unification of taxation at the Generality level (the “general means”), where the system remained fragmented, the new common means quickly became true centralized provincial taxes. The receipts went to district receivers who were appointed by the States, reported to the States, and were audited by the States. Even though the receivers organized the farming (through public auctions, sometimes several times a year), the States sent supervisors to monitor the bidding. The cities lost control over a large share of their revenues and their only recourse was to remonstrate in the States themselves through their representatives. This made the organization of taxation a lot more coherent than a cursory overview of the arrangements would suggest.

A similar centralization at the provincial level occurred with respect to debt as well. Because the cities had the better credit, the States ended up borrowing on their credit. By 1585, about 70% of Amsterdam’s expenditure was in the form of short-term loans to the States of Holland, and 50% of its revenue was from payments by the States on previous loans. The cities were making substantial profits from this arbitrage as they were lending to the States at 12% the money they were borrowing from their own burghers at much lower rates (6-8%). The States clearly had an incentive to improve their own credit standing. The influx of revenue from the common means allowed the States to resume debt servicing in 1578. The farming of tax collection through frequent public auctions also provided the public with a fairly good idea about the size of provincial revenue, which must have eased some of the fears about prompt servicing.

In 1586, the States induced the city governments to issue *renten* in the name of the province, with payments to be made from taxes owed to the provincial government. The cities had already rejected the initial proposal, which was to have them force the burghers to buy States-issued annuities at 7.14% for the *losrenten* and 14.28% for the *lijfrenten*. The States then began using *renten* to repay loans, converting repartition loans into *renten*, and taking over city debts. In 1594, the States completed the transition by decreeing that annuities for the common interest can henceforth only be issued on provincial credit. Even

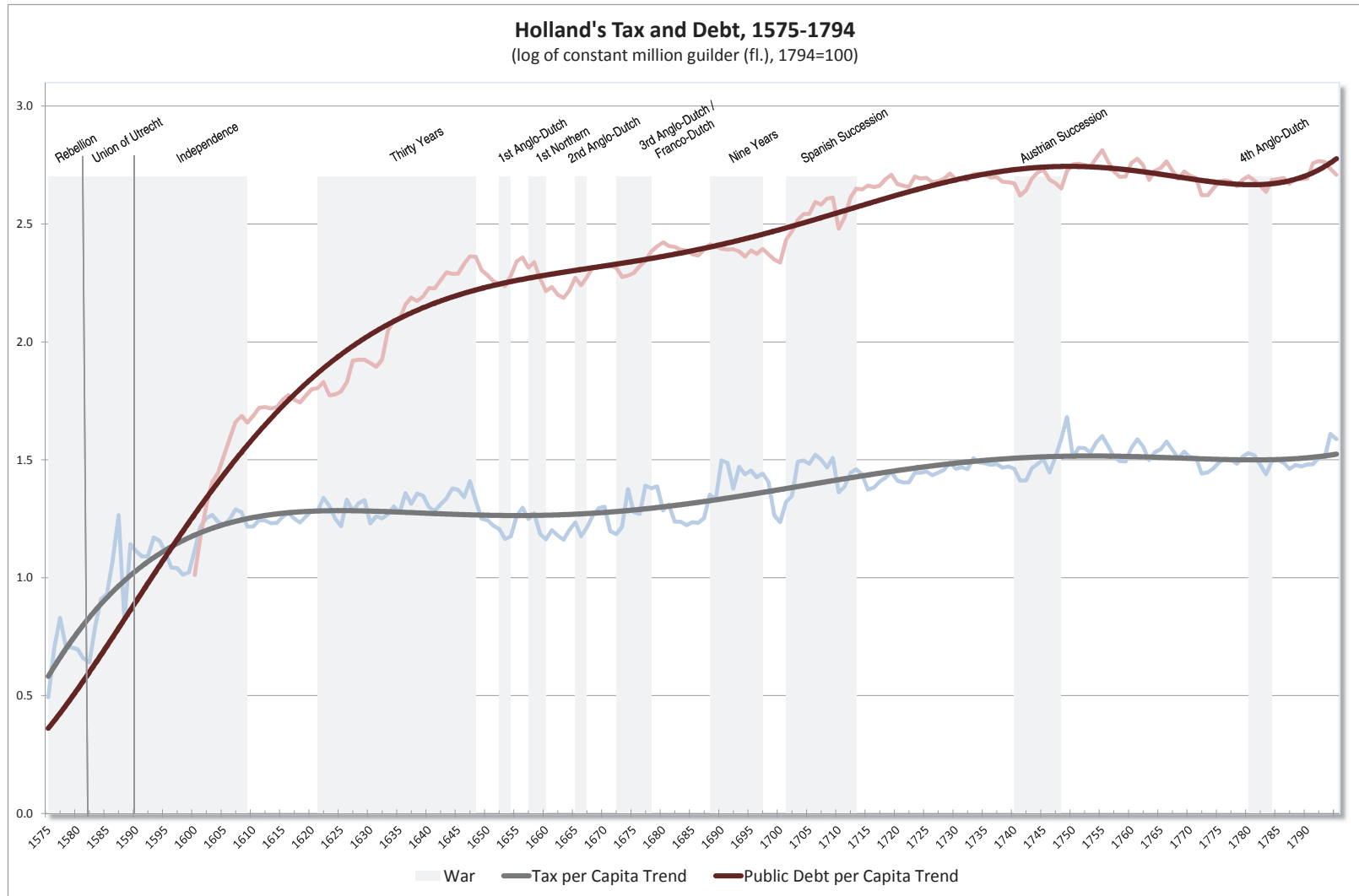


Figure 2: Per Capita Tax Revenue and Public Debt for the Province of Holland, 1575–1794 (log of thousands of constant florin, base year 1794).

Sources: see note for 4; population figures interpolated linearly from Table 1 in Jan de Vries. 1985. "The Population and Economy of the Preindustrial Netherlands." *Journal of Interdisciplinary History*, 15(4): 661–82. Trends use sixth-degree polynomials.

though the subscriptions at the offered rate of 8% did not meet expectations, the States had overcome the first hurdle.

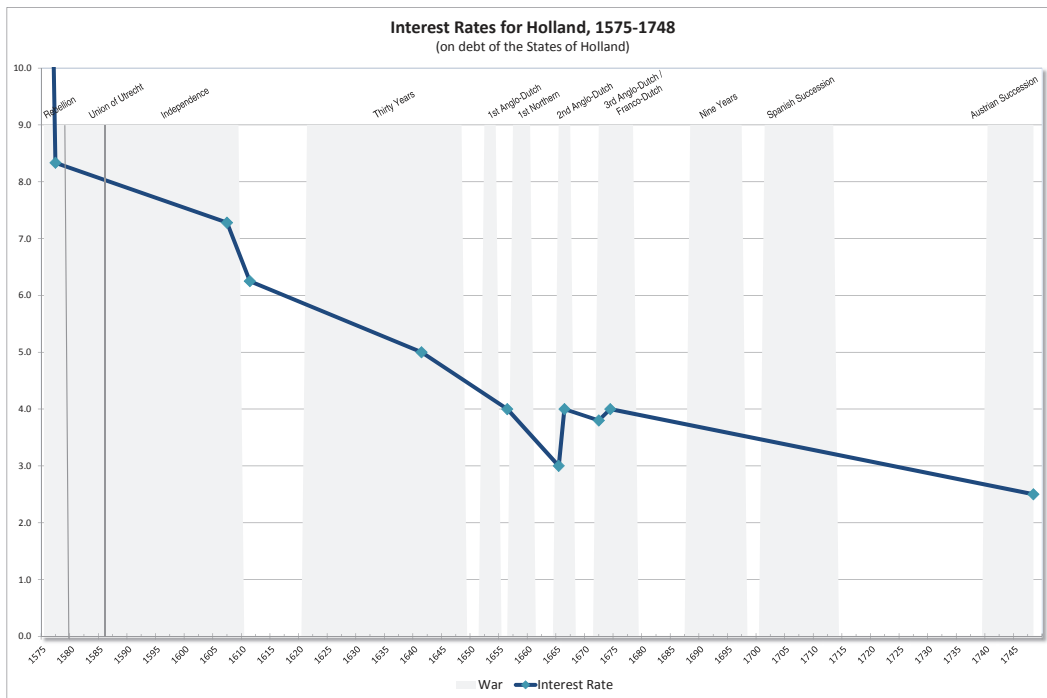


Figure 3: Interest Rates on Government Loans in Holland, 1575–1748.

Source: Marjolein 't Hart, "United Provinces, 1579–1806", Figure 9.3, p. 316. Data available from the European State Finance Database, <http://esfdb.websites.bta.com>, accessed March 3, 2013.

With the steady growth of tax receipts and the increasingly probable success in gaining independence, the States began to crowd out the cities on the bond-markets. The interest rate on government debt dropped from the 20% high of the crisis year 1575 to 7.28% in 1606 (after which major land operations ceased). After the Republic obtained formal independence in 1648, the interest rate dropped to 4% and did not exceed that level until the collapse of the state, sometimes dipping to incredible lows under 3%. This allowed the government to finance extensive military operations during the 18th century despite the economic downturn and stagnant population growth.

Figure 4 provides a general overview of Holland's finances over the life of the Republic. The vastly expanded income from taxation generally covered peacetime military expenditures (on the standing army), and often could even cover wartime military expenditures as well (except for the disastrous Franco-Dutch War and the very expensive War of the Spanish Succession). The government could not avoid deficits, however, because of the accumulating public debt that it had to service. When we consider the combined outlay on the military and debt service, it becomes quite evident that every war pushed the States further into debt. There was not a single war over the life of the Republic that the States of Holland could fight without borrowing. Even though the States generally managed to reduce the deficit during the (brief) periods of peace, the debt overhang absorbed ever increasing shares of government spending just to slow its growth. By the end of the War of Spanish Succession,

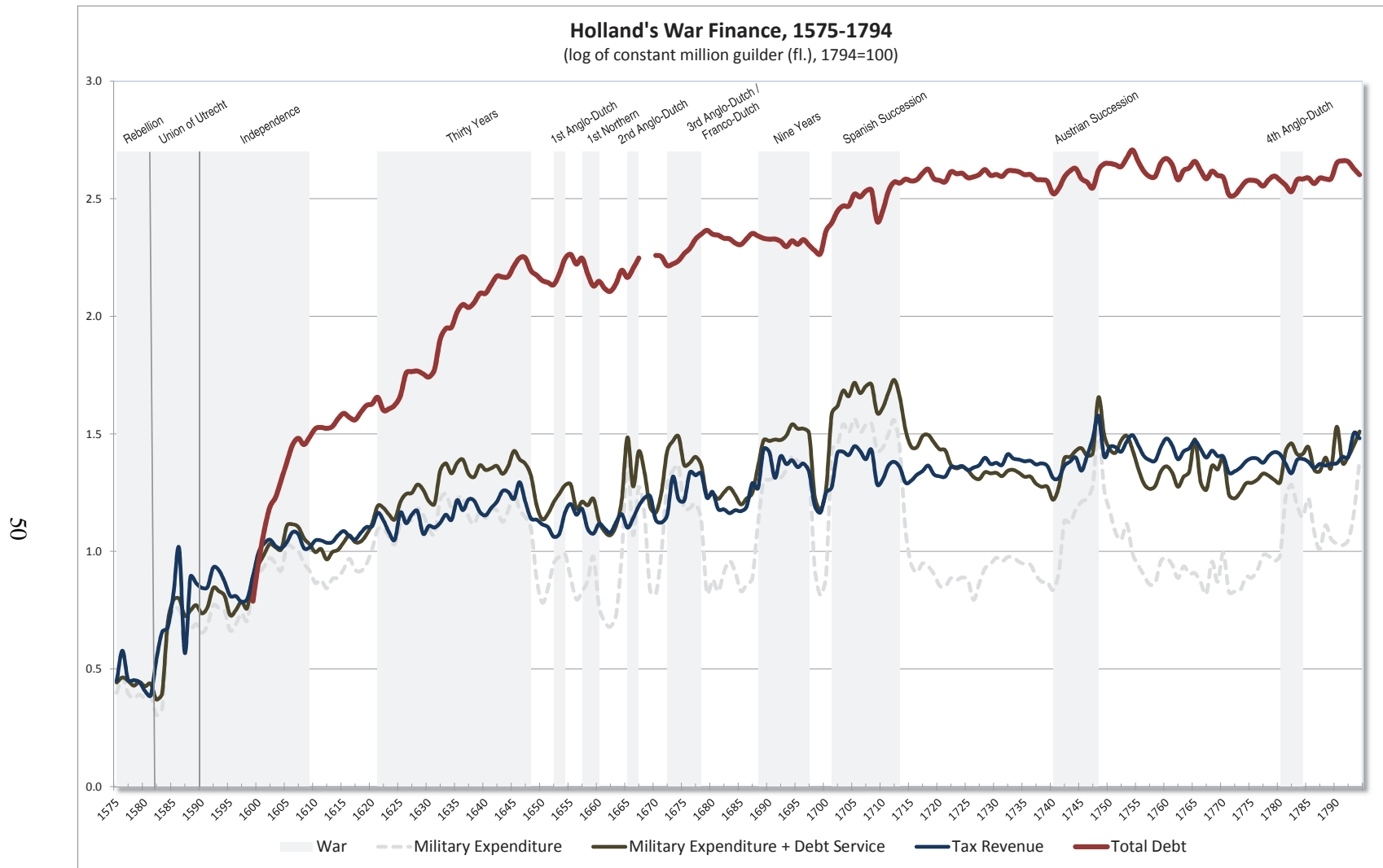


Figure 4: Finances of the Province of Holland, 1575–1794 (log of thousands of constant florin, base year 1794).

Sources: Fritschy, "Public Finance in Holland, 1568–1648", Tables A1 and A2. Leendert Van der Ent, Wantje Fritschy, Edwin Horlings, and R. Liesker. 1999. "Public Finance in the United Provinces of the Netherlands in the Seventeenth and Eighteenth Centuries." In W.M. Ormrod, M.M. Bonney, and R.J. Bonney. (eds.) *Crises, Revolutions, and Self-Sustained Growth: Essays in European Fiscal History, c.1130–1830*. Stamford, UK: Shaun Tyas, pp. 249–93. Data available from the European State Finance Database, <http://esfdb.websites.bta.com>, accessed March 2, 2013. CPI data from the International Institute of Social History, "Value of the Guilder, 1450–2012", <http://www.iisg.nl/hpw/cpi.php>, accessed March 2, 2013. Tax revenue for 1649–67 extrapolated on the basis of farmed tax revenue from Marjolein 't Hart, "Revenue from farmed taxes in the province of Holland, 1624-1713," European State Finance Database, accessed March 2, 2013. The wars do not include the wars of the Dutch East India Company.

over 70% of Holland's revenue was committed to servicing the public debt.⁴⁷

The resulting mountains of public debt were staggering. By the demise of the Republic, Holland had managed to maintain indebtedness *one hundred times* larger (in nominal terms) than its modest government debt when the States centralized the annuities around 1600. In real terms, this translates into 1794 debt level of 400 million florin that is sixty-seven times the 1600 level of 6 million. With per capita income from taxation relatively stable, this must have meant an ever-increasing per capita debt as well. Figure 2 bears this out: per capita debt was 10 constant florin in 1600, which had already increased to 49 florin when the Twelve Years' Truce went into effect. By the time the Republic won its *de jure* independence at the end of the Thirty Years' War in 1648, this amount had increased to the mind-boggling 202 florin. The wars of the eighteenth century steadily (albeit less dramatically) pushed per capita debt until the War of Spanish Succession triggered yet another massive increase to 461 constant florin in 1714. The expensive War of Austrian Succession produced another hike to 567 florin in 1749, and although the Republic then succeeded in managing the debt (mostly by staying out of trouble), the per capita amount stood at 511 florin in 1794. In other words, the per capita real debt at the end was *fifty-one times* the debt in 1600.

The vast scale of this per capita debt becomes even starker when one recalls that the increase occurred in the context of plunging interest rates (Figure 3). Despite borrowing getting cheaper, the government could not reduce noticeably its debt service commitments because of the seemingly incessant wars that required more new debt. And yet, the Republic never manipulated the currency in an attempt to reduce the real value of that debt and the public happily gobbled-up the annuities without appearing to worry about that debt mountain. The commitment to service provided by the political institutions together with the regular flow of large revenue made possible by the political and fiscal organization of the Republic created unprecedented confidence in its government.

The Republic did not avoid political crises. The severe economic slump between 1713 and 1733 caused widespread financial problems and the individual cities attempted to protect their own citizens with beggar-thy-neighbor policies, causing the States to become deadlocked, and threatening fragmentation of the Generality. The outbreak of the War of Austrian Succession in 1740 aggravated the fiscal difficulties, and in the aftermath the House of Orange finally managed to get itself declared hereditary Stadtholders (1747). Even then, the power of the Stadtholders was severely circumscribed and they maintained their position as constitutional heads of state rather than monarchs. The calls for reforms of the ossified class of regents, however, went nowhere.

The small population base also proved a serious liability, as revealed by the data in Table 1 that compares the Republic with its principal rivals and competitors Britain and France. Measured in per capita income, the Republic was very wealthy. Its income, however, stagnated because of limited population growth. In the 18th century, the Republic added only 200,000 people to its tax base when Britain added 5.9 million, and France added 9.1 million. The Republic's per capita income *decreased* by 5% while France's grew by 13%, and Britain's by a whopping 44%. By 1794, Britain did not only exceed the Republic's by 10.4 million, its booming economy was six times larger, so even its per capita

⁴⁷Boogman, p. 403.

	Dutch Republic			Britain			France		
	1600	1700	1794	1600	1700	1794	1600	1700	1794
Population	1.5	1.9	2.1	5.2	6.6	12.5	18.5	20.00	29.1
GDP	2,072	4,047	4,236	5,392	9,332	25,522	15,559	19,539	32,016
GDP/capita	1,381	2,130	2,017	1,037	1,413	2,041	841	977	1,100
Army	32	76	50	–	65	60	50/60	340	181
% Soldiers	2	4	2	–	1	0.5	0.2	2	0.6
Navy (tons)	15/25	113	123	27	196	473	–	195	324
Navy (ships)	38	86	34	34	115	137	–	118	90

Table 1: Military Power and Population, 1600–1794.

Sources: population data (in millions) from Maddison, *The World Economy, Vol. 2: Historical Statistics*, Table 1a, pp. 412–13, with UK figures adjusted by subtracting Ireland’s from p. 420. The figures for 1794 are linear extrapolations from 1700 to 1820. Data for GDP (in millions of constant international dollars, base year 1990) from Maddison, Table 1b, pp. 242–5; for Britain, numbers subtract Ireland’s on p. 432; figures for 1794 are linear interpolations from 1700 and 1820. Per capita GDP computed from above figures. Army data (in thousands of soldiers) for 1595 (Dutch) and 1589–98 (French) from Glete, Table. 4.1, p. 156; for 1695 from Parrot, Table 4.1, p. 65; for 1794 (“at the end of the Ancien Régime”) from Joël Félix. 2012. “Finances.” In the *Oxford Companion*, Table 5.1, p. 80. Navy data (in thousands of tons displacement) for 1600 and 1700 from Glete, “A Bourgeois Fiscal-Military State,” Table 4.2, p. 164; for 1790 from David Parrott. 2012. “Armed Forces.” In William Doyle. (Ed.) *The Oxford Companion to the Ancien Régime*. Oxford: Oxford University Press, Table 4.2, p. 66. Navy data (number of ships of the line) is from Jaap R. Bruijn. 2000. “States and Their Navies from the Late Sixteenth to the End of the Eighteenth Centuries.” In Philippe Contamine. (Ed.) *War and Competition between States*. Oxford: Clarendon Press, Table 1, p. 71.

GDP had overtaken that of the Republic, which had hitherto been the wealthiest state in Europe. The French institutions did not permit the state to take advantage of the vast population increase anyway, but the British were another matter. As we shall see, government revenue in Britain took off during this century, which enabled the country to engage in almost constant warfare, including the Fourth Anglo-Dutch War that ended in disaster for the Republic.

The Republic’s strained finances revealed themselves in its relative decline in military power. In 1600 the Dutch were capable of standing up to the Spanish Empire (in fact, its army had gone up to 62,000 in 1607), and by 1618 the Republic was maintaining a standing army of 32,000. In these years the French had a standing army of about 10,000 and the British of course had none. With number of soldiers at 2% of population, the Republic was exceptionally militarized. In fact, it would remain far more so than its competitors: in 1700 the number of soldiers had shot up to 4% of the population whereas in Britain it was under 1%, and even in belligerent France of the Sun King it was below 2%. The Republic was staggering under the strain to maintain its position relative to its far larger neighbors. Even though the Republic managed to survive the War of the Spanish Succession, its termination in 1714 also marked the end of the Republic as a major military power — the strain of containing France had nearly exhausted the country, which also faced two decades of economic

trouble. By the end of the 18th century both Britain and France had managed to reduce the proportion of soldiers to the rest of society to under 1% whereas the Dutch were still at 2%. This extraordinary effort did enable the Republic to achieve relative parity with Britain and to defend themselves (as members of coalitions) against France.

When it comes to the navy, which was crucial in protecting seaborne trade, the lifeblood of the Republic, the relative decline is unmistakable, and was already evident by 1700 after three wars with Britain. In 1600 the Republic could hold its own against Britain (France did not even have a navy). In 1700 it could no longer do so without help: both British and French naval tonnage exceeded the Dutch by 74%. By 1794 (and another naval war with Britain), all pretense was gone: British tonnage exceeded the Dutch by an astounding 285% and even the French was far ahead with 163%. The Republic had ceased to be a military competitor on land to the French and at sea to the British.

When the push from the French Revolutionary armies came in 1794, the state simply collapsed: the citizens actually welcomed the French armies and the opportunity to refashion the ossified regental government into a new **Batavian Republic**. This French satellite with unstable politics saw three *coups d'état* and was replaced within a decade by the **Kingdom of Holland** under Napoleon's brother Louis Bonaparte.

A Maps

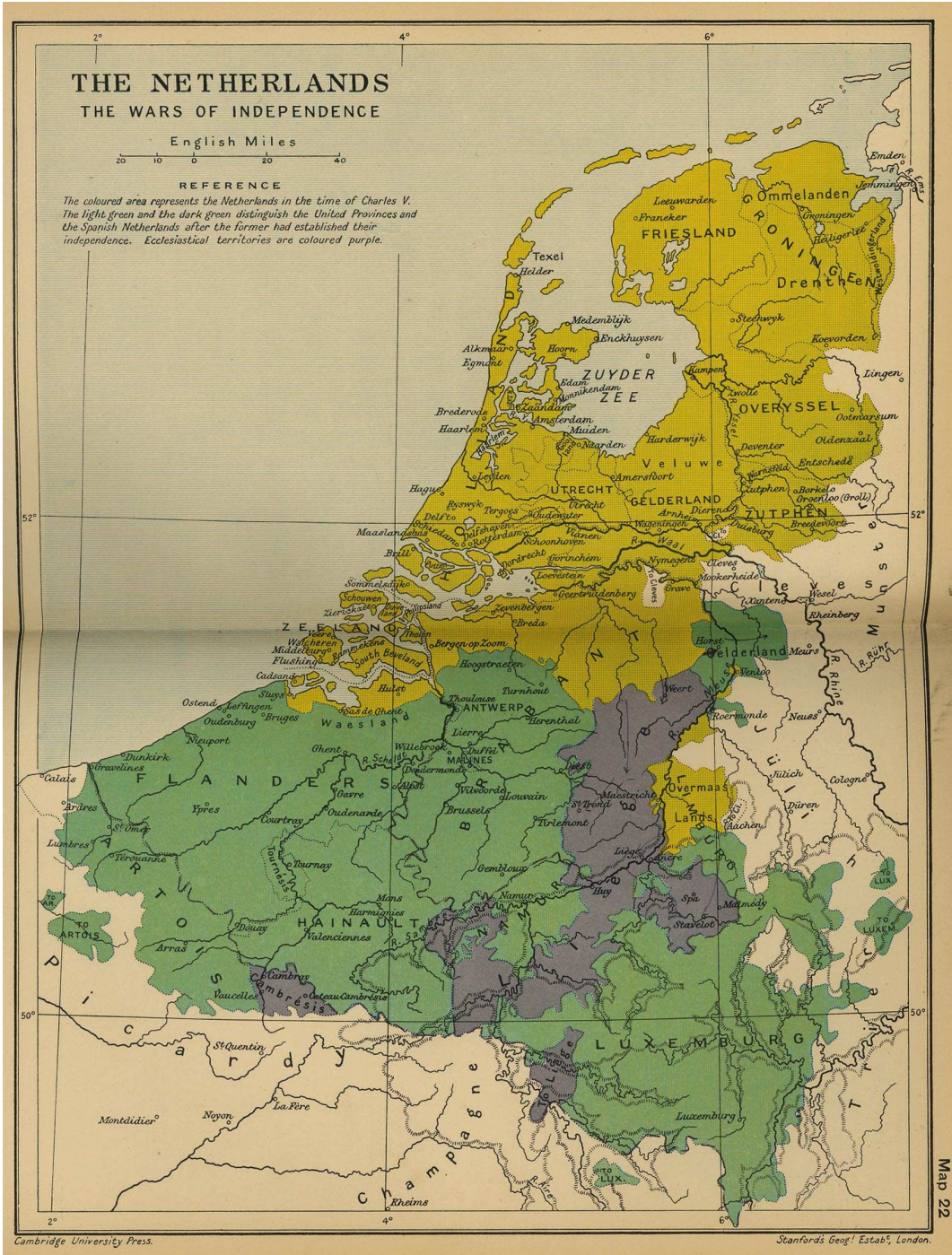


Figure A: The Spanish Netherlands and the Dutch Republic.



Figure B: European Domains of the House of Habsburg at the Abdication of Charles V.

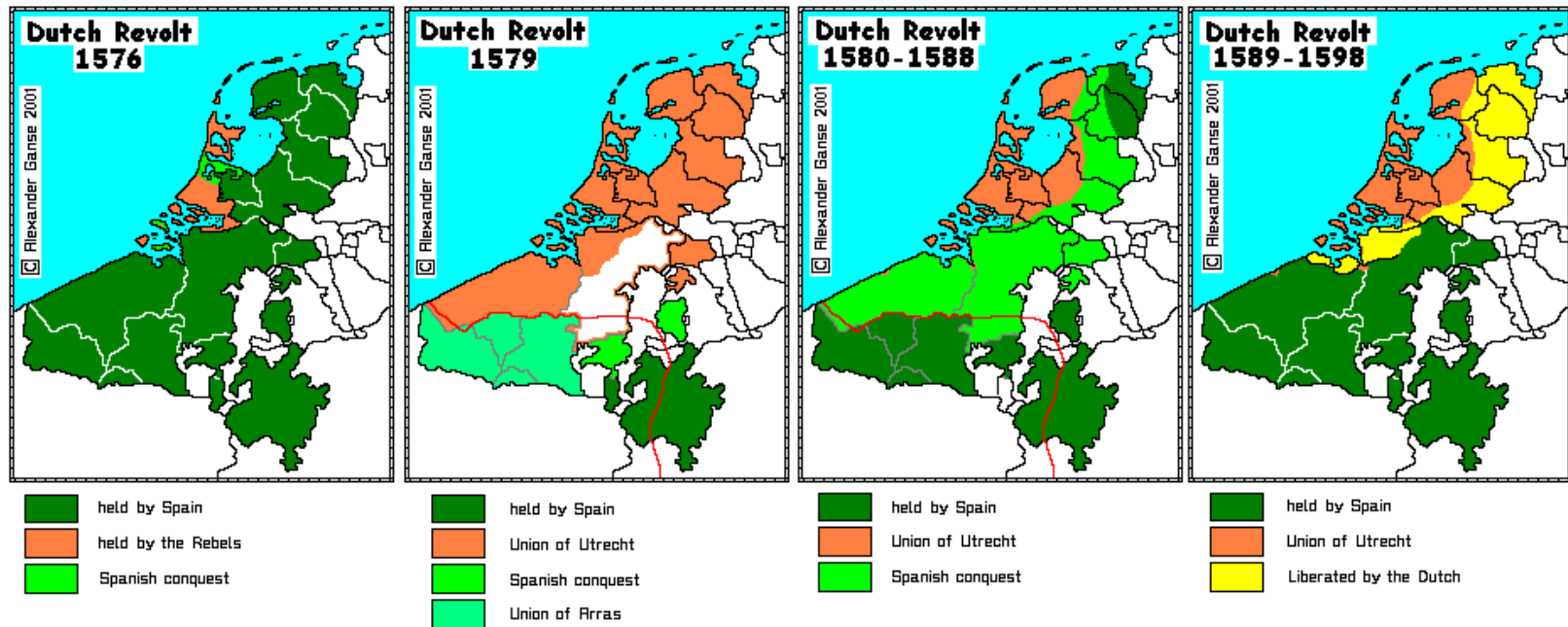


Figure C: The Phases of the Dutch Revolt, 1576–98.