

Politics and commerce: a close marriage? The case of the Ostend Company (1722-1731)

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Abstract

In this article, I explore the way in which the various political elites of the Southern Low Countries were interwoven with the Imperial Ostend Company (1722-1731). By looking at the company's shareholder registers and correspondence, as well as by reconstructing various informal networks, I will argue that different types of interaction developed between the Ostend Company and the political establishment. The nature of these relations shaped the political elites' policy vis-à-vis the Ostend Company. The urban political elites of Ostend and Antwerp held close social, financial and political connections with the Ostend Company, causing them to grant various privileges to the enterprise. However, the entanglement with the local nobility and the officials of the imperial administration was rather weak to sustain the Ostend Company's long-term development. As such, this contribution sheds new light on the dynamics that underpinned the relations between power and capital.

This contribution examines the ways in which political elites were socially interwoven with the East India companies by focusing on the case of the Imperial Ostend Company (1722-1731). During the seventeenth and eighteenth centuries, chartered companies helped shape the 'Age of Mercantilism'¹, in which long-distance trade provided income, credit, bullion and

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1 This 'Age of Mercantilism' refers to the chapter of the same name in: R. Findlay & K.H. O'Rourke, *Power and plenty. Trade, war and the world economy in the second millennium* (Princeton 2007)

territorial expansion for the government.² Mercantilist thought implies that the political leadership used chartered companies as a tool to boost commercial development and to secure territorial expansion. Here, I will scrutinise the ties between the political elites of the Southern Low Countries and the Ostend Company. Doing so will highlight the extent to which the Ostend Company was interwoven with the political establishment, how this influenced the government's policy vis-à-vis the company, and how this helps in explaining the long-term survival of East India companies.

Historians point out different patterns of how these companies and the political establishment were interwoven with one another. The Dutch *Verenigde Oost-Indische Compagnie*, for instance, illustrates that East India companies could be, socially and politically speaking, intensively entangled with the urban political elites of the Republic's leading commercial centres. In the specific case of the Republic, these very same urban elites ran the state in the absence of a strong monarch.³ Another trajectory is the one followed by the English East India Company, as well as by the smaller Prussian or Danish enterprises. These companies were fitted within a mercantile policy of commercial expansion and, in the case of the English EIC, in a scheme of overseas military conquest.⁴ It is harder to position the Swedish East India Company within these patterns, since it illustrates the weakest social entanglement with the urban or court elites. The Swedish

2 This is discussed in O. Gelderblom, 'The organization of long-distance trade in England and the Dutch Republic, 1550-1650', in: O. Gelderblom (ed.), *The political economy of the Dutch Republic*, 223-254, there 223-226

3 J. Adams, 'Trading states, trading places: The role of patrimonialism in Early Modern Dutch development', *Comparative studies in society and history* 36:2 (1994) 319-355, there 338-339; J. Adams, *The familial state. Ruling families and merchant capitalism in early modern Europe* (Ithaca 2005); F.S. Gaastra, *Geschiedenis van de VOC: opkomst, bloei en ondergang* (Zutphen 2012, 11th ed.) 33, 36, 173, 181; F. S. Gaastra, 'The shifting balance of trade of the Dutch East India Company', in: L. Blussé and F. S. Gaastra (eds.), *Companies and trade* (Leyden 1981) 47-70, there 55-56; F.S. Gaastra, *Bewind en beleid bij de VOC: de financiële en commerciële politiek van de bewindhebbers, 1672-1702* (Zutphen 1989) 255-277

4 For the English EIC, see: K.N. Chaudhuri, *The trading world of Asia and the English East India Company 1660-1760* (Cambridge 1978) 20; H.V. Bowen, 'No longer mere traders': Continuities and change in the metropolitan development of the East India Company, 1600-1834', in: H.V. Bowen, M. Lincoln & N. Rigby (eds.), *The worlds of the East India Company* (Woodbridge 2003) 19-32, there 26; R. Brenner, *Merchants and revolution: commercial change, political conflict, and London's overseas traders, 1550-1653* (London 2003) 670. An overview for the Danish Companies is given in P. Kelsall, 'The Danish monopoly trading companies and their shareholders, 1730-1774', in: *Scandinavian economic history review* (henceforth: SEHR) 47:3 (1999) 5-25 as well as in O. Feldbaek, 'The Danish trading companies in the seventeenth and eighteenth centuries', in: SEHR 34:3 (1986) 204-218. The Prussian Company is discussed in F. Shui, 'Prussia's 'trans-Oceanic moment': The creation of the Prussian Asiatic Trade Company in 1750', in: *The historical journal* 49:1 (2006) 143-160

enterprise was backed by merchant capital from both Sweden and abroad, although no intensive interweaving with the political establishment was observed.⁵

The Ostend Company forms an interesting point of comparison with these chartered companies for three reasons. First, we do not know whether it contrasts with the Dutch, English and Danish cases, which were long since familiar with long-distance maritime trade. This will hence illustrate how the interactions between politics and the company took shape in an enterprise without an established tradition. Secondly, the Ostend Company started its operations after various financial bubbles in maritime trading had already burst. Due to failed experiments such as the Mississippi Company and the South Sea Company, potential investors were more cautious about buying stocks in maritime enterprises. A focus on the Ostend Company hence illustrates how financial capital could be mobilised in the aftermath of these speculative manias. Finally, there is the peculiar political context in which the Ostend Company operated. Its merchant activities were concentrated in Ostend, while its financial and administrative headquarter was located in Antwerp, these two cities being the two main commercial centres in the Southern Low Countries. In 1715 this region became a part of the Austrian Habsburg imperium. Therefore, the Ostend Company was active in a region where political power was concentrated on three institutional levels, namely the urban governments, the central administration in Brussels, and the imperial institutions in Vienna. A focus on the Ostend Company highlights the different interests of these institutional levels in the enterprise. For the above reasons, the Ostend Company makes an interesting case study to assess the relationship between politics and capital from a comparative perspective.

Two research strategies are used to address this entangled relationship. First, I looked at the *formal ties* between the company and the political establishment by scrutinising the shareholder registers and the correspondence of the directorial board. The shareholder registers make it possible to reconstruct the financial ties between the political establishment and

5 C. Koninckx, *The first and second charters of the Swedish East India Company (1731-1766)* (Courtrai 1980). Here, it is mentioned that most of the Swedish investors in the company descended from the Stockholm and Goteborg merchant families (338-339). Some authors even emphasise that 'the state interest was rather weak' when it came to the Swedish EIC: L. Müller, 'The Swedish East India trade and international markets: Re-exports of teas, 1731-1813', in: SEHR 51:3 (2003) 28-44, there 31-32

the enterprise and hence give an insight into the interests the political elites had (or did not have) in the company.⁶ The correspondence between the political establishment and the company's board of directors also helps in reconstructing the formal networks. The focus of this aspect of the study is on the correspondence with the court elites, since only these letters are preserved in the company's archives.⁷ Secondly, I attempted to reconstruct the *informal networks*. Although these proved harder to reconstruct, proxies such as family connections or participation in the same political bodies or commercial joint ventures give an insight into the structure of these networks. In this respect, prosopographical studies were also helpful.⁸ Together, the focus on formal and informal connections gives an adequate overview of how the political establishment of the Southern Low Countries was tied to the Ostend Company.

On the basis of a comparative analysis of these source materials, this article argues that the urban political elites of Ostend and Antwerp held close political, social, commercial and financial connections with the Ostend Company. In contrast, the entanglement with the local nobility and the officials of the imperial administration in Vienna was too weak to sustain a long-term policy that secured the development of the Ostend Company. I will argue that the eventual abolition of the company's trade is rooted in the weak social entanglement between the Ostend Company and the political establishment in Brussels and Vienna. This argument is developed as follows. First, I will discuss the political situation in the Southern Low Countries. Secondly, I will focus on the directorial board of the company and the enterprise's capital structure. Thirdly, I will examine the ties between the Ostend Company and the political establishment of the urban, central and imperial institutions, respectively. To conclude, this article evaluates the importance of social ties between East India compa-

6 These registers are available for consultation in the Antwerp City Archives: SAA, GIC 5837 to GIC 5846.

7 The analysis is based on the correspondence written by the Ostend Company's management: SAA, GIC 5579 and GIC 5594.

8 For the reconstruction of the elite networks in Ostend, I relied on J. Parmentier, *Het gezicht van de Oostendse handelaar. Studie van de Oostendse reders en ondernemers actief in de internationale maritieme handel en visserij tijdens de 18de eeuw* (Ostend 2004), while K. Degryse, *Kapitaalaccumulatie, -investering, en -rendement te Antwerpen in de 18de eeuw* (unpublished doctoral dissertation, Ghent 1985) proved useful in reconstructing those networks for Antwerp. The officeholders active in the central administration in Brussels are listed in C. Bruneel, *Les grands commis du gouvernement des Pays-Bas autrichiens: dictionnaire biographique du personnel des institutions centrales* (Brussels 2001). Andreas Pecar's book, *Die Ökonomie der Ehre: der höfische Adel am Kaiserhof Karls VI* (Darmstadt 2003), lists the leading officials at the Viennese court.

nies and the political establishment for the survival of these maritime enterprises.

1 Setting the scene. The early eighteenth-century Southern Low Countries and the Ostend Company

The Ostend Company was established shortly after the implementation of the Austrian Habsburg administration in the Southern Low Countries. Although this region had long since been controlled by the Spanish branch of the Habsburg dynasty, the Spanish War of Succession (1701-1714) caused this region to fall, after a brief Anglo-Dutch reign, into Austrian hands.⁹ In 1715, the 'Spanish' Low Countries had hence become 'Austrian'. Being part of the polycentric Austrian Habsburg monarchy, policy-making and policy-implementation concerning the Southern Low Countries was concentrated on various institutional levels.¹⁰ The imperial institutions in Vienna, for instance, were concerned with military, diplomatic and dynastic issues. Two departments in Vienna, the High Council for the Netherlands and the Spanish Secretary of State were responsible for outlining the policy for the Southern Low Countries. At the same time, the Austrian government was represented through a governor and a court in Brussels. Next to these imperial institutions, the Southern Low Countries had their own institutions that were concerned with local policy. Their jurisdictions could concern the entire territory or only one of its provinces. For instance, the *Grand Conseil*, a Malines-based court of Justice, had jurisdiction in the

9 M.A. Echevarria Bacigalupe, 'La Guerra de sucesion en los Paisas Bajos meridionales. Antecedentes, desarrollo y consecuencias', in: F. Edelmayer, V. Léon Sanz & J.I. Ruiz Rodriguez (eds.), *Hispania – Austria III. Der Spanischen Erbfolgekrieg. La Guerra de Sucesion espanola* (Vienna 2008) 193-210; K. Van Gelder, *Tien jaar trial-and-error? De opbouw van het Oostenrijkse bewind in de Zuidelijke Nederlanden (1716-1725)* (unpublished doctoral dissertation, Ghent 2011), 79-104; K. Van Gelder & R. Vermeir, 'De Habsburgse Nederlanden in de overgang van Spanje naar Oostenrijk (1692-1713)', in: P.-J. Lachaert (ed.), *Oudenaarde 1708. Een stad, een koning, een veldheer* (Louvain 2008) 33-50, there 40; R. De Schryver, 'Het einde van de Spaanse soevereiniteit, 1702-1715', in: P. Janssens (ed.), *België in de 17de eeuw. De Spaanse Nederlanden en het Prinsbisdom Luik. Band I: Politiek* (Ghent 2006) 47-53

10 The term 'polycentric monarchy' refers to a recently developed theoretical framework for analysing how different provinces of an empire interacted with the crown as well as with one another: P. Cardim e.a. (eds.), *Polycentric monarchies. How did Early Modern Spain and Portugal achieve and maintain a global hegemony?* (Eastbourne 2012)

entire Austrian Low Countries,¹¹ while the *Conseil de Flandre*, also a court of Justice, was only competent for the county of Flanders.¹² The urban magistracies represent the most local level of political power. Here, the aldermen and burgomasters aimed at preserving their local interests and liberties.

The eventual foundation of the Ostend Company in December 1722 was the outcome of negotiations between these three institutional levels.¹³ The enterprise was not created out of thin air. Since 1715, entrepreneurs had started investing in the East India trade. The focus of their trade was on Mocka, Guinea, China and the Indian Malabar Coast.¹⁴ These expeditions are comparable to the Dutch *voorcompagnieën*. The first of these privately funded expeditions from the Southern Low Countries to India and back generated a 100 per cent return on investment. As more merchants invested in the East India trade, the local marketplaces were flooded with oriental commodities while the profit margins came under increasing pressure.¹⁶ This caused the majority of the East India merchants to push for the creation of a chartered company with a monopoly on maritime trade between the Southern Low Countries and India and China.

The context in which the Ostend Company was created differed from the sixteenth-century when the English and Dutch East India Companies were established. The Ostend Company's creation, in 1723, came after a series of financial bubbles. France, for instance, was still recovering from John Law's failed experiments with the *Compagnie d'Occident*, which led to a speculative mania, known as the Mississippi Bubble in 1720.¹⁷ Almost simultaneously, in England, the South Sea Bubble had just burst. This experiment, in which English government debt was transferred into equities of the South Sea Company, gave rise to an unseen financial speculation

11 A. Wijffels, 'Grote Raad voor de Nederlanden te Mechelen', in E. Aerts e.a., *De centrale overheidsinstellingen in de Habsburgse Nederlanden (1482-1795)* (Brussels 1994) 448-461

12 P. Van Peteghem, 'Raad van Vlaanderen', in: W. Prevenier and B. Augustyn, *De gewestelijke en lokale overheidsinstellingen in Vlaanderen tot 1795* (Brussels 1997) 131-157

13 This is illustrated by the modifications made in the company's charter: M. Huisman, *La Belgique commerciale sous l'empereur Charles VI: La compagnie d'Ostende: Etude historique de politique commerciale et coloniale* (Brussels 1902) 209-210

14 J. Parmentier, 'The Ostend-Guinea trade, 1718-1720', in: *International journal of maritime history* 2:1 (1991) 175-206

16 The average profits or losses per expedition are mentioned in: J. Parmentier, 'De handelaars en supercargo's in de Oostendse Moka- en Indiahandel (1714-1735)' *Handelingen van het genootschap voor geschiedenis* (henceforth: HGG) 122:3 (1985) 181-208, there 202

17 C.P. Kindleberger, *Manias, Panics and Crashes. A History of Financial Crises* (London 1978) 84-85



Figure 1 – The Ostend Company’s activities were regulated through the Lettres patentes d’octroy (Koninklijke Bibliotheek, Brussel).

since 1717, which ended with the burst of the bubble in 1720. This was part of a broader tendency in England, where the Bank of England and the East India Company also saw a spectacular rise and decline of their stock.¹⁸ The Ostend Company was hence created at a time when the belief in unrestrained profits was somewhat undermined. The company’s management and the policymakers took measures to prevent similar financial speculation. For instance, the company was established for a fixed term of 30 years, allowing for a long-term development of the enterprise.¹⁹ It was also decided that foreigners could possess no more than half of the enter-

18 J. Hoppit, ‘Financial crises in eighteenth-century England’, in: *The economic history review* 39:1 (1986) 39-58, there 47 and J. Hoppit, ‘The myths of the South Sea Bubble’, in: *Transactions of the royal historical society* 12 (2002) 141-165, there 141-143

19 University Library Ghent (henceforth: UBG), *Lettres patentes d’octroy accordées par sa Majesté imperiale et catholique pour le terme de trente années à la Compagnie générale à établir dans les Pays-Bas Autrichiens pour le commerce & la navigation aux Indes* (Ghent 1723)

prise's stocks in order to avoid financial speculation from abroad.²⁰ Through these measures, they hoped to secure the long-term development of the company, as well as to keep the financial prospects realistic.

Commercially speaking, the Ostend Company's charter stipulated that the enterprise would have a monopoly on the maritime trade between the Southern Low Countries and the East and West Indies, the African coast, and the territories beyond Cape Good Hope.²¹ In reality, the enterprise limited its expeditions to India and China. The ambitions of the Ostend Company were commercial rather than military or territorial. In this respect, the company differed from its Dutch and English rivals, which both combined commerce and coercion. Its golden age was situated between 1723 and 1727, with the cotton trade accounting for profits of up to 74.5 per cent, while its tea trade yielded profits of up to 217.7 per cent.²² Nevertheless, due to increased political tensions between the Austrian Habsburgs and both the Dutch Republic and England, the company's operations were temporarily prohibited in 1727. The enterprise was eventually abolished in 1731. This was due to the 'Pragmatic Sanction', an edict by which emperor Charles VI declared that the Habsburg territories, after his death, were to be inherited by his daughter Mary Theresa. Great Britain only wanted to accept this edict in exchange for the cessation of the Ostend Company's commerce. Under international pressure, the Ostend Company's flourishing trade was hence halted in 1731.

2 The Ostend Company: management and capital structure

The management of the Ostend Company was situated in the hands of seven directors²³ who had to justify their actions to a shareholders' committee. The directors originated from Antwerp, Ghent and Ostend and were experienced in commerce and banking.²⁴ Antwerp provided the *pre-*

20 SAA, GIC 5670, fo. 62 and SAA, GIC 5815, sine folio

21 UBG, *Lettres patentes*, art. 1

22 J. Parmentier, *Thee van overzee. Maritieme en handelsrelaties tussen Vlaanderen en China tijdens de 18^{de} eeuw* (Bruges 1996) 110

23 The nomination of the seven directors was done by royal decree: SAA, GIC 5670, fo. 33 and SAA, GIC 5815, sine folio

24 UBG, *Lettres patentes*, art. 34 & 36

mier directeur, Jacques De Pret, who belonged to one of Antwerp's wealthiest families.²⁵ Other Antwerp-based directors were Louis-François de Coninck, who was chosen for his experience in the commerce with China,²⁶ and Pietro Proli, one of Antwerp's leading bankers.²⁷ Of Ghent's three directors, Jacques Maelcamp, pioneered in the Southern Low Countries' East India trade by sending the *Charles Galleye* vessel to the Malabar Coast in India in 1715.²⁸ The two other directors from Ghent were Paulo De Kimpe and Jacques Baut, also two experienced East India traders.²⁹ The seventh and last director was Thomas Ray, an Irish-born Jacobite who made a career in the Ostend East India trade.³⁰ All seven directors were embedded within the commercial and financial networks of that time. These networks were predominantly urban. Jacques De Pret, for instance, collaborated for most of his private East India ventures with his brother Arnaldo and the Antwerp-based Paulo Jacques Cloots. Although Cloots was a native of Amsterdam, he was one of Antwerp's most influential merchants and bankers. Marriage ties underpinned the numerous joint ventures between the De Pret brothers and the Cloots, since Paulo Jacomo Cloots was married to Johanna De Pret, Jacques and Arnaldo's sister.³¹ A similar pattern can be seen for the Ghentenars. Here, Jacques and his brother Charles Maelcamp preferred joint ventures with their fellow townsman and brother-in-law Jean-Baptiste Soenens.³² For Thomas Ray, it is clear that he was connected to both the commercial networks of Ostend and Ghent. He set up numerous collaborations with fellow Ostend-based traders such as Pieter de Potter, Xavier Sarsfield, Matheus de Moor, and Pierre-François Woelaert as well as with Ghentenars Paulo De Kimpe and the Maelcamp brothers. Put shortly, the directors of the Ostend Company were well entrenched in the leading commercial and financial networks of the Southern Low Countries.

Next to the directorial board, the shareholders played a role in shaping

25 K. Degryse, *De Antwerpse fortuinen: kapitaalsaccumulatie, -investering en -rendement te Antwerpen in de 18^{de} eeuw* (doctoral dissertation, Ghent 1985) 7

26 Huisman, *La Belgique commerciale*, 217

27 H. Houtman - De Smet, *Charles Proli, Antwerps zakenman en bankier, 1723-1786: een biografische en bedrijfshistorische studie* (Brussels 1983) 19; Huisman, *La Belgique commerciale*, 217

28 Huisman, *La Belgique commerciale*, 217; Parmentier, 'De handelaars', 193-194

29 Huisman, *La Belgique commerciale*, 218

30 *Ibidem*; Parmentier, 'De handelaars', 184-185

31 Degryse, *De Antwerpse fortuinen*, 74 + attachment II.1; Van Gelder, *Tien jaar*, 287; Huisman, *La Belgique commerciale*, 105 & 117; Parmentier, 'De handelaars', 188

32 Degryse, *De Antwerpse fortuinen*, 72; Huisman, *La Belgique commerciale*, 83; Parmentier, 'De handelaars', 193-194

the company's policy. In total, the enterprise was funded through 6000 shares at the price of 1000 guilders per share. This set the company's assets at six million guilders.³³ Since an average household only earned some 423 guilders on a yearly basis,³⁴ buying stocks was automatically limited to the richer echelons of society. Moreover, the voting system further limited the influence of the smaller shareholders. Stockholders with one to eleven shares had no voting rights, those holding twelve to 49 shares could cast one vote, shareholders with 50 to 99 shares could cast two votes while shareholders possessing over 100 shares could cast three votes.³⁵

Table 1: Shares and votes in shareholder's committee

N of shares	Shareholders (%)			Shares (%)			Votes (%)		
	1723	1727	1731	1723	1727	1731	1723	1727	1731
1-11	71	77	74	19	26	20	0	0	0
12-49	24	20	22	43	41	37	68	71	65
50-99	4	2	3	23	14	19	21	14	20
100+	1	1	2	15	20	24	11	16	14
Total (%)	100	100	100	100	100	100	100	100	100
Total (N)	592	678	502	6,000	6,000	6,000	211	190	166

(Source: SAA, GIC 5837 to GIC 5846).

The shareholding structure hints at a disproportionate division of power within the company. The large shareholders, namely those holding more than 50 shares, represented only five per cent of the total number of shareholders, although they controlled about one-third of the shares from 1723 to 1727 and even 43 per cent of the shares around 1731. Most of the largest investors, especially those possessing more than 100 shares, descended

33 UBG, *Lettres patentes*, art. 9

34 These numbers are based on research for the province of East Flanders. The year 1700 was taken as a benchmark year for our comparison: I. Devos & T. Lambrecht, (eds.), *Bevolking, voeding en levensstandaard in het verleden: verzamelde studies van Prof. Dr. Vandenbroeke* (Ghent 2004) 138

35 UBG, *Lettres patentes*, art. 26

from Antwerp's commercial and financial elite.³⁶ Nevertheless, most electoral weight was situated in the hands of the middle-sized shareholders (12-49 votes), who could cast about two-thirds of the total number of votes during the shareholders meeting. The largest group of shareholders, holding less than twelve shares, clearly outnumbered the other groups, although they were not able to influence the company's policy. The political elites – that is, the aldermen and burgomasters from Ostend, Antwerp and Ghent, as well as the officials of the Brussels and Vienna institutions – represented a small minority of the shareholders and possessed only a modest portion of the shares and votes in the Ostend Company. Moreover, this number gradually declined.

Table 2: The political elites only held a minority of the shares and votes in the Ostend Company

Institutional level	Shareholders (%)			Shares (%)			Votes (%)		
	1723	1727	1731	1723	1727	1731	1723	1727	1731
Urban administration	3	2	1	7	4	5	7	5	5
Central administration	2	2	2	6	6	3	6	7	3
Imperial administration	1	0,5	1	7	3	2	5	3	2
By political elites (%)	6	4,5	4	20	13	10	18	15	10
Total (N)	35	31	19	1152	768	571	39	29	17

(Source: SAA, GIC 5837 to GIC 5846)

There was some variation in stock buying between these officeholders. The levels of financial involvement were highest among the urban political elites, while the officeholders in the imperial institutions were least involved in the company. The civil servants active in the central administrative bodies, which were located in Brussels, followed a dual trajectory. During the first half of the company's operations, they increased their financial participation and hence their influence in the shareholders' com-

36 Pedro Baut (198 shares in 1731), although originally from Ghent, was a cashier in Antwerp (Degryse, *De Antwerpse fortuinen*, 263). Antwerper Jean-Baptiste Cogels (170 shares in 1731) was the cashier of the Ostend Company (*Ibidem*, 266), George Alexander Goubau (126 shares in 1727) descended from one of Antwerp's sixteenth-century merchant families and lived off his own investments (*Ibidem*, Ia. 97-98), Paulus Jacobs (124 shares in 1731) was an Antwerp accountant (*Ibidem*, 157), Joannes Kramp (292 shares in 1731) was an Antwerp-based banker, accountant and tea merchant (*Ibidem*, Ib. 52), André Peytier (111 shares in 1727) had moved from France to Antwerp where he was active in finance and commerce with Spain (*Ibidem*, 46) while Jan Carlo Van Heurck (118 shares in 1731) descended from an Antwerp merchant family (*Ibidem*, Ib. 45). Finally, Jacomo Vernimmen (122 shares in 1722 and 349 shares in 1731) acted as a merchant with Spain (*Ibid*, Ia. 215-216).

mittee. Nonetheless, by 1731, they withdrew from the enterprise. The shareholder registers are a good indicator to reconstruct which political groups had financial interests in the Ostend Company. Still, to get a better understanding of how the urban, central and imperial officeholders were socially, politically and commercially connected to the Ostend Company, I will now reconstruct the networks that tied the enterprise and the political establishment together.

3 Urban elites

The shareholder registers suggest a close interweaving between the urban political establishment and the Ostend Company.³⁷ Especially the elites of Ostend and Antwerp were financially, socially and politically connected to the Ostend Company. Hence, these cities could preserve their economic interests by exploiting their formal and informal ties with the enterprise.

Ostend's political elite constitutes an interesting case for the purpose of examining how both formal and informal networks tied the company to the political establishment. The magistracy's first strategy was to buy twelve shares in the company, hence obtaining one vote in the shareholders' committee. Simultaneously, some of Ostend's leading politicians purchased shares on their personal accounts: Louis Bernaert, Pieter De Potter, Thomas Ray and Pieter-François Woelaerts held a total of 133 shares at the beginning of the company's operations.³⁸ Moreover, the majority of the city's aldermen either purchased commodities sold by the Ostend Company or else had already made a fortune in the East India trade. Ferdinand Joseph van Berblock, for instance, was active in the city's aldermen benches between 1707 and 1728. Although he did not own any shares in the Ostend Company, he purchased oriental luxury goods from the company. Another example is Jean De Carvallo, who also was an alderman. His familiarity with the East India trade dated back to 1719-1720, when acting as an accountant for the privately funded *Cleyne Prins Eugenius* and *Stadt Ghent* expeditions. In total, the urban politicians active in Ostend's maritime commerce occupied 74 out of 99 seats in Ostend's bench of aldermen between 1721 and 1731.

Various formal and informal networks also point to a close social en-

³⁷ This conclusion is based on a cross-reference between the shareholders in the Ostend Company and the prosopographical studies of Parmentier and Degryse.

³⁸ The information in this paragraph was found in Parmentier, *Het gezicht*.

tanglement between the Ostend Company and the city's political elite. The cases of Thomas Ray and Louis Bernaert are illustrative of this point. Ray, an Irish-born merchant, started his career in the salt trade with Spain and France and used his Irish connections to supply the Southern Low Countries with Irish butter, grains and leather. In 1715, he pioneered with the Maelcamp brothers in sending the first East Indiamen to Surate. In the course of his career, Ray developed a dense trading network. Not only did he enjoy an Irish connection through his brother in Ireland and the Sarsfield family, he was also embedded in various Flemish commercial networks (consider for instance De Potter, De Moor De Kimpe, Danckaert) and was entangled with London capitalists such as William Leathes, Francis Acton and Edward Gibbon. Simultaneously, Ray was an Ostend alderman and ultimately became the city's mayor between 1728 and 1738. Moreover, he had close connections with Pieter-François Woelaerts, Ostend's mayor (1722 to 1728) and first alderman (1728-1738). The Ray-Woelaerts connection was underpinned by numerous joint ventures in maritime trade. Together, they organised the 1719-expedition of the *Marquis de Campo* to Surate; they invested in the wood, salmon and fish trade with Archangelsk around 1725, and in the flax, linseed and barley trade with Dublin in 1733; and they were active in the grain trade with Cadiz, beginning in 1725.

Bernaert also participated in both merchant and political networks. He initially focused on the commerce in Spanish and Scandinavian commodities. Later, as a commissioner for the Ostend Company, he developed and maintained its domestic and international commercial network. Moreover, he was active in Ostend's political network. Between 1719 and 1725, he held various offices as an alderman in the port city. Later on, he undertook two diplomatic voyages, one to the court in Vienna and the other to the court in London, to prevent the dissolution of the Ostend Company. Put briefly, Ostend's political elites were closely connected to the Ostend Company, both through their financial participation and by their involvement in numerous commercial networks. In this respect, Ostend provides a case for strong political and commercial ties between the company and the local magistracy.

Similar conclusions can be drawn for Antwerp's political elite. Here, in the period between 1723 and 1731, the urban politicians possessed between 138 and 229 shares in the Ostend Company. Of this, the magistracy held 30

shares, while numerous urban politicians bought shares on their personal accounts.³⁹ Alderman Jan Pedro Melijn, for instance, held between eighteen and 36 shares in the same period, while Jacob Gerard Knijf, the city's burgomaster between 1722 and 1723, initially possessed twelve shares and increased this to an astonishing 106 shares. The close interweaving between Antwerp's *haute finance*, the magistracy and the Ostend Company is illustrated by the case of Philippe Louis De Pret. His formal and informal networks reached into both the political and the commercial spheres. In the Antwerp administration, he successively was the city's secretary (1707-1727), burgomaster (1730-1733) and finally, an alderman (1734-1736). At the same time, Philippe Louis could exploit the business networks of the De Pret family, as well as the networks of the Moretus family, one of Antwerp's leading entrepreneurial families, through his wife Anna Maria. Family ties also connected him with the Ostend Company, since he was the brother of Jacques De Pret, the *premier directeur* of the company. Moreover, he possessed twelve shares in the company, which gave him one vote in the shareholders' meeting.⁴⁰

The aldermen of Ghent were the least interwoven with the Ostend Company. Only the relatively unimportant alderman Jean-Baptiste du Bois and the city's treasurer Medard de Clercq appear on the list of shareholders (each for twelve shares), while Jean-Baptiste Soenens, a pioneer in the Southern Low Countries' East India trade and a minor alderman in Ghent, held 24 shares during the early days of the company.⁴¹ No definite answer can yet be given as to why the ties between Ghent's magistracy and the company were so limited. Yet, this does not imply that the Ghentenars remained entirely absent from the maritime commerce. As emphasised, Maelcamp, Baut and De Kimpe were among the directors of the Ostend Company. Later, after the Ostend Company had been dismantled, wealthy financiers from Ghent were also enthusiastic to invest in the Swedish East India Company.⁴²

The close interweaving between the Ostend Company and the urban magistracies was hence limited to Ostend and Antwerp. This had certain implications for the magistracies' economic policy vis-à-vis the company.

39 See the attachments (Ia) in Degryse, *De Antwerpse fortuinen* for the offices held by Antwerp's richest families as well as for estimations of their wealth and their financial participation in the Ostend Company.

40 See the shareholders database.

41 Ghent's political elite between 1722 and 1731 is listed in: P.-C. Vander Meersch (ed.), *Memorieboek der stad Ghent: van 't jaar 1301 tot 1793* (Ghent 1852-1861) 342-346

42 L. Müller, 'The Swedish East India trade', 42

Ostend, for instance, made numerous warehouses available, free of charge, to the company,⁴³ while at the same time exempting the company from taxes on the commodities they sold in the port city.⁴⁴ In turn, Antwerp tried to tie the company to the city by granting usufruct of the offices on the first floor of the Antwerp stock exchange to host the company's headquarters.⁴⁵ In doing so, the magistracy tried to preserve the city's status as the commercial and financial hub of the Southern Low Countries.

The interweaving between the company and the urban administration is no isolated phenomenon. Dutch scholars have emphasised that the urban political elites in Holland and Zeeland enthusiastically bought shares in the Dutch VOC or acted as a *bewindhebber* in the company. Examples of this social entanglement are numerous. Half of the VOC *bewindhebbers* from Amsterdam, for instance, were also active in the city's political administration. Moreover, holding both the office of burgomaster in Amsterdam and being a VOC *bewindhebber* went hand in hand.⁴⁶ In smaller VOC Chambers, such as Delft, Rotterdam, Hoorn and Enkhuizen, the *regenten* oligarchy was even more likely to take the office of *bewindhebber* in the VOC.⁴⁷ Although it would be tempting to see parallels in the interweaving between politics and capital in the Dutch Republic and the Southern Low Countries, there is a crucial institutional difference between the two regions. In the Dutch Republic, most of the political power was concentrated at the urban and provincial levels. Holland, accounting for over 60 per cent of the Republic's taxes, was the most important in this confederation of provinces. In the States of Holland, the decision-making body of this province, the cities and hence the urban elites participated directly and were able to settle policy in a way that fitted them well. In the absence of a strong nobility or monarch, it was de facto the urban elite, and especially the political elites from the cities of Holland, that dominated the Dutch Republic.⁴⁸ In the Southern Low Countries, quite to the contrary, decision-making was much more concentrated in the hands of the civil

43 M. Serruys, 'De Oostendse pakhuizen en de Generale Indische Compagnie', *HGG* 139 (2002) 125-162, there 128-129

44 M. Serruys, *Oostende en de Oostendse Compagnie: het economisch effect van koloniale zeehandel op een Zuid-Nederlandse havenstad tussen de Spaanse en Oostenrijkse Successieoorlog (1713-13745)* (unpublished master's thesis, Louvain 1999) 194

45 SAA, GIC 5670, fo. 39-40

46 Gaastra, *De geschiedenis*, 33

47 *Ibidem*

48 For a detailed discussion, see: J. Israel, *The Dutch Republic. Its rise, greatness and fall 1477-1806* (Oxford 1995) 276-306

servants in Brussels or Vienna. The urban political elites of Antwerp and Ostend could exploit their involvement in the company to shape policy on the *local* level. Nonetheless, for the overall financial, commercial and diplomatic policy vis-à-vis the Ostend Company, they had to rely on the goodwill of the policy-makers in Brussels and Vienna.

4 Elites in the Brussels and Vienna institutions

The next step in reconstructing the various ties between the Ostend Company and the political elites in the Southern Low Countries is to focus on the officeholders in the Brussels and Vienna institutions. Political decision-making and policy-implementation for the Southern Low Countries was concentrated in two sets of administrative bodies. On the one hand, there are the institutions that were concerned with finance, jurisdiction and law, which I will label the ‘central administrative bodies’. On the other hand, there are the imperial administrative bodies, which advised the emperor in his reign over the Southern Low Countries and represented the Habsburg monarchy in Brussels. I will first consider the central administrative bodies that were based in the Southern Low Countries. This concerns financial institutions such as the *Chambres des Comptes* (the Chambers of Accounts), juridical institutions such as the *Parlement de Malines* (court of Malines) and legislative bodies such as the *Conseil d’Etat*, *Conseil de Finances* or *Conseil Secrèt*.⁴⁹ Bruneel’s prosopographical study of the officeholders in the central administrative bodies enables us to assess the extent to which these officials acted as shareholders in the Ostend Company. Between 1715 and 1723, there were 123 officeholders active in these institutions. Of these 123 civil servants, 15 held shares in the Ostend Company in 1723, and 10 in 1731. Together, these members of the central administration controlled 341 shares in 1723 and 150 shares in 1731.⁵⁰

Most of the shareholders in these institutions were of noble descent.⁵¹ This confirms the importance of the nobility in the political structure of the Southern Low Countries: not only did they hold offices in the urban

49 These institutions are critically discussed in Aerts e.a. (eds.), *De centrale overheidsinstellingen*

50 These numbers are based on a cross-reference between Bruneel, *Les grands commis* and the shareholders database.

51 In 1723, noblemen active in the central institutions held 262 out of 341 shares and in 1727 they held 308 out of 363, while in 1731 their portion had shrunk to 76 out 150 shares. Source: SAA, GIC 5837 to GIC 5846 for the analysis of the shareholding structure, and Bruneel, *Les grands commis* for the prosopographical overview.

power levels, but they were also well represented in the central administration.⁵² However, the Ostend aldermen who were tied to the company were not of noble descent.⁵³ Most of the Antwerp officials with ties to the company obtained noble titles in a later stage of their life.⁵⁴ In the central administrative bodies, noble families such as Arenberg, Van der Borcht, Fraula, Humyn, Lalaing, de Ligne, Van Uffele and d'Ursel were shareholders in the Ostend Company. Some of these noblemen had a bridging function between the company, the central administration, and the court in Vienna. Take the Duke of Arenberg. With 120 shares, he was among the largest stakeholders in the Ostend Company.⁵⁵ During his military career he rose to the rank of field marshal and eventually became the head of the 25,000-man strong Austrian army in the Southern Low Countries.⁵⁶ In Vienna, he was a member of the exclusive Order of the Golden Fleece. This order assembled the most important and most highly esteemed noblemen of the Austrian Habsburg territories.⁵⁷ As a regular invitee to the Golden Fleece's meeting at the Viennese court,⁵⁸ he was able to develop informal contacts with other influential Golden Fleece members such as the Counts of Sinzendorf and Stahremberg, who had direct access to emperor Charles VI.⁵⁹ Arenberg, however, was the only one of the Golden Fleece's members who was tied to the Ostend Company. This is revealing for the weak financial interest of the Viennese imperial establishment. Also, within the diplomatic apparatus, only the Duke of Visconti bought some shares,⁶⁰ while none of the *höhrer Führungsämter*⁶¹ had purchased any.⁶²

52 P. Janssens, *De evolutie van de Belgische adel sinds de late middeleeuwen* (Brussels 1998) 323

53 This conclusion is based on a cross-reference between the urban political elites that were active in the Ostend Company and the overview of noble consults listed in Janssens, *De evolutie*, 397-464.

54 *Ibidem*. This concerns Jean-Baptiste Cornelissen, Jacob Gerard de Knijf, Jan de Man, Jan Michiel Melijn, the De Pret family, François Schilders and Pierre Anthoine Wellens. André Melchior van Kessel already belonged to the nobility.

55 The Duke of Arenberg owned 120 shares during the benchmark years 1723 and 1727. By 1731, he had dumped all his shares. See: shareholders database.

56 L. Duerloo, 'Arenberg in de Habsburgse Nederlanden', in: M. Derez e.a. (eds.), *Arenberg in de Lage Landen. Een hoogadelijk huis in Vlaanderen en Nederland* (Louvain 2002) 58-80, there 63

57 The invitees to the meetings of the Order of the Golden Fleece are listed in Pecar, *Die Ökonomie*, 177-179

58 Arenberg attended the festivities in 1716, 1717, 1718 and 1733: *Ibidem*, 177-179

59 *Ibidem*, 28-29

60 *Ibidem*, 47-49. Cross-references with the shareholders database shows that Visconti held between one and four shares, hence not enough to have any impact on the policy.

61 Author's translation: 'highest officeholders'

62 Pecar, *Die Ökonomie*, 56-57

A similar pattern is recognisable for the two Viennese institutions that were responsible for the Southern Low Countries. Of the officeholders in the Spanish Secretary of State – an advisory committee assisting the emperor in the administration of the Southern Low Countries and the Italian territories – only the Marquis of Rialp was intensively involved with the Ostend Company.⁶³ He pleaded for the maritime development of the Southern Low Countries,⁶⁴ he possessed 100 shares in the company,⁶⁵ and he negotiated with the company's directors in relation to the fiscal legislation under which the enterprise would operate.⁶⁶ Since he was one of the trustees of the emperor, he also functioned as a bridge between the company and the court.⁶⁷ In the High Council for the Netherlands – the Vienna-based institution that was responsible for the implementation of the imperial policy in the Southern Low Countries –⁶⁸ none but one officeholder was tied to the Ostend Company.⁶⁹ Even the two officials from the Southern Low Countries, Arnold de Wynants and Jean Remacle de Thisquen,⁷⁰ did not invest in the company nor were they embedded in the networks that surrounded the enterprise.

Finally, the financial participation of Eugène de Savoie and the Marquis de Prié, the emperor's representatives in Brussels, should not be overemphasised. Although governor-general Eugène de Savoie bought 60 shares, he bluntly admitted that he was morally forced to do so '*comme gouverneur du pays*'.⁷¹ Minister plenipotentiary Marquis de Prié bought 150 shares although he initially thought that it would be better '*den Handel durch substântige Unternehmer fortführen zu lassen*'.⁷² Moreover, their embedding in the local political networks was relatively weak. Eugène de Savoie

63 P. Lenders, 'Spaanse Raad en Spaanse Secretarie te Wenen', in: E. Aerts e.a., *De centrale overheidsinstellingen*, 113

64 Huisman, *La Belgique commerciale*, 103

65 See shareholders database.

66 SAA, GIC 5594, 20 xbre 1724. Lettre du Marquis de Rialp aux Directeurs, folio 55v (20.12.1724)

67 F. Dhondt, 'Law on the diplomatic stage: the 1725 Ripperda Treaty', in: V. Draganova & S. Kroll, *Die Inszenierung des Rechts: Law on stage* (Munich 2010) 323; Lenders, 'De Spaanse Raad' 110; Van Gelder, *Tien jaar*, 196

68 M. Baelde and R. Vermeir, 'Hoge Raad voor de Nederlanden te Wenen', in: E. Aerts e.a., *De centrale overheidsinstellingen*, 119

69 This concerns André François de Kürtz, the secretary of the Council, who owned between one and eight shares in the Ostend Company. He was also active within the Spanish Secretary of State: Lenders, 'De Spaanse Raad' 111; Baelde and Vermeir, 'Hoge Raad', 118

70 Baelde and Vermeir, *Ibidem*

71 Author's translation: 'as governor of this country'. Cited in Huisman, *La Belgique commerciale*, 243

72 Authors translation: 'to continue the trade through independent entrepreneurs'.

never resided in the Southern Low Countries,⁷³ while Prié never obtained the confidence of the local nobility.⁷⁴ Moreover, they both disposed all their shares in 1725. In short, these two representatives of the emperor barely acted as a bridge between Vienna and the Ostend Company. The ties between the company and the Viennese court were hence limited to the Duke of Arenberg and the Marquis de Rialp. Together, they linked the Ostend and Antwerp networks that surrounded the company with the imperial establishment.

The weak entanglement between the Viennese court and the Ostend Company is due to two reasons. On the one hand, the Southern Low Countries were only recently acquired by the Austrian Habsburg dynasty, and were not yet fully integrated in the bureaucratic structure of the state. In this respect, one scholar labelled the first decade of this Austrian rule as an era of “*trial and error*”.⁷⁵ On the other hand, the economy of the Austrian heartland was a land-based economy rather than a maritime economy. Agriculture, textile, mining, and glass-production were among the most important economic sectors during the seventeenth and eighteenth centuries.⁷⁶ The imperial establishment, ruling over a distant province that was not fully integrated in the bureaucratic structures with a developing maritime economy, was thus not strongly invested in the Ostend Company, which might have been unfamiliar to them. This contrasts with the other companies in Western and Northern Europe. While the Dutch, English, Danish and Prussian EIC’s were deeply embedded within the state structures, the social ties between the Ostend Company and the state bureaucracy were too weak to secure its long-term development. Neither was the company embedded in a large-scale project of commercial development in the Southern Low Countries, nor did the Austrians use the company as a tool for overseas expansion. The English East India Company, in contrast, enjoyed a beneficial reciprocal relationship with the state, in which the crown guaranteed the company’s privileges, while the company secured loans and territorial expansion for the crown.⁷⁷ Prussia, in 1750, created a chartered maritime company in an attempt to participate

73 The emperor charged Savoie with the defence of the Austrian heartlands against the Turks: Pecar, *Die Ökonomie*, 124; Van Gelder, *Tien jaar*, 30

74 For a broader discussion: Van Gelder, *Tien jaar*, 351-357

75 K. Van Gelder, *Tien jaar*

76 D.F. Good, *The economic rise of the Habsburg Empire 1750-1914* (London, 1984) 20-21

77 Bowen, ‘No longer mere traders’, 26; Brenner, *Merchants and revolution*, 670; Chaudhuri, *The trading worlds*, 20

in the overseas trade and hence to supplement its traditional overland commerce.⁷⁸ In Denmark, the royal family, courtiers and leading civil servants acted as the most important shareholders in the Danish East India Company (1732-1772).⁷⁹ Denmark's leading officials used the company as a tool to strengthen the economy and to secure revenue by taxing the trade in Asiatic luxury commodities.⁸⁰

In these three cases, the companies were tied to the monarchy or the state, and were used as a tool by the political establishment to implement their economic and, in some cases, military policies. This argument also holds for the Dutch VOC. In absence of a powerful central authority, the urban elites governed the Dutch Republic and could hence use the company to secure their commercial and military interests. By contrast, the urban political elites of Ostend and Antwerp, despite their strong social, political, commercial and financial interweaving with the Ostend Company, could not use the enterprise as a tool for securing their interests in the way the Dutch urban elites did. Therefore, the political elites of the Southern Low Countries had to rely on the policy of the Brussels and Vienna administrations vis-à-vis the enterprise.

5 Weak imperial ties, weak state support?

That there was little personal involvement of the leading officials and courtiers of the Habsburg state does not mean that the Ostend Company could not rely on government support. This is illustrated by the dense correspondence between company and court. Influential members of the imperial bureaucracy, such as the Marquis de Rialp, the Prince of Cardona, the Count of Visconti and the Count of Harrach, as well as the Habsburg governors in the Southern Low Countries, were frequently addressed.⁸¹

78 Shui, 'Prussia's trans-Oceanic moment', 144.

79 Kelsall, 'The Danish monopoly', 7-8

80 Feldbaek, 'The Danish trading companies', 214-215

81 See the ingoing and outgoing correspondence of the Ostend Company's board of directors: SAA, GIC 5579 and GIC 5594.

Table 3: There existed an intensive correspondence between the imperial political elites and the Ostend Company's directorial board

	Letters from Directorial Board	Letters to Directorial Board
Emperor Charles VI	7	3
Governor de Savoie	9	14
Governor de Prié	4	15
Governor von Daun	3	12
Governess Mary-Elisabeth	51	71
Grandmaster Visconti	30	14
Grandmaster Harrach	3	7
Marquis de Rialp	35	45
Prince of Cardona	16	26
Chancellor Sinzendorf	1	3
Count of Calenberg	2	1
Count of Königsegg	1	0

(Source: SAA, GIC 5579 and GIC 5594)

The content of these letters highlights the fact that the local political and commercial elites in Ostend and Antwerp had sufficient agency in shaping Vienna's policy vis-à-vis the Ostend Company. A few examples are illustrative in this respect.⁸² For instance, Vienna initially aimed at imposing a six per cent tax on the commodities sold by the Ostend Company. The company's directors, however, found this impost too high, fearing that it might disadvantage the enterprise against its Dutch and English competitors. In numerous letters to leading officials such as the Marquis de Rialp⁸³ as well as by means of a deputation to the court in Vienna, the directors pleaded for a more competitive four per cent levy. Ultimately, the emperor's en-

82 An extensive discussion of numerous case studies is found in J. Baguet, *De Oostendse Compagnie, haar directeurs en de Oostenrijkse bewindvoerders* (unpublished master's thesis, Ghent University 2013). That regional elites had sufficient agency to shape imperial policy is also discussed in Cardim, *Polycentric monarchies*.

83 See for instance: SAA, GIC 5594, 20 xbre 1724. Lettre du Marquis de Rialp aux Directeurs, folio 55v (20.12.1724)

tourage accepted this proposal.⁸⁴ The court's benevolent attitude towards the Ostend Company was equally clear when it came to acquiring overseas territories. Here, the directorial board aimed at acquiring an overseas trading point in China and India, as well as sovereignty in managing these marketplaces.⁸⁵ The support of the Habsburg authorities in Vienna was extensive. Not only did the emperor and his entourage send letters to the Indian and Chinese rulers in order to secure access to the Moghul and Chinese Empires,⁸⁶ but the Habsburg authorities also decided to outsource the management of these trading points to the Ostend Company itself. Moreover, the emperor provided a loan to the company in order to develop infrastructure in their Indian trading places of Banquibazar and Cabelon.⁸⁷

The state support weakened, however, around May 1727. The goodwill of Vienna and the nobility of the Southern Low Countries could not be maintained because of the increased political tension between the Austrians, on the one hand, and the English and Dutch, on the other. From then on, the company was gradually sacrificed in order to avoid warfare on the European continent and to preserve the arrangements concerning the succession of Habsburg emperor Charles VI.⁸⁸ Especially the Dutch and the English pushed for the abolition of the company. During the negotiations in Paris in May 1727, they demanded a seven-year prohibition of the Ostend trade, and in the course of the 1731 negotiations in Vienna, they successfully achieved a permanent ban on the Ostend trade. It was in the aftermath of the Paris negotiations that the ties between the imperial elites, court nobility and the Ostend Company started loosening. The nobility of the Southern Low Countries disposed itself from its financial involvement in the company. What was even more detrimental was that the

84 SAA, GIC 5578, fo. 14-15. Similar discussions took place in the years 1724, 1728, 1732 and 1735. The court in Vienna always complied with the four per cent levy as it was proposed by the Ostend Company: The relevant sources related to this subject are: SAA, GIC 5578, fo. 1; SAA, GIC 5578, fo. 4; SAA, GIC 5578, fo. 8-9; SAA, GIC 5578, fo. 10; SAA, GIC 5578, fo. 11; SAA, GIC 5578, fo. 13; SAA, GIC 5578, fo. 14-15; SAA, GIC 5578, fo. 22; SAA; SAA, GIC 5578 fo. 29; SAA, GIC 5578, fo. 30; SAA, GIC 5579, fo. 6-7; SAA, GIC 5579, fo. 51; SAA, GIC 5579, fo. 104; SAA, GIC 5579, fo. 248; SAA, GIC 5579, fo. 406; SAA, GIC 5594, fo. 55v; SAA, GIC 5602, sine folio; See also: 'Secret instruction from emperor Charles VI to the Count Von Daun, dated 27th of January 1725, Vienna', in: E. Kovacs, *Instruktionen und Patente Karls (III.) VI. und Maria Theresias für die Statthalter, Interimstatthalter, bevollmächtigten Minister und Obersthofmeister der Österreichischen Niederlande 1703-1744* (Vienna 1993) 185

85 SAA, GIC 5578, f. 9-10

86 SAA, GIC 5670, sine folio

87 SAA, GIC 5670, sine folio

88 Van Gelder, *Tien jaar*, 292-306

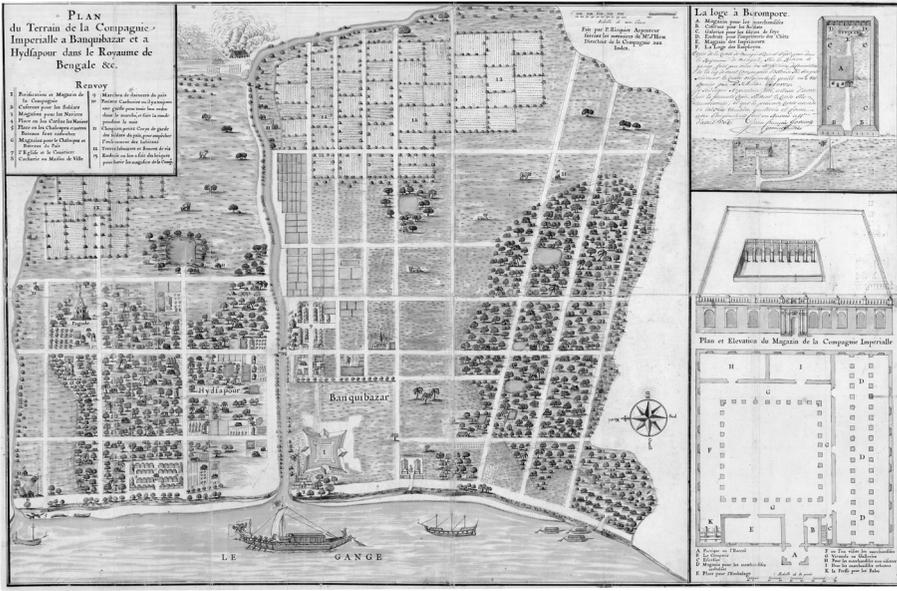


Figure 2 – A map of Banquibazar, at the Ganges River, where the Ostend Company's factory was located (Stadsarchief Antwerpen, GIC 5933).

Duke of Arenberg and the Marquis de Rialp, the bridges between the company and Vienna, withdrew their interests in the Ostend Company.⁸⁹

Put shortly, state support for the company was possible despite the rather weak ties with Vienna. However, increased tension with the Dutch and English made the future of the company increasingly uncertain. Under these circumstances, the formal and informal ties between the Ostend Company and the political establishment in the central administrative bodies as well as at the court in Vienna were severed. Not only did these elite groups dispose themselves of their shares, they were also less keen to give political support to the enterprise. Only in the cities of Ostend and Antwerp, the political, commercial, social and financial ties between the company and the urban political establishment remained intact.

89 By 1731, Arenberg had dumped all his 120 shares in the Ostend Company, while Rialp reduced his shareholding from 100 to 16 shares. See: shareholders database.

6 Conclusion

Most of the East India companies in early modern Northwestern Europe are characterised by a strong interweaving with the political establishment. The Dutch VOC was closely connected with the locally organised *regenten* oligarchy, which was able to rule the Republic in the absence of a strong monarch or politically powerful nobility. The British, Prussian and Danish East India commerce was much more tied to the crown and the government bureaucracy. Except for the Prussian case, the sustainable political, financial, social and commercial ties with the political echelons guaranteed the long-term survival of these enterprises. The Ostend Company followed a rather different trajectory. It was very well connected to the local power elites, but lacked strong ties with the Austrian Habsburg monarchy. Although the urban political elites could exercise a disproportionately large influence on some of the government's policies and had a far-reaching autonomy,⁹⁰ they still needed the support of the central administrations in Brussels and Vienna to secure the long-distance trade to the Indian Ocean. This support was secured until 1727: the Ostend Company was an excellent tool to promote the commercial development of the Southern Low Countries. However, after 1727, the Viennese support for the Ostend Company had vanished, while individuals such as Arenberg and Rialp, who acted as bridges between the company and the imperial elites in Vienna, had withdrawn their shares in the enterprise. Various factors played a role in Vienna's decision to forbid the company's operations. What was key in their decision was the on-going attempt to secure the Pragmatic Sanction for their dynastic interests in the Austrian heartlands. However, the evidence discussed here highlights that the rather limited social interweaving between the elites in Vienna and the company made it easier for the imperial elites to give up on this profitable enterprise. The decision to forbid the Ostend Company's commercial activities was, indeed, political, although the causes for its abolition were facilitated by the limited social fusion between commerce and politics.

The case of the Ostend Company confirms that both the strong financial involvement of the political elites and a variety of formal and informal ties were important for the long-term survival of East India companies. While the Dutch, English, Danish and to some extent the Prussian enterprises were well connected with the political leadership and were fitted

90 P. Janssens, 'De Spaanse en Habsburgse Nederlanden', in: J. Blom & E. Lamberts (eds.), *Geschiedenis der Nederlanden* (Amsterdam 2014) 221-268, there 245-246

within a policy that could combine commercial and territorial expansion, the Ostend Company lacked a similar embedding that could have enabled it to develop into a sustainable enterprise. The gradual dissolution of the company between 1727 and 1731 is hence the outcome of weak formal and informal ties with the leading political circles.

About the author

Jelten Baguet (1991) studied history at the Ghent University. He has written his master's thesis on the interactions between the Directorial Board of the Ostend Company and the political elites of the Southern Low Countries. Currently, Jelten is preparing a PhD thesis on the urban political elites in sixteenth-century Ghent. This research is taking place at the Vrije Universiteit Brussel and the Universiteit Gent, and is funded by the Research Foundation Flanders (FWO).

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