CHAPTER SIX

THE “GOLDEN AGE” OF THE TEA TRADE
AND ITS CONCLUSION

The “Golden Age” of the tea trade

The Dutch East India Company could claim to have played a pioneering role as an importer of Chinese tea into Europe. But it was not until its trade with China was thoroughly reorganized by the establishment of the China Committee that the VOC tea trade entered into an extraordinary boom period which lasted for about two decades, that is, until the beginning of the 1780s. This prosperity led the Amsterdam director, Cornelis van der Oudermeulen, to laud the direct China trade when he analysed the profit and loss account of the Company in 1785. He asserted that the improved results in the period 1760–1780 should be directly attributed to it, and that it had acquired the VOC a better position in the international tea trade.1

Plagued by hindrances and delays, in order to arrive at a more flexible and satisfactory management of the China trade, in 1756 the VOC set up the China Committee in Amsterdam, which was given absolute authority to make decisions on the China trade. Henceforth, every year a fixed number of China ships were fitted out by the Chambers of Amsterdam and Zeeland, and from the season 1763–1765 the smaller chambers were also allotted their share in this profitable trade route (see Appendix 2). This new policy ensured that the VOC remained second only to the EIC, the biggest East India Company, in the tea trade at Canton.

After this reorganization, the resultant direct China trade benefited from the effective hands-on management of the China Committee. It was also boosted by the more effective organization of business affairs by the VOC trade representatives in China and also by that of the crews on the China ships. All these Company servants co-operated closely with each other in assiduously observing the instructions of the China Committee for the benefit of this particular trade. Even though the running of the China trade had been taken out of the hands of the High Government in Batavia, the headquarters of the VOC in Asia continued to contribute to the success of the operations in Canton as it was always ready to step in whenever quick and decisive assistance was needed. Finally, the sufficient sale of fresh teas at the Company auctions in the Netherlands realized the interests of the Company in a highly satisfactory manner. Tea was easily
the most profitable product in which the VOC dealt in the second half of
the eighteenth century, and it is interesting to see that the Company
which had experienced almost overwhelming difficulty in adjusting to the
shifts in global trade was able to take innovative steps towards effectuat-
ing reorganizations.

All the above steps were intrinsic factors on the side of the VOC man-
agement. But, when we look at the VOC tea trade with China from an
even wider angle, the realization also dawns that this “Golden Age” in the
tea trade was also inextricably linked to other external factors which were
embedded in particular political, social, and economic developments in
both Europe and China during the second half of the eighteenth centu-
ry.

In Europe, up to the 1780s the Dutch Republic had managed to stay
neutral in the global struggle for supremacy between France and Britain.
This neutral stance seemed the safest policy for the Republic allowing it
to remain aloof from the Anglo-French rivalry and to preserve its interna-
tional position in finance and overseas trade. Nevertheless, this neutrality
was somewhat biased. The Dutch and English had maintained an endur-
ing alliance since the seventeenth century and, until the middle of the
eighteenth century, the English considered the Dutch Republic an impor-
tant ally in international, especially European, politics. The English
believed that maintaining good relations with the Dutch Republic would
be helpful in the event of any war on the Continent. In French eyes, the
Dutch Republic was the régulateur de la politique anglaise should there be
a Continental war. Yet, in French conflicts with Britain, the neutral
Dutch Republic could continue to provide its southern neighbour with
the foreign goods it needed. Therefore, during the Seven Years’ War
(1756-1763), which was fought in Europe, North America, and India
between France, Austria, Russia, the German Kingdom of Saxony,
Sweden and (after 1762) Spain on the one side, and Britain, Prussia, and
Hanover on the other, both Britain and France, the principal participants
respected Dutch neutrality.

Safely entrenched in their neutrality, the Dutch were able to take
advantage of the war conditions which offered them a favourable oppor-
tunity to expand their commerce and trade. At home, Amsterdam grew
rapidly as a financial market, a process which was not only attributable to
a major extension of acceptance credit, but also had a great deal to do
with the enormous growth in the trade in specie – gold and silver coins
and bullion – and the continual transfer of British subsidies to the
Continent and the marketing of British domestic loans by the Amsterdam
houses. This step in the development of the Amsterdam financial market
was closely related to the steady demand for specie emanating in part
from the reorganized direct trade with China. All preparations for the