Dutch Golden Age, c. 1600-1725
Commercial Revolution c. 1500 - 1800

Spielvogel p 442 - 443 ("Toward a World Economy")

*We have covered much of the Commercial Revolution with Transatlantic trade but, as you should notice from the dates above, the Dutch Golden Age is right in the middle of this era and it is especially representative of the changes which occurred during it.

I. **The Dutch Republic (Netherlands)**
   A. 1st half of 17th century was the “Golden Age” of the Netherlands
   B. It developed an oligarchy (rule by a few)
      1. mostly urban gentry and rural landholders.
      2. goal was to promote trade and protect traditional rights.
      3. government was dominated by the bourgeoisie whose wealth and power put limits on the power of the state.
      4. represents “constitutionalism” as opposed to absolutism
   C. The government consisted of a confederation of seven provinces
      1. Each province sent a representative to the Estates General.
      2. Each province and city was autonomous (self-governing)
      3. Each province elected a stadholder (governor) and military leader.
      4. During times of crisis, all seven provinces would elect the same stadholder, usually from the House of Orange.
   D. The Dutch Republic was characterized by religious toleration.
      1. Calvinism was the dominant religion
         a. Dutch Reformed (were the majority and the most powerful)
         b. “Protestant Work Ethic” that God favors those who are predestined with wealth and success.
         c. This is demonstrated through hard work.
      2. Catholics/Jews enjoyed religious toleration but had fewer rights.
      3. Religious toleration enabled the Netherlands to foster a cosmopolitan (worldly) society that promoted trade.
   E. The Netherlands became the greatest mercantile nation of 17th century.
      1. relied on commerce since it had few natural resources.
         a. The Dutch had the largest fleet in the world dedicated to trade.
         b. several outstanding ports that became a hub of European trade.
      2. Innovations in banking and finance promoted the growth of urban financial centers and a money economy.
      3. **Amsterdam** became the banking and commercial center of Europe.
         a. replaced Antwerp that had dominated in the late-16th century.
         b. richest city in Europe with a population of over 100,000 people.
         c. The Bank of Amsterdam (founded in 1609)
            • First central bank in European history
            • Offered far lower interest rates than English banks; this was the major reason for its banking dominance.
      4. lacked gov’t controls so minimal interference with free enterprise
   5. Major industries included fishing, textiles, furniture, fine woolen goods, sugar refining, tobacco cutting, brewing, pottery, glass, printing, paper making, weapons manufacturing and ship bldg.
      a. Productive economy (as opposed to Spain)
   6. **Dutch East India Company** and Dutch West India Co. were organized as cooperative ventures of private enterprise and state.
      a. The DEIC challenged the Portuguese in Indonesia, India, Sri Lanka, South Africa, Sri Lanka.
      b. DWIC traded extensively with Latin American and Africa.
      c. By 1700, the Dutch dominated the spice trade in Indonesia and other parts of Asia.
F. Foreign policy
   1. Dutch participation vs. the Habsburgs in the Thirty Years’ War led to its recognition as an independent country, free from Spain.
   3. Damaged by war with England and France in the 1670s.
      a. Dikes in Holland were opened in 1672 (during the Dutch War) and much of the region was flooded in order to prevent the French army from taking Amsterdam.
   4. By the end of the War of the Spanish Succession in 1713, the Dutch Republic saw a significant economic decline.
      a. Britain and France became dominant powers in Atlantic trade.

G. The Dutch Style: Painting in the Dutch Republic
   1. Characteristics
      a. A human-centered naturalism that considered individuals and everyday life appropriate subjects art.
      b. encouraged thru patronage of princes and commercial elites.
      c. reflected outlook/values of commercial and bourgeoisie society.
      d. didn’t share the Baroque style of trying to overwhelm the viewer.
      b. reflected Dutch wealth and religious toleration.
   2. Rembrandt van Rijn (1606-1669), painter
      a. He was perhaps the greatest of all “Baroque-era” artists although he doesn’t fit neatly into any one category.
      b. His scenes covered an enormous range during his long career.
      c. He used extremes of light and dark in the Baroque style: tenebrism/chiaroscuro.
      d. painted with the restraint of the classicist style.
   3. Jan Vermeer (1632-1675)
      a. specialized in simple domestic interior scenes of ordinary people.
      b. Like Rembrandt, he was a master in the use of light.

II. The Commercial Revolution (c. 1500-1800)
   A. Causes
      1. Roots were in the Middle Ages (e.g. Hanseatic League, a commercial and defensive confederation along the coast of northern Germany)
      2. Population growth recovered to its pre-Plague level: 70 million in 1500; 90 million in 1600; thus, more consumers existed.
      3. The “Price revolution”: long slow upward trend in prices
         a. It resulted from increased food prices, increased volume of money, and the influx of gold and silver from the New World.
         b. Increased prices resulted in an increase in the supply of goods and an accumulation of capital among large landowners who oversaw the commercialization of agriculture.
      4. States and mercantile empires sought to increase economic power.
      5. Rise in capitalism (laissez-faire): entrepreneurs invested money in their own businesses or other business ventures.
         a. The middle class (bourgeoisie) led the way.
B. Features

1. **Banking**
   a. The Fuggers in Germany and the Medicis in Italy were among the leading bankers in Europe.
   - They funded countless economic activities.
   b. **Amsterdam** became the financial center in the 17th century after the successful Dutch Revolt against Spain.
   - After Dutch decline they remained influential due to their dominance in banking
   c. Innovations in accounting, such as double-entry bookkeeping, made banking far more efficient.

2. The **Hanseatic League** evolved from within the German states in the Middle Ages to eventually controlling trade in much of northern Europe well into the 16th century.
   a. mercantile association of numerous cities and towns.

3. **Chartered companies**: States provided monopolies in certain areas (e.g. British East India Co. and the Dutch East India Co.)
   a. chartered companies became, in effect, a state within a state with large fleets of ships and military power.

4. **Joint-stock companies**: investors pooled resources for a common purpose (forerunner of the modern corporation).
   a. This was an early prime example of capitalism.

5. **Stock markets emerged**: e.g., the bourse in Antwerp
   a. Investors financed a company by purchasing shares of stock; as the value of the company grew so did the value of the stock, and thus the investors’ profit.


7. New consumer goods: sugar (most important), rice, and tea
   a. Sugar resulted in an enormous slave trade in the Atlantic.

C. Significance:

1. A slow transition occurred from a European society that had been almost completely rural and isolated, to a society that was more developed with the emergence of towns.
   a. Migration to towns and cities resulted in problems such as crime, poverty, unemployment, and sanitation problems.
   b. The “Price Revolution”
      - Prices during the 16th century rose gradually.
      - rising population of Europe increased demand for goods, thereby increasing prices.
      - The influx of gold and silver from the New World was one of the factors (but not the major factor).
      - Inflation stimulated production as producers could get more money for their goods.
   c. The bourgeoisie grew in political and economic significance.
      - first evident in the Italian city-states during the Renaissance.
      - The middle class acquired much of its wealth from trading and manufacturing; its social and political status increased.
      - It became the most powerful class in the Netherlands.
      - In France, it grew in political power at the expense of the nobility.
      - The gentry exerted increasing influence in English politics
   d. The standard of living increased (e.g. greater varieties of foods, spices, porcelain dinnerware, and utensils), especially among the upper and middle classes