

**Getting Lost in the Land of Opportunity.
The Nederlandsche Handel-Maatschappij in Brazil (1825-1828).**

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“His Royal Highness has said during a audience I had with the Prince Regent before his departure, that he read all my correspondence. However, since I was not familiar with the secrets of state, he could only judge me by appearances, and I count on the indulgence of Yours Excellency to put myself on my feet before the KING, my Master, in the hope that His Majesty will receive with favor my congratulations on the happy Occasion that occurred to this country, in favor of his August Family, and the confusion of the enemies of the GREAT NAPOLEON.”¹

Dispatch Jacob Dohrman, Ministre Plenipolitaire Kingdom of Holland to Secretary of Foreign Affairs, M. van der Goes, Lisbon, December 2, 1807.

¹“Son Altesse Royale, dans la conference que j’ai eu l’honneur d’avoir avec ce Prince avant son depart, m’a dit qu’il avoit lu toute ma correspondance; d’ailleurs comme je n’étais pas initié dans les secrets d’Etat, il m’étoit impossible de juger autrement que par les apparences, et je compte sur l’indulgence de Votre Excellence, que prie de me mettre aux pieds du ROI, mon Maitre, dans l’espoir que Sa Majesté daignera recevoir avec bonté ma felicitacion sur l’Evenement heureux qui vient de se passer dans ce Paÿs, en faveur de Son Auguste Famille, et à la confusion des ennemis du GRAND NAPOLEON.” Nationaal Archief [NADH] (National Archives in The Hague, the Netherlands), Ministerie van Buitenlandse Zaken [Min. Buza] (Secretary of Foreign Affairs), Correspondentie Diplomaten uit Portugal (Diplomatic Correspondence from Portugal), # 335.

The departure of the Prince Regent, his court and his administration with eight vessels of the line, three frigates and several small war ships ended more than a century of preferential treatment of Dutch vessels in Portuguese ports. During the late seventeenth and eighteenth centuries the Netherlands was the second close ally of the Portuguese crown, and their commercial treaties allowed their merchants to engage in a prosperous trade in Portugal, the Atlantic Islands, and indirectly to Brazil. This all changed during the French wars. In 1795 French revolutionary army conquered the Netherlands. An event which put the Netherlands, first as the Batavian Republic, then as the kingdom of Holland and still later, as a part of France in a conflict situation with Portugal. Junot's attack on Portugal definitely put Portugal on the British side. The fleeing of the court left harbors under Portuguese administration open to British and neutral vessels, and closed them to those nations under French administration. The consequences were immediate. The crew of the Dutch military brig *De Vlieg* witnessed the Prince Regent's arrival in Salvador. However, the Prince Regent ordered the Dutch vessel to drop its sails, and soon it was confiscated and considered a legitimate prize.² The crew, who remained guests of the government for several years recorded the impact of the move. As one officer, J.C. Baud, wrote in his memoirs: "The commerce was, bound to the mother country in previous years, was now suddenly opened up. English and American houses of commerce settled themselves quickly in the Brazilian ports and soon obtained an important part of the in- and export trade."³ Baud and

² "De Reis van Z.M "de Vlieg", commandant Willem Kreekel, naar Brazilië 1807-1808" in: Werken uitgegeven door de Linschoten Vereniging vol. 76 (The Hague: Martinus Nijhof, 1975) 1:163-169. The reasons for these confiscations were not because the two countries were officially at war, but as the Dutch government had similarly confiscated Portuguese vessels in Dutch ports. Dispatch Portuguese envoy to the Kingdom of Holland, Bezarra to Dutch secretary of foreign affairs, Utrecht, August 12, 1809, NADH, Min. BuZa, Correspondentie Diplomaten in Portugal, 335. Wanderley Pinho, A Abertura dos Portos, Cairu, os Inglêses, a Independência (Salvador: Publicações da Universidade da Bahia, 1961) 19.

³ "De handel, vroegen in den strengsten zin tot den moederstaat beperkt, werd op eenmaal vrij. Engelsche en

his fellow officer Verhuell made use of these English and American connections, just as Dutch merchants would do later. Baud sailed on an American vessel to the United States, and remained there for some time before returning to the Netherlands.⁴ Verhuell made connections with the local “civilized” British merchant community, which allowed him after a two years stay to be transported to London and he likewise eventually returned to his native country.⁵ The experience of *De Vlieg*’s crew was symptomatic for Dutch commerce with Brazil: both tried and succeeded in surviving in Salvador, but Dutch overseas commerce was going to depend on their ability to compete on the Brazilian market.

Just like political developments dictated the economic and political situation in Brazil, so was the Netherlands’ future determined by the outcome of the Napoleonic wars. In 1810, the Netherlands lost its independence from France, and became incorporated in the empire. However, in 1813, after Napoleon’s defeat in Russia, the old stadhouder’s son returned home, where he was crowned king William I of the Netherlands, Belgium, and Luxembourg.⁶ For the first time since the sixteenth century, the three parts of the Low Countries were united under one monarch. Economically, this would have made the Low Countries a potential economic power

Amerikaansche handelshuizen kwamen zich in de havens van *Brazilië* vestigen en vekregen weldra een ruim aandeel in den in- en uitvoerhandel.” “Het Handschrift van J.C. Baud’s Herinneringen” in: Werken uitgegeven door de Linschoten Vereniging vol. 76 (The Hague: Martinus Nijhof, 1975) 1: 189.

⁴ “Het Handschrift van J.C. Baud’s Herinneringen” 1: 198-205.

⁵ Q.M.R. Verhuell, Mijne Eerste Zeereis in: Werken uitgegeven door de Linschoten Vereniging vol. 77 (1st ed.; Rotterdam: M. Wijt en Zonen, 1842; reprint, The Hague: Martinus Nijhof, 1975) 2: 230-315.

⁶ The stadhouder (literally: steward of cities) used to be the advisor to the king before the Netherlands revolted against the Spanish. During the Republic he came to have an advising role to the highest council, the estates general, as well as the commander of the troops. Most of the time he was a descendent of William the Silent, the Prince of Orange. Over time his position changed depending of the House of Orange’s status in the Republic. Herbert H. Rowen, The Princes of Orange : the stadholders in the Dutch Republic (Cambridge and New York: Cambridge University Press, 1990).

house. The North became more specialized in trade and economic services, whereas Belgium and Luxembourg started to undergo an industrial revolution. However, the unity of the Low Countries was shortlived, and in 1830 the three parts separated yet again. Like Brazil, these political developments took place under British mediation.⁷ The British put king William I on his throne, and allowed the Netherlands to regain most of its overseas territories under the condition to stop and combat the slave trade.⁸ The British government likewise mediated in the separation of the Low Countries. As in Brazil, the British government was central to the political changes, although it was instrumental in their solutions. Dutch merchants understood the power of the British government and its merchants, and in Brazil they wanted to create a viable alternative to this political and economic power house. In Brazil, Dutch diplomats tried to regain the same economic footing as before. However, they were frustrated by the powerful position of British merchants and diplomats.

Just after 1808 British and North American merchants had dealt with similar issues. In the American consul Henry Hill's report about trade to Brazil, he warned that "besides old habits and prejudices just give place to new ideas, which necessarily require time to operate to advantage and new channels of commerce are to be opened."⁹ Transformation of the Brazilian economy was essential, but as Hill also pointed out neatly, that when visiting the ports "it is

⁷ J. Roegiers and N.C.F. van Sas, "Revolutie in Noord en Zuid," in: J.C.H. Blom and E. Lamberts eds., Geschiedenis van de Nederlanden (3rd ed.; Baarn: H.B. Uitgevers, 2003) 246-256.

⁸ The Netherlands lost parts of the Guyanas, Ceylon, and the Cape of Good Hope, but remained in Surinam, the Antilles and Java; only the fortress of Elmina (West Africa) and Decima (Japan) had not been captured by the British during the wars following the French revolution. Jur van Goor, "The Colonial Factor in Anglo-Dutch Relations, 1780-1820," in Nigel Ashton and Duco Hellema eds., Unspoken Allies. Anglo-Dutch Relations since 1780 (Amsterdam: Amsterdam University Press, 2001) 17-31. The Netherlands remained a very close British ally, as king William I saw this as a way of regaining their old grandeur. N.C.F. van Sas, Onze Natuurlijkste Bondgenoot. Nederland, England en Europa, 1813-1831 (Groningen: Wolters-Noordhoff, 1985) chapter 4.

⁹ Henri Hill, A View of the Commerce of Brazil (Salvador: Edição Banco da Bahia, 1949) 53.

particularly recommended to our captains & citizens visiting this country to treat with becoming attention and respect the officers of the respective port, and they will not only be treated with politeness in return, but benefit their own interest and National character.”¹⁰ In other words it was crucial to understand the manners of the country in order to forge the correct relationships and set the markets to one’s hand. In this merchants could make mistakes, and they therefore needed to make a thorough exploration of the market itself. As Hill observed about British merchants “there must also have been too, a great want of information in England of the wants of this country and the articles best suited for its supply, or it would not have been so largely overstocked with (...) a wide variety of unsuitable articles, nor with so many adventurers.”¹¹ Consul Hill was right on the mark about these three issues, which were going to plague Dutch merchants in the future too. First, the workings of Brazilian marketplace were very different from those in North America and Europe, and changes came slowly. Second, it was of crucial importance to maintain a positive image with the local officials and merchant community. Third, it was easy to sustain a loss when bringing the wrong products to the Brazilian markets, either because it has already been overstocked by that product or because it is not in local demand.

British merchants held a highly competitive position in Transatlantic commerce. British commercial houses were able to settle in Brazil as soon as the ports opened to foreign traffic, and only the United States held a similar easy access to Brazil. Moreover, the 1810 commercial treaty guaranteed extra low prices for British imports, lower than any other foreign nation and Portugal itself. Thus when the Low Countries diplomats first arrived at court in Rio de Janeiro in

¹⁰ Hill, A View of the Commerce of Brazil 51.

¹¹ Hill 55.

1816, they had to overcome a competition that was well established after eight years of commercial intimacy with Brazilian market places.

According to the Anglo-Portuguese commercial treaty of 1810, British vessels paid only 15 % import and export duties, to be determined by a *Pauta* (a list of price evaluations of goods). Portuguese (national) vessels paid 1 % more for several months, and all other ships paid duties of 24 %.¹² This gave British merchants a competitive advantage above all other foreign suppliers, and the representatives of the Low Countries wanted to obtain the same privileges. Based on earlier treaties of 1661 and 1705, the Netherlands envoys had the instructions to claim the same commercial advantages they had before: namely to be treated the same as British merchants.¹³ In return, the Low Countries diplomats needed to compromise on reciprocity. By this the Luso-Brazilian negotiators meant that Portuguese ships should have the same access to harbors in the Low Countries and its colonies as Low Countries vessels in their territories.¹⁴ Indeed, one of the major stumbling blocks with the Luso-Brazilian negotiations with the British was Portuguese ships did not have the same treatment as English vessels in Brazilian ports.¹⁵

¹² According to Wanderley Pinho, the opening of the ports was a completely Brazilian move, since British diplomats wanted to open the ports to British vessels only. The reduced tariffs for British vessels are a reflection of this. *Abertura dos Portos* 34. Portuguese vessels started paying 15 % after four months later, on October 18, 1810. Alan K. Manchester, *British Preeminence in Brazil. Its Rise and Decline. A Study in European Expansion* (Chapel Hill: The University of North Carolina Press, 1933).

¹³ Dispatch Goldberg, Director General of the Department of Commerce and Colonies, The Hague, July 1, 1816, NADH, Legatie Brazilië, #1.

¹⁴ This same issue played a role during the prolongation of the treaty, and still is an important credo of Brazilian foreign relations. Dispatch C.J. Wylep to Baron Bentinck, a.i. Minister of Foreign Affairs, September 9, 1848, NADH, Min. BuZa, #1758. For a discussion about issues of sovereignty and economic reciprocity see Amando Luiz Cervo, "Entre l'Europe et l'Amérique: la politique extérieure du Brésil au XIXe siècle (1808-1912)," in Katia de Queirós Mattoso, Idelette Muzart-Fonseca dos Santos and Denis Rolland eds., *Le Brésil. L'Europe et les équilibres internationaux. XVIe-XXe siècles* (Paris: PUF, 1999) 197-202

¹⁵ Henry Koster discusses in length some Brazilian/Portuguese complaints against the commercial treaties. One is that Brazilian vessels that are bought in the United States are not allowed in British harbors, which he dismisses as

Nevertheless, pressure from Portugal challenged British commercial superiority. As Emília Viotti da Costa has pointed out, the opening of the ports in 1808 to friendly vessels was only seen as a temporary measure, and subsequent legislation after the 1810 commercial treaty with Great Britain tried to reinstall more favorable policies towards Portuguese merchants.¹⁶ It was especially during Pernambuco's 1817 revolt that local populations resisted the monopolization of the market by a small group of merchants.¹⁷ As Low Countries merchants were to find out, it was not only the opening of the ports and equal tariffs that was important, but also the necessity to break through the monopolies in taste, preferences, finance and suppliers.

Low Countries diplomats and merchants had to suffer a lack of commercial privileges, as total equality to their British, Portuguese and French competitors did not come until 1828.¹⁸ Basically, the Portuguese authorities in Brazil refused to negotiate a treaty, using the excuse that all affairs of state first had to be settled before any new commercial agreement was going to be signed.¹⁹ The Low Countries envoy in Rio de Janeiro blamed the pro-English factions, first

that this would not be good for both the Brazilian and British ship construction industry. Henry Koster, Travels in Brazil in the years from 1809 to 1815 (Philadelphia: M. Carry & Son, 1817) 2: 270-271.

¹⁶ Emília Viotti da Costa, "The Political Emancipation of Brazil," in A.J.R. Russell-Wood ed., From Colony to Nation. Essays on the Independence of Brazil (Baltimore Md: The Johns Hopkins University Press, 1975) 52-57.

¹⁷ "A case in point was the monopoly on trade in cotton held by certain merchants know as *prensários* (literally, "squeezers). The entire cotton production of the captaincy of Pernambuco, estimated between sixty and seventy thousand sacks and with an annual return of five to six million cruzados, passed through the "sly and crooked hands" of eight men who had the monopoly on the trade." Viotti da Costa, "Political Emancipation" 57

¹⁸ The equalization of import duties came at first through commercial treaties. The first was concluded with France (January 8, 1826); next with Austria (June 30, 1826), Prussia (July 9, 1827), the Hanseatic Cities (November 17, 1827), and Denmark (April 26, 1828). A Royal Edict made the import duties 15 % for all nations on September 24, 1828. After that edict still two more commercial treaties were concluded with the United States (December 12, 1828) and the Low Countries (December 20, 1828). Manchester, British Preeminance 209.

¹⁹ Th. P.M. de Jong has argued that Low Countries diplomats did little to improve commercial relations with Brazil. Yet other nations were equally unsuccessful in their efforts to conclude a commercial treaty with Brazil. "Nederland en Latijns Amerika (1816-1826)," Economische-Historisch Jaarboek. Bijdragen tot de Economische Geschiedenis van Nederland 29 (1963) 9-18.

started by the Count of Linhares and later by the Count of Barca for this feat.²⁰ The reality was that until 1828, vessels from a Low Countries provenance had to pay double the duties of English and Portuguese vessels, which made competition more difficult.

The Low Countries diplomats tried again to obtain the same privileges as the British in 1826 after the Portugal government had recognized Brazil's independence, and King William I boasted that he had aided the Brazilians in the process. The first official envoy of the Low Countries was to establish friendly relations with the Empire, present the Grand Cross of the Dutch Lion to the Emperor, and normalize the trading relations with a treaty.²¹ However, it took another envoy to successfully conclude a treaty on December 20, 1828. The treaty allowed streamlined import and export duties at the same level as all other favored nations (except Portugal), and Brazilian vessels would in reciprocity also receive the status of most favored nation in the Low Countries.²² By that time the Emperor had changed his mind about his relations with foreign nations, and he even boasted to the national assembly about his signing of commercial treaties with the United States, the Netherlands and other nations.²³ However, by

²⁰ Dispatch Willem Mollerus to Netherlands Secretary of State, Rio de Janeiro, February 23, 1817, NADH, Legatie Brazilië, #1.

²¹ Instruction to the Gentleman Brender à Brandis, Consul General and Chargé d'Affaires ad interim of His Majesty the King of the Netherlands in the Empire of Brazil, The Hague, February 11, 1826, NADH, Legatie Brazilië, #1.

²² NADH, Min. BuZa, Verbalen, (incoming correspondence as agenda items in Secretary of State's daily meetings) September 29, 1829/24, #576. Eddy Stols attributes more difficult political and economic relations to the House of Orange's refusal to marry off princess Marianne to emperor Pedro I, "Précenses et activités diplomatiques de l'Empire du Brésil dans le Royaume de Belgique (1830-1889)," in Katia de Queirós Mattoso et al eds., Le Brésil, L'Europe et les équilibres internationaux 210. For the problems to get a spouse among many European courts see, Neill Macaullay, Dom Pedro. The Struggle for Liberty in Brazil and Portugal, 1798-1834 (Durham, NC: Duke University Press, 1986) 224-230. A similar treaty was concluded with the United States, Laurence Hill, The Diplomatic Relations between the United States and Brazil (1st ed. 1932; reprint, New York: AM Press, 1971) 70-71, and the clause that all countries should have preferential treatment on the same level except Portugal was even included in the British treaty of 1828. Manchester, British Preeminence 209.

²³ Dispatch Consul General Martini to secretary of foreign affairs, Baron Verstolk van Soelen, May 3, 1820,

1830, the damage was already done to Dutch commerce. During the period 1825-1828 Low Countries vessels had to face unequal competition, and they also had to understand the working and mannerisms of a market that was alien to their way of thinking. As British merchants had encountered more than a decade before, understanding the Brazilian marketplace was not an easy feat.

The activities of the Nederlandsche Handel-Maatschappij (NHM) in Brazil and Latin America has been but a footnote in Dutch national history.²⁴ It was a failed and money losing project, until the society turned profitable by almost completely focusing on Java. This situation, however, underestimates the role of the NHM as a pioneer in the Brazil trade, which set up further economic prospects for Low Countries investors. As the Belgium historian Eddy Stols stated,²⁵

“The thesis of an Anglo-Saxon predominance ignores too much the presence of other countries, such as France, Germany, Italy, Spain or even the Austrian Empire, without forgetting Portugal, which since its 1822 independence still maintained strong ties with its old colony. Another peculiarity of Brazil’s industrialization is without doubt its opening up to many small countries such as Switzerland, Sweden, or the Low Countries.”

However, the main founder and organizer of the NHM, King William I, did not see the Low Countries as a small nation. Indeed, the king, and also the Pernambuco agent of the NHM saw

NADH, legatie van Brazilië, #3. For other treaties see E.M. Martini’s “Beknopte statistieke en politieke aantekeningen over het Keizerrijk Brazilië. Op het laatst van Juni 1831,” p. 10, NADH, Min. Bu.Za, verbalen, #878, September 10, 1831/14.

²⁴ See for instance W.J. van Balen, Nederland, Portugal en Brazilië (w.p.: Centro Cultural Holanda-Portugal-Brasil, 1967) 33, Roegiers and Van Sas, “Revolutie in Noord en Zuid,” 251.

²⁵ (...)”la thèse d’une prédominance anglo-saxonne ignore un peu trop la présence et l’apport d’autres pays, tels que la France, l’Allemagne, l’Italie, l’Espagne ou même l’Empire Autrichien, sans oublier le Portugal, qui après l’indépendance en 1822, maintient des échanges très fréquents avec l’ancienne colonie. Une autre particularité de l’industrialisation brésilienne est sans doute son ouverture sur de nombreux petits pays comme la Suisse, la Suède ou les Pays-Bas.” Eddy Stols, “Présences Belges et Luxembourgeoises dans la modernisation et l’industrialisation du Brésil (1830-1940),” in Bart de Prins, Eddy Stols and Johan Verberkmoes eds., Brasil. Cultures and Economies of Four Continents. Cultures et Economies de Quatre Continents (Leuven and Leusden: Uitgeverij Acco, 2001) 121.

the society as a means to return to the great glory days of the Netherlands, and therefore were destined to think “big” in its relationships with Brazil and other newly independent nations of Latin America.²⁶

As of 1825 the NHM was out for world commerce and in the first three years it tried to achieve this through agents in Portugal, the Levant, China, the Carribean, and South America.²⁷ The NHM had three commissionaires in Brazil, in Rio de Janeiro, Salvador, and Recife. Of those three agents, C.J. Wylep in Recife left the most detailed correspondence which well demonstrates the working of the local markets and the pitfalls of the local economy.

When C.J. Wylep arrived in Recife during the fall of 1825, he was not only an agent of the NHM, but also the consul of the Low Countries.²⁸ The NHM was set up as a type of successor of the West and East India Companies, in which the public invested in a joint stock company supported by the government of the Netherlands. In contrast to the ancien régime companies, the initiatives and investments did not come from the Estates General, but from king William I. Moreover, the NHM did not obtain a monopoly on overseas trade to the East or West Indies. Given that the NHM provided a guaranteed 4 ½ % return on any share, which was much higher than regular investments, the number of subscribers was quite substantial.²⁹ The NHM

²⁶ Ducco Hellinga, Neutraliteit en Vrijhandel. De Geschiedenis van de Nederlandse Buitenlandse Betrekkingen (Utrecht: Het Spectrum, 2001) 37-38.

²⁷ Gedenkboek der Nederlandsche Handel-Maatschappij 1824-1924 (Amsterdam: Nederlandsche Handel-Maatschappij, 1924) 12-13.

²⁸ According to Theo de Jong, the consular network was supposed to cooperate as much as possible with the network of NHM agents, and indeed in many occasions they were the same persons. Theo P.M. De Jong, De Krimpde Horizon van de Hollandse Koopliden. Hollands Welvaren in het Caribische Zeegebied (1780-1830) (Assen: Van Gorcum, 1966) 135.

²⁹ Gedenkboek der Nederlandsche Handel-Maatschappij 7-8.

was determined to put the Netherlands back on the board as a major trading power. C.J. Wylep was a reflection of this. He was very conscious of his position as both an agent of the NHM as well as a Low Countries diplomatic representative. He envisioned himself to be on the front line to restore Dutch grandeur in trade against British superiority. As he wrote the Secretary of Foreign Affairs, “how sad it might be for the righteous Dutchman, to see his Fatherland not in the upper echelons of peoples who can challenge a part of their superiority, so can he not but admire the enthusiasm for Commerce and Navigation, when he understand the enormous scale of which the English trade with Brazil.”³⁰

The NHM’s opening year was one of great expectations and investments which one Dutch historian has called “naive.”³¹ In the Fall of 1824, the NHM send five vessels with grain to Rio de Janeiro. However, the grain was not milled, and the ships were held up by adverse winds for many weeks. Even before the vessels left the Netherlands, the grain was fermenting. Thus, upon arrival in Rio de Janeiro, most of the grain was disposed on request of the local authorities, leaving only what was left of the grain as well as some *jenever*, butter and cheese to be sold at a loss. The total loss of the journey to Brazil was already f100,000.³² The return cargo was to be coffee, since the NHM direction had heard of the great profits to be had on this product. Unfortunately, they were not the only merchants to received this news, and the

³⁰ “Hoe treurig het ook voor eene rechtaardigen Nederlander zij, zijn Vaderland noch niet in den rang der Volken te zien die hun een gedeelte dezer superioriteit betwisten, zoo kan hij echter niet nalaten de Engelsche geestdrift voor Handel en Zeevaart te bewonderen, wanneer hij met de enorme groote schaal waarop de Engelsche de Braziliaansche Handeldrijven” C.J. Wylep, “Rapport aan Zyne Excellentie den Minister van Buitenlandsche Zaken over den Handel van Pernambuco (Brezil),” NADH, Min. BuZa, verbalen, #451.

³¹ W.J. van Balen, Nederland en de A.B.C.-Staten. Een schets van onze aanraking met Argentinië, Brazilië en Chili (Amsterdam: Uitgeverij Contact, 1945) 88-89.

³² W.M.F. Mansvelt, Geschiedenis van de Nederlandsche Handel-Maatschappij. Uitgegeven ter gelegenheid van het honderdjarig bestaan (Haarlem: Joh. Enschedé en Zonen, 1924-1926) 1:129-130.

European market was overwhelmed by coffee as the five ships returned home, thus losing another *f*200,000.

The expedition to Rio de Janeiro inaugurated the false start to the Brazil market. This was augmented by the NHM's speculation in two major products that were available in Pernambuco: Brazil wood and cotton. In 1824, Pernambuco was in revolt, and the provisional government financed this by selling large amounts of Brazil wood. However, the revolt was crushed, and the price was anticipated to double again in the subsequent years. After a recommendation of a Amsterdam merchant, the NHM bought up all the available red dye wood and invested *f*560,000 in this highly priced article.³³ Similarly, the NHM bought up about *f*1,000,000 of cotton in Liverpool, given the expectations of a bad harvest in Georgia.³⁴

The NHM could have made a huge profit on these speculations, if it had not gotten into a cash flow problem. During the year 1825/1826 the bubble burst over the Latin America trade, and many British, French and German houses went belly under. As a consequence, investors became restless with the new company, and in 1826 the society was forced to sell off most of their inventory to obtain cash to buy its own stock.³⁵ As a consequence, while Wylep tried to set himself up in Pernambuco, the NHM was losing another *f*700,000 on these types of speculations.

However, upon Wylep's arrival in 1825 the NHM was a new company that needed to demonstrate its importance and economic viability on the new Brazilian market. One of the first issues Wylep addressed to the NHM was to demonstrate the importance of showing status.

³³ Mansvelt, De Nederlandsche Handel-Maatschappij 1:142.

³⁴ Mansvelt 1:142.

According to Wylep, the credit and status of the society in Recife could only be established with a display of credibility. One of the crucial parts was to rent a building in the North Eastern Brazilian port. He came with a cargo that has been described by the NHM historian Mansvelt as the contents of a “Far West store,” thus something of everything, which can only be sold when well displayed. The society wanted to understand which products would serve the local markets best.³⁶ However, housing was not readily available. Not only were the rents quite expensive, but few dwellings were available. In the meanwhile, the society’s agent and consul was living with his British partner, Mr. Kenworthy. Next to this display of status, Wylep needed to store and sell the company’s goods.³⁷ Given that storage space was expensive, and the warehouses were of poor quality, Wylep needed to convince the directors of the NHM that this was an essential expense.

Wylep’s complained about housing frequently. It began with a sketch to the NHM’s board of directors about the storage places themselves,³⁸

“I am even more unhappy about the delay [in selling goods] as our expensive manufactures are so badly placed, and I am unable to store them in a neat Dutch way while keeping them in my eyesight. Yet after all my efforts, I have not encountered an appropriate warehouse and office. And even if I did find a place, I would not have been able to make use of it for the first three months, since I would need this time to make it

³⁵ Mansvelt, 1:159.

³⁶ Mansvelt 1:131. For a similar approach by the British merchant Luccock in Rio Grande do Sul see D.C.M Platt, Latin America and British Trade (New York: Harper & Row/Barnes and Noble, 1973) 7-8.

³⁷ Wylep never mentioned his extending family in his correspondence, however, his wife, Elisabeth Jeanne Wylep-Broes, an accomplished musician, had already three living children upon arrival in Pernambuco, and she was to have six more until 1853, when she died of yellow fever in Rio de Janeiro. Helen H. Metzelaar, From Private to Public Spheres. Exploring Women’s Role in Dutch Musical Life from c.1700 to c. 1880 and Three Case Studies (Utrecht: Koninklijke Vereniging voor Nederlandse Muziekgeschiedenis, 1999) 84-85.

³⁸ Letter C.J. Wylep to Directors NHM, Pernambuco, October 15, 1825, NADH, NHM, Correspondentie van Agenten in het Buitenland (correspondence from agents abroad) [c.a.b.] , #921.

inhabitable for myself and clean it up for our goods. One can not possibly form an idea of the rundown nooks and crannies which have been given the name of 'House' by Brazilians, and even worse are the spaces that people take for being a 'warehouse'."

Wylep was completely dependent on the whims of his English partner, who was not always well willing to store the goods or provide credit to a competitor. After half a year, Wylep could finally exclaim that he had found a good space for an office.³⁹ And only in November 1826 did Wylep find the housing of his liking in the building of the former bank of Pernambuco. However the agent had to defend himself before the directors of the NHM who criticized their agent since the new appropriate housing did not come cheap.⁴⁰ Wylep had anticipated this reaction, and he argued the importance of appropriate housing in order to receive colleagues in a proper way, as befitting his work as a Dutch consul. Likewise, he argued that a respectable commercial society needs to demonstrate that its agent has credit in order to place orders with his clients.⁴¹

The housing issues go parallel with Wylep's commercial dealings. British merchants had a long advantage on the market place in Pernambuco. They were able to forge trading connections that were crucial to obtaining the right products at the right price. Wylep as a newcomer had to establish himself with no compatriot merchant house present.⁴² His lack of good housing had affected his trade as it damaged the goods, and his prestige as a fully respected merchant. This might very well have been the reason why local brokers did not want to show him the most appropriate houses from the start, or why they did not want to rent him the spaces for a reasonable price. However, as Wylep became more established and more respected, as he

³⁹ Letter Wylep to NHM, May 24, 1826, NADH, NHM, c.a.b., #921.

⁴⁰ Letters Wylep to NHM, November 18, 1826 and July 30, 1827, NADH, NHM, c.a.b., #923.

⁴¹ Letter Wylep to NHM, June 12, 1827, NADH, NHM, c.a.b., #923.

⁴² Letter Wylep to NHM, September 8, 1825, NADH, NHM, c.a.b., #919.

started to understand the marketplace better, his fortunes improved. That being the case, Wylep also needed to explain this situation to his superiors in the Netherlands, who were mostly preoccupied by profit, and who did not completely seem to understand that the workings of the market place in Pernambuco. Fortunately for historians, Wylep decided to educate his superiors about what it was like to negotiate in Recife, in the end though, he was unsuccessful in persuading the NHM's direction to remain interested in the Brazil trade.

For the NHM the Brazil trade was all about profit. Unfortunately, for two of the first four years of the society, the balances were negative.⁴³ Although this might not have been completely due to their Latin American investments, these investments were not profitable.⁴⁴ Throughout his commission as a NHM agent, Wylep remained an optimist, and he always had explanations why the society ended up losing money but could turn it into future profit. One of the most problematic issues were his explanations of commercial transactions in Recife.

Wylep's first impressions should have forewarned him to the problems ahead. He arrived with the Society's vessel the *Anna Pawlona*, and he was immediately confronted with the Custom's House. All goods had to pass through this government agency, but they were ill prepared to deal with the large amounts of goods. The Low Countries ship had to wait in line among the many British and American vessels. All goods had to pass through the Customs, and literally, there was only one entry to the Customs. The captain of the *Anna Pawlona* was ill prepared for these rather unusual proceedings, thus he had staggered the goods so that they took

⁴³ 1824: f369,000 profit, 1825: f439,000 loss, 1826: f1,253,000 profit, 1827: f613,000 loss, 1828: f1,268,000 profit Gedenkboek der Nederlandsche Handel-Maatschappij appendix.

⁴⁴ Gedenkboek der Nederlandsche Handel-Maatschappij 13, 15. Th. J. M. De Jong, Krimpde Horizon 181-188, provides many examples from Cuba, Haiti, and Central America of these losses. However he maintains that they were not enough to leave the Latin American trade altogether. He also argues that the main losses were in Brazil; speculation on Pernambuco wood and in the grain trade to Rio de Janeiro.

up less space, which meant that boxes with different products got mixed up.⁴⁵ Wylep learned his lesson quickly that he adapt to local circumstances in order to market his goods. Nevertheless, problems in the harbor seemed to accumulate. New laws and changing custom lists (*Pautas*), changing personnel in the Customs who enforced the laws stricter, delays because of illness of one official, closure of the Customs because of holidays, and damage to a vessel which laid unprotected on the bar off Recife because of delays in discharging cargo, were issues that increased the transportation costs and frustrated Wylep.⁴⁶ He reacted to these and other issues by warning the directors of the Nederlandsche Handel-Maatschappij that “that in the civilized and regular Europe it is hard to imagine the circumstances in these countries.”⁴⁷

The sale of perishable products in Brazil proved to be more difficult that expected. The *Anna Pawlona* had a wide variety of products on board, and few were marketable in Pernambuco. Some of the prime examples were the loads of butter, cheese, fish, beer, wheat, and Dutch gin. British merchants had brought butter for some time from Ireland. Even though the quality was less, according to Wylep, it catered a new taste to Brazilians, salty butter.⁴⁸ Unsalted Dutch butter was therefore hard to sell, and to make matters worse, it was very perishable in tropical Pernambuco. Cheese was a better product for the Brazilian markets, indeed Wylep even

⁴⁵ Letter Wylep to NHM, September 22, 1825, NADH, NHM, c.a.b., #919.

⁴⁶ Letters Wylep to NHM, July 18, 1826; November 18, 1826; February 28, 1827, January 18, 1828; March 26, 1828, NADH, NHM, c.a.b., #921 and #923; Letter Captain of the *Mercator*, B. Landberg, to NHM, Pernambuco, July 13, 1828, NADH, NHM, c.a.b. #924.

⁴⁷ “dat men zich in het geciviliceerde regelmatige Europa een goed denkbeeld over de situatie in deese landen kon vormen” Letter Wylep to NHM, May 13, 1827, NADH, NHM, c.a.b. #923.

⁴⁸ Letter Wylep to NHM, September 30, 1825, NADH, NHM, c.a.b., #919.

exclaimed that he wished he could turn butter into cheese.⁴⁹ However, also there the tastes were very peculiar to the local market, which preferred the milder Stolswijk than Edam cheese according to Wylep.⁵⁰ Finally, cheese was not always profitable, but, as Wylep suggested later, then one should ship it from Pernambuco to Rio de Janeiro or to Bahia.⁵¹ Dutch cheeses were the only real product on which the NHM could make a profit on the Brazilian market.⁵² Again, cheese was a perishable product, susceptible to too much transportation.⁵³ Hering fishing was another major Dutch industry, although, Brazilians only enjoyed cod. Anna Pawlona's load of fish did not survive, not only because the fish had gone bad, but also because it was not up to the local taste.⁵⁴ Wylep did manage to sell beer, but only at a very large discount. Wylep's comments on beer was very similar to other products, "Everyday I get the most nasty complaints about the beer, the people who have bought it have lost their whole capital. Nobody wants to drink it, and no wonder it is already as acid as vinegar. The beer needs to have the same strength as the English."⁵⁵ Again, the Brazilians were used to English beer, and Wylep referred to that as an example for selling to the local market. The buyers lost much money, as the agent of the NHM had to admit, its taste had gone awful, and the local buyers made a loss on it. Dutch gin

⁴⁹ Letter Wylep to NHM, September 22, 1825, NADH, NHM, c.a.b., #919.

⁵⁰ Letter Wylep to NHM, September 22, 1825, NADH, NHM, c.a.b., #919.

⁵¹ Letter Wylep to NHM, July 15, 1826, NADH, NHM, c.a.b., #921.

⁵² Letter Wylep to NHM, June 24, 1826, NADH, NHM, c.a.b., #921.

⁵³ Letter Wylep to NHM, February 1, 1828, NADH, NHM, c.a.b., #925.

⁵⁴ Letters Wylep to NHM, December 23, 1825 and January 31, 1826, NADH, NHM, c.a.b., #921.

⁵⁵ "Ik heb dagelyks de vervelendste klachten over het bier, de menschen die het gekogt hebben, zijn hun geheele Capitaal kwyt. Niemand wil het drinken, geen wonder want het is reeds zoo zuur als azyn. Dat bier dient in sterkte met het Engelsche gelyk te staan." Letter Wylep to NHM, October 23, 1826, NADH, NHM, c.a.b., #921.

(jenever) was not profitable either, and once it started discoloring, it was unsaleable.⁵⁶ Dutch wheat had to compete with American and Hamburg wheat. The former had brought their product to the local Brazilian markets since 1808. Brazilians did not like the Dutch wheat since it had a poorer quality. It could only be sold against very high discounts in Salvador (Bahia), and the local agent claimed that it had to be mixed with much other wheat before the ugly taste disappeared.⁵⁷

Non-perishable goods had similar problems. Expensive textiles from Brabant and other manufactures were sold against prices that made the NHM's agent cry.⁵⁸ Competition was too high, even with the French, who paid 9 % less import duty.⁵⁹ Even nails, iron strips, and music boxes could only be sold after large discounts. In other words, the cargos of the Low Countries vessels sent to Brazil was sold with heavy losses.⁶⁰ Products from the Low Countries were too expensive, and not in line with the local market. To make matters worse, those products that

⁵⁶ Letter Wylep to NHM, December 2, 1826, NADH, NHM, c.a.b., #923. Yet there is evidence that jenever did become major sales product for Dutch merchants in Latin America. H.Ph. Vogel, "Wat grootmoedige vastberadenheid en vrijheidsliefde vermogen," in H.W. van de Doel, P.C. Emmer and H.Ph. Vogel eds., Nederland en de Nieuwe Wereld (Utrecht: Aula, 1992) 99.

⁵⁷ "Les farines sont vendues: c'est avec beaucoup de peine que j'en ai obtenue 7\$700. La qualité n'est vraiment pas bonne. Le pain qu'on en a fait a vraiment un mauvais gout & est moins blanc, qui de toute autre farine. Plusieurs boulangers m'ont dit préférer la farine de Hambourg à la nôtre." Letter J. Valcke de Knuyt to Directors NHM, Bahia, October 20, 1826, NADH, NHM, c.a.b., #921. Similar sounds that American wheat is better in his letter of October 7, 1826, NADH, NHM, c.a.b., #921. For the competitiveness of US wheat on Brazilian markets see Gregory G. Brown, "The Impact of American Flour Imports on Brazilian Wheat production, 1808-1822," The Americas (1991) 47:3, 315-336. According to Th. G.M. de Jong this was one of the major money losing expeditions, Krimpende Horizon 182, 191, for more details see H.Ph. Vogel, "Wat grootmoedige vastberadenheid," 95.

⁵⁸ Letters Wylep to NHM, May 9 and September 24, 1827, NADH, NHM, c.a.b., #923

⁵⁹ Letter Wylep to NHM, October 31, 1826, NADH, NHM, c.a.b., #921.

⁶⁰ For nails: letters Wylep to NHM, December 30, 1825, and May 8, 1826, NADH, NHM, c.a.b., #921, for strip iron: Wylep to NHM, December 17, 1826, NADH, NHM, c.a.b., #923, music boxes: Wylep to NHM, July 20, 1827, NADH, NHM, c.a.b., #923.

were potentially profitable, such as cheese, were brought in by foreign vessels which paid less import duties.⁶¹ East Indian products could officially not be imported, however United States vessels did not care and bypassed both the Dutch monopoly in the East Indies and local Brazilian authorities.⁶²

The Nederlandsche Handel-Maatschappij envisioned Brazil as a cheap supply of tropical products such as coffee, cotton, diamonds, hides, sugar, tobacco and wood. Yet again, the NHM had to compete with American, British, French, and Portuguese merchants over these export products. Not only were these products in high demand, but the mechanisms of the Pernambuco market made them difficult to obtain. Indeed, there were many pitfalls to the market, which made it difficult to estimate if profits could be made, and the NHM suffered as a consequence.

Pernambuco had three main products to trade to the NHM cotton, hides and sugar. The agent of the NHM settled in Pernambuco at a bad time. Upon Wylep's arrival in Brazil, the North East was suffering a drought. The drought caused five major problems for Wylep and the NHM. First, because of the drought nobody could afford to buy the NHM's products. Second, because of the drought there were hardly local products to buy. Third, if there were any local products available they were extremely pricy. Fourth, Wylep did not have the money to buy these products, since he could not sell his cargo. Fifth, Wylep could not borrow the money or obtain them on credit, since the newly arrived businessman had no credit established and even his partner, Mr. Kenworthy did not want to advance him any money.⁶³ There was nothing left for

⁶¹ Letter Wylep to NHM, February 28, 1826, NADH, NHM, c.a.b., #921.

⁶² Letters Wylep to NHM, September 30, 1825; February 28, 1826; and January 19, 1828, NADH, NHM, c.a.b., #919, #921 and #925; Viotti da Costa, "Political Emancipation" 53.

⁶³ Letter Wylep to NHM, October 15, 1825, NADH, NHM, c.a.b., #919.

him to do but to sell the *Anna Pawlona*'s perishable goods as soon as possible at discount prices, and let the ship wait until the situation turned for the better.

Remarkably, Wylep remained an optimist, and he sold the newly independent Brazil with the promise of a better future. "I see the Brazilian free, and I exult as many about its fortune, but I also see its liberty followed by a development of its industry which may go beyond our imagination."⁶⁴ The consul of the Low Countries and agent of the NHM did not suffer from the same negative prejudices as many of his foreign colleagues. In contrast to the English in Bahia, Wylep openly sought local as well as foreign contacts in order to improve his situation.⁶⁵ Over time, Wylep was able to establish strong connections which made his commercial transactions flow better.

Pernambuco became especially important to the new industries of Europe because of its cotton productions. It is therefore unsurprising that Wylep bought as much cotton as possible for the *Anna Pawlona*. Only after a four month stay in Recife's port could this ship return with a large load of cotton and a small cargo of sugar.⁶⁶ Since cotton was hard to find, and Wylep went

⁶⁴ Ik zie den Braziliaan vrij, ik juich als menigh in zijn geluk, maar ik zie die vrijheid tevens gevolgd door een ontwikkeling van Nyverheid die alle verbeelding misschien te bovenstreven." Letter Wylep to NHM, November 21, 1825, NADH, NHM, c.a.b., #921.

⁶⁵ For British merchants views in Bahia society see Louise H. Guenther, British Merchants in Nineteenth-Century Brazil. Business Culture and Identity in Bahia, 1808-1850 (Oxford: Center for Brazilian Studies, 2004), esp. chapters 3 and 4. The agent in Salvador confirms this "Ce sont presque tous les Brésiliens que n'ont ni honneur ni probité ni délicatesse. Les Anglais sont obligés de continuer avec eux parce qu'ils se trouvent fortement engagés, mais il n'y en a pas eu que ne deplore sa situation." About a British church in Rio de Janeiro see Martini, "Beknopte Statistieke em politieke aantekeningen over het Keizerrijk Brazilië. Op het laatst van Juni 1831," NADG, Min. BuZa, verballen, #878, September 10, 1831/14, in 1825 Permanbuco the English had twenty houses, a hospital, a church and a church yard according to consul C.J. Wylep, "Rapport aan Zyne Excellentie den Minister van Buitenlandsche Zaken over den Handel van Pernambuco (Brezil),"NADH, Min. BuZa, verballen, #451. Similarly, American diplomatic representatives had a negative bias against the Brazilian monarchy, and even personally supported "republican" movements in South Brazil and Pernambuco. Bolton, Diplomatic Relations between the United States and Brazil chapters 2,3,4.

⁶⁶ Letter Wylep to NHM, January 31, 1826, NHM, c.a.b., #921.

to Paraiba for his next load to obtain this highly in-demand product at a lower cost. His descriptions about yangadas to the NHM and his dealings with Paraiba are instructive, as it demonstrates how he was adapting to Brazilian conditions:⁶⁷

“Paraiba is only a small place where only a few cotton presses exist, and certainly not in the quantity as here (these presses are not allowed to be everywhere). One buys there usually only in small parties, and once 16 bales are collected they are sent here not by vessel, boat or ship, but by raft. I have always seen these rafts as very dangerous water crafts, but I am now reconciled, since I daily see those rafts returning from 100 mile voyages along the coast. Nothing can give a better acquaintance of the childlike nature of these rafts (...) But now I see they are without danger and as people trust large sums of cash to these wretched water crafts, I thought to advise Your Most Noble Gentlemen to profit from the large price differences between here and Paraiba.”

In addition to yangadas cotton carriers in the streets of Recife also concerned Wylep. He gave a lively description of a time-consuming occupation of carrying cotton and cash through the streets to his supervisors in The Hague. “One needs to stay by oneself in the warehouse until all is taken from the seller, which usually takes a long time before the whole lot is taken, since all the blacks carry 3 to 4 pieces on their heads, and then they need to be accompanied by someone on the street to keep the backs in sight.” This was especially in case there was a long procession of blacks carrying money, since “it was easy fo them to walk into a side street, which is not uncommon.”⁶⁸

⁶⁷ “Paraiba is slechts een kleine plaats alwaar zich eenige Catoen pressen bevinden, maar lang niet in de uitgestrektheid als hier (deese pressen mogen niet overal zyn) Men koopt daarnu gewoonlijk bij kleine partijtjes, en naar mate men 16 balen bijeen heeft zend men die herwaarde niet met een boot of schip, maar met een vlot. Ik heb zul een vlot altijd als een gevaarlyk vaartuig aangezien, maar begin my daarmede te verzoenen, nu ik dagelyks zulke vloten van reizen van 100 myl langs de kust terug zie koomen. Niets kan beter denkbeeld van de kinderlykheid der navigatie geven als deese vloten (...) Maar intusschen nu ik dan ook zie dat ze zonder gevaar zyn, nu ick zie dat men aan contant geld sommen van belang aan deese ellendige vaartuigen toevertrouwd, heb ik vermeend het ook te moeten wagen om UWEd. van het groot onderscheid van de catoenpryzen van hier en Paraibe te laten profiteren.” Letter Wylep to NHM, May 24, 1826, NADH, NHM, c.a.b., #921.

⁶⁸ “Men dient zelf wel te blyven in het Pakhuis van den verkoper to dat geheele party weggehaald is; dat gewoonlyk zeer lang duurt, wyl alle door Negers die 3 à 4 stuks op hun hoofd neemen weggedragen word, en dan dient men nog wel iemand op straat te laten patrouilleren on de dragende negers in het oog te houden. (...) “En hoe gemakkelyk eenige een dwarsstraat in kunnen sluipen,dat niet vreemd is.” Letter Wylep to NHM, May 3, 1826,

Instead of waiting for the societies' vessels, Wylep chartered one to sail to Europe for the first time.⁶⁹ Thus 322 bales of cotton made it home safely with the English brig, *the Atlas*, to which he had added a load of hides.⁷⁰ By this time, the NHM started to set limits to the amount of money the agents could spend on their products, so that they could make a profit selling them in the Low Countries. This, however, did not guarantee financial gain, as the sale of hides made clear.

Pernambuco and the North East of Brazil was part of cattle country. Like the Southern parts of Brazil, Argentina, and Uruguay, cattle were slaughtered and hides were salted locally. As with cotton, Wylep claimed to have done his best to obtain a large and cheap supply of hides: "I truthfully did not spare any effort and I crawled through al the most awful nooks and corners to find better parties."⁷¹ However, it was all in vain, since the NHM suffered a loss every time hides were sent from Pernambuco. At first, Wylep could blame it on weight loss, which miraculously happened during the Transatlantic passage to the NHM and others.⁷² Wylep was at a loss, and he wrote to the directors that it was impossible to calculate the weight loss, since that changed every time, and he mentioned all kinds of influences on this such as climate, seasons, and storage in vessels or in warehouses, in other words he did not know.⁷³ Of course, this

NADH, NHM, c.a.b., #921

⁶⁹ The NHM decided to send fewer vessels to Latin America, because of the earlier financial losses. Mansvelt 1:159.

⁷⁰ Letter Wylep to NHM, May 24, 1826, NADH, NHM, c.a.b., #921.

⁷¹ "Ik heb waarlyk geene moeite gespaard, in afschuwelykste hoeken en gaten doorgeknopen om de beste partyen te vinden." Letter Wylep to NHM, September 14, 1826, NADH, NHM, c.a.b., #921.

⁷² Letter Wylep to NHM, November 1, 1826, NADH, NHM, c.a.b., #921.

⁷³ Letter Wylep to NHM, December 17, 1826, NADH, NHM, c.a.b., #923.

hardly satisfied the Board of Directors in The Hague, and they were even more concerned when the following three shipments were also losing money.⁷⁴ Indeed, the only real profit seems to have been made on sugar.

The directors NHM wanted to avoid losses and putting maximum prices for the buying of Brazilian products.⁷⁵ The problem was that sugar came in a wide range of varieties. Moreover, as the Brazilian agents were forced to buy sugar on very low prices, they had to improvise on how to obtain sugar at very low rate. One solution was to obtain last year's sugar, but the quality of sugar diminished since it had a tendency to become wet. At least on one occasion the directors scolded Wylep for sending "old rubbish."⁷⁶ Another possibility to obtain lower priced sugar was to find this product beyond the Recife market. Wylep went to Maceio (Alagoas) to lower the costs.⁷⁷ The market remained with perilous. At first, he sent sugar in casks rather than in the usual boxes, which made its sale in Europe more difficult and cost the society more money in import duties. Another problematic point was that sugar was not readily available, and Wylep did not have preferential status in the market of Pernambuco. In order to alleviate the last problem the agent of the NHM went into partnership with respected local merchants.⁷⁸ In return for loans to the Brazilians, and selling products on credit, Wylep was able to arrange a supply of sugar against a fixed price. Next, he chartered a vessel to sail the sugar at an arranged time.⁷⁹

⁷⁴ Letters Wylep to NHM, August 22, 1827 and February 29, 1828, NADH, NHM, c.a.b., #923 and #925.

⁷⁵ Letter Wylep to NHM, June 13, 1826, NADH, NHM, c.a.b., #921.

⁷⁶ Letter Wylep to NHM, November 18, 1826, NADH, NHM, c.a.b., #923.

⁷⁷ Letter Wylep to NHM, February 29, 1828, NADH, NHM, c.a.b., #925.

⁷⁸ Letters Wylep to NHM, November 27 and December 2, 1826, NADH, NHM, c.a.b., #923.

⁷⁹ Letter Wylep to NHM, February 15, 1827, NADH, NHM, c.a.b., #923.

Even though the sugar came late, his Brazilian trading partner, Guimarães did sent the right amount of sugar and the society was finally able to make some profit.⁸⁰ In sum, once Wylep's closer ties to the local business community and local experience finally started to pay off.⁸¹

The shipments from the Wylep to the Low Countries were not always profitable and it was a risky business. These risks were not only in losing weight in hides, or the poor quality of the products, but also due to other factors that were beyond his capacity to predict.⁸² For instance, at some point several local shopkeepers went broke, and he was very fortunate not to have given too much credit to them.⁸³ In Rio de Janeiro and Bahia there were money issues, sudden devaluation of paper money or even in coin caused commercial losses.⁸⁴ The politics of its time also had its toll: the Brazilian government was at war with Buenos Aires and many Brazilian vessels were captured, attacking local Portuguese merchants.⁸⁵ Local revolts were not out of the question. There was a major revolt in 1817, a conspiracy took place in 1827, and Wylep reported extensively on another revolt in 1831.⁸⁶ And finally, the financial system since Pernambuco merchants refused to honor letters of exchange drawn on Dutch merchants, they all

⁸⁰ Letter Wylep to NHM, April 20, 1827, NADH, NHM, c.a.b., #923

⁸¹ Letter Wylep to NHM, May 16, 1828, NADH, NHM, c.a.b., #925.

⁸² Letter Wylep to NHM, November 3, 1827, NADH, NHM, c.a.b., #923.

⁸³ Letter Wylep to NHM, June 20 and July 5, 1827, NADH, NHM, c.a.b., #923.

⁸⁴ Letters Wylep to NHM, February 3 and April 8, 1827, NADH, NHM, c.a.b., #923, Leslie Bethell and José Murilo de Carvalho, "1822-1850," in: Leslie Bethell ed., Brazil. Empire and Republic, 1822-1930 (Cambridge: Cambridge University Press, 1989) 56.

⁸⁵ Letter Wylep to NHM, May 1, 1828, NADH, NHM, c.a.b., #925.

⁸⁶ Letter Wylep to NHM, June 30, 1827, NADH, NHM, c.a.b., #923. Dispatch Consul C.J. Wylep to Consul General in Rio de Janeiro, J.P. Rodner, September 21, 1831, NADH, Min. BuZa, Legatie Brazilië, #8. Wylep also reported about rumors to declare the emperor absolute, but they failed to come true, Letter Wylep to NHM, October 12, 1827, NADH, NHM, c.a.b., #923.

had to be sent through British merchants in London, which cost the NHM extra money.⁸⁷

Wylep made the best out of these situations. When asked to write about the trade relations with Brazil to an agent in Valparaiso (Chili), Wylep claimed that Pernambuco was one of the most stable markets in Brazil.⁸⁸ Indeed, he encouraged speculation in coins to make use of the different exchange rates in Rio de Janeiro, Bahia and Pernambuco. He remained almost always the optimist, and he believed in the future of the place.

Wylep was always seeking new avenues to earn money. One of his projects was to seek out the provincial junta whom he promised loans in order to obtain part of the Brazilwood market.⁸⁹ The Federal government used Brazilwood as a collateral against the heavy loans from the British government, and Wylep tried to convince them that the Low Countries could offer them a better deal. For the moment it only led to the local junta to view the NHM positively, and this offer might have improved his credit in the highest circles. However, shortly after that the NHM became a casualty of a financial panic, and ended up with a major cash flow problem.

In 1828 the Board of Directors of the NHM had enough of the losses in Latin America, and it decided to increase its investments in the East Indies and diminish its investments in the West Indies.⁹⁰ In the following years the investments declined in non-East India trade by about 50 % or one sixteenth of the total.⁹¹ The NHM did not completely withdraw from its Latin

⁸⁷ Letter J Valcke de Knuyte to NHM, Pernambuco, April 5, 1826, NADH, NHM, c.a.b., #921.

⁸⁸ Letter Wylep to Doursther, November 27, 1827, NADH, NHM, c.a.b., #925.

⁸⁹ Letter Wylep to NHM, May 24 and June 3, 1826, NADH, NHM, c.a.b., #921.

⁹⁰ Th. P. M. de Jong, *Krimpende Horizon* 190. Every year the Latin American trade brought financial losses between 1824 and 1832. Mansvelt 1: bijlage (appendix) 2. The West Coast of South America was the only exception (Mansvelt 1: 173)

⁹¹ Gedenkboek der Nederlandsche Handel-Maatschappij appendix. In 1828 the NHM invested f2,085,000 in

American trade, but it was greatly diminished.⁹²

What were the contributions of the Low Countries to the Brazilian economy? The consular reports from Rio de Janeiro demonstrate that these were quite limited. In terms of importation, the Low Countries came in the sixth place, after Britain, the USA, Brazil, France and Portugal. In 1828, 751 vessels arrived in the Port of Rio de Janeiro from Transoceanic voyages, 305 were British, 149 were Americans, 112 were Brazilian, 47 were French, 41 were Portuguese and 24 were from the Low Countries. The previous two years the numbers were about equal.⁹³ The consul made a special effort to describe the Low Countries vessels and what they transported to and from Brazil.

Most Low Countries vessels came from the Southern Netherlands (Belgium) port of Antwerp. Only three of vessels had a Northern Low Countries provenance. Their cargoes were mostly gin, cheese, salt (most likely from the Cape Verde islands) and coal. In some occasions they just brought ballast, and a few brought in colonists. Their return cargoes were mostly destined to Antwerp and this was sometimes also the destination of some foreign carriers. Of all

other-than-East-Indies in 1829 it was f985,000 in other-than-East-Indies, in the “East Indies” category it was f16,054,000 for 1828 and f15,590,000 for the “East Indies” in 1829. After 1832 the other-than-East-Indies expenses declined with another 50 %, and the expenses for other-than-East-Indies became less than f100,000 after 1835, only in the 1850s did the expenses for other-than-East-Indies rise again .

⁹² According to De Jong trade only continued with Cuba. Th. P. M. de Jong, *Krimpende Horizon* 191. However there is evidence that trade might have continued with Pernambuco too. History Associates Inc, “Predecessors of ABN AMRO Bank N.V. and Connections to African Slavery in the United States and the Americas,” p. 9, http://www.abnamro.com/com/about/history/pdf/hai_report.pdf , accessed June 20, 2007. Mansvelt (1:173) too, mentioned continuation on a lower scale “Terwille van Amsterdam’s voormaligen bloeiende handel in huden en suiker, werden ook de betrekkingen met Brazilië en eenige West-Indische eilanden niet geheel opgeheven”. (Because of Amsterdam former substantial trade in hides and sugar was the trade not discontinued to Brazil and some of the West-Indian islands).

⁹³ 1826: 195 English, 116 American, 62 Brazilian, 45 French, 32 Portuguese, and 21 Low Countries vessels, total vessels from foreign ports was 530; 1827: 249 English, 136 American, 70 Brazilian, 42 French, 59 Portuguese and 25 Low Countries vessels, total vessels from foreign ports was 644. M.A. Martini, “Verslag van de Staat des Koophandels der Keizerlyke Residentie en Zeehavens van Rio de Janeiro gedurende het jaar 1828,” p.11, August 10, 1829, NADH, Min. Bu.Za., Verbalen, #571, August 10, 1829/57.

major export products, Antwerp had about 10 % of the exported coffee (38,673 chests out of 354,254, and 2,699 casks out of 14,538) thereby becoming the third most important port of entry after the combined ports of Hamburg, Bremen and Triest; in hides Antwerp was the single largest important port, and it imported 1,168 chests of sugar. In contrast, Amsterdam was the only other Low Countries port, and the only load destined for that port was just 30 chests of sugar. The Southern Netherlands was industrializing and as a result they became the main destination for Brazilian products.⁹⁴

By 1828, Wylep had obtained a letter from his superiors that they could only guarantee his continuation as an agent until the end of that year. However, the NHM did not completely withdraw, and Wylep continued trading for them in Pernambuco until 1832 after which he continued as a consul general in Rio de Janeiro for the next two decades. Yet it was obvious that the society was decreasing its investments in Brazil. The choice of the society was simple, more profit was to be obtained in Java and the expanding Dutch East Indies, where they were dominating the market, and where they did start a coffee plantation system. There the market could be dominated on their own terms. Especially after the split of Belgium and Luxembourg, the Low Countries lost its most industrialized parts, and thus it went back to the old colonial policies of plantations and financing.

The NHM's departure from Latin American and Caribbean markets has been seen by Dutch historians as a sign of weakness. H.Ph.Vogel thought that the society was energetic, but Dutch merchants did not have "the energy, will, vision, and the stamina" to compete with

⁹⁴ For the importance of Antwerp in the Brazil trade see Theo P.M. De Jong, *De Krimpende Horizon* 243-247, 322; Eddy Stols, "Histórias e Independências quase ou apenas paralelas," in Carlos Martins, Valéria Piccoli and Eddy Stols eds., *O Diplomata e Desenhista Benjamin Mary e as Relações da Bélgica com o Império do Brasil* (São Paulo: Editora Linha Aberta, 2006) 49-50.

English merchants.⁹⁵ For Theo de Jong, it were not the merchants or the king, but the board of directors of the NHM who never were fully inclined to see the advantages of the Latin American trade. He argues that, given that North Germans and Southern Netherlandish merchants continued to trade with Latin America, and given that the NHM's losses were not that drastic, the directors could have made a profit from these commercial transactions. Instead, the NHM's directors chose to concentrate their commerce on Java.⁹⁶

The opening of the ports in 1808 did not mean that all commercial restrictions were released. British and American merchants at first, and later other European merchants, came to adjust to a new *modus operandi*. Brazilians had their own ways of trading, that, as Wylep so aptly tried to point out to the directors in The Hague, were very different from what merchants were used to in Europe. In a sense, this was also protectionism. One can only trade with the right connections, and with the approval of the local authorities. As Louise Guenther has pointed out nicely, that British merchants tried to circumvent this by forming their own communities, but this was not always successful.⁹⁷ This made commercial transactions more vulnerable, and this could have dire consequences for foreign and local merchants. In Java, in contrast, the NHM was trading on its own terms, and with less risk. Therefore, one should not be surprised, that for the time being this was far more profitable for the society. Moreover, Britain's early experience on the Brazilian market was hard to beat. Its position as a financial clearing house for Northern

⁹⁵ H.Ph.Vogel, "Wat grootmoedige vastberadenheid," 94.

⁹⁶ Th.P.M. de Jong, Krimpende Horizon 191

⁹⁷ "this process [of forming a British community] did not happen by itself, but was to some extent a deliberate strategy of British merchants ensuring personal and commercial survival on several levels." Guenther, British merchants in Nineteenth-Century Brazil 62. About British Bankruptcies in Pernambuco see letters Wylep to NHM, June 13, 1826 and March 31, 1828, NADH, NHM, c.a.b., #921 and #925.

European transactions was well established and continued at least into the 1840s.⁹⁸

Understanding the market and established customs after the relocation of the court made such long lasting relations possible.

This did not mean that Low Countries traders stopped having commercial relations with Brazil. To the contrary, the city of Antwerp used Latin America as its niche market, while Amsterdam merchants in general were more interested in Surinam and Java. Individual merchants, such as consul Wylep could not devote himself to Java, because at an earlier age he had had negative business experiences with trade to the Dutch East Indies.⁹⁹ Other Dutch merchants with similar interests continued trading with Brazil and Latin America after the NHM withdrew.¹⁰⁰ Neither the NHM nor these Dutch merchants were conservative. They invested in the areas in which they could make the best profits against the lowest risk.

The Belgium historian Eddy Stols has demonstrated persuasively that the Brazilian government had a positive bias towards the Southern Netherlands. In his view this bias was related to political issues rather than economic: Belgium was a new republic, and Belgium had supported Pedro I's daughter's claim to the Portuguese throne.¹⁰¹ In the recognition of Brazil's status under the new nations, Brazilian and Belgium leaders had much to offer each other. Stols

⁹⁸ Manchester, British Preeminance 315.

⁹⁹ Letter Wylep to NHM, NADH, NHM, c.a.b, March 31, 1828, #925.

¹⁰⁰ He was one of the directors of a new company, the West-Indische Maatschappij, Th.J.M. de Jong, Krimpende Horizon 214. For Crommelin's shipments to Brazil see letter Wylep to NHM, August 7, 1826, NADH. NHM, c.a.b., #921. A successor organization, the West-Indische Maatschappij continued to have an agent in Rio de Janeiro, and was equally unsuccessful in making profits on these markets. R. Reinsma, "De West-Indische Maatschappij (1828-1863)," Tijdschrift voor Geschiedenis (1960) 73:1, 63, 64.

¹⁰¹ Stols "Histórias e Independências" 29-34

also sees the importance of mutual economic interests that drove these diplomatic relations.¹⁰²

Brazilian products could be allowed at lower tariffs, as Belgium lacked competing colonies (until Congo, late nineteenth century), which produced coffee, sugar, tobacco, and hides. Moreover, Belgium know-how was very welcome in an increasingly assertive Brazil.¹⁰³

Yet, the Northern Netherlands investments were not completely lost in Brazil. Van Wylep continued to be an enthusiastic merchant and consul-general in Rio de Janeiro. The Nederlandsche Handel-Maatschappij became more a financial institution, known today under the name of ABN-AMRO, which invested in foreign loans in Brazil, and still invests in insurance and commercial transactions especially through its ownership of the Banco Real. As the Dutch merchants came to understand when Brazil became a politically and economically more stable country later in the nineteenth century, it was not Dutch cheese and gin that made the profits, rather loan to developing industry and infrastructure in need of Dutch capital.

¹⁰² Stols “Histórias e Independências” 29-34

¹⁰³ For instance in 1882/3 Belgium send an impressive 25 steam vessels and 1 sail vessel to Rio de Janeiro. This is telling both about the technological advancement of the Belgians as well as their continued trade to Brazil. In contrast, the Netherlands had but seven sailing vessels entering the same harbor. K.F. van Delden Laërne, Brazilië en Java. Verslag over de Koffiecultuur in Amerika, Azië en Afrika (Den Haag: Martinus Nijhoff, 1885) 198.