Exploiting the Urban System? The Frictions of Military Finance and Diplomacy in the Dutch Republic, 1688–1714

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Abstract

This article examines how international military finance operated in the Dutch Republic between 1688–1714. The region’s unique urban geography in which the political and financial infrastructures crucial for military financing were geographically dispersed created stresses and strains. These inconveniences were overcome due to the Republic’s excellent intra-urban infrastructure – creating fast and reliable communication between the different urban centers – and their reliance on (semi-)private agents, the solliciteurs-militair. As a result, the urban system created a level of flexibility: credit for military purposes could be found both in The Hague and Amsterdam, rather than having to rely on a single city as was the case in London. This focus on the urban has broader historiographical importance because recent scholarship on early modern war and state formation is increasingly questioning whether the focus on political and financial centralization is necessarily the best way to understand these processes.

Keywords

Dutch Republic – Military Finance – Urban System – Early Modern
Introduction

In November 1709, the Scottish merchant John Drummond had to apologize to his correspondent in London for mixing up a financial transaction that had caused a certain amount of inconvenience in Britain's ongoing war effort against France. The reason, he explained, was that he had been returning to Amsterdam from The Hague and “had the misfortune to be thrown over a dyke in a post-wagon,” a mishap which had not only delayed but injured him, and thus left him unable to oversee the transaction personally.1 The incident speaks to important aspects of warfare, finance, and state formation in the early modern Dutch Republic which have so far gone largely overlooked, namely the “frictions” created by the region's unique urban geography and how they were overcome. Drummond was one of many semi-private agents involved in the coordination of the war effort by the Dutch, British, and their allied partners against France during the Nine Years’ War (1688–1697) and the War of the Spanish Succession (1701–1714). During these years the allied armies relied on a number of lesser German states for soldiers, and on international intermediaries such as Drummond to coordinate the complexities of financing an international coalition army.2 However, the architecture of the Dutch Republic was itself highly complex, distributed across an “urban system” that included Amsterdam, Rotterdam, Delft, The Hague, and a number of other urban centers. All were within a few hours’ journey of each other, enabling them to function as more than a group of separate cities, but as less than a single integrated urban structure. Thus, individuals like Drummond needed to be able to do business in a market that was geographically fragmented and dispersed. Examining how international military finance operated within this complex urban system therefore helps to reinsert an appreciation of space, place, distance, and mobility into the existing scholarship. John Drummond's accident was a telling instance when the smooth working of military finance broke down and exposed its underlying dynamics, a brief moment of friction within a system which was generally successful in overcoming the problems raised by this urban system and welding its agents of a state system that relied

on such mobility for overcoming the problems of distance and welding these agents into the networks which underpinned the power of the Dutch Republic, not just in this period but even after 1714 during an era of supposed decline.

**Historiography**

Financial innovation was fundamental to the emergence of the Dutch Republic as an independent state in the sixteenth and seventeenth centuries. An extensive literature led by James Tracey, Marjolein ‘t Hart, Oscar Gelderblom, Joost Jonker, Christiaan van Bochove, Jan de Vries and others has focused extensively upon the development of public and private finance during this period. This has emphasized its decentralized federal nature, dependent upon the taxes and loans by the provincial and municipal legislatures, collected and overseen by networks of local receivers deeply embedded within local economic, social, and political networks, and mirroring an equally decentralized system of military and naval power. Jan Glete made a broader argument that these overlapping and decentralized structures of the Dutch Republic created a “unique system for the aggregation of political interest and the implementation of policy ... [and] a straighter and more successful road to the efficient fiscal-military state than monarchical absolutism and formal centralisation imposed from above.” Pepijn Brandon has recently elaborated this further into the concept of a “brokerage state” which lacked centralized hierarchies or a coercive apparatus and instead proceeded through negotiations at the federal, provincial, and the local level. Politicians and officials served as brokers, bringing together interest groups; the solliciteurs-militair, who managed military finance and form the focus of this article, were just one example of this class of brokers.


With some exceptions, though, these studies have focused on political separation and distance and have overlooked the importance of physical space as a problem to be overcome in the politics, warfare, and finance of the Dutch Republic. As Wantje Fritschy in particular has recently pointed out, the Dutch Republic was in a unique position. In Britain and France, politics, finance, and commerce were concentrated in the primate cities of London and Paris, offering relatively easy face-to-face contact for coordinating the business of war. By contrast, the Dutch Republic relied on a group or “urban system” of autonomous municipalities, amounting in part to a single “disaggregated” or “deconstructed” city, centered on Amsterdam but including major centers such as Rotterdam, Leiden, The Hague, Gouda, Delft, Dordrecht, Haarlem, Alkmaar and Hoorn which had their own specialized political, social, and economic functions. The challenge for the political and financial brokers described by Brandon and others was not only to coordinate interests and elites across a complex political landscape, but also to do so at the same time across a complex physical landscape. Examining levels of taxation and borrowing, Fritschy acknowledges the transaction costs and inefficiency which resulted from the difficulties of coordination, but also suggests the benefits of this arrangement, which provided a system of mutual surveillance and enforcement that encouraged popular participation. Consequently, she argues “the concept of an ‘urban system’ ... is especially helpful in understanding the ability of the small federal state of the Dutch Republic to realise comparatively extremely high levels of public finance in the early modern period,” and thereby punch above its small size. Though not the first to note the importance of the interlocked urban network of the Dutch Republic for facilitating the raising of funds for military purposes, her stress upon the role of physical separation suggests the

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7 Fritschy, Public Finance, 20.
need to examine how the agents involved in Dutch state formation overcame the problems of space, place, and distance that these posed.8

Their arguments are set against a long tradition of historians like Ferdinand Braudel, Jan de Vries, Charles Tilly, Hohenberg & Lees, and others who have all emphasized the importance of cities being rooted in networks, and one of the major driving factors behind, the formation of national states and economies in the early modern era.9 The Dutch “urban system” consisted of multiple centers with diverse economies, making it necessary to understand the factors which connected them with each other and the outside world.10 Capital, goods, information, and people flowed between the cities, the North Sea, and the wider world.11 These connections had to be constructed through communities of merchants and their networks.12 Dutch urban authorities recognized the economic and political importance of its network system, and initiated the development of a barge network to reduce the distance between the different centers.13 At the same time, cities were not homogenous entities. They were made up of various (and often overlapping) spaces and communities.

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beyond the merely economic, including the political and financial. The configuration of these spaces largely depended on the function of the city within the wider network. In a diplomatic center like The Hague, the political space featured more prominently, compared to a cosmopolitan city like Amsterdam, where commercial space was more prominent. Military financing depended on access to and presence in various of these spaces simultaneously, even when they were separated by many miles of distance and many hours of tiring (and occasionally dangerous) travel.

This focus on the urban system has broader historiographical importance because recent scholarship is increasingly questioning whether a concentration on political and financial centralization is necessarily the best way to understand early modern state formation. This model of primate cities and national states has been challenged not only by the scholarship on the Dutch Republic already noted, but also by studies of leading European powers such as the Habsburg monarchy. William Godsey has recently emphasized, for instance, the continued importance of regional legislatures within a composite imperial system as centers for resource mobilization and political negotiation. As a result, the capital of Vienna served less as a directing center and more as a leading hub for the negotiation and coordination of resources obtained not just from the component Habsburg territories but also from allies and neutral powers outside the monarchy. Even highly centralized states such as France and Britain have been reassessed, with recent work noting the continued role which parlements, regional legislatures, and other corporate intermediaries played in the bargaining between the French Crown and local elites, and the autonomous roles that the “metropolitan provinces” of Scotland and Ireland played in the British state. Some historians are now even moving towards seeing early modern European state formation as also a product

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of, and dependent upon, a European “fiscal-military system” of international hubs and networks which crossed national borders and supplied the states with the resources for war. Amsterdam played a particularly important role within this system as a center for international as well as national and regional finance, providing loans for other European powers that used the local networks of investors, speculators, and other financial intermediaries who raised Dutch loans. However, even within this work the regional context in which Amsterdam operated has been overlooked.

A study of how military financiers and agents in the late seventeenth century overcame the difficulties and even exploited the opportunities of the Dutch urban system therefore builds on established work by ‘t Hart, Fritschy, Brandon, and others, but opens up a new dimension by stressing the importance of physical space and place in considering how Dutch state power was actuated and deployed. Many other types of military supply networks might have been chosen instead to illustrate the same point. For example, the supply of grain and forage to Dutch and allied armies during the late seventeenth and early eighteenth centuries was handled by a series of contractors who exploited Amsterdam’s status as a leading center for the grain trade. From 1672 to 1713, this was dominated by the Jewish contractors Moses Machado and Jacob Pereira and their agents, who used their contacts with Jewish merchants in the Baltic to source grain cheaply and reliably in order to supply the armies. As a result they virtually monopolized the supply of grain, working through agents in Amsterdam who controlled its receipt and storage and in towns across Flanders and northern Germany, who organized its transportation and disbursement to Dutch, British, Spanish, and German troops. Their


19 Milja van Tielhof, The ‘Mother of All Trades’: The Baltic Grain Trade in Amsterdam from the Late 16th to the Early 19th Century (Leiden, 2002).

effectiveness reflected their ability to exploit the Dutch urban system and its linkages with other towns in order to obtain grain more efficiently than others, enabling them to undercut other bids. They also maintained offices in the Lange Voorhout in The Hague, near the center of diplomatic and political power, enabling them to manage contracts with the Dutch and allied armies.21 Other networks tapped into different elements of the Dutch commercial and industrial system and required a different configuration to exploit them most effectively. The Dutch Republic was a leading importer and exporter of arms and weaponry in the seventeenth and eighteenth centuries, for instance, and the trade was therefore organized around Amsterdam and the arsenal at Delft and around the international networks connecting Amsterdam with Swedish iron supplies.22 Dutch naval power was likewise organized around Amsterdam, Rotterdam, and the three other admiralty shipyards in Hoorn, Middelburg, and Harlingen and their mercantile connections to the Baltic for the import of naval stores.23

The benefit of focusing on Dutch military finance, however, is that it draws on an extensive scholarship, by Brandon in particular, that has already closely examined key aspects of this process, thus throwing into sharper relief the two specific contributions offered by this article.24 These contributions are to emphasize, firstly, that the financial role of solliciteurs required them to be able to mobilize funds not just in Amsterdam but also in The Hague. In cities such as London, proximity allowed for a far more unified capital market. However, since Amsterdam and The Hague were geographically removed from each other, solliciteurs developed networks of correspondence and managed their

own mobility in order to tap into these different markets. This allowed them to access a more diverse range of resources, improving their financial resilience and the effectiveness of the state. Secondly, The Hague was also of considerable importance in diplomatic, political, and administrative terms. In order to conduct their business effectively, solliciteurs likewise used their mobility and networks of correspondence to overcome the frictions of distance and to be present at The Hague and in Amsterdam practically simultaneously. This facilitated the arrangement and establishment of foreign troop contracts. Space was therefore of more than merely incidental importance to the operation of brokerage within the Dutch Republic but posed logistical problems that solliciteurs-militair overcame in order to support the Dutch state, to such an extent as to make their work appear almost frictionless.

Finance

In the early modern period most, if not all, states relied to a greater or lesser extent on foreign resources to wage their wars, especially when it came to manpower. By the late seventeenth century, the hiring of foreign units from sovereign and semi-sovereign partners via formally negotiated and more or less standardized troop conventions had become a key part of Europe’s fiscal-military system. During the Nine Years’ War (1688–1697) and the War of the Spanish Succession (1701–1714), the Anglo-Dutch alliance relied heavily on foreign manpower for the expansion of their armies. The Dutch Republic entered multiple contracts, either alone or together with England, predominantly with German states including Brandenburg, Hessen-Kassel, Württemberg, Saxony, and Celle and Wolfenbüttel, to hire auxiliary troops. In both wars, the foreign troops contributed considerably to the extension of the United Provinces’ army, supplying approximately 40 to 50 percent of its total strength.

25 Wilson, “Mercenary’ Contracts.”
regiments formed a key role in fostering trust and guaranteeing that the system ran relatively smoothly and even to some degree imperceptibly.28

Key to this process were the solliciteurs-militair or military agents who sat between the troops, their sovereign, and the Dutch Republic and organized their military and financial relationship. Only a select group of solliciteurs served foreign regiments. They were often connected to their principals as diplomatic agents prior to their work as solliciteur or were admitted as such during or after their appointment.29 As Table 1 shows, they were greatly in demand, to the extent that many served several masters, sometimes simultaneously. Financial competence was a key part of their function. Especially during wartime, the Dutch provinces were often late with payments, requiring the financial entrepreneurs to advance the money.30 Raising credit for this was just the first step of the financial challenges involved. Actually getting this money to the theatres of war where the troops were located required another set of financial skills and connections. The same can be said for settling payments with widely dispersed suppliers of grain, clothing, and all other type of necessities. Work on these solliciteurs and their role has teased out the financial networks which made this possible, enabling them to raise the credit which they needed. It emphasized the broad scope of such networks, stretching in one British case from Alicante to London via Barcelona and Lisbon, and requiring the management of private networks to ensure accurate flows of information and capital.31 This was achieved by cultivating personal obligations and loyalties through friendship or patriotism, as well as the exchange of gifts and other items which helped to reinforce these obligations.32 However, while the geographic scope of these networks upon a continental scale has been recognized, the crucial importance of these networks at the regional level, particularly in the case of the urban system of Holland, has not received sustained attention. The importance of examining this level of operations can be seen from a comparison of London and Amsterdam.

28 Wilson, “Mercenary’ Contracts,” 74.
30 Nimwegen, Dutch Army, 64–65; Brandon, War, 67.
31 Graham, “Public Service”; Brandon, “Remittances.”
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<tr>
<th>Name</th>
<th>Soliciting</th>
<th>Diplomatic Title</th>
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<tbody>
<tr>
<td>Adriaan Bout</td>
<td>Hessen-Kassel</td>
<td>Agent for Palatinate (1706–1714)</td>
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<td>Palatinate</td>
<td>Agent for Trier (1722–1725)</td>
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<td>Johan Fornenberg</td>
<td>Hessen-Kassel</td>
<td>Agent of Hessen-Kassel (1698)</td>
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<td>(1700 onwards)</td>
<td>Agent of Hessen-Darmstadt (1702)</td>
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<td>Paulus Gebhardt</td>
<td>Brandenburg</td>
<td>Envoy of Wolfenbüttel GB (1714)</td>
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<td>Brandenburg-Ansbach</td>
<td>Extra-ordinary Envoy Gotha GB (1715)</td>
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<td>Palatinate</td>
<td>Extra-ordinary Envoy Gotha DR (1723).</td>
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<td>Johan Hallungius</td>
<td>Osnabrück</td>
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<td>British troops in Dutch Pay</td>
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<td>Saxen-Gotha</td>
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<td>(1698–onwards)</td>
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<td>Gillis van der Heck</td>
<td>Gotha Hessen-Kassel</td>
<td>Agent for Brandenburg</td>
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<td></td>
<td>Celle (1672 onwards)</td>
<td>Agent for the Duke of Brunswick-Lünenburg-Calenberg (1677)</td>
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<td></td>
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<td>Agent for the prince bishop of Osnabrück (1678–1693)</td>
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<td>Agent for the Duke of Wolfenbüttel (1682–1691)</td>
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<td>Agent for the Landgrave of Hessen-Kassel (1684–1698)</td>
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<td>Resident of the Duke of Brunswick-Lünenburg-Callenberg (1685–1697)</td>
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<td>Hendrik Helt</td>
<td>Brandenburg</td>
<td>Commissioner of Wüttemberg (1699–1703)</td>
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<td>(?)</td>
<td>Agent of Brandenburg (1697)</td>
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<td>Hendrick van Heteren</td>
<td>Palatinate</td>
<td>Nassau-Dillenburg (1730)</td>
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<td></td>
<td>Denmark</td>
<td>Agent for Hessen-Kassel (1743)</td>
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<td>(1683)</td>
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<tr>
<td>Willem Lormier</td>
<td>Denmark</td>
<td>Agent of Duke of Saxe-Meiningen (1706)</td>
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<td></td>
<td>(1707)</td>
<td>Agent for the Landgrave of Hessen-Darmstadt (1721)</td>
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Table 1  Solliciteurs of German troops in the United Provinces’ Army, 1688–1771 (cont.)

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<th>Name</th>
<th>Soliciting</th>
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<tr>
<td>Johan van Ourijk</td>
<td>Denmark (1699)</td>
<td>Agent of Denmark 1697–1710</td>
</tr>
<tr>
<td>Harman Vos</td>
<td>Holstein-Ploen (1711)</td>
<td>Agent of Duke of Holstein (1694–1711)</td>
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In Britain, military finance was concentrated in London, which brought into a close proximity the public and private institutions necessary for its operation and allowed the gradual emergence of an integrated capital market.33 Parliament, the Treasury, the Admiralty, and the War Office in Westminster and Whitehall in the west were only a short walk or wherry-ride from the Bank of England and Exchange Alley in the City of London in the east, enabling military officials to easily tap into flows of capital. Work on the contractors providing provisions and clothing, for instance, has demonstrated that they could move seamlessly between the Treasury in Westminster, the military and naval departments in Whitehall, goldsmith-banks in the West End and scrivener-banks in the City in order to find working credit for government paper during the War of the Spanish Succession.34 The result was a very highly centralized capital market. Investment during the early stages of the English “financial revolution” was drawn mainly from Britain – indeed, largely from London itself and its immediate environs – with foreign capital from the Netherlands and


elsewhere only a small, though still important, element. The result was that most of the financial operations required for warfare could be done in London itself. When British military remittances broke down in 1696, this was because the entire British financial system was tottering due to wider economic and monetary crises.

The issuing of public debt on financial markets in the Dutch Republic, in contrast, worked very differently and was not single-centered, as was the case with Britain in London. Public debt was issued at the provincial level – the province of Holland being the most important by far – and was sold and paid out at local urban tax offices. In Holland, debts issued at the Amsterdam and The Hague tax offices were the most significant, accounting for up to two-thirds of the total issued in Holland in the seventeenth and eighteenth centuries. In the case of the floating of general, provincial, and municipal debts, groups of tax receivers – responsible for the payment of the interest upon the debt – employed private networks that spread between cities to find buyers, drawing on similar mixtures of public patriotism and private obligations and interests. The process of brokerage allowed for the incorporation of towns and regions which might otherwise have been frozen out, producing a high degree of financial resilience, provided that solliciteurs and other agents could find ways tap into them for the benefit of their regiments.

Consequently, besides the diplomatic importance of The Hague noted in the next section, it possessed its own importance as an independent source of capital and credit. Amsterdam was a commercial city dominated by the rhythms of local and international trade, with a large mercantile and artisanal

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population and many competing opportunities for investment.\textsuperscript{38} The pattern of commerce was shifting during the late seventeenth century, as merchants moved from trading on their own account to acting as commission agents or brokers for others, freeing up capital which was reinvested elsewhere and giving rise to large financial and mercantile houses who specialized in providing efficient financial services.\textsuperscript{39} By contrast, The Hague was a political and diplomatic center. Two thirds of its population were so poor as to be exempted from taxes, and the remainder were drawn mainly from the ranks of officials and officeholders in the States General and the Generality. Still, this political elite and large numbers of rentiers residing in the city, were always looking for stable and secure investments, and consequently paper securities – mainly provincial and central government bonds – formed the largest proportion of their assets.\textsuperscript{40} Though obviously integrated to a considerable degree with the Amsterdam financial markets, those in The Hague remained separate, not just enabling but requiring military officials such as the \textit{solliciteurs-militair} looking to raise funds to tap into pools of capital and credit left untouched by Amsterdam financiers, or looking for a different type of investment.

Thus, as Brandon has pointed out, the accounts of the \textit{solliciteur} Paulus Gebhardt show that using pay orders as collateral was a main source of credit for the payment of soldiers. These were issued by the provincial estate responsible for paying the company to the captain of that specific company. It was the \textit{solliciteur}, as the captain’s representative, who actually carried the pay order and collected the pay from the provincial treasury. Gebhardt mainly relied on lenders in The Hague, where he was resident, rather than Amsterdam, to provide the funds which kept his regiments together. His main creditor, who provided 207,600 fl or 40 percent of the total sum borrowed, was Willem van Schuylenburg, councilor and treasurer of the domain of William III, former burgomaster of The Hague and council at the Court of Holland, though resident in Delft. Numerous other officials and private individuals lent smaller sums, making up a large amount collectively.\textsuperscript{41} By contrast, he dealt only sparingly with major lenders in Amsterdam. Indeed, the only sums that he

\textsuperscript{38} Violet Barbour, \textit{Capitalism in Amsterdam in the 17th Century} (Ann Arbor, 1963); Neal, “How It All Began.”
\textsuperscript{39} Joost Jonker and Keetie Sluyterman, \textit{At Home on the World Markets: Dutch International Trading Companies from the 16th Century Until the Present} (Montreal, 1990), 93–94.
\textsuperscript{41} Brandon, \textit{War}, 228–254.
borrowed was 18,000 fl from Messrs George and Isaac Clifford in December 1704.\textsuperscript{42} Gebhardt’s effectiveness as a \textit{solliciteur}, therefore, relied on his proximity to, and his links with, a capital market that specialized to some extent in making loans upon the pay orders which he received from the States General and offered to lenders as a security for his loans. Both the \textit{solliciteurs} and the States General actively sought to expand the market for pay orders in order to tap into the deeper pockets in Amsterdam. In 1701 it was agreed that the pay orders, although they always remained in the name of the company captain they were issued on, could no longer be claimed by the captains once they transferred ownership, making them safe to accept as a collateral.\textsuperscript{43} Even so, distance imposed its own problems, since the pay orders could still only be cashed at The Hague or other provincial treasuries and could not be redeemed locally, making them an inconvenient form of security which entailed an additional cost. By contrast, the very short distance between the public and private elements of London’s financial system meant that similar instruments, such as the equally unwieldy clothing assignments, circulated there with relative ease.\textsuperscript{44} The existence of a capital market at The Hague which could deal in pay orders therefore helped to support their circulation as instruments of military finance.

The same applied to other financial instruments which \textit{solliciteurs} employed to manage their private credit, especially the bonds and bills of exchange which acted as collateral for loans, and the public bonds and annuities in which \textit{solliciteurs} could park their working capital. In Britain, for instance, the Royal Hospital Chelsea issued one contractor a private bill of exchange rather than a public debt instrument since it was more familiar to private bankers, and therefore easier and cheaper to convert into cash or credit.\textsuperscript{45} In the Dutch Republic, such practices enabled \textit{solliciteurs} to dive into the capital markets of Amsterdam, and their letters and accounts show that they were able to bridge this distance by close correspondence with their agents there. Being based in The Hague, and in close contact with the provincial receivers, the \textit{solliciteurs} were often well-informed about upcoming loans, and their close links with

\textsuperscript{42} The Hague National Archive [HaNa], Gebhardt, 3.01.47/ no. 78, \textit{Register van Soldijordonnenties, verbonden als “panden ter minne,”} 1698–1705.


\textsuperscript{44} Bochove, “Configuring,” 252; Graham, “Military Contractors,” 93–107.

\textsuperscript{45} Graham, “Military Contractors,” 86–93.
capital markets in Amsterdam are evinced by their prominence as investors in public debt. Johan Fornenberg, who was responsible for the affairs of several Hessian units in Dutch and English pay, was actively lobbying with the States General and the province of Holland to introduce new lottery loans to cover the ever-increasing cost of warfare. When Holland finally introduced a lottery plan in 1711, several solliciter(s) were among the investors. Swiss solliciteur Johann Anthonie de Normandie outranked them all: investing 16,560 fl in the scheme, he was the second largest investor of the loan. Yet information and capital also went in the other direction. Solliciteurs such as Gebhardt asked the Cliffords to send information about interest rates to enable him to choose between investing spare cash at The Hague or Amsterdam.

Sometimes this even allowed them to leverage their comparative advantage in information and opportunity in order to extract the best deals; for example, in one letter to his banker Marcus Cockeij, Gebhardt requested that one of his loans be renewed at an interest rate of 3½ percent, that being the rate that was current at The Hague at that point. Finally, straddling these two markets allowed solliciteurs to provide further services, and tap additional capital, by acting as private brokers for investors in Amsterdam and elsewhere looking to buy bonds in The Hague, and vice versa. These activities reflect their networks and military clientele, showing how intertwined military finance often was. Adriaan Bout, for example, arranged loans in Amsterdam for Jacob Hiskia Machado, son of the famous provisioner of the States army. He also participated in the sale and purchase of Dutch bonds for Willem Schnell, representative of Denmark, before and after his return home in 1714, as did other solliciteurs.


HaNa, Gebhardt, no. 38, 9–10; no. 39, 89 and 115; no. 40, 53–54. Although acceptance houses offering acceptkrediet were emerging in Amsterdam in this period (for which see de Vries and Woude, First modern economy, 136–137), it is not clear whether Gebhardt and other solliciteurs made use of them.


The Hague City Archive [HaCa], Notarial Records [NR], 1633/ no. 407; HaCa, NR, 691/ nos. 49, 159, 197, 349, 343. Other examples include HaCa, NR, 675/ no. 281; HaNa, Gebhardt, no. 40, 61–62.
None of this is to say that the system worked perfectly, or that there were not a number of disadvantages to the separation of these two capital markets. Although The Hague could provide a degree of capital or credit for loans, it had only a limited network of commercial connections. For example, without a high volume of direct trade with Britain, most residents in The Hague had little reason to remit large sums to Britain, and few were therefore willing to offer money in exchange for large bills of exchange on London. This made it difficult for solliciteurs to raise money upon the credit of such bills. Therefore, Johan Hallungius, solliciteur for various German troops, asked the British paymaster James Brydges in September 1707 only to send him small bills of 40,000 fl or 50,000 fl – about £4,000 or £5,000—rather than the larger bills of over 100,000 fl he had previously received. They were, he explained, “easier to be disposed of [here], otherwise I shall be obliged to fetch the money always myself from Amsterdam,” where the larger bills would find a market, “whereas several small letters of exchange I can dispose here at The Hague.” Those involved in this business found various ways to overcome such difficulties. One example is that of Gebhardt gradually moving away from military agency into a role as an intermediary between the other solliciteurs and his banking contacts in Amsterdam such as Cockeij, and Clifford and Van der Putten. On the other hand, having access to both Amsterdam and The Hague meant that he had access to two separate sources of finance in case circumstances caused one to fail. The Amsterdam market, with its sophisticated financial instruments, was used from a distance. The solliciteurs raised credit via merchant bankers who accepted bills of exchange of their clients and by trading the pay orders of their companies.

Towards the end of the War of the Spanish Succession Gebhardt handled the settling of bills of exchange, accepted by the bankers in Amsterdam, for various solliciteurs, including Johan Fornenberg, Adriaan Bout, Harman Vos, Johan van Ourijk, Willem Craeyvanger, and Adriaan Mollerus. Instead of arranging transfers of cash to Amsterdam themselves, for instance, Gebhardt took over this service and arranged for the safe and secure transmission of the money, using his specialized experience and economies of scale to do so more efficiently. At the same time, this practice streamlined the business of the bankers in Amsterdam, as they did not have to chase up individual

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51 HL, ST 58 vol. ii, 73, 76, 93.
52 HaNA, Gebhardt, no. 39, 164.
53 HaNa, Gebhardt, no. 40, 6 and 79 and no. 41, 1–2 and 20; HaNa, Gebhardt, no. 21, Ledger 1701–1712, folio 55–58.
54 HaNa, Gebhardt, no. 39, 104–105, 142 and no. 40, 42–44.
soliciteurs to pay the accepted bills but could rely on Gebhardt to do so.\textsuperscript{55} This happened frequently, since soliciteurs settled these payments with the provincial pay orders. Especially towards the end of the war, provinces stalled this as long as possible, to decrease the pressure on their treasuries.\textsuperscript{56} In 1711 Herman Vos protested a bill of exchange originating from Gibraltar stating that he was unable to pay this as long as the treasury had not issued the pay orders. He reinforced his argument by stating that he had to accept the bill “as a solicitor and not a banker.”\textsuperscript{57} It is the sign of increased differentiation and professionalization regarding troop payments and military financing, which helped to overcome the difficulties and inconveniences of doing business in the urban system. Amsterdam bankers functioned as clearing houses, accepting bills of exchange, that were then paid in The Hague by the soliciteurs as soon as the pay orders were issued. The strength of Amsterdam’s financial market enabled this development.

The excellent transport network developed by the Dutch Republic in the sixteenth and seventeenth century helped to keep these component parts together. From 1660 a twice-daily postal coach connected Amsterdam and The Hague, and for cheaper but less speedy communication it was possible to use the trekvaarten or barges on the extensive Dutch canal network.\textsuperscript{58} The cities were connected in turn with wider European postal networks.\textsuperscript{59} Letters from bankers and soliciteurs indicate that both parties traveled regularly between Amsterdam and The Hague, relying on the speedy and reliable communication and transportation to manage their financial affairs. These visits were an important part of a culture of sociability, which generated trust between soliciteurs and their partners. In the summer of 1714 Gebhardt expressed his sincere regret that the health of his wife kept him from travelling to Amsterdam and paying his respects to his bankers in person.\textsuperscript{60} Where travel was impractical, correspondence – relying on post carried along these canals and roads – filled the gap. Gebhardt’s letters show that he corresponded with his bankers on a near daily basis. A delay in the post could thus cause serious inconvenience and worry. “Your Honour’s long and unusual silence,” one soliciteur noted to his principal in December 1707, for instance, “has bred a thousand chimerical

\textsuperscript{55} HaNa, Gebhardt, no. 39, 94–95, 180–182 and no. 40, 17.
\textsuperscript{57} HaCa, Notarial Records, 1764/ no. 243.
\textsuperscript{58} De Vries, Barges, 59, 72.
\textsuperscript{60} HaNA, Gebhardt, no. 40, 15.
thoughts in my head.” More seriously, accidents along the way and lost post had the potential to disrupt business entirely, as in the instance of John Drummond noted at the start of this article. In general though the efficiency of the transport network enabled solliciteurs to carry out their business effectively and exploit the financial resources of The Hague and the wider Dutch urban system, tapping resources beyond those of Amsterdam.

Diplomacy

However, the importance of The Hague went beyond its function as a peripheral financial node within the Dutch urban system. Firstly, it was the premier diplomatic hub for the Dutch Republic and, arguably, for western Europe. Already by 1670 there were forty ambassadors, envoys, and agents from foreign territories or cities. Together with the city’s increasing status as an international political power hub, its population grew from 16,000 in 1635 to 30,000 by 1672. Most of the minor German states that would emerge as the Dutch Republic’s main troop suppliers, such as Brandenburg, Hessen-Kassel, Saxony, Celle, and Wolfenbüttel, had permanent or semi-permanent representatives in the city. The German territories relied on their diplomatic agents in The Hague to negotiate the troop contracts, and being on the spot enabled the agents to tailor their offers and their terms to circumstances. For instance, as the allies moved towards war in 1701, Gillis van der Heck, the envoy for the Duke of Saxe-Gotha, took the initiative and approached the States-General with an offer of three regiments. In 1703, once it became clear that the war

61 H.L., ST 58 vol ii, 175.
62 For references to lost mail, see HaNa, Gebhardt, no. 39, 115, 156–158, 183–184.
64 Daniel Legutke, Diplomatie als soziale Institution: brandenburgische, sächsische und kaiserliche Gesandte in Den Haag, 1648–1720 (Münster, 2010), 27.
65 Israel, Dutch Republic, 621.
67 HaNa, Council of State, 10.01.93/ no. 1903, G. van der Heck signing a troop convention on behalf of Hessen-Kassel, 16.01.1694 and no. 1908, Van der Heck negotiating on behalf of Saxe-Gotha and Hessen-Kassel with the States General and Council of State, 23.11.1689, 09.09.1689, 15.12.1689.
would not be over by Christmas, Johan van Fornenberg offered a proposal from the Landgrave of Hessen-Darmstadt for a further number of troops. 69 Secondly, The Hague was the site of the States General and the central administration of the Dutch Republic – such as it was – and the Staten van Holland, the provincial assembly overseeing nearly two thirds of the total war effort. 70 This was crucial because the management of foreign troops was an ongoing process that involved continual negotiations between the sovereigns and their agents and the Dutch – and British – administration. Living in The Hague, as Brandon has shown most solliciteurs did, was therefore a necessity since it enabled them to manage this side of affairs, even if it greatly complicated financial matters in Amsterdam, Rotterdam, and other parts of the network. The operation of the Dutch fiscal-military system therefore depended on the solliciteurs being almost simultaneously present in multiple parts of the Dutch urban system. 71

The primary administrative and diplomatic challenge faced by the solliciteurs, and the reason they needed to be present constantly at The Hague, was the “repartition” of the foreign regiments. In the federalist structure of the Dutch Republic, the payment of troops was not handled centrally. Instead, the individual provinces were responsible for maintaining the military forces according to the military budget (Staten van Oorlog) that was presented each year by the Council of State and which detailed what portion each province had to contribute according to a fixed distribution. 72 Holland, by far the largest and wealthiest of all the Dutch provinces, paid the largest share, and in practice frequently proved the most reliable. By contrast, other provinces often proved unable or unwilling to meet their full quotas, requiring Holland to fill the gaps in order to keep the war effort going. 73 During the Nine Years’ War, for example, Friesland and Groningen in particular, ran into larger deficits than other provinces or even simply refused to pay, creating severe financial problems for the Dutch and foreign companies repartitioned on them. 74 Consequently, when the negotiations for new troop conventions occurred at the start of the War of the Spanish Succession in 1701 and 1702, all foreign princes demanded their troops be repartitioned on a solvent province—“een goed comptoire”—and

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70 Zwitzer, De militie van den staat, 71.
71 Brandon, War, 241.
73 Fritschy, Public Finance, 153–155.
preferably upon Holland.\textsuperscript{75} However, because the \textit{Staten van Oorlog} and the repartitions were drawn up afresh each year, repeated negotiations were necessary for regiments to maintain their repartition or to move up to a better one. Once the repartition was settled, the \textit{solliciteurs} also had to negotiate with the provinces directly over smaller but no less important practicalities. This included the contracting for forage or “bribing” treasurer’s clerks to issue the pay ordinances on time and redeem them in full.\textsuperscript{76}

Since these processes depended on proximity, presence, and the exploitation of personal connections, it was necessary for \textit{solliciteurs} to be resident in The Hague so that they could bring their connections into play. Many had served, or continued to serve, as officials at either the States-General, Council of State, or the Republic’s treasury.\textsuperscript{77} As Table 1 showed, many also combined their role as \textit{solliciteurs} with a diplomatic function as envoys for their respective princes, and then leveraged their combined power to obtain the necessary concessions.\textsuperscript{78} When Saxe-Gotha entered an agreement with the Dutch Republic and England to send a contingent of 2,600 soldiers for the allied armies in 1703, for example, they chose Gilles van der Heck as their \textit{solliciteur}. Their motivation was that he was not only a highly competent agent and \textit{solliciteur}—“ein tüchtiges Subjectum”—and came highly recommended by many military and diplomatic notables, including Field Marshal the Prince of Waldeck and Wolfgang Freiherr von Schmettau, the Prussian envoy, but also that he had “good access to the members of state.”\textsuperscript{79} Heck maintained constant correspondence with both his principal the Duke of Saxe-Gotha and with Heinsius, the Grand Pensionary of the Dutch Republic, lobbying the latter for a favorable repartition. In 1707 and 1708, for instance, he wrote to Heinsius pointing out the desperate state of the Saxe-Gotha regiments after the campaign in Toulon, and thus the urgent need to be repartitioned on a solvent province.\textsuperscript{80} Heinsius was bombarded with similar letters from Adriaan Bout and commander Bernhard Otto von Rehbinder\textsuperscript{81} on behalf of the Palatine troops, and

\textsuperscript{75} HaNa, States General, 1.01.02/ no. 12604.1, Troop Convention Dutch Republic and Hessen-Kassel 1701.

\textsuperscript{76} Nimwegen, Dutch Army, 117.


\textsuperscript{78} Feringa, “Petten van de agent,” 17.

\textsuperscript{79} A.C. Avemann, \textit{Warhafte und Acten-mässige Facti Species [...] wegen Übernehmung vier Sachsen-Gothaischer Regimenter, Anno 1703} (S.L. 1734), 9.

\textsuperscript{80} Briefwisseling Heinsius, vol. vi, no. 1067; idem vol. vii, no. 121; idem vol. vii, no. 455.

\textsuperscript{81} Briefwisseling Heinsius, vol. v, nos. 715, 1055, 1333, 1463; idem vol. vi, no. 1181; idem vol. vii, no. 504.
from Johan von Fornenberg for the Hessian troops. Operating with one foot in Amsterdam and the other in The Hague was therefore crucial to solliciteurs.

The importance and benefits of mobility in financial and military diplomacy can be seen especially clearly in the case of Johan Friederich Hallungius, a key figure in the British and Dutch fiscal-military system, and differing in key respects from other solliciteurs examined by Brandon such as Gebhardt by virtue of his international responsibilities. A native of Hady in Saxony, he served as a diplomatic envoy and solliciteur-militair for the Duke of Saxe-Gotha, and from 1707 for the electoral Saxon and several other foreign regiments, especially after he befriended James Brydges and become a partner in his private financial schemes. The process involved numerous journeys. On the one hand, Hallungius spent considerable time in Amsterdam to take advantage of its financial markets to support his troops. This required him to have his finger on the pulse of financial markets there and nearby. He told Brydges in July 1707, for instance, that money could be sent to him in small bills of exchange at relatively short sight or maturity, “because I have always occasion to dispose of such bills, if not too large, at Amsterdam, but bills on Rotterdam are not so easy to be disposed of.” On the other hand, like most solliciteurs, he traveled frequently to The Hague, where his efforts to raise cash and lobby the State General may have been facilitated by his marriage in 1697 to Maria Beuckelaar, from a local family. His presence there allowed him to manage affairs for the regiments which were under his control, including negotiating with Baron Gersdorff, the Saxon envoy, to privately sell their arrears to Brydges in order to raise cash. This not only meant securing the necessary paperwork from the States General, who signed off on the arrears for Britain, but also involved constant negotiation with the former agents, Solomon and Benjamin Abrams, which could only be done face-to-face. “[Abrams] was with me yesterday, and was in the beginning very stiff, certainly made up by somebody,” Hallungius noted to Brydges, “but after two hours talk and two bottles of champagne betwixt us emptied, he complied at last to come to the desired terms.”

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82 Briefwisseling Heinsius, vol. XIII, no. 335; idem vol. XIII, no. 884.
84 The National Archives of the United Kingdom, Kew [hereafter TNA], PROB 11/618/415, “Will of John Hallungins [sic: Hallangius], Auditor and Agent of His Majesty’s Horse Guard and Dragoons, of St James, Westminster,” 9 Dec. 1727.
85 HL ST 58 vol. ii, 12, 69–72, 80.
86 TNA, PROBB/16/415.
87 HL, ST 58 vol. ii, 98.
The same forces were at play when London was integrated into this diplomatic and financial network. Dutch forces had served in English pay between 1689 and 1699, at first in the Jacobite wars in Ireland and then in the Low Countries, and were owed substantial arrears of nearly £120,000 by the English Parliament. Hallungius was the solliciteur chosen by the States General and the surviving officers to lobby for these arrears with the British state, which involved a succession of visits to London between 1705 and 1711 to submit accounts to the Treasury and Parliament with the help of the Dutch envoy extraordinary there, Marinus van Vrijbergen. Hallungius was perfectly suited to the task, not only from his close familiarity with the world of finance and military finance and his friendship with Brydges, but also because the work it involved, a combination of accounting and diplomacy conducted at a remove from the centers of Continental finance in Amsterdam and Antwerp, were the same conditions he was used to from The Hague. Being on the spot enabled him to submit the petitions and accounts to Parliament and the Treasury directly, and to wait upon the members of Parliament with information to help make his case. The advice which Brydges gave him for concealing their private trades in buying up foreign arrears from the current war—"you know the turn that will be proper to give this, vizt, your being so often in England hath given you such an acquaintance with the Parliament men that by your interest you hope to prevail with the Parliament to grant it"—was only plausible because that is precisely what Hallungius was already doing for the Dutch regiments. Being on the spot also meant that he was able to wage a pamphlet war to shift public opinion. It is no wonder that van Vrijbergen noted in December 1710

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90 HL, ST 57 vol. ii, 34.
91 [Johan Hallungius?], *The case of the Thirteen Dutch Regiments, which are still in arrear of pay for their service in the late war* (London, 1710); idem, *The case of the Thirteen Dutch Regiments, who are still in arrear for their service in the late war* (London, 1711); idem, *Answers to the Objections relating to the arrears due to the Thirteen Dutch Regiments* (London, 1711). The opposing pamphlets were John Henry Scheidman, Henry Miller, Michael Remy, and William Miller, *The case of John Henry Scheidman, Henry Miller, Michael Remy and William Miller, in behalf of themselves and several commission and non-commission’d officers, with hundreds of private troopers, dragoons and soldiers, of the Thirteen Dutch Regiments that*
that matters would be at a standstill until the arrival of Hallungius, whose time commuting between Amsterdam and The Hague had clearly prepared him for the rigors of serving as a diplomatic and financial agent in London. As with The Hague in the Dutch “urban system,” the incorporation of London into this financial and diplomatic network depended upon fast and reliable communications. A regular packet-boat service between London and Ostend, Hellevoetsluis, and Brielle developed in the late seventeenth century, facilitating the process, though wartime conditions placed a degree of strain upon these arrangements. For example, on the outbreak of war in 1702 the allied powers agreed to ban all communications with France and Spain, though Etienne Caillaud, a merchant in Amsterdam and later banker and solliciteur to the Walloon Regiment of the baron de Wallef, complained that this had disrupted his links with Huguenot financial networks in France. Besides an ongoing dispute about whether the packet-boats should land in Ostend or Brielle, near Rotterdam, there were also the delays caused by weather, political interference, and enemy action, which all obstructed efforts to maintain seamless communication between the various component parts of the network. For example, Henry Cartwright, the deputy of James Brydges in Antwerp, explained to him in May 1707 that “I have not omitted writing any one week, since I received your commands to hold a constant correspondence” with the Pay Office in London. However, “the several packets that have been thrown overboard by the Ostend packet boats may have been the cause that some of mine have miscarried,” so he was now sending them by Brielle instead. Indeed, sometimes people as well as post could find themselves in difficulties. Cartwright’s counterpart in Amsterdam, Benjamin Sweet, was briefly captured by privateers out of Ostend in April 1704 while crossing from London to Rotterdam; “I am heartily concerned for your misfortune in being taken,” his

serv’d in the late war upon the English establishment (London, 1710) and idem, Remarks upon a paper entitled Answers to the Objections relating to the arrears due to the Thirteen Dutch Regiments, dispers’d by John Hallungius, Agent (London, 1711).


94 Pohlig, “Speed,” 352; For Caillaud, see Graham, Corruption, 82, 108.

95 HL, ST 58 vol. i, 171.
supervisor wrote from London, “but glad you got off so well and so soon, and shall be glad to hear all things are set right during your absence.” As in the Dutch urban system proper, the incorporation of London thus depended on fast, frequent, and safe communication. These nevertheless functioned so well that it is only on very rare occasions, such as Drummond’s accident or Sweet’s capture, that the underlying dependence briefly becomes visible.

**Conclusion**

This article seeks to advance the existing literature on warfare and finance in the early modern Dutch Republic in particular, and European state formation in general, by using the specific spatial challenges facing the United Provinces to assert the importance of space and place as a factor in the process of state-building. In an economy and society still largely based on personal contact and connection, and where proximity was fundamental to organizing politics, finance, and warfare, the disarticulated or “deconstructed” nature of the Dutch urban system posed challenges for the Dutch and their partners. These were overcome by its excellent intra-urban infrastructure and the expertise of the solliciteurs and their capacity to connect the political and financial spaces in Amsterdam and The Hague to each other. Employing a good solliciteur was like having a good map of how to connect the multiple elements of early modern military business. While financial business could be delegated, diplomatic, political, and administrative deals and bargains had to be struck face-to-face. Residing in The Hague while maintaining links with Amsterdam, either by direct visits or through agents, allowed solliciteurs not only to handle administration and finance simultaneously but also tap further capital markets in The Hague and the rest of the nearby urban system, all useful subsidiary markets that were to some extent insulated from the fluctuations of the Amsterdam market. By contrast, the more outlying Dutch provinces offered fewer advantages, so less effort was put into incorporating them into this system.

The diverse urban system of the Dutch Republic and the reliance on brokerage was therefore not necessarily the disadvantage that Tilly and other scholars of the early modern European nation state have claimed. While this system might appear to be unwieldy and inconvenient compared to the centralized capital markets emerging in London and Paris during this period, the development of the solliciteurs-militair and other brokers enabled these disadvantages.

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96 Dorset Record Office, Fox-Strangways Papers, D/FSI Box 277, Pauncefort to Sweet, 14 April 1704; *CTB* vol. xx, 632.
to be overcome, and even exploited. As recent literature has emphasized, the eclipse of the Dutch Republic after 1714 did not necessarily reflect the inadequacies of its federal structure. The state continued to raise extremely high levels of funds, even as a percentage of national income, but these were increasingly inadequate as larger states such as Britain and France spent even greater sums, and the Dutch Republic itself was increasingly immobilized by its internal factional and ideological conflict.97 “At the end of the eighteenth century the viability of the Dutch Republic had become problematic not because it was federal,” notes Fritschy, “but partly because of an intensified political antagonism inside and across all provinces, [and] mainly however because it was much too small in the international political situation to be a match for much larger states on its own,” rather than any substantive change in how it did business.98 The practices identified here therefore demonstrate the long-term solutions which the Dutch Republic, its military contractors and agents found to overcome issues of space, place, and mobility within the Dutch urban system and to maintain as long as possible the Dutch military deterrent.

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97 Fritschy, Public Finance, 166–204.
98 Fritschy, Public Finance, 381.