



Universiteit
Leiden
The Netherlands

The Dutch East India Company's tea trade with China, 1757-1781
Liu, Y.

Citation

Liu, Y. (2006, December 6). *The Dutch East India Company's tea trade with China, 1757-1781*. Retrieved from <https://hdl.handle.net/1887/5421>

Version: Not Applicable (or Unknown)

License: [Licence agreement concerning inclusion of doctoral thesis in the Institutional Repository of the University of Leiden](#)

Downloaded from: <https://hdl.handle.net/1887/5421>

Note: To cite this publication please use the final published version (if applicable).

CHAPTER TWO

BATAVIA'S ROLE IN THE DIRECT CHINA TRADE

Introduction

Since the Gentlemen Seventeen brought the management of the China trade back under their own control by installing the China Committee, entitling it to take full charge of the China trade in the late 1750s, the High Government was relieved of direct control of the trade. Nevertheless, despite the catalogue of incompetence cited as the reasons for the Gentlemen Seventeen to have taken this step, the China Committee still could not ignore the crucial importance of Batavia to this trade, for without the participation of the High Government it would have been impossible to obtain better results than in the previous years.

First and foremost, the goods which the China Committee could send from the Dutch Republic to Canton were precious metals (see Appendix 1), the only commodity really attractive to the Chinese merchants, supplemented by a quantity of lead and some textiles in limited varieties. Most of the consumer goods which were in demand on the Canton market were available only in the East Indies and therefore had to be supplied by the High Government. Then, when the China-bound ships arrived in Batavia for a short sojourn after their seven-month-long voyage, Batavia was on hand to offer all kinds of aid to refit these ships and ensure their seaworthiness before they set course to China. Finally, on behalf of the China Committee, the High Government could also supply the Company servants in China with additional information which might be useful for them.

The situation was also advantageous to the High Government as it was permitted by the China Committee to order the trade representatives in China to buy goods for Batavia on its behalf. The High Government could actually ask the Company's China ships to transport the goods from China to Java, but in that case it had to send ships to transfer the goods out at sea so that the homeward-bound ships would not be delayed on the way. Although the opportunity was there, in most cases, it was easier for the High Government to entrust this kind of transport to Chinese junks or the vessels of other nations. As in previous times the High Government was also allowed to continue its trade in Chinese gold, but this activity was soon discontinued because it was no longer profitable.

Batavia's contributions to the direct China trade

Batavia, the general VOC rendezvous in Asia, was in a privileged position to collect all kinds of merchandise from the East Indies that were in demand on the Canton market. Moreover, in those years that the China Committee might find itself short of funds for the direct China trade, there always was the possibility that the High Government could make up the deficiency. Nor did the services stop there. The China Committee could also rely on the assistance of Batavia in other areas, such as the supply of personnel, provisions, and equipment for the China-bound ships and for the factory in Canton.¹ Another important aspect was that Batavia was in a position to send advice on the spur of the moment to the Company servants in China should any problem arise there for which the instructions of the China Committee did not give a clear-cut answer. Considering the two-year lapse in communication between China and the Dutch Republic, this “short cut” in decision making was indeed a useful service.

1. Supply of trade goods

After arrival at Batavia, the China-bound ships took on their cargoes of such East Indies commodities as tin, pepper, and, if required, sapanwood, rattan and other products as quickly as possible. This operation would usually be completed in twelve to fourteen days so that the ships could be dispatched without a protracted delay for the next leg of their voyage to Canton. When taking delivery of these goods, the ships' officers were required to adhere to the general regulations concerning the sales placards warning against underweight and insufficient goods which were issued by the High Government in 1752.²

Among the East Indies commodities supplied by the High Government, tin took pride of place, comprising one-half to two-thirds of the total value of the “Batavia goods”. Tin was classified as Bangka (or Palembang) tin or Malacca tin.³ Since the middle of the seventeenth century, the High Government had tried to gain monopoly rights to the tin from Perak, the oldest known producer of tin. Perak had supplied the metal as tribute to the Sultan of Malacca as early as the fifteenth century, but the High Government was not able to sign a contract with the Sultan of Perak until 1746. On the other side of the Straits of Malacca, the Sultan of Palembang had already granted the VOC the sole rights to the purchase of all the tin from Bangka in 1722. The VOC procured more than 80 per cent of its tin from South Sumatra, and perhaps about three-quarters of this was exported to China.⁴ Neither treaty, however, was

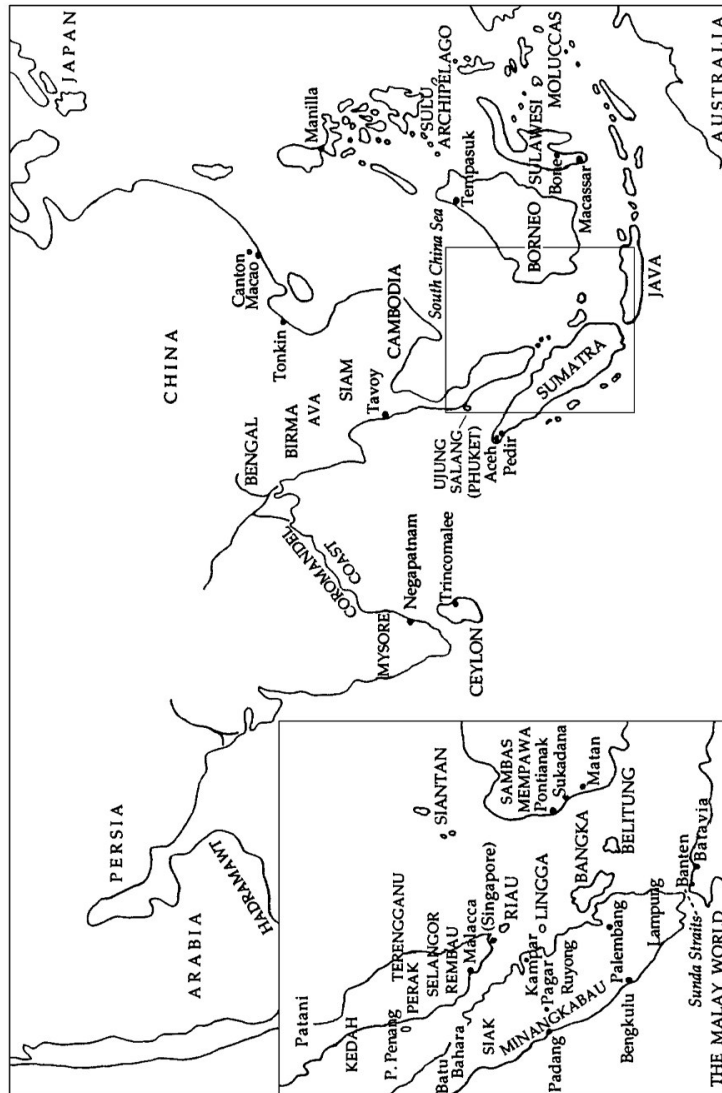
faithfully observed by these Malay rulers when they found out that others were willing to pay higher prices than the VOC. In this respect, Sinnappah Arasaratnam has spoken of "the hopelessness of relying on contracts and pretended allies".⁵

Generally speaking, the supply of tin for the direct China trade of the VOC was relatively stable in the second half of the eighteenth century, although in some years the purchase of tin by the Company was threatened by the contraband trade pursued by Chinese junks – those which sailed not only from China but also from Tonkin, Siam or other parts of South-east Asia – and European country traders in Johore and elsewhere. An increasing number of Chinese junks, their masters seeing a lucrative profit in it, engaged in the contraband trade of tin. These vessels sailed straight to the tin deposits of the Malay world (see Map 2), and so did private Portuguese and English traders who passed through this region on their way to Canton. The High Government could enforce a limitation on how much tin and pepper Chinese junks carried to Canton from Batavia and Palembang,⁶ but when it had to clamp down on the Malay tin-producing areas, which were actually not wholly under Dutch control, the only means to which the High Government had recourse was to send cruisers to the Straits of Malacca to blockade the transport of tin from this region to Chinese junks and the vessels of other nations. The penalty for any transgression was confiscation. Such blockades, in operation from the 1760s until 1780, were to say the least not very effective.⁷ A Dutch report of 1777 estimated that the English "[...] took over 500,000 pounds of tin from the Malacca Straits which was about 78,000 pounds more than the Dutch brought in that year".⁸ As a result of the afore-mentioned situation, it needs no stretch of the imagination to understand why in the second half of the eighteenth century nearly 85-90 per cent of tin brought on the Dutch China ships for Canton was Bangka tin. Especially during the years 1790-1793, all the tin the High Government offered was Bangka tin (see Appendix 2).

The VOC fixed the price of tin from Palembang at 10 Spanish rials per "Company" picul in the 1720s but by around 1780 the price hovered between 11 and 15 rials.⁹ In Canton, the selling price gradually rose from the 1760s to 1781. In 1764, the Dutch trade representatives sold tin at 11.1 taels of silver per (Chinese) picul of 122½ pounds with a profit of about 111³/₁₆ per cent. In 1774, the Chinese merchants paid 12 taels per picul, despite other European companies selling at a price of 11.4 taels. Two years later, the Dutch price jumped to 12.3 taels and one year later to 13.4 taels. In 1779, the Dutch price hovered around 14.6 to 15.5 taels, and in 1780 it was set at 14.8 to 15 taels.¹⁰

Tin was a readily saleable commodity in Canton. Upon its arrival part of the tin sold remained in Canton and the rest was transported to the

Map 2 Tin and pepper supplying areas of the VOC China trade



Source: Reinout Vos, *Gentle Janus, Merchant Prince*, ix.

inland provinces. In China, tin was used for various purposes. Its most popular employment was as foil from which to make devotional offerings, known as sacred paper. This paper was pasted on to a backing of very finely beaten tin foil and burnt every morning and evening.¹¹ But in the busy commercial centre of Canton, apart from being used to back the sacred paper, tin also had another important use in the European tea trade. In the eighteenth century, a large quantity of the imported tin was beaten into foil for use as the lining of tea chests.¹² Before the teas for the European market were packed in airtight wooden chests, the chests had previously been lined with the "tea lead", an alloy of tin and lead, on the inside to preserve the aroma and consequently taste better, besides this it also kept the damp out.¹³

It should also be noted that, as can be seen in Appendix 2, in many trading seasons the imported Company goods were not handed over completely to the Chinese merchants. Of course, the bulk of the commodities were delivered to the Company's trading partners. Yet, some quantities were either transferred to the warehouse at the factory, most likely for the next trading season, or remained on board the homeward-bound ships as ballast. This happened regularly in the case of tin and rattan. From 1765, all rattan remained on the homeward-bound ships each year for use on board (see Appendix 2).

Pepper was the other principal article in the trade. As was the case with tin, the High Government controlled most of the pepper sources of supply, as it had the monopoly on the purchase of pepper from Palembang and Banten (see Map 2). In 1642, the VOC concluded a contract with the Sultan of Palembang, and from that year the VOC enjoyed the monopoly on the export of pepper from this Sultanate. For Palembang pepper, the VOC fixed the purchase price at 3.75 Spanish rials per "Company" picul¹⁴ in its contract with the Sultan. As a general rule, the Sultan of Palembang sent the pepper to Batavia, but when there was a surplus the VOC sent extra vessels to Palembang to collect the pepper.¹⁵ In 1680, the VOC concluded a contract with the Sultan of Banten stipulating that all Banten pepper should be delivered to the VOC at about 4.73 Spanish rials per picul. From the 1760s and thereafter, these two kinds of pepper were sold on the Canton market by the VOC. Again this commodity was subject to a great deal of leakage and considerable quantities of the pepper production were sold to the rivals of the VOC.¹⁶

It is intriguing to note that in the "Assessments of the merchandise" on the China ships, there is a great difference in the VOC shipments of pepper to Canton between the periods before and after the year of 1778. During the earlier period, the VOC shipped no pepper to Canton in 1759, 1767-1769, and 1773; in 1763 and 1772 only Banten pepper was sent, and in 1777 and 1778 only Palembang pepper; in 1764, the share

of Banten pepper was 71.05 per cent and that of Palembang pepper 28.95 per cent; in 1765, the share of Palembang pepper was 70 per cent and that of Banten pepper 30 per cent; in 1766, Banten pepper's share increased to 71.3 per cent and that of Palembang dropped to 28.7 per cent; in 1774 and 1775, the kind of pepper is not specified.¹⁷ After 1778 until 1793, it is not possible to make these distinctions for the assortments of pepper sent to Canton each year relying on the "Assessments of the merchandise", since only the general term "pepper" was used. Why there should have been such fluctuation in the choice of pepper-producing areas has to remain a mystery for the present. The most likely reason was the variations in the annual yield.¹⁸

On taking delivery of the cargoes of pepper, the Dutch trade representatives in Canton sometimes complained about the quality. It was befouled with dust and stones which were probably mixed inadvertently with the pepper either when it was originally sold to Batavia by the Malay Sultans or during the loading in Batavia and the unloading in Canton. In 1764, for example, the supercargoes were loud in their criticism that the pepper they received was of the worst possible quality, full of stones and seedless corns, although in the following year, in its reply the High Government insisted that the pepper had been packed with only 1 per cent of dust.¹⁹ Despite such lapses in quality, the profits on pepper were still 200 per cent on average.²⁰

Apart from tin and pepper, relatively small quantities of other spices were in real demand in China such as nutmeg, cloves, and mother-of-cloves, which yielded astronomical profits of even up to 1,000 per cent.²¹ Other merchandise such as camphor, sapanwood, sandalwood, blue dye, arrack, clove oil, rice, pearl dust, bird's nests, Surat cotton, catechu, and putchuck also frequently found a ready sale (see Appendix 2). Although these other commodities were not in the same league as tin and pepper, they were also not negligible commodities which could be exchanged for the desired tea, porcelain, and others Chinese goods.

The China-bound ships also transported the imported Japanese copper from Batavia to Canton, where it was sold at a profitable price to the Company's trading partners.²² But this happened only in the years 1765-1766, 1783-1784, and 1787. On the eve of the establishment of the China Committee, when the principal shareholders discussed what trade goods would be useful to the future direct China trade, they had no appreciation whatsoever of the importance of copper to this trade. Their reasoning was that the Chinese themselves had a much larger share in the Japanese copper trade than did the VOC. There was another important reason why China declined its desire for Japanese copper: China very much increased its domestic copper production in the eighteenth century. From 1738 to 1810, copper mines in the south-western

province of Yunnan 云南 produced an average of 6,000 tons of copper annually.²³

In the records of "Assessments of the merchandise" on the China ships, it is very easy indeed to obtain basic information about the persons to whom the "Batavia goods" and to whom the "Home goods" were sold. The bulk of the Company goods were delivered to the Hong merchants, in particular the Company's security merchants, who, as we know, were also the chief tea-supplying agents for the VOC. These trading partners of the Company dominated the reception of the principal import commodities of tin, pepper, and lead.

2. *Supplementing trade funds*

As discussed earlier, throughout the second half of the eighteenth century the China-bound ships carried trade funds to cover each season's trade. As luck would have it, in some years the trade funds proved insufficient and the High Government had to supplement the amount needed. The High Government made up the deficiency in two ways.

Initially, the High Government often instructed the supercargoes in Canton to use the remainder of the funds left from the Batavia-Canton gold trade to supplement the general funds for the direct China trade. As will be discussed in detail later, the High Government sent separate funds for the purchase of gold on its own account. Depending on the market, these funds could not always be actually dispensed by the trade representatives. Since 1763 it had often happened that the High Government told the supercargoes to keep the funds in China either for the gold trade of the next season or to supplement the general funds.

This scheme appealed to both the High Government in Batavia and the trade representatives in Canton, because it provided the latter with the opportunity to plug the holes in the payment of export tea and porcelain. Simultaneously, the High Government neatly avoided the double risk of having the funds for the gold trade shipped back and forth. Despite its advantage, this scheme was short lived because an end was put to the gold trade in 1765.

Subsequently, the High Government supplemented the deficit in Batavia. In 1777, it was informed that, although the China Committee had in the previous year increased the general funds to 36,800 marks *Mexicanen*, which converted to 248,628.1.6 taels of silver, this money was not enough to cover the trading season. This meant that the High Government had to supplement a sum of 337,500 Spanish rials, or 249,750 taels, of silver. It could happen that cash supplements were not readily to hand. In such cases the High Government would resort to tin and/or pepper to meet the requirements. When some extra funds were

requested for the direct China trade in 1778 and fortuitously the price of pepper in China stood high at 13.5 taels per picul, the next year the High Government decided to send a larger quantity of that article to Canton. In 1780, because of the high selling price of tin, the High Government made the rational decision to use tin to supplement the funds, which meant that the general funds for the off-season amounted to 200,898.1.4.9 taels.²⁴

Although such a practical system was in place, the transfer of ready money to Canton from Batavia did not always go to plan. In 1778, according to the instructions of the High Government to the supercargoes in Canton, the former sent 223,824 rupees to Canton, at the express request of the Trade Council in Canton. The next year, the Trade Council reported to the High Government that a loss of 3,304.4.5 taels had been made on the sale of these rupees. Having been hit in its pocket, the High Government felt extremely disgruntled by such an exorbitant loss and indignantly asked the Trade Council to give a more detailed elucidation. Smarting from the set-back, henceforth it decided to send no currency other than Spanish rials to Canton.²⁵ In the report of the Trade Council in 1780, the amount of 3,304.4.5 was reduced to 1,744.0.5, which somewhat appeased the discomfiture of the High Government. When the Trade Council requested the High Government to send a quantity of ducats to supplement a short fall in funds,²⁶ the High Government replied, although the amount demanded was not great, it was not able to satisfy this requirement, because it had no supplies of that particular coin at that moment. The High Government therefore suggested that, should the Trade Council judge that the ducats really would be useful in future, it should address itself to the China Committee on this matter.²⁷

3. Complement of equipment and personnel

Throughout the whole of the eighteenth century, the voyage from the Dutch Republic to Batavia took the VOC ships 245 days on average.²⁸ Small wonder that after such a long voyage, during which illness on board, bad weather, faulty navigation, or structural defects often plagued the VOC ships, many problems with the equipment and crew of the ships were bound to appear upon arrival in Batavia. All these matters had to be straightened out on the spot, if this were humanly possible, during the two-week sojourn of the China ships in Batavia, so that they would be able to continue the voyage to Canton in fresh heart.

Although most ships were still structurally sound, they often required some repairs to the rigging and damaged equipment always needed to be replaced. The High Government would provide all kinds of assistance by supplying carpenters to assist in the repairs or in making new equipment

on the island of Onrust in the roadstead of Batavia (see Illustration 1), where most of the "Batavia goods" for the China trade were also stored in the warehouses.²⁹ Whenever it was obvious that a China-bound ship would not arrive in Batavia on time, or when a ship was very unseaworthy on arrival, according to the instructions of the China Committee the High Government had to replace these ships with ships of its own, in order to make up the required number of the China-bound ships and hereby avoid the Company suffering a loss on the trade. From the 1760s to 1794, incidents of this kind occurred at least ten times, the years 1771-1775 being particularly bad.³⁰

After the China-bound ships anchored in Batavia, an assessment of the situation often revealed that a number of ship's officers and crew had died during the voyage, or that some of them were seriously ill, either suffering ill health because of rigours of the voyage or stricken upon arrival by some of the tropical diseases rife in Batavia,³¹ rendering them unfit for duty. In order to man the ships properly for the rest of the voyage, the positions of these people would be taken over by men recruited in Batavia by the High Government. Sometimes the China Committee asked the High Government to complement the crew with extra carpenters and sailors. When this happened it was probably prompted by a dearth of recruits in the Dutch Republic.³² Such requests for complementary personnel could also come from the Dutch factory in Canton. Instances of this kind were not frequent, but a few references can still be found in the NFC records. In 1765, for example, the Trade Council in Canton requested the High Government to send ten soldiers for the factory, a request with which the High Government complied.³³

4. Assistance with instructions

Theoretically, the trade representatives in China fell under the authority of the China Committee in the Dutch Republic and they carried on the Company business each trading season in compliance with the instructions which the China Committee had laid down drawing on the experience of the past Company business with China. In practice, however, circumstances in China had often changed from the time at which the China Committee had drawn up the instructions to the moment at which they were handed to the Trade Council almost a year later.

Given the enormous distance and the time lapse in communication, it is understandable that the instructions of the China Committee could never cover all aspects of the problems which the trade representatives came across each season. Such matters could touch upon the Company business but their daily life in China also raised a number of perplexing situations. Some common problems could best be dealt with by the

Illustration 1 View of the Island of Onrust, near Batavia, from at sea in 1779



Etching by Mattheus de Sallie in 1779, with ships in the forefront, the shipyard on the left and the walls of a fort on the right, 328x418 mm.
Source: Rijksmuseum Amsterdam, inventory number RP-P-1911-293.

supercargoes on their own authority, but other complications could not be solved without further instructions from their directors. If and when such tricky situations presented themselves, the High Government was obviously the nearest authority which the supercargoes in China could consult.

Before 1760, the Chinese authorities forced the trade representatives of the European companies to leave China after the trading season. This proved very inconvenient for the servants of these companies if they had been unable to finish their business in time. The solution hit upon by the China Committee originally was to instruct the trade representatives to sail back to Batavia, as they had done in the past. Should this be the case, all the ship's officers and crew in Batavia would fall under the command of the High Government. The regulation extended to the ships and their cargoes. This meant in effect that the supercargoes and their assistants should adjust themselves to the regulations of Batavia and write their business report to the High Government.³⁴ As it so happened, this eventuality never materialized, because shortly after 1759 the Chinese authorities granted the European supercargoes permission to stay in Macao during the off-season.³⁵ As a result, after 1760 the Dutch trade representatives in China changed their custom of writing a business report yearly to the High Government to writing an annual missive.³⁶ The responses of the High Government to the supercargoes' missive were communicated via what was known as an "instruction", which supplemented the instructions of the China Committee to the Trade Council in China.³⁷

Usually, the supercargoes' missives and the instructions of the High Government were considered regular business correspondence carried on between the two places, and the contents covered such matters as the prices for which the goods sent by the High Government were sold in Canton, how much tin or pepper the High Government should send for next season and so on. In case of an emergency, the supercargoes in China would send a report to Batavia and await the instructions of the High Government. These reports were transported either on the homeward-bound China ships, Chinese junks, or other European private vessels. Most often, the replies of the High Government were sent on Chinese junks or Portuguese private ships.

In 1776, for instance, the supercargoes in Canton reported that, at the behest of the *Estado da India* in Goa, the Senate of Macao planned to expel the Dutch supercargoes from their rented accommodation in that city in the following off-season. The Dutch Trade Council, therefore, requested the High Government to intervene and solicit the Government of Goa not to carry out its design. The High Government resolved not to take this step but instructed the supercargoes to submit a memorial to the Macao Government. Simultaneously, the High Government gave an ulti-

matum to the captains of the Portuguese ships from Macao, lying at anchor in Batavia. It declared that should the Macao Government treat the Dutch trade representatives badly during their annual stay in Macao, it would no longer allow the Macao ships to trade at Batavia in future. The High Government also wrote to the trade representatives in China suggesting they should make their representations to the Macao Government in "a modest and fitting manner", intimating that the High Government favoured the Portuguese traders from Macao in Batavia, especially those trading with Timor who stopped over at Batavia, with facilities and conveniences, above all other Europeans. Batavia therefore also expected the same favours would be extended to its Company servants in Macao.³⁸ This had the desired effect. Had it not, the High Government would not have sent a letter to the Trade Council in 1779 informing the latter that it had continued to deal benevolently with the supplying and transporting of the crew of the wrecked Portuguese ship the *Estrela de Aurora*.³⁹

In 1779, the Trade Council informed the High Government that an affray had occurred between English and Dutch sailors at Whampoa on 29 November 1778. The Dutch spoke of "a big national dispute", while the English considered it just an insignificant quarrel between "a pack of drunken seamen".⁴⁰ The conflict arose after the sale of arrack to English sailors by Dutch sailors at what was known as the *bankzaal*⁴¹ on the Danes Island in the roadstead of Whampoa near Canton. The drunken English sailors chopped down the Dutch flagstaff and towed it on board one of the English ships. The Dutch supercargoes took this as a national affront and insisted that the flagstaff should be replaced and the flag should be hoisted by an English officer, otherwise they would report the affair to the authorities in Batavia as well as those in the Dutch Republic. The English supercargoes agreed to compensate for a new flag and staff, but since, in their opinion, the Dutch were the aggressors, they refused to make any further "honourable reparation".⁴² Having read the supercargoes' account, the High Government, probably considering it as an affront as well, referred this affair to the Gentlemen Seventeen and ordered the supercargoes not to offer people on the incoming ships any arrack in future and to ban the sale of arrack at the Dutch *bankzaal*.⁴³

No later than July 1780, the High Government had heard rumours about an imminent war between the Dutch Republic and Britain. In July, the High Government instructed the Trade Council that should the supercargoes receive confirmation that indeed a war had broken out before the departure of the four Dutch China ships, they should let all four ships sail from Whampoa in convoy at the end of December; if the departure of the ships was a number of days earlier or later, the vessels should anchor together with the ships of those nations with which the

Dutch Republic was at peace. But if the supercargoes received no further news of any war before the ships were due to sail, these ships should depart at the usual time and the ship's officers should proceed very carefully along their customary route, flying no flags or pennants until they found themselves in the vicinity of the islands off Malacca, where the High Government would send cruisers to meet them.⁴⁴ In July 1781, upon having received confirmation of the outbreak of the war, the High Government at once informed the supercargoes in China that the English had already launched hostilities in the Indian Ocean as well as the South China Sea, and instructed them to do their utmost to protect the Company servants and goods in China. Mindful of its responsibilities, the High Government looked for opportunities to send provisions and other necessities for the Canton factory on the Portuguese ships from Macao.⁴⁵ This was deemed essential because no China ships were expected from the Dutch Republic and Chinese junks also ran the risk of being attacked by English ships as the English captains knew that Chinese junks often shipped goods on the account of the VOC.⁴⁶ In the following years, it transpired even the Macao ships were not safe from English attacks.⁴⁷

Benefits to Batavia from the direct China trade

In return for the substantial contribution by Batavia to the direct China trade, the China Committee permitted the High Government to direct the trade representatives in China to purchase the Chinese merchandise ordered for this colony. These goods were essential not only to the daily supplies in Batavia itself and local use, but were also highly necessary to the intra-Asian trade. The most sought-after commodity was Chinese gold which was crucial to the Indian textile trade. Payment for these goods by the High Government was delivered in two kinds: silver bullion and goods. The bulk of the silver bullion was taken from the general capital which was sent out to the East Indies from the Dutch Republic every season. The goods which were collected in Batavia by the High Government could include exceedingly pricey articles for which there was a ready market in China such as trepang, agar-agar, shark-fin, and bird's nests from the East Indies, pearl dust from Ceylon, or blue dye and textiles from India.

1. Commodities for use in Batavia

The commodities which the High Government desired to receive included medicinal materials, porcelain,⁴⁸ Nanking linen, spelter and other minor articles.⁴⁹ All these commodities generally served for the use of the

High Government itself but could be resold to such local shops in Batavia as the apothecaries, small china shops as well as grocery shops.⁵⁰

The medicinal materials were rhubarb, musk, China root, and galin-gale. In the eighteenth century, rhubarb was used as a laxative. The best quality was harvested at the end of winter and was purported to possess numerous curative properties. Because it was grown in northern China, its price in Canton tended to be quite high.⁵¹

Musk is used as the basis of numerous perfumes. Good musk is a dark purplish colour, dry, smooth, and unctuous to the touch, and bitter in taste. It dissolves in boiling water to the extent of about one-half; alcohol takes up one-third of the substance, and ether and chloroform dissolve still less. The musk imported from China was most valued.⁵²

China root was used by apothecaries in the seventeenth century and was already regarded as an outstanding remedy for all sorts of health problems caused by colds, such as gout, headaches, a weak stomach, the shivers, and so on. It was also supposed to possess the inestimable quality of conferring immunity from smallpox. The essential oils extracted from galingale were used in the making of liqueurs and the brewing of beer.⁵³

The medicinal materials were in high demand in Batavia, because it was a large town whose population was crammed together in a relatively small space. It was also a bustling port which attracted numerous overseas visitors. Adding to its unhealthy living conditions was the fact that it was located in a low, swamp area, which had an oppressively humid climate, and after 1733 the fishponds built by the Batavian residents on the silted up coastal strip in front of the town formed the ideal breeding ground for the malaria mosquito.⁵⁴ It had earned a dubious reputation as the "graveyard of the East".⁵⁵ The Chinese medicinal materials were very efficacious in helping to treat the tropical diseases which plagued the East Indies and were in popular use in contagion-ridden Batavia.

Compared to other textiles, Nanking linen was a much cheaper and lighter cloth and was therefore also attractive to the Chinese in South-east Asia. During the 1760s and prior to 1775, Nanking linen was ordered by the High Government a couple of times in its natural colour, but from 1775 to 1781 it was shipped almost every year and the buff or yellow-coloured textile constituted the major part of the purchases. Most probably the population increase around Batavia in the 1770s had a bearing on this soaring demand for this cloth.⁵⁶ The reason for the yellow colour is an interesting topic for speculation.

Spelter is also called tutenague. The crude spelter was extracted in China by open-cast mining. Later it was smelted down with the other metals just mentioned in Canton and cast into ingots in the form of "pigs", which weighed about 60 pounds.⁵⁷ One of the main uses of spelter was to cast coins, but it was also essential to the making of brass for

the manufacture of all sorts of utensils. Spelter also proved useful as ballast.

After the China Committee had taken charge of the direct trade with China, the High Government was instructed to organize its own transport of the goods destined for Batavia. There was no direct prohibition on using the Company's China ships for transport, but the China Committee probably considered that the transfer of goods for Batavia from Company ships onto cruisers sent from Batavia might slow down the homeward-bound China ships as they passed through the Sunda Strait. Because time was an essential factor, it encouraged the High Government to employ Chinese junks for this transport, as the shipping traffic of Chinese junks between Batavia and China was a time-honoured, satisfactory custom, which was very advantageous to this colony.⁵⁸

Obviously, when it came to dealing with actual conditions, the High Government did not put all its eggs in one basket but made use of the various means of transport at its disposal. During a couple of seasons in the first half of the 1760s, only Chinese junks were employed to transport the goods from Canton to Batavia. In January 1764, for example, two Chinese junks, named the *Sam-con(g)-hing* and the *Sweehing*, left Canton bound for Batavia with porcelain, rhubarb, musk, China root, and galingale, Nanking linen and other minor articles.⁵⁹ And in January and February 1765, the junks the *Eckthaij*⁶⁰ and the *Sweehing* each carried similar goods and general letters from the Dutch supercargoes plus their reflections on the business in Canton to the High Government.⁶¹ In 1767, the Company ships the *Vrouwe Margaretha Maria* and the *Geijwensch* were used to transport the goods for Batavia on their return voyage.⁶²

After 1768, the High Government started to make use of both the Company's China ships and of Chinese junks or Portuguese vessels to transport the goods demanded. In September 1768, the Company ships the *Willem de Vijfde* and the *Paauw* carried China root and galingale, musk and rhubarb;⁶³ and in February 1769, the Chinese junks the *Eckthaij* and the *Honka*⁶⁴ brought the same articles, supplemented by porcelain and spelter, to Batavia.⁶⁵ Late in the same year, the Company ship the *Oostcapelle* and the Portuguese ships the *St Catharina* and the *St Louis*, which sailed between Macao and South-east Asia, in particular Batavia and Timor, were used to transport the "Batavia" goods.⁶⁶ Afterwards, the Portuguese vessels were frequently used in 1772 and 1777-1781,⁶⁷ and English private ships also did their stint to transport the goods for Batavia in 1773, 1774, and 1776.⁶⁸

When Chinese junks were engaged to undertake the transportation, as a rule the *nachoda* was requested by the Dutch supercargoes to sign a contract pertaining to the shipment and delivery of goods. In the contract,

the assortments and quantities of the goods were listed in order, and the *nachoda* then declared that he promised to hand over all the goods listed dry and in good condition in Batavia on the completion of a safe journey. Should the goods be found in any way deficient on arrival at Batavia, the *nachoda* would be obliged to make up for the loss. Two identical contracts were drawn up and should the one be fulfilled, the other would automatically become void. After delivery of the goods, the *nachoda* would receive the freight fare in Batavia.⁶⁹ And, in the contract signed between the supercargoes and the captains of the Company ships, the captains declared that, on their safe arrival in the vicinity of the Northern Islands near the Sunda Strait, they would transfer the goods to the waiting cruisers, which would be dispatched from Batavia.⁷⁰

As early as 1763, the High Government sent a regulation to the Trade Council in Canton stipulating that, in order to relieve the traffic between Batavia and Canton all the more, it banned the export of trepang, bird's nests and agar-agar by all foreign Europeans, as well as the import of all sorts of Chinese goods claimed by other foreign Europeans into Batavia, under penalty of confiscation. There was an extra warning to the *nachodas* of the Chinese junks sailing from Batavia that they were forbidden to carry any goods at freight for other European nations on their return to Batavia. Should they be in breach of the regulation, their junks and their cargoes would be impounded by the High Government.⁷¹

Fourteen years later, in 1777, such a violation was discovered. When the High Government took delivery of the goods which it had ordered from the English private ship the *Nancy*, the authorities discovered many packages, cases, chests, and bales on board this ship, which had been brought on the account of the private residents in Batavia. The High Government took immediate action and announced that it would not tolerate any such trade between foreign Europeans and the Dutch citizens in Batavia.⁷² It banned the import of all sorts of Chinese goods which were claimed by the foreign Europeans either for themselves or for others, at freight or on order, under penalty of confiscation. The trade representatives in Canton were also strictly instructed that no company or private goods which were the property of foreign Europeans should be sent to Batavia and that those goods for Batavia should either be transported on the Company's China ships, or on the Chinese junks or Macao vessels which headed to Batavia annually for trade.⁷³

The demands for the commodities for use in Batavia were generally fulfilled by the trade representatives in Canton, but in some years the smooth running of the system was hampered by problems with the transportation of the goods. As they were subject to the vicissitudes of winds and weather conditions and to the whims of nature, some vessels were either delayed on arrival or captured by inimical ships. In the early spring

of 1770, the High Government received the goods demanded, consisting of 255,658 pounds of spelter and twelve chests of porcelain, from the junk the *Honka*. But the other expected junk, the *Eckthaaïj*, which also left Canton in 1769 with the demanded 244,341 pounds of spelter and fourteen chests of porcelain, did not arrive in Batavia on time. The same fate had befallen the *Wonchan* (or *Wongsong*),⁷⁴ which had already left in 1768 with forty-two chests of porcelain.⁷⁵ On 27 April 1782, Daniel Diederick van Haak, Chief Clerk of the General Secretary,⁷⁶ reported to the High Government that the Cantonese junk the *Thaij-an*, bound for Batavia, had been captured by captain John McClary of the English privateer the *Dadoloy* in the Bangka Strait, and all its cargo had been seized as prize under the pretext that these goods belonged to the VOC.⁷⁷ In 1784, the supercargoes in Canton were informed that the Macao ship the *St Antonio* with the goods demanded for Batavia had been plundered by the same captain on 27 February of the previous year.⁷⁸

2. Gold for the intra-Asian trade

Gold played an important role in the intra-Asian trade of the VOC. Optimizing its position in the intra-Asian trade, the VOC purchased and sold gold in several regions in Asia. It is impossible to extrapolate a complete picture of the movement of gold from the general trade ledger of Batavia,⁷⁹ but generally speaking, as far as its sources of gold were concerned, the High Government procured this metal in three ways – by sending Company ships to Japan; by purchasing it in Batavia from Chinese junks from South China; and by exploiting its own gold-mines in Sumatra. Naturally, the next question is what became of this gold but the answer is not as straightforward as it would seem at first sight. It is no secret that the High Government sent the gold to India (the Coromandel Coast) to pay its way in the textile trade.

Of all the gold suppliers of the VOC, Japan was the prime source in the seventeenth century. Initially there had been more interest in silver, but in 1668 the Tokugawa government issued a decree banning the export of silver. Relying on a fund of precious metal to finance its Asian trade, the VOC then turned to the Japanese gold coins, the so-called *koban*, which could also be used profitably on the Coromandel Coast. Up to that time the VOC had mainly purchased gold coins by trading with the Chinese via Formosa, but *Koxinga's* conquest of this important commercial centre in 1662 had put a stop to this trade.⁸⁰

Towards the end of the 1660s, discoveries of large deposits of gold were made in Japan, and the VOC acquired great quantities of gold at low prices. An export boom in gold developed in the years around 1670. But all good things come to an end: the Japanese raised the price of *koban*

from 56 to 58 maces in 1670 and from 58 to 68 maces in 1672. This price hike slowed down the VOC export and a marked decrease in the quota of gold in the export figures can be traced in the years which followed. The next hurdle which presented itself was a temporary ban on the export of gold in the years 1685-1686. This measure was taken because the Japanese feared that the large amount exported would cause a shortage of their currency. Despite such hindrances, it should be noted that the VOC export of gold from Japan never dried up completely, even though during the following decades, it mainly set its sights on the third coining metal in which Japan was rich, copper.⁸¹

The Japanese debased their gold coins from 85.69 to 56.41 touch⁸² in 1696, without any reduction in its silver price.⁸³ The new gold *koban* contained a lower percentage of gold than had the old coins, but was kept at the same weight. The Company had no option but to accept them at the same price as before. This meant that the *koban*, which had previously been sold at a profit on the Coromandel Coast, now made a loss of about 15 per cent. A further debasement of the gold coin in 1720 caused this figure to rise to 37 or 38 per cent. In spite of the loss, the Company still continued the export of *koban* from Japan right down to 1752, albeit with an interruption from 1739 to 1742. Although at first sight this did not make good economic sense, the Company seldom made such a decision without good reason. In this instance the consideration was that the coins provided a steady supply of money for the trade with the Coromandel Coast, and the course was partly adopted because, apart from copper, the Japanese commercial restrictions meant that no other good alternatives were available. The compromise seems to have been satisfactory for a while at least. During the 1730s there was a distinct slump and export figures fell drastically. For the period 1701-1724, the VOC had exported an amount of slightly below 300,000 *koban* to the Coromandel Coast from Japan and, by doing so, had sustained a total loss of more than 1½ million guilders, which was handsomely compensated by the profits made on the trade in Coromandel textiles.⁸⁴

In 1752, the High Government found a substitute for the Japanese gold to pay for its Indian textile trade, namely Chinese gold, in Canton. Until 1756, each season one (or two) of the homeward-bound ships unloaded this gold for the High Government when they put in at Batavia.⁸⁵ It is not surprising that this practice ceased shortly after the High Government transferred the control of the China trade to the China Committee. Nevertheless, the High Government was not left high and dry for it received permission to continue the gold trade in another way, by asking the trade representatives to buy gold in Canton. Unfortunately, the relief at this respite was short lived. The Chinese gold trade lasted a short period of thirteen years and was abandoned in 1765 because against

the expectations of the High Government every year the price of gold in Canton rose spectacularly.

The instructions of the China Committee spelled out that should some capital be left over after the purchase of the return cargoes in Canton, the supercargoes could spend what remained on purchasing gold for Batavia. If it was impossible to buy as much gold as the High Government required, the remaining funds should be taken back to Batavia with the gold purchased. It was one of those instances in which the wish was the father to the thought and reality provided cold comfort. After the late 1750s, the supercargoes did keep the remainder of the capital for the purchase of gold, but they seldom spent it in full before the departure of the Company ships. When this happened they held the money in reserve for the next trading season.⁸⁶ For example, when they were sent 427,876.18.9 guilders from Batavia in 1763, the supercargoes still had funds remaining from the previous season, plus a stock of clove oil, Ceylonese pearl dust and blue dye. They were ordered to spend these on the purchase of 4,500 taels of gold.⁸⁷

In contrast to the transport of other goods for Batavia, gold could only be shipped by the homeward-bound China ships, as stipulated in the instruction of the China Committee. There are two feasible explanations for this: a lack of trust in the seaworthiness of foreign vessels and the honesty of their crews or the fear of pirates in the South China Sea. These China ships carrying only goods for Europe and gold for Batavia were under orders to head straight for the Netherlands on the homeward-bound journey without stopping at Batavia. In order to obtain its gold, the High Government sent a well-armed cruiser to the Northern Islands near the Sunda Strait, through which the homeward-bound China ships would definitely pass. There it would heave to and wait to tranship the gold and transfer it to Batavia as quickly as possible.

After this discussion of the capital reserved for gold and its transport, a short history of the gold trade between Canton and Batavia is in order to fill out the picture. In the season 1758-1759, the trade representatives experienced no difficulty in contracting with the Chinese merchants in Canton for gold at 123 taels of silver of 90 touch per 10 taels of gold, but in 1760 they realized that the high price demanded and the scarcity of gold would make it impossible to satisfy the High Government any longer and none of the Chinese merchants was willing to deliver the gold below 146.2.5 taels of silver of 90 touch per 10 taels of gold, which was 18.9 per cent more expensive than in the year 1758. But in November 1760, the security merchants of the Dutch Company, Tsja Hunqua, in conjunction with Semqua, Tan Chetqua and Swetja, offered 100 *schuitjes*⁸⁸ for 130 – later decreased to 120 and then 118 – taels of silver of 80 touch per 10 taels of gold. The supercargoes considered the price to be

2.61 per cent higher than in 1758 and 1759 and refused to accept the offer, although they had received an instruction of the High Government to buy more than 50,000 silver taels worth of gold at any price. The Trade Council disobeyed the instruction of the High Government, reasoning that the High Government would never have expected such an extreme increase in the price of gold and that the purchase of gold at such a high price would be disadvantageous to the Company. There was yet another, added danger. Purchasing gold at so high a price might lead the Chinese to imagine that the Dutch could still make money on its sale elsewhere even at such an excessive price. Finally, after laborious negotiations on 19 November, the trade representatives made a contract with Tsja Hunqua stating that, *in the following year* on 1 November or before the departure of the last ship, Tsja Hunqua would deliver 4,500 taels of Nanking gold of 90 touch at a price of 117 taels of silver for 10 taels of gold to the Dutch, a deal which was roughly equal to 54,263.2.3.8 taels of silver.

In accounting for the 4,500 taels of gold which were purchased in 1760 and sent to Batavia in 1762, the trade representatives explained in their report to the High Government that they had not valued 100 touch of gold at 24 carat or 373.2.5¹/₃ guilders, as the High Government had ordered, but appreciated 90 touch equal to 22¹/₂ carat or 349.15.15 guilders, because they had been forced to agree to this with the Company's trading partners during the negotiations in the season 1758-1759. Simultaneously, they had to assay with test-needles how the Chinese percentage in touch compared with its Dutch counterpart in carats. Each time before entering into a contract, the Dutch supercargoes reminded the gold merchants that they would test the value of the gold with the Dutch test-needles. Despite such solemn warnings, they discovered that the Chinese never gave them a true report of the exact percentage of gold and therefore they still needed to reforge the gold by themselves.⁸⁹

After delaying the conclusion of the contract for the 7,750 taels of gold of 90 touch demanded by Batavia in 1763, at the end of 1764, during a meeting of the Trade Council the supercargoes resolved to contract the gold of 90 touch at a price of 125 taels for a sum of 80,000 taels of silver for the forthcoming season. But no Chinese merchant was willing to enter into such a contract. The supercargoes finally persuaded their security merchants, who owed the Dutch Company 139,178.6.9.2 taels of silver, to accept a contract for gold of 90 touch at 114.5 taels for the 45,000 taels of silver, and wrote to Batavia for approval.⁹⁰ In July 1765, the High Government in its instruction replied that this deal was very much against its expectations because the price was too high for it to make any reasonable profit on the trade.⁹¹

This spelled the real end to the gold trade. After 1765 practically no

more gold was purchased for the High Government,⁹² although for several years in a row it still kept on reminding the trade representatives to keep the purchase of gold in mind should the opportunity arise. It was a forlorn hope, as the supercargoes declared there was not even the slightest hint of a drop in the price of gold. On the contrary, it even rose much higher.⁹³

Conclusion

As far as the High Government was concerned in the new setup of the direct China trade under the management of the China Committee, it rather reluctantly had to play two painful roles: one of a great contributor and the other of a poor beneficiary. None the less, from the angle of the Gentlemen Seventeen, the loss of the local interest of Batavia actually worked out well for the general interests of the Company.

As a great contributor, the High Government was cast in the role of supporting the direct China trade by offering and supplying all kinds of assistance which would ensure the successful management of its own erstwhile responsibility by the China Committee. All this assistance was indispensable and essential. Of course, the most significant contribution was in the supply of trade goods. The East Indies goods supplied by the High Government, in conjunction with the precious metals and other European goods sent from the Dutch Republic, was the fundamental guarantee of the boom in the VOC tea exports from the Canton market. Considering how much the High Government contributed to the China trade, it came off a poor second. The goods demanded for Batavia were more often than not sent on Chinese junks or the vessels of other nations than dispatched on the homeward-bound China ships of the VOC, and the Chinese gold trade between Batavia and Canton was but a short-lived enterprise, quenched by the steep increase in the purchase price of gold in Canton. In fact, this change in value, of course, could not be blamed on the administrative reforms of the Company but was a cogent reflection of developments in the Chinese economy itself.

