

## The many afterlives of the Ostend Company (1727-45)

### Introduction

In 1967, Holden Furber noted that ‘the quarrelsome mélange of Flemings, Scotsmen, Swedes, Frenchmen, Irish Jacobites and renegade Englishmen usually lumped together in the records under the designation “Ostenders”’ caused trouble in the 1720s and 1730s for the established major trading companies, such as the English and Dutch East India Companies (EIC and VOC) in Bengal.<sup>1</sup> Indeed, the Ostenders were an eccentric group of merchants and sailors who were united under the banner of the so-called Ostend Company. This Company, also known under its formal name the *Generale Keijzerlijke Indische Compagnie* or GIC, was a short-lived but very successful chartered company between 1722 and 1727 based in the Southern Netherlands. Despite the high profits of the Company from the Chinese tea trade, the Habsburg Emperor Charles VI was forced to retract its charter in 1727 under Dutch and English pressure.<sup>2</sup> In 1732, following further negotiations, the charter of the GIC was definitively retracted. Notwithstanding these setbacks, investors and employees were able to continue trading after the formal retraction in 1732. This article analyses the various strategies these investors, supercargoes and sailors employed to keep the Ostend trade alive, based on archival documents from Belgium, the Netherlands and Austria. Since the sources on the GIC are dispersed throughout Europe, only a coherent look at sources from both the Northern and Southern Low Countries, as well as from the ‘imperial centre’ (Vienna), can present us the whole picture of the developments described in this article. By analysing business correspondence and lobbying, the strategies can be reconstructed. The post-1732 period has not been studied yet in the rich (mostly Dutch- or French-language) literature on the GIC, despite being one of the more interesting periods from the perspective of an economic or maritime historian. Even if recent literature has contributed much to the understanding of the internal dynamics of the GIC and the it has figured prominently in general legal-diplomatic history of the early eighteenth century, its ‘afterlife’ has not been put into the right context.<sup>3</sup> In short, the article asks how and why investors in the GIC continued their activities after 1727.

Many of the directors had business contacts all over Europe and used those to keep the GIC trade flowing. Both in Bengal and China, the GIC managed to keep trading by forging alliances with private European traders or chartered companies opposed to the English and Dutch companies.<sup>4</sup> This shows that the GIC was a much more resilient organisation than has been allowed for, even if some of the initiatives have been analysed in relative isolation. The links between the Ostenders and the Scandinavian East India companies, most notably the Swedish East India Company (*Svenska Ostindiska Companiet*, SOIC), have been discussed by historians, even if this has been discussed in a the Swedish context only.<sup>5</sup> Besides large investments in the Scandinavian chartered companies, trade also continued via a free port such as Hamburg or smuggling trade via Cádiz, a city with a large Dutch-Flemish diaspora.<sup>6</sup> Established chartered companies such as the Dutch and English East India Companies (VOC and EIC) perceived this as a major threat to their profitable trade. Despite the formal abolition of the GIC, the ‘sequels’ of the Company would have a major impact on European

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<sup>1</sup> Furber, ‘Glimpses of Life’, 16.

<sup>2</sup> Dhondt, ‘*Delenda est Haec Carthago*’, 430-433.

<sup>3</sup> Baguet, ‘Politics and commerce’; Dhondt, ‘*Delenda est Haec Carthago*’; Dhondt, *Balance of Power*, 383-390.

<sup>4</sup> Parmentier, *De Holle Compagnie*, 29-93.

<sup>5</sup> Only a few articles pay attention to the afterlife of the GIC. See: Aberg, ‘The Swedish East India Company 1731-1766’, 97-108; Michielsen, ‘Het einde van de Oostendsche Compagnie’, 128-143; Müller, ‘The Swedish East India trade’, 28-44.

<sup>6</sup> Crespo Solana, ‘A Network-Based Merchant Empire’, 145-147.

trade in Asia in the eighteenth century, something only recently accepted in the literature.<sup>7</sup> As this article shows, the resilience of the Ostend trade would have significant consequences for eighteenth-century trade between Europe and Asia.

The article will proceed as follows. First, it gives an overview of the immediate aftermath of the retraction of the charter in 1727 and the political background. Second, the article analyses the Scandinavian links. Third, it analyses the circumventions in Europe itself. Fourth, it moves on to the remarkable situation in Asia. Finally, it concludes. The article deliberately excludes the efforts to create various Companies in the Italian Peninsula during the first half of the eighteenth century, since they involved only one director (Pietro Proli) and focused on other markets than the Ostend trade originally did (namely wood rather than tea).<sup>8</sup> Even if some historians have seen those mid-eighteenth century companies as heirs to the GIC, this article excludes them for the reasons mentioned.

### **The initial post-1727 period**

The GIC was chartered by the Habsburg Emperor Charles VI in 1721, after merchants from all over Europe clustered in Antwerp and Ostend in the aftermath of the War of Spanish Succession (1701-13). Between 1715-20, these merchants set up various private ventures, of which those that participated in the Chinese tea trade were most successful.<sup>9</sup> Despite heavy opposition from the Dutch and English, their ally Charles VI still decided to charter the GIC in 1721 to provide institutional backing and limit internal competition. As opposed to the established companies, such as the EIC and VOC, the charter of the GIC explicitly prohibited the Company to conquer territory in Asia, so that it could fully focus on its trade.<sup>10</sup> During its short existence (1722-7), the GIC imported almost half of the Chinese tea in Europe and thus established itself quickly as a major competitor to the EIC, the other major importer of tea in Europe.<sup>11</sup> The GIC also established a factory in Banquibazaar in Bengal, close to the Dutch and English factories, to participate in the textile trade.<sup>12</sup> Earlier efforts to participate in the West African slave trade had already been crushed by the Royal Africa Company (RAC) and Dutch West India Company (WIC).<sup>13</sup> The Ostenders obviously presented a threat to the monopolies of the EIC and VOC in Asia. Although both companies threatened to act militarily against the Ostenders, in the end the matter was settled diplomatically, in return for the Dutch and English acceptance of the Pragmatic Sanction that allowed Charles VI's daughter Maria Theresa to become his heir. Despite the diplomatic success of the Dutch and English, two of the GIC's directors, Jacomo de Prêt and Jacobus Maelcamp, immediately started to establish the so-called *geheime jointe* (secret mission), whereby three ships were prepared to sail to Bengal and China to illegally continue its trade under false Dutch passports.<sup>14</sup> Besides this, two 'permission ships' were allowed by the Dutch and English between 1728 and 1730 to finish running business in Bengal and China. Of course, the directors tried to disguise these extra ships behind the cover of the permission ships.

{Illustration 1 about here}

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<sup>7</sup> Nierstrasz, 'The Popularisation of Tea', 266-269.

<sup>8</sup> Houtman-De Smedt, *Charles Proli*.

<sup>9</sup> This is all described in: Parmentier, 'The Private Ventures', 75-102.

<sup>10</sup> Baels, *De Generale Keizerlijke*, 61-64.

<sup>11</sup> Degryse, 'De Oostendse Chinahandel', 315-323.

<sup>12</sup> Prims, *De Stichting van Banquibazar*, 7-56.

<sup>13</sup> Parmentier, 'The Ostend Guinea Trade', 175-201.

<sup>14</sup> Algemeen Rijksarchief Brussel (hereafter BE-ARB), Geheime Raad onder het Oostenrijks bewind, inv. T 460, nr. 1153B.

Thomas Ray, a naturalised Irish director of the GIC, was instrumental in fixing the necessary permits to venture the ships, even if there was initial opposition from the Governess Maria Elisabeth. Thanks to his English and Irish connections, he was able to lure many English, Scottish and Irish sailors and captains to Ostend to equip ships with able and experienced seamen. Former EIC employees were thus instrumental in the continuation of the trade. One of the ships chartered by the directors successfully reached Bengal, but two other ships were apprehended by the English when the ships tried to buy silver in Cádiz in 1729. The secret mission was thus considered to be a failure.<sup>15</sup> It soon became clear that the Habsburg administration in Vienna was unwilling to support a second incarnation of the GIC, because diplomatic relations with the Dutch and the English were deemed more important. As a result, directors and investors increasingly started to look for other opportunities to participate in the profitable China trade. Both in Europe and Asia, creative strategies were developed to circumvent the ban on trading under the Ostend banner.

### The Scandinavian investments

After the failure of the secret mission and the safe return journey of the so-called ‘permission ships’ from China and Bengal, many investors and supercargoes turned to Scandinavia. Both in Denmark and Sweden, the success of the GIC had encouraged enthusiasm for an East India Company. The Swedish King Frederick was the first one to act, and with significant investments from Ostend the *Fredericus Rex Sueciae* was chartered in 1730.<sup>16</sup> It sailed under the Dutch flag to China to participate in the tea trade. In 1731, after the success of this venture and various others, the SOIC was founded. The GIC director Maelcamp was one of the biggest foreign investors. In 1732 he also bought shares, via his son Carlos, in the recently established Danish East India Company (*Asiatisk Kompagni*, DAC, established 1730).<sup>17</sup> Table I shows a list of investors from the Southern Netherlands in two Swedish ships, including Carlos Maelcamp. In Maelcamp’s will of 1733, we find a share in the DAC, as well as proof of investments in the private ventures from Göteborg.<sup>18</sup> This was most likely a form of risk spreading, since both focused on the tea trade in China. However, the DAC mainly focused on the Dutch market, whereas the SOIC mainly brought tea to the English market.<sup>19</sup> Both companies ‘re-exported’ tea to other European countries, which was a euphemism for smuggling. English private merchants often happily bought this tea to circumvent the monopolistic trade of the EIC, whereas the Amsterdam market was relatively freely accessible.

{Table 1 about here}

Former GIC employees flocked to the Scandinavian companies as well, the Swedish one foremost. One such example was Colin Campbell, a Scottish merchant who worked as a supercargo (captain-cum-merchant) in the GIC and would become one of the SOIC’s directors. The SOIC was especially popular with former GIC sailors. The presence of Campbell attracted those now out of work in Ostend. The SOIC was furthermore partly funded by money from the Southern Netherlands.<sup>20</sup> The DAC saw significant Ostend investments as well, but primarily hired Dutch supercargoes who worked in the GIC.<sup>21</sup> That may also explain the focus of the latter on the Dutch market for the tea exported from China. Why were the Scandinavian companies so popular with former ‘Ostenders’? One reason was that the Swedish and Danish companies enjoyed greater legal security, since the Ostend

<sup>15</sup> Parmentier, *De Holle Compagnie*, 29-36.

<sup>16</sup> Ibid., 58-63 & 71-78.

<sup>17</sup> Stadsarchief Gent (hereafter: BE-SAG), Staten van Goed, inv. 332, nr. 630/1.

<sup>18</sup> Ibid.

<sup>19</sup> Müller, ‘The Swedish East India trade’, 30-34; Monod, ‘Dangerous Merchandise’, 170-175.

<sup>20</sup> Koninckx, *The First and Second Charter*, 1-38.

<sup>21</sup> Glamann, ‘The Danish Asiatic Company’, 109-113.

Company was under constant diplomatic and legal attacks from the Dutch and the English for allegedly breaching provisions from the 1648 Münster Peace Treaty.<sup>22</sup> The Scandinavian companies did not have these political and legal problems and thus presented a safer way to invest money. Second, the Scandinavian companies focused exclusively on the very profitable tea business of the GIC. This trade, especially in cheap Bohea tea, promised steady high returns. Since the Chinese treated all Europeans equally, access to the market was guaranteed as well, without interference from the Dutch or the English.<sup>23</sup> Furthermore, financial support by local elites and political backing made the Scandinavian investments attractive alternatives to the GIC as well, since the latter could be formally disbanded at any point. The business model of the Scandinavian companies was even 'leaner' than that of the GIC since they focused almost solely on participating in the lucrative Chinese tea trade, which was particularly true for the Swedish Company. It focused solely on trading with China, whereas the DAC still tried to gain access to the market in Bengal and on the Coromandel coast in the Indian subcontinent as well.<sup>24</sup> The combination of the legal safety and the focus on the profitable Chinese tea trade made it a very attractive investment for former GIC investors.

### **Circumventing trade**

After the failure of the secret mission and the return of the permission ships from Bengal and China, most Ostend investors turned towards the Scandinavian companies to continue their profitable investments in the China tea trade. Some, under the leadership of Ray, still tried to keep the trade from Ostend flowing. They tried through a variety of strategies: either by circumventing the trade, by smuggling or by seeking cover under a foreign flag. The secretary of the GIC, Louis Benaerts, was the main instigator of these efforts. Benaerts set up contacts with two Flemish brothers in Cádiz, the Carpentier brothers.<sup>25</sup> Even if Cádiz was formally under the strict control of the Spanish King and institutions such as the *Casa de la Contracción* after 1717, opportunities for (semi-)illegal trade were rife.<sup>26</sup> Especially 'Dutch' merchants, meaning both Dutch and Flemish merchants, were able to profit from the system. Because they had a long-standing formal organisation in Spain and had built up extensive ties to Spanish merchants, they were able to profit from the licenses needed to conduct trade in Cádiz. Flemish and Dutch merchants did this, for instance, by formally partnering with Spanish local merchants. In this way, Flemish and Dutch merchants were able to control large portions of the trade in silver, the most important commodity to trade in Asia.<sup>27</sup> The extensive links that Cádiz had to trade in Europe, the Mediterranean and the Atlantic area proved a magnet for foreign merchants after the main Spanish commercial institutions had moved there in 1717, including the Flemish and Dutch merchants.<sup>28</sup> In the case of the GIC, the availability of agents who combined deep knowledge of the local market as well as contacts to secure silver via semi-legal ways to conduct trade, was crucial to successfully divert its trade via Cádiz. Alexander Hume, the director of the GIC in Bengal, who had earlier trading connections with the Carpentier brothers, was instrumental in connecting the brothers with Benaerts.<sup>29</sup>

Finding agents in foreign ports was the main strategy employed by Benaerts between 1730 and 1739. Besides Cádiz, Benaerts also chartered ships from the free ports of Hamburg and Danzig.

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<sup>22</sup> Dhondt, *'Delenda est Haec Carthago'*, 43-48.

<sup>23</sup> Hellmann, 'Life in the Foreign Quarters', 798-802; see also Van Dyke, *Merchants of Canton and Macao*.

<sup>24</sup> Parmentier, *De Holle Compagnie*, 67-70.

<sup>25</sup> Österreichisches Staatsarchiv, Allgemeine Verwaltungsarchiv (hereafter: AT-OestA-AVA), Familienarchiv Harrach, nr. 491.33 (Benaerts).

<sup>26</sup> Crespo Solana, 'A Network-Based Merchant Empire', 149-157.

<sup>27</sup> Ibid., 150.

<sup>28</sup> Ibid., 147-149.

<sup>29</sup> Universitaire Bibliotheek Gent (hereafter: BE-UBG), Fonds Hye-Hoys, nr. 1891.

The Prussian king moreover tried to lure the GIC to the German port of Emden to continue their trade, although this attempt was blocked by Benaerts because he argued that the move would be too costly.<sup>30</sup> Free ports, such as Hamburg, were useful for Benaerts to circumvent trade for several reasons. First, the import and export duties were low; second, controls often were minimal; third, free ports were out of reach of the great powers, which prevented the Dutch, English and French from intervening politically or diplomatically. However, Cádiz, where silver was easily obtainable, remained by far the most important port to circumvent the Ostend trade, even it was not a free port. Flemish firms and partnerships were willing to offer their services in Cádiz to their fellow countrymen, since the Asian goods brought on the voyages were in high demand. Via the Carpentier brothers, ships under a neutral flag were set up in order to sail to Bengal and China.<sup>31</sup> The neutral flag was a prerequisite to escape the attention of the Dutch and the English, who often patrolled before the coast of Cádiz. Dutch passports were also taken aboard for emergency cases.<sup>32</sup> Benaerts also contacted the Portuguese king, who happened to be the brother-in-law of Eugène de Savoie, the former representative of the Viennese government in the Southern Netherlands, to set up trade from Lisbon, even if this never materialised.<sup>33</sup> In Asia, however, they played an important role for the Ostenders. Portuguese traders had, after they lost influence in Asia in the sixteenth and seventeenth century, taken up positions as middlemen in Bengal and other places in the Indian subcontinent. As such, they were important brokers for the Ostend traders in Bengal in the early years to buy textiles, the commodity in highest demand there. For Portuguese merchants, providing services to the Ostenders was a way to stay profitable in the Indian subcontinent after the demise of their Empire there, much like<sup>34</sup>

The smuggling trade did not appear out of nothing after the charter of the GIC was retracted. Already in 1725, when the first signs started to appear that the GIC would be sacrificed for acceptance of the Pragmatic Sanction during the Congress of Soissons (1725-6), the directors of the GIC started to look for ways to divert their trade.<sup>35</sup> During the same time Dutch and English ships undertook military actions against GIC ships in international waters, the Ostenders took the step to divert their trade to Hamburg, a major free port in the Holy Roman Empire, temporarily. This became known in the Dutch Republic quickly, since the Grand Pensionary Van Hoornbeeck already complained in that same year in a letter to his secretary Surendonck about the diversion to Hamburg.<sup>36</sup> Links to Cádiz were further cultivated after the Treaty of Vienna (1725) between Spain and Austria, in which Spain acknowledged the GIC's right to exist. In this treaty, the Ostenders received the right to take part in the Spanish colonial trade. In the same year, when the GIC was at the height of its profitability, the GIC board of directors also permitted a voyage to Brazil, although the ship perished. Because of the Vienna Treaty, the Dutch and English allied themselves with the French and the Prussians in the so-called Hanoverian Alliance in 1725 as well and put increasing pressure on Charles VI to stop supporting the GIC.

Hamburg quickly resumed its function as an operating base for the GIC after the suspension of the charter. After the retraction of the charter in 1732, the High Council for the Netherlands, the highest administrative council dealing with the Southern Netherlands in Vienna, even started negotiations with the city and several merchants to move the GIC to Hamburg under the name of

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<sup>30</sup> AT-OestA-AVA, nr. 491.33 (Benaerts).

<sup>31</sup> AT-OestA-AVA, Familienarchiv Harrach, nrs. 491.33 (Benaerts) & 496.25 (Carpentier).

<sup>32</sup> Ibid.

<sup>33</sup> Parmentier, 'From Macau to Rio', 373-384.

<sup>34</sup> Ibid.

<sup>35</sup> Nationaal Archief Den Haag (hereafter: NL-HaNa), Archief Surendonck, inv. 3.20.57, nr. 313.

<sup>36</sup> NL-HaNa, Archief Surendonck, 313; NL-HaNa, Collectie Fagel-supplement, inv. 1.10.94, nr. 281.

the *Compagnie d'Hambourg*.<sup>37</sup> The merchants associated with this Company agreed, in principle, to buy all the possessions of the GIC. The GIC had already seen high levels of investment from Hamburg, in the eighteenth century the primary commercial city in the Empire.<sup>38</sup> The lengthy negotiations (1732-9) point to the fact that there was a willingness on both sides to go on with the deal, but other factors prevented this from happening.<sup>39</sup> The High Council most likely agreed to the idea, but Charles VI probably blocked the proposal out of fear that the English, Dutch and French would retract their support for the Pragmatic Sanction. The well-developed plans of 1739, twelve years after the retraction of the charter, however points to the fact that the idea of moving the GIC abroad was taken very seriously. Despite the failure to reach a definitive agreement, Hamburg was used nonetheless by Ostend ships to re-export tea and other commodities to Amsterdam, London or Antwerp under a neutral flag during the 1730s.

Besides Cádiz and Hamburg, Danzig (now known as Gdansk) was an important port. In 1734, Benaerts contacted the king of Poland-Lithuania, to sail from Danzig to Asia. Although this port was relatively far from the Amsterdam and London markets, it had historically strong links with Amsterdam due to the Baltic grain trade, which guaranteed good transport links. This gave the Polish King the opportunity to participate in the China and Bengal trades as well. In 1734-5, two ships were chartered from Danzig, one to Bengal and one to China.<sup>40</sup> Before the retraction of the charter, two ships were chartered to China every year for tea to limit the supply and drive up the profits. However, when the Dutch and the English learned of this new initiative, the same problem as with the Hamburg trade transpired. The Dutch and English set up extra controls for the northern routes stop the Ostend trade from operating. The Prussian king again tried to lure the Ostenders to Emden in 1745, but the High Council and Charles eventually rejected this proposal, just like had happened in the case of the Hamburg project.<sup>41</sup> In 1750, when the Prussian Company was established, it was however no surprise that participation from the Southern Netherlands was extremely high.<sup>42</sup>

## The trade in Asia

Not only in Europe the Ostenders kept causing headaches for the Dutch and English. Immediately after the news of the 1727 retraction of the charter had reached the GIC's factory in Banquibazaar (Bengal), its Governor, Alexander Hume, and François de Schonamille, an investor in the GIC who helped set up the factory in Banquibazaar, made plans to continue the trade from the factory.<sup>43</sup> Until 1745 some twenty Ostenders would roam Bengal and trade under the flag of the GIC. They forged connections with French and Danish merchants who clandestinely traded with them and worked together with English country traders, private merchants who worked with permission of the EIC, to circumvent the EIC monopoly. The GIC had come to Bengal in the first instance to buy textile products there, but with a very specific purpose. Between 1717-9, during the time of private ventures from Ostend, investors in these ventures, led by De Schonamille, had tried to gain access into the West African slave trade on the Guinea coast, at that time controlled by the RAC and the WIC. Two of the three Ostend ships were hijacked by the Dutch and the third was lost in a storm. As a result, the Ostenders quickly stopped sending ships to the Guinea coast in 1719. The textile trade from Bengal was, for the Ostend investors, primarily a way to participate in the African slave trade.

<sup>37</sup> BE-ARB, Departement van de Hof- en Staatskanselarij, inv. T129, nr. 643.

<sup>38</sup> Baasch, 'Hamburg', 309-319.

<sup>39</sup> BE-ARB, Departement van de Hof- en Staatskanselarij, nr. 643.

<sup>40</sup> Parmentier, *De Holle Compagnie*, 64-66.

<sup>41</sup> BE-ARB, Departement van de Hof- en Staatskanselarij, nr. 642.

<sup>42</sup> Schui, 'Prussia's "trans-oceanic moment"', 152-153.

<sup>43</sup> Parmentier, *De Holle Compagnie*, 67-78.

In Eastern Africa, textiles were often used as a medium of exchange for slaves.<sup>44</sup> Historians who have looked at the trade of the GIC have come to the unsurprising conclusion that the Bengal trade was less profitable than the China trade.<sup>45</sup> The fact that it was used mainly as a medium of exchange, is overlooked by historians such as Baetens. This economic landscape is important when we want to understand the continuation of the GIC trade in Asia, including why so many of the supercargoes and merchants stayed there. The increasing competition to the VOC and EIC by the GIC and the Scandinavian companies opened opportunities for men like Hume and De Schonamille to pursue a profitable trade. The duopoly of the Dutch and English companies had already been broken by the French *Compagnie des Indes Orientales* (CIO), but other factors also played into this development: for instance, the decision of the EIC to permit its employees to participate in the so-called 'country trade', or private trade. Furthermore, the relative decline of the VOC created a gap that was mainly filled by non-Dutch and non-English employees, such as the Ostenders. From the factory in Banquibazaar, De Schonamille and Hume were able to continue the textile trade, for instance by using the permission ships.<sup>46</sup>

For some, such as the Frenchmen Antoine Crozat, investing in the GIC was a way to circumvent the monopolistic trade of the French CIO which drove up the price of slaves.<sup>47</sup> Crozat was a wealthy investor from France who had held the monopoly on production in French Louisiana between 1713-7 and set up various companies in France, including the St. Malo Company.<sup>48</sup> Moreover, he held the Spanish *Asiento* (license) on the slave trade in the Indies after the War of Spanish Succession, and he was the largest tax farmer in the country.<sup>49</sup> Since his companies were in the end suspended and subsumed into the CIO, Crozat sought other ways to participate in the slave trade. Because the Vienna Treaty gave him the opportunity to trade with the GIC as well via the *Asiento*, this was a logical move. Crozat had, after the demise of his chartered companies (including the St. Malo Company), already invested in the GIC as well during the time of the private ventures (1717-21).<sup>50</sup>

Hume was the key player in the GIC's continuing role in Bengal. He was instrumental in encouraging Benaerts to circumvent the trade to Cádiz, whereby his connections with the Carpentier brothers proved valuable.<sup>51</sup> Until 1737 Hume stayed in Bengal as the GIC Governor there, until he became a director in the EIC. Ironically, Hume had resigned from the same company some twenty years earlier when he had not been promoted to a post of director.<sup>52</sup> The appointment of Hume shows how much he was a nuisance to the EIC's business in Asia. His contacts, as well as those from men like De Schonamille and Godefroy de Merveiller Jr., a French supercargo whose father was an early investor in the ventures from Ostend and the St. Malo Company, were instrumental in the continuation of the Ostend trade.<sup>53</sup> Hume and Merveiller used their contacts in the EIC and CIO to buy textiles, despite the ban by both companies to trade with the Ostenders. The later French Governor in Bengal, Dupleix, was the main reason that the Ostenders were so successful in doing so. De Schonamille himself married Dupleix' daughter in 1743, cementing the bonds between the

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<sup>44</sup> Machado, *Oceans of trade*; De Alencastro, 'The economic network of Portugal's Atlantic world', 109-137.

<sup>45</sup> Baetens, 'Investeren en rendement', 17-42.

<sup>46</sup> Prims, *De stichting van Banquibazar*, 7-56; Parmentier, *De holle compagnie*, 67-78.

<sup>47</sup> Degryse & Parmentier, 'Agiotage en verkoop', 117-121.

<sup>48</sup> Heijmans, 'The Agency of Empire', 73-77.

<sup>49</sup> Ibid.

<sup>50</sup> Parmentier & Degryse, 'Agiotage en verkoop', 117-121.

<sup>51</sup> BE-UBG, Fonds Hye-Hoys, nr. 1891.

<sup>52</sup> Parmentier, *De holle compagnie*, 45-46.

<sup>53</sup> Degryse & Parmentier, 'Agiotage en verkoop', 117-121.

French and the Ostenders.<sup>54</sup> Despite his high position in the CIO, Dupleix had been fired in 1724 for corrupt practices. In 1741, Dupleix became Governor of Pondicherry (Bengal) for the CIO anyway. Dupleix used the Company to shield his extensive private trade network. Moreover, he did not shy away from violence under the French flag to extend his trade, especially against the EIC.<sup>55</sup> Until his impeachment in 1753, this strategy provided him with many advantages.<sup>56</sup> To conduct his private trade, the GIC men were perfect middlemen to hide his private trade, since they were experienced and had contacts in all European companies. For men like De Schonamille, Dupleix offered new ways to keep participating in the trade, especially in the Bengal textile trade.

{Illustration 2 about here}

Besides the cooperation with English and French merchants, the Scandinavian connection was important in Asia as well. The DAC also set up a factory in Bengal in the early 1730s. The Ostenders, already knowledgeable about the local situation, offered their services to the Danish. The Danish gladly accepted this offer to challenge the English (and Dutch) dominance in the region, the most important barrier to entry in the Bengal market. By offering services to various Companies, such as the Danish and French companies, the Ostenders were able to use the newly allowed private trade in many companies to offer services as middlemen.<sup>57</sup> In this way, they remained an important player in the textile trade for some ten more years. The Ostend trade lost its importance only when Hume left the Company. De Schonamille fled Bengal because of English threats and was killed in 1745 in Pegu (current-day Myanmar), not long after Dupleix had lost his role as director of the CIO.<sup>58</sup> Thereby the Ostenders also lost their final protector. The Ostend adventures came to an end in 1745, thirteen years after the charter was initially retracted.

## Conclusion

The 'quarrelsome mélange' of merchants and sailors lumped together under the Austrian flag was remarkably successful in continuing its trade after the charter of the GIC was suspended in 1727. This article analysed the strategies the Ostenders used to keep their trade going in Europe and Asia. In Europe, two strategies can be distinguished. The first, under the leadership of Benaerts, consisted of circumventing trade via free ports such as Hamburg or smuggling via ports as Cádiz, with the help of the sizable Flemish diaspora there. Because it played such an outsized role in the eighteenth-century world economy due to the silver arriving from the Americas, Cádiz became the preferred port for operations. Despite formal prohibitions to participate, the Dutch-Flemish merchant community offered many ways to participate in the lucrative trade from Cádiz in semi-legal ways and gain access to silver, the main mean of payment in China and India. Hume, the GIC's Governor in Bengal was instrumental due to his connections there. Lisbon, Hamburg and Danzig were also considered by the GIC directors and the latter two were indeed used as operating bases.

Many investors picked the second strategy, which was to invest in one of the Scandinavian companies. The SOIC and DAC copied the business model of the GIC by focusing on importing cheap tea from China, where the EIC had a virtual monopoly up to the early 1720s. After the failure of the 'secret mission' in 1728-9, various initiatives were subsequently employed to evade the sanctions pushed through by the French, Dutch and English. Since the Chinese tea trade was very profitable and promised tax returns, various European rulers offered to host the GIC. Efforts to host the GIC in

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<sup>54</sup> Parmentier, *De holle compagnie*, 57.

<sup>55</sup> Heijmans, 'The Agency of Empire', 222 & 259-261.

<sup>56</sup> Ibid., 259-261.

<sup>57</sup> Pritchard, 'Private Trade', 111-121; Nierstrasz, 'Reguleren of corrumperen?', 165-176.

<sup>58</sup> Heijmans, 'The Agency of Empire', 259.



Hamburg and Emden were denied by the High Council for the Netherlands in Vienna, after which all the efforts to reinvigorate the GIC elsewhere ended around 1740. In Asia, connections were forged, with the DAC, Portuguese merchants and the French Governor Dupleix, whose private trade dealings perfectly suited the Ostend traders. The allowance of private trade by the various companies, such as the EIC's country trade, opened opportunities to create private partnerships with English, Dutch and French merchants. Despite the demise of the GIC, its organisational innovation and its success in the Chinese tea trade were copied by the DAC and SOIC to great success. These companies would develop themselves into competitors to the EIC and VOC by specialising in the Chinese tea trade. Although the GIC only formally existed for five years, the 'quarrelsome mélange' of Ostenders was a significant nuisance for the English and Dutch in both Europe and Asia between 1727-45, with lasting effects during the eighteenth century.

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