

Financing the Dutch Golden Age: The credit market of Enkhuizen, 1580-1700

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Student: Ruben Schalk

Supervisor: dr. Oscar Gelderblom

Second reader: dr. Joost Jonker

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List of abbreviations

NL-HaNA – Nationaal Archief, Den Haag

WFA - Westfries Archief, Hoorn

GAA – Gemeente Archief, Amsterdam

Introduction

How did early modern entrepreneurs acquire credit? In a period in which money was scarce, information travelled only slowly and creditworthiness was hard to establish, the question on how businesses were funded seems of fundamental importance. Yet this question has been largely ignored. And although recently more research is being done on markets for public debt in early modern Europe, we still remain in the dark about the market for private debt.¹ Regrettably little is known about the scale, function and operation of markets for private credit. This market nonetheless must have been essential for the early modern entrepreneur.

We do not even know how entrepreneurs acquired sufficient capital during the Dutch Golden Age - often regarded as the pinnacle of early modern economic growth.² Although studies often highlight the growing efficient and interconnected economy of this period, surprisingly few historians have wondered how money changed hands between investors and entrepreneurs, or debtors and creditors. Of course, the innovation of capital subscription by shares used by the Dutch East India Company (VOC) can be considered as one answer to this question. But even the VOC needed to resort to other types of credit to overcome the inherent liquidity problems caused by long-distance trade. And also the VOC had to find other means to solve its continuous need for cash.³ These challenges have also been largely ignored.

Moreover, the smaller entrepreneur has almost never been considered in this respect.⁴ Unlike merchants in long-distance trade, these smaller entrepreneurs could not rely on anticipated returns nor could they fund their businesses with share subscription. Yet the numbers of these smaller scale entrepreneurs in the Dutch Republic of the seventeenth-century must have been in the thousands.⁵ In fact, the whole society of the Dutch Golden Age was to a large extent a society of entrepreneurs. These were people who depended on the market place for their profits and losses.⁶ They did not earn fixed wages but had to rely on trade and the selling of goods to sustain in their daily needs.

These entrepreneurs could be relatively rich ship captains, brewers, salt-refiners or wholesale merchants, but also the petty shopkeeper, shipwrights and even the local baker, butcher or cooper. The income of all of these people were very much dependent on the local marketplace and especially on the choices they made in finance and business operation.

¹ See for instance M. 't Hart, J. Jonker and J. L. van Zanden, *A Financial History of the Netherlands* (Cambridge, 1997); L. Neal, 'How it all began: The Monetary and Financial Architecture of Europe during the First Global Capital Markets, 1648-1815', *Financial History Review*, Vol. 7 (2000), pp. 117-140; O. Gelderblom and J. Jonker, 'A Conditional Miracle. The Market Forces that Shaped Holland's Public Debt Management, 1514-1713', Working paper, University of Utrecht (February 2010), pp. 1-54.

² J. de Vries and A. van der Woude, *The First Modern Economy. Success, Failure and Perseverance of the Dutch Economy, 1500-1815* (Cambridge, 1997).

³ Gelderblom and Jonker, 'Completing a Financial Revolution: The Finance of the Dutch East India Trade and the Rise of the Amsterdam Capital Market', *The Journal of Economic History*, Vol. 64 No. 3 (September 2004), pp. 651-3.

⁴ Even the one article that considers entrepreneurial activity in the Dutch Republic only focuses on long-distance trade and the VOC; P. W. Klein and J. W. Veluwenkamp, 'The Role of the Entrepreneur in the Economic Expansion of the Dutch Republic', in: K. Davids and L. Noordegraaf (eds.), *The Dutch Economy in the Golden Age* (Amsterdam, 1993), pp. 27-54.

⁵ O. Gelderblom, 'The Dutch Republic', in: D. S. Landes, J. Mokyr and J. Baumol (eds.), *The Invention of Enterprise: Entrepreneurship from Ancient Mesopotamia to Modern Times* (Princeton, 2010), p. 157.

⁶ *Ibidem*, p. 156.

Clever handling of cash-flows was essential. But until now, we do not know how the VOC and these local entrepreneurs used financial techniques for the financing of business and to solve liquidity constraints.

This thesis will examine how both large and small entrepreneurs from the city of Enkhuizen financed their enterprises in the period 1580-1700. During this period the city of Enkhuizen, situated north of Amsterdam at the Zuiderzee, experienced not only an economic boom but also a severe depression that started around 1650. This depression was more drastic than in other cities of Holland, such as Amsterdam. The city of Enkhuizen therefore provides an ideal test case to examine how debtors and creditors responded to both economic growth and depression. And like Amsterdam, also Enkhuizen had a local chamber of the VOC, which needed to resort to the financial market numerous times to resolve its liquidity strains.

By using this one city as a case-study, the financing techniques of entrepreneurs and the broader market for credit can be analyzed. It will be investigated if and how entrepreneurs obtained credit on the local financial market, on what conditions, and how this evolved during the seventeenth-century. The position of these entrepreneurs on the broader financial market of Enkhuizen needs to be investigated as well, to see how investors were persuaded to invest in the funding of enterprises, and how private funding related to investing in other securities. After all, entrepreneurs who needed money presented themselves on a large market for credit, where investors could choose to put their money in other securities as well. By using many archival sources, it will for the first time ever be possible to reconstruct the use of different credit instruments for financing, and to analyze the scale and organization of a local financial market.⁷

After introducing the economy of Enkhuizen, this thesis will first show how small-scale craftsmen and merchants used credit instruments and retained earnings to finance their operations. These techniques will thereafter be placed in the context of the larger financial market of Enkhuizen, by looking at credit from the viewpoint of the investors. This will reveal a large and efficient financial market. Third, the financing techniques of the local chamber of the VOC will be analyzed. Share subscription by no means sufficed, and also this large company needed to operate on local financial markets. It will be shown that the VOC used many of the same financing techniques as private entrepreneurs. Both small and large entrepreneurs acted on a broad and efficient financial market where numerous securities could be acquired with ease and different types of financing could be used. In the following chapters it will be demonstrated how entrepreneurs used this sophisticated financial market during the seventeenth-century. Overall, the importance of credit in early modern financing will stand out.

⁷ Those readers not familiar with the archival sources of Enkhuizen can at times use the references to Appendix A and B for a more detailed discussion of the most important archival sources.

1. The economy of Enkhuizen, 1580-1700

The story of the rapid economic development of Enkhuizen started around the 1570s and lasted until 1650. In this period Enkhuizen grew from a small regional fishing town into a large city, whose inhabitants provided much of the Baltic with herring and traded on a large scale with Asia. Numerous small and larger entrepreneurs were actively part of this period of economic prosperity, often referred to as the Dutch Golden Age. Like the nearby town of Hoorn, which was also situated in the region north of Amsterdam known as the Noorderkwartier, Enkhuizen had its shops, craftsmen and important flows of import and export. But whereas the economy of Hoorn was largely based on the trade in wood, Enkhuizen, although comparable to Hoorn in size, focused on other markets and goods.⁸ Especially herring fishing and shipping were of great importance to the economy of Enkhuizen.

1.1 The diverse market of Enkhuizen

The Dutch Golden Age really took off in Enkhuizen when the city was freed from Spaniard rule in 1572. Because the Enkhuizen magistrates had enthusiastically assisted William of Orange in his fight against the Spaniards, Enkhuizen was awarded the right to levy a tax on ships entering the important sea passage to Amsterdam, the Zuiderzee.⁹ Helped by these taxes Enkhuizen began improving its harbours already in the 1570s, and full-scale city development took place in the 1590s.¹⁰ Numerous new houses were build and Enkhuizen grew rapidly in the last quarter of the seventeenth-century, both in size and population. The growth of the city and its population in the period 1580-1620, was however not primarily caused by city development and natural population growth. On the contrary, the hitherto unknown growth Enkhuizen experienced was largely made possible by its growing trade and industries.¹¹ These offered new opportunities to immigrants and enabled entrepreneurs to set up and expand their businesses and trade.

Like other seventeenth-century cities in the Dutch Republic there was a whole spectrum of active entrepreneurs in Enkhuizen. With a substantial population of 21.878 by 1622 it is not hard to imagine that this city needed its basic shops and markets and even might have had some more luxurious industries. For instance, the first book printer already settled in Enkhuizen in 1603.¹² Bakers, butchers, beer brewers, carpenters, textile workers, grocers, wholesale merchants and brokers are just some of the other entrepreneurs that were active in seventeenth-century Enkhuizen as well. Amongst the entrepreneurs of Enkhuizen were famous men like the cartographer Lucas Janszoon Waghenaeer or Cornelis Nay, who was the

⁸ C. Lesger, *Hoorn als Stedelijk Knooppunt. Stedensystemen tijdens de Late Middeleeuwen en Vroegmoderne Tijd* (Hilversum, 1990), p. 99.

⁹ J. Theunisz, *Het Stadhuis the Enkhuizen (1686)* (Assen, 1927), p. 26.

¹⁰ R. Willemsen, *Enkhuizen tijdens de Republiek* (Hilversum, 1988), p. 30.

¹¹ M. A. J. Visser, *Enkhuizen, Hoeksteen van West-Friesland* (Enkhuizen, 1950), p. 28.

¹² Willemsen, *Enkhuizen tijdens de Republiek*, p. 178; *Historie der vermaerde Zee- en Koopstadt Enkhuisen, vervaetende haere Herkomst, en Voortgangh*, t'Enchuisen gedrukt by Egbert van den Hoof (1666), p. 204.

captain on several voyages with Willem Barentszoon in search of a northern passage to Asia.¹³

Some entrepreneurs were organized in guilds, and it seems that most of the guilds of Enkhuizen were established around or after the 1620s.¹⁴ Enkhuizen was no exception to the general pattern, as guilds were abundant in cities and towns all over the Dutch Republic during the early modern period.¹⁵ It is no surprise that these Enkhuizen entrepreneurs wanted to protect their trade and commerce during the economic boom. There is some evidence of entrepreneurs of Enkhuizen actively protecting their own trade. In 1631 the beer carriers guild of Enkhuizen had a dispute with the magistrates of Amsterdam concerning the overhauling of goods destined for Hamburg. The Enkhuizen carriers did not allow the Amsterdam merchants to ship their goods directly to Hamburg without the intermediation of the Enkhuizen carriers and captains.¹⁶ Like other cities, the magistrates of Enkhuizen at times protected their own market. Already in 1588 the magistrates of Enkhuizen levied a substantial tax on the import of bread, and in 1626 bread from outside Enkhuizen was altogether prohibited.¹⁷ Not surprisingly, most other guild statutes of Enkhuizen mention a likewise prohibition on the import of outer-city wares.¹⁸ As late as 1681 the magistrates still kept a close watch on the illegitimate selling of ropes that were not produced in Enkhuizen.¹⁹

Direct evidence of entrepreneurial activity in Enkhuizen is difficult to come by, but the *verpondingskohier* gives some more insight into several commercial sectors in Enkhuizen during its heydays. This was a register of a tax on commercial property levied in 1630. In the *verpondingskohier* the following industrial and commercial buildings are listed for Enkhuizen: there were 16 ropeyards, 8 flourmills, 2 fuller mills, 2 sawmills, 2 gunpowder mills, 1 lime mortar mill, 58 smokehouses for herring and 5 small shipyards.²⁰

The importance of shipping and its affiliated industries clearly shows in this register. Ropeyards were needed to produce the all important ropes that ships needed for sailing, and sawmills might have provided wood for the five small shipyards. Even though Enkhuizen boosted a large fishing and trading sector in the first half of the seventeenth-century, shipbuilding was largely centered in other nearby regions. Although there isn't more information available on Enkhuizen's shipbuilding, it seems probable that Hoorn and the Zaanstreek were more important in timber processing.²¹ Enkhuizen's shipbuilding was probably targeted at only producing ships for the local market. Besides the shipyard of the Verenigde Oostindische Compagnie (VOC, the Dutch East India Company), Enkhuizen only

¹³ Willemsen, *Enkhuizen tijdens de Republiek*, p. 162; *Historie der vermaerde Zee- en Koopstadt Enkhuisen*, p. 196.

¹⁴ *Handvesten, Privilegien, Willekeuren ende Ordonnantien der Stadt Enchuyzen*, t'Enchuyzen gedrukt by Egbert van den Hoof (1667).

¹⁵ B. de Munck, P. Lourens and J. Lucassen, 'The Establishment and Distribution of Craft Guilds in the Low Countries 1000-1800', in: M. Prak, C. Lis, e.a., *Craft Guilds in the Early Modern Low Countries. Work, Power and Representation* (London, 2006), pp. 32-73.

¹⁶ Gemeente Archief, Amsterdam, entry no. 366, inv. no. 374.

¹⁷ D. Aten, 'Als het Gewelt Comt...'. *Politiek en Economie in Holland benoorden het IJ 1500-1800* (Hilversum, 1995), p. 237.

¹⁸ *Handvesten, Privilegien, Willekeuren ende Ordonnantien der Stadt Enchuyzen*.

¹⁹ Aten, 'Als het Gewelt Comt...', p. 248.

²⁰ R. J. de Vries, *Enkhuizen 1650-1850. Bloei en Achteruitgang van een Zuiderzeestad* (Amsterdam, 1987), p. 53.

²¹ Lesger, *Hoorn als Stedelijk Knooppunt*, pp. 80, 99.

had relatively small shipyards. Given the relatively low number of saw mills in Enkhuizen, compared to 53 in the Zaanstreek in 1630, Enkhuizen probably used processed wood from the Zaanstreek for its shipbuilding.²²

The register illustrates a diverse economy. However, only property that was solely used for commercial ends was registered in the *verpondingskohier*. Small-scale enterprises like bakeries or even breweries were not listed, as were offices of brokers and merchants. Property of the Dutch East India Company was not listed in this register and needs to be taken into account as well. The VOC chamber of Enkhuizen had its own shipyard on the Wierdijk in Enkhuizen, used its own roperyard in the north of the city and owned a sizeable warehouse on the Oosterhaven to store its goods.²³ The VOC build some 21 ships in the period 1602-49 which must have positively influenced the local economy. Although Enkhuizen did not have a large wood-processing industry like the nearby region of the Zaanstreek, these shipyards did provide work for shipwrights, coopers and all other sorts of local craftsmen.²⁴

Timber imports from Norway and transports up the Rhine were also of importance to the local economy. Colonial wares, salt, herring, fish and dairy were transported upstream on the Rhine in exchange for wine, timber and grain.²⁵ The cheese market in Enkhuizen was of some importance as well. Nonetheless, the cheese markets of Hoorn and Alkmaar were of more significance. These were more important as regional cheese markets as well as markets for international cheese trade.²⁶

Another trade of significance in Enkhuizen during the first half of the seventeenth-century was the oxen trade. Already in the fourteenth-century, German and Danish cattle were transported by land or sea to the pastures of the Noorderkwartier to be fattened and sold.²⁷ At the beginning of the seventeenth-century there were numerous disputes with the magistrates of Hoorn, who also wanted to organize the regional cattle trade. But in 1605 Hoorn lost the oxen market to Enkhuizen.²⁸ It is estimated that during the peak of the Dutch cattle trade in 1611-1620 almost 60.000 oxen were imported from Germany and Denmark.²⁹ The share of Enkhuizen in this trade was probably sizeable, as a total of 11.769 oxen were imported and sold in Enkhuizen as late as 1624.³⁰ The growing local market for oxen also affected local shipping. More and more Enkhuizen shippers began to conduct freight contracts to ship oxen from and to Enkhuizen.³¹

The Enkhuizen family Tatinghof was closely involved in both the development of Enkhuizen as a regional and international centre for the oxen trade, but also witnessed its gradual decline.³² Frederik Tatenhof was made citizen of Enkhuizen in 1596 because of the

²² Ibid., p. 80.

²³ H. Bonke and K. Bossaers, *Heren Investeren: De Bewindhebbers van de West-Friese Kamers van de VOC* (Enkhuizen, 2002), pp. 33-7.

²⁴ Ibid., p. 37.

²⁵ de Vries, *Enkhuizen 1650-1850*, p. 45.

²⁶ Lesger, *Hoorn als Stedelijk Knooppunt*, p. 38

²⁷ de Vries, *Enkhuizen 1650-1850*, p. 45.

²⁸ P. Boon, 'Early contacts between Föhr and Enkhuizen', in: R. Bohn (ed.), *Nordfriesische Seefahrer in der frühen Neuzeit* (Amsterdam, 1999), p. 82.

²⁹ Ibid., p. 83.

³⁰ *Historie der vermaerde Zee- en Koopstadt Enkhuisen*, p. 205.

³¹ W. Gijsbers, *Kapitale Ossen. De Internationale Handel in Slachtvee in Noordwest-Europa (1300-1750)* (Hilversum, 1999), p. 261.

³² Ibid., p. 255.

central position he could hold in supplying cattle sheds and other services to foreign oxen traders coming to Enkhuizen.³³ When Frederik died somewhere after 1602 his wife Catharina and his oldest son Pieter Tatinghof continued the oxen trade. Pieter was active as the local master of the oxen market, and as an innkeeper he acted as intermediary between buyers and sellers of oxen. He also provided shelter and transportation for oxen.³⁴

His role as intermediary illustrates some of the ways in which entrepreneurs used credit in seventeenth-century Enkhuizen. Tatinghof lent money to traders and also acted as a guarantor for loans. For instance, he lent fl. 1.150 to the trader Las Frederiksen in 1626 against an interest rate of eight per cent.³⁵ In 1646 he acted as guarantor for the buying of a hull by the trader Bagge Vandel.³⁶ The oxen market consisted of merchants from all sort of places, both from abroad and from nearby towns and cities. Innkeepers like Tatinghof often acted as intermediaries on this market because of their trustworthiness and because their income depended on successful intermediation. Because they were easily accessible for traders and they were familiar with the local market, oxen traders preferred innkeepers to serve their trade.³⁷ However, Pieter Tatinghof experienced increasing difficulties in getting his outstanding loans refunded around 1650. He even travelled to Schleswig-Holstein in northern Germany in 1647 to reclaim some of these loans. The payments between sellers and buyers seemed to halt, and Tatinghof, both as guarantor and creditor, thought it wise to reclaim all his loans to prevent troubles.³⁸ He had already experienced extensive difficulties with other creditors and city magistrates when he was held accountable as guarantor for a loan of the Leiden merchant Nicolaas van der Maas in 1641.³⁹

Amsterdam witnessed the increasing difficulties on the Enkhuizen market with pleasure. Even though the regulations of the Enkhuizen oxen market were improved in 1652, this could not prevent the market to gradually move to Amsterdam. Consequently, Enkhuizen lost the privilege on the oxen market in 1654, and the market moved to Amsterdam.⁴⁰ This shift closely followed the gradual economic decline of Enkhuizen from 1650 and caused another blow to the local economy. It is no surprise that another oxen merchant, Thomas Jensen, who was very active on the Enkhuizen market before the 1650s, registered more and more freight contracts on Amsterdam from 1657.⁴¹ Like Tatinghof he had earlier also acted as an intermediary and guarantor on the Enkhuizen oxen market.

1.2 The driving forces of the local economy

Although the oxen trade, cheese trade and inland shipping all offered opportunities to local entrepreneurs and illustrate the diverse character of the early modern Enkhuizen market, these sectors were not the most important sectors of seventeenth-century Enkhuizen. Where the city

³³ Ibid., p. 256.

³⁴ Ibid., p. 261.

³⁵ Ibid., p. 266. All currencies in this thesis are given in silver *carolus* guilders unless otherwise stated. The silver *carolus* guilder was the most commonly used monetary unit in Enkhuizen in the seventeenth-century. It consisted of twenty *stuivers*. One *stuiver* consisted of sixteen *penningen*.

³⁶ Gijsbers, *Kapitale Ossen*, p. 266.

³⁷ Ibid., p. 261.

³⁸ Ibid., p. 269.

³⁹ Ibid., pp. 266-9.

⁴⁰ Ibid., p. 271.

⁴¹ Ibid., pp. 602-3.

of Hoorn mainly focused on the trade in timber, the economy of Enkhuizen was to a great deal dependent on the trade with The Sound. This trade in turn was greatly dependent on the herring fishing that was situated in Enkhuizen. The *verpondingskohier* registered the substantial number of 58 smokehouses for herring, and this demonstrates the large herring fishing and processing industry of Enkhuizen.

Herring fishing and trade to The Sound were the driving force of the Enkhuizen economy from the 1570s. These sectors stimulated economic growth and offered not only opportunities to captains and fisherman, but also provided jobs for other craftsmen and entrepreneurs such as salt-refiners and shipwrights. From the middle of the seventeenth-century the local chamber of the Dutch East India Company was also important for the local economy as this chamber, like herring fishing, opened up new opportunities for local entrepreneurs, such as shipbuilding or the provision of foods for the numerous expeditions.

But until the 1620s the most important industry of Enkhuizen was the trade with The Sound. Dutch ships transported industrial goods, textiles, herring, salt, wine and later in the period colonial wares to the Baltic, in exchange for grain.⁴² The Enkhuizen trade with The Sound was no exception. Also from Enkhuizen many captains left for the Baltic, carrying salt and herring. The Danish toll registers tell us how many captains from Enkhuizen navigated The Sound. These registers give the place of origin of the ship's captain and the place the ship started his voyage, and enable us to estimate the importance of this trade for Enkhuizen. Any other city that a ship called at before entering The Sound is not recorded in the registers. What can be determined is the city of departure other than Enkhuizen, for captains from Enkhuizen. This shows that most Enkhuizen captains who did not leave from Enkhuizen left from French harbours and most probably shipped French salt.⁴³ Still, the average percentage of Enkhuizen captains that actually departed from Enkhuizen was 80 per cent during 1557-1657.⁴⁴ Local captains thus mainly carried out a direct trade between Enkhuizen and The Sound. It is highly possible that these captains on their way back first returned to Amsterdam, because the market for grain here was much larger than in Enkhuizen.⁴⁵

The total number of Sound passages of Enkhuizen captains is given in graph 1.1. This graph clearly demonstrates that the heyday of the Enkhuizen trade to The Sound was during the end of the sixteenth-century. From 1620 less and less Enkhuizen captains navigated The Sound, and the trade showed an almost constant decline. This was probably caused by the growing dominance of Amsterdam as a staple market for international trade, and the increasing importance of the domestic market for herring.⁴⁶ The growing importance of the local market for herring obviously was not directly a negative development. There still was demand for herring and affiliated local industries such as salt-refining were not affected by this switching of the market.

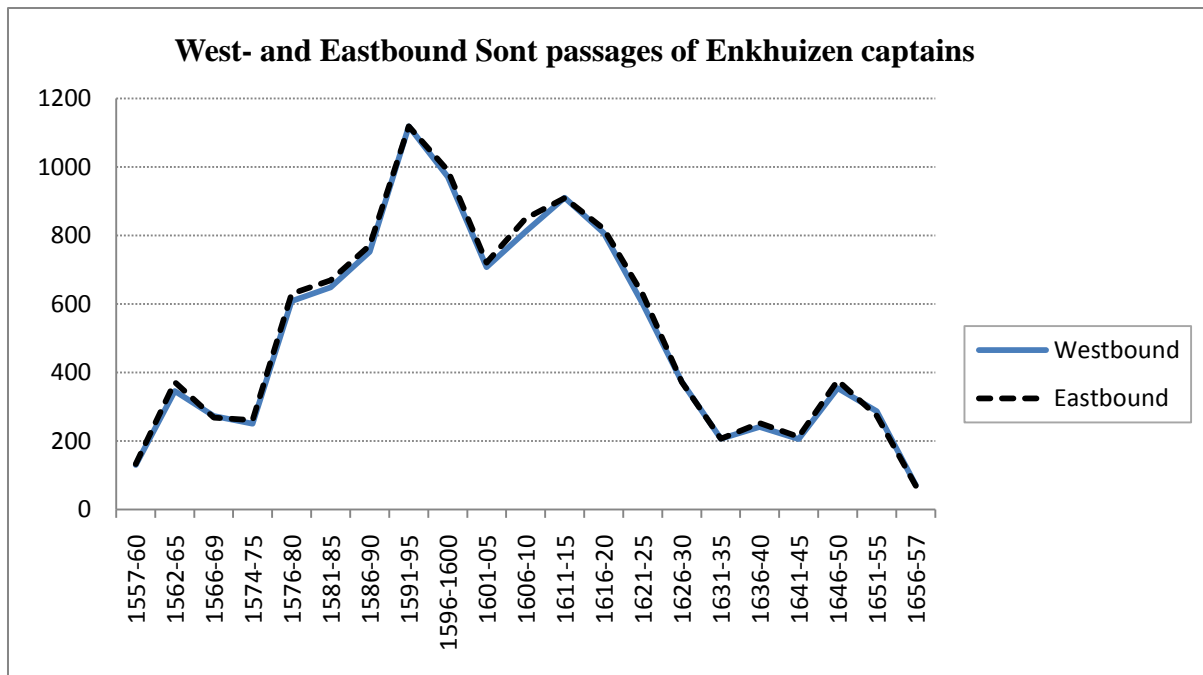
⁴² Willemsen, *Enkhuizen tijdens de Republiek*, p. 64.

⁴³ *Ibid.*, p. 67; Lesger, *Hoorn als Stedelijk Knooppunt*, p. 36.

⁴⁴ Based on Willemsen, *Enkhuizen tijdens de Republiek*, p. 172.

⁴⁵ *Ibid.*, p. 92.

⁴⁶ de Vries, *Enkhuizen 1650-1850*, pp. 48-9



Graph 1.1 Source: Willemsen, *Enkhuizen tijdens de Republiek*, p. 172.

At the beginning of the seventeenth-century the trade with The Sound flourished and the local herring industry witnessed a continuous growth. Both influenced each other, as a lot of herring was shipped from Enkhuizen to The Sound. Enkhuizen had always been an important centre for fishing, and this position was reinforced by a number of developments from the end of the sixteenth-century. These developments consequently influenced the trade with The Sound, where more and more herring was shipped from the 1570s.

Before the middle of the sixteenth-century herring fishery was mainly concentrated around the Maas estuary. Den Briel, Rotterdam and Delfshaven were situated close to the fishing grounds at Yarmouth and had good connections with the densely populated hinterland of the Southern Netherlands.⁴⁷ The intensity of the revolt caused the trade to switch more to the north, and especially to Enkhuizen.⁴⁸ Also, the Northern Netherlands witnessed a population growth during the same period, which made the local market more important. The Baltic and northwestern Germany gradually became important markets for herring as well, and Enkhuizen was situated far better to trade with this region than the cities around the Maas estuary.⁴⁹

The export of herring was made viable by the technique of gutting herrings and making them fit for conservation by salting them on board. This process on the Dutch herring busses was optimized around 1600 and gave the Northern Netherlands a huge advantage over their competitors.⁵⁰ Natural developments helped Enkhuizen as well, as more and more herring was to be found in the waters around the Norwegian coast, which was relatively close to the (West-) Frisian cities.⁵¹

⁴⁷ de Vries, *Enkhuizen 1650-1850*, p. 32.

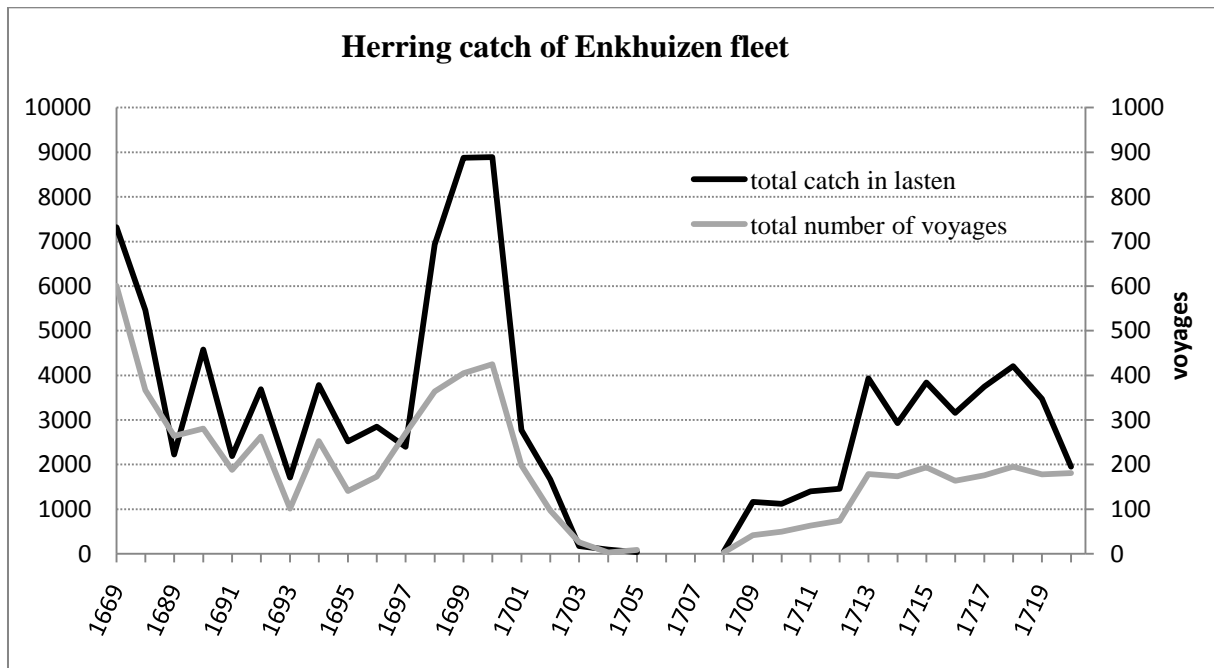
⁴⁸ H. A. H. Kranenburg, *De Zeevisserij van Holland in den Tijd der Republiek* (Amsterdam, 1946), pp. 28-31.

⁴⁹ de Vries, *Enkhuizen 1650-1850*, p. 32.

⁵⁰ de Vries and van der Woude, *The First Modern Economy*, p. 244.

⁵¹ de Vries, *Enkhuizen 1650-1850*, p. 32.

The available data on the herring fishery of Enkhuizen begins in 1669. Before that period we only have estimates. The peak of Dutch herring fishery in general was somewhere between 1630-60, when the total herring fleet consisted of some 500 busses. Of these, around 270 to 300 busses came from Enkhuizen.⁵² By the 1690s Enkhuizen's herring fleet had dropped to some 140 busses.⁵³ Graph 1.2 shows the total herring catch of the fleet of Enkhuizen from 1669 in *lasten*. One *last* at that time counted as twelve tons.⁵⁴



Graph 1.2 Source: Willemsen, *Enkhuizen tijdens de Republiek*, p. 164.⁵⁵

The graph shows that Enkhuizen's herring fishing witnessed its peaks during the years 1669, 1699 and 1700. But from the 1650s the trade probably already was in decline. The prime of Enkhuizen's herring fishing is often placed somewhere in the period 1550-1700.⁵⁶ Although there are only rough estimates of the herring catch before 1669, it seems that the prime of Enkhuizen's herring fishing occurred earlier than 1669. The available data as a result is slightly misleading because it shows a market already in decline. De Vries and van der Woude together with Willemsen place the peak of Enkhuizen's herring fishing somewhere between 1650 and 1670, with a continuous growth from 1600 until approximately 1670.⁵⁷

From the last quarter of the seventeenth-century Enkhuizen's herring fishing began to decline, which caused a serious blow to the local economy, also because the trade to The Sound already was of less importance. The declining herring industry was caused by

⁵² Kranenburg, *De Zeevisscherij van Holland*, p. 39; Willemsen, *Enkhuizen tijdens de Republiek*, p. 48.

⁵³ de Vries and A. van der Woude, *The First Modern Economy*, p. 251.

⁵⁴ Willemsen, *Enkhuizen tijdens de Republiek*, p. 50.

⁵⁵ D. Brouwer has also published these results, based on the same archival sources. However, his data slightly differs from that of Willemsen by a couple of last each year. D. Brouwer, *Enkhuizen, Aanteekeningen uit het Verleden* (Enkhuizen, 1949), vol. 3, p. 134. I have chosen to use the figures given by Willemsen.

⁵⁶ de Vries, *Enkhuizen 1650-1850*, p. 37.

⁵⁷ de Vries and A. van der Woude, *The First Modern Economy*, p. 250; Willemsen, *Enkhuizen tijdens de Republiek*, pp. 56-7.

increasing competition from Scottish and Scandinavian herring.⁵⁸ Also, migration of herring probably also made them less numerous on the Dutch fishing grounds from the 1650s.⁵⁹

The graph also demonstrates the seasonal and uncertain character of herring fishing. Catches could highly fluctuate each year. Herring busses of Enkhuizen on average sailed out twice a year.⁶⁰ But they had to follow orders of the *College van de Grote Visserij* – a central organ that regulated herring fishing. This organ had prohibited herring fishing in the first half of the year.⁶¹ In the other part of the year when fishing was allowed weather conditions could greatly influence the catch. The difficult conditions for herring traders on the local market at the end of the seventeenth-century are illustrated by the correspondence between an Amsterdam merchant and his Enkhuizen partners in 1682.

The Amsterdam merchant Benjamin Burlamacchi wanted to be informed on the Enkhuizen prices of herring constantly. One of his partners, the Enkhuizen merchant Cornelis Haack, wrote several letters to Burlamacchi informing him about the conditions on the local market. In November of 1681 bad weather for instance caused a much lower catch of the Enkhuizen herring fleet. As a result, prices remained relatively high, which was unfortunate for the Amsterdam merchant, who wanted to get the lowest price.⁶² Cornelis Haack was however convinced that prices would drop when more ships would return.⁶³ The importance of other markets shows as well in this conversation. When Cornelis Haack, after some fierce negotiations with fishermen, was able to obtain the best price, he informed Burlamacchi that several Enkhuizen captains were willing to ship this herring to Rouen in France.⁶⁴ Not surprisingly, these captains were eager to ship herring to other markets now that shipping of herring to the Baltic had declined. Prices greatly fluctuated on this competitive market. In November of the next year Haack warned his partner that, even though fishing went relatively well, the prices per *last* were going to be as much as 50 per cent higher than during the season of 1681.⁶⁵

The wars of the seventeenth-century seriously hampered fishing, but as graph 1.2 shows, during the seventeenth-century, herring catch almost every time recovered after a war. This changed after 1700, when the Enkhuizen fleet was unable to fully recover from the War of the Spanish Succession. The catch dropped, as did the number of voyages. The decline in 1701 and the following stagnation of the herring catch can be attributed to several factors. The demand for herring in the Baltic had already declined, but now also local demand and demand from Germany stagnated. Competition of other countries and foreign cities also affected the Dutch herring trade, notably that of Hamburg, which developed as an international staple market for fish during the eighteenth century.⁶⁶ During the middle of the eighteenth century herring fishery recovered a bit, but by now Vlaardingen had become more important than Enkhuizen.⁶⁷ While during the seventeenth-century around 60 per cent of Dutch herring was

⁵⁸ de Vries and A. van der Woude, *The First Modern Economy*, p. 252.

⁵⁹ *Ibid.*

⁶⁰ Willemsen, *Enkhuizen tijdens de Republiek*, p. 50.

⁶¹ *Ibid.*, p. 57.

⁶² GAA, entry number 1, inventory number 79, 12-11-1681.

⁶³ *Ibid.*, 22-11-1681.

⁶⁴ *Ibid.*, 26-11-1681.

⁶⁵ *Ibid.*, 28-10-1682.

⁶⁶ de Vries, *Enkhuizen 1650-1850*, p. 37.

⁶⁷ *Ibid.*; Willemsen, *Enkhuizen tijdens de Republiek*, p. 51.

exported to the Baltic and Germany, this percentage had dropped to sixteen per cent at the end of the eighteenth century.⁶⁸ The Fourth Anglo-Dutch War (1780-84) and the French occupation gave another blow to Enkhuizen's herring fishing.

Closely connected to herring fishing was the refinery of salt, which was needed to conserve the herring and make it fit for export and conservation. The rise of salt refinery in Enkhuizen can completely be attributed to the expansion of herring fishing in the city. There were 30 salterns in Enkhuizen in 1553 and 1557, and 42 in 1561.⁶⁹ The development of salt extraction in Enkhuizen was larger than in surround cities such as Hoorn, Alkmaar, Medemblik and Monnickendam. In the *verpondingskohier* of 1630 the number of salterns had followed the growth of herring fishing, and Enkhuizen now had 63 salterns. By 1674 their number had dropped to 22, following the decline of herring trade and export.⁷⁰ As we have seen, Enkhuizen captains also traded directly in salt between French harbours and The Sound. Moreover, merchants from Enkhuizen probably also dominated the Dutch salt imports from the West-Indies.⁷¹ Enkhuizen therefore was not only a local centre for salt-refining, but it seems that because of this relatively large branch also merchants and captains specialized in the salt trade.

Salt-refining is one example of the interconnectedness of different sectors of Enkhuizen's commerce. In the middle of the seventeenth-century some 4.000 fishermen were active in herring fishing, compared to only 1.000 by the end of the century.⁷² The affiliated industries contributed some 2.000 jobs by the middle of the century compared to just 400 by the end of the century.⁷³ This interconnectedness made Willemsen conclude that the economy of Enkhuizen witnessed a change during the seventeenth-century from labor-intensive industries towards an economy more focused on trade and the financial sector, also given in by the activities of the local chamber of the VOC on the financial market.⁷⁴ When one sector declined it affected many affiliated industries. Nonetheless, the Dutch economy was able to become so successful in the seventeenth-century because of this interaction between different economic sectors.⁷⁵

Because of its ascendancy as a major shipping port and its involvement in the first expeditions to Asia, Enkhuizen was assigned its own local chamber of the Verenigde Oost-Indische Compagnie (VOC) in 1602. The Dutch East India Company was granted a monopoly for the trade on Asia for a period of 21 years, and had been chartered by the land's advocate Johan van Oldenbarneveldt to stop the fierce competition between Dutch (and also Enkhuizen) merchants in the trade on Asia. The relative importance of the VOC for the economy of Enkhuizen and Hoorn is calculated by Lesger. He compared the local revenues of the *convoaien en licenten* (excise duties) to the *afdrachten* of the VOC. These *afdrachten* were local duties the VOC paid over its imports. In 1665-1671 the average yearly revenue of the excise duties and the VOC *afdrachten* combined was 29.602 guilders for Enkhuizen and

⁶⁸ Willemsen, *Enkhuizen tijdens de Republiek*, p. 54.

⁶⁹ Lesger, *Hoorn als Stedelijk Knooppunt*, p. 81.

⁷⁰ *Ibid.*, p. 81n86; de Vries, *Enkhuizen 1650-1850*, p. 53.

⁷¹ de Vries, *Enkhuizen 1650-1850*, p. 45.

⁷² Willemsen, *Enkhuizen tijdens de Republiek*, p. 93.

⁷³ *Ibid.*

⁷⁴ *Ibid.*, p. 94.

⁷⁵ de Vries and A. van der Woude, *The First Modern Economy*, pp. 696-7.

fl. 33.459 for Hoorn. The percentage of the *afdrachten* in the total import revenues was 39 per cent for Hoorn and 29 per cent for Enkhuizen.⁷⁶ It therefore seems that the VOC was of relative more importance to Hoorn. In absolute numbers, the import revenues of Enkhuizen were higher (fl. 21084 to fl. 20485). Amsterdam clearly dominated, with a total revenue of fl. 818.643.

Enkhuizen also boosted another large company that was organized along the same lines as the VOC. This Nordic Company of wale fishing was officially chartered by the Estates General in 1614. The charter gave the company a Dutch monopoly for ten years on the hunting of whales in the area stretching from the Davis Strait to Nova Zembla.⁷⁷ There were different local chambers which were for a great deal independent. These chambers were located in Amsterdam, Delft, Rotterdam, Hoorn and Enkhuizen, reflecting the important fishing cities of the Dutch Republic. In 1617 three chambers from Zeeland were added. Each chamber had to provide its own capital in the form of share subscription and finance and operate its own ships and outfitting. The form of independency in operating somewhat changed in 1632 when the chambers of Enkhuizen and Hoorn decided to jointly finance their expeditions, maybe because fishing conditions had deteriorated.⁷⁸

The local chambers were run by *bewindhebbers*, much like the local chamber of the VOC. These were elected from a double candidature by the *hoofdparticipanten* (those who had provided more than fl. 2.000 on subscription), complemented by the magistrate of the city in which the chamber was established.⁷⁹ Although the *bewindhebbers* of the chamber of Amsterdam are well-known, we know little on the *bewindhebbers* of the chamber of Enkhuizen.⁸⁰ In Enkhuizen the merchants Pieter Jacobs, Frerick Overius and Jan Symonts were active in the Nordic Company of whale fishing.⁸¹ In 1618 and 1619 they were active on the local credit market and took out loans to finance their expeditions. Like the VOC, also this company resorted to the credit market of Enkhuizen to finance their operations. In the next chapters the financing strategy of the local chamber of the VOC will be closely investigated.

Although herring fishing, herring trade and shipping dominated, these industries did not stand on their own. The economy of Enkhuizen was no different in its structure than the rest of the Dutch Republic. Different economic sectors were closely intertwined. Connected with these large sectors were a number of affiliated industries such as shipbuilding, cooping, rope making and sail making. Because of their dependency on the local shipping industry it can be assumed that they were important during the heydays of the trade with The Sound and herring fishing, and consequently witnessed setbacks when trade and fishing stagnated.⁸² The growth of the local economy caused by these sectors and their affiliated industries obviously was beneficial for the more common entrepreneur as well. When Enkhuizen's population grew, the city needed more and more butchers, shopkeepers, beer brewers and craftsmen.

⁷⁶ Lesger, *Hoorn als stedelijk knooppunt*, p. 45.

⁷⁷ S. Muller, *Geschiedenis der Noordsche Compagnie* (Utrecht, 1874), p. 77.

⁷⁸ *Ibid.*, p. 84.

⁷⁹ *Ibid.*, p. 83.

⁸⁰ One well-known *bewindhebbers* of the chamber of Amsterdam was Lambert van Tweenhuyzen was also one of the founders of the New Netherland Company that traded with North-America. S. Hart, *The Prehistory of the New Netherlands Company* (Amsterdam 1959), p. 34.

⁸¹ Westfries Archief, Hoorn, Oud-rechterlijk Archief, inv. no. 5022, folio 65v, 66r, 67v, 68r, 99r-v.

⁸² Visser, *Enkhuizen, Hoeksteen van West-Friesland*, p. 27.

How many entrepreneurs were active in this period of economic prosperity from 1570 to 1650? To evaluate the importance of the local credit market for entrepreneurs it is helpful to estimate the number of active Enkhuizen entrepreneurs. The closest we can get to an estimate of the number of entrepreneurs in Enkhuizen is by using estimates on the number of entrepreneurs in seventeenth-century Amsterdam. Gelderblom has recently made an estimation of the number of entrepreneurs in Amsterdam around 1620.⁸³ He used the same definition of entrepreneurs that is used in this paper, that is people who were dependent on the local market for their profits and losses.⁸⁴ Everyone who did not earn a fixed wage is regarded as an entrepreneur. Therefore not only long-distance merchants are considered but also shopkeepers, fishermen, millers and even artisans. The records of for example guilds, merchants, artisans, shopkeepers and fishers are much more extensive for Amsterdam than for Enkhuizen. In his estimation Gelderblom assumed that the working population made up two thirds of the total population of Amsterdam because they were aged between fifteen and 64.⁸⁵ By using guild statutes and other references it is estimated that in total 12,2 per cent of the working population of Amsterdam can be regarded as an entrepreneur around 1620.⁸⁶ Gelderblom also distributed these entrepreneurs over different economic sectors. Of retail trade and manufacturing each more than three per cent was entrepreneur. Of the sectors wholesale trade, transportation and other services around 1,5 to two per cent was entrepreneur.

It is difficult to say if this distribution was the same in Enkhuizen. Possibly the sector of transportation was somewhat higher because the economy Enkhuizen was largely based on shipping and fishing. Maybe manufacturing was somewhat lower, since large-scale production was not really plentiful in Enkhuizen, apart from the salt refineries. It might therefore be best to use only the figure of 12,2 per cent for an estimation of entrepreneurs in Enkhuizen. The year of the Amsterdam estimation (1620) is fortunately also during a period in which Enkhuizen was very prosperous. By this time several book printers were active in Enkhuizen and between 1616 and 1625 some fourteen new notaries set up their offices in Enkhuizen.⁸⁷

The most reliable figure on the population of Enkhuizen is from 1622 when a census was held in the Estates of Holland. Enkhuizen counted 21.878 inhabitants in this year.⁸⁸ If we apply the same percentage of Amsterdam entrepreneurs to Enkhuizen this would mean that Enkhuizen had around 1.780 entrepreneurs in 1622.⁸⁹ Given that Enkhuizen was not a major center of commerce and a relatively smaller center for (long-distance) trade than Amsterdam, it might be better to lower the number of entrepreneurs to ten per cent of the working population. This would result in approximately 1.460 entrepreneurs in 1622. These were merchants and traders like Cornelis Haack, Pieter Tatinghof and Frerick Overius, but also local ship owners, shopkeepers and small craftsmen.

⁸³ Gelderblom, 'The Dutch Republic'.

⁸⁴ Ibid., p. 156.

⁸⁵ Ibid., p. 159.

⁸⁶ Ibid.

⁸⁷ Lesger, *Hoorn als Stedelijk Knooppunt*, p. 226.

⁸⁸ Willemsen, *Enkhuizen tijdens de Republiek*, p. 178.

⁸⁹ $21.878 * 2/3 * 0,122$.

Because the different sectors of the Enkhuizen economy were closely intertwined, it is likely that when the economic situation deteriorated from the 1650s, the percentage of entrepreneurs became lower. Enkhuizen's population already had dropped to some 14.000 inhabitants by 1680.⁹⁰ Using the same estimate, Enkhuizen now only had some 930 entrepreneurs. Shipping and transportation gradually moved away, and this not only affected merchants, ship owners and salt refiners, but also the local brewer, baker and butcher. With the parting of the larger industries, the population declined and less small scale craftsmen and shopkeepers were needed.

1.3 Economic decline

Herring fishing and trade and the VOC, together with the affiliated salt refining, were the most important industries in Enkhuizen during the seventeenth-century. These sectors provided other industries with work and employment opportunities. When herring fishing began to decline from the second half of the seventeenth-century, most other sectors witnessed a steep decline as well.⁹¹ The English Navigation Acts, mercantilism and increasing international instability, together with the growing dominance of Amsterdam as a staple market, caused the decline of Enkhuizen's economy from the 1650s.⁹² This is not different from the general pattern of economic stagnation in the Dutch Republic from the 1650s. The whole economy of the Dutch Republic was seriously affected by foreign laws that restricted foreign trade.⁹³ With declining trade to The Sound and stagnating herring fishing and trade, profits diminished and reinvestment declined. There were gradually less investments in agriculture, European trade, industry and fishing during the last quarter of the seventeenth-century.⁹⁴

Although more research is probably needed to investigate the relations between the different industries, trade and the VOC, all historians of Enkhuizen agree that the city was over its prime by the 1650s. Only the cheese trade did not seem to have suffered from the general decline.⁹⁵ The VOC employed increasingly more foreigners during the eighteenth-century, and the inhabitants of Enkhuizen could now be determined as either paupers or *renteniers* (someone living of interest).⁹⁶ The relatively rich middle-class that had spurred the economic growth from the beginning of the seventeenth-century had gone, and with them important reinvestment opportunities as well.⁹⁷ With the parting of the rich, and decreasing economic activity coupled with less economic diversity, the business climate deteriorated. Moreover, the population of Enkhuizen dropped to some 10.000 by 1700.⁹⁸ Not only relatively wealthy entrepreneurs like salt refiners or merchants were affected, but also the local baker and butcher must have felt the influence of the declining economy and lower population. And according to Willemsen, capital investment had become conservative.⁹⁹ The

⁹⁰ Willemsen, *Enkhuizen tijdens de Republiek*, p. 99.

⁹¹ Visser, *Enkhuizen, Hoeksteen van West-Friesland*, p. 27; de Vries, *Enkhuizen 1650-1850*, p. 46.

⁹² de Vries, *Enkhuizen 1650-1850*, pp. 48-9; Willemsen, *Enkhuizen tijdens de Republiek*, p. 159.

⁹³ de Vries and A. van der Woude, *The First Modern Economy*, p. 675.

⁹⁴ *Ibid.*, p. 677.

⁹⁵ de Vries, *Enkhuizen 1650-1850*, p. 49.

⁹⁶ Willemsen, *Enkhuizen tijdens de Republiek*, pp. 91, 160.

⁹⁷ *Ibid.*, pp. 159-60.

⁹⁸ *Ibid.*, p. 99.

⁹⁹ *Ibid.*, pp. 159-60.

relative dominance of *renteniers* also shows in the 'Kohieren van het Familiegeld' of 1742 (an occasional income tax for annual earnings above fl. 600). Of the total 365 taxed incomes of Enkhuizen, 72 people stated *rentenier* as their profession.¹⁰⁰

There are numerous examples that point to the economic decline of Enkhuizen during the second half of the seventeenth-century. There are several examples of the city magistrates that desperately tried to raise money to be able to pay the interest on outstanding public securities from the 1660s.¹⁰¹ Also, the revenues of the Enkhuizen Admiralty had dropped fl. 37.879 in 1589-1595 to 26.102 (69 per cent) by 1670. In comparison, the revenues of the Amsterdam admiralty were fl. 715.199 by 1670.¹⁰² Whilst Enkhuizen was the second largest city regarding admiralty revenues until the middle of the seventeenth-century, by the last quarter of the century it had been surpassed by Hoorn and even Medemblik.

While herring fishing witnessed its general decline only from 1701, Enkhuizen by that time had already experienced almost half a century of economic decline in herring fishing. From a thriving fishing and trading town of the beginning of the seventeenth-century it had become a relatively desolated city, where the city magistrates had to deal with huge debts, a declining population and abandoned buildings from the city development of the 1590s. The population of Enkhuizen mirrored the economic decline and had dropped to an estimated 16.500 by 1666 and 6.803 in 1796.¹⁰³ The immigrants that had caused the population growth in the 1620s had long moved away. This is reflected in the yearly figures of natural population growth, which were 133 yearly in the period 1625-49 but dropped to -47 in the period 1650-99 and even to -122 during 1700-24.¹⁰⁴ Never again has Enkhuizen reached the population number it had in the 1620s. It really was an amazing half a century of unprecedented economic growth. The next chapters will show how this economic growth was financed and how the credit market operated under such different economic conditions.

¹⁰⁰ W. F. H. Oldewelt, 'De Beroepsstructuur van de Bevolking der Hollandse Stemhebbende Steden volgens de Kohieren van de Familiegelden van 1674, 1715 en 1742', *Economisch Historisch Jaarboek*, Vol. XXIV (1950), p. 94

¹⁰¹ Theunisz, *Het Stadhuis the Enkhuizen*, pp. 32-6; de Vries, *Enkhuizen 1650-1850*, p. 35.

¹⁰² C. Lesger, *Handel in Amsterdam ten tijde van de Opstand : Kooplieden, Commerciële Expansie en Verandering in de Ruimtelijke Economie van de Nederlanden ca. 1550 - ca. 1630* (Hilversum, 2001), p. 97.

¹⁰³ Willemsen, *Enkhuizen tijdens de Republiek*, pp. 178-9

¹⁰⁴ *Ibid.*, p. 178.

2. The private entrepreneur

Early modern shipping, trade and other enterprises could be financed in a number of different ways. The preferred method of financing depended on a number of elements. First of all, the total capital required for an enterprise determined whether a merchant was able to provide financing on his own. Subsequently, the risk involved in an enterprise greatly influenced his decision to bear the risk himself or spread the risk by way of capital subscription or joint-funding. The duration of an enterprise also influenced financing decisions, and merchants could choose to invest for a short-term period or deposit capital for a longer duration. All these elements, and many more, could influence the way in which early modern enterprises were financed. For instance, long-distance trade to poorly known destinations was ideally suited for specific-purpose partnerships.¹⁰⁵ These partnerships could be established by private contract and could last for only a single voyage. Similar partnerships were also popular in the funding of trade between Holland and the Baltic, France, Spain and Portugal.¹⁰⁶

Because also European overseas trade required large amounts of capital, and because of the risks involved, most merchants were unwilling or unable to finance this trade on their own. For this reason they often established partnerships, called *partenrederijen* in Dutch. Each partner invested in the exploitation costs of a ship, usually in a division of shares (for instance 1/2, 1/4, 1/8th). Profits were calculated on the basis of these shares. The accounts were settled after one trip or a trading season. The risks were spread by joint liability for debts incurred during the operation of the company. In the Dutch Republic shareholders could even free themselves from having to pay excess amounts of claims by abandoning their share.¹⁰⁷ The Dutch East India Company (VOC) was founded on the same principle of specific-purpose partnership and for a limited period of time, in this case 21 years.¹⁰⁸

Still, *partenrederijen* were primarily used in the financing of shipping, and joint-stock financing was chiefly used for the funding of large shipping companies like the East and West India Company or the Nordic Company for whale fishing.¹⁰⁹ Other forms of businesses required other ways of financing. Besides pooling capital in *partenrederijen* or other types of partnerships, businesses could of course also be financed independently by using own capital or retained earnings. If own capital did not suffice an entrepreneur could turn to family and friends for financing instead. However, like his own resources, the wealth of family and friends could be limited. If this was the case, an entrepreneur faced the challenging option to find other investors outside his circle of family and friends.

But here the entrepreneur had to tackle new problems. Whereas company contracts served to establish a legal obligation between partners and borrowing from family and kin mostly relied on trustworthiness, establishing reliability on the local credit market required new forms of security, such as real estate or guarantors. On top of that interest had to be paid

¹⁰⁵ O. Gelderblom, A. de Jong and J. Jonker, 'An Admiralty for Asia. The Corporate Governance of the Dutch East India Company', Working paper, University of Utrecht (June 2010), p. 6. I have cited the June version unless otherwise stated.

¹⁰⁶ *Ibid.*, p. 8.

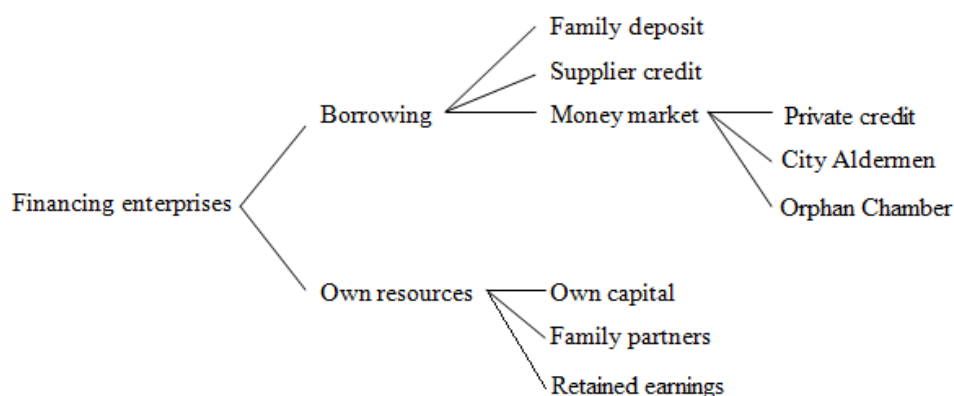
¹⁰⁷ *Ibid.*, p. 9.

¹⁰⁸ *Ibid.*, 'Completing a Financial Revolution', p. 649.

¹⁰⁹ *Partenrederijen* were eventually also used in paper and sawmills, but these industries were not large in seventeenth-century Enkhuizen. Gelderblom, 'The Dutch Republic', pp. 161, 165.

as a premium for credit. The local credit market did offer many different options. Credit not only could be obtained from friends and family, but also from the local Orphan Chamber or via the city Aldermen. Figure 2.1 illustrates the sources of credit available to the seventeenth-century entrepreneur in Enkhuizen.

Figure 2.1 Capital resources for the financing of enterprises



Besides finding sufficient funds for starting an enterprise, entrepreneurs also faced the difficult challenge of keeping up levels of liquidity. Money was scarce in the seventeenth-century. Owing to the permanent scarcity of coin, liquidity constrains appear to have hampered business just as much as the absence of mechanisms for accumulating capital.¹¹⁰ The seasonal character of trade and business in the early modern period also made cash-flows highly irregular. Entrepreneurs therefore needed credit to lift these liquidity constrains. They could use family or partner deposits, new loans or retained profits for this respect. Another instrument to solve these liquidity constrains was by using supplier credit. Suppliers regularly offered their costumers an extended period of payment to enable them to acquire enough money to pay for the bought goods. Moreover, in an extended network of entrepreneurs outstanding supplier credit could easily be mutually cleared. Supplier credit offered another option for the early modern entrepreneur in Enkhuizen. All sorts of financing required different methods, were suited for different purposes and had their advantages and disadvantages.

A creditor had a legal claim to a debt as long as it was noted down in a private ledger or journal.¹¹¹ What is more, bonds or promissory notes had a legal standing on their own and did not have to be acknowledged before a city institution or notary per se.¹¹² Privately contracted credit between individuals and supplier credit as a result rarely shows up in the archives. We can also not look into the financial ledgers of individual Enkhuizen entrepreneurs because none have survived. This all makes it a difficult task to reconstruct the financial techniques that Enkhuizen entrepreneurs used to start and uphold their businesses.

¹¹⁰ Gelderblom and Jonker, 'Completing a Financial Revolution', p. 642.

¹¹¹ Gelderblom, de Jong and Jonker, 'An Admiralty for Asia', p. 7.

¹¹² Gelderblom, 'The Dutch Republic', pp. 169-70. I have chosen to use the definition of bond given by Gelderblom and Jonker, 'Completing a Financial Revolution', p. 646n26. The term 'obligatie', also used by the clerks of the VOC, was at the time used to cover almost any debt instrument, ranging from private IOU's to formal debt paper, issued by city councils. To prevent confusion, the term 'bond' is here used to describe a formal debt embodied in a ledger entry or a formal document.

However, by using the registers of credit transactions of the city Aldermen and the ledgers of the Orphan Chamber we can analyze the size of the market for publicly registered credit. And by using after-death inventories drawn by notaries and the Orphan Chamber we can get a rare glimpse of the use of more private debt instruments like supplier credit and privately contracted bonds. These inventories also offer some insight into the use of own resources for funding.

This chapter will investigate the options that local Enkhuizen entrepreneurs had for the financing of their businesses. As far as possible, the different options outlined in figure 2.1 will be treated and their advantages and shortcomings for local entrepreneurs will be evaluated. By a detailed reconstruction of the market for publicly registered credit it is possible to analyze how important this market actually was for Enkhuizen entrepreneurs. But first, the importance of own resources and supplier credit will be analyzed by looking at after-death inventories of notaries and the Enkhuizen Orphan Chamber.

2.1 Using own resources for financing: The balance of Hendrick Egxkens

Hendrick Egxkens had been a rich man. When he died in 1610 he left two large houses and different pieces of land. Egxkens had sold his other pieces of land probably because he could not find any use for them and wanted to liquidate their value. He did not even use his other pieces land for farming or other productive needs. Rather, he owned a fine courtyard. For the price of this courtyard – several hundreds of guilders – Egxkens could easily have bought an average size house in Enkhuizen as well. But his own houses were worth much more than the average house in Enkhuizen, as they were valued at almost three thousand guilders each. The burial of Egxkens had taken place in the Reformed Church of Enkhuizen (the *Westerkerk*). During his lifetime Egxkens had already acquired the right to three burial plots in this church, making sure that his burial, and that of his family, would fit his relatively high standing.

Egxkens had become a person of high standing because of his investments in *partenrederijen*. The after-death inventory drawn by the magistrates of the Orphan Chamber listed numerous of these investments.¹¹³ His investments in *partenrederijen* were worth more than fl. 30.000, which makes it safe to assume that the main occupation of Egxkens had been investing and participating in shipping companies as a *reder* (ship owner). Not surprisingly Egxkens participated primarily in companies that were active in herring fishing, at the time one of the largest economic sectors of Enkhuizen. His other shipping companies were several shares in two *dogboten*, small fishing boats that incidentally also shipped goods on the *Zuiderzee*. His other involvements in *partenrederijen* concerned shares in merchant shipping (*koopvaardij*). It is very likely that his shares in herring fishing partnerships were linked to those in merchant shipping, and that the herring was directly transported to the Baltic through these partnerships.

The after-death inventory of Egxkens is one of the few cases of an inventory that lists both outstanding claims (like his shares) and outstanding debts. This enables us to see how Egxkens was able to obtain funds to invest such large amounts in shipping and trade, and how

¹¹³ WFA, Oud-rechterlijk Archief, inv. no. 5044, fol. 234v-235v. For a more comprehensive overview of this source see Appendix A.

he was able to become a person of high standing. Table 2.1 lists the claims and debts of Egxkens.¹¹⁴

Table 2.1 Balance of Hendrick Egxkens at time of his death in 1610.

Assets		Liabilities¹¹⁵	
Houses	5.900	Cornelis Kersten	350
Land	1.200	Gemmaet Sieuwersz	831,58
Loans from selling land	2.073	Janszoon van Danswijck	8
<i>Partenrederij</i> in herring fishing	28.855	Hendrick van Lutsen	27,28
<i>Partenrederij</i> in merchant shipping	1.452	Pieter Dircksz	371,5
<i>Veertien Schepen</i> capital	4.749	Martgen Hansdochter from Alkmaar	37,5
<i>Eerste Verenigde Company</i> capital	262	Reynier Jansz	28,9
<i>Sivilien</i> capital	300	Claes Jansz Koeckebacker	8.450
<i>Magellaen</i> capital	100	Dirck Araens	80,55
VOC shares	13.100	Lijsbet Pauwen	13,3
		Jan Vriesz from Vlieland	113,55
		Jan de Roos from Vlieland	109,38
Total	57.991		10.421,54

This balance is illustrative for the economy of Enkhuizen. In this period Enkhuizen's economy was on the one hand still largely based on herring fishing and trade to The Sound, which is reflected in his investments in *partenrederijen*. On the other hand was the trade with becoming Asia increasingly attractive for rich merchants. This investor clearly had high expectations of this new trade and chose to use some of his wealth to profit from these new expeditions. The table shows that this Enkhuizen entrepreneur financed most of his operations by using his own resources. It seems that he mostly used retained profits to further invest in other shares in herring fishing and merchant shipping. The leverage ratio - the share of liabilities compared to assets - was more than one to five. The investments of Egxkens in *partenrederijen* and share subscriptions were largely done by using his own resources. Only eighteen per cent of his investment were financed by using borrowed money. In other words, of every hundred guilders Egxkens invested, only eighteen guilders were borrowed.

Besides his involvement in the local shipping and fishing industry Egxkens also had provided capital in the form of share subscription for new companies that traded on Asia. The company of the *Veertien Schepen* had been the last jointly funded company to set sail for Asia before the VOC was given a monopoly on this trade in 1602. Probably Egxkens wanted to have his part of the huge profits that were expected from the trade on Asia, and did he use some of his proceeds from the *partenrederijen* to invest in these companies. He was not disappointed. The *Eerste Verenigde Company* returned to Amsterdam in 1603 with a cargo

¹¹⁴ The investments made on behalf of this estate after the death of Egxkens are excluded because these represent the investment strategies of the guardians rather than those of Egxkens himself. Because the inventory lists the dates of the securities this division is possible. The investment strategy of the Orphan Chamber, and of this particular inventory by the guardians, will receive more attention in chapter three.

¹¹⁵ Other assets in all probability accounted for the difference between his recorded assets and his liabilities (fl. 47.569,46), but because the source does not list these I have not included this in the table.

valued at over 2,2 million, and the company of the Veertien Schepen paid dividends of more than 260 per cent in total.¹¹⁶ Egxkens himself and his heirs must have benefitted greatly from these investments. The expectation of high profits makes it easy to believe that Egxkens sold some of his lands to make money available for buying these shares. Probably attracted by the high return of these early companies Egxkens invested the large sum of 13.100 guilders in VOC shares. These were probably different shares. It is also possible that he had bought them later on the secondary market, but the source does not specify this.¹¹⁷

Instead of investing his profits in private bonds on the local credit market, Egxkens chose to speculate on the trade with Asia. This made sense, because both the European and the Asia trade yielded higher returns than investments in land or in private bonds.¹¹⁸ But at the same time Egxkens spread his risk by upholding his investments in *partenrederijen* on the more secure European trade. Maybe Egxkens even acted as intermediary for his creditors. For instance, the 80 guilders of Dirck Araens were especially lent to Egxkens for investment. We can only guess why Claes Jansz Koeckebacker lent fl. 8.450 to Egxkens, but given the large amount it may have served for investment ends. The other outstanding debts do not give any specifications, but it could well have been that Egxkens, because of his high standing and involvement in different companies, acted as intermediary for people who did not have access to these investment options themselves.

This Enkhuizen entrepreneur used mainly his own earnings, together with some loans, to invest in *partenrederijen* and in the trade on Asia. How does this strategy relate to other early modern merchants? The Amsterdam merchants Hans Thijs, an immigrant from the Southern Netherlands, used a lot more creditors to invest both in *partenrederijen* and especially in the VOC. At time of his death in 1611 his total assets were worth fl. 255.083. These were mirrored by fl. 191.779 on liabilities, or more than 75 per cent of the value of his assets.¹¹⁹ Most of his credit came from bills obligatory, or bonds, issued on the money market of Amsterdam. Whereas his family had provided most of the credit until 1598, by the time of his death family credit only contributed around seventeen per cent of total credit taken out.¹²⁰

Although it is possible that family credit does not show in the after-death inventory of Hendrick Egxkens, it seems that he was not such a high risk-taker as Hans Thijs. He chose to spread his investments carefully, and invested most in relatively safe shipping companies in herring fishing and European merchant shipping. The scope of Thijs his enterprises was much more wide than that of Egxkens as he was also active in the jewel trade and other sectors. This Enkhuizen entrepreneur was a more passive investor and was unwilling or unable to take out large amounts of credit to invest even more. Egxkens was left with almost fl. 50.000 after

¹¹⁶ H. den Haan, *Moedernegotie en Grote Vaart. Een Studie over de Expansie van het Hollandse Handelskapitaal in de 16^{de} en 17^{de} Eeuw* (Amsterdam, 1977), pp. 87, 114.

¹¹⁷ The trade in VOC share of the chamber of Amsterdam started immediately after the first flotation in 1602. Gelderblom and Jonker, 'Completing a Financial Revolution' pp. 655-8. Because trading and payment conditions of Enkhuizen shares were comparable, also Enkhuizen shares were traded on the secondary market. See chapter four.

¹¹⁸ Gelderblom and Jonker, 'A Conditional Miracle', p. 11.

¹¹⁹ O. Gelderblom, *Zuid-Nederlandse Kooplieden en de Opkomst van de Amsterdamse Stapelmarkt* (Hilversum, 2000), p. 144. The remaining fl. 63.304 on own resources is excluded to show which part of Hans Thijs' operations was financed by creditors.

¹²⁰ Ibid., 'The Governance of Early Modern Trade: The Case of Hans Thijs, 1556-1611', *Enterprise & Society*, Vol. 4, No. 4 (2003), p. 628.

paying all his creditors. In comparison, Thijs was left with fl. 63.304 after paying all his creditors. It seems that Egxkens had to go through a lot less trouble for his profits compared to Thijs, who constantly had to play the credit market to borrow on attractive terms. On the other hand, the more sophisticated and larger credit market of Amsterdam might have offered better investment and speculating options to Thijs, which were not available for Egxkens on the credit market of Enkhuizen. He had to play it safe and used primarily his own earnings for investments. Both merchants used completely different strategies. Because we have little other balances of merchants it remains difficult to say which of the two merchants is more representative for early modern financing.

Although Egxkens owned real estate and land, he chose not to liquidate these by, for instance, taking out a publicly registered loan with his real estate as collateral. His creditors probably were well aware of the creditworthiness of Egxkens and therefore he did not have to take out a loan before the city Aldermen. By just noting down the claim in a ledger his creditors were content. He had also done likewise when he sold some of his land, when only a piece of paper served as a claim for this loan.¹²¹ Most of Egxkens outstanding debts were privately contracted without the intercession of a local official. Egxkens and his partners, probably like many of his contemporaries, used financial ledgers to manage their finances. When the Orphan Chamber was unsure about debts deriving from his estate in 1634, they went to his formerly business partner and brother, Claes Egxkens. The guardians of the estate charged Claes to open up his account books to proof if some outstanding debts were already settled. Claes requested some extra time to consider his account books, since these debts were issued already some time ago.¹²² We do not know the outcome, but the guardians had every proof not to trust Claes. In March of the same year, he had all of a sudden sent his brother-in-law to redeem a debt between Claes and Hendrick Egxkens.¹²³ Notwithstanding this polite gesture, the guardians probably wondered if Claes had managed some more debts of the business in the meantime. This example illustrates the importance of account books and financial ledgers to manage early modern debts, of which most were probably were contracted privately. Even some twenty years later the ledgers served as legal proof.

Because of his reputation Egxkens had been able to borrow considerable sums. Some of these outstanding debts of Egxkens were used for investment in shares, but others originated out of supplier credit. Even though Egxkens was a rich man, it is very likely that he did not always have ready cash available to pay for his household expenses or costs arising from his activities as a ship owner. For instance, the capital invested in the Asia companies could be tied up for quite some time and it could take a while before the accounts of a *partenrederij* were settled. He could also have chosen to use supplier credit to employ the cash that he had available for other means.

Apart from the debt from Dirck Araens, other debts of Egxkens do not inform us about their ends. The loan from Cornelis Kersten nonetheless could have been supplier credit. In the source he is described as a local coppersmith (*panneboeter*). It is not improbable that Egxkens at times used his services in the outfitting of ships or for his own houses. The loans from Jan Vriesz and Jan de Roos from the isle of Vlieland could also have been supplier credit. During

¹²¹ WFA, Oud-rechterlijk Archief, inv. no. 5044, fol. 234v.

¹²² Ibid., fol. 234v.

¹²³ Ibid., fol. 235r.

the sixteenth-century the coastal locations on this island became less attractive as sea levels rose and coastal villages eroded. Many of the inhabitants of these increasingly poor villages left the island and sought work in the expanding shipping industry.¹²⁴ It is probable that these two had provided outfitting work for one of the *partenrederijen* of Egxkens. The smaller amounts on the balance are also an indication of supplier credit. It seems unlikely that sums as little as eight or thirteen guilders were invested in shares or other securities. For instance, the smallest bonds the VOC chamber of Enkhuizen issued had a principal of fl. 50.¹²⁵

It is difficult to make any firmer statements on the use of supplier credit by Hendrick Egxkens. Maybe his occupation as investor in *partenrederijen* made him less of a consumer of this type of credit, as he was primarily involved in financing of relatively large sums instead of the somewhat smaller sums often prescribed to supplier credit. Also, as a financier he might have been less involved in a chain of credit than craftsmen, who were more dependent on this form of credit because they interacted more often with other craftsmen and suppliers. A closer look on the use of supplier credit among other entrepreneurs can tell us more about early modern financing techniques.

2.2 Supplier credit

Supplier credit could be extended by suppliers and other trade-relations. The VOC chamber of Enkhuizen regularly offered credit to merchants in the form of postponed payments on imported goods, given in by chains of credit caused by liquidity problems. Even more, because supplier credit was so common, buyers of VOC goods were even given a discount when they paid directly. The use of this credit instrument of the VOC, called a rebate (*rabat*) will be discussed in chapter four. In other trades it was customary to extend supplier credit as well. Supplier credit combined with relatively low interest rates made it possible for Amsterdam merchants to keep up large inventories. This greatly facilitated the function of Amsterdam as an international entrepôt. Because of these large inventories nearly everything was at all times available at the Amsterdam market for goods.¹²⁶

The advantage of supplier credit was that a merchant had some extra time to sell the goods before he was obliged to pay the supplier. Thus, the earnings of the sale of this good could be partly used to repay the supplier. This postponed payment seriously lifted liquidity constraints. The other side of the picture obviously was that when everyone was involved in such chains, costumers were also not able to pay for goods right away. The result then was that entrepreneurs had to register all their outstanding claims and debts in a ledger, and make sure they were on the one hand able to pay, and that they would get their claims paid on the other hand. But carefully registering all these transactions at the same time also caused that merchants and consumers needed less money, because debts and claims could be settled by mutual clearing of balances. By using this method, cash did not have to be transferred between different suppliers and consumers constantly, but every so often only the remaining difference had to be paid after clearing. As a result, supplier credit in one way or another seriously lowered the need for cash holdings.

¹²⁴ de Vries and van der Woude, *The First Modern Economy*, pp. 242-3.

¹²⁵ Nationaal Archief, Den Haag, entry no. 1.04.02, inv. no. 14854 (journaal), pp. 134, 303, 484, 535, 553. See Appendix B for a more elaborate discussion of this source.

¹²⁶ de Vries and van der Woude, *The First Modern Economy*, p. 134.

Since entrepreneurs had to register all these claims and debts, some of them can be found in the archives. Several notarial after-death inventories list claims against the deceased. In these inventories long lists of outstanding debts can be found together with claims on the part of the deceased. The shortcoming of notarial after-death inventories is that only relatively wealthy people had enough assets to be listed. Poorer inventories rarely list assets or outstanding claims. But this does not have to be a disadvantage, since most of the after-death inventories used for this research actually contain the middle- or upper class entrepreneur. The major shortcoming clearly is that very few Enkhuizen inhabitants drew an inventory. But despite these disadvantages, after-death inventories bring us a step closer to the financial dealings of the early modern entrepreneur.¹²⁷

A total of nineteen notarial after-death inventories from the seventeenth-century have been used to reconstruct debt on a micro-level. These inventories have been randomly selected from notarial archives on the condition that the inventory at least listed one or more financial securities or outstanding debts. The following overview is therefore a qualitative analysis of debt ownership and investment strategies. No general conclusions can be derived from such a relatively small number of after-death inventories. However, the debts registered in these inventories show that supplier credit and personally contracted loans were widely used.

Some inventories list both outstanding debts and claims while others just list investments. This is probably because outstanding debts were typically considered the property of the creditor and not of the deceased.¹²⁸ It seems that only when evidence of outstanding debts was found these debts were included in the inventory. This could be pieces of paper with a claim written on it, but mostly it were ledgers that included both outstanding debts and claims which entrepreneurs used for keeping track of supplier credit, and that they could use to clear balances with other merchants (*schuldboeken*). If such evidence was not found in the inventory, outstanding debts are not included in the inventory. It is of course also possible that the deceased had other outstanding debts besides those listed in his ledgers. We are therefore left somewhat in the dark about liabilities.

Some of the nineteen used inventories do nonetheless contain lists of outstanding debts. These concerned almost exclusively after-death inventories from entrepreneurs of some kind. One inventory is especially illustrative for the debt management of a seventeenth-century Enkhuizen entrepreneur.¹²⁹ This entrepreneur, Olf Stevenszoon, died in 1651. During his life he was a malt maker – a step in the process of beer brewing. As a malt maker he was a member of the local guild, and he was even was a master malt maker in this guild. As such, he probably owned his own workshop. When drawing the inventory the local notary Reijer Claeszoon Sampson first registered a wooden box. After opening this box the notary came across different valuable items such as a black hat, a robe and a purse with a silver inscription. In this box he also found several ledgers that contained outstanding claims. Stevenszoon kept track of these claims all of his life and as an individual entrepreneur carefully managed his

¹²⁷ For a discussion of after-death inventories drawn by notaries see Appendix A.

¹²⁸ A. E. C. McCants, 'Poor Consumers as Global Consumers: The Diffusion of Tea and Coffee Drinking in the Eighteenth Century', *Economic History Review*, Vol. 61 (2008), p. 221.

¹²⁹ WFA, Oud-notarieel Archief, inv. no. 985, deed no. 304, fol. 290r-294v.

finances. One of these ledgers had already been started in 1598 and another in 1626. In his ledgers Stevenszoon had written down numerous privately contracted debts.

Besides the valuable belongings in his wooden box Stevenszoon also owned two houses and two pieces of land. On his land Stevenszoon kept some well-fed cows ('vette koeien') and a couple of sheep. Furthermore he owned two beds, (bed) linen, earthenware, a couple of simple paintings and some (prayer) books. Not all his furniture was of good quality. The couple of chairs he owned were described as 'soo goet als quaet' (both good and bad). His belongings nonetheless indicate that Stevenszoon was a fairly prosperous entrepreneur. He did not take part in conspicuous consumption nor did he invest in *partenrederijen* or public securities, but he did have sufficient house ware and even had spare money to buy paintings and books. His land, cattle and houses, and the fact that he owned a robe, a fancy purse and plenty linen are further proof that Stevenszoon had done relatively well as a master malt maker.

As a malt maker Stevenszoon often delivered on supplier credit. The financial ledgers give plenty of evidence that a lot of his customers did not pay immediately. Even some relatively small amounts were registered in his *schuldboek* to be paid later on. Symen Sipkes, a local dealer in second hand ware, owed three guilders to Stevenszoon, and the children of Willem Harmens still had to pay 23 guilders on house rent. Stevenszoon also provided small sums of credit. Jan Pieters once had borrowed twelve guilders and twelve *stuivers* from Stevenszoon and had yet to repay over three guilders of this loan. But the malt maker also provided larger sums of credit. He had lent a local beer brewer 580 guilders. This was probably also form of supplier credit. On top of extending supplier credit Stevenszoon at some point had also lent fl. 1.800, and Meynert Climckers still had to repay fl. 462 of this loan.

Besides these private loans the ledgers also listed a notarial bond of fl. 150. It seems that private entrepreneurs were very much aware of the difference between normal bonds and bonds contracted before a notary.¹³⁰ The total value of his outstanding claims at time of death was fl. 3.565 of which only one loan was a notarial bond. All other loans were privately contracted. The inventory of Stevenszoon demonstrates the importance of extending credit among a (presumably) local clientele and also illustrates that other people used Stevenszoon as a source for privately contracted loans of considerable sums. For instance, the average sum of annuities was around fl. 561 in the last quarter of the seventeenth-century, much less than the privately contracted sum of fl. 1.800.¹³¹

Stevenszoon also had different debts outstanding. These for a great deal also arose out of his occupation as a malt maker. These were also types of supplier credit, but this time the other way around. To further finance his business Stevenszoon had taken out numerous larger loans. For example, he owed fl. 1.100 plus interest to Hiltgen van Loosen and fl. 300 to Maria Pietersdochter. Next to these larger sums Stevenszoon was involved in a chain of supplier credit himself. He still owed 283 guilders for his cows. Among others, Stevenszoon had small debts outstanding at the local apothecary (fl. 11), the local baker (fl. 22), and a local brewer (fl. 41). The total outstanding debt of Stevenszoon was at least fl. 1.859. Although we do not

¹³⁰ In another inventory of 1669 the difference between a notarial bond and a privately contracted bond ('handschrift') is also made. WFA, Oud-notarieel Archief, inv. no. 1156, deed no. 80, fol. 117v-119r.

¹³¹ See table 2.2.

know the value of his real estate and land, this malt maker was heavily involved in a chain of credit, since the value of his outstanding debts was more than half of his outstanding claims.

Just about all of his claims and debts concerned personally contracted credit. But what is more important is that this after-death inventory illustrates that local entrepreneurs did not need to resort to publicly registered credit. Stevenszoon owned no private annuities and only one small notarial bond. Instead he financed his business with personal loans and solved liquidity problems by extending and receiving supplier credit. All these transactions were carefully noted down in his ledgers. Although he certainly needed loans and credit to finance and uphold his business, and could easily have pledged one of his houses as collateral for an annuity, Stevenszoon did not need to resort to publicly registered credit. In the section on publicly registered debt it will be possible to relate Stevenszoon's financing strategies to other Enkhuizen entrepreneurs. Did entrepreneurs mostly resort to private credit or did they go to public institutions for credit?

Other after-death inventories of Enkhuizen entrepreneurs not surprisingly also contain debts registered in personal financial ledgers. The master glassmaker Jacob Haringen had died in 1650.¹³² Both Stevenszoon and Haringen were master in a craft guild and their assets are for a great deal comparable. Although the inventory is not as detailed, Haringen also owned numerous paintings and more than sufficient clothing and linen. He wrote down all his claims in a small booklet bounded in sheep parchment.¹³³ Haringen only wrote down his outstanding claims in his ledger and not his debts. But he did this very meticulously. The smallest claim was as little as six *stuivers* and the largest claim was only fl. 14,78. The reasons for the claims are not listed, but given the small amounts it seems likely that these were all forms of supplier credit. The total outstanding claims of Haringen in total were fl. 164. The only registered outstanding debt of Haringen concerned a privately contracted debt with his mother of fl. 450. He may well have had more debts but these are not listed in the inventory. This entrepreneur nonetheless also managed his business by supplier credit and privately contracted loans, this time with kin.

Before 1650 different Enkhuizen entrepreneurs relied on privately contracted credit as well. The local baker Dirck Maertenszoon who died in 1619 was also involved in a system of privately contracted credit.¹³⁴ He owed fl. 290 to a local miller for the delivery of a couple of barrels of flower. Maertenszoon also yet had to deliver 25 pounds of bread to some customers. For his bakery he had taken out two loans of 400 guilders. Both loans were privately contracted and were referred to as a 'brief' (letter). His outstanding claims concerned one privately contracted loan of fl. 230 against the low interest rate of only four per cent. This interest percentage was much lower than was at the time usual on annuities (6,25 per cent).¹³⁵ The loan was taken out by an employee of Maertenszoon and had to be redeemed with her salary. This explains the low interest rate, and it also demonstrates that privately contracted loans with friends and kin might have been more attractive for borrowers. Regrettably this is the only interest rate on privately contracted loans available.

¹³² WFA, Oud-notarieel Archief, inv. no. 985, deed no. 54, fol. 47v-50v.

¹³³ The debts were 'getrocken ende geextraheert uyt seecker schult boeckjen in quarto, gebonden in schapen parkement'.

¹³⁴ WFA, Oud-notarieel Archief, inv. no. 892, deed no. 98, fol. 79v-81v.

¹³⁵ See Appendix C.

Other claims of Maertenszoon were related to delayed house rent payments and one other loan of fl. 140. In total the claims of Maertenszoon were fl. 402, mirrored by fl. 1.090 on outstanding debts. For a baker he had a lot of money in his pocket. His outstanding debts were partly covered by fl. 408 on cash holdings. His real estate also made it possible that Maertenszoon was able to borrow relatively much. He owned three houses and one garden with a shed, which must have served as collateral to cover the difference between his debts and claims. Like Hendrick Egxkens he had made sure that he was able to cover all his outstanding debts with his own assets.

There are different other examples in the after-death inventories of seventeenth-century entrepreneurs who relied on privately contracted loans and supplier credit. Meynert Freekszoon, a shipwright from Enkhuizen who died in 1665, had almost 800 guilders on outstanding private loans and supplier credit.¹³⁶ He still had to pay for deliveries of tar, butter and cheese. Catharijn Segersdochter, a widow who died in 1580, owed money to creditors from all sorts of places. Among her creditors was a merchant from Antwerp, a mayor of Bovenkarspel and a brewer from Delft.¹³⁷ Probably her man had died recently as well and she had inherited these debts, totaling to almost fl. 1.700. It is no surprise that most of the personal financial ledgers found in the after-death inventories relate to Enkhuizen entrepreneurs. Even though this overview is not representative, it can be no coincidence that all these entrepreneurs relied on supplier credit. Entrepreneurs who were dependent on an interchange of goods could use supplier credit to limit the need for cash holdings.

Nevertheless, supplier credit was primarily used to uphold a business. It could not be used as starting capital for entrepreneurs for a number of reasons. For one, because the amount of supplier credit obviously had to relate to the delivered goods it cannot have been sufficient as starting capital. Supplier credit could never exceed the total value of stock, because else the creditor did not have sufficient safeguards that he would get refunded. The value of delivered goods must have been insufficient to pay for large expenses such as real estate or the setting up of an inventory. Second, supplier credit often involved a prolonged relation with the creditor as he had to be sure he would get his money back. A starting entrepreneur could not offer his reputation as security. It is therefore not to be expected that suppliers offered large amounts of credit to entrepreneurs which they did not yet know well. And at last, supplier credit was short-term credit.¹³⁸ Unless an entrepreneur made huge profits right from the start, it must have been impossible to redeem supplier credit already after six or nine months – the usual period of short-term credit. Consequently, supplier credit was of significant importance for Enkhuizen entrepreneurs, but it rarely served as starting capital for a business. Besides using own resources for this respect, what other options did these entrepreneurs then have to finance their business?

2.3 Privately contracted loans

The large number of privately contracted loans in the after-death inventories is remarkable. Most of these entrepreneurs seemed able to obtain loans from others without the need to register them officially before an aldermen or notary. Even more, Catharijn Segersdochter, or

¹³⁶ WFA, Oud-notarieel Archief, inv. no. 1062, fol. 151v-153r.

¹³⁷ Ibid., inv. no. 815, fol. 300v-301r.

¹³⁸ de Vries and van der Woude, *The First Modern Economy*, p. 134.

her late husband, was even able to borrow privately from people who lived relatively far away. Others, like the baker's assistant of Maertenszoon, used nearby relations to borrow money. These were also no small amounts. As we have seen, Stevenszoon lent considerable sums to others without feeling the need to register them before a notary. Only one of his claims was registered before a notary and the rest he had conducted privately.

Another source to evaluate the importance of privately contracted loans for entrepreneurs on the financial market of Enkhuizen is by taking another look at the after-death inventories of the Orphan Chamber. The case of Hendrick Egxkens already showed the abundant use of private loans, and a more quantitative analysis of these inventories again highlights the importance of private debt over publicly registered debt. These inventories, called *Staatboeken*, were drawn by a magistrate of the local Orphan Chamber when an estate was assigned to be managed by the Orphan Chamber.¹³⁹ Although the *Staatboeken* are not useful for a complete analysis of assets because they cannot be called representative, they do offer a rare insight into the volume and composition of some investment portfolio's of those from the middle and upper echelons of Enkhuizen's population in the seventeenth-century.

In the *Staatboeken* both private and public securities are often described explicitly. For instance, private securities could be *rentebrieven*, *losrente*, or a *weesmeesterkennis* – all types of publicly registered annuities. *Obligatie* is another name that is often used for private and public securities. *Obligaties* (bonds) in the *Staatboeken* that do not refer to an institution (i.e. Holland, Enkhuizen, etc.) can be regarded as privately contracted types of debt. For one, for other private securities it is certain that they are *not* privately contracted debts because of their explicit reference to other known types of publicly registered securities. That is, we know for sure that *renten* or *rentebrieven* were publicly registered by the Aldermen and *weesmeesterkennissen* were issued by the Orphan Chamber. Second, *obligaties* that were conducted before a notary are referred to in the *Staatboeken* as notarial bonds (*notariële obligaties*). This distinction was also made in after-death inventories of Enkhuizen notaries. Third, in Enkhuizen notarial bonds were rarely issued before 1650.¹⁴⁰ For instance, in the inventory of Pieter Janszoon Kruiff of 1673 two simple bonds were registered ('simplele obligatie').¹⁴¹ Right below these two simple bonds a notarial bond is registered. This further exemplifies that contemporaries were well aware of the difference between notarial bonds and privately contracted bonds. *Obligaties* registered in the *Staatboeken* can as a result be interpreted as a form of privately contracted credit.

These were however not informal types of debt. Although these debts were not publicly conducted, they were personally registered. For instance, one bond in an undated inventory of the 1670s is called an 'onderhandse obligatie' (informal bond).¹⁴² The guardian was not pleased to own this informal debt and converted it into a *weesmeesterkennis*. It is therefore safe to assume that *obligaties* also involved some kind of registration between debtor and creditor. The all important difference was that these *obligaties* were only registered in the accounts of the debtor and creditor and not by a local institution. By using these different references to *obligaties* a distinction can be made between privately contracted

¹³⁹ See Appendix A for a discussion of this source

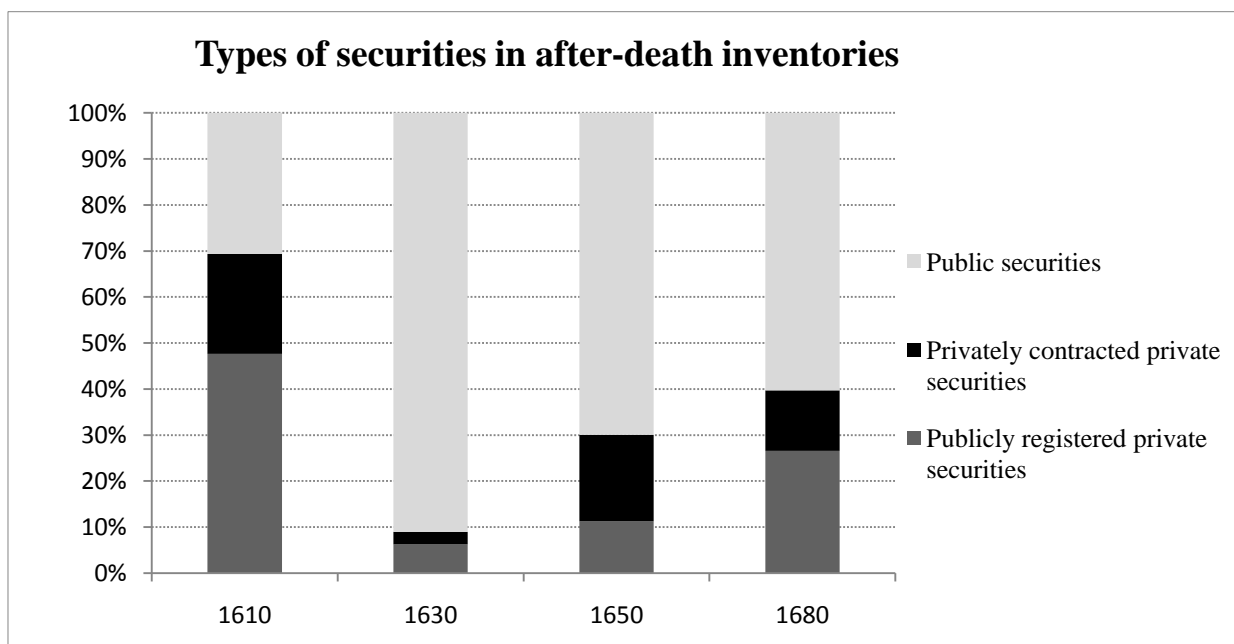
¹⁴⁰ See chapter 3.

¹⁴¹ WFA, Oud-rechterlijk Archief, inv. no. 5047, no. 84.

¹⁴² *Ibid.*, no. 87 : 99.

credit and publicly registered credit in the inventories of the Orphan Chamber. Graph 2.1 gives the share of private securities in after-death inventories of the Orphan Chamber.

The share in the total inventories is given because this gives a clearer representation of the importance of private loans. Even more, when looking at the individual inventories no clear correlation is found between types of securities and the size of the inventory. With the year 1630 as exception, most inventories, regardless of their size, invested more or less equally in private and public securities. Also, the individual inventories are no representation of the credit market of Enkhuizen since wealthier people are found more in this source. For this reason as well it makes little difference if the individual inventories are shown or if they are grouped together.



Graph 2.1 Source: WFA, Oud-rechterlijk Archief, inv. no. 5044, 5045, 5046, 5047.

In 1610 publicly registered private securities made up almost half of all registered investments. But in this year also privately contracted securities were relatively important as well. In 1630 public securities issued by the Estates of Holland and the city of Enkhuizen had become much more important in the inventories, and both privately contracted and publicly registered private credit declined. In 1650 en 1680 both forms of private credit recovered, but the prominence of public securities remained. Apart from 1630, the graph illustrates that privately contracted private credit was of significant importance for the investor whose estates were deposited at the Orphan Chamber. The graph is also an indication for the different options investors had on the credit market of Enkhuizen. Especially the large share of public securities in 1630 stands out. Although the composition of the inventories is not representative, they illustrate that entrepreneurs themselves not only could chose between different types of debt instruments, but were also dependent on the motives of creditors for borrowing money. Surely, lenders could write a claim on a piece of paper and hope that they would be refunded. But they also could deposit their money with the Estates of Holland and get a better yield or safeguard instead. Lenders on the other hand were dependent on the

supply of securities on the local credit market of Enkhuizen. The motives of these investors and the size of the market for public securities will be discussed in the next chapter.

For now graph 2.1 shows the almost continuing importance of private loans during the seventeenth-century. But it has to be remembered that this graph is no representation of the actual credit market of Enkhuizen. On the contrary, it is likely that privately contracted loans figured even more prominently on the local credit market. Because the inventories list both securities at time of death and securities acquired by the guardians or the Orphan Chamber, the investments can be misleading. Only in the case of Hendrick Egxkens did it prove possible to separate these investments. Guardians were probably more conservative investors than the people who had originally owned the estates because of the longer time horizon of their investments. Again, Exgkens can serve as proof for this argument. Whereas Exgkens had taken the risk to invest in the unsecure trade on Asia, the guardian of his estate invested in more safe securities such as several private annuities.¹⁴³

Guardians in general seemed to have preferred relatively safe investments that cost little time to manage. For this reason they chose to invest in relatively long-term investments. Public securities and publicly registered private credit were more easy to manage than privately contracted credit because they were registered by public authorities, who could keep track of the interest payments. Moreover, publicly registered private credit had a higher legal standing in court.¹⁴⁴ It is possible that creditors of an inventory even switched their privately contracted debts into publicly registered debt titles to make sure they were the first to be refunded in case of default.

A look at some dates of securities further illustrates the conservative investments of the guardians. Guardians invested mostly in publicly registered private securities: 31 of the 34 publicly registered private annuities in the inventories of 1610 were conducted by guardians. After 1610 guardians rarely invested in private *obligaties*. The only date of such a security in an inventory of 1630 was already conducted in 1620, and the four private *obligaties* in an inventory of 1680 were already conducted in the 1640s and 1650s. For these reasons it can be expected that especially the share of privately contracted private credit in these inventories is an under-representation of the actual spread of ownership of private *obligaties* on the financial market of Enkhuizen. Privately contracted loans were probably even more important than is illustrated in graph 2.1.

Still, entrepreneurs who could not borrow money directly from friends and family had to resort to other sources of credit instead. What was an entrepreneur to do when he did not know anyone who was willing to loan him money, or if a creditor was not content with just writing a privately contracted debt? Then an entrepreneur had to use the publicly registered side of the Enkhuizen market for credit. Here lenders and borrowers could meet before town officials and register a debt title. An entrepreneur could even go to the local Orphan Chamber and take out a loan, much like we nowadays can borrow money from a bank. In this case an entrepreneur did not have to rely on family and friends. The publicly registered side of the

¹⁴³ WFA, Oud-rechterlijk Archief, inv. no. 5044, fol. 234r-235v.

¹⁴⁴ *Recueil van versheyde Keuren en Costumen midtsgaders maniere van Procederen binnen de Stadt Amsterdam*, t'Amsterdam gedruckt by Jan Hendricks (1656), pp. 313-4.

market for private credit can be analyzed more structurally, which makes it possible to further evaluate the importance of different sorts of debt instruments for Enkhuizen entrepreneurs.

2.4 Publicly registered credit by the Aldermen

Entrepreneurs who needed funds but were unable to obtain credit through friends or relatives could resort to the city Aldermen of Enkhuizen (*schepenbank*). An entrepreneur who owned real estate could pledge this as collateral before the Aldermen and ‘sell’ a claim to a annual interest payment (*rente*) to a creditor. In return the seller would receive a sum of money. These *renten* (annuities) had originated in the Carolingian period and were used by monasteries to acquire bequests of land.¹⁴⁵ The benefactors in return received an annual usufruct income for the rest of their lives. The *rente* was a hereditary debt instrument and the debtor had to pay a perpetual interest in until he was able to redeem the *rente*.

One benefit of *renten* was that they were not regarded as usurious, because the transaction was set up as a sale instead of lending money against interest – which was prohibited by canon law.¹⁴⁶ Protestants could also be banned from the Lord’s Supper if they charged interest on money.¹⁴⁷ The indirect interest charged in annuities was often bound to a maximum. In the Papal bulls ‘Regimini’ of 1425 and 1455 one condition on the selling of a *rente* was a maximum interest of ten per cent.¹⁴⁸ The magistrates of Enkhuizen had set the maximum interest on *renten* at 6,25 per cent in 1564.¹⁴⁹ Interestingly, by this time already the magistrates referred to the payment of *rente* as a form of interest instead as a usufruct on sold money. Even more, in the resolution of 1564 the magistrates did not only refer to *renten* but also to other debt instruments such as *obligaties* (bonds).

For creditors *renten* were an attractive investment. They bore relatively little risk because real estate was used as security and they offered a fixed annual income. Furthermore, real estate transactions and related credit procedures had to be registered by the city magistrates.¹⁵⁰ These ledgers, originally intended for fiscal purposes, contained all the information creditors needed to evaluate the creditworthiness of the sellers of *renten*.¹⁵¹ From 1564 owners of real estate in Enkhuizen (either land or houses) were also no longer allowed to sell real estate before they had redeemed all the loans in which the real estate was used as collateral.¹⁵² Creditors therefore had sufficient safeguards that the collateral could indeed be liquidated if a debtor was unable to pay the annual interest.

The attractiveness of the *rente* for the debtor was to be found in the regulation that the seller of a *rente* always had the option to redeem the principal, whilst the buyer of the *rente* (the creditor) could not demand repayment.¹⁵³ An entrepreneur who took out a *rente* therefore

¹⁴⁵ J. Zijlenderdijn, *Medieval Capital Markets. Markets for Renten, State Formation and Private Investment in Holland (1300-1550)* (Leiden, 2009), p. 258.

¹⁴⁶ *Ibid.*, pp. 20-1.

¹⁴⁷ M. van der Heijden, *Geldschietters van de Stad. Financiële Relaties tussen Stad, Burgers en Overheden 1550-1650* (Amsterdam, 2006), p. 42.

¹⁴⁸ *Ibid.*, p. 58.

¹⁴⁹ WFA, Oud-archief Enkhuizen, inv. no. 246, p. 13.

¹⁵⁰ Gelderblom, ‘The Dutch Republic’, p. 166.

¹⁵¹ *Ibid.*

¹⁵² WFA, Oud-archief Enkhuizen, inv. no. 246, pp. 12-3.

¹⁵³ H. Soly, *Urbanisme en Kapitalisme te Antwerpen in de 16^{de} Eeuw. De Stedebouwkundige en Industriële Ondernemingen van Gilbert van Schoonbeke* (Brussel, 1977), pp. 58-9.

could wait for the best moment to pay back the principal and had the reassurance that the creditor could not all of a sudden reclaim the principal at an inconvenient time. The creditor could overcome this problem and could get his invested capital back by selling the *rente* to a third party.

Another advantage of *renten* was that when the value of houses and land increased, the owner could use this surplus value not only to charge higher rents, but also by selling more *renten*. In this way the owner could liquidate the surplus value of his real estate and obtain money at relatively low interest instead of having to conduct more expensive short-term loans.¹⁵⁴ *Renten* were thus not used as a last option to obtain money in periods of economic depression, but rather as an instrument to liquidate real estate value in periods of economic growth. In sixteenth-century Antwerp the market for *renten* was indeed larger at times of economic boom than at times of relative depression.¹⁵⁵ During a depression *renten* became less attractive for a debtor because, as prices of real estate and rents dropped, the annual net payment on *renten* did not – making interest payments relatively more expensive.

Unfortunately the ledgers of the city magistrates of Enkhuizen do not cover annuities registered at the end of the sixteenth-century. The only example we have is an annuity taken out before the city Aldermen in 1594.¹⁵⁶ In February of this year the glassmaker Symon Jacobszoon appeared before the Aldermen. He testified that he owed the magistrates of the Orphan Chamber of Enkhuizen an annual *rente* of 37 guilders and ten *stuivers*. In return he received the sum of 600 guilders.¹⁵⁷ Jacobszoon used the principal of the *rente* to finance a house that had just been build during the city expansion of the 1590s. As collateral he pledged a house he already owned. This one example of a 1590s annuity not surprisingly confirms the attractiveness of annuities in prosperous times, as this glassmaker indeed used the economic boom to speculate on real estate prices, and used the surplus value of his house to finance another house.

Annuities registered before the city Aldermen of Enkhuizen are available for the period 1630-34 and 1669-1811. The ledgers of the annuities contain transcripts of the real contracts because they do not include official autographs by either debtors, creditors or witnesses. The real contract was very likely given to the creditor as proof of his claim to a *rente*. Changes in the annuity (mainly transfers and settlement) were added to these transcripts, again an indication that the magistrates treated these credit transactions carefully. The registering of an annuity was at all times overseen by two Aldermen who served as witnesses.

Although it is unfortunate that the booming years of 1590-1620 are missing, the available two periods still tell a lot about the use of annuities during different economic conditions. The economy of Enkhuizen still prospered in the 1630s, and from the 1650s the economic situation began to worsen. These different economic circumstances already show in the number of annuities registered. In the years 1630-34 a total of 186 annuities were registered by the Aldermen, compared to a total of 220 registered annuities in the period from 1669 to 1700. The average number of registered annuities for each year was thus almost twice

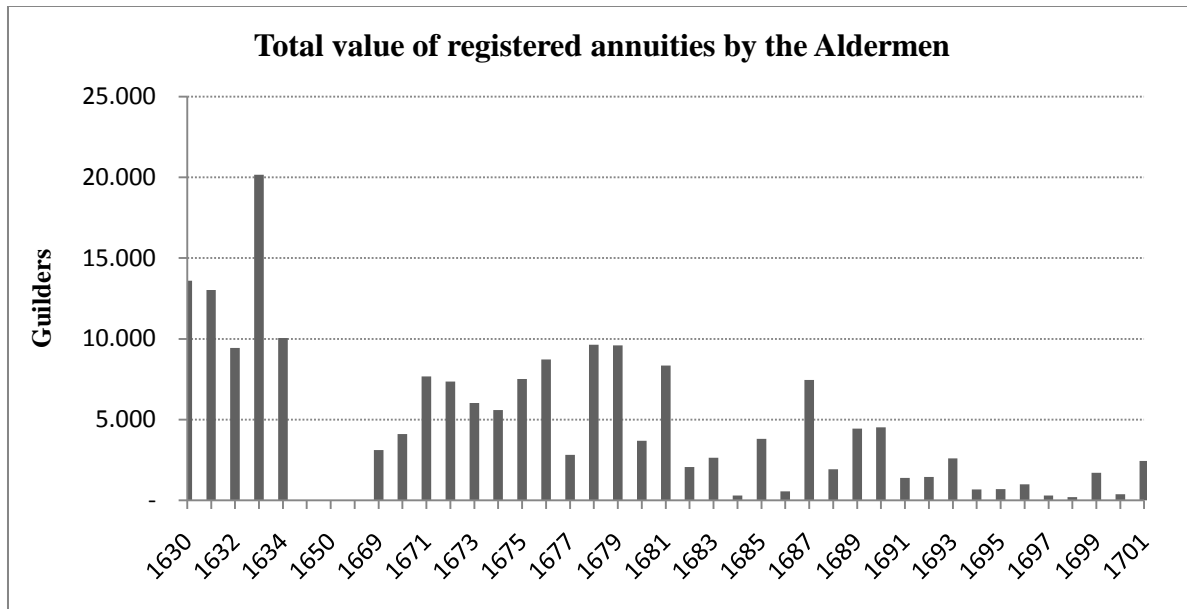
¹⁵⁴ Ibid., p. 56.

¹⁵⁵ Ibid., p. 103.

¹⁵⁶ WFA, Oud-archief Enkhuizen, inv. no. 1637.

¹⁵⁷ The interest on this *rente* was indeed the maximum of 6,25 per cent.

as high in the first period. In graph 2.2 the total value of registered annuities is given for each year. The highest registered value was just over fl. 20.000 in 1633. In this year also the most borrowers appeared before the Aldermen: a total of 43. This does not appear to be such a high number. In comparison, one private loan of Exgkens was already worth more than fl. 8.000. But his transactions might be misleading because he was relatively rich.



Graph 2.2 Source: WFA, Oud-rechterlijk Archief, inv. no. 4984, 4985.

On first notice the annuities registered by the Alderman seem relatively unimportant. However, these numbers say little about how many of these borrowers were actually entrepreneurs who borrowed for the financing of their business. Luckily now and then the occupation of the debtor and creditor is given in the registered annuities. Out of every ten annuities, four give the occupation of the debtor (table 2.2). We do not know why some people stated their occupation and others did not. I presume this was merely by chance, because the annuities taken out by people who did not state their occupation do not differ greatly from those that do list an occupation.¹⁵⁸ It is likely that single women and housewives that appeared before the Aldermen borrowed money for non-productive ends.¹⁵⁹ The occupations that are given in the annuities can be grouped by economic sector to see who used annuities to borrow money. In the period 1630-34 Enkhuizen had around 19.000 inhabitants of which on average 32 annually appeared before the Aldermen (0,17 per cent).¹⁶⁰ In 1668 the population had dropped to around 16.500 of which only seven appeared before the Alderman annually (0,04 per cent).¹⁶¹

¹⁵⁸ See Appendix C. The spread of principals is more wide in the category 'unknown' because of their much larger number. However, the median and the 25th and 75th percentiles do correspond relatively closely with the other categories.

¹⁵⁹ In the annuities taken out by housewives or single women only once a profession is mentioned, that of a single merchant women in 1671. WFA, Oud-rechterlijk Archief, inv. no. 4985 (12-8-1671). Widows are also regarded as a single group because of their large number, and because it can be expected that also these annuities did not serve productive ends.

¹⁶⁰ Willemsen, *Enkhuizen tijdens de Republiek*, p. 179.

¹⁶¹ Ibid.

The economic sectors roughly correspond with the prevailing economic sectors of seventeenth-century Enkhuizen. It comes as no surprise that the sector fishing and shipping is high in both periods, since the economy of Enkhuizen was mainly focused on herring fishing and trade to The Sound. This group mainly consisted of ship captains, block and windlass makers and coopers. The attractiveness of annuities for real estate is shown by the relatively high numbers of people from the building sector that took out annuities in the period 1630-34. Although the expansion days of the 1590s were gone, building still was an important sector. Enkhuizen's economy still expanded and immigrants needed housing. By the end of the century the use of annuities for borrowers in the building sector had dropped considerably, as the economic growth and immigrants had long gone. Although the annual average number of annuities dropped from 1669, entrepreneurs from the fishing and shipping industry still formed an important group of borrowers. But with a substantial herring fleet of between 150 to 220 busses in this period, it seems that this sector mainly used other financing techniques.¹⁶² They had probably done so in earlier years as well, as their share as borrowers before the Aldermen had also not been very high in 1630-34.

Entrepreneurs made up the largest crowd that appeared before the city Aldermen. The share of entrepreneurs among debtors was 27 per cent in 1630-34 and eighteen per cent in 1669-1700.¹⁶³ If the category 'unknown' is excluded, and we assume that the distribution of occupations was the same under the unknown occupations, the percentage of entrepreneurs among debtors would even be 67 per cent in 1630-34 and 43 per cent in 1669-1700. Because the annuities taken out by people with an unknown occupation show the same characteristics as the other sectors, such a percentage of entrepreneurs is probably closer to reality.

The annuities show that institutional borrowing happened only rarely before the Aldermen. The available data only mentions that the carpenters guild of Enkhuizen borrowed 200 guilders in 1633 (against a surprisingly low interest rate of five per cent).¹⁶⁴ In 1701 the beer carriers guild borrowed a substantial amount of 1300 guilders through the city Aldermen, with the belongings of their guild pledged as security.¹⁶⁵ Besides these two cases there is no further evidence of guild activity on the financial market of Enkhuizen.

¹⁶² Ibid., p. 164.

¹⁶³ The first six economic sectors of table 2.2 are regarded as entrepreneurs.

¹⁶⁴ West-Fries Archief, Hoorn, Oud-rechterlijk Archief, inv. no. 4984, fol. 121r-v.

¹⁶⁵ Ibid., inv. no. 4985 (30-5-1701).

Table 2.2 Total number of annuities registered by the city Aldermen of Enkhuizen, ordered by occupation of debtors.

Source: WFA, Oud-rechterlijk Archief, inv. no. 4984, 4985.

Economic sector	Total 1630-34				Total 1669-1701			
	Number	%	Total Value	Average	Number	%	Total Value	Average
Building	7	3,76	2.800	400	1	0,45	350	350
Textile industry	2	1,08	1.400	700	0	-	-	-
Food and beverages	10	5,38	2.492	249	12	5,38	10.700	892
Fishing and shipping	14	7,53	5.324	380	16	7,17	7.054	441
Various crafts	15	8,06	6.126	408	8	3,59	4.082	510
Wholesale trade	3	1,61	950	317	3	1,35	3.200	1.067
Schoolmasters	0	-	-	-	1	0,45	250	250
Public officials	1	0,54	200	200	3	1,35	2.900	967
Widows	19	10,22	5.500	289	44	19,73	22.013	500
Housewives and single women	5	2,69	1.825	365	4	1,79	1.280	320
<i>Unknown</i>	<i>110</i>	<i>59,14</i>	<i>39.636</i>	<i>360</i>	<i>131</i>	<i>58,74</i>	<i>73.283</i>	<i>559</i>
Total	186	100	66.253	356	223	100	125.112	561

The group of food and beverages mostly consisted of bakers and millers. Incidentally a barley miller also appeared before the Aldermen. One baker, Olphert Corneliszoon, explicitly used an annuity to finance his business ('zijn particuliere seacken') in 1673.¹⁶⁶ He borrowed fl. 4.000 from two creditors. One creditor was an Alderman of Enkhuizen and the other was Nicolaes Outgerszoon, who had earlier also helped in financing the mill of Corneliszoon. The creditors had to be refunded already after six months. As security Corneliszoon pledged his house, his share in the ownership of the mill (1/20th part) and also a public annuity issued by the city of Enkhuizen. Corneliszoon chose not to redeem this public debt annuity but instead used it as collateral for a private annuity. He probably thought it more clever to use this public debt security as collateral to solve short-term liquidity problems, rather than to give up the flow of interest he enjoyed from his public annuity. In general public annuities were not often pledged. Because the transfer was subject to a special tax and the annuities were made out to named persons, transfer of this type of security was not really attractive.¹⁶⁷ The miller does illustrate the way in which money could be obtained. He first weighed his options on whether or not to liquidate his own securities. He chose not to and consequently negotiated with other financiers. With the help of his public annuity as collateral the miller and his financiers agreed to register a private annuity between the parties.

Numerous other cases can be found of annuities taken out to finance business. In April of 1631 a previous Alderman of Enkhuizen lent fl. 500 to a beer brewer from Enkhuizen. The brewer only had to pay an interest of 6,25 per cent over fl. 400. The other fl. 100 was free of interest on the condition that the brewer would continue with delivering beer to the creditor.¹⁶⁸ The creditor in this way assured himself of future deliveries by lending money to the brewer, and the brewer was rewarded for upholding his deliveries by a lower net interest. Indirect supplier credit was also sometimes registered as an annuity. Again in 1631, a local baker borrowed money because he was unable to pay for delivered ropes right away.¹⁶⁹ The debtor did not charge interest, but it might have been that the interest was concealed in the principal. The principal was fl. 392, not a common sum. The debtor possibly had to redeem the loan on short notice.¹⁷⁰ The interest might have been twelve per cent - not an uncommon rate for short term credit - because then the principal would have been fl. 350, which is a more logical sum. A likewise construction was registered by the Aldermen in 1685 when a local *bootshaak* borrowed fl. 672 from an Amsterdam merchant without the mentioning of interest.¹⁷¹ If again an interest rate of twelve per cent is assumed to have been included, the principal would have been fl. 600.

Annuities were sometimes also conducted between family members. For instance, an Enkhuizen baker borrowed fl. 50 from his brother in 1634.¹⁷² He redeemed this loan after five

¹⁶⁶ WFA, Oud-rechterlijk Archief, inv. no. 4985 (8-7-1673).

¹⁶⁷ Gelderblom and Jonker, 'Completing a Financial Revolution', p. 659.

¹⁶⁸ WFA, Oud-rechterlijk Archief, inv. no. 4984, fol. 53r-v.

¹⁶⁹ Ibid., fol. 54r.

¹⁷⁰ 'te betaelen de voorsejde somme van penningen tot vermaninge ende eerst ter aanspraeck van Hendrick Abels [the creditor].

¹⁷¹ WFA, Oud-rechterlijk Archief, inv. no. 4985 (13-11-1685). If the principal was fl. 350, the concealed interest would be fl. 42 (twelve per cent of fl. 350). A *bootshaak* was someone who assisted navigating and mooring ships to the quay by using a large hook. If the principal was fl. 350, the concealed interest would be fl. 42 (twelve per cent of fl. 350).

¹⁷² WFA, Oud-rechterlijk Archief, inv. no. 4984, fol. 158r-v.

year. In 1632 a local carpenter borrowed fl. 600 from his own son.¹⁷³ In 1677 another loan between family members was registered, this time with a principal of 300 guilders.¹⁷⁴ However, I have only found seven annuities that indicate a family relation between debtor and creditor. Although it is possible that more family relations are concealed in the annuities, this low number does indicate that annuities were mostly registered between people who were not related. Those entrepreneurs that were unable to loan from friend and family could register a loan with a third party before the Aldermen. Because these two parties might not have known each other as well as friends and family, it was more obvious for these creditors to register the loan before the Aldermen. In this case he was sure the collateral indeed belonged to the creditor and did he have enough safeguards on his creditworthiness. Moreover, there are plenty examples of annuities registered between people with no related profession or relation by trade. In the 1630s widows lent to blacksmiths, sextons to dairy merchants, teachers to windlass makers and countrymen to ship makers.¹⁷⁵ It therefore seems that annuities might have served especially those entrepreneurs that were unable to conduct a private loan with friends or family.

It is difficult to argue that all these entrepreneurs took out an annuity to finance their business, because the annuities do not state why a loan was taken out. However, a look at the borrowed amounts demonstrates that entrepreneurs primarily borrowed for their businesses. The borrowed amounts were relatively large as the average principal in the 1630s was fl. 356 (table 2.2). For most people this was still a large sum, and especially for small-scale craftsmen. In this period a skilled worker roughly earned a maximum of only 30 guilders monthly.¹⁷⁶ Taking out an annuity therefore implied a long-lasting relation with a creditor, and an entrepreneur must have had some good reasons for borrowing such large sums.

We have already seen the glassmaker Symon Jacobszoon borrowing to buy another house in 1594, and it is likely that also other entrepreneurs wanted to liquidate the surplus value of their real estate for investment. It is impossible to say whether they invested for their business or rather speculated on the real estate market. However, entrepreneurs probably rarely used an annuity in buying their first house. For the direct financing of houses typically a mortgage was used, which was a different contract than an annuity. In Enkhuizen the financing of real estate was registered in ledgers for mortgages and they do not appear among the annuities.¹⁷⁷ It could be possible though that an annuity was used to finance one part of the buying of a house and that for the other part a mortgage was used.¹⁷⁸

Although we cannot directly prove that entrepreneurs used annuities for their businesses, their high numbers in the Enkhuizen ledgers, the relatively large amounts they borrowed and the fact that houses were primarily financed by mortgages at least indicate that annuities were of some importance for financing. This is also proven by debtors of Antwerp annuities. In 1545 more than half of all Antwerp annuities were taken out by craftsmen, and

¹⁷³ WFA, Oud-rechterlijk Archief, inv. no. 4984, fol. 104r-v.

¹⁷⁴ Ibid., inv. no. 4985 (17-2-1677).

¹⁷⁵ Ibid., inv. no. 4984, fol. 85r-v, 149r-v, 169r-v, 164r-v.

¹⁷⁶ The earnings are calculated on a working week of six days. Based on de Vries and van der Woude, *The First Modern Economy*, pp. 610-11.

¹⁷⁷ WFA, Oud-rechterlijk Archief, inv. no. 4949-83.

¹⁷⁸ Soly, *Urbanisme en Kapitalisme te Antwerpen in de 16^{de} Eeuw*, p. 56

another twenty percent was taken out by merchants.¹⁷⁹ If annuities were predominantly an instrument for investment, we would expect larger shares of nobles, magistrates or other rich groups. Yet nobles and magistrates only accounted for less than ten per cent of all annuities. Soly also showed that these annuities were predominantly used by craftsmen who already owned real estate for their business, like brewers, bakers and coopers.¹⁸⁰ Surplus value could relatively easily be liquidated and used for their business and capital investment. For these entrepreneurs annuities were a kind of cash-converter that offered them the option to change capital into cash. It is very likely that annuities were also used for this end by entrepreneurs in seventeenth-century Enkhuizen.

The use of collateral for annuities also indicates that entrepreneurs used annuities for their businesses. Even more, in the relatively prosperous times of the 1630s some creditors were pleased with other types of collateral than real estate. Of the 186 registered annuities in this period, eight annuities only pledged 'his person and general belongings' as collateral. The creditor in these cases faced a higher risk because he had no safeguarded real estate as collateral. He therefore must have known the debtor relatively well to be able to assess the value of his belongings, or he was in another way sure he would receive his interest payments. Maybe he expected the debtor to do relatively well in business or trade. A ship captain even pledged only his haystack as collateral in 1633, and in the same year a lock maker obtained credit by merely pledging his anvil.¹⁸¹ Another debtor was able to borrow on the security of his cows.¹⁸² The interest the creditors charged in these cases was also not higher than usual. Sometimes it was even lower. The captain who borrowed fl. 800 on the security of his haystack paid an interest rate as low as four per cent.

The decline in the usage of annuities during the seventeenth-century, indicated by table 2.2, is also proven by taking another look at the requirements for collateral. Whereas other goods were still accepted as collateral in the 1630s, in the period 1669-1700 'persons and general belongings' was pledged as collateral only once and no security other than real estate was used.¹⁸³ The character of annuities also changed. In 1688 a woman from Alkmaar made a man from Enkhuizen testify that he had numerous debts outstanding to different people.¹⁸⁴ The following annuity was this time used to specify these amounts and to force the debtor to repay all his claimants. In 1681 a widow used an annuity to combine different bonds that were previously registered before a notary.¹⁸⁵ Probably her man had recently died and the widow found it more easy to combine different bonds into one. Supplier credit also gradually took on a different form. In 1684 IJsbrant Janszoon had six months to pay fl. 600 for the delivery of grain.¹⁸⁶ If he paid after six months the interest would be as much as 35 per cent per month.¹⁸⁷ Another merchant, Isacq van Geleyn from Amsterdam, charged the unusual high interest rate of 6,11 per cent in an annuity in 1679.¹⁸⁸ By the end of the seventeenth-

¹⁷⁹ Ibid., p. 83.

¹⁸⁰ Ibid.

¹⁸¹ WFA, Oud-rechterlijk Archief, inv. no. 4984, fol. 141r-v, 148r.

¹⁸² Ibid., fol. 109r.

¹⁸³ With the exception of one public debt security as collateral in 1673. Ibid., inv. no. 4985 (18-3-1673).

¹⁸⁴ Ibid. (21-2-1688).

¹⁸⁵ Ibid. (7-11-1681).

¹⁸⁶ Ibid. (23-12-1684).

¹⁸⁷ 'daer boven een intrest van seven stuijvers per cento ter maent'

¹⁸⁸ WFA, Oud-rechterlijk Archief, inv. no. 4985 (10-2-1679).

century annuities were not only issued very little, but they had also evolved into an instrument to register trade transactions that had gone wrong, or as a practical instrument to combine other types of debt, rather than as an instrument to finance businesses.

But also in the 1630s annuities were used only by a fraction of Enkhuizen entrepreneurs. Even though the figures of table 2.2 represent the economic activity of Enkhuizen – with a large food and beverage sector that together with various crafts supported the local shipping industry – the low number of issued annuities illustrates that entrepreneurs probably preferred other financial techniques. A maximum of 43 transactions annually is very little compared to a population of around 20.000 around the 1630s – of which approximately 1.300 were entrepreneurs.¹⁸⁹ In Leiden, a major textile center in the seventeenth-century, there appeared as much as 169 debtors before the Aldermen in just one year (1620).¹⁹⁰ They represented 0,38 per cent of the population of Leiden.¹⁹¹ These figures match findings of Antwerp, where 364 out of 100.000 inhabitants took out a new *rente* in 1545.¹⁹² In Enkhuizen, the gradually decreasing interest on annuities registered by the Aldermen during the seventeenth-century - from six per cent in the 1630s to four per cent in the 1690s - could not prevent them to become less attractive.¹⁹³ Even in the 1630s annuities had not been a very attractive credit instrument when compared to other cities – even though in Leiden and Antwerp annuities were also not particularly plentiful.

Annuities registered by the Aldermen very probably presented a niche function in the credit market of Enkhuizen. Only a small number of entrepreneurs used annuities for the financing of their businesses in the 1630s, and they did so only in relatively prosperous times. In these periods annuities were more attractive for entrepreneurs as a sort of cash-converter. It could have been that annuities were more widely used at the beginning of the century, as the findings in Antwerp demonstrate. It might be no coincidence then that relatively a lot of annuities were found in the after-death inventories of the Orphan Chamber in 1610 (see graph 2.1). But overall, it seems that entrepreneurs appreciated privately contracted credit over annuities. Only those entrepreneurs that were unable to conduct loans with family and friends resorted to annuities. By the end of the century, when the economy declined, annuities became even less attractive for entrepreneurs. By now they primarily served as an instrument to convert other types of debt.

2.5 Publicly registered credit by the Orphan Chamber

The Orphan Chamber of Enkhuizen offered another option for publicly registered credit next to the city Aldermen. In the Dutch Republic nearly every city had an Orphan Chamber which provided credit in the form of annuities, here called *weesmeesterkennissen*. The commitment of Orphan Chambers to provide annuities derived from the inheritance law of the separate Estates. Unlike some other European countries, Dutch inheritance law was not based on the preferential treatment of the oldest son (primogeniture). In contrast, inheritance law of the Estates of Holland was based on the rights of the whole family. Instead of the right of the

¹⁸⁹ Willemsen, *Enkhuizen tijdens de Republiek*, p. 99. See chapter one for the estimation of entrepreneurs.

¹⁹⁰ Gelderblom, 'The Dutch Republic', p. 167.

¹⁹¹ Leiden had some 44.475 inhabitants in 1622. P. Lourens and J. Lucassen, *Inwoneraantallen van Nederlandse Steden ca. 1300-1800* (Amsterdam, 1977), p. 113.

¹⁹² Soly, *Urbanisme en Kapitalisme te Antwerpen in de 16^{de} Eeuw*, pp. 51, 78.

¹⁹³ See Appendix C.

oldest son, possessions had to be divided along lines of consanguinity. In other words, those closest related to the deceased had the most right to an inheritance. All children of the deceased were therefore equal and stood high on the ladder of claimants to an inheritance. Besides favoring children directly, the inheritance law of Holland also made it practically impossible to sidestep the claims of the children. Everyone who not agreed to the conditions of the *plakkaatrecht* of 1599, the resolution of the inheritance law, could make their own will according to their own wishes. However, these wills still had to consider the claims of the children. Sons or daughters who were not mentioned in a will could declare the will null and void and make their own claim to the inheritance.¹⁹⁴ Children therefore always had the right to at least one third of the assets of a deceased parent.¹⁹⁵ The inheritance law of Holland, also applicable to Enkhuizen, therefore greatly secured the inheritance claims of children.

The way in which inheritances in Holland were regulated significantly affected the handling of goods of deceased parents, and consequently had a great influence on the regulations of the possessions of (half-) orphans. Because both the longest living parent and the children had rights to a part of the inheritance of the deceased parent and therefore could have conflicting interests, local Orphan Chambers were set up to settle inheritances and supervise the assets assigned to the (half-) orphans. A widow or widower with under-aged children was obliged to appear before the magistrates of the local Orphan Chamber within six weeks to settle the inheritance.¹⁹⁶ The widow(er) was regularly appointed as guardian over the children, but because both parties had claims to the inheritance, usually a second guardian was appointed as well (*medevoogd*). This was often a magistrate of the Orphan Chamber (*weesmeester*). After the inventory of the goods was made the estate was divided. One part was given to the parent and the other part to the children. The *weesmeester* would have the supervision over the assets of the children until they reached adulthood. So, even when only one of the two parents had died the part of the estates that had been assigned to the children could be supervised by the Orphan Chamber.

The Orphan Chamber did not supervise the goods of all the (half-) orphans of Enkhuizen. When Lijsbet Jacobsdochter in 1656 explicitly promised to use the inheritance assigned to her children solely for the upbringing of these children, it was decided that she herself could manage the estate. She did have to promise to not only provide them with food and clothing, but also teach them how to read and write.¹⁹⁷ If a will already stated that the supervision of the estate should not be transferred to the *weesmeesters*, the parent was also not obliged to transfer the supervision. And if a parent was unwilling to transfer the supervision of goods to the Orphan Chamber, the mayors of Enkhuizen also could decide that the supervision of the estate was to remain with the parent.¹⁹⁸ In all other cases the *weesmeesters* of Enkhuizen were responsible for the handling of the estates of the children until they had reached the age of 25.¹⁹⁹

¹⁹⁴ A. Schmidt, 'Touching Inheritance'. Mannen, Vrouwen en de Overdracht van Bezit in Holland in de 17^e Eeuw', *Holland*, Vol. 33 No. 4 (2001), p. 177.

¹⁹⁵ *Ibid.*

¹⁹⁶ *Ibid.*, p. 186.

¹⁹⁷ WFA, Oud-rechterlijk Archief, inv. no. 5024, fol. 84v.

¹⁹⁸ *Handvesten, Privilegien, Willekeuren ende Ordonnantien der Stadt Enchuysen*, p. 150.

¹⁹⁹ *Ibid.*, p. 149. Because there are only fragments available of the estates of the Enkhuizen orphans it is impossible to say how many estates were supervised by the Orphan Chamber.

The Orphan Chamber of Enkhuizen was not an orphanage in our modern-day use. It was an administrative institution that was in charge of the supervision and settlement of the goods of (half-) orphans. The Orphan Chamber was not responsible for the further upbringing of the children. This had to be done either by the living parent, great parents or other family members or friends. But because inheritance law assigned the ownership of one part of the inherited assets to the children, the Orphan Chamber had to make sure the assets remained in the hands of the children until they were old enough to supervise their belongings themselves. In the meantime the Orphan Chamber was partly responsible for the costs of the upbringing of the children.²⁰⁰ This was also a logical consequence of inheritance law. Because normally children were brought up using the income of the family (father and mother), if one parent died the inheritance of the deceased parent in the same manner had to be used for the further upbringing of the children.

The requirement that the inherited assets of the (half-) orphans had to be employed for the upbringing of the orphans caused local Orphan Chambers to invest. By investing, the value of the inheritance of the children would not be depleted over time and at the same time it enabled the *weesmeesters* to maintain the costs of upbringing. Only if a guardian was too poor to uphold his or her part of the upbringing costs was it allowed to sell a part of the inheritance of the children.²⁰¹ If the guardians were already rich enough to provide the upbringing costs the inheritance still had to be invested in order to improve the assets of the orphans.²⁰² Inheritances of orphans consequently always had to be invested by the Orphan Chamber. The ordinance of the Orphan Chamber of Enkhuizen prescribed that the assets of the inheritance had to be invested within three months.²⁰³ The guardians or *weesmeesters* had the choice to invest either in land or in *renten*. If the guardians were unable to invest the inheritance or chose to use the money for their own needs, they were obliged to pay a 6,25 per cent interest over the inheritance - the same interest rate as was common on the local credit market in 1616.²⁰⁴

The ordinance of the Orphan Chamber of Enkhuizen originated out of the necessity to better coordinate the belongings and investments of orphans. It was issued in 1616 and the ledgers of the *weesmeesterkennissen* also start in 1616.²⁰⁵ The Orphan Chamber did already invest money of the orphans before 1616. An ordinance of the city magistrates of Enkhuizen of August 1592 affirmed that money of the orphans had to be invested against an interest rate of 8,3 per cent.²⁰⁶ This ordinance did not specify what kind of security was preferred, but it is highly possible that before 1616 the *weesmeesters* invested primarily in life annuities - annuities that would receive interest until the creditor died. The decreed interest rate of 8,3 per cent ('de penning twaelf') namely was the same interest rate common in life annuities issued by the city of Enkhuizen in the 1590s.²⁰⁷ Before 1616 no *weesmeesterkennissen* were issued.

²⁰⁰ Ibid., p. 152.

²⁰¹ Ibid.

²⁰² Ibid.

²⁰³ Ibid., p. 156.

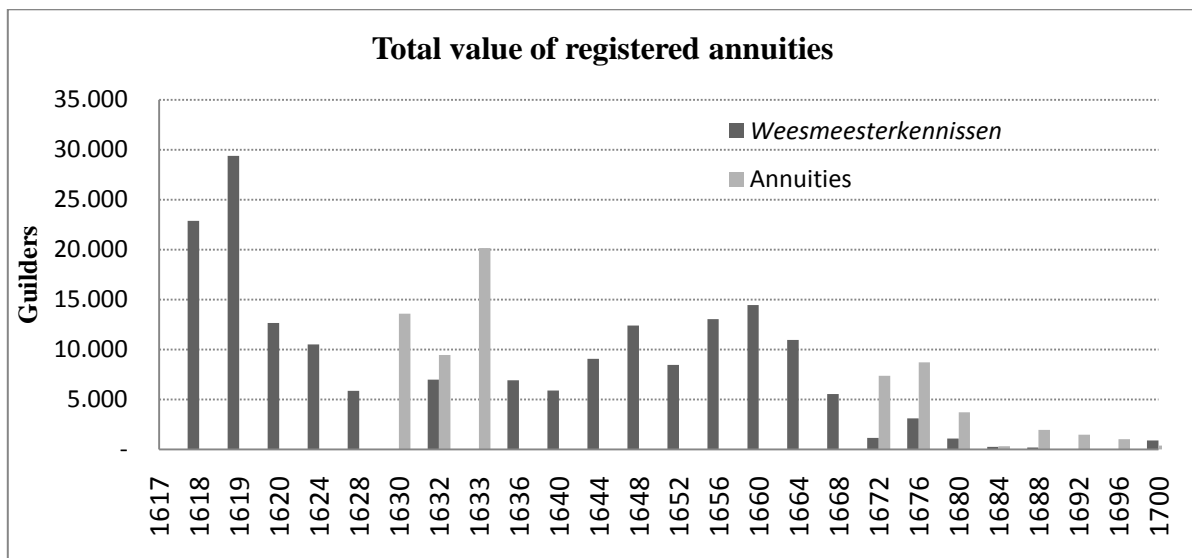
²⁰⁴ Ibid.

²⁰⁵ WFA, Oud-archief Enkhuizen, inv. no. 246, p. 219.

²⁰⁶ Ibid., inv. no. 250, p. 210.

²⁰⁷ Ibid., p. 35.

The ledgers of the annuities issued by the Orphan Chamber are for a great deal comparable to the ledgers of annuities registered by the Aldermen of Enkhuizen. The difference was that two *weesmeesters* acted as intermediaries in their function as guardians over the inheritance of the orphans (who actually provided the credit). The annuities registered by the Orphan Chamber contain more or less the same information as annuities registered by the Aldermen. In contrast to the annuities registered by the Aldermen the *weesmeesterkennissen* do contain signatures by debtors. This is because the Orphan Chamber intermediated and as guardian held on the authentic signed document. The annuities registered by the Aldermen were copies since the signed document was given to the creditor. Like the annuities registered by the Aldermen the *weesmeesterkennissen* offer a rich entry into the publicly registered market for credit in Enkhuizen. Because the information is more or less the same the two forms of annuities can easily be compared. Moreover, the *weesmeesterkennissen* of Enkhuizen cover almost the whole seventeenth-century and enable us to check some of the hypotheses on the attractiveness and availability of annuities under different economic circumstances and their use in the financing of businesses.



Graph 2.3 Source: WFA, Oud-rechterlijk Archief, inv. no. 4984, 4985, 5022, 5023, 5024, 5025, 5026.

Annuities issued by the Orphan Chamber were quite popular from the beginning. The ordinance of the Orphan Chamber was issued in November 1616 and already in December the chamber started to give out annuities on behalf of orphans. After a hesitant start of five issued annuities in December the popularity of annuities really took off in 1617, when a total of 57 annuities were registered by the Orphan Chamber. This was more than the annuities registered by the Aldermen in the 1630s, as they had never registered more than 43 annuities annually. In the following two years the Orphan Chamber issued more than 60 annuities each year. From 1620 the popularity of *weesmeesterkennissen* started to decline. After a slight uprising in the 1650s the use of *weesmeesterkennissen* practically stopped from 1668 (graph 2.3). The total value of the *weesmeesterkennissen* shows the same trend because the average sum of annuities did not change much over the period. During the period 1617-20 credit issued by the Orphan Chamber was at its peak. In 1619 the most credit was issued, almost 30.000 guilders.

The highest known amount of annuities that the Aldermen registered in one year was much lower: 20.155 guilders in 1633.

The value of annuities of the Orphan Chamber and the city Aldermen indicate that the local market for publicly registered debt before the 1630s, and possibly before 1620, was more substantial than during later periods in the seventeenth-century. Because the total value of annuities registered by the city Aldermen was often higher, it might have been that also during 1617-20 annuities registered by the Aldermen represented a higher value than the *weesmeesterkennissen*. The sudden (but short-lived) popularity of the *weesmeesterkennissen* does on the other hand indicate that the market for publicly registered credit had not yet been fully exploited. There surely was a relatively large demand for *weesmeesterkennissen* between 1617 and 1620. Why did some debtors turn to the Orphan Chamber instead of the Aldermen?

Annuities by the Aldermen required the debtor to find a creditor himself. This could be a difficult and lengthy challenge, especially since these entrepreneurs, as we have seen, predominantly could not use family and friends for a loan instead. And once a creditor was found, he demanded registration by the Aldermen to safeguard the collateral. In comparison, a borrower could go to the Orphan Chamber of Enkhuizen and take out a loan directly. The conditions of the loans were more or less the same and the same collateral was required. But here the borrower did not have to go at lengths to find a creditor, as the Orphan Chamber already intermediated in offering credit. The transaction costs of a *weesmeesterkennis* were therefore somewhat lower because no time or money had to be spent on finding a creditor. As long as the Orphan Chamber had sufficient credit to extend, and chose to extend it in the form of annuities, taking out credit at the Orphan Chamber was much simpler than registering a loan before the Aldermen. The Orphan Chamber extended credit like a modern-day bank. Their investment strategies and the way the Orphan Chamber used the different estates also closely related to banking practices. This intermediating function of the Orphan Chamber on the credit market of Enkhuizen will receive more attention in the next chapter.

Weesmeesterkennissen were not cheaper. The interest rate of Aldermen annuities and *weesmeesterkennissen* shows no marked differences during the seventeenth-century. Both interest rates dropped gradually from 6,25 per cent to around four per cent by 1700.²⁰⁸ The requirements for collateral for *weesmeesterkennissen* were also more or less the same. The difference with Aldermen annuities was that *weesmeesterkennissen* required at least one guarantor. This was often a family member or a friend who was better informed about the creditworthiness of the debtor than the Orphanage Chamber. In case the debtor was unable to pay interest or redeem the loan this guarantor had to step in. Next to a guarantee also real estate was in practically every *weesmeesterkennis* pledged as collateral. Like Aldermen annuities the debts issued via the Orphan Chamber were therefore firmly secured.

In 1644 the first public security was pledged as collateral. And in 1660, an Enkhuizen baker took out a *weesmeesterkennis* of fl. 300 with a redeemable annuity of the Estates of Holland worth fl. 1.000 as collateral.²⁰⁹ Instead of cashing his public debt annuity to raise liquidity he used it as collateral for a *weesmeesterkennis*, which he redeemed after five years. The use of public debt securities as collateral for *weesmeesterkennissen* somewhat increased

²⁰⁸ See Appendix C.

²⁰⁹ WFA, Oud-rechterlijk Archief, inv. no. 5025, fol. 136r.

from the last quarter of the seventeenth-century. Obligations and annuities from for instance the Admiralty, the city of Enkhuizen and the Estates of Holland were also accepted. By this time these securities had proven to be a safe collateral since these different public institutions did not suddenly discontinue their interest payments. Since none of these *weesmeesterkennissen* had a principal higher than the pledged security, the interest payment on the public securities offered sufficient safeguard. If a debtor was still unable to pay the interest on his *weesmeesterkennis*, the principal of the pledged public security could be reclaimed by simply going to the office of the provincial receiver.²¹⁰

Unlike pledging a public annuity, as was incidentally done by for instance Olphert Corneliszoon, pledging a public bond was much more attractive because these titles were more easily tradable and easier to liquidate. *Weesmeesterkennissen* therefore in turn could provide a resolution to liquidity strains of entrepreneurs. They could simply borrow money by pledging public debt securities instead of real estate. This also indicates the relative efficiency of the Enkhuizen market for credit. In the absence of a secondary market for public securities, *weesmeesterkennissen*, enabled entrepreneurs to liquidate their public bonds quite easily.²¹¹ Debtors thus had different ways to liquidate their assets and investments on the financial market of Enkhuizen, and entrepreneurs were very much aware of the different instruments they could use to finance their business.

Public securities were nevertheless only incidentally used as collateral for *weesmeesterkennissen*.²¹² During the short-lived popularity of *weesmeesterkennissen* real estate plus a guarantor generally served as collateral. This use of a guarantor was different from annuities registered by the Aldermen, but apart from that the two instruments were much alike. Like annuities registered by the Aldermen, entrepreneurs made up the largest (known) crowd that appeared before the Orphan Chamber. During 1616-49 entrepreneurs represented 35 per cent of all the debtors. In the second half of the seventeenth-century their share had dropped to eighteen per cent (table 2.3). If again the group 'unknown' is removed entrepreneurs represented as much as 82 per cent in the first period. This declined to 44 per cent in the second period.²¹³

²¹⁰ Gelderblom and Jonker, 'A Conditional Miracle', pp. 17-18.

²¹¹ *Ibid.*, p. 23.

²¹² Only eleven of the 152 annuities issued after 1644 used some type of public security as collateral.

²¹³ The distribution of *weesmeesterkennissen* in the sector 'unknown' is comparable to the other sectors. See Appendix C.

Table 2.3 Total number of annuities registered by the Orphanage Chamber of Enkhuizen ordered by occupation of debtors.²¹⁴

Source: WFA, Oud-rechterlijk Archief, inv. no. 5022, 5023, 5024, 5025, 5026.

Economic sector	Total 1616-1649				Total 1650-1700			
	Number	%	Value	Average	Number	%	Value	Average
Building	48	3,90	18.477	385	4	0,90	6.000	1.500
Textile industry	24	1,95	5.775	241	0	0,00	-	-
Food and beverages	60	4,88	25.299	422	16	3,60	5.200	325
Fishing and shipping	162	13,17	66.990	414	32	7,21	28.000	875
Various crafts	138	11,22	44.562	323	28	6,31	13.572	485
Wholesale trade	0	0,00	26.100	870	0	0,00	-	-
Schoolmasters	9	0,73	1.650	183	0	0,00	-	-
Public officials	21	1,71	5.928	282	0	0,00	-	-
Widows	51	4,15	19.752	387	48	10,81	31.264	651
Housewives/ single women	9	0,73	2.160	240	48	10,81	26.600	554
Orphans	3	0,24	900	300	4	0,90	3.600	900
<i>Unknown</i>	<i>705</i>	<i>57,32</i>	<i>242.736</i>	<i>344</i>	<i>264</i>	<i>59,46</i>	<i>120.412</i>	<i>456</i>
Total	1230	100	434.229	353	444	100	234.648	528

²¹⁴ The table is constructed by using a dataset of benchmark years. Because 1616 to 1620 were arguably important years these all have been entered. From 1620 on every other fourth year has been entered.

The differences between the first and the second half of the century, also observed in the registered Aldermen annuities, again show unmistakably. Entrepreneurs did occasionally go to the Orphan Chamber after 1650, but the largest group now consisted of (again) widows and also housewives. The total value of issued annuities had almost dropped by 50 per cent. The relative importance *weesmeesterkennissen* for small craftsmen in the first half of the century had by now almost disappeared. Unmarried women now made up a large group of debtors. Of the 48 debtors in the group of ‘housewives/single women’ a total of 36 were unmarried women. Why these unmarried women began to make up such a large group in the second half of the century remains unclear. Maybe the declining economy forced them to borrow money. Either way, it is obvious that the local Orphan Chamber was no longer important for entrepreneurs in the second half of the seventeenth-century.

The meaning of *weesmeesterkennissen* for entrepreneurs in the first half of the seventeenth-century was much like annuities registered by the city Aldermen in the 1630s. Entrepreneurs in fishing and shipping not surprisingly appeared frequently before the magistrates of the Orphan Chamber. A direct example of entrepreneurs from fishing who used credit of the Orphan Chamber are the *bewindhebbers* of the Nordic Company of wale fishing (see chapter one). Some of the *bewindhebbers* of the chamber of Enkhuizen did appear before the *weesmeesters* in 1618 and 1619.²¹⁵ These annuities clearly specified their function which implies that these *bewindhebbers* borrowed money from the Orphan Chamber in their function as directors of the local chamber of the Nordic Company. The annuities were therefore used for the financing of the Nordic Company of whale fishing.

Like the VOC chamber of Enkhuizen the chamber of the Nordic Company must have faced periods of liquidity strains. The fishing grounds were relatively far away and the chambers had to finance their operations completely on their own. In August of 1618 the *bewindhebbers* borrowed a total of fl. 2.700 for the financing of the company. In September of the next year they took out another 6.000 guilders. These annuities roughly matched the expeditions of the Nordic Company. In 1618, 23 ships were sent out to Spitsbergen and in 1619 eleven.²¹⁶ Already in 1620 the Nordic Company redeemed these annuities. This indicates that the proceeds of the expeditions of 1618 and 1619 probably were utilized to redeem these loans, and also that these annuities had served as a short-term financing option to resolve temporary liquidity constraints.

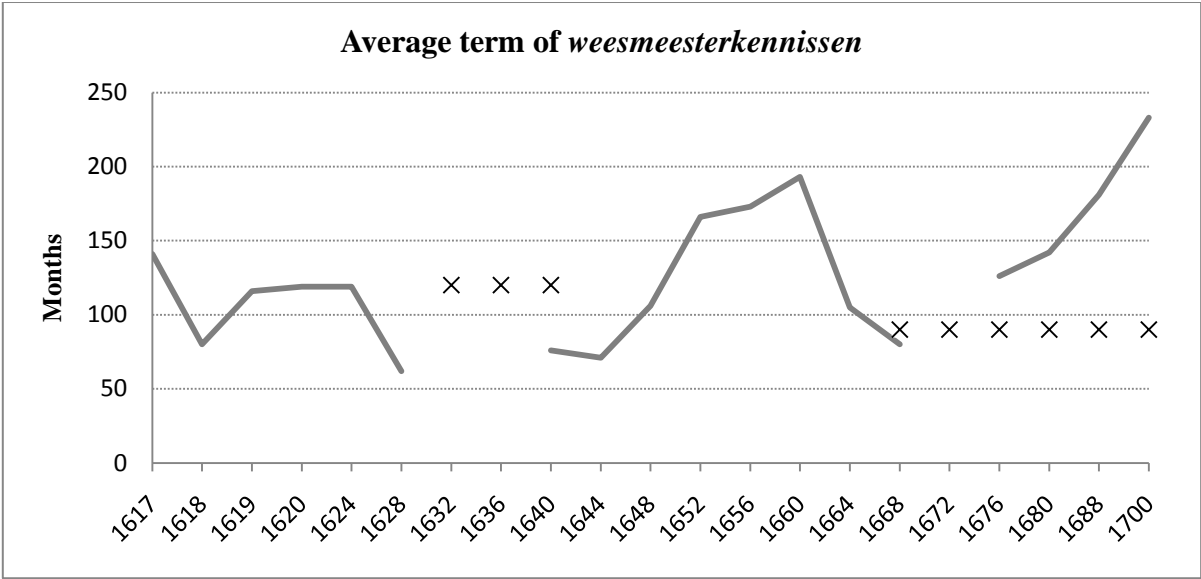
However, the relatively large amount borrowed by the Nordic Company seems to have been an exception. Generally it seems that the *weesmeesterkennissen* before 1650 were primarily used by small craftsmen from the fishing and shipping industry together with similar craftsmen from all sorts of branches. Entrepreneurs from the sector fishing and shipping were captains, shipwrights, coopers and several captains active in inland shipping. Entrepreneurs from this sector seem to have preferred credit of the Orphan Chamber over annuities registered by the city Aldermen. The number of people of various crafts who borrowed from the Orphan Chamber was also higher compared to the annuities registered by the Aldermen. This was a diverse sector but it was, like the Aldermen annuities, dominated by small craftsmen. Pedlars, shoemakers, lock makers, blacksmiths, grinders and knife makers

²¹⁵ WFA, Oud-rechterlijk Archief, inv. no. 5022, fol. 65v, 66r, 67v, 68r, 99r-v.

²¹⁶ Muller, *Geschiedenis der Noordsche Compagnie*, p. 109.

are some of the occupations that show up in the *weesmeesterkennissen*. These small craftsmen borrowed amounts similar to the Alderman annuities. Occasionally a somewhat more sophisticated or capital intensive occupation appeared, such as a book printer, soap maker, surgeon or a notary. Millers and bakers not only appeared regularly before the Aldermen, they were also eager to take out annuities before the *weesmeesters*. Of the 60 debtors in the category food and beverages in the first half of the century, 39 were either baker or miller.

Like the annuities registered by the Aldermen, when a *weesmeesterkennis* was redeemed the annuity would be crossed out and the date of settlement was added in the margin. The *weesmeesters* were more meticulous in registering when a loan was redeemed than the Aldermen. Because the Orphan Chamber acted as official intermediary it is logical that they watched their investments more closely than the Aldermen, who only served for administration. Until 1620 we can analyze the term of more than 70 per cent of all the issued annuities. After 1620 this percentage declined, but for 1644 we have all the dates of settlement. The years 1632, 1636 and 1672 are excluded because here respectively only 44, 29 and 16 per cent of all annuities included a date of settlement. The crosses in graph 2.4 stand for the average term of annuities registered by the city Aldermen (over the complete two periods).²¹⁷



Graph 2.4 Source: WFA, inv. no. 5022, 5023, 5024, 5025, 5026.

Annuities issued by the Orphan Chamber did not serve as short-term credit. During the years 1617-20, when these annuities were at their most popular, the average term was 114 months. Interestingly, during the period of 1628-44 the average term dropped. This was during a period in which also less annuities were issued. In 1656 and 1660 the term again increased. And when the value of annuities dropped in 1664 and 1668 the term was again shorter. Because of their different character *weesmeesterkennissen* were evidently not used as a form of concealed supplier credit as some annuities registered by the Aldermen.

²¹⁷ Only years in which at least 50 per cent annuities listed a date of settlement have been included. Because annuities registered by the Aldermen do not include as many dates of settlement as the *weesmeesterkennissen* a likewise analysis is not feasible. For the spread of terms of annuities registered by the Aldermen see Appendix C.

By and large it seems that during periods in which *weesmeesterkennissen* were relatively popular the average term increased. During periods of economic boom, before 1650 and especially before 1630, the average term was relatively long. This is perhaps not what we might expect. We would expect the term to be shorter in period of economic prosperity because borrowers were better able to redeem their loans. The longer term at the end of the century can be explained. During this depression the main group of borrowers, widows and housewives, probably held on to an annuity for a long period to sustain in their daily needs.

The term of these annuities indicates their use for the financing of small scale enterprises. Unlike the larger amounts borrowed by the Nordic Company, smaller amounts were redeemed after a longer period of time. The correlation between principal and term in the period 1617-50 is negative ($r(275) = -0,1481$; $p = 0,013$). This means that annuities with a smaller principal had a relatively longer term than annuities with a higher principal. This holds true for the years 1617-20 as well ($r(176) = -0,1497$; $p = 0,046$). In the period after 1650 no significant relation is found between principal and term of annuities. The use of annuities for the financing of small-scale businesses seems to have come to an end from the second half of the seventeenth-century, as is also shown by table 2.3.

At first hand it seems surprising that smaller annuities took longer to redeem in periods of economic boom. But on the contrary, the longer term of annuities together with the large number of entrepreneurs who used *weesmeesterkennissen* provides further proof for the argument that these annuities were used to finance businesses during 1617-50. Table 2.3 and the previous section already showed that most borrowers before 1650 were relatively small-scale craftsmen. These entrepreneurs took out reasonably small sums for the financing of their business. Entrepreneurs did want to profit from periods of economic boom by pledging the surplus value of their real estate as collateral, but were unable or unwilling to redeem *weesmeesterkennissen* relatively quickly. They used annuities and *weesmeesterkennissen* as a means to convert assets in cash. In this way both types of annuities could be used as starting capital for businesses. Given the relatively small profits and the scarcity of coin, it is understandable that these entrepreneurs were not able to redeem their annuities at relatively short notice. They paid interest as a premium for ready cash holdings. Given the liquidity strains prominent in business, and especially in the crafts, it is conceivable that these craftsmen held on to their loans for quite some time to resolve their frequent liquidity problems.

Weesmeesterkennissen were relatively attractive from 1616-20, which indicates that the use of annuities for entrepreneurs might have been somewhat higher in the first two decades of the seventeenth-century. But like annuities registered by the Aldermen, *weesmeesterkennissen* only were attractive to a small number of entrepreneurs. The advantage of ready cash without the need to look for a creditor did not cause them to be more widely used than other forms of loans. This may have been caused by presumed limited cash-supply of the Orphan Chamber or because the Orphan Chamber chose to invest in other types of securities (see chapter three). And maybe entrepreneurs still appreciated privately contracted loans over *weesmeesterkennissen*.

Even if we use the most positive estimate, the number of entrepreneurs that used both types of annuities was low. If it is assumed for instance that the annuities registered by the city Aldermen were as much as twice as popular as the *weesmeesterkennissen* in their most

popular year, the estimate of entrepreneurs would be as follows. The highest number of issued *weesmeesterkennissen* was 65 in the year 1619. Of these 65 an estimate of 52 would have been an entrepreneur (82 per cent). It might have been that entrepreneurs appeared relatively more frequently before the Aldermen in the 1620s than they did in the 1630s, so the percentage of entrepreneurs among borrowers might also have been 82 per cent during the 1620s. The number of entrepreneurs that took out an annuity before the Aldermen then would have been 104 - two times the number of the Orphanage Chamber. Using this positive estimate, the *total* number of annuities taken out by entrepreneurs in Enkhuizen around the 1620s was as low as 156. This number represents only a little more than ten per cent of all entrepreneurs in Enkhuizen during this period of economic prosperity. Given in mind that this is an optimistic estimate it is clear that - even though entrepreneurs were the largest users of annuities in the first half of the seventeenth-century - in general entrepreneurs only occasionally resorted to this type of credit instrument.

When the economic situation deteriorated from the 1650s the percentage of entrepreneurs became even lower. The number of entrepreneurs in Enkhuizen almost certainly dropped as well, which makes it difficult to tell if the percentage of entrepreneurs who used annuities was also lower than in the 1620s. Nevertheless, it is likely that the number of entrepreneurs who took out an annuity declined more than the total number of entrepreneurs in Enkhuizen. In 1680 the Aldermen and Orphan Chamber together registered only eleven annuities of which as little as five were taken out by entrepreneurs.²¹⁸ Enkhuizen still had some 14.000 inhabitants in 1680.²¹⁹ The number of entrepreneurs that used annuities had therefore dropped relatively more than the population.

Conclusion

Not all entrepreneurs in Enkhuizen needed to borrow to finance their enterprises. Like Egxkens has shown, merchants active in shipping and trade predominantly used partnerships for financing. Sometimes a larger company resorted to annuities, but this was the exception rather than the norm. Moreover, a lot of entrepreneurs probably could rely on using retained earnings for financing. Especially relative rich merchants could employ the often huge profits of trade to further finance their operations. The smaller Enkhuizen entrepreneur, such as the local baker, seems to have resorted more to borrowing. His lower profits, lower earnings and larger involvement in supplier chains caused this entrepreneur to be more reliant on extended credit. If he took out a large sum for his business it also took a long time for him to redeem it. Consequently, these smaller entrepreneurs had to weigh their options on the local credit market carefully. Publicly registered credit was not the first choice for these entrepreneurs. Privately contracted loans and supplier credit in all probability formed the two pillars on which the financing of the seventeenth-century Enkhuizen entrepreneur rested. Although annuities were somewhat more widely used in the first quarter of the century, the Enkhuizen entrepreneur seemed perfectly able to conduct loans himself. They also did not feel the need to register them before a town official. Entrepreneurs such as the baker Maertenszoon extended credit to his employees and on the other hand depended on supplier credit. Others

²¹⁸ The relative share of entrepreneurs in annuities in the second half of the century, if the category 'unknown' is removed was 44,4 per cent for the Orphan Chamber and 43,8 per cent for annuities registered by the Aldermen.

²¹⁹ Willemsen, *Enkhuizen tijdens de Republiek*, p. 99.

were able to borrow from people from all sorts of places. Only those that did not have the options of privately contracted credit seem to have resorted to using annuities. As debtor and creditor were less acquainted, they felt the need to register a loan before the Aldermen. Other entrepreneurs avoided the trouble of finding a creditor and went to the Orphan Chamber directly. But annuities registered by the Aldermen required intermediation to find a creditor and borrowing from the Orphan Chamber depended on the cash-supply of the estates deposited at the Chamber, and the investment strategy of the Orphan Chamber. As a result both types of annuities were not often used.

3. Opportunities for investors: intermediation and other securities

In all cases successful borrowing on the credit market of Enkhuizen was influenced by relations with creditors. Some borrowers used family and kin, while others needed the more impersonal side of the market for credit. Intermediation was therefore at all times of vital importance for borrowing. This could be intermediation by family, but also more impersonal forms of intermediation, such as the Orphan Chamber, who intermediated between deposited estates and demand from borrowers. And in all times were borrowers dependent on the supply of other securities on the financial market of Enkhuizen. Family and friends could also invest in public debt and the Orphan Chamber could do likewise. Consequently, the Enkhuizen entrepreneur operated on a large market for credit where he had to compete with other borrowers. The securities listed in the *Staatboeken* already illustrated this broad market for credit. This chapter will look at how intermediation functioned to link borrowers and creditors, and will exemplify which other investment options were available for the Enkhuizen investor. This will illustrate the broader market for credit in Enkhuizen of which the local entrepreneur was part. By looking at the investment strategy of the Orphan Chamber, financial intermediation will be analyzed as well as investors' options. By using after-death inventories of the *Staatboeken*, the market for credit will be treated from the viewpoint of the creditor. Which other options did they have besides extending credit to individuals?

3.1 Intermediation

Brokerage is one of the most interesting aspects on early modern financial markets because of its intermediating function. Early modern credit, like present day credit, always involved the risk of creditworthiness. For an individual investor it was a difficult task to establish if a debtor could repay his debt, especially if he did not know the debtor well enough. Debtors on the other hand could experience difficulties in finding someone willing to borrow money. Brokers could resolve these problems of asymmetric information. Because a broker was constantly active on the financial market he was able to find creditors willing to loan money. In an ideal financial market brokers filled the gap between supply and demand and offered a safeguard for asymmetric information.²²⁰ This intermediation in turn could lower transaction costs because debtors and borrowers could more easily conduct a loan.

How important were brokers on the financial market of Enkhuizen? Because brokers primarily served as intermediaries there is little information left on their activities. But their number was probably low in Enkhuizen. The main source is the ordinance on brokerage of 1639.²²¹ In this year the brokers of Enkhuizen complained before the magistrates that their salary was insufficient to uphold their activities. It was even too low to provide sufficient income for their families.²²² In 1622 the brokers had already complained before the magistrates that they often did not receive their salary after an auction.²²³ From 1639 the occupation of broker was to be regulated in a guild-like structure. Thus, they only became

²²⁰ P. L. Rousseau and R. Sylla, 'Financial Revolutions and Economic Growth: Introducing this EESH Symposium', *Explorations in Economic History*, Vol. 43 (2006), p. 5.

²²¹ *Handvesten, Privilegien, Willekeuren ende Ordonnantien der Stadt Enchuysen*, pp. 269-74.

²²² *Ibid.*, p. 271.

²²³ WFA, Oud-archief Enkhuizen, inv. no. 253, p. 370.

regulated near the end of the period of economic growth of Enkhuizen. There was one dean, two assisting functionaries (*overlieden*) and five treasurers (*busmeesters*). Brokers had to be officially appointed by the local magistrates and had to be inhabitants with city rights of Enkhuizen (*poorter*).

According to this ordinance, Enkhuizen brokers could be active in all sorts of branches related to trade. Some examples are wages for buying salt, buying goods from Asia, conducting marine insurance and negotiating the sale of VOC shares or bonds such as obligations or *renten*. The costs of their financial intermediation was relatively low. Intermediation in annuities, bonds or other loans cost four *stuivers* for every 100 guilders; 0,2 per cent of the principal. Registering the transfer of a VOC share before the clerks of the Enkhuizen chamber cost twelve *stuivers* per share.²²⁴ Most of Enkhuizen shares valued between 500 and 2.500 guilders, so these transaction costs were comparable.²²⁵ A broker could also intermediate in the transfer of a VOC share. This cost ten *stuivers* per 100 guilders.²²⁶

Nonetheless, brokers were not of significant importance on the credit market of Enkhuizen. Only two entries in the ordinance of 1639 refer to financial intermediation. All the other posts, more than a hundred, relate to intermediation in trade, such as negotiating in sales, establishing freight contracts or acting as proxy. The relatively low premium for their financial services might also be an indication that their services were not much needed on the financial market. Theoretically, on an efficient financial market intermediation costs are low because borrowers and debtors can find each other relatively easily. Investors might not have needed the financial services of brokers, and as a result brokers had to lower the price for their services. Either way, by the end of the century brokerage had become a marginal profession. In 1671 the magistrates of Enkhuizen already lowered the number of brokers to only five.²²⁷ In January 1695 the brokers petitioned to decrease their number to three, possibly because five was too much on this depressed market.²²⁸ The magistrates decided a couple of days later to partly meet their demands and reduced the number of brokers to four.²²⁹

The relative unimportance of brokerage is also proven by the abundant use of private credit in the previous chapter. For instance, Hendrick Egxkens did not need brokers to take out loans. On the contrary, he might have even acted as an unofficial broker for others. Other inventories also showed the profuse use of private and supplier credit, taken out with relatives and friends. Even more, those who were not able to do so could also take out a loan directly at the Orphan Chamber. The low number of annuities registered by the Aldermen might also be an indication that brokerage was relatively unimportant. These annuities were primarily established between people who were not related. In all probability, brokers served only those who could not rely personal relations to take out a loan themselves. Brokers therefore most likely served the same group of people that took out loans before the Aldermen of Enkhuizen. They were less connected and needed intermediation to find a creditor, and their creditors

²²⁴ Pieter van Dam's *Beschryvinge van de Oostindische Compagnie* (Den Haag, 1927), consulted at <http://www.inghist.nl/retroboeken/vandam> (21-6-2010), p. 383.

²²⁵ See chapter four.

²²⁶ *Handvesten, Privilegien, Willekeuren ende Ordonnantien der Stadt Enchuysen*, p. 272.

²²⁷ WFA, Oud-archief Enkhuizen, inv. no. 1956 (16-1-1671).

²²⁸ *Ibid.* (8-1-1695).

²²⁹ *Ibid.* (12-1-1695).

required a more registered form of debt to safeguard their claim. If registered loans by brokerage were important, we would expect the annuities registered by the Aldermen to have been much higher. As we have seen, this was not the case.

For the same reason local notaries did not serve as financial intermediaries as well. Although notaries could register private bonds, transfers of bonds, bills of exchange and other financial dealings, their role as intermediaries was relatively unimportant. Moreover, in inventories of the Orphan Chamber explicit references to notarial bonds only show up from 1650.²³⁰ In the consulted after-death inventories drawn by notaries, bonds conducted before a notary also do not appear before 1650. The first reference to a notarial bond here is found in the inventory of Stevenszoon in 1651.²³¹ The next notarial bond in these inventories is from 1669.²³² A look at different ledgers of Enkhuizen notaries in the period 1580-1640 also indicates that bonds were only rarely conducted before a notary. Loans conducted before an Enkhuizen notary in almost all cases were a form of supplier credit. For example, a debt from an Enkhuizen soap-boiler to a merchant in textile for deliveries of *laken*, or different debts out of the sale of herring.²³³

By far the largest part of contracts registered before Enkhuizen notaries related to either civil affairs (marriage and wills) or trade. The latter were for instance numerous bottomry loans, sales of ships, freight contracts and procurations. These findings are consistent with notarial deeds of people from Enkhuizen who appeared before Amsterdam notaries.²³⁴ These deeds also regarded primarily freight contracts and bottomry loans. Bonds from inhabitants of Enkhuizen which have not been conducted to settle a supplier credit only appear incidentally both in Enkhuizen and Amsterdam. It is very likely that notaries from Enkhuizen did not play an important role in bringing lender and borrower together or in registering individual credit. Like brokers, their role as intermediaries on the Enkhuizen credit market was marginal at best.

3.2 *The Orphan Chamber as intermediary*

Because the Orphan Chamber was obliged to invest money of the deposited estates, it acted as a financial intermediary and large-scale investor on the financial market of Enkhuizen. It linked debtors and creditors, and as investor at times switched to other forms of securities besides *weesmeesterkennissen* to make more profits, and diversify the portfolio's of the estates. Because the actions of the Orphan Chamber can be analyzed more structurally than those of brokers or other investors, they tell a lot about the available techniques and the available securities on the financial market of Enkhuizen. Consequently, the dealings of the Orphan Chamber greatly help to illustrate and analyze the credit market of Enkhuizen, a market that also the Enkhuizen entrepreneur needed for credit.

In some years the credit supply of the Orphan Chamber was limited, because the *weesmeesters* could only invest the value of the estates of orphans. In years when few estates were deposited the chamber was simply limited in offering credit. Although it is not possible

²³⁰ WFA, Oud-rechterlijk Archief, inv. no. 5046, p. 112.

²³¹ Ibid., Oud-notarieel Archief, inv. no. 985, deed no. 304, fol. 290r-294v.

²³² Ibid., inv. no. 1156, fol. 117r-119r.

²³³ Ibid., inv. no. 815, deed no. 285; inv. no. 847, deed no. 101; inv. no. 975, deed no. 65.

²³⁴ GAA, entry no. 30452, inv. no. 256, 257.

to analyze the number of estates deposited at the Orphan Chamber, there are indications of *weesmeesters* struggling to find money for the issuing of annuities.²³⁵ In the margin of a *weesmeesterkennis* the specific number of the estate that provided the credit is always noted down. This enabled the *weesmeesters* to quickly find the corresponding estates in their administration when interest was paid or when the loan was redeemed. These numbers show that the Orphan Chamber at times experienced difficulties in finding enough money, and it shows one reason for the limited offering of annuities in some years.

In the period 1617-20 each annuity contained only one number noted down in the margin. In other words, these annuities were issued by using a single estate. In the 1630s six of the 41 analyzed annuities already had more than one number in the margin. The Orphan Chamber thus incidentally resorted to using more estates for the issuing of one annuity. In 1640 and 1644 almost half of all annuities were issued by using more than one estate. In 1648, when the total value of issued annuities increased, only one annuity used more estates. The *weesmeesters* still faced some difficulties this year. One annuity had to be seriously altered in the margin because the estate proved insufficient ('*manquement van penningen*').²³⁶ Not surprisingly, more estates were used in 1652, and in 1656 and 1660 annuities were again issued by using predominantly a single estate.²³⁷ The number of estates addressed in annuities thus closely corresponded with the total value of issued annuities (see graph 2.3). This indicates that the Orphan Chamber had a maximum credit supply. This also shows that the Orphan Chamber indeed acted as a sort of bank. It carefully sought money to invest in securities, and tried to make profits on the financial market of Enkhuizen. By doing this, the Orphan Chamber also acted as intermediary between creditors (the heirs of the estate) and debtors. Figure 3.1 is an example of a *weesmeesterkennis* that used different estates.

²³⁵ Although this chapter speaks of the 'issuing' of annuities by the Orphan Chamber, it has to be remembered that the Orphan Chamber did not issue loans themselves. They acted as intermediaries on behalf of the estates. It was not their capital that was invested.

²³⁶ WFA, Oud-rechterlijk Archief, inv. no. 5023, fol. 228v.

²³⁷ There still were some annuities that used insufficient estates. An annuity from September 2, 1656 was later prescribed to the heirs of Jacob Maertenszoon Vesterman because the estate that was first used proved insufficient. *Ibid.*, inv. no. 5024, fol. 87v.

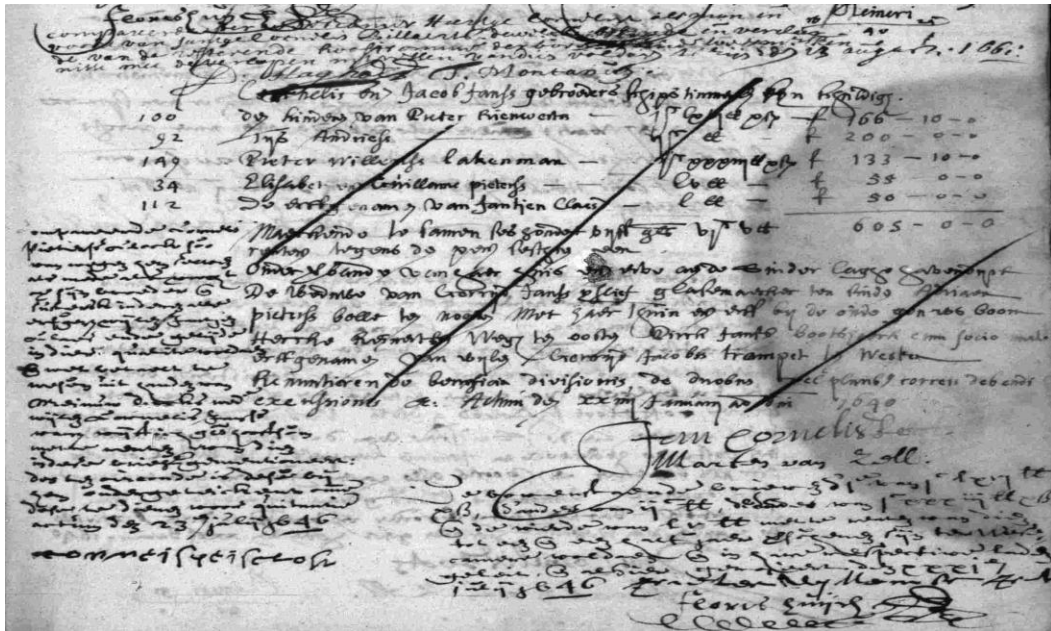


Figure 3.1 A *weesmeesterkennis* from 1640 that illustrates the use of separate estates for the financing of one annuity (the numbers left in the margin). Five estates were used to finance a loan of fl. 605. The text in the left and at the bottom relates to the repayment of the principal. In this case the loan was redeemed in July 1646. Source: WFA, Oud-rechterlijk Archief, inv. no. 5023, fol. 143r.

The almost complete disappearance of issued *weesmeesterkennissen* from 1668 cannot entirely be explained by limited credit supply only. For one, the decline is too large compared to the period 1640-64. Also, the issued annuities in the period 1668-1770 never used more than one estate, which indicates that credit supply was no longer such a problem as it at times had been during the previous period. This drop in issued annuities relates to the second reason why the Orphan Chamber was arguably less important for private credit than the local Aldermen: the Orphan Chamber had other investment options. Like an individual creditor the aim of the Orphan Chamber was to enlarge its investments. As such, it did not at all times have to resort to annuities exclusively. Although the ordinance of 1616 prescribed investments in either *renten* or land, the Orphan Chamber increasingly followed a more broadly investment policy during the seventeenth-century. Like a bank, it sought to enlarge its profits and spread its risks by investing in different kinds of securities.

The disadvantage of the ledgers of the annuities is that they only show which part of an estate was invested in annuities. Other types of securities do not show up. However, scattered evidence of the financial management of different estates does show the Orphan Chamber investing in public debt securities (public annuities and bonds) but also in private bonds. For instance, in 1698 the *weesmeesters* registered which estates had invested in a public annuity of the city of Enkhuizen. This annuity of fl. 1.800 was financed by nine separate estates.²³⁸ A likewise piece of scratch paper from 1709 shows that the *weesmeesters* also invested in privately contracted bonds. They had bought a bond of fl. 425 from a local

²³⁸ WFA, Oud-rechterlijk Archief, inv. no. 5019.

broker for a brokerage fee of one guilder.²³⁹ And in 1668 the *weesmeesters* settled an annuity already after a week because they had decided to invest in something else.²⁴⁰

Inventories of the estates of orphans also confirm that the Orphan Chamber not only issued *weesmeesterkennissen* on behalf of the orphans, but invested in VOC bonds and public debt securities as well. One example is illustrative for these investment strategies. The estate of Jacob Granaat of 1680, assigned to his sister Geertruijt Granaat, contained different securities.²⁴¹ The securities owned at time of death were: one bond issued by the *Proveniershuis*, a remainder of a privately contracted debt, a notarial bond, a VOC bond and two public debt bonds (*obligaties*). The total value of these securities was fl. 7.214. How did the Orphan Chamber manage the further investments of this estate? Five *weesmeesterkennissen* were issued on behalf of this estate valuing fl. 1.175. The rest was invested in public debt annuities (fl. 3.550), one bond issued by the Admiralty of Holland (fl. 1.250) and one privately contracted debt of fl. 800 ('capitale leninge'). Only fl. 1.175 of the total fl. 6.775 was invested in *weesmeesterkennissen*. There are numerous other examples of estates that were predominantly invested in other securities than *weesmeesterkennissen*.

Looking again at Hendrick Egxkens confirms the view of an elaborate investment strategy of the Orphan Chamber. As we have seen, Egxkens left considerable assets at time of his death in 1610. After he had passed away, the Orphan Chamber invested his money in different securities. Closely following the rapidly emerging market of Enkhuizen VOC bonds, the Orphan Chamber bought a VOC bond of the Enkhuizen chamber in September 1617 on behalf of the estate, valuing fl. 375.²⁴² The heirs probably wanted to maintain the foothold Egxkens already had had in VOC capital. For this reason the Orphan Chamber had also transferred his invested capital in the company of the Veertien Schepen (worth fl. 4.749) into another VOC bond of Enkhuizen in 1612, worth fl. 4.750.²⁴³ As the next chapter will show, a broad local market for VOC bonds of Enkhuizen only appeared around 1615. It is no surprise that the Orphan Chamber, as an investor, followed these new developments on the financial market closely.

Other investments on behalf of this estate reveal that public securities were not plentiful or sought after on the credit market of Enkhuizen around 1610 – a view that was already confirmed by the low number of public securities in the inventories of the Orphan Chamber of 1610 (see graph 2.1). In 1618 two private annuities were bought with a total value of fl. 1.250. Again in 1623 did the guardians invest in a private annuity, this time worth fl. 700. Interestingly, this shows that assets were also invested in other forms of private annuities instead of *weesmeesterkennissen*. Thus, heirs or guardians could also appear before the Aldermen to invest money of the estate. But probably this only happened rarely. In the period 1630-34 only five heirs appeared before the Aldermen to act as creditors on behalf of an estate.²⁴⁴

²³⁹ Ibid.

²⁴⁰ Ibid., inv. no. 5026, fol. 4r.

²⁴¹ Ibid., inv. no. 5047, fol. 97r-99r.

²⁴² Ibid., inv. no. 5044, fol. 234v. To double check this entry, which is hard to read, also the financial ledger of the VOC chamber of Enkhuizen has been consulted. In this ledger this loan also appears. NL-HaNA, entry no. 1.04.02, inv. no. 14854, pp. 667, 839.

²⁴³ This bond also appears in the financial ledger of the chamber of Enkhuizen. Ibid. (journaal), p. 380.

²⁴⁴ See Appendix C.

The Orphan Chamber still appreciated *weesmeesterkennissen* around the 1620s. This already showed in the total value of their annuities, but also in the fact that the Orphan Chamber issued an annuity on behalf of the heirs of Egxkens of the considerable sum of fl. 6.068 in 1621. The last investment of the guardians was done with the amount that Claes Egxkens suddenly had redeemed in 1634.²⁴⁵ The guardians chose to combine this amount (fl. 912) with the (by now partly redeemed) VOC bond of 1617, into a new VOC bond with a value of fl. 1.171.²⁴⁶ These examples demonstrate that the Orphan Chamber can be regarded as an individual investor, carefully weighing its options on how and where to invest the money of the estates. The Orphan Chamber was very much aware of conditions on the local credit market. Even more, the Orphan Chamber, as a large-scale investor, even provided the local chamber of the VOC with large amounts of capital during the first years that the chamber was active on the financial market.²⁴⁷

3.3 The individual investor

The drop in the issuing of *weesmeesterkennissen* and the increasing investment in public debt securities of the Orphan Chamber does imply that, if the Orphan Chamber is in any way representative, also other individual creditors gradually might have turned away from investing in publicly registered private credit to investing in public debt issues. The difference in the value of annuities registered by the Aldermen between 1630-34 and the last quarter of the seventeenth-century might be an indication of this shifting pattern. The large fall in the issuing of *weesmeesterkennissen* supports this view as well. It cannot be denied that publicly registered private credit was of little importance to the Orphan Chamber from approximately the second half of the seventeenth-century. Does this switching investment strategy relate to broader switching conditions on the financial market of Enkhuizen?

The *Staatboeken* of the Orphan Chamber can reveal what other options there were on the credit market of Enkhuizen. In the previous chapter this source already showed the abundant use of privately contracted credit in some of the benchmark years. Moreover, these were probably an under-representation because of the conservative investments of guardians. But the *Staatboeken* also showed some remarkable differences in the ownership of different types of securities. A closer look at these estates will illustrate other options for creditors on the financial market of Enkhuizen.

However, the inventories found in the *Staatboeken* cannot be called representative for a number of reasons.²⁴⁸ The archives of the Enkhuizen Orphan Chamber contain relatively few inventories compared to the Orphan Chambers of Leiden and Delft.²⁴⁹ The mortality rate in Enkhuizen was around 700 annually until ca. 1680.²⁵⁰ If seven percent of these resulted in inventories (as in Delft), the total number of inventories would have been around 50. The Enkhuizen Orphan Chambers drew up the most inventories in the benchmark year 1630 when nine inventories were drawn up. Also, the difference between investments of the guardians and the earlier investments of the owner of the estate can often not be separated. And because

²⁴⁵ See chapter two.

²⁴⁶ WFA, Oud-rechterlijk Archief, inv. no. 5044, fol. 235r.

²⁴⁷ See chapter four.

²⁴⁸ For a further discussion of this source see Appendix A.

²⁴⁹ T. Wijsenbeek-Olthuis, *Achter de Gevels van Delft* (Hilversum, 1987), p. 87.

²⁵⁰ Willemsen, *Enkhuizen tijdens de Republiek*, p. 178.

guardians invested in relatively safe securities, the securities listed in the inventories are not representative. Another shortcoming of the *Staatboeken* is that they over-represent the more wealthy estates, given that smaller estates must have been largely unable to invest.²⁵¹ This also explains the relatively low number of estates in the *Staatboeken*. The smallest amount of total investments of an estate was around fl. 600, but the value of total investments often was above fl. 2.000. Since even the smallest total investment was fl. 600, the total assets of the analyzed estates must have been relatively high. Nonetheless, the *Staatboeken* are the best source available, to analyze the financial market of Enkhuizen from the viewpoint of the creditor. Like the investments of the Orphan Chamber, they reveal a broad and sophisticated financial market where supply and demand closely interacted.

The image shows a handwritten inventory page from 1609. The page is divided into several sections by horizontal lines. At the top right, there is a block of text providing estate information: 'Substantie van de goederen, lastigevoerd, sijn... 1609'. Below this, the word 'Sijner' is written in the center. The main body of the page contains four entries, each with a description of a security and numerical values in columns. The entries are as follows:

Security Description	Principal	Interest	Other
200 guldens, sijn... (partially illegible)	200	14	—
45 guldens, sijn... (partially illegible)	45	3	3
350 guldens, sijn... (partially illegible)	350	—	—
150 guldens, sijn... (partially illegible)	150	10	10

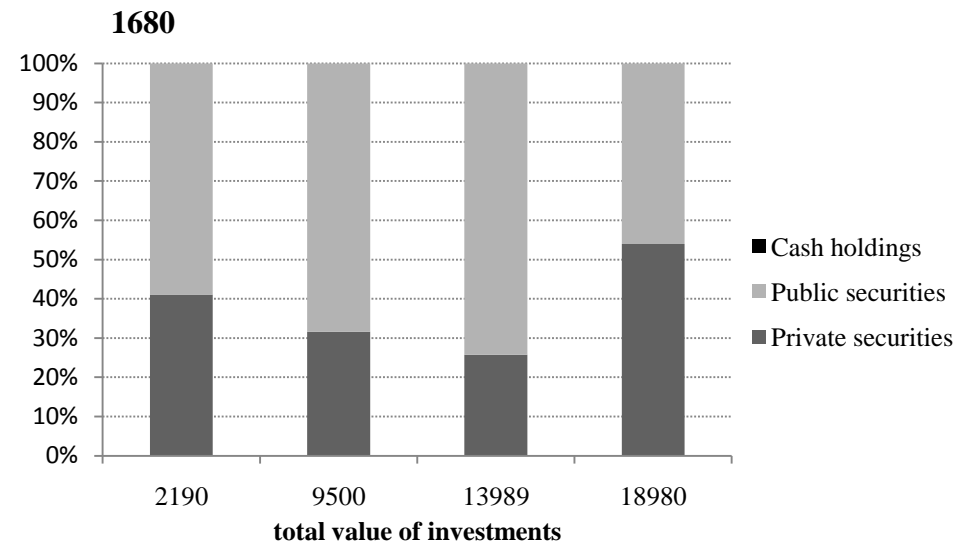
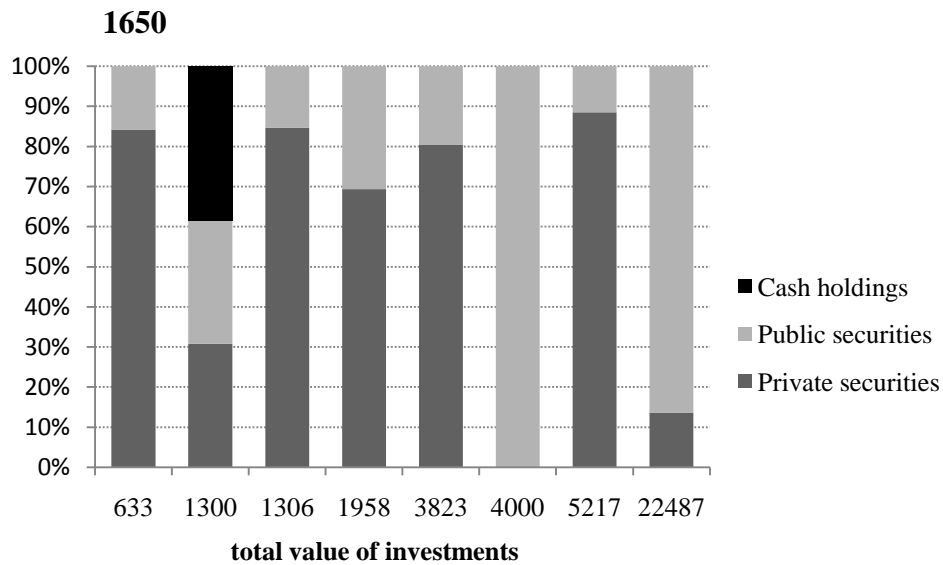
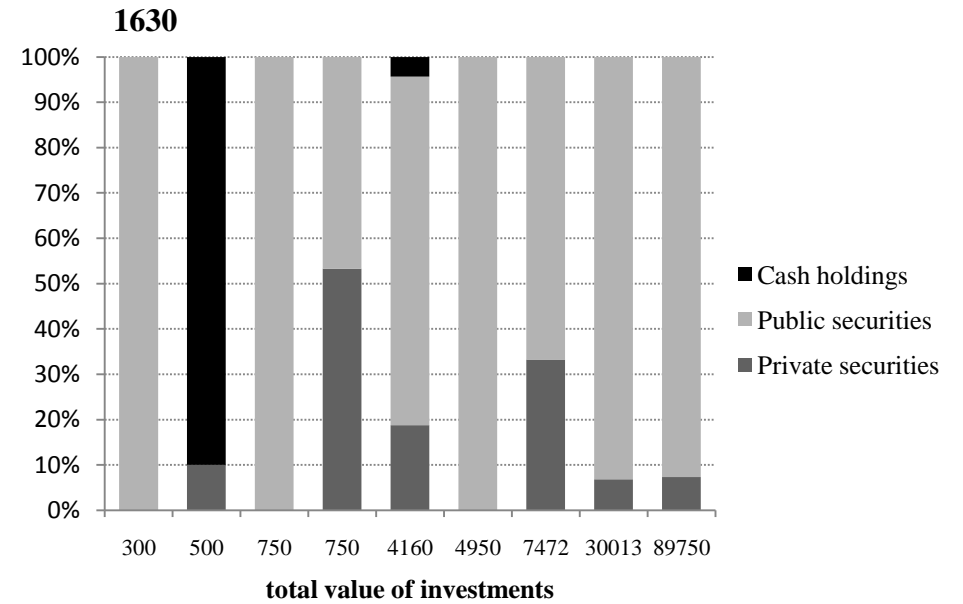
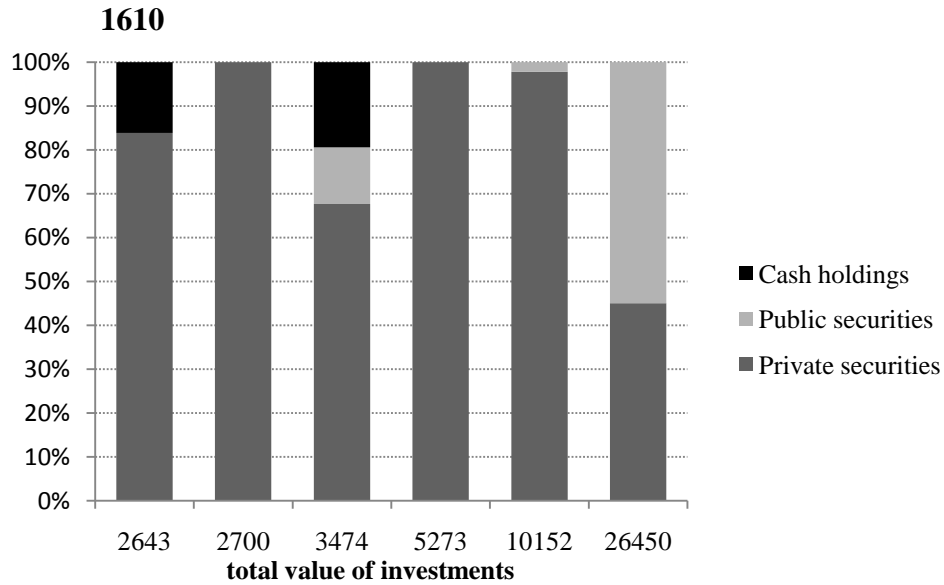
Figure 3.2 The title page of an inventory from 1609 in the *Staatboeken*. In the upper right corner some sparse information on the estate is given. Below the securities are listed. In this case the inventory lists four privately contracted *obligaties* on the first page. The first amount next to the security is the principal. The second and third amount often relate to the interest, but sometimes also to the principal. The number in the top left refers to the estate, like the numbers in the margin in figure 3.1. Source: WFA, Oud-rechterlijk Archief, inv. no. 5044, fol. 42r.

²⁵¹ Wijsenbeek-Olthuis, *Achter de Gevels van Delft*, p. 88.

The dataset of the *Staatboeken* consists of around 300 debt titles, both public securities and private credit derived from 26 inventories. In each benchmark year all inventories of the Orphan Chamber have been analyzed. The distribution of inventories over the benchmark years is as follows: six in 1610, nine in 1630, eight in 1650 and four in 1680. It is not possible to give more details on the specific inventories besides looking at their investments. The inventories only list investments and, besides the inventory of Egxkens, do not list debts. Also, occupations are hard to find. It is even difficult to read the names of some of the deceased because of the bad condition of the source. Overall, other information besides investments cannot be given because of little information on the estate (see figure 3.2). However, the investments themselves are described relatively extensive. The type and principal is always registered, and sometimes the interest as well. In graph 3.1 to 3.4 the individual distribution of securities in inventories is given, ordered by the total amount of the inventory (below the X-axis).

Graph 3.1 to 3.4. Share of private and public securities found in individual inventories of the *Staatboeken*

Source: WFA, Oud-rechterlijk Archief, inv. no. 5044, 5045, 5046, 5047.



In 1610 investors of estates rarely put their money in public securities. The inventory with total investments of fl. 3.474 owned only one VOC share worth 49 guilders and one public annuity issued by the city of Enkhuizen. The larger inventory (of fl. 10.152) only owned one VOC bond of fl. 225. We have already seen that the guardians of Egxkens (the inventory worth fl. 26.450) also invested in some VOC bonds, but primarily invested in private annuities. The large share of public securities in this inventory is caused by the VOC shares he already owned.²⁵² Most securities in the inventories of 1610 concerned private annuities: 54 private annuities were found in a total of 71 private securities.²⁵³ And investing in private annuities was not restricted to the rich only. Every inventory of 1610 owned one or more private annuities. This might indicate that Enkhuizen entrepreneurs may have used this type of debt instrument somewhat more in the first two decades of the seventeenth-century, but the source may also be biased.

In the inventories of 1630 investing in publicly registered annuities had already become less popular. It seems that private annuities were by now replaced with investing in public securities since the large presence of public securities now stands out. Almost every inventory, even the one worth under fl. 1.000, invested in public securities. A closer look at these inventories further illustrates the investment options available and the attractiveness of public securities. The investments of Gaske Pietersdochter were only worth fl. 300.²⁵⁴ Compared to the other inventories her assets were rather meager. But instead of investing her money in private annuities, she invested in public annuities. The only security she owned was an annuity issued by the Estates of Holland, with an interest rate of 6,25 per cent. In comparison, even the smallest estate of 1610 had invested more than 1.800 guilders in private annuities.

Jan Frederijckszoon had invested fl. 750 during his lifetime.²⁵⁵ His investments all were public securities, of which two were life annuities issued by the city of Enkhuizen. These securities, together worth fl. 350, yielded eleven per cent yearly. Life annuities were made out to bearer and paid interest as long as the bearer lived.²⁵⁶ Because of this uncertainty they had a higher interest than normal public annuities (*losrenten*). Life annuities were often taken out on behalf of one or more children. In this way a parent could make sure that his children would receive a steady income after the parent had passed away. And of course, by taking out a life annuity on children the yield was expected to be higher, because the annuity then usually had a longer term. Frederijckszoon had done likewise. His life annuities were taken out on behalf of his daughter Geertgen Jansdochter. She had also inherited the estate of her father. The other two securities of Frederijckszoon were public annuities issued by the Estates of Holland, worth fl. 400. Even people with relatively small assets chose to put their money in securities of Holland.

²⁵² In his inventory the value of his investments in *partenrederijen* are not included, because in other inventories the value of these investment is never given.

²⁵³ See Appendix D.

²⁵⁴ WFA, Oud-rechterlijk Archief, inv. no. 5045, fol. 112r.

²⁵⁵ *Ibid.*, fol. 103r. The securities listed in his inventory do not contain a year, which implies that he already owned the securities at time of death. Moreover, the inventory was already removed from the Orphan Chamber in 1634.

²⁵⁶ J. van Gerwen and M. H. D. van Leeuwen, *Zoeken naar zekerheid. Risico's, preventie, verzekeringen en andere zekerheidsregelingen in Nederland*, Vol. I, *De Rijke Republiek: Gilden, Assurateurs en Armenzorg, 1500-1800* (Den Haag/ Amsterdam, 2000), pp. 90-1.

Following the inventories, it seems that the rich spread their investments somewhat more widely. But they also primarily invested in other types of securities than private loans in 1630. Let's take a look at the by far most wealthy estate of 1630, worth almost 90.000 guilders. This estate was owned by Aeff Pieters Coolmans.²⁵⁷ His occupation is unknown. Coolmans did own shares in *partenrederijen*, but only a few. After his death his estate was managed by the executor Jan Corneliszoon Loots, at the time mayor of Enkhuizen.²⁵⁸ It may well have been that this executor, because of his involvement in the higher classes of society, was better able to diversify the investments on behalf of the inventory. He may also have done this to spread the risks of his investments. All the inventory tells us is that the assets of Coolmans were invested in a wide range of securities. In table 3.1 the investments of Coolmans are listed. At time of his death Coolmans probably owned six public annuities worth a total of around fl. 5.000, and some private claims worth fl. 3.100.²⁵⁹ All the other securities were acquired after 1631. But Coolmans had been active in VOC shares as well. One entry in his inventory specified a VOC share of 300 guilders and stated that this share could be sold with profit.²⁶⁰

Table 3.1 Securities found in the inventory of Aeff Pieter Coolmans.
Source: WFA, Oud-rechterlijk Archief, inv. no. 5045, fol. 105r-108v.

VOC bonds	48.501	VOC share	300
public annuities	31.775	<i>weesmeesterkennissen</i>	450
private claims	3.100	privately contacted bonds	450
private annuities	2.574	bond from Holland	600
bond from the 'directors' ²⁶¹	2.000	<i>Total</i>	<i>89.750</i>

Like Egxkens, this rich investor had some outstanding claims. These were outstanding sums in the purses of other Enkhuizen entrepreneurs (their *buidels*). Public annuities and VOC bonds nevertheless dominated in the portfolio of Coolmans. The executor clearly appreciated public securities over private securities. He had switched from private to public annuities but at the same time kept investing in the local VOC. Private annuities only formed a small part of his investment. It is no surprise that when Loots died in 1634 the future investments were more conservative. The local carpenter Pieter Pieterszoon was appointed as new guardian.²⁶² Whereas Loots had speculated on the financial market, and especially invested in VOC bonds, Pieterszoon withdrew from VOC investments. Instead he issued two

²⁵⁷ WFA, Oud-rechterlijk Archief, inv. no. 5045, fol. 105r-108v.

²⁵⁸ Ibid., fol. 105r; *Namen van alle de Heeren Schouten, Burgermeesteren, Schepenen, Raden ende Vroedschappen, zijnde ten meerendele een vervolg op de Historie van Enchuysen*, t'Enchuysen gedruckt by Egbert van den Hoof (1666), p. 65.

²⁵⁹ These securities do not list a year.

²⁶⁰ WFA, Oud-rechterlijk Archief, inv. no. 5045, fol. 105r. The entry states that 'deese actie tot vaste profijte sal moghen vercoft worden'.

²⁶¹ This was probably a bond issued by the 'Directeuren van de Levantse handel', a company that traded on the Mediterranean. This might be an indication that numerous sorts of bonds were already available on the financial market of Enkhuizen.

²⁶² WFA, Oud-rechterlijk Archief, inv. no. 5056, no. 167.

weesmeesterkennissen in 1647 and 1649, and probably acquired a bond issued by Holland in 1649 as well. Like Loots, he did continue to invest in public securities.

The inventory of 1630 worth fl. 30.013 shared the same enthusiasm for public securities. This inventory, coming from Jantjen Cornelisdochter, predominantly consisted of public securities (fl. 21.313). The rest was again invested in VOC bonds (fl. 6.650). Only fl. 2.050 was invested in private loans, this time two mortgages (*custingbrieven*).²⁶³ Most of the wealthy inventories thus show the same characteristics. In smaller inventories public annuities dominated in the 1630s, and in richer inventories as well. But the latter were also complemented by large VOC investments.

The popularity of public securities can be explained by looking at the issuing policy of public securities of Holland. Whereas Holland had raised large amounts in the form of bonds between 1588 and 1609, after 1609 they converted all bonds and annuities into redeemable annuities.²⁶⁴ In 1618 the whole debt of the northern part of Holland consisted of these annuities complemented by life annuities.²⁶⁵ From 1621, when the war with Spain continued, Holland raised more money by the voluntary purchase of more annuities, complemented by issuing new bonds from the late 1620s.²⁶⁶ In other words, from 1609, and especially from 1621, public securities were more and more available on the financial market of Enkhuizen. The interest rate of 6,25 per cent was comparable to private loans, and maybe even higher.²⁶⁷ Because Holland's debt was funded by provincial tax incomes and the receivers rarely defaulted on interest payments in this period, these securities were highly attractive. They offered a secure store of wealth and a safe investment. And as we have seen, pledging them as collateral could even solve liquidity problems. In times of cash-shortage these securities could easily be liquidated.

The general issuing policy of Holland nonetheless differs somewhat from the type of securities are found in the inventories. The *Staatboeken* are only an indication of public debt ownership. The securities in the *Staatboeken* have to be seen from the point of view of these specific investors. Public annuities were especially suited for those 'with a long time horizon who could afford to hold on to the paper long enough to compensate the penalty on transfer'.²⁶⁸ It is therefore understandable that guardians and *weesmeesters* primarily invested in public annuities rather than public bonds. These investors particularly had a long time horizon and were not inclined to trade annuities on the market. Hence, public debt investments as a whole indeed became more popular from the 1620s, but guardians generally chose not to speculate with bonds but rather invested in long-term public annuities.

Generally, investors had numerous options on the credit market of Enkhuizen in the 1630s. VOC bonds were highly popular in the 1630s, as the local VOC chamber continued to borrow large amounts all during the seventeenth-century. The inventories of 1630 indicate a growing popularity of public securities at the expense of private securities. This might be partly true, but privately contracted loans are under-represented in these inventories. Supplier credit, one of the vital instruments of craftsmen, does not appear in these inventories as well.

²⁶³ Because this inventory looks rather unorganized it is impossible to say when the securities were acquired.

²⁶⁴ Gelderblom and Jonker, 'A Conditional Miracle', pp. 12-4.

²⁶⁵ *Ibid.*, p. 14.

²⁶⁶ *Ibid.*

²⁶⁷ See Appendix C.

²⁶⁸ Gelderblom and Jonker, 'A Conditional Miracle', p. 18.

Even more, the inventory of Coolmans did contain some privately contracted loans together with investments in securities.

The line between investing in public and private securities is not as strict as the inventories therefore might indicate. And the line between investor and creditor might also have been not as strict. Merchants could borrow for their business, and at the same time could own public or private securities, as Olphert Corneliszoon had done in 1673, and first happened already in 1644.²⁶⁹ All we can indicate is that investors had plenty of options for investment on the financial market of Enkhuizen around 1630, and that especially the rich seem to have exploited these opportunities to the fullest. In this period, in which Enkhuizen still prospered, there seems to have been an efficient financial market on which different securities could be acquired with relative ease. Even relative conservative investors like guardians invested in all sorts of securities.

In the inventories of 1650 the balance between private and public securities was different. In private securities, privately contracted *obligaties* now clearly were more prominent than private annuities. This declining use of private annuities has also been demonstrated in the previous chapter. In the inventories of 1650 a total of fourteen private loans were found and only seven *weesmeesterkennissen*. However, ten of the private *obligaties* were found in just one inventory and these were probably issued already before the estate was deposited at the Orphan Chamber. Thus, it seems that investors, like earlier, still used private *obligaties*, but that the guardians maintained their relative conservative investments strategies, and still appreciated public securities over private securities. Public annuities were again the most popular public investment in the inventories of 1650.²⁷⁰

VOC bonds were now only found three times. It seems that only guardians had turned away from investing in VOC bonds. The VOC still had more than ten million guilders in outstanding debts during the 1650s, thus the chamber of Enkhuizen had not stopped issuing bonds.²⁷¹ However, as the next chapter will show, it might have been that this debt became more consolidated by using increasingly the same creditors. And maybe public annuities were now preferred because of their longer term. Based on the inventories, it seems that investment strategies of guardians were somewhat less widespread than in the 1630s. In the 1630 even guardians invested in bonds from exotic companies like the Dutch Levant Company and invested highly in VOC bonds. By the 1650s guardians predominantly turned to safe public annuities. Holland's debt dominated.

This pattern continued in the 1680s. In the few inventories found in this year *weesmeesterkennissen* and public annuities were the most found securities. Only two VOC bonds were found. The only registered share of the Dutch West India Company (WIC) in the inventories was not even a complete share, but only a one-third participation in a share. By now, public bonds had gained some foothold in the investment strategies of the guardians, but public annuities were still more appreciated: a total of eighteen public annuities were registered compared to six public bonds. Interestingly, the Orphan Chamber and guardians by the 1680s again resorted to issuing more *weesmeesterkennissen*, like they had done in the first years after the ordinance of 1616. The *weesmeesterkennissen* in the inventories of 1680 were

²⁶⁹ See chapter two.

²⁷⁰ See Appendix D.

²⁷¹ *Pieter van Dam's Beschryvinge van de Oostindische Compagnie*, p. 448.

worth almost 10.000 guilders on a total private security investment of fl. 17.743. Never before had these securities been of such importance in the inventories. Although the inventories are not representative, they do point towards a more conservative financial market from 1650. Even in 1610 and 1630 did guardians invest in more types of securities.

3.4 Estimating the market for Holland's debt

To get a feeling of the size and availability of public securities of the financial market, an estimation can be made on the size of the Enkhuizen market for public debt issues. Also, because these securities figure relatively predominantly in inventories from 1630, it helps to assess how big this market actually was. This will also illustrate how diverse the financial market of Enkhuizen actually was. Entrepreneurs needed money on this market, Holland needed money, and as the inventories already hinted, the VOC needed a lot of money as well. In the next chapter the size of the market for VOC bonds will be reviewed. These estimations will further help to demonstrate the large financial market of Enkhuizen, and the changing options available for both Enkhuizen entrepreneurs, but also for creditors.

The issuing of Holland's debt was spread over the Estates of Holland. Each region of this province was responsible for issuing a certain percentage of the money needed. Within these regions different cities were given the task to issue a stated percentage of public bonds and annuities, and later in the century also other types of public securities, like lottery loans or self-amortizing loans. The Noorderkwartier, roughly the part of Holland north of Amsterdam, was responsible for the issuing of 20,5 per cent of Holland's debt.²⁷² Different large cities within the Noorderkwartier had the obligation to collect their share of this percentage. How high was this percentage for Enkhuizen? In 1657 the king of Denmark asked the Dutch Republic for a substantial loan of 600.000 guilders to uphold his ongoing war with Sweden. Holland agreed to issue a loan against an interest rate of five per cent on the condition that the tolls levied in The Sound would be transferred to Holland for the duration of the loan.²⁷³ It was agreed that the region of the Noorderkwartier and West-Friesland had to collect half of this principal by issuing securities on the credit market.²⁷⁴ Enkhuizen had to collect fl. 60.292 on the local credit market.²⁷⁵ Enkhuizen thus provided twenty per cent of the share that was assigned to the Noorderkwartier. The same percentage can be found in the ledgers on Holland's debt in 1720.²⁷⁶ In this year the outstanding debt of the Noorderkwartier was 46.694.603 guilders. Enkhuizen's share of this debt was fl. 9.610.168, again a percentage of twenty per cent.

Based on the percentage of 20,5 per cent of Holland's debt assigned to the Noorderkwartier and twenty per cent of this being assigned to Enkhuizen, it is possible to estimate the size of Holland's debt outstanding in Enkhuizen in the seventeenth-century. Gelderblom and Jonker have recently made a detailed overview of Holland's total debt, and these figures can be used to estimate the market for Holland's debt in Enkhuizen (graph 3.5). This graph shows the large growth of the local market for public debt from the 1630s. More

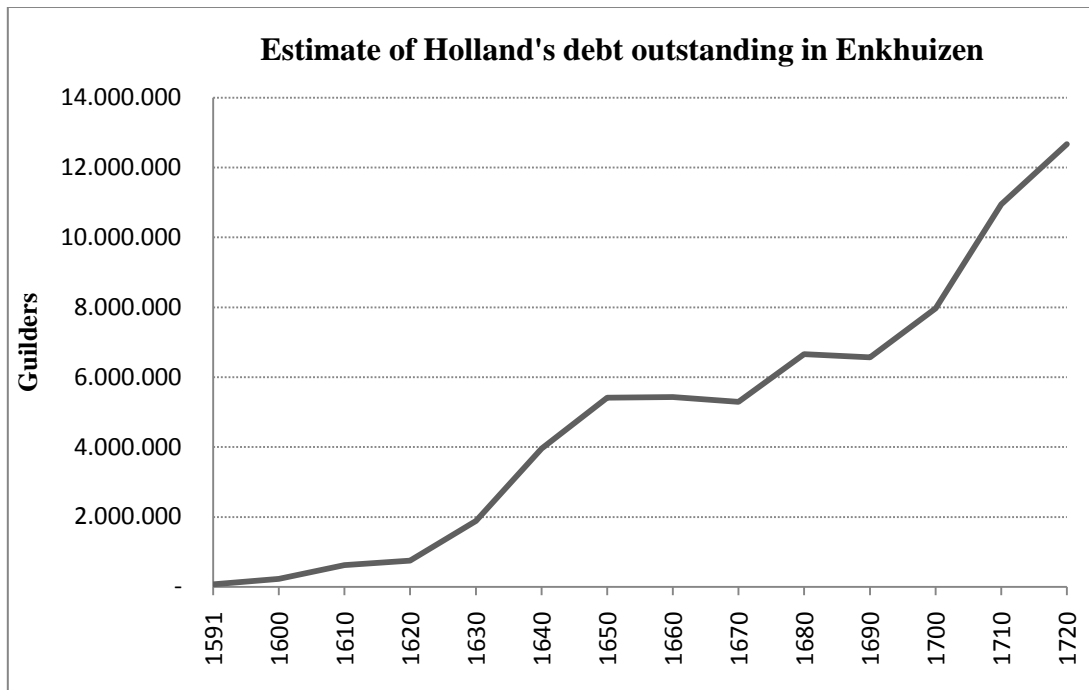
²⁷² Gelderblom and Jonker, 'A Conditional Miracle', p. 35.

²⁷³ WFA, Oud-archief Enkhuizen, inv. no. 1423, ordinance of the Estates of Holland, 18-10-1657.

²⁷⁴ Ibid., correspondence of 8-11-1657.

²⁷⁵ Ibid., correspondence of 8-11-1657. The securities Enkhuizen issued for this loan had an interest rate of four per cent. Ibid., 'wegens de konink van Deenmarken wert nog jaerlijks betaelt...'.
²⁷⁶ NL-HaNA, entry no. 3.01.29, inv. no. 795.

and more public securities were available on the credit market of Enkhuizen. Before the 1630s securities of Holland were not yet as abundantly available, which might explain the presence of more diverse types of securities in the inventories until around 1630. From the 1630s, it seems that the almost continuously increasing availability of Holland's debt highly influenced the local credit market, as is also showed in the inventories. Public securities of Holland very likely dominated the credit market of Enkhuizen from this period onwards. In the next chapter it will be possible to compare Holland's debt to the debt of the local VOC chamber of Enkhuizen. Which of the two needed the most money?



Graph 3.5 Source: based on 4,12 per cent of Holland's total debt; Gelderblom and Jonker, 'A Conditional Miracle', p. 37.

Conclusion

The credit market of Enkhuizen was highly efficient. Brokers were not needed. The previous chapter already showed that most borrowers were perfectly able to take out loans without the help of intermediaries such as town officials. It seems that also creditors were very much able to invest without further help. The intermediating function of the Orphan Chamber and their diverse investments reveal a sophisticated credit market. The Orphan Chamber acted like a bank, carefully combining different estates to invest in all kinds of securities. The investment strategy of the Orphan Chamber depended on the availability of investment options on the local credit market. Until the 1630, private securities were the main source for investment. From the 1630s supply on the credit market of Enkhuizen was dominated by securities of Holland. Especially guardians now chose these safe investments over high profits. Of course, other investors might have continued investing in more risky securities. The investments of the Orphan Chamber and the guardians illustrate that more conservative investors switched to safer securities from 1650. Yet even these conservative investors seem to have embraced the expanding opportunities in the 1630s. Around 1680 the Orphan Chamber returned to issuing

relatively more *weesmeesterkennissen*. It seems no coincidence that this narrowing market from 1650 coincided with the economic decline of Enkhuizen.

But this narrowing market can also have been caused by the dominance and attractiveness of Holland debt, coupled with entrepreneurs that increasingly needed less publicly registered loans for their enterprises. We have already seen that retained earnings, privately contracted loans and supplier credit were the most important financing option for entrepreneurs. Only when these options were not available entrepreneurs switched to publicly registered debt. The conservative strategy of the Orphan Chamber regrettably does not reveal this side of the credit market. During the economic boom profits might have been very high, which caused that some entrepreneurs did not need to borrow a lot. On the contrary, they probably also increasingly invested their earnings in public securities, that offered a secure store of wealth and also could be easily liquidated by pledging them as collateral. We should not make a too strict distinction between investors and borrowers. The efficient credit market of Enkhuizen enabled both investors and borrowers to spread their risk by using different kinds of financing and investing techniques. Both debtors and creditors constantly weighed their options on financing techniques and carefully chose were to invest their profits. The sophisticated financial market of Enkhuizen made all this possible.

4. Financing the VOC chamber of Enkhuizen

Private entrepreneurs used different techniques to finance their business. As borrowers they used different aspects of the Enkhuizen market for credit. As investors, they could use their earnings not only to further invest in their enterprises, but they could also deposit their profits in different securities offered on the financial market of Enkhuizen. The Dutch East India Company (VOC) was one of the largest entrepreneurs of Enkhuizen. This local chamber had to fit out numerous ships and maintain an elaborate company structure. It provided a lot of local craftsmen with work and offered numerous employment options to wage-earners. As a large entrepreneur it needed substantial amounts of money to finance its operations. Moreover, the infrequent intervals between the sailing of ships and the sale of imported goods, coupled with a continuously need for cash to uphold its local operations, caused the local chamber to borrow large sums of money.

Taking a closer look on the financing techniques of the local chamber of the VOC will once more illustrate how early modern entrepreneurs resorted to the local credit market to finance their businesses. And as will be shown, the financing techniques of the chamber of the VOC, albeit on a much greater scale, are for a great deal comparable to the financing techniques of private entrepreneurs. The VOC also used loans to finance its operations, and complemented these with a form of ‘reversed’ supplier credit as well. These rebates on cash payments provided yet another source for much needed ready cash. Overall, the financing techniques of the VOC chamber of Enkhuizen mirror the same sophistication that is already observed in the financing of private enterprise, and in the intermediation and investment strategy of the local Orphan Chamber. All these groups resorted to the efficient financial market of Enkhuizen for either borrowing or investing, or sometimes both.

4.1 Establishment and organization of the VOC

From the end of the sixteenth-century there had been some voyages to Asia, often financed by merchants that subscribed capital in a jointly-funded partnership. The first company of ships departed to Bantam in 1594 under the name *Compagnie van Verre*.²⁷⁷ Although this first commercial voyage to Asia was not particularly successful (one of the four ships did not return and of the 240 crewmembers only 87 returned), the returning ships were welcomed with enthusiasm; they had proven that a commercial voyage to the East was viable.²⁷⁸ In the period 1594-1602 some 50 ships sailed from Amsterdam to Asia, while another 30 ships left from Rotterdam, Delft, Middelburg and also from Enkhuizen.²⁷⁹

The organization of this long-distance trade from the end of the sixteenth-century changed the demand for capital in different respects. In comparison with trade to The Sound or other European harbours, a trip to Asia would take a lot more time to complete and involved much higher risks. For instance, more than twenty per cent of the ships sent out to Asia in 1595-1601 were lost.²⁸⁰ Moreover, the settling of accounts after a voyage to Asia could take as long as 15 years. A merchants thus faced high risks and would not get his

²⁷⁷ den Haan, *Moedernegotie en Grote Vaart*, p. 79.

²⁷⁸ F. S. Gastra, *De Geschiedenis van de VOC* (Bussum, 1982), pp. 14-5.

²⁷⁹ Gelderblom and Jonker, ‘Completing a Financial Revolution’, pp. 649-50.

²⁸⁰ *Ibid.*, p. 648.

investment back for a long period. On top of that, the capital required for this long-distance trade was substantially higher than required for European voyages, and was even two to four times higher than voyages to Africa or the Caribbean.²⁸¹ When the VOC was officially chartered in 1602, it consequently faced much of the same liquidity problems as the merchants from the *voorcompagnieën*.²⁸²

The heavy competition between these Dutch *voorcompagnieën* increasingly hampered the trade with Asia. This severe competition, together with government aspirations to establish a strong presence in Asia to counter the Spanish, led the Estates General to press for a single company for the trade with Asia.²⁸³ After difficult negotiations with different merchant communities (notably those of Zeeland) the VOC was founded by charter in March 1602.²⁸⁴ The result was a company that was largely based on the fragmented structure of the Dutch Republic. Each major trading city was to have its own chamber in the VOC and was responsible for an assigned share for the total costs and capital of the VOC. Amsterdam was assigned a share of 50 per cent, Zeeland of 25 per cent and the other chambers of Enkhuizen, Hoorn, Rotterdam and Delft all provided 6,25 per cent of capital.

Each local chamber of the VOC was managed by a group of directors, the *bewindhebbers*. The number of directors varied per chamber. Amsterdam had twenty directors, Zeeland twelve, and the four smaller chambers (including Enkhuizen) all had seven directors.²⁸⁵ The central governance of the VOC was called the *Heeren XVII*. The *Heeren XVII* would meet two or three times a year in Amsterdam or Zeeland to discuss and set out the general policy of the VOC for the following period. Each chamber chose a number of delegates amongst its *bewindhebbers* to attend the meetings of the *Heeren XVII*.²⁸⁶ The governance structure of the VOC was much alike the government structure of the Dutch Republic, where the different Estates sent delegates to the central government, the Estates General, but where the cities and Estates maintained a high degree of autonomy.²⁸⁷

Each chamber was set up along the same lines and had the same resources available. Every chamber could outfit ships, manage the sale of imports and the purchase of goods on the local market, and had clerks working on the administration. The only difference was the size of the chambers. Because the share of Enkhuizen in the VOC was 6,25 per cent, it was responsible for this percentage in the total running costs of the VOC. Consequently, when one chamber had financed operations for more than its share, the chamber would get the amount above its share returned on its balance by other chambers that had contributed less than their assigned share.²⁸⁸

Originally the VOC-charter stated a period of 21 years during which it would have a Dutch trading monopoly with Asia. This was extended after the first period and the VOC remained in operation until the French occupation. In the first 21-year period the VOC had to

²⁸¹ Ibid.

²⁸² P. Spufford, 'Access to Credit and Capital in the Commercial Centres of Europe', in: K. Davids and J. Lucassen (eds.), *A Miracle Mirrored. The Dutch Republic in European Perspective* (Cambridge, 1995), pp. 305, 310-11.

²⁸³ Gaastra, *De Geschiedenis van de VOC*, p. 16.

²⁸⁴ Ibid., p. 17.

²⁸⁵ Ibid., p. 19.

²⁸⁶ Ibid.

²⁸⁷ Bonke and Bossaers, *Heren Investeren*, p. 15.

²⁸⁸ This happened occasionally according to the finances of the chamber of Enkhuizen, see below.

manage three accounts.²⁸⁹ One for every ten years of operation (one for 1602-1612 and the other for 1612-1622), and one account to settle the accounts of the company of the Veertien Schepen, the last company that had sailed to Asia before the VOC was chartered. As will be shown, the local chamber of Enkhuizen at times needed money from the Veertien Schepen account to the VOC account to solve their liquidity problems.

4.2 Shares of the chamber of Enkhuizen

From the point of view of financing operations it is interesting to take a closer look at the share subscription of the chamber of Enkhuizen. How was this process organized, who bought these shares, where did they come from and which amounts dominated? The answers to these questions reveal how the VOC was able to finance its operations and illustrate how efficient the financial market of Enkhuizen actually was in that period.

The first voyages of the VOC were funded with capital subscription, much alike the earlier *voorcompagnieën*. The main difference was that the subscribed amount and profits would not be disbursed after the first voyage, but that the amount was subscribed for a period of ten year.²⁹⁰ As stated in the VOC charter, Enkhuizen was responsible for issuing 6,25 per cent of share subscription. Whereas Rotterdam and Hoorn experienced some difficulties in issuing shares (they only sold 4,2 and 2,7 per cent respectively), the shares of chamber of Enkhuizen were met with more enthusiasm.²⁹¹ Not only did the shares find eager buyers in Enkhuizen. Two *bewindhebbers*, Francois du Gardijn en Willem Brasser, acted as intermediaries for subscriptions from outside Enkhuizen.²⁹² These two *bewindhebbers* even accepted subscriptions after the deadline of September 1st, 1602. This was to the embarrassment of the chamber of Enkhuizen, because these shares were at first not found legitimate by the *Heeren XVII*. After a lengthy dispute with the mayor of Enkhuizen, the *Heeren XVII* agreed to accept the shares in August 1603.²⁹³

There was still the matter of resolving these subscriptions financially, because Enkhuizen now participated in the VOC for more than the chartered percentage of 6,25. It was agreed that the oversubscribed amount - fl. 30.000 of which only fl. 27.000 can be found in the ledgers of the chamber of Enkhuizen - had to be divided over the other chambers by way of shareholding.²⁹⁴ In other words, Enkhuizen now participated as shareholder for fl. 27.000 in other VOC chambers. In this way fl. 24.000 was subscribed under the chamber of Zeeland (Middelburg) and fl. 3.000 under the chamber of Delft.²⁹⁵ The total capital over which the chamber of Enkhuizen paid dividend in the future now was thus fl. 567.000 en not the agreed fl. 540.000.²⁹⁶ Because Enkhuizen had to pay dividend over this larger amount, but owned the extra fl. 27.000 only through shares, it seems logical that the chamber of Enkhuizen held on to

²⁸⁹ Gelderblom, de Jong and Jonker, 'An Admiralty for Asia', p. 16.

²⁹⁰ Gelderblom, 'The Dutch Republic', p. 165.

²⁹¹ Bonke and Bossaers, *Heren Investeren*, p. 16.

²⁹² R. Willemsen, 'Beleggers in een Nieuwe Compagnie. Het Aandeelhoudersregister van de Kamer Enkhuizen der VOC', in: R. van Gelder and J.H. van Linschoten (eds.), *Souffrir pour Parvenir. De Wereld van Jan Huygen van Linschoten* (Haarlem, 1998), p. 70.

²⁹³ *Ibid.*

²⁹⁴ *Ibid.*, p. 71.

²⁹⁵ NL-HaNA, entry no. 1.04.02, inv. no. 14854 (grootboek), p. 126. For a discussion of the financial ledgers of the VOC chamber of Enkhuizen see Appendix B.

²⁹⁶ *Ibid.*; Willemsen, 'Beleggers in een Nieuwe Compagnie', p. 71.

these shares. The extra dividend payments that the Enkhuizen chamber received from Zeeland and Delft were then probably used for their own dividend payments to shareholders. It might also have been that it wasn't allowed by the *Heeren XVII* to sell the shares of Zeeland en Delft. Either way, enthusiasm for Enkhuizen shares, and active promotion by their *bewindhebbers*, enabled the chamber to be relatively easily funded. By this elaborate solution and enthusiastic share subscription the chamber of Enkhuizen raised sufficient money in shares.

Who bought these shares? From the point of view of the financing of enterprises in Enkhuizen it is interesting to see who subscribed which amount under the VOC chamber of Enkhuizen (table 4.1). The shares of 100-500 guilders were relatively the most attractive to Enkhuizen subscribers, and expensive shares of over fl. 2.500 were only modestly issued. More than half of Enkhuizen shares valued between 0-1.000 guilders. In Amsterdam and Zeeland this was respectively 42 and 31 per cent. In Zeeland the larger subscriber was more important than in Enkhuizen and in Amsterdam it was more evenly spread.

Share subscription of different VOC chambers ordered by amount

<i>Amount of shares in guilders</i>	Enkhuizen	Amsterdam	Zeeland
0 – 100	8 %	2 %	1 %
100 – 500	35 %	16 %	8 %
500 – 1.000	20 %	24 %	22 %
1.000 – 2.500	23 %	26 %	24 %
2.500 – 5.000	8 %	13 %	18 %
5.000 – 10.000	5 %	10 %	15 %
10.000 +	2 %	8 %	13 %

Table 4.1 Source: Willemsen, 'Beleggers in een Nieuwe Compagnie', p. 72.

Where did these subscribers come from? Willemsen has estimated that around 85 per cent of the subscribers lived in or nearby Enkhuizen.²⁹⁷ The local financial market was therefore already important. However, the subscribers from Enkhuizen only represented around 25 per cent of the total capital subscription.²⁹⁸ Consequently, a maximum of fl. 135.000 was raised locally.²⁹⁹ This was still a very large amount. Annuities of the Orphan Chamber never represented more than fl. 30.000 annually.³⁰⁰ On the other hand, securities of Holland issued in Enkhuizen already totaled more than fl. 225.000 around 1600.³⁰¹ From the beginning, the local VOC placed itself as debtor between these two instruments. As will be shown, the VOC chamber of Enkhuizen never issued more bonds on the local market than Holland issued in securities locally, but VOC bonds represented a much higher value than private annuities.

²⁹⁷ Ibid., p. 75.

²⁹⁸ Ibid.

²⁹⁹ 25 per cent of the officially needed fl. 540.000.

³⁰⁰ See graph 2.3.

³⁰¹ See graph 3.5.

The other 75 per cent of subscribed amounts came from outside Enkhuizen. It seems that especially Amsterdam was of vital importance in getting sufficient capital subscribed. The *bewindhebbers* Gardijn and Brasser arranged these subscriptions by acting as proxy for subscribers from Amsterdam. Moreover, the subscribers from Amsterdam deposited relatively larger amounts than the subscribers from Enkhuizen. Although a lot of people from Enkhuizen bought VOC shares, they only bought shares worth relatively low amounts, which is also proven by table 4.1. The more larger amounts came from subscribers from Amsterdam, made possible by the connections of Gardijn and Brasser. The credit market of Amsterdam therefore seems to have been of relatively more importance for the share subscription of the chamber of Enkhuizen. Not surprisingly, the VOC chamber of Enkhuizen also relied on the Amsterdam credit market, and connections via Gardijn, to issue the much needed bonds in its early years of operation.

Although the credit market of Enkhuizen did not absorb all the bonds of the chamber, its financial market already reflected some of the same sophistication of the financial market of Amsterdam. Also, just being able to raise approximately fl. 135.000 among a population of 22.000 reflects a relatively large financial market. As in Amsterdam, trade in VOC shares began relatively early. Whereas VOC shares of Amsterdam were traded a couple of months after their issuing in 1602, the first Enkhuizen shares were traded in 1604.³⁰² Given the smaller size of the Enkhuizen market, this first trade seems to have occurred also relatively early. Selling a share was easy. The transport before the clerks of the chamber was easily done and only cost twelve *stuivers* per share, of which both seller and buyer had to pay half. In 1632 this was raised to 24 *stuivers*.³⁰³ Another sign that shares of Enkhuizen were actively traded is that the magistrates of Enkhuizen imposed a tax of one per cent on all sales of VOC shares in 1621.³⁰⁴ This might indicate that the magistrates wanted to profit from the arguably large trade of VOC shares in Enkhuizen, and that VOC shares by now had become a sound financial instrument, that could be taxed like other securities.³⁰⁵ Moreover, Willemsen analyzed that the total turnover of Enkhuizen shares in the period 1604-8 consisted of around 60 per cent of the total subscribed capital.³⁰⁶ The VOC shares of Enkhuizen were thus highly tradable and probably relatively easy to liquidate in case an investor faced a liquidity squeeze. Of course, an investor might than also have borrowed money with his VOC share as collateral, as happened frequently on the Amsterdam money market.³⁰⁷

4.3 Liquidity problems

Issued shares did not have to be paid for immediately. To make them more attractive the VOC offered subscribers the option to pay their share in four installments.³⁰⁸ By offering installments on shares the VOC wanted to make them more attractive. The terms of these

³⁰² Willemsen, 'Beleggers in een Nieuwe Compagnie', p. 75; Gelderblom and Jonker, 'Completing a Financial Revolution', p. 655.

³⁰³ *Pieter van Dam's Beschryvinge van de Oostindische Compagnie*, consulted at <http://www.inghist.nl/retroboeken/vandam> (30-3-2010), p. 383.

³⁰⁴ WFA, Oud-archief Enkhuizen, inv. no. 253, p. 219.

³⁰⁵ The ledgers of the chamber of Enkhuizen can be used to calculate the turn-over of Enkhuizen shares in the period 1609-18. This has not yet been done because of the large amount of time involved.

³⁰⁶ Willemsen, 'Beleggers in een Nieuwe Compagnie', pp. 77-8.

³⁰⁷ Gelderblom and Jonker, 'Completing a Financial Revolution', p. 659.

³⁰⁸ *Ibid.*, p. 652; WFA, Oud-archief Enkhuizen, inv. no. 1587 A (4-9-1606).

installments roughly matched the outfitting of the first expeditions to Asia and guaranteed the VOC enough money to pay for outfitting costs. However, although the installments matched the timing of expeditions, the VOC really needed the money months in advance to pay for the outfitting of ships. The chamber of Amsterdam solved this liquidity problem by offering shareholders an eight percent interest on capital furnished before these calls.³⁰⁹ This measure helped to raise money, but apparently the chamber still needed more capital at its disposal. In order to raise additional money for the outfitting of expeditions, the Amsterdam chamber started taking money on interest on the Amsterdam money market as early as 1603.³¹⁰

Attracting as VOC shares may have been for the Enkhuizen and Amsterdam investor, it seems probable that the subscribed amount of fl. 567.000 was not sufficient for the outfitting of expeditions by the chamber of Enkhuizen. Especially in the first years, when few ships returned but new ships were constantly fitted out, it must have proved difficult to finance the operations using only the subscribed capital. Therefore also the chamber of Enkhuizen offered an interest on shares furnished before the first calls.³¹¹ And like Amsterdam, they needed to issue bonds as well to solve their liquidity problems. Amsterdam already borrowed from 1603, whereas the chamber of Enkhuizen most likely mainly used the furnished capital to finance their first expeditions until 1607.³¹² After 1607 the subscribed capital proved insufficient for the chamber of Enkhuizen and they needed to borrow more structurally. The large number of bonds issued by the chamber between 1608 and 1619 clearly illustrates the constant need for money of the VOC chamber of Enkhuizen.

To make matters worse the VOC chamber of Enkhuizen was hit hard by a couple of shipwrecks between 1602 and 1608.³¹³ The only ship that had returned was the 'Maagd van Enkhuizen' in 1604. Between 1604 and October 1610 no other ships returned to Enkhuizen. In the meantime shareholders continuously pressed for dividend payments. These shareholders of the VOC had a high expectation of profits right from the start, primarily because some of the *voorcompagnieën* had made some huge profits.³¹⁴ The last private expedition that had sailed to Asia, de Veertien Schepen, had returned in 1607 and immediately paid out dividends of 15 per cent, which would total to almost 265 per cent when the accounts were settled in 1614.³¹⁵ Yet it would take a while for the first ships to return and their goods to be sold on the market. Even worse, when mace firstly was imported from Asia in 1609 the VOC was unable to sell it, because the imported amount immediately glutted the market for five years.³¹⁶ As a result of these liquidity problems some of the first dividend payments of the VOC in 1610 were made in spices.³¹⁷ Only from 1631 began the VOC to pay

³⁰⁹ Gelderblom and Jonker, 'Completing a Financial Revolution', p. 652.

³¹⁰ Ibid., p. 653.

³¹¹ NL-HaNA, entry no. 1.04.02, inv. no. 14854 (journaal), p. 31.

³¹² Ibid.

³¹³ de Vries and van der Woude, *The First Modern Economy*, p. 133; These shipwrecks and the other expeditions by the chamber of Enkhuizen can be searched at <http://www.inghist.nl/Onderzoek/Projecten/DAS/search>. This database is derived from J. R. Bruijn, F. S. Gaastra and I. Schöffer (eds.), *Dutch-Asiatic Shipping in the 17th and 18th Centuries*, 3 Vol., (Den Haag, 1979-87).

³¹⁴ den Haan, *Moedernegotie en Grote Vaart*, pp. 87, 105-6.

³¹⁵ Ibid., p. 113-4.

³¹⁶ Ibid., p. 121.

³¹⁷ Gaastra, *De Geschiedenis van de VOC*, pp. 24-5.

yearly dividends and did they manage to silence some of the discontented shareholders.³¹⁸ The need to pay dividends to shareholders often conflicted with the interest of the VOC, who wanted to tie-up capital and use retained earnings for further investments. These conflicting interests also caused the chamber of Enkhuizen some problems, as they at times had to borrow extra to pay shareholders.

The almost constant need for money was inherent of the long-distance expeditions and the organization of the VOC. The liquidity strains of the first years after 1602 probably did not ebb away after the first couple of expeditions as there continued to be a constant lag between the outfitting of ships and the selling of returned goods.³¹⁹ In the meantime there were structural expenses, such as salaries for sailors and employees of the VOC, rents for real estate, military expenses, the costs of operation in Asia, and the pressure to pay dividends. To solve these problems the *bewindhebbers* of Enkhuizen had three ways to obtain credit. The first was to issue bonds on local money markets. The second option was to offer cash rebates on goods paid for immediately. The *journaal* of the chamber of Enkhuizen shows that merchants normally had up to nine months to pay for goods imported by the VOC. This was most likely done because, as has been demonstrated, merchants were often involved in a chain of credit with other merchants and suppliers. The VOC turned this system of supplier credit upside down by giving a discount to those who paid for goods immediately. This also shows that supplier credit was regarded as the normal way to pay for goods. Because paying for goods immediately was rarely done, the VOC offered a discount for those who would pay directly. In this way the VOC could obtain ready cash more quickly, but they did have to pay a premium.

This discount was called a rebate (*rabat*) and from the point of view of the company it was a credit instrument. Rebates are a sign of liquidity strains because the chamber paid a premium on currency instead of waiting the usual nine months. For example, when the merchant Gerrit Ligger bought cloves in 1611 he decided to pay right away and was given a rebate. Instead of the normal sum of fl. 2930,50 he paid fl. 2764,65. The difference, fl. 165,85, was booked as interest of eight per cent on an annual basis, calculated over a period of nine months.³²⁰ The discount the VOC offered was registered in the *journaal* as paid interest on the sold goods.

A third option to solve liquidity problems was the retention of profits from earlier voyages. Instead of paying dividends to their shareholders, profits from earlier voyages could be used to finance new expeditions. The chamber of Amsterdam had used this technique in late 1603 and again in early 1608.³²¹ In Amsterdam, the retention of profits took the shape of deposits made by the bookkeepers of earlier voyages. It is most likely safe to assume that this technique was not widely used by the *bewindhebbers* of the chamber of Enkhuizen after 1608 because the ledgers of Enkhuizen show no likewise construction. The proceeds of the ‘Maagd van Enkhuizen’, which had returned in 1604, together with the capital provided by shares were very likely used to finance the chamber of Enkhuizen until 1608. From 1608 the

³¹⁸ den Haan, *Moedernegotie en Grote Vaart*, pp. 126-7.

³¹⁹ de Vries and van der Woude, *The First Modern Economy*, p. 133.

³²⁰ $(8\% \text{ of fl. } 2764,65) * 9/12 = 165,85$ (rounded). Because the interest was always given on a yearly basis, the interest must be multiplied by the term of the rebate, in this case 9 months. See Appendix E for an overview of the net costs of rebates.

³²¹ NL-HaNA, entry no. 1.04.02, inv. no. 7142.

chamber started to borrow structurally and began to use cash rebates on a larger scale when ships finally returned.

4.4 Avoiding the local market for credit, 1608-1611

Because of a number of reasons it seems logical to assume that the chamber of Enkhuizen probably did not borrow substantial amounts before 1608. First, even if the issued bonds of 1608 are doubled to make up for the six months missing in the *journaal*, they still are very low compared to the yearly bonds issued from 1609. From 1609 the borrowed sum is every year at least ten times higher than the doubled borrowed amount of 1608. Second, the outfitting costs until 1608 were much lower than the furnished capital by shares.³²² The proceeds of the ‘Maagd van Enkhuizen’ offered further capital before 1608. Third, liquidity strains became really serious from 1610, when the chamber had to fund another outfitting and pay dividends in cash, probably because most of the Enkhuizen investors no longer accepted spices.³²³ And because a couple of shipwrecks, the chamber could no longer rely on anticipated returns from other expeditions. As a result they had to start borrowing more structurally.

The chamber of Enkhuizen obtained credit completely by issuing bonds in 1609.³²⁴ Nonetheless, the VOC of Enkhuizen did not all of a sudden resort to the credit market of Enkhuizen from 1609. On the contrary, instead of using the local credit market, the chamber of Enkhuizen first resorted to borrowing from other VOC chambers and local institutions. For instance, the chamber of Enkhuizen borrowed fl. 6.000 from the chamber of Amsterdam and more than fl. 8.000 from local institutions such as the Orphan Chamber and the city of Enkhuizen itself.

The VOC as a whole must have faced serious liquidity strains by 1609, because the *Heeren XVII* decided in March that the VOC chambers were now allowed to also take up credit from the Veertien Schepen, which by now had already paid dividends of 150 per cent to its investors.³²⁵ The use of credit from the Veertien Schepen may have had to do with the losses of some important ships in 1606 and 1607, the losses of two Enkhuizen ships, and the constant pressure from shareholders for dividend payments.³²⁶ The chamber of Enkhuizen decided to use credit by the Veertien Schepen in September 1610, in all probability because of anticipated dividend payments in cash and outfitting costs. The proceeds from the ship the ‘Petania’, which had returned in 1610, had also yet to be liquidated, as substantial rebates on its goods were given only from 1611.³²⁷ The chamber of Enkhuizen borrowed fl. 56.761 from the Veertien Schepen against an interest rate of six or six and a half per cent.³²⁸

³²² The total outfitting costs until 1608 were fl. 472.185; NL-HaNA, entry no. 1.04.02, inv. no. 14854 (*journaal*), p. 31.

³²³ den Haan, *Moedernegotie en Grote Vaart*, pp. 112-3; NL-HaNA, entry no. 1.04.02, inv. no. 14854 (*grootboek*), p. 169.

³²⁴ See table 4.3.

³²⁵ NL-HaNA, entry no. 1.04.02, inv. no. 100, fol. 42r; den Haan, *Moedernegotie en Grote Vaart*, p. 114.

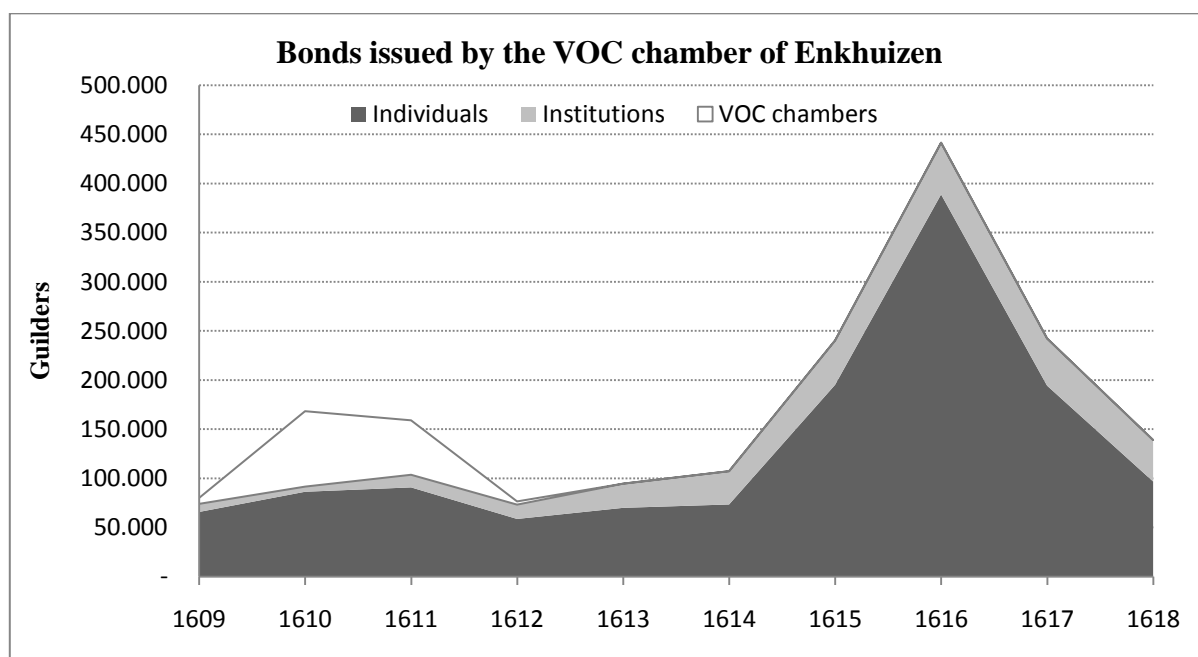
³²⁶ den Haan, *Moedernegotie en Grote Vaart*, p. 114.

³²⁷ NL-HaNA, entry no. 1.04.02, inv. no. 14854 (*journaal*), p. 136; <http://www.inghist.nl/Onderzoek/Projecten/DAS/search> (consulted at 16-6-2010).

³²⁸ The resolution by the *Heeren XVII* states an interest of six and a half per cent yearly, but the *journaal* states an interest payment of six per cent. NL-HaNA, 1.04.02, inv. no. 14854 (*journaal*), p. 136. To make matters more

The attractiveness of the loan from the Veertien Schepen was to be found in its favorable terms. Although the loan of the Veertien Schepen was redeemed in 1614 (when the total balance of the Veertien Schepen was settled), the chamber of Enkhuizen paid interest only once in 1611. Moreover, the *grootboek* shows that the loan was settled by using spices instead of money.³²⁹ The entry of the loan in the *journaal* also shows that the clerks of the VOC chamber from now on had to keep a separate account for the transfer of borrowed funds from the chamber to the Veertien Schepen.³³⁰ The redemption of this loan thus did not strain the cash flow of the chamber and was therefore more attractive than conducting normal bonds, because it was easier to transfer spices to the Veertien Schepen than money.

The bonds issued by the chamber of Enkhuizen can be divided in three groups to illustrate the issuing policy of the chamber. As implied, these groups are other VOC chambers, local institutions such as the Orphan Chamber or the city of Enkhuizen, and individual lenders. In graph 4.1 this division of bonds is given. The high share of borrowing from other VOC chambers until 1612 stands out. After 1612 this was somewhat replaced by institutional bonds. Only after 1614 did the number of individual bonds really increase.



Graph 4.1. Source: Appendix E.

In the early years of borrowing, the VOC chamber of Enkhuizen relied mostly on other sources of credit than individual investors from Enkhuizen. Besides using money from the Veertien Schepen, in 1610 the chamber also continued borrowing from other VOC chambers, as another fl. 20.000 was borrowed from the chamber of Hoorn.³³¹ Borrowing from

complicated, the paid interest of fl. 3637,9195 does not correspond with either 6 or 6.5 per cent. Ibid. (*grootboek*), p. 251.

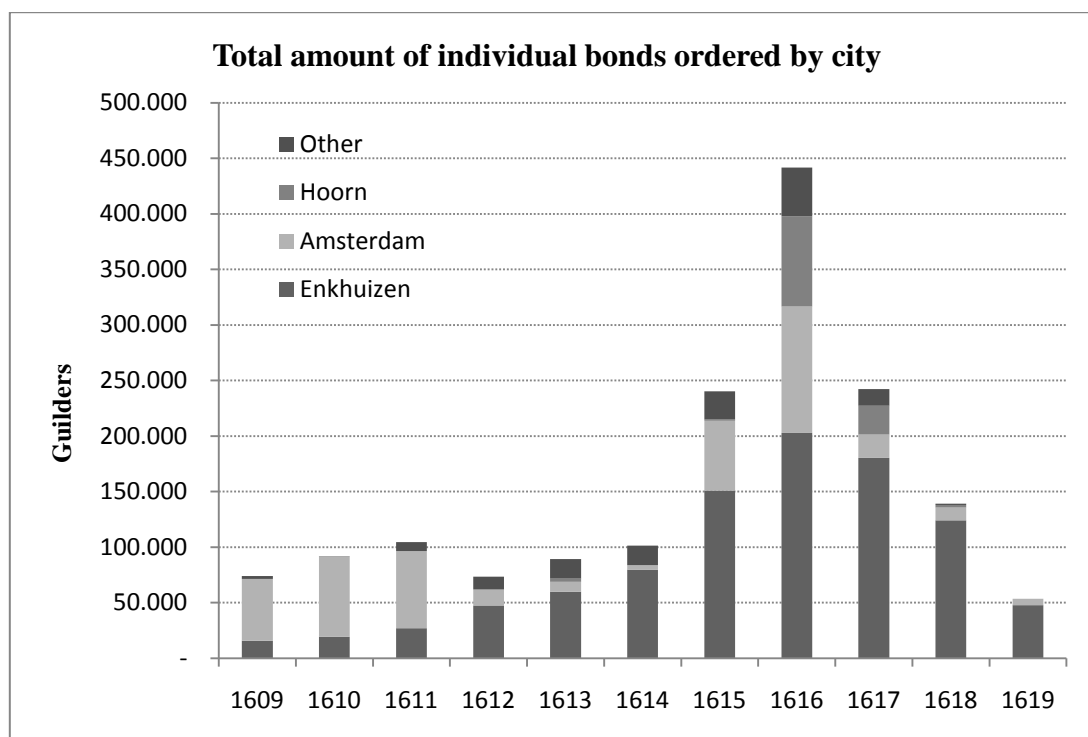
³²⁹ Ibid. (*grootboek*), p. 207.

³³⁰ 'soo veel de compagnie van de 10-jarige rekening over soo veel aen gelt bijde 10-jarige rekeninge van de 14 schepen gebryckt, ende om voortaan rekeninge van tresauriers te houden van 't gene d'eene compagnie d'ander aen contante penningen verleenende'; Ibid. (*journaal*), p. 137.

³³¹ Ibid. (*journaal*), p. 144.

institutions also continued to solve liquidity strains. In the same year the Orphan Chamber lent another fl. 5.237 to the local chamber.³³² In 1611 this pattern continued. Another fl. 55.410 was borrowed from other VOC chambers and fl. 12.838 was borrowed from institutions. However, graph 4.1 also shows that a large proportion of bonds were sold to individuals, also before the peak in 1616. Where did these creditors come from?

From 1609 to 1612 the VOC chamber of Enkhuizen first and foremost relied on its personal network to solve their liquidity strains. This already showed in the loans from other chambers and the Veertien Schepen, but this is also proven by looking at the places where the individual bonds were sold and by whom. When bonds were entered in the Enkhuizen *journaal* the place of origin of the lender was sometimes mentioned. A closer look on these places of origin shows that the town or city was only declared when the lender came from outside Enkhuizen. Therefore it is safe to assume that the bonds which do not state a place of origin they must be ascribed to lenders from Enkhuizen. In this way it is possible to reconstruct where lenders to the local VOC came from. Graph 4.2 gives the total amount of bonds sold to individuals grouped by place of origin.



Graph 4.2 Source: NL-HaNA, entry no. 1.04.02, inv. no. 14854 (journaal).

Until 1612, by far the largest amount in bonds was sold to people from Amsterdam and only a small percentage was sold to people from Enkhuizen. In 1609 only twenty per cent of the total value of bonds were issued in Enkhuizen. Even more, these bonds were primarily sold to local notables, who were more closely connected to the local chamber of the VOC, such as the mayor Frederick Janszoon or Jan Laurenszoon van Loosen, who later became treasurer of the chamber.³³³ The magistrates of Enkhuizen invested both individually and in

³³² Ibid. (journaal), p. 160.

³³³ Ibid. (journaal), pp. 66, 622,

their function as magistrate. Frederick Janszoon, mayor of Enkhuizen in 1610-11, lent fl. 1.400 to the VOC chamber personally. In the same year the city of Enkhuizen lent six thousand guilders to the chamber. The same holds true for the Orphan Chamber. Jan Claessen Noortlandt had been off and on the board of the Orphan Chamber as a *weesmeester* between 1584 and 1613 and had also been active as city administrator in 1605.³³⁴ From 1613 he was appointed *weesmeester* for three consecutive years. It comes as no surprise that from this period on he became an active investor in VOC bonds.³³⁵ His dealings with the VOC chamber as a *weesmeester* must have made it easier for him to invest in bonds personally. Also *bewindhebbers* lent money to their chamber, such as the *bewindhebber* and mayor from Enkhuizen Jan Pieterszoon Schram in 1610 and 1611.³³⁶

This distribution of bonds shows a remarkable resemblance to the distribution of share subscription of the VOC chamber of Enkhuizen. Also the largest amount in capital subscription came from people from Amsterdam. The average sum these individuals lent to the VOC also was similar. People from Enkhuizen on average lent fl. 1.760 to the VOC, whereas people from Amsterdam lent almost twice as much (fl. 3.180).³³⁷ Like had happened with share subscription, the Amsterdam market proved more efficient since larger amounts could be raised and therefore less creditors were needed. Yet inhabitants of Amsterdam were not easily lured to Enkhuizen, since they could as well deposit their money at the VOC chamber of Amsterdam. The interest on VOC bonds from Enkhuizen was at times higher than those of Amsterdam, which might have made the first more attractive.³³⁸ But still, it seems that the local chamber had to go to much trouble to issue bonds in Amsterdam. Why did the local chamber not just issue these bonds in Enkhuizen?

Most bonds during 1608-11 were sold in Amsterdam because of the same reason that many shares were sold in Amsterdam: the local chamber of Enkhuizen from the beginning predominantly used the networks of the *bewindhebbers*. Of the eleven appointed *bewindhebbers* in 1602 four were inhabitants of Amsterdam.³³⁹ Amsterdam therefore could be used as an alternative market for VOC bonds of the chamber of Enkhuizen. Of these four one acted as a financial intermediary for the chamber during the period of the ledgers. This *bewindhebber*, Francois du Gardijn, was at times very busy in Amsterdam with conducting bonds on behalf of the chamber of Enkhuizen. Because the *journaal* is set up using double-entry bookkeeping the mediation of Gardijn can be followed.³⁴⁰ Every bond Gardijn conducted in Amsterdam had to be entered in the ledger on his own name and the bond also had to be booked on the account for interest. When Gardijn paid interest on these bonds to people in Amsterdam he would have a claim on the interest account since he had advanced the interest payment.

³³⁴ *Namen van alle de heeren schouten, burgermeesteren, schepenen, raden ende vroedschappen*, pp. 75-7, 88.

³³⁵ NL-HaNA, entry no. 1.04.02, inv. no. 14854 (journaal), pp. 380, 414, 436, 493.

³³⁶ *Ibid.* (journaal), pp. 142, 314.

³³⁷ See graph 4.4.

³³⁸ See graph 4.7.

³³⁹ Willemsen, 'Beleggers in een Nieuwe Compagnie', pp. 74-5.

³⁴⁰ For example: 'Interest van penningen a deposito gelicht zijn schuldig adi ditto aan Francois du Gardijn tot Amsterdam in lopende rekening 130 gulden dat beloopt den interesse voor 12 maanden a 6,5 percent over 2000 gulden hoofdsom opgenomen van Jacob Bicker tot Amsterdam den 4 november 1609 den 6 ditto door ditto Gardijn hem betaald'. NL-HaNA, entry no. 1.04.02, inv. no. 14854 (journaal), p. 85.

By carefully looking at these entries it is possible to analyze the intermediation of Gardijn. In table 4.2 the share of bonds issued via Gardijn is given. Especially during 1608-1611 Gardijn conducted numerous bonds for the Enkhuizen chamber in Amsterdam. This is not surprising. The VOC chamber of Enkhuizen preferred to sell bonds to local notables, institutions and other VOC chambers. This was relatively more easy than issuing bonds on the anonymous credit market. For the same reason Gardijn acted as intermediary. With his connections in Amsterdam he could easily sell bonds.

Percentage of bonds of the chamber of Enkhuizen conducted by Gardijn

Year	%	Year	%
1608	66.67	1614	3.33
1609	63.89	1615	14.72
1610	56.82	1616	13.78
1611	37.7	1617	3.08
1612	18.4	1618	0
1613	9.43		

Table 4.2 Source: NL-HaNA, entry no. 1.04.02, inv. no. 14854.

Intermediation by Francois du Gardijn was very important to help solve the liquidity problems of the chamber in 1608-1611. Of all the total bonds conducted in this period, which were at that time the most important source of credit next to bonds from other chambers, more than half were conducted by Gardijn. In 1612 the percentage of bonds Gardijn conducted decreased, and the credit market of Enkhuizen proved sufficient until the chamber needed more credit from Amsterdam in 1615 and 1616. From 1618 intermediation by Gardijn stopped completely because bonds had to be redeemed and local bonds, which needed no intermediation, were given preference.³⁴¹ However, his role as essential intermediary for the chamber was already pretty much over around 1612.

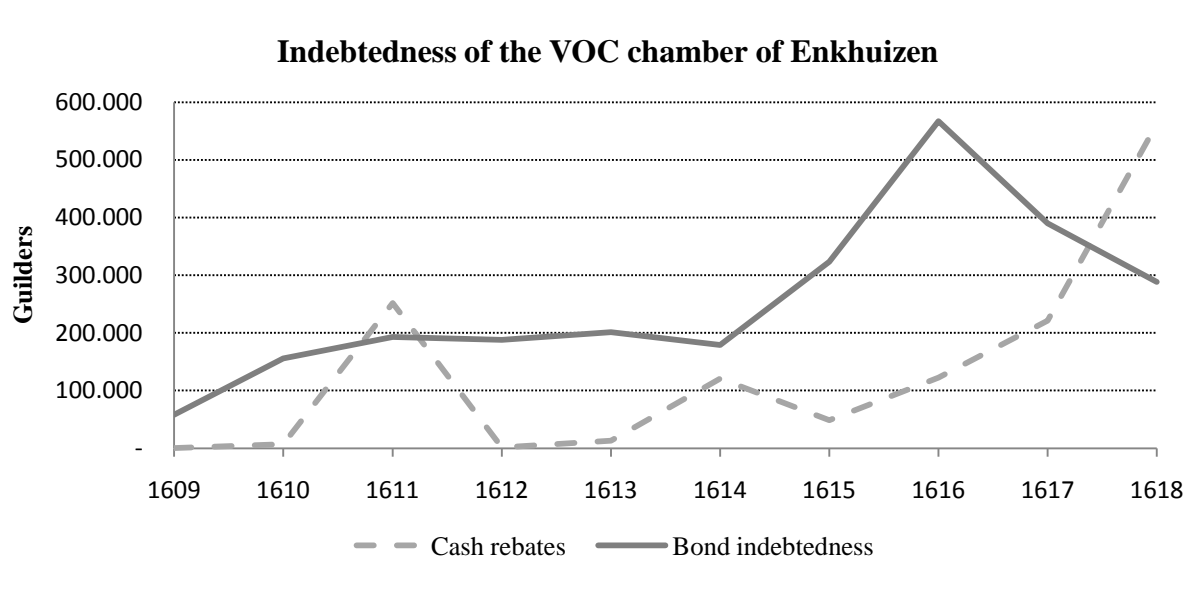
From 1608 to 1612 the financial policy of the VOC chamber of Enkhuizen was directed by the relations of the *bewindhebbers* with other chambers and rich investors. In this period the VOC chamber of Enkhuizen did not use a broad credit market to finance its operations. Rather, it used a captured market, where money was borrowed only from insiders. Most credit was issued in Amsterdam, because of the larger size of this market and because *bewindhebbers* could use their Amsterdam network to sell bonds. Maybe the local chamber was anxious to use the market of Enkhuizen or found it more easy to use close relations for their bonds. Maybe local investors were anxious to invest in VOC bonds. The credit market of Enkhuizen was increasingly used to issue bonds after 1611. And from then on, more and more bonds could be issued locally. Nevertheless, when large sums were needed to pay for numerous expenses in 1616, the financial market of Amsterdam was again used to sell more bonds, although largely without the help of Gardijn.

³⁴¹ See below.

4.5 Discovering the local credit market, 1612-1617

The ledgers of the chamber make it possible to calculate the indebtedness of the chamber of Enkhuizen, which provides another starting point to analyze the financial policy of the chamber and their strategy for issuing bonds. Graph 4.3 shows the total indebtedness of the VOC chamber of Enkhuizen. The graph shows that the chamber did not need to sell a lot of bonds between 1612 and 1614, because offered cash rebates from goods brought in by the ship ‘Petania’ provided another source for credit. From 1612 until 1614 the VOC borrowed relatively constantly. In 1614 somewhat less bonds were sold because the chamber raised more money using cash rebates from imported goods by the ship the ‘Bantam’. After 1614 the chamber began to issue bonds on a much larger scale.

The financial policy becomes really interesting from 1615, when the total indebtedness began to take on really high levels. The first obvious reason for the increased amount of borrowing were new outfitting costs. In 1616 and 1617 the chamber of Enkhuizen fitted out two ships with a total cost of more than fl. 420.000.³⁴² The chamber anticipated these cost by starting to issue more bonds from 1615, which again indicates that proceeds and cash rebates were insufficient. Some other issues were lingering in the background as well, which were going to have major influence on the financial policy.



Graph 4.3 Source: Appendix E.³⁴³

Already in September 1614 the *Heeren XVII* decided to pay dividend in August 1615.³⁴⁴ This plan was never carried out, as was another decision of October 1615 to pay dividend in cash to shareholders who had earlier refused dividend in spices.³⁴⁵ In July 1616 a group of disgruntled shareholders requested that the VOC would pay the 62,5 per cent dividends that the company still owed them. The *Heeren XVII* decided that they would pay as soon as they would have the money (another sign of liquidity problems), but that in the

³⁴² NL-HaNA, entry no. 1.04.02, inv. no. 14854 (grootboek), p. 169.

³⁴³ The years 1608 and 1619 are excluded because these are incomplete in the ledgers.

³⁴⁴ NL-HaNA, entry no. 1.04.02, inv. no. 100, fol. 272.

³⁴⁵ *Ibid.*, fol. 315.

meantime shareholders would receive an interest of 6,25 per cent on the money they owed to them.³⁴⁶ The different VOC chambers thus knew from July 1616 that they were obliged not only to pay dividends of 62,5 per cent to their shareholders as soon as possible, but on top of that an interest of 6,25 per cent. The longer they waited with these dividend payments the higher the accumulated interest.

The bonds issued by the chamber of Enkhuizen in 1616 reveal that the chamber was actively responding to these new difficulties. Between January and July 1616 the chamber had taken out a total of 123.000 guilders in bonds, but after the decision by the *Heeren XVII* the chamber raised another fl. 318.000 in bonds in the remainder of the year. The *bewindhebbers* consequently must have anticipated these costs, together with the new outfitting costs in 1616 and 1617, as they were setting up a liquidity buffer for following years. The outfitting costs of 1616 and 1617 were still regarded as more important than paying the shareholders, because the dividend payments of 62,5 per cent plus interest started only from January 1618, and were reinforced by a new decision by the *Heeren XVII* in April of the same year.³⁴⁷ Another sign that the VOC had notably other interests than to pay its shareholders.

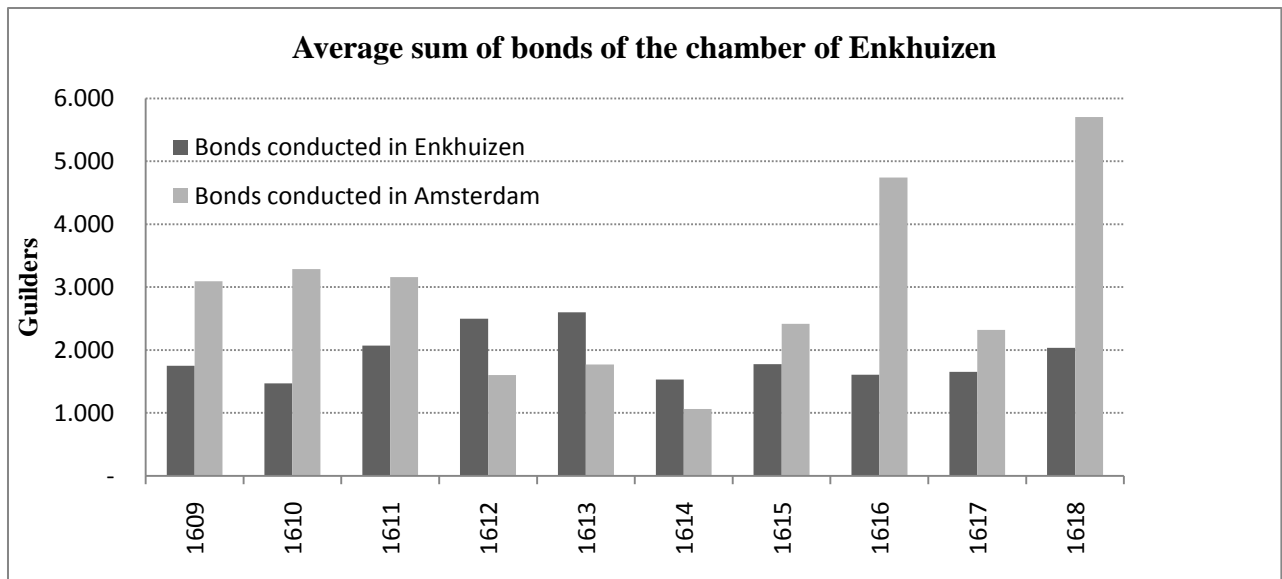
But because of the decisions on dividend payments and continuing outfitting costs, the VOC chamber of Enkhuizen started to issue a lot more bonds from 1615. The VOC chamber of Enkhuizen was still exceptionally dependent on its credit instruments for the running of its company. This is also exemplified by the commission the chamber received over the total proceeds of the VOC, which for Enkhuizen only was fl. 3.689 in the period March 1616-17.³⁴⁸ Consequently, the chamber of Enkhuizen borrowed substantial amounts from 1615. But instead of using the financial market of Amsterdam and the intermediation by Gardijn, more and more bonds were now sold on the credit market of Enkhuizen. Instead of selling large bonds to people from Amsterdam, local notables and institutions, the relatively smaller bonds became more important for the chamber between 1612 and 1619. More and more people from Enkhuizen began to buy VOC bonds from their local chamber. Among individuals that deposited these smaller sums were local widows, unmarried daughters, housemaids, lock makers, carpenters, cobblers and porters. Local entrepreneurs also invested their profits in VOC bonds, as the Enkhuizen brewer Luytgen Albertszoon increasingly did from 1612.³⁴⁹

³⁴⁶ Ibid., fol. 340.

³⁴⁷ Ibid., inv. no. 14854 (journaal), p. 796. Originally the term was one year, but interest payments on dividends shows it was later on changed to 1,5 year.

³⁴⁸ Ibid. (journaal), p. 705. The total proceeds of the VOC in this period were fl. 5.9032, 20.

³⁴⁹ Ibid. (journaal), p. 376.



Graph 4.4 Source: NL-HaNA, entry no. 1.04.02, inv. no. 14854 (journaal).

Graph 4.4 gives the average principal of bonds conducted in Enkhuizen and Amsterdam. If this graph is compared with graph 4.3 it shows that during 1615-1617, when the chamber took out more money than in the previous period, the average principal is lower than in the period 1609-1613. Thus, the chamber relied more on the relatively smaller investor. Of the total bonds conducted in 1616 for example, when the liquidity needs of the chamber were at a peak, almost 60 per cent of the individual bonds conducted had a principal of under a thousand guilders. If the smaller principal became more important and at the same time the chamber borrowed more money, the conclusion must be that the chamber needed to conduct more and more bonds in the period 1615-17. And indeed they did. Whereas the chamber conducted less or around 50 bonds up to 1614, from 1615 the total bonds conducted greatly increased to more than 200 annually in 1616. A lot of these were issued on the Enkhuizen market (see graph 4.2).

The chamber of Enkhuizen raised credit in 1608-11 by borrowing from the chambers of Hoorn and Amsterdam and by using intermediation to issue bonds on a captured market. But from 1612 the local chamber of the VOC was increasingly able to find people nearby willing to buy bonds. Swaentgen Ysbrants accepted a bond of fl. 300 in 1614.³⁵⁰ She was the housemaid of Ghijsbert van Beresteyn, at that time the treasurer of the VOC chamber of Enkhuizen. Not surprisingly, the housemaid of the next treasurer (Jan Laurenszoon van Loosen), Marytgen Albertsdochter, also lent money to the VOC.³⁵¹ Another example is Jan Hendrixzoon of Hoorn who lent fl. 100 to the chamber of Enkhuizen in 1615.³⁵² In his occupation as a messenger for the *Gecommitteerde Raden* of the Estates of Holland and West-Friesland he must have had frequent contact with the VOC chamber of Enkhuizen.

Nonetheless, the market for VOC bonds became increasingly more anonymous from 1612 as more and more lenders with no clear relation to the local chamber were eager to buy bonds. Local schoolmasters, reverends, carpenters and captains all appreciated VOC bonds as

³⁵⁰ Ibid. (journaal), p. 507.

³⁵¹ Ibid. (journaal), p. 767.

³⁵² Ibid. (journaal), p. 529.

a safe investment from 1612. In the same way Mathijs Sieuwertszoon, a textile merchant from Enkhuizen, deposited almost five thousand guilders in 1612.³⁵³ Besides issuing bonds in Enkhuizen, bonds were also sold to people from Alkmaar, Haarlem, Medemblik and other cities. Inhabitants of smaller towns also increasingly knew to find their way to the VOC chamber of Enkhuizen without the help of Gardijn, and places like De Rijp, Graft, Westend and even the island of Texel appear in the ledger. Cornelis Ysbrantszoon, an inhabitant of Hoorn, lent the large sum of 17.000 guilders to the VOC chamber of Enkhuizen in 1616 and helped much to finance the large expenses the chamber faced in that year.³⁵⁴

The market for bonds became increasingly anonymous from 1612. With all these lenders from different places it was a challenging task for the local *bewindhebbers* to pay interest on time. It was not uncommon for Gardijn to report his dealings with lenders from Amsterdam a couple of months later.³⁵⁵ Other interest payments were delayed because the creditor had to travel a distance to collect his payment, or if something had happened to the creditor of which the chamber had been given no notice. For instance, the chamber only found out two and a half years after the *verschijndag* (due date) that the brothers Cornelis and Meynert Hermanszoon had deceased. They lived relatively far away in a rural area on the other side of the Zuiderzee.³⁵⁶ When the chamber found out the brothers had died, they paid interest over two and half year to the heirs of the two brothers and settled the bond.³⁵⁷

More examples of this anonymous market – and increasing liquidity problems – can be found in some dealings on interest payments. The Orphan Chamber, for instance, had lent 4.900 guilders to the VOC in 1613 with an original term of six months. The chamber, facing liquidity problems, was not able to pay the interest nor redeem the loan after six months. After a year the *weesmeesters* must have appeared before the clerks of the chamber and complained about the unpaid interest. The clerks resolved the issue by changing the term to twelve months, but the *weesmeesters* were still entitled to double the interest, since the term originally had been six months. The chamber paid out the first half-yearly interest of 6,25 per cent over 4.900 guilders (fl. 152,125). The *weesmeesters* argued that they were entitled to a compounded interest on the second half-yearly interest payment, since the chamber had not paid the first half-yearly interest on time, and the owed interest therefore had to be added to the principal. The chamber therefore paid the second half-yearly interest over fl. 5053,125: fl. 4.900 plus 153,125 on unpaid interest. After that, the bond was prolonged with a sum of fl. 5053,125.³⁵⁸ This bond, with some alterations in its principal, was continuously prolonged until 1618. The same holds true for the individual investor in VOC bonds. In the same manner as the *weesmeesters*, the local notable Jan Lourenszoon van Loosen repeatedly did not receive his interest payments, as the principal on his bond of 1613 was every year prolonged with the inclusion of the delayed interest payment. The bond was finally redeemed in 1616, not surprisingly during the year in which van Loosen was treasurer of the VOC chamber of

³⁵³ Ibid. (journaal), p. 379.

³⁵⁴ Ibid. (journaal), p. 630.

³⁵⁵ Ibid. (journaal), p. 110.

³⁵⁶ They are referred to as brothers from ‘the kuynder’ which probably refers to the river Kuinder that flows into the Zuiderzee in West-Friesland. Still today the village of Kuinre in West-friesland exists.

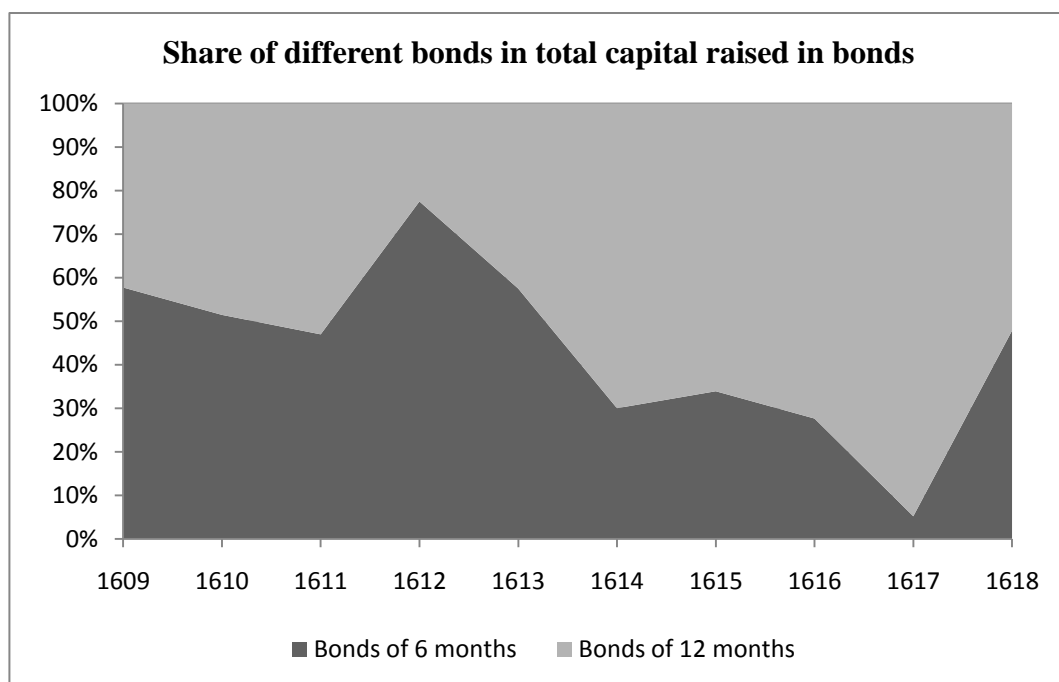
³⁵⁷ NL-HaNA, VOC, 1.04.02, inv. no. 14854 (journaal), pp. 303, 483.

³⁵⁸ Ibid. (journaal), p. 517.

Enkhuizen himself.³⁵⁹ The examples illustrates the long-term, and at times difficult commitment the VOC chamber of Enkhuizen had with its broadening spectrum of creditors.

Almost all the bonds conducted with institutions from Enkhuizen had a term of twelve months. And even though some bonds with Enkhuizen institutions were conducted for six months these were later on frequently changed to twelve months. Even more, also most institutional bonds acquired the status of a long-term investment from 1611, when most of them were rolled-over on expiry. Also other bonds were increasingly rolled over on expiry from 1612. On the expanding market for VOC bonds, many lenders valued their bonds. And because the chamber still needed a lot of cash to pay their shareholders and outfitting costs, bonds were increasingly rolled over on expiry. It even seems that VOC bonds of Enkhuizen became a consolidated debt from 1612. It is however difficult to analyze the total length of separate bonds because prolongations could involve changes in the principal or the combining of bonds. However, by looking at the stated term of bonds, changes in debt management can be revealed, and a consolidated debt appears.

The term reported in VOC bonds of Enkhuizen was mostly either six or twelve months. Although these are both short term, the term does reveal the attitude of the chamber towards issuing bonds. If the chamber predominantly issued bonds for a period of six months, this indicates that they were at the time inclined to redeem these bonds after six months. Bonds of twelve months indicate that bonds were more used as a consolidated debt. This is also strengthened by the fact that most bonds of six months, if prolonged, were prolonged for a period of twelve months. Bonds conducted for twelve months therefore indicate a more structural use of bonds in the financial policy of the chamber rather than a short-term solution to liquidity problems.



Graph 4.5 Source: NL-HaNA, entry no. 1.04.02, inv. no. 14854 (journaal).

³⁵⁹ Ibid. (journaal), p. 553.

In graph 4.5 the composition of total raised capital by bonds is related to the length of these bonds. For instance, in 1609 almost 60 per cent of the total borrowed amount in bonds was obtained by issuing bonds with a term of six months. In the years 1609-1611 when the chamber first started to borrow structurally, Gardijn conducted mostly short-term bonds because the chamber expected to redeem these as soon as possible. But already the share of longer-term bonds was slightly increasing. As demonstrated, in 1612 the VOC chamber of Enkhuizen started to issue bonds in Enkhuizen on a structural basis for the first time. This might explain the greater use of short-term bonds in this year. VOC bonds were still relatively unknown on the financial market of Enkhuizen, and maybe therefore lenders at the beginning preferred short-term bonds. However, they rapidly accepted longer term bonds. From 1613 to 1617 the bonds obtained a more solid long-term status, which indicates a more consolidated debt. The knife may have cut from both ends. The increasing liquidity problems given in by outfitting costs and large expenses to pay shareholders in 1616 caused the local chamber to hold on to most of their bonds as the chamber probably was unable to redeem them. On the other hand, creditors might have increasingly appreciated the longer-term investments in VOC bonds on an anonymous market.

However, as graph 4.2 already showed, the Enkhuizen market was not able to take up all the bonds in 1616. In 1615-16 more credit was needed and the credit market of Enkhuizen proved insufficient, or it still proved easier to sell larger bonds on the Amsterdam market. Bonds again were issued in Amsterdam, and the average sum of bonds conducted in Amsterdam increased (see graph 4.4). The chamber redeemed most of these bonds in 1617 or reduced their size, indicating that they preferred bonds issued on the Enkhuizen market. Moreover, the Amsterdam bonds of 1616 predominantly had a shorter term, which might indicate that these were used to provide extra short-term credit. 35 of the 40 bonds issued in Amsterdam in 1616 had a term of six months, compared to only two of the 161 issued bonds in Enkhuizen in the same year. This demonstrates that by now the Amsterdam market was used to obtain short-term credit in periods of liquidity strains to supplement the more consolidated debt issued on the Enkhuizen market. Whereas the Amsterdam market had served as a captured market for credit until 1612, in 1616 it was used as an extra outlet for short-term bonds. Gardijn only intermediated in a few of these, which indicates that the captured character of this market had gone.

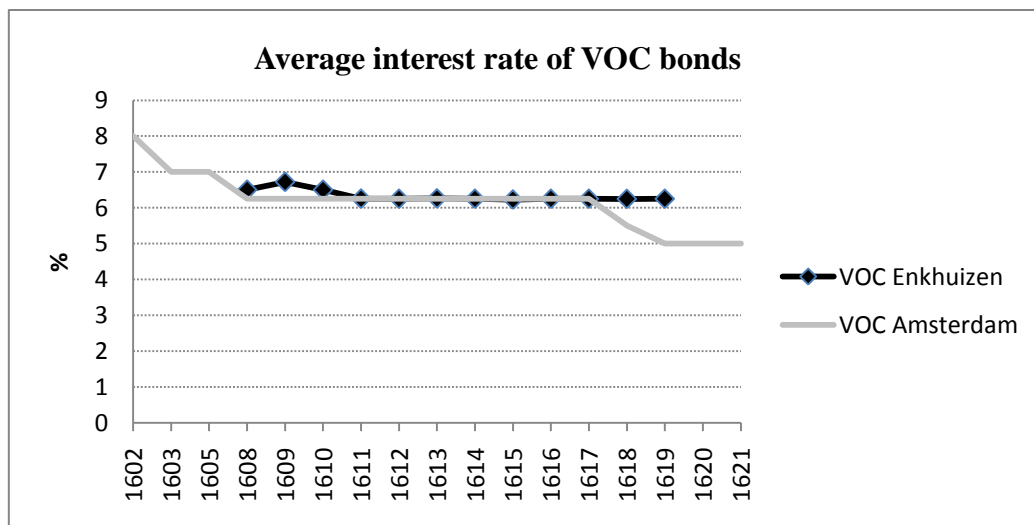
From 1612 to 1617 the local chamber increasingly discovered the local credit market of Enkhuizen as a valuable market to issue bonds. After a hesitant start in 1612, when lenders seemed to have been anxious to invest already for a year, the Enkhuizen market for bonds rapidly expanded. In 1616 the local chamber was even able to raise more than 200.000 guilders on the local credit market. This debt became increasingly more consolidated from 1612 and the market became more anonymous also. Everyone seemed eager to buy Enkhuizen bonds. However, when extra short-term capital was needed Amsterdam still proved useful. Here, the chamber could raise more money relatively easy as lenders were willing to invest more money in bonds on average. On the other hand, the chamber of Enkhuizen redeemed these bonds issued in Amsterdam as soon as possible. Whereas close relations and intermediation by Gardijn proved sufficient to solve the liquidity needs until 1612, between 1612 and 1617, growing needs for cash and an eager local market, probably

convinced the *bewindhebbers* to issue more bonds locally. The Enkhuizen credit market proved for a great deal capable to absorb these bonds.

4.6 The policy of the Heeren XVII and the market for rebates

As graph 4.5 illustrated, shorter-term bonds regained some of their prominence in 1618 while at the same time the total value of issued bonds decreased. How can this be explained? For reasons not entirely clear, the *Heeren XVII* decided in 1618 that the VOC had to redeem most of its bonds conducted before 1618 and try to conduct bonds at a lower percentage than 6,25 per cent.³⁶⁰ This decisions may have been given in by the interest on bonds issued by the Amsterdam chamber, which stood at 5,5 per cent in 1618 (graph 4.6). However, this most likely proved difficult for Enkhuizen, were the interest on the money market was higher than on the more efficient financial market of Amsterdam.

According to the decision from the *Heeren XVII*, if another chamber could loan money at a lower percentage than 6,25 per cent they also had to conduct obligations for other chambers.³⁶¹ I have found no evidence that the chamber of Amsterdam conducted loans at a lower percentage for the chamber of Enkhuizen. It seems that the chamber of Enkhuizen was unable to issue bonds lower than 6,25 per cent, while forced to redeem their old bonds, and not allowed to conduct new bonds at 6,25 per cent or higher. This caused the chamber of Enkhuizen some financial difficulties since, as we have seen, they were very dependent on bonds.



Graph 4.6 Source: Appendix E; Gelderblom and Jonker, 'A Conditional Miracle', p. 46.

But because of the decision by the *Heeren XVII* the chamber of Enkhuizen was obliged to change its policy on bonds. As a result they first redeemed all their bonds issued in Amsterdam in 1618. As explained, these had a higher principal than bonds issued in Enkhuizen, so the chamber probably wanted to redeem these first. But second, the chamber was also ordered to redeem their Enkhuizen bonds, as these also had a relatively high interest. The chamber followed this order as best as they could, but it proved impossible to redeem all

³⁶⁰ Pieter van Dam's *Beschryvinge van de Oostindische Compagnie*, p. 440.

³⁶¹ *Ibid.*, pp. 440, 440n3.

their bonds issued in Enkhuizen, given the continuous need for cash. Although a lot of Enkhuizen bonds were redeemed, some of the bonds that could not be redeemed were changed from twelve-month bonds into six-month bonds. For instance, the chamber of Enkhuizen only issued three bonds in Amsterdam in 1618. And of the 84 bonds issued in Enkhuizen, 34 had a term of six months.³⁶² As shown, Enkhuizen bonds in earlier years mainly had a term of twelve months. Moreover, the bonds issued in Enkhuizen in 1618 with a term of six months on average had a higher principal than the twelve-month bonds (fl. 1.750 compared to fl. 1.350).

Thus, the chamber of Enkhuizen first redeemed all its bonds issued in Amsterdam and consequently tried to redeem most of their bonds issued in Enkhuizen. When this proved impossible, the chamber first lowered the term of their more expensive bonds, giving the chamber the option to redeem these at first notice. This explains the terms of 1618 in graph 4.5. As a result of the order of the *Heeren XVII* and the eagerness to redeem bonds issued in Amsterdam already in 1617, the chamber drastically lowered its bond indebtedness from over half a million guilders in 1616 to around 300.000 guilders in 1618 (graph 4.3). And as a result of the lowering terms of bonds issued in Enkhuizen the consolidated character of this debt had gone for the moment.

Nonetheless, the liquidity needs of the chamber were not all of a sudden removed. On the contrary. Comparing the credit taken out by the chamber with the outfitting costs in the period 1616-1618, again reveals the great need for credit. The total dividend payments plus interest to its shareholders were at least fl. 300.500 in 1618.³⁶³ Together with the outfitting costs of 1616 to 1618 this makes well over a million guilders on expenses in the period 1616-18.³⁶⁴ That this is a low estimate is shown by graph 4.3, because the value of rebates between 1616-18 plus the bond indebtedness in 1618 was almost 1,2 million guilders. On top of these expenses, the chamber fitted out another East Indiamen in the end of 1618, with a total outfitting cost of fl. 348.348.³⁶⁵

But in 1618 money had to come from other places, since it proved impossible to sell bonds of the Enkhuizen chamber with an interest lower than 6,25 per cent. The chamber of Enkhuizen as a result had to resort to offering cash rebates instead. Cash rebates had already been another much needed source of credit. In 1611 the chamber offered relatively many rebates, which caused the low amounts of bonds issued in 1612-14. And already in 1617 were bonds gradually being replaced by rebates as a credit instrument. But the conditions on rebates were less attractive for the Enkhuizen chamber in 1618. Although the interest of the rebates remained fixed at eight per cent annually, the term on which the interest was booked was often changed from nine to twenty-four months in 1618.

For instance, if the rebate of Gerrit Ligger (see above) is changed from nine to twenty-four months, the discount he would receive from the chamber on his cloves would have been fl. 442,34 instead of fl. 165,85.³⁶⁶ Offering rebates under these conditions was more expensive than conducting bonds because the chamber of Enkhuizen had to offer more favorable terms

³⁶² This decreasing importance of the Amsterdam market can also be seen in graph 4.2.

³⁶³ Based on NL-HaNA, entry no. 1.04.02, inv. no. 14854 (journaal), pp. 792, 796.

³⁶⁴ Ibid. (grootboek), p. 169.

³⁶⁵ In May 1619 the chamber booked another fl. 340.000 on outfitting costs; Ibid. (grootboek), p. 169.

³⁶⁶ Eight per cent annually over fl. 2764,65 is fl. 221,17. Times two (24 months) equals fl. 442,34.

that resulted in giving a relatively higher net discount. Of the total 110 offered rebates in 1618, almost half had a term of twenty-four months, while other buyers still used a term of nine months. In total the rebates of 1618 were relatively more expensive than the rebates of earlier years because of these longer terms.³⁶⁷

These higher costs for rebates were probably also given in by a decision of the *Heeren XVII*. Because the VOC imported a lot of pepper in 1618 the *Heeren XVII* decided that the term on pepper rebates had to be twenty-four instead of nine months.³⁶⁸ In 1619 the VOC was also anxious that it would not be able to sell their pepper, as they earlier had been unable to sell large amounts of imported mace.³⁶⁹ As a result, the chamber of Enkhuizen had to give more discount on its pepper while it was at the same time unable to conduct new bonds. The premium on credit in 1618-19 had thus been raised by two decisions of the *Heeren XVII*: one given in by a flood of pepper on the market for goods and the other given in by lower interest rates on the Amsterdam credit market. For the chamber of Enkhuizen this proved to be very expensive.

The years 1618 and 1619 were difficult years for the VOC chamber of Enkhuizen. Having just recently discovered the benefits of the credit market of Enkhuizen, they were now ordered to redeem most of their bonds and instead had to offer rebates on less attractive terms as well. However, the chamber managed to offer sufficient rebates to its customers to keep up levels of liquidity. We have already seen how this chamber used intermediation and the local credit market to issue bonds. How does this relate to offering cash rebates? Were these offered to the same group of people?

In the financial policy of the VOC chamber of Enkhuizen different networks were used for credit. Francois du Gardijn, besides his intermediation in bonds, also intermediated in selling rebates to merchants from Amsterdam.³⁷⁰ Yet the people to whom Gardijn sold bonds and the people he sold rebates were two distinct groups. Even though Amsterdam and Enkhuizen figured as the most important market for bonds and rebates, people who invested in bonds and people who used rebates were two distinct groups, as is illustrated by graph 4.7. Lenders from Amsterdam were rarely users of rebates and the same was true for lenders from Enkhuizen. Merchants and lenders predominantly used one type of credit instrument in their dealings with the VOC chamber of Enkhuizen.³⁷¹

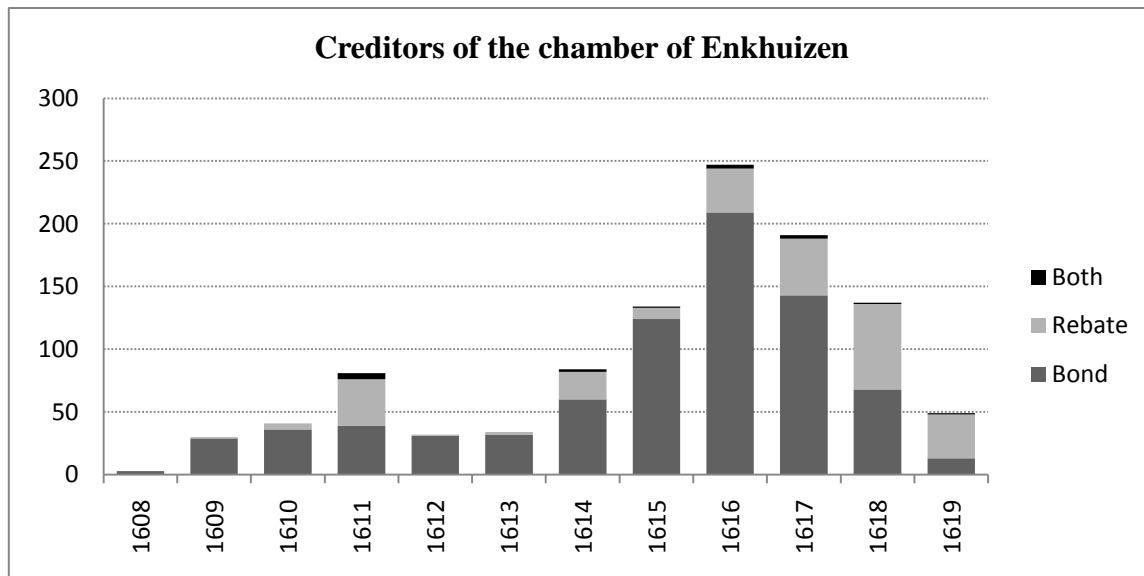
³⁶⁷ Although the interest was booked over a period of twenty-four months, the rebate was given immediately and thus was more costly for the chamber right away. Van Dam indicates that merchants who used these 24 month rebates had up to 3 months to pay for their goods. Again an indication that the discount was given almost immediately; *Pieter van Dam's Beschryvinge van de Oostindische Compagnie*, p. 159. See also Appendix E.

³⁶⁸ *Pieter van Dam's Beschryvinge van de Oostindische Compagnie*, p. 159.

³⁶⁹ 'ende dat die tot de selve prijs soude willen van de hant gaan, dat men sigh mede soude quijt maecken'; *Ibid.*, p. 160.

³⁷⁰ For instance NL-HaNA, entry no. 1.04.02, inv. no. 14854 (journaal), pp. 272, 723, 739.

³⁷¹ However, there are suggestions that shares and bonds were owned by the same people. For instance, Egxkens and Coolmans owned both (see chapter 2 and 3). Also Pieter Hermanszoon Boode both owned VOC bonds and shares. *Ibid.* (journaal), p. 38; WFA, Oud-archief Enkhuizen, inv. no. 1587 A (4-9-1606).

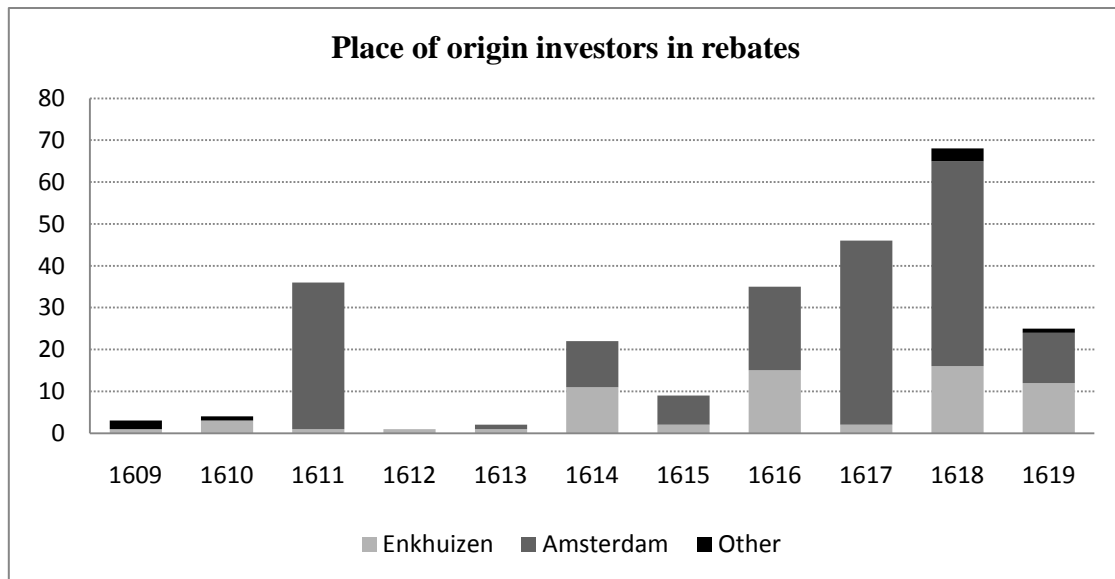


Graph 4.7 Source: NL-HaNA, entry no. 1.04.02, inv. no. 14854 (journaal).³⁷²

In contrast to VOC bonds virtually all rebates were given to merchants from Amsterdam. Pieter van Dam, the contemporary advocate of the VOC had already noticed this. In his observation on the financial credibility of debtors of the VOC he tells that usually ‘most, if not all’ merchants who bought goods from the chambers of Enkhuizen and Hoorn came from Amsterdam.³⁷³ His observation is supported by the ledgers of Enkhuizen (graph 4.8). Amsterdam was the most important commercial centre in the Dutch Republic during the seventeenth-century, and most of the goods imported by the VOC chamber of Enkhuizen were sold to merchants from Amsterdam. Not only rebates were offered to Amsterdam merchants. Although I have not collected data on the selling of goods without rebates, it is safe to assume that also normal transaction of goods were predominantly done with Amsterdam merchants. Although Enkhuizen had a booming economy in these years, it was mainly founded on herring fishing and the trade with The Sound. Merchants from Enkhuizen therefore were probably not as involved in the trade of spices than merchants from Amsterdam. Whereas the chamber of Enkhuizen was increasingly able to obtain credit in the form of bonds in Enkhuizen itself from 1612, most rebates still had to be offered to merchants from outside the city.

³⁷² An individual who used more bonds or rebates in the same year is only counted once.

³⁷³ Pieter van Dam's *Beschryvinge van de Oostindische Compagnie*, pp. 301-2.



Graph 4.8 Source: Source: NL-HaNA, entry no. 1.04.02, inv.no. 14854 (journaal).³⁷⁴

Some of the merchants who used rebates are well-known. Hans Martens for instance was a wealthy grocer from Amsterdam.³⁷⁵ Pelgrom van Dronckelaer, an immigrant from the Southern Netherlands, not only bought goods from the chamber of Enkhuizen but had numerous other business associates with whom he traded on the Mediterranean ports of Livorno and Lucca. With his associates had also had connections with the magistrates of the city of Amsterdam and the VOC chamber of Amsterdam. The well-connected merchant Joris Witsen also regularly bought goods from the chamber of Enkhuizen. He was also active in the Amsterdam branch of the Nordic Company of wale fishing in 1614 and later on became a director of the Dutch West India Company (WIC).³⁷⁶ In 1618 Jacob Poppen used a rebate to buy pepper from the chamber of Enkhuizen for the large amount of over fl. 17.000.³⁷⁷ His father, an immigrant from Germany, had risen from humble origins to the status of merchant by 1579. He had been one of the initiators of the direct trade with Asia from the end of the sixteenth-century. His son benefitted from the achievements of his father and established himself as a very rich merchant and several times mayor of Amsterdam. At his death his assets are estimates at more than twenty million guilders, making him one of the richest people of the Dutch Golden Age.³⁷⁸

The intermediation by Gardijn in rebates again illustrates the captured market of the VOC chamber of Enkhuizen from 1609 to 1611. Of the 47 cash rebates in 1611, 36 were sold with the intermediation of Gardijn. In 1614 to 1616, when also numerous rebates were sold, Gardijn did not intermediate in a single one of these. Only when the chamber was strapped for cash because between 1617 and 1619, did Gardijn again intermediate in rebates. This is

³⁷⁴ An individual who used more bonds or rebates in the same year is only counted once.

³⁷⁵ O. Gelderblom, 'Een Antwerpse 'cruydenier' in Amsterdam: Hans Martens (1555-1613)', *Jaarboek Oud-Utrecht* (2002), 16-33.

³⁷⁶ M. C. Engels, *Merchants, Interlopers, Seamen and Corsairs: The 'Flemish' Community in Livorno and Genoa (1615-1635)* (Hilversum, 1997), p. 160.

³⁷⁷ NL-HaNA, entry no. 1.04.02, inv. no. 14854 (journaal), p. 847.

³⁷⁸ O. Gelderblom, J. Jonker, P. Kleijn, e.a, 'De Tien Rijkste Nederlanders', in: *Historisch Nieuwsblad*, Vol. 9 (2004), consulted at http://www.historischnieuwsblad.nl/00/hn/nl/162/artikel/6586/De_tien_rijkste_Nederlanders.html (28-5-2010); O. Gelderblom, *Zuid-Nederlandse Kooplieden*, p. 227.

roughly the same pattern as observed in the bond policy of the chamber. In the period 1608-11 the chamber used close networks and insider lending. From 1612 intermediation was only used in times of severe cash-shortages. And even then intermediation was no longer the foundation of the credit policy. This was also true for rebates. Although Gardijn did intermediate in rebates in 1617 and 1618, he intermediated only in forty per cent of rebate transactions. In 1619 his role as intermediary was again over. Although this year is not complete in the ledger, Gardijn only intermediated in six of the 43 rebate transaction in the first months of 1619. After 1612, intermediation did help to overcome difficult periods of liquidity strains, but it was no longer as important as it had been during 1608-11.

4.7 Returning to the credit market: VOC borrowing after 1619

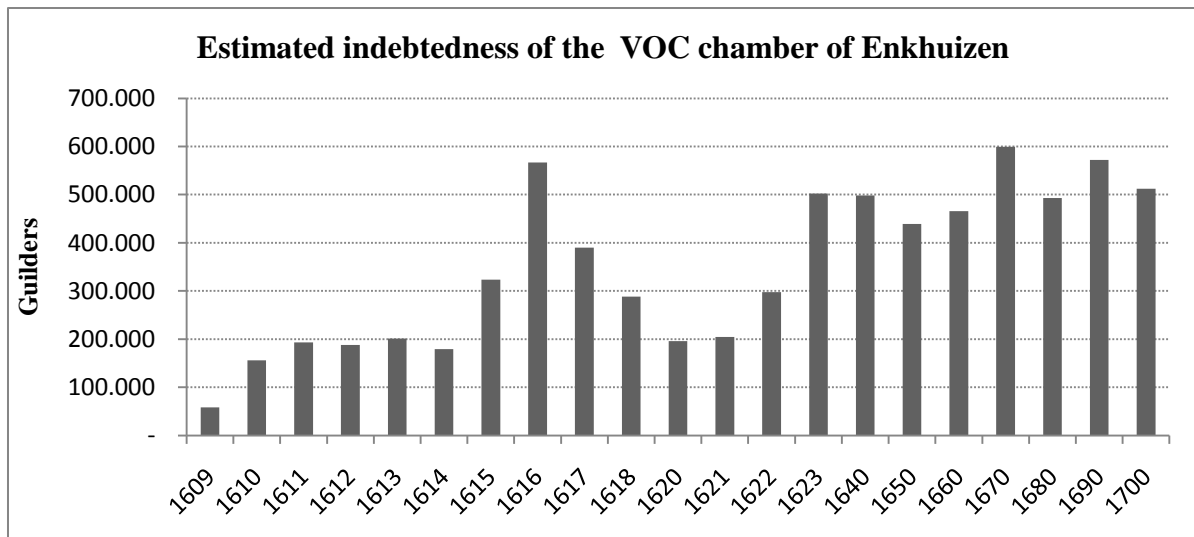
The difficult periods that had been largely caused by some decisions of the *Heeren XVII* only had a short-lasting influence on the VOC chamber of Enkhuizen. In 1618 and 1619 the chamber was strapped for cash, but it seems that the chamber continued the policy established during 1612-1616 again from the 1620s. That is, the chamber once more resorted to issuing large amounts of bonds to finance their operations and the consolidated character of its indebtedness returned.

Other sources allow us to make an estimation of VOC borrowing by the chamber of Enkhuizen after 1619. One archival source of the *Heeren XVII* gives the indebtedness of the different VOC chambers during 1620-23.³⁷⁹ By comparing the indebtedness of Enkhuizen to the total VOC debt outstanding, an estimate can be made of the percentage of the Enkhuizen chamber in the total indebtedness. In the years 1620 to 1623 this was on average 4,3 per cent.³⁸⁰ The advocate of the VOC, Pieter van Dam, has included the total indebtedness of the VOC from 1638 in his seventeenth-century account of the VOC.³⁸¹ By combining these two sources an estimation can be made on the indebtedness of the VOC chamber of Enkhuizen from 1640 until 1700. The period 1620-23 is already given in the source of the *Heeren XVII*. Only for the year 1619 no reliable estimate can be given because the ledger stops in May, and bond subscriptions were not evenly spread over one year. In graph 4.9 the total indebtedness of the chamber of Enkhuizen is estimated.

³⁷⁹ NL-HaNA, entry no. 1.04.02, inv. no. 100.

³⁸⁰ Ibid.

³⁸¹ *Pieter van Dam's Beschryvinge van de Oostindische Compagnie*, pp. 351-64. I have regarded his figures on 'penningen a deposito' as the debt outstanding.



Graph 4.9 Source: Appendix E; NL-HaNA, entry no. 1.04.02, inv. no. 100; *Pieter van Dam's Beschryvinge van de Oostindische Compagnie*, pp. 351-64.

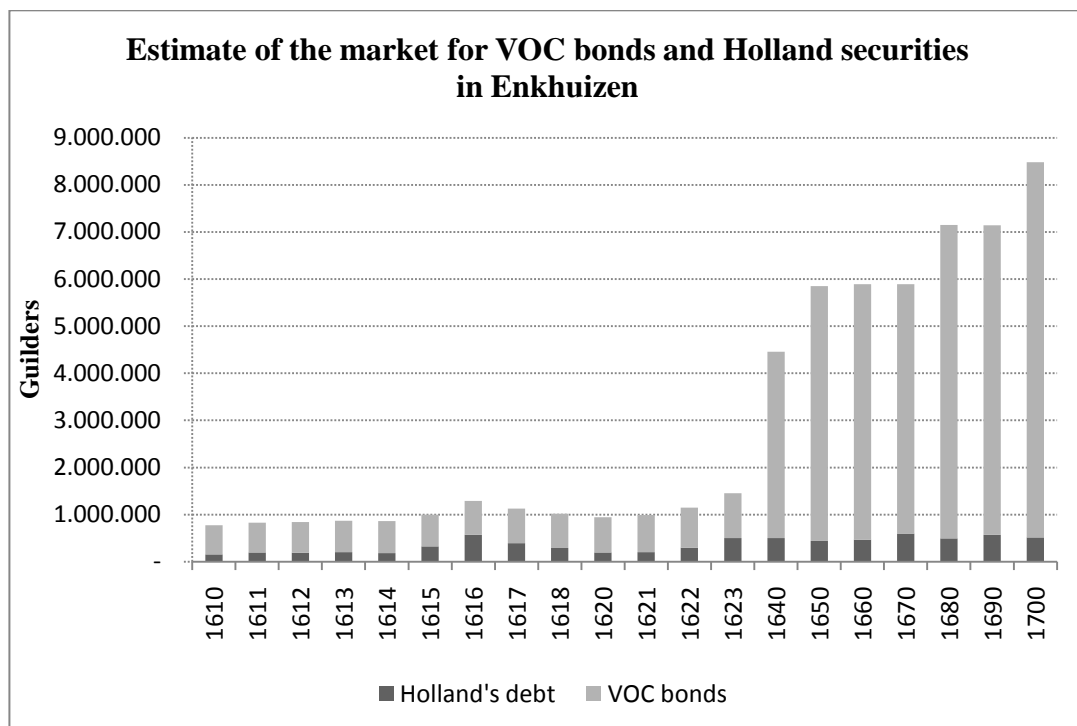
This estimate might be somewhat conservative. For instance, in June 1680 the indebtedness of the VOC chamber of Enkhuizen was fl. 561.494.³⁸² Even though it cannot be shown which markets for credit were now used, this large-scale borrowing again indicates that once the upheavals of 1618 were gone, the VOC chamber of Enkhuizen continued with its consolidated debt from the 1620s. Regrettably, we do not know at this point why the chamber was again allowed to issue bonds. Maybe the interest on the credit market of Enkhuizen had dropped. Some VOC bonds in the inventory Aeff Pieters Coolmans indeed demonstrate that the interest rate in the 1630s had dropped to five per cent.³⁸³ Either way, the graph shows that 1616 witnessed the peak of VOC borrowing in Enkhuizen. In this year it already showed possible to take up large sums on the credit market of Enkhuizen and Amsterdam. The VOC chamber of Enkhuizen probably continued with this practice in the rest of the century. However, VOC borrowing fluctuated less from the 1620s and especially from the 1640s. The debt might have become more consolidated. As such, it may have been that increasingly the same creditors were used to sell bonds to, as the chamber already tried to do from 1616. This might be an explanation for the low numbers of VOC bonds found in inventories from 1650. Maybe bonds were even more rolled over on expiry than around 1616, which caused that less bonds were available on the local credit market.

Based on the estimates of Holland's debt in chapter three, it now is possible to compare the two largest players on the Enkhuizen market for credit. This shows that the growing dominance of Holland's debt on the financial market of Enkhuizen can also be an explanation for the lower findings of VOC bonds. In general, Holland's debt issued in Enkhuizen represented a much higher value than the bonds of the VOC chamber of Enkhuizen. However, Holland's debt really began to grow from the 1620s. At closer look, it seems that the market for VOC bonds was relatively large before the 1630s (graph 4.10). The issuing of VOC bonds was relatively stable during the seventeenth-century, while the issuing of public securities grew enormously from the 1620s and 1630s. Before that period both types

³⁸² WFA, Oud-archief Enkhuizen, inv. no. 1587 A (30-6-1680).

³⁸³ *Ibid.*, Oud-rechterlijk Archief, inv. no. 5045, fol. 105r-108v.

of securities were more equal partners on the financial market of Enkhuizen. This growth of Holland's debt might explain the larger presence of public securities from 1630. Until somewhere around 1620 Holland's debt and VOC bonds were offered on a somewhat fixed share on the local credit market and the share of VOC bonds to public securities was much higher than later in the century. After that period public securities became much more widely available, while the issuing of VOC seems to have stayed at roughly the same level. Compared to private annuities, these two securities were much more popular. Even if the annuities registered by the Aldermen of Enkhuizen were as widely used as *weesmeesterkennissen*, they only represented somewhere around fl. 60.000 guilders in their most popular year of 1619. But whereas the public securities and VOC bonds had stood on a somewhat equal footing until circa the 1620s, from the 1630s Holland's debt began to dominate the financial market of Enkhuizen.



Graph 4.10 Source: graph 4.10 and graph 3.5.³⁸⁴

Conclusion

The VOC chamber of Enkhuizen combined different financial techniques also used by private merchants. Its share subscription was an altered form of privately joint-stock funding and even resembled *partenrederijen*. It used a reversed form of supplier credit to be attractive to merchants and solve liquidity problems. But by far the most important aspect of its financial management was issuing bonds on local credit markets. Its intermediation and usage of different techniques to solve liquidity problems again highlights the importance of credit in early modern financing.

The VOC chamber of Enkhuizen was increasingly able to solve its constant liquidity problems by using the financial market of Enkhuizen. Whereas in the period

³⁸⁴ For the estimate of Holland's debt issued in Enkhuizen see chapter three.

1608-11 a captured market was used, from 1612 the chamber began to sell bonds more locally. This local market was primarily used to obtain a long-term consolidated debt. Amsterdam did provide much needed extra short-term credit when more money was needed. Especially in 1616, when a buffer was set-up to pay the large expenses for shareholders and outfitting costs. But as soon as possible the chamber of Enkhuizen returned to the local credit market. In 1618 the chamber was hit hard by some decisions of the *Heeren XVII*. But by cleverly using cash rebates the chamber was still able to raise enough credit. Also cash rebates of the VOC chamber of Enkhuizen gradually switched from using a captured market to resorting to a more anonymous market. However, because of the dominance of Amsterdam as an international centre for trade most merchants that used these rebates came from Amsterdam. Enkhuizen was first and foremost important for issuing the much needed bonds in the period 1612-18. After the difficult years of 1618 and 1619 the chamber returned to its established policy on issuing bonds, and the consolidated character of its debts continued during the rest of the century. It might well have been that the chamber increasingly used the same creditors. From the 1620s the share of VOC bonds on the financial market of Enkhuizen remained stable while public securities became increasingly more available. This might explain the dominance of public securities found in inventories. Although the VOC was an important player on the local market, especially from 1612 to 1616, after the first quarter of the century it was outshined by Holland's debt.

Conclusion

How was the Dutch Golden Age financed in Enkhuizen? This thesis has shown that entrepreneurs in seventeenth-century Enkhuizen could use a lot of different techniques to finance their businesses. They could use partnerships, retained earnings, different sorts of loans and supplier credit to both start and uphold their businesses. It seems that most rich Enkhuizen entrepreneurs were able to use their own earnings to further finance their operations. These earnings could indeed be huge, as profits were especially high during the economic boom of Enkhuizen. Egxkens and Coolmans used their own resources but also seemed to have invested on behalf of others.

Less wealthy entrepreneurs were more dependent on credit. Most of these entrepreneurs first resorted to borrowing from friends and family, and these private loans figure abundantly in after-death inventories of Enkhuizen entrepreneurs. It is impossible to estimate the size of the market for privately contracted credit, but looking at all the different inventories it must have been sizeable. Privately contracted loans already offered enough safeguards for the creditor, as the financial ledgers of individual merchants offered sufficient proof in case of default. By carefully managing private loans and claims most entrepreneurs did not need to resort to publicly registered annuities. Only those entrepreneurs that were unable to borrow from family and friends resorted to public institutions. These entrepreneurs went to the Aldermen and Orphan Chamber of Enkhuizen. But this type of credit was not popular, as a maximum of only ten per cent of entrepreneurs used private annuities. Moreover, even when VOC borrowing declined in 1617-20 private annuities did not fill in this gap.

Supplier credit offered the other much wanted source for entrepreneurial credit, and it seems that all local craftsmen and small-scale entrepreneurs used this type of credit profusely. The numerous found personal financial ledgers show that extending supplier credit and mutual clearing offered a viable option to solve liquidity problems. Even the local chamber of the VOC quickly noticed that they could use this system to their benefit. By turning supplier credit upside down they could obtain more money in difficult periods. However, the small market for goods in Enkhuizen caused the chamber to sell most of their goods to Amsterdam merchants. But like had happened with their share subscription and bond policy, the market uses by the chamber of Enkhuizen became increasingly more anonymous and efficient after 1612. Also the VOC depended on loans, and especially from 1612 did the local chamber of the VOC discover the credit market of Enkhuizen. By carefully issuing bonds in Enkhuizen they were able to raise enough money to fund their numerous expenses. Amsterdam was only used for extra short-term credit. Overall, their actions on the financial market closely resembled those of private entrepreneurs.

Supplier credit nevertheless had its shortcomings and larger loans were needed to fund a business. This meant that the local entrepreneur at times had to resort to the local credit market of Enkhuizen for larger sums. And here he had to compete with other types of securities. VOC bonds and public securities all offered another option for creditors to invest their assets. The Orphan Chamber of Enkhuizen even acted as an early modern bank. By carefully following the credit market it decided how and where to invest money of the different estates. Its intermediating function reveals the sophisticated market for credit in

Enkhuizen. The Chamber started with investing in private annuities, both also invest in VOC bonds and public securities.

Until 1620 VOC bonds were a relatively larger player on the local market. From 1630 Holland's debt clearly began to dominate the financial market of Enkhuizen. Although the Orphan Chamber invested conservatively, it seems that the financial market narrowed from 1650 as Holland's debt increasingly became more attractive. Maybe the wealth of the period 1580-1650 caused that less entrepreneurs needed to borrow money as they could increasingly reinvest their earnings and also began to invest in public securities. Together with a population decline from 1650 there also was less entrepreneurial activity in Enkhuizen. Following Willemsen, did capital investment then indeed become more conservative after 1650?

The short answer is no. Looking at evidence on the financial market reveals that these Enkhuizen investors were not conservative but clever. They constantly weighed their options on where to invest. Public debt was available more widely and yielded higher returns than private loans. Maybe the declining economy made it increasingly difficult to invest in private enterprises. And in the same time did VOC bonds become more consolidated and possibly harder to obtain. Because the different sectors of Enkhuizen's economy were closely intertwined, reinvestment options in trade may have ceased once the economic situation deteriorated. But this does not mean that investment became conservative. Rather, from the 1650s investors merely reacted to these new circumstances. Public securities were more widely available and relatively more attractive than private investments. Like in the whole province of Holland, Enkhuizen investors valued their public securities highly. The economy indeed declined, but the financial market of Enkhuizen continued to show the same sophistication that it had showed already from the beginning of the seventeenth-century. The remaining question is whether Holland's increasing demand for funds crowded out private entrepreneurs or if increasing wealth of entrepreneurs, caused by the economic growth until 1650, reduced demand for private loans. Regrettably, no sound answer can be provided on the basis of the remaining archival sources.

The financial market of Enkhuizen nonetheless was a sophisticated market. It mirrored much of the dealings found on the Amsterdam financial market. Numerous securities were offered, there were lots of options for investment and even securities could increasingly be liquidated by pledging them as collateral. Moreover, a lot of people from Enkhuizen enthusiastically embraced the share subscription and bonds of their local VOC chamber. The fact that the Orphan Chamber followed developments on this market closely further illustrates its broad appeal. The credit market of Enkhuizen enabled entrepreneurs to finance their business, obtain credit and reinvest their earnings into all sorts of securities. It was a broad and efficient financial market where intermediation by brokers was hardly needed. Both debtors and creditors were perfectly able to participate in the elaborate competition for credit that was so important for the seventeenth-century entrepreneur.

This broad market enabled entrepreneurs to find solutions to their liquidity problems and enabled investors to enlarge their wealth. Current research has shown that the issuing policy of public debt was very much influenced by local market conditions. This thesis also demonstrates that the funding of enterprises was every bit as much influenced by conditions on the local credit market. Although more research on this interplay is needed, it seems that

the smooth interaction between supply and demand of credit and the wide availability of different credit instruments seriously helped the economy of Enkhuizen to grow in the seventeenth-century.

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Appendix A - Using after-death inventories for research

After-death inventories could be drawn by notaries and the Orphanage Chamber. Notaries made these inventories because of a request from the family, and sometimes local Orphanage Chambers also went to notaries to draw up inventories. The main reason for making an inventory was to list all the belongings of the deceased. The Orphanage Chamber did this out of the need to protect the assets of the orphans and to see whether the estate was worth enough to provide in the costs of upbringing.³⁸⁵ Privately ordered after-death inventories before a notary were often drawn because some of the heirs were under aged, one of the heirs was abroad, or when the testator had disinherited his family.³⁸⁶ They could also arise out of a conflict over the division of an inheritance. After-death inventories give the historian a minimum indication of the possessions of a household, since people did not have an incentive to fraudulently add belongings to their possessions.³⁸⁷ After-death inventories drawn up by the Orphanage Chamber probably under represent actual belongings. Most people were inclined not to list all their belongings because they did not want to give the *weesmeesters*, with whom they were often acquainted, an insight into their possessions.³⁸⁸

The question remains how representative after-death inventories actually are. For one, drawing up an inventory by a notary involved costs. People were not willing to make up an inventory if the estate was not worth fighting over.³⁸⁹ After-death inventories made by notaries consequently under-represent the lower classes of society. And even if the total debt burden is given we should be skeptical to compare this debt burden to the total assets of the estate. For one, the more wealthy people carried the most debt and these are over-represented in the inventories.³⁹⁰ Second, valuations of real estate are rarely given in inventories and valuations of goods show up even more infrequently. Besides, most people did not leave an inventory at all. In eighteenth-century Delft only six to eight out of 100 deceased drew up an inventory annually.³⁹¹

The inventories of the Orphanage Chamber are usually not completely representative as well. McCants argues that inventories of the Municipal Orphanage quite closely represent the belongings of the working poor of the citizenry of Amsterdam.³⁹² She concludes this because the magistrates were obliged to draw up an inventory for all orphans and because most well-off people took care of orphans within their families themselves. The middle- and poorer classes were therefore over-represented. On the other hand does Wijssenbeek-Olthuis argue that the inventories of the local Orphanage Chamber of Delft only represent richer estates because the *weesmeesters* weren't bothered to draw up inventories for people with little belongings.³⁹³ The observations of both authors are accurate because McCants is

³⁸⁵ Wijssenbeek-Olthuis, *Achter de Gevels van Delft*, p. 86; McCants, 'Goods at Pawn. The Overlapping Worlds of Material Possessions and Family Finance in Early Modern Amsterdam', *Social Science History*, Vol. 31, No. 2 (2007), p. 220.

³⁸⁶ Wijssenbeek-Olthuis, *Achter de Gevels van Delft*, p. 95.

³⁸⁷ McCants, 'Poor Consumers as Global Consumers', p. 178.

³⁸⁸ Wijssenbeek-Olthuis, *Achter de Gevels van Delft*, pp. 90-1.

³⁸⁹ McCants, 'Poor Consumers as Global Consumers', p. 181.

³⁹⁰ *Ibid.*, 'Goods at Pawn', p. 221.

³⁹¹ Wijssenbeek-Olthuis, *Achter de Gevels van Delft*, p. 94.

³⁹² McCants, 'Poor Consumers as Global Consumers', p. 182.

³⁹³ Wijssenbeek-Olthuis, *Achter de Gevels van Delft*, p. 88.

speaking of the Municipal Orphanage (*Burgerweeshuis*) and Wijsenbeek-Olthuis refers to the Orphanage Chamber. As explained above the Orphanage Chamber did not take care of orphans directly, like the *Burgerweeshuis*, but only managed their estate. And as also has been explained, wealthier people often excluded the Orphanage Chamber in their wills. They were also more capable to take care of the orphans themselves instead of resorting to the *Burgerweeshuis*.³⁹⁴

In order to assess if the sources of the Orphanage Chamber of Enkhuizen are in any way representative we should take these observations in mind and take a critical look at the local sources as well. For this research different inventories of the Orphanage Chamber and inventories of notaries have been examined. The general observations about inventories drawn up by notaries also apply to the inventories drawn up by notaries in Enkhuizen. Yet these are even less representative because only notarial inventories that listed financial assets have been used. Poorer people who left no financial assets at time of death are excluded because this research is primarily interested in investment strategies and credit and because it is assumed that poorer people were not active entrepreneurs. The approach of notarial inventories is therefore rather unrepresentative and qualitative, but does prove functional for analyzing types of credit. Moreover, it will be shown that middle- and upper class people from Enkhuizen were active investors and used supplier credit abundantly.

Even more, the sources of the Orphanage Chamber I have used also over-represent wealthy estates. The archives of the Orphanage Chamber of Enkhuizen contain both inventories of estates (*Boedelpapieren*) and lists of financial assets of orphans (*Staatboeken*). The *Boedelpapieren* are not chronologically accessible and do not enclose all deposited estates. Mostly this source consists of pieces of scratch paper of which only a few give information on all possessions. The *Staatboeken* on the other hand contain all investments of the deposited estates at the Orphanage Chamber. These lists offer a wealth of information on investment strategies. On the other hand do they only rarely give information on outstanding debts, and they don't hold inventories of goods. The result is a comprehensive overview of the investments done with the estates of orphans, but the other side of the story is completely missing.

It is impossible to compare the investments to the complete value of an estate. The corresponding estate can only occasionally be found in de the *Boedelpapieren*, and more often than not these *Boedelpapieren* contain very little information on other belongings. An analysis based on household assets, like McCants has done for Amsterdam, is therefore not possible. Because of its character supplier credit and other relatively small-scale debts are not listed in the *Staatboeken*. This deficiency can be overcome by looking at notarial inventories, which will be treated below.

Unfortunately there is little information on why and how these *Staatboeken* were formed. Probably they were set up to supervise the financial managing of the estates.³⁹⁵ Not only do they list all securities in possession at time of death, but they also list all future investments of the estate done by either a *weesmeester* or a guardian. Each inventory begins

³⁹⁴ McCants, 'Poor Consumers as Global Consumers', p. 182.

³⁹⁵ The corresponding *boedelpapieren* for one entry in the *Staatboeken* show that the guardian of the estate had to provide the Orphanage Chamber with a annual overview of the receipts and expenditures. WFA, Oud-rechterlijk Archief, inv. no. 5056; Ibid., inv. no. 5045, p. 112.

with stating the name of the deceased and the name of the heirs or orphans. Thereafter is stated who has brought the belongings to the Orphanage Chamber. Lastly the name of the guardian is sometimes given. I suspect that when no name of a guardian is given the *weesmeesters* acted as guardian, but this is not completely sure. After this introduction a listing of all the financial securities follows. Each asset is described by giving the type (e.g. *rentebrief, losrente, obligatie*), the principal and the due date of interest, which was the most important date for the guardian. If applicable the debtor is also given, and the year of arrangement is sometimes specified as well. Only the type of security and the principal are listed constantly. The listing of securities is mostly done on a chronological basis. All the securities already belonging to the estate were described first and all later acquired securities were added afterwards. Sometimes the year in which the security is transferred or (partly) redeemed is also known. This results in a quite complete list of different types of securities conducted before and after the estate was deposited at the Orphanage Chamber.

Appendix B – The financial ledgers of the VOC chamber of Enkhuizen

For the VOC chamber of Enkhuizen there are two ledgers that have survived the test of time: the *journaal* and the *grootboek*, both containing almost a thousand pages of financial information.³⁹⁶ In the VOC administration of registering income and expenditure, financial dealings were first written down on a so-called *minuut*. This was often not more than a piece of scratch paper. These *minutes* were then registered in a *memoriaal*. The entries in the *memoriaal* were, together with the value of the returning goods from Asia and the expenditures for outfitting, chronologically entered in the *journaal*.³⁹⁷ The *journaal* thus listed all the financial dealings of the chamber on a chronological basis, but did not order this per group or on a balance sheet. This was in the end done in the *grootboek* of the chamber. In the *grootboek* each merchant, ship, good, or other administrable entity had its own sheet, containing all the related incomes and expenses. The VOC chamber of Enkhuizen handled its administration very carefully. All the entries in the *journaal* have two folio numbers written left in the margin. These numbers refer to the corresponding folio's in the *grootboek*.

The Enkhuizen *journal* and *grootboek* cover the period from June 30th, 1608 until May 20th, 1619. The starting year of 1608 might seem odd because it doesn't correspond with the stipulated ten-yearly period of capital subscription. The receipts of the shares of the VOC (shares were never actually printed but only registered), mention that the subscriber participated for the specified amount in the first ten-yearly account of the VOC.³⁹⁸ The expected starting year of the ledger therefore should have been 1602 or 1612. The ledger starts in 1608 because the VOC, after the first couple of years of operation, thought it necessary to check the accounts of the different chambers. A declaration of the *Heeren XVII* of October 1607 states that pairs of different chambers of the VOC were to check each other's ledgers. In this way Enkhuizen and Hoorn were paired, Amsterdam with Zeeland and Delft with Rotterdam. Almost all the ledgers turned out to be carefully managed, and only those of Rotterdam showed some serious errors. After the check-up, the ledgers up to June 1608 were to be closed and new ledgers to be started for each chamber, and the bookkeeping standardized.³⁹⁹

The entries in the *journaal* are set up using double-entry bookkeeping. In this style of bookkeeping all entries are registered twice, from a debit and a credit point of view. This makes it easier for outsiders to check the accounts, because the whole method of administration can be followed. This method of bookkeeping had evolved from the middle of the sixteenth-century, and was perfectly suited to make merchants check the accounts of jointly funded expeditions, like those of the *voorcompagnieën* and consequently the VOC.⁴⁰⁰

Both the *journaal* and the *grootboek* offer a lot of information on the financial dealings of the VOC chamber of Enkhuizen in its early period. The entries in both ledgers cover all the incomes and expenses of the chamber. Sales of goods, outfitting of ships, wages,

³⁹⁶ NL-HaNA, entry no. 1.04.02, inv. no. 14854. The *grootboek* is registered under the same inventory number, because its existence has been overlooked until recently.

³⁹⁷ Willemsen, 'Beleggers in een Nieuwe Compagnie', p. 68.

³⁹⁸ WFA, Oud-archief Enkhuizen, inv. no. 1587 A.

³⁹⁹ *Pieter van Dam's Beschryvinge van de Oostindische Compagnie*, pp. 315-6.

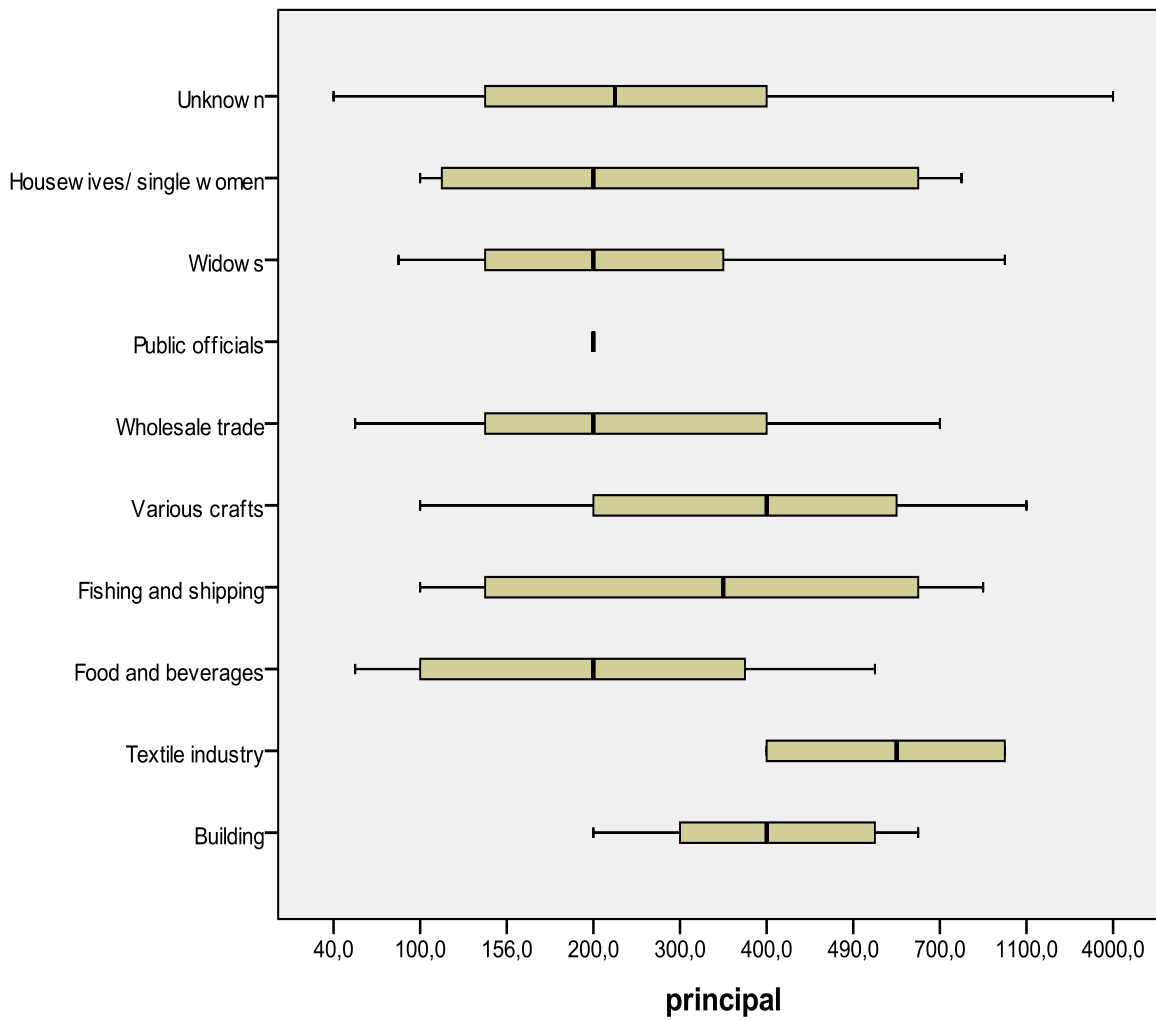
⁴⁰⁰ Gelderblom, de Jong and Jonker, 'An Admiralty for Asia' (March 2010 draft), pp. 8-9.

money transfers to other chambers, transfers of shares, purchasing of material, buying of golden coins to trade with Asia, and the taking out of bonds are just some of the examples. The two ledgers enable us to get a closer understanding of the financial policy of the VOC chamber of Enkhuizen during 1608-19. However, declarations and decisions from the *bewindhebbers* of Enkhuizen or the *Heeren XVII*, or orders from the Estates General might also have been of influence on the financial policy of the chamber. The ledgers alone therefore cannot tell the whole story about the financial policy of the VOC chamber of Enkhuizen, but they do offer a valuable access.

Appendix C – Tables and graphs relating to private annuities

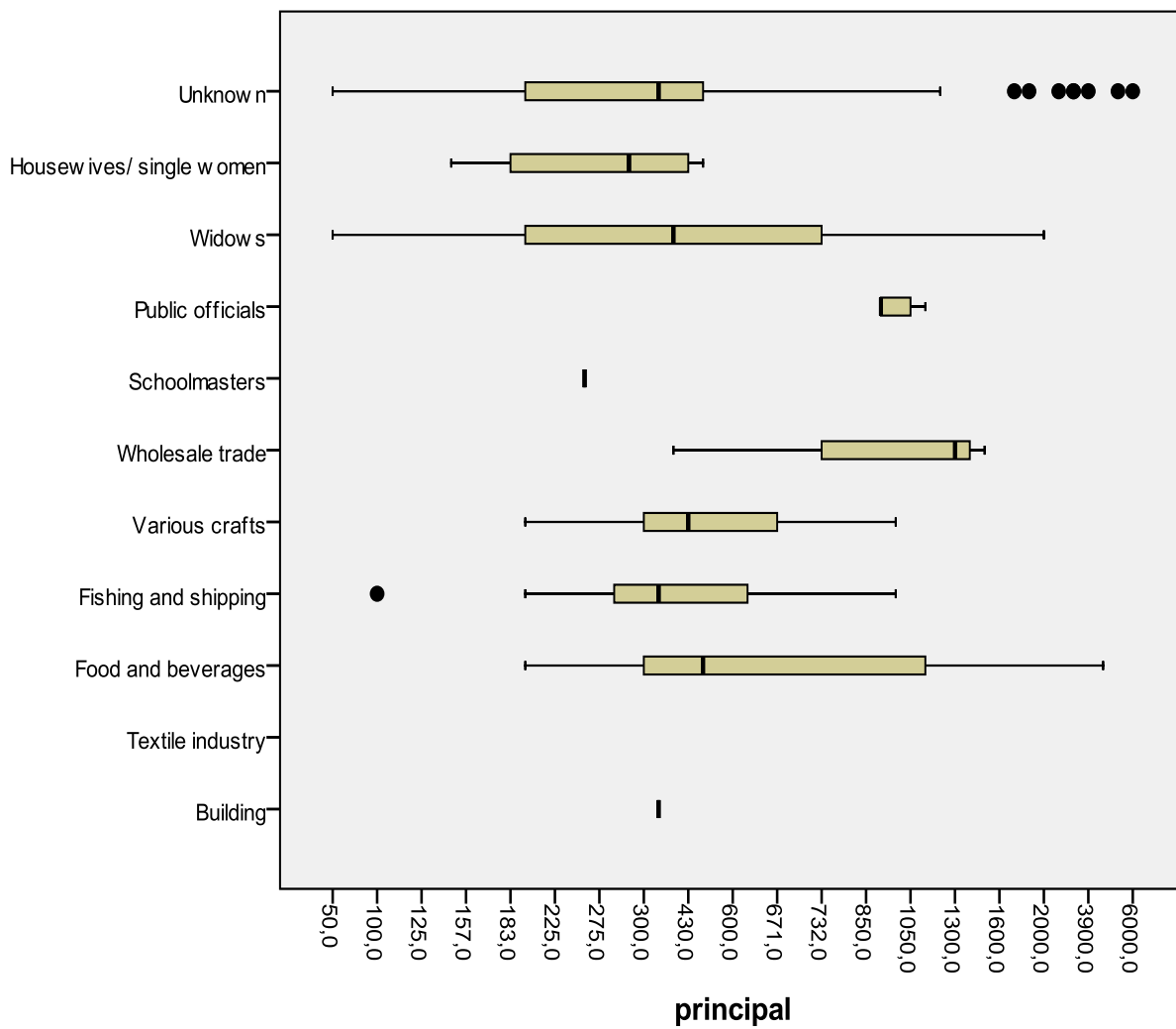
Spread of principal of Aldermen annuities in different categories, 1630-35.

Source: WFA, Oud-rechterlijk Archief, inv. no. 4984, 4985.

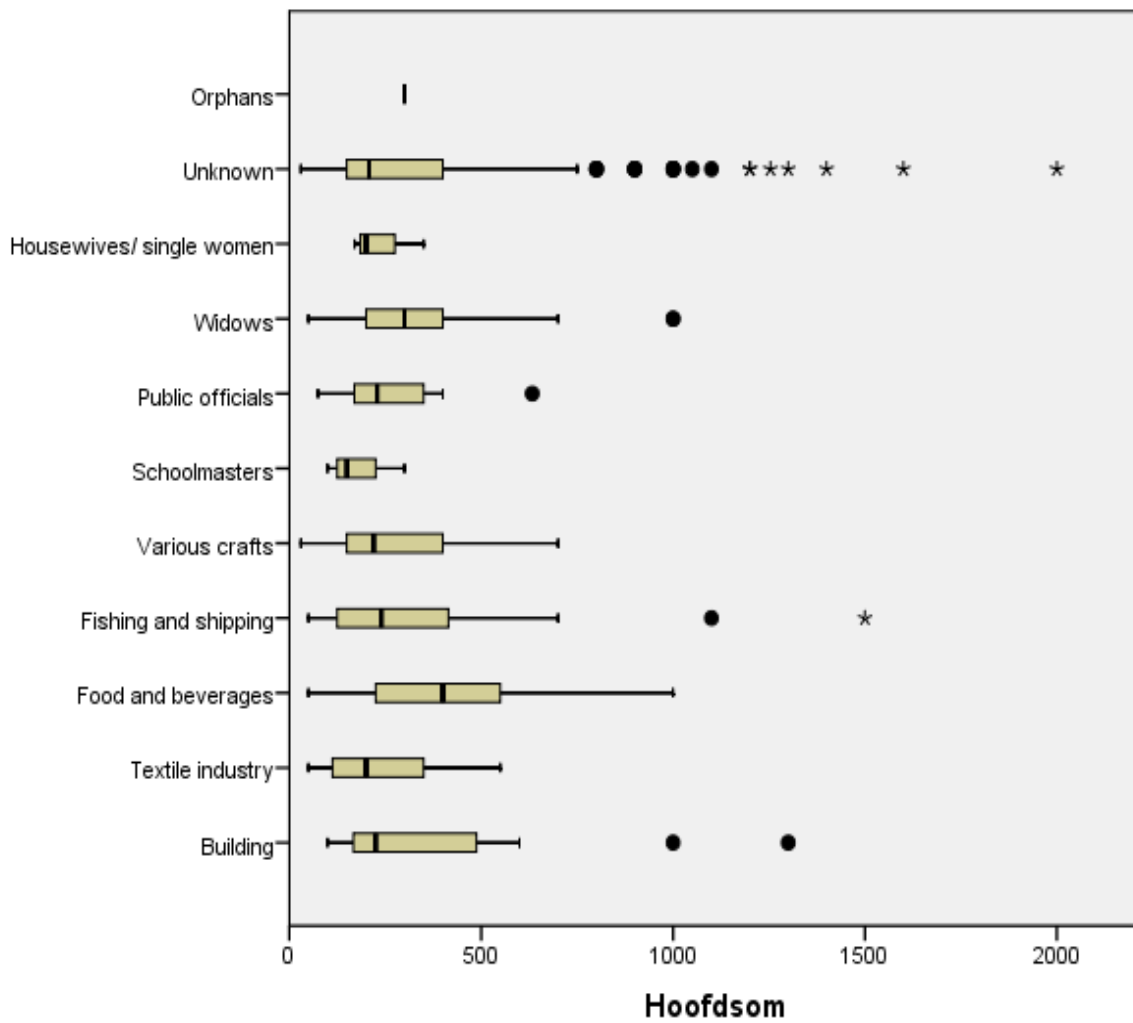


Spread of principal of Aldermen annuities in different categories, 1669-1700.

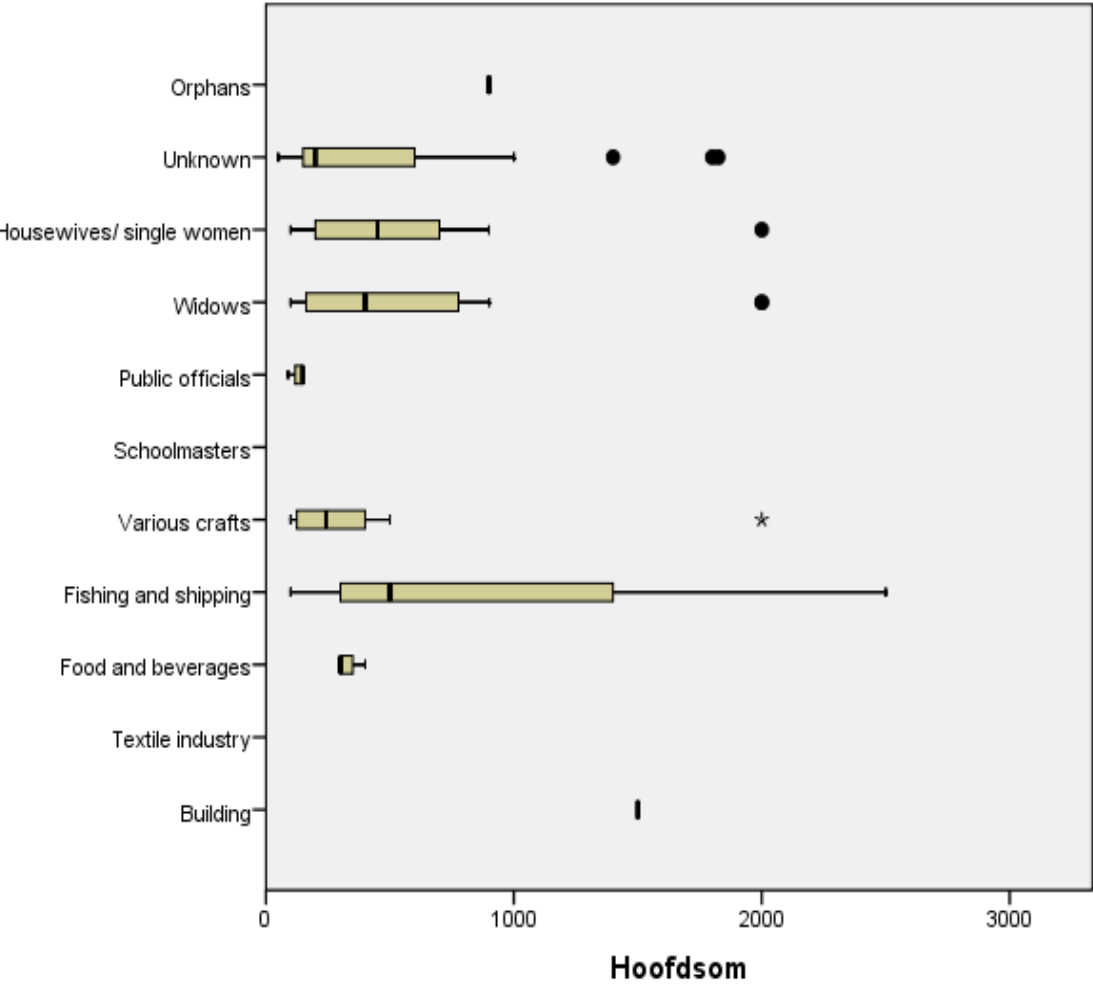
Source: WFA, Oud-rechterlijk Archief, inv. no. 4984, 4985.



Spread of principal ('hoofdsom') of *weesmeesterkennissen* in different categories, 1616-49.
 Source: WFA, Oud-rechterlijk Archief, inv. no. 5022, 5023, 5024, 5025, 5026.

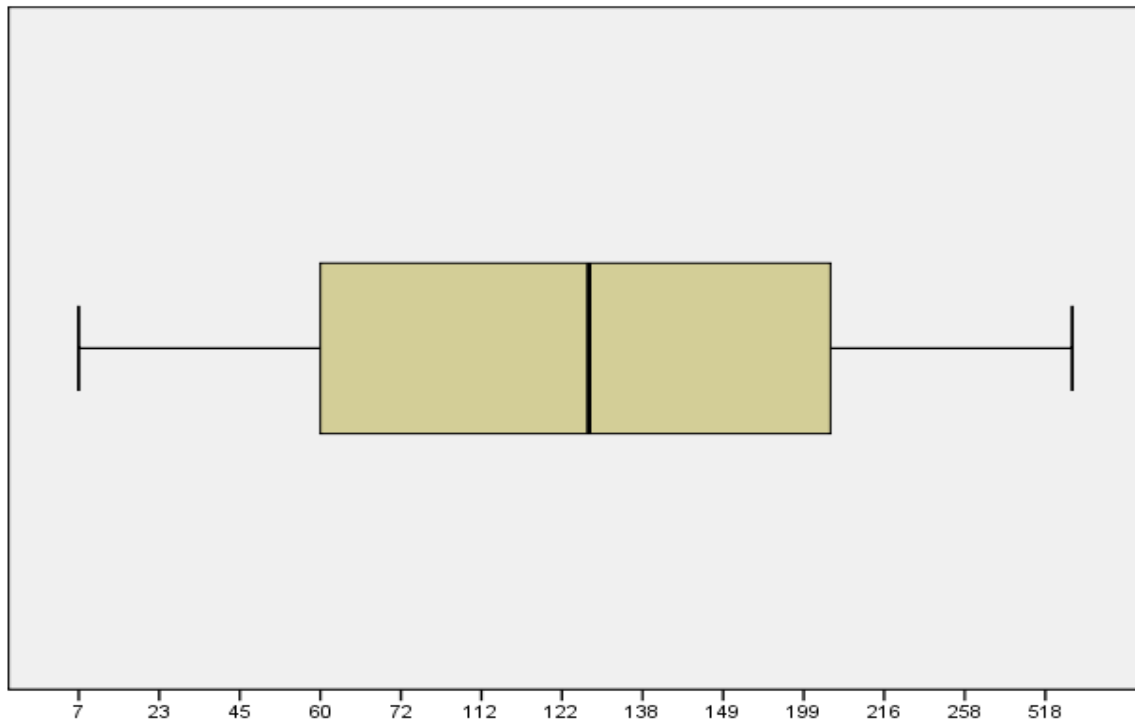


Spread of principal ('hoofdsom') of *weesmeesterkennissen* in different categories, 1650-1700.
 Source: WFA, Oud-rechterlijk Archief, inv. no. 5022, 5023, 5024, 5025, 5026.



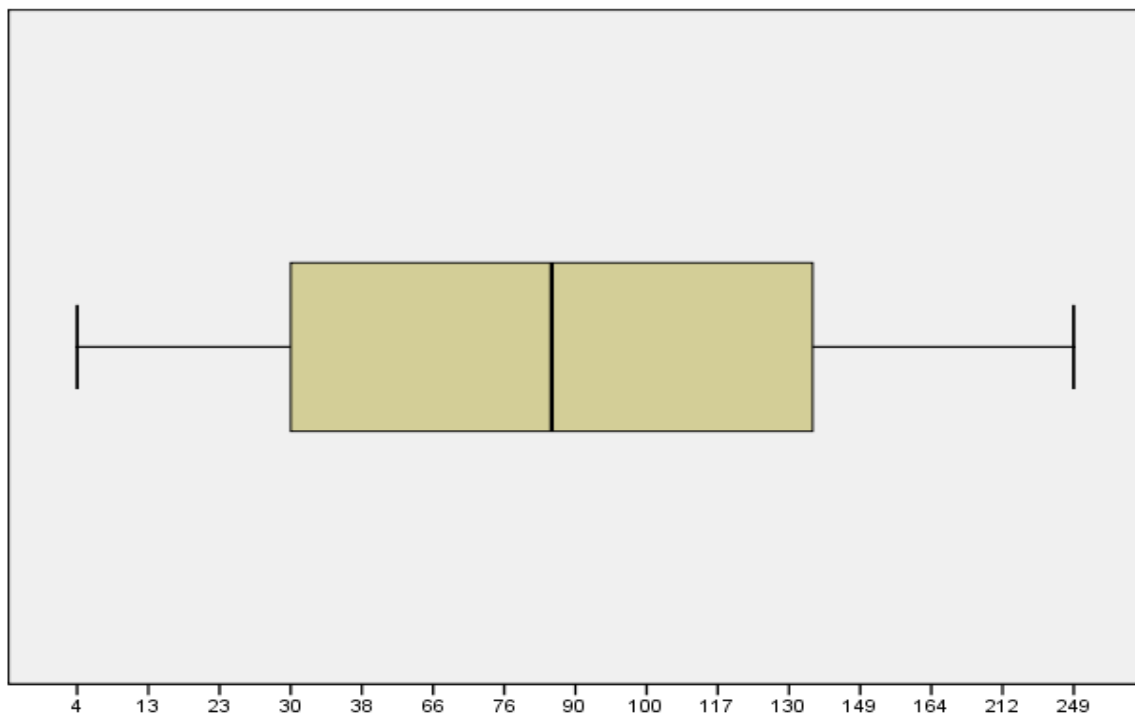
Term of Aldermen annuities in months, 1630-34.

Source: WFA, Oud-rechterlijk Archief, inv. no., 4984, 4985.



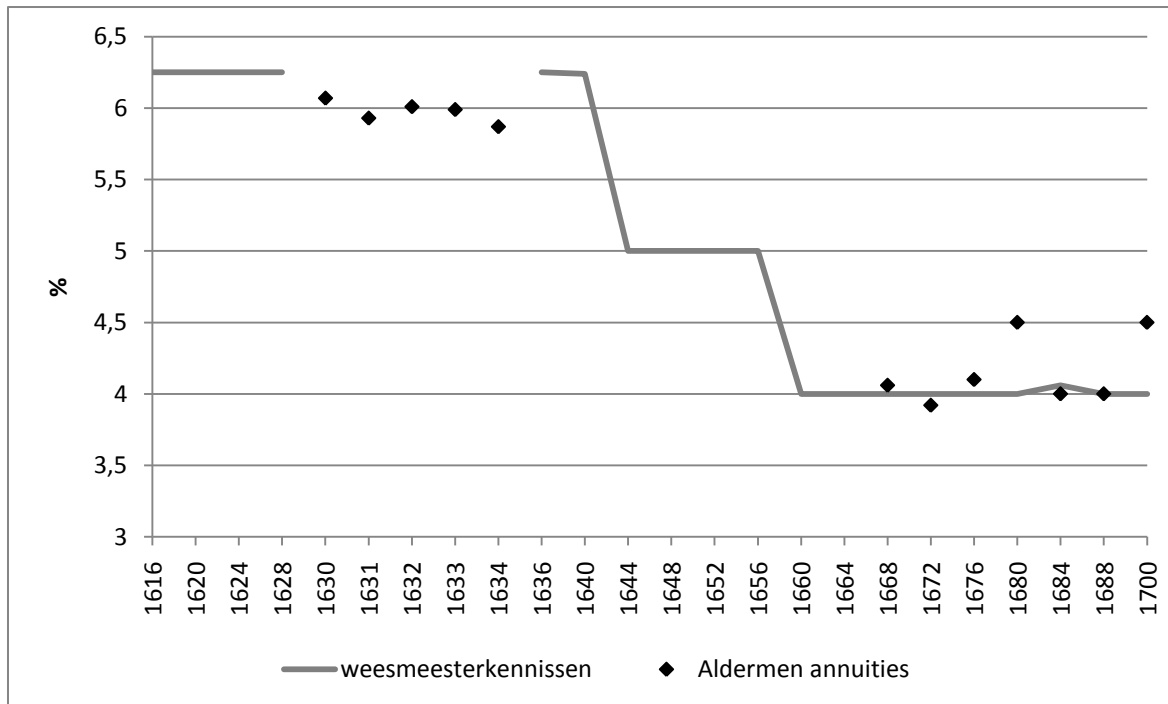
Term of Aldermen annuities in months, 1669-1700.

Source: WFA, Oud-rechterlijk Archief, inv. no., 4984, 4985.



Average interest rates of Aldermen annuities and *weesmeesterkennissen*.⁴⁰¹

Source: WFA, Oud-rechterlijk Archief, inv. no. 4984, 4985, 5022, 5023, 5024, 5025, 5026.



Creditors of annuities registered by the Aldermen.

Source: WFA, Oud-rechterlijk Archief, inv. no., 4984, 4985.

Economic sector	Total 1630-34			Total 1669-1700		
	Number	%	Average sum	Number	%	Average sum
Building	0	0.00	-	1	0.45	500
Textile industry	4	2.15	463	0	0.00	-
Food and beverages	5	2.69	124	7	3.14	324
Fishing and shipping	5	2.69	235	7	3.14	400
Various crafts	8	4.30	713	6	2.69	238
Wholesale trade	5	2.69	403	13	5.83	1,668
Schoolmasters	1	0.54	75	1	0.45	200
Public officials	14	7.53	525	14	6.28	692
Widows	30	16.13	370	34	15.25	452
Housewives/ single women	1	0.54	200	8	3.59	229
orphans	5	2.69	160	24	10.76	622
Unknown	108	58.06	328	108	48.43	504
Total	186	100.00	300	223	100.00	486

⁴⁰¹ The relatively high interest rates of Aldermen annuities in 1680 and 1700 are caused by the low number of registered annuities.

Appendix D – Overview of securities found in the *Staatboeken* of the Orphan Chamber

Source: WFA, Oud-rechterlijk Archief, inv. no. 5045, 5046, 5047.

Private securities 1610				Principal		Interest (n=62)		
Type	N	Average	Total	Min	Max	Min	Max	Average
<i>bezegelde rentebrief</i>	34	300	10200	50	1500	5.8	6.28	6.21
<i>obligatie</i>	8	297	2376	44	1000	6	6.5	6.28
<i>rentebrief</i>	14	437	6118	50	1000	6.25	6.25	6.25
<i>losrente</i>	4	86	344	22	150	6	6.25	6.19
<i>weesmeesterkennis</i> ⁴⁰²	2	3484	6968	900	6068	6.25	6.25	6.25
<i>bewijs</i>	3	251	753	53	491	x	x	x
private debt	3	823	2469	368	1200	x	x	x
other security	3	1716	5148	100	4749	x	x	x
Total	71	924.25	34376					

Public securities 1610				Principal		Interest (n=3)		
Type	N	Average	Total	Min	Max	Min	Max	Average
<i>rentebrief</i>	1	400	400	400	400	5	5	5
VOC bond	3	482	1446	49	1171	6	6.25	6.125
other security	2	6681	13362	262	13100	x	x	x
Total	6	2521	15208					

Private securities 1630				Principal		Interest (n=18)		
Type	N	Average	Total	Min	Max	Min	Max	Average
<i>obligatie</i>	4	163	652	50	200	6.25	6.25	6.25
<i>rentebrief</i>	10	343	3430	50	1000	5	6.25	6.1
<i>losrente</i>	1	37	37	37	37	6.25	6.25	6.25
<i>weesmeesterkennis</i>	6	292	1752	100	600	5	5	5
<i>custingbrief</i>	6	563	3378	143	1545	x	x	x
private schuld	6	517	3102	400	800	x	x	x
Total	33	319.16	12351					

Public securities 1630				Principal		Interest (n=30)		
Type	N	Average	Total	Min	Max	Min	Max	Average
<i>obligatie</i>	1	600	600	600	600	5	5	5
<i>rentebrief</i>	2	2600	5200	200	5000	5	5	5
VOC bond	22	2700	59400	210	8600	4.8	6.25	5.09
<i>rentebrief op gemene land</i>	48	1196	57408	75	6600	5	6.27	6.03
life annuity	3	252	756	105	450	11.11	14.28	12.09
other security	2	1150	2300	300	2000	5	5	5
Total	78	1416.33	125664					

⁴⁰² Issued after 1616.

Private securities 1650				Principal		Interest (n=13)		
Type	N	Average	Total	Min	Max	Min	Max	Average
<i>obligatie</i>	11	532	5852	150	1125	4	5	5.15
<i>weesmeesterkennis</i>	7	489	3423	150	1098	5	5	5
<i>custingbrief</i>	1	767	767	767	767	x	x	x
private debt	3	383	1149	50	800	x	x	x
other ⁴⁰³	11	269	2959	65	800	x	x	x
Total	33	488	14150					

Public securities 1650				Principal		Interest (n=10)		
Type	N	Average	Total	Min	Max	Min	Max	Average
<i>obligatie</i>	1	600	600	600	600	5	5	5
<i>rentebrief</i>	1	3500	3500	3500	3500	x	x	x
VOC bond	3	267	801	100	400	x	x	x
<i>rentebrief op gemene land</i>	11	1543	16973	100	5000	5	5	5
life annuity	1	600	600	600	600	10	10	10
other security	3	1200	3600	700	1500	5	5	5
Total	20	1285	26074					

Private securities 1680				Principal		Interest (n=0)		
Type	N	Average	Total	Min	Max	Min	Max	Average
<i>obligatie</i>	2	1625	3250	750	2500	x	x	x
<i>weesmeesterkennis</i>	14	663	9282	125	3051	x	x	x
private debt	7	373	2611	34	875	x	x	x
other security	1	2600	2600	2600	2600	x	x	x
Total	24	1315.25	17743					

Public securities 1680				Principal		Interest (n=1)		
Type	N	Average	Total	Min	Max	Min	Max	Average
<i>obligatie</i>	6	1123	6738	100	2000	x	x	x
<i>rentebrief op gemene land</i>	18	1020	18360	200	2002	5	5	5
VOC bond	2	850	1700	200	1500	x	x	x
WIC share	1	142	142	142	142	x	x	x
Total	27	783.75	26940					

⁴⁰³ These are no securities but outstanding claims on an inheritance.

Appendix E – Tables relating to the VOC chamber of Enkhuizen

Overview of VOC credit and indebtedness in guilders.

Source: NL-HaNA, entry no. 1.04.02, inv. no. 14854 (journaal).

Year	Type of bond			Total bonds	Rebates	Bonds repaid	Indebtedness
	individual	institutional	other VOC chambers				
1608	3.800	0	0	3.800	0	0	3.800
1609	65.800	8.238	6.000	80.038	88	25.700	58.138
1610	86.350	5.238	76.761	168.349	6.837	70.638	155.850
1611	90.800	12.838	55.410	159.048	251.684	122.049	192.848
1612	58.680	14.588	3.260	76.528	1.221	81.208	188.169
1613	69.990	24.588	0	94.578	12.916	81.528	201.219
1614	73.440	33.841	0	107.281	120.972	129.326	179.174
1615	195.184	45.125	0	240.309	48.660	95.999	323.485
1616	388.970	52.652	0	441.622	122.147	198.376	566.731
1617	194.316	48.028	0	242.344	221.419	418.885	390.190
1618	96.804	42.231	0	139.035	562.219	240.704	288.521
1619	39.045	14.583	0	53.628	114.168	118.965	223.185

Overview and costs of VOC credit in guilders.

Source: NL-HaNA, entry no. 1.04.02, inv. no. 14854 (journaal).

Year	Total value bonds	Mean interest	Total value rebates	Net costs of rebates	Net % paid on rebate discounts
1608	3.800	6.50	0	0	0.00
1609	80.038	6.73	88	5.24	5.95
1610	168.349	6.04	6.837	549.11	8.03
1611	159.048	6.16	251.684	15101.33	6.00
1612	76.528	6.26	1.221	73.3	6.00
1613	94.578	6.27	12.916	775	6.00
1614	107.281	6.26	120.972	7832.58	6.47
1615	240.309	6.23	48.660	2919.8	6.00
1616	441.622	6.26	122.147	7596.73	6.22
1617	242.344	6.26	221.419	13079.95	5.91
1618	139.035	6.27	562.219	78444.18	13.95
1619	53.628	6.25	114.168	14956.23	13.10