

Trade In New Amsterdam



PREVIOUS PAGE (TOP):

Pearl Street Above Coenties Slip. ca. 1865.
29.100.1635

PREVIOUS PAGE (BOTTOM):

Samuel H. (Samuel Herman) Gottscho
(1875-1971). View of lower Manhattan
skyline showing the East River from the
St. George Hotel [Brooklyn] showing docks
and ships. January 12, 1933. 88.1.1.2648

ABOVE:

Flagon. 17th century. 59.183.1

Manhattan's importance as a center for international trade was recognized soon after Henry Hudson returned from his voyage of discovery in 1609. Within three years, Dutch entrepreneurs organized several trading voyages to the Hudson River Valley. To resolve competitive struggles that quickly developed, the Dutch government organized the New Netherland Company in 1614, granting exclusive trading rights to a group of private merchants. Before the Dutch considered settling Manhattan, they most certainly wanted to trade there.

With the resumption of war between Spain and the Netherlands in 1621, the newly organized, state-sponsored West India Company (WIC) took control of New Netherland and its fur trade and made New Amsterdam the colony's "staple port" — the capital through which all trade must pass. After several years of unsuccessfully trying to make the colony profitable, the WIC abandoned its fur trading monopoly in 1639 and private Dutch entrepreneurs once again entered New Netherland commerce. By the early 1650s, representatives of private Dutch investors became the founders of Manhattan's indigenous merchant community. They successfully petitioned the Dutch States General for their own municipal government, which provided order and stability necessary to protect and expand their trade. Officially chartered in 1653, the City of New Amsterdam was envied by merchants in neighboring English colonies.

By the 1660s, New Amsterdam had truly become a prominent international and regional entrepot, a center for the exchange of goods from a wide variety of sources. As animal furs and skins arrived from Beverwijck (now Albany) and the South River (now Delaware River), they were exchanged for a variety of textiles, earthenware pots and jugs, glasses, iron tools, a variety of wines, beers, and brandies, and assorted manufactured goods sent primarily from Amsterdam. Many of these European goods, especially duffels and tools, were sold to the Indians who provided Dutch middlemen with furs. Native American wampum (seawan), produced by Indians on Long Island and the New England coast and highly valued by Mohawks, Mahicans, and Munsee, was an essential item in these transactions. English tobacco growers in Virginia and Maryland sold thousands of pounds of "Chesapeake leaf" to Manhattan merchants, who shipped it to the thriving tobacco market in Holland. From the Caribbean, especially the Dutch colonies of Aruba, Bonaire, and Curaçao, Manhattan merchants imported salt, sugar, horses, dyewood, lemons and lemon juice, even parrots and parakeets. By the mid-1660s, the trade in enslaved Africans began, with small numbers of West Africans sent to New Amsterdam from Curaçao. In exchange, Hudson Valley grains, meat, peas, and other food supplies were shipped south to the Caribbean. Manhattan's thriving commerce even drew some New Englanders into its orbit. Contrary to the popular myth of New Netherland's decline, New Amsterdam trade was blossoming at the time of the English invasion of 1664.

If we try to imagine what was involved in trading merchandize across thousands of miles of ocean, we quickly realize that, like today, there was more to commerce than simply loading and unloading goods on a ship. How did 17th-century merchants conduct their business?

Most trading voyages began as temporary partnership agreements, what the Dutch called a "rederij." For a voyage beginning in Amsterdam, investors signed legally binding contracts specifying what goods would be transported, when and where goods were to be delivered, and the quantity of goods expected on the return trip. They would use one of their own ships or hire one, and identify expenses involved in freighting goods from one place to another which included the salaries for the ship's captain and crew. Each rederij partner would agree to pay a certain percentage of the initial costs and expect an equal percentage of the profit. To allow for the considerable risks involved in trading over great distances and spans of time, merchants also created insurance contracts; in

ABOUT

Dennis J. Maika

Growing up in New York City, I was always aware of a Dutch past but never really understood it. I have one lasting impression of early New Amsterdam from seeing the Castello Plan on display when I visited the Museum of the City of New York with my class from P.S. 144 many years ago. The topic was never much discussed in classes after that. Especially in college when, as a history major interested in colonial America, I learned only about New England and the South. My eyes were opened in graduate school by Prof. Patricia Bonomi and her influential book about colonial New York. When I returned for my doctoral studies, with Prof. Bonomi as my mentor, I came across a collection of Dutch notary records from 17th-century Amsterdam translated into English. As I read through them — more than 1100 documents — I realized that the story typically told about early Manhattan was not only oversimplified but actually wrong. There was a much richer story to be told. What I learned through these discoveries has informed what I've written in this curriculum guide, as well as the book I am currently completing.

Dennis J. Maika is currently an Associate for Education at the New Netherland Institute and was the Senior Scholar in Residence at the New Netherland Research Center from 2012–2013. He received his Ph.D. in History from New York University; his dissertation was awarded the Hendricks Manuscript Prize. He is a Fellow of the Holland Society of New York, the New Netherland Institute, and the New York Academy of History. As a historian of colonial New York, he has served as a consultant for local history and education projects and has written numerous articles and papers. As a professional educator, he taught History and Psychology at the high school and college levels for several decades and won several teaching awards.

wartime, the threat of capture and confiscation was taken into account. All of these legal documents were prepared by notaries, who were highly trained legal experts. 17th-century commerce did not use lawyers as we know them today.

Upon arriving in New Amsterdam, the goods would be unloaded at the city wharf, then inspected and weighed by government officials. Taxes, in the form of duties on imports and exports, were assessed on each cargo and paid to the West India Company. Those who tried to avoid paying these taxes, either by falsifying cargo lists or by unloading outside the city, were arrested and tried as smugglers. If found guilty, they faced confiscation of their cargo and fines.

With the unloading process completed, New Amsterdam's merchants stored the goods in their warehouses or homes, then delivered them to customers in Manhattan or elsewhere in the region. Since hard currency was in short supply, sales were usually not made in cash. Instead, a variety of local commodities — beaver pelts, tobacco, wampum — were used as a medium of exchange, valued in Dutch guilders. This was more sophisticated than a simple barter economy. More typically, imported goods were delivered on credit. Both creditor and debtor signed legally binding bonds stipulating the purpose of the loan, the amount involved, interest charged, and duration of the loan. If these bonds were disputed, creditors and debtors would personally argue their case before the city magistrates, who were typically Manhattan's leading merchants.

Reputation was an important consideration for Manhattan merchants as they prepared their exports for shipment. The highest quality, full-size beaver skins were identified as “merchantable” in contracts and differentiated from pieces of lesser quality. With goods like tobacco and food stuffs, merchants relied on government regulation for quality and quantity control. All tobacco was inspected, its quality verified and certified. The same quality controls applied to exported food stuffs like salted meat and bacon. The city enforced a uniform system of weights and measures guaranteeing conformity to the “custom of old Amsterdam.” The city charged the merchants a fee for such services and violators were prosecuted and fined.

Many Manhattan residents were involved in trade. Certainly, there was a specific group of individuals whose primary occupation was commerce and some, with family connections and greater success, achieved more prominence than others. But in New Amsterdam, bakers, brewers, tavern owners, and those in many other occupations, women as well as men, even WIC officials, could participate in the city's ever-expanding commerce. As early as 1654, Nicasius de Sille, one of Stuyvesant's most trusted councilors, remarked that “All the people here are traders.” Clearly, the commercial roots of today's New York City lie deep in 17th-century Dutch Manhattan.