

[Transcript] The Rest Is History / 351: Amsterdam: Miracles, Money, and Mud

Hello and welcome to a very special episode of the Rest is History.

We are here in the heart of Amsterdam surrounded by bicycles and trams and thousands of people. And we are here, Tom, thanks to WISE, the account that lets you send, spend and receive money internationally. Tom, we are going on a Dutch adventure to learn about the history of Amsterdam.

And Tom, thanks to WISE, we'll be spending like locals.

We will.

So yes, we're here in Amsterdam and we thought you loved the Netherlands.

You always go on about how you love the Dutch and Dutch history.

Well, Holland, obviously.

So we thought it would be a fun thing to do to come to this corner of northwestern Europe and to tell the story of the Netherlands through the history of Amsterdam and through a selection of buildings. So you've chosen your favorite historic sites in the city of Amsterdam.

And we are going to be exploring the themes of capitalism, of liberalism, the religious tolerance of the Dutch.

Yeah, because you say that this is an episode about the Netherlands as well as about Amsterdam.

But, Tom, I would go further and say it's a history of the world.

Amsterdam is one of those cities that has profoundly shaped the entire course of global history.

Well, don't people sometimes say this is the great birthplace,

one of the great birthplaces, along with, I suppose, London,

Genoa, Venice, I don't know, of capitalism, of modern international capitalism?

Absolutely. And we will be exploring one of the great shrines to that emergence of capitalism.

But I think of all the cities that have played outsize roles in global history,

being one of those places that have altered and changed the course of world history.

Amsterdam, for me, is, I think, my favorite because it's the least grandiose, it's the least pompous.

Dare I say, it's perhaps the most comfortable. And that's a very unusual thing in a kind of world-shaking city to have. And what makes Amsterdam even more extraordinary is that it seems in some way so unsuited by geography for its role.

So you compared Amsterdam to London as one of the two kind of great birthplaces,

really, of modern capitalism. And London is obviously very well suited by geography

to be a great city because it's lowest bridging point on the Thames, it's open to the sea.

But Amsterdam, the clue is in the name, we are currently in Dam Square,

which is the kind of ancient heart of the city, because a dam here was built over a river called

the Amstel. But when we call it a river, it wasn't really, it was really a kind of,

it was an extended bog. And all this area around here, I mean, going back into the

Iron Age, then to the Roman period, early medieval period, it was really just a series of marshes.

And we have records, say, from my great friend, Pliny the Elder.

I knew Pliny would come into this somewhere.

So he has, so he served up here and he describes seeing people kind of perched on man-made island, things that are called turps. And the seawater's coming in and retreating twice a day.

And so he says, you know, he asks, are these, you know, is this to be reckoned sea or is it to be reckoned land? And it's an open question.

Obviously, the low countries, you know, it's below sea level, isn't it?

Yeah. And so it's not an obvious place to settle. So then why, why is it that people

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are settling here? And the reason is because the soil is unbelievably good. So you have peat, which is good for farming. But the problem with that is that if you start draining it of water, which, you know, the more you settle here, the more you're doing that. So it shrinks. And so then you start sinking below the sea level. And that's the time is actually, I think, about two meters below the sea. And then of course, the danger of flooding becomes even greater. And the only way that you can combat that danger of flooding is to get together and kind of form a collective and start building dams and dykes.

Hence dam square.

Hence dam square. And so Amsterdam is very, it's a very inhospitable geographical position for a city.

Yeah.

But the city emerges because the only way you can settle here is to form a collective. And so what basically seems to have happened is that around 1150, 1160, there was really terrible flooding here. And so the only way that people could survive was really to start building kind of collective enterprises, dams and so on. So you have drainage ditches start to be dug from beginning of the 13th century. And then by about 1250, maybe 1275, people are digging dykes along the banks of the of the Amstel. And then they put a dam across it. And where we are now in dam square is exactly the spot where they built the dam. So the Amstel back in early Middle Ages was flowing exactly where we are now.

So late by the standards of European capitals, isn't it? I mean, what do we, 13th century?

I mean, I suppose Madrid is a late capital. But if you think of so many of the great cities of Europe, Amsterdam is a real parvenu, Tom.

It absolutely is. And it remains that pretty much for most of the Middle Ages.

Its wealth, essentially, to begin with comes from fish.

How glamorous.

Well, so herring in particular. And the Dutch have discovered a particular way of pickling herring that enables it to survive longer and actually makes it tastier.

And so they call one of that particular market.

Just for those people who are wondering, we were talking about how glamorous Amsterdam is.

And we are, you've picked the location of those right by the bins.

Yes, the bins have just arrived.

So yeah, if you, if you're, if you're coming on your own trip to Amsterdam,

I wouldn't recommend going to the bins unless you want to redo the full Tom Holland.

Well, you know, we're going into the dark underbelly of Amsterdam,

as well as looking simply at the, the, the beauties of it.

So 13th century, we have Amsterdam. It's a fishing, it's a kind of fishing community.

It's still very muddy. It's still very boggy.

There doesn't seem to be very much that would make it a place worth visiting.

And then something extraordinary happens, Dominic.

Well, Tom, you've really been... Something dare I say, miraculous.

Miraculous. Well, you've really been selling it so far with all the talk of preserved herrings and whatnot and, and taking me to the sea of the bins.

But it's only onwards and upwards from here, isn't it?

So we're going to go and see this miraculous thing that you're talking about.

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The very sight of it.

Very exciting. Let's go.

So we've just ducked into this lovely little cafe here.

Tom needs a bit of sustenance because, you know...

It's excitement, the sacral moment that's approaching.

So Tom, I'll let me get these.

Now, your usual is, what is it?

A strawberry and cream skinny Frappuccino.

Is it? Is that what you normally have?

Could I have an espresso, please, Dominic?

Tom is having an espresso and I'll have an Americano, please.

A double, please.

Tom has gone for the double espresso, my word.

He's more of a man than I thought.

And Tom, what a great opportunity this is to use our wise cards that allow us to spend like a local.

Unbelievably useful.

And actually, Dominic, bearing in mind what we're about to go and see, very opposite because the next place fits all about international tourism.

Is it?

Yeah.

So how useful a wise card would have been in the Middle Ages, as we will shortly find out.

Genuinely miraculous history podcasting here.

So I'm going to tap my wise card.

This is an exciting moment and perfect.

All done.

Miraculous.

Thank you very much.

Well, Dominic, actually, that really was easy.

I haven't used wise before,

but I can now see why so many businesses and people,

I think 16 million, maybe over.

Yeah, because you can spend really easily

and you get notifications, Tom, to your phone,

which I know you would love that.

Because I love getting notifications on my phone.

Yeah.

The thing about wise, you can spend in 40 different currencies.

And if you're on the go, as you so often are with your travels, and you don't have the local currency in your wise account, Tom, they were auto-converted at the mid-market exchange rate with absolutely no markups and no hidden fees.

Because I hate a markup and I hate a hidden fee.

So wise is the card for me.
And also, Dominic, no maths.
No, no maths.
So you'd be a big fan of that.
That's very good.
So we are now...
We've come to the second location that I've chosen.
And you will see that it is the Amsterdam Dungeon,
which I think is a franchise
organised by the London Dungeon.
So it's basically waxworks of people being tortured,
that kind of thing.
So you may think, well, why have I brought you here?
I actually genuinely enjoy those things, Tom.
Well, I'm going to ruin your sense of enjoyment now by saying,
but we have come here not because of the London Dungeon itself,
but because of what stood here, which was a church Dominic.
So we were talking before about how it was that Amsterdam
starts to emerge from just being a kind of collection of people camped out
next to a bog going fishing for herring.
There was an awful lot of herrings involved in that early sequence.
I mean, it's quite a rough place, but it's also pious,
as you would expect for people kind of living very close to the elements.
So there's a definite sense, I think,
which runs throughout the history of Amsterdam.
Descartes, who came to stay here,
kind of famously said that God made the world,
but the Dutch made Holland.
And there is this sense that the ability to win land from the sea
is a kind of marker of divine favour.
So Amsterdam, although it's rough, is a pretty pious place.
But what really turbocharges the sense of Amsterdam
as a godly city in the Middle Ages
is a spectacular miracle, Dominic,
which happened on the very spot where we are now looking at the Amsterdam Dungeon.
So this took place in 1345, and it was called The Miracle of Amsterdam.
And it took place on Tuesday before Palm Sunday,
so kind of the week before Holy Week.
And there's an old man, and he's quietly dying in his house.
The priest comes, gives him final sacrament,
and he takes the consecrated bread on his tongue,
and then he vomits, Dominic.
And he pukes it up, and the Holy Sacrament is in the puke,
so difficult to know what to do.

So they decide, well, we'll chuck it on the fire.
That's probably the best way to get rid of it.
And they chuck it on the fire, and it doesn't burn.
And they try it again, and it still doesn't burn.
And so they clean it of the sick,
and they take it to the local priest, and he's amazed,
and thinks that this is highly supernatural.
And they say that it's a miracle, and so they build a church around it,
and then the church burns down, and still it doesn't burn.
The sacrament still survives.
And then the church burns down again, and still it doesn't burn down.
So this is an absolute proof that this is a spectacular miracle.
And so Amsterdam becomes a great, great centre of pilgrimage.
And actually, all the kind of streets around here,
they're kind of holy road, holy place, all this kind of thing.
So even though this is absolutely the heart of the modern day tourist heart of the city,
there are trace elements of that.
So this is 14th, 15th century.
And this is absolutely not a question of a sort of herring fishing town
in the middle of nowhere desperately needing to attract tourists.
I think that would be an unduly cynical approach.
No, because I don't think that you'd be getting,
say, almost 100,000 people a year if it was a total fraud.
No.
They'd all be coming here with their equivalent of their wise cards ready to spend.
You know, I mean, some really very heavy weight figures came,
including a future emperor of the Holy Roman Empire.
Oh, Maximilian.
Maximilian in 1489.
So it's a very, very Catholic city, great centre of Catholic pilgrimage.
And so that then focuses the question, how is it that this incredibly Catholic city
comes to be one of the most famous centres of Protestantism?
Well, Tom, you mentioned Maximilian of Austria.
So at this point, there is no country called the Netherlands or Holland, is there?
This is part of the great Habsburg inheritance, right?
This is part of the great enormous Habsburg domain of the 16th century.
So Charles V, Philip II, this is what used to be called the Spanish Netherlands.
Am I right?
Absolutely.
So listeners may remember the episode we did about Van Loo on Burgundy and Burgundy
and all that kind of conglomeration of the low countries,
which includes what would today be Belgium as well as the Netherlands, comes part of that
inheritance.
The thing about Amsterdam is that because it's on the periphery

and because it's been won from the sea, its feudal obligations are unclear. The Bishop of Utrecht, the local lord of the Ampstel and the Count of Holland are all kind of fighting over it. And in the end, the Count of Holland kind of claims it. But the city fathers are pretty independent. And so Charles V, who is having to deal with Luther, who's popped up by this station, so the Reformation is kicking off. He's saying to all the city authorities across the lowlands, stamp this out. But actually, the city fathers here in Amsterdam aren't keen on doing that. And basically, that's because it's a port, it's an open city, it's always depended on welcoming people to come here. And they don't really want to kind of dig too deep. And this will become very much a kind of Amsterdam tradition that things that are on the cusp of legality, you kind of tolerate. Right. Because of the port, because of the sense of it being a melting pot, I suppose, that if you're too top down, you will squash the creativity and the free exchange on which Amsterdam presumably depends. And also the sense of a coherent civic culture. Because without that, you can't keep the dams and the dikes and everything maintained and draining it of water. So there isn't actually much persecution of the Protestants as they start to come here. There's one exception, which is the Anabaptists, who are very badly behaved at this stage. So famously, they take over Munster and there's all kinds of carnage and horror there. There is an Anabaptist uprising here at the same time in 1535. And a load of Anabaptists take their clothes off and run around the town. And they capture Dam Square where we've just been. And they storm the city hall and they kill one of the city mayors. So this doesn't go down well. And the Anabaptists, when this uprising gets suppressed, will get horribly killed. They kind of, their chests are cut open and their beating hearts are pulled out in front of them. And they're drawn and quartered. So Anabaptists are stamped on. But the Calvinists, so the followers of Jean Calvin, John Calvin, who we talked about actually in our Swiss episode in World Cup, they're much quieter. They're much less prone to taking their clothes off and killing mayors. I see here from your notes, you've written the three words, much less barking. So that's bad news for our Anabaptist listeners. Well, the Anabaptists do kind of calm down. But by the standards of the mid 16th century, Calvinists are easier for the city fathers to tolerate. And so basically, the city fathers in Amsterdam, it's still absolutely majority Catholic, but they're kind of growing Calvinist population. And they hope that they can kind of balance both sides.

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However, events beyond Amsterdam's borders make that impossible.

Because in 1566, you have what the Bielden storm.

That's beautiful Dutch, Tom.

The kind of great fury of iconoclasm, which really kicks off in Antwerp,

where there are a lot of Calvinists, far more Calvinists than in Amsterdam.

And they go kind of berserk, ransacking everything, pulling down icons and stuff.

And actually in Ghent as well.

So again, we had Bart was on our show, wasn't he?

Talking about Belgium and the...

And Yann Van Eyck.

Yann Van Eyck.

And that only gets saved because they hide it.

Okay. The Ghent Altarpiece.

The Ghent Altarpiece.

In Amsterdam, it's less, again, it's less serious.

So there's a woman who takes her slipper off and throws it at the icon of the Virgin.

Iconoclast smashed some stained glass.

But again, the authorities in Amsterdam do not react to this with violent oppression.

In fact, they do the opposite.

They kind of try and negotiate with Calvinists and they say that

they can hold services outside the city walls.

And this is their approach to this kind of wave of iconoclasm.

Right.

But this is not what the imperial authority is allowing to happen.

Because by now, Charles V has been succeeded by Philip II.

Yes.

As English listeners will know, he's the person who sends the armada.

Very, very keen on stamping out Protestantism completely.

And he basically orders a strategy of outright oppression.

And this precipitates an enormous revolt from...

The famous Dutch revolt.

The famous Dutch revolt, which is initially focused in Southern Holland,

but spreads northwards.

And Amsterdam, as this great centre of Catholic pilgrimage,

is really the kind of the holdout.

It doesn't side with this revolt.

So that by 1572, Amsterdam is pretty much the only city left in Spanish hands.

And so the Duke of Alba, who is the great, you know, the iron duke,

this terrifying Spanish soldier, warlord,

who is charged with the repression of the Dutch revolt,

he comes here and he makes Amsterdam his base.

And Catholic refugees from the kind of the rising tide

of brought in success elsewhere in Holland, they kind of come here.

But also coming here are refugees from Antwerp.

Okay.

Which has been sacked very, very brutally by the Spanish.

So a lot of Calvinist refugees come here.

And by 1578, the city is, dare I say, a kindling box, don't it?

A tinderbox.

A tinderbox.

A tinderbox.

All it requires is the spark.

So the spark comes on the 26th of May.

But when it does come, what the Dutch call the alteration, which is a kind of wonderful euphemism.

But it's not so much for euphemism because it is actually a bloodless transfer of power from Catholics to Protestants.

So all the Catholic members of the city council, again, so Dutch, they get put on barges.

Right.

You know, they sail off and the Franciscans get kicked out.

The monasteries and the convents get converted to other uses.

So orphanages, prisons, that kind of thing.

The churches are whitewashed.

So it's a proper Protestant revolution.

Yeah, it really is.

And the oldest church in Amsterdam, it gets whitewashed and renamed the Udekerke, the old church.

And all the processions and ceremonies and commemorations of the miracle of Amsterdam are closed down.

So the miracle church has transformed into a tourist trap.

Yes.

It's decreed that it will be turned into a center of waxworks.

Very good.

And so this very, very Catholic city pretty much overnight has been rebranded as one of the strongholds of Protestantism and specifically Calvinism.

Then the question is, well, what happens to the surviving Catholics?

Well, because...

I bet you've got something out of your sleeve, have you?

I have.

We're going to go to a very quiet and peaceful location that will enable us to answer exactly that question.

Brilliant.

Welcome back to The Rest is History.

We've come to this lovely oasis of calm in the center around Amsterdam.

And Tom, explain to us where we are.

We are in the Beguinhof.
And so a hoffier is a courtyard with arms houses around it.
So this is the only medieval hoffier that has survived.
So it dates back to the 14th century.
They're privately funded.
They are veiled from the streets.
So to get in here, you've got to get in here.
So to get in here, you've just come to kind of a single door
if anyone has been to a kind of Oxford or Cambridge college.
It's that kind of vibe.
But privately funded and it's for charitable purposes.
So these are arms houses?
Yeah.
And then generally for women.
I mean, not always, but in this case, absolutely for women
because the beguines are communities of lay women.
So they're not nuns.
They haven't kind of vowed chastity or poverty.
But they swear themselves to virginity.
And they're free to leave whenever they like.
So it's kind of beguine in French, isn't it?
Yes, exactly so.
So these houses are sort of 17th century.
But that house there, the wooden house,
am I right in thinking that's the oldest house in the city?
Yes, because there was a fire in 1521
and they introduced a ban on building wooden houses.
So it must predate that.
I think it's one of two wooden houses left in the city.
So yeah, so kind of fantastic relic.
But the reason for coming here isn't just that it's a famously
beautiful spot, quiet spot, but that it focuses in on some
of the kind of the paradoxes and tensions of the response
of the Dutch and particularly of Amsterdammers
to what they call the alteration,
the changeover from Catholic to Protestant.
So Catholic worship is banned.
And so this is a problem for the beguines
who are a Catholic order.
So we're sitting on a bench next to the church,
which is 15th century.
This gets taken from the beguines
and it stands empty for a couple of decades after the alteration.
And then in 1607, it's handed over to the English.

Oh, that's good.

It's given to English-speaking Presbyterians.

Right.

And I mean, if you go inside, anyone who is familiar with 17th century churches in Britain would immediately recognize it's hung with English flags, Scottish flags, Union Jacks.

To this day, it remains aligned with the Church of Scotland, so the Presbyterians and the Church of Scotland.

But the beguines are not expelled.

And the reason for that is that the Amsterdamers

have great respect for property law and the beguines own all the houses.

So the church has been confiscated, but not their houses.

So the Hothier remains their private property and they continue to be buried inside the church even once the English Presbyterians have taken it over.

Right.

And then in 1665, what they do is, they take two of these private houses and they knock them together and they build a chapel.

And inside the chapel, they show a kind of wonderful artwork illustrating the miracle of Amsterdam.

So this great shrine that has been knocked down that we were just visiting.

I thought you said Catholicism was banned.

Right. So this is, again, this distinctive Amsterdam approach to what is legal and what isn't.

The beguines approach the council and say, look, this is what we're doing.

And the council's response is to say, okay, you can worship there, provided that it's hidden away, provided that it doesn't look like a chapel.

So it has to continue looking like houses.

So there's that sense in which they're simultaneously saying, yes, okay, it's legal, it's fine, go ahead with it, while at the same time saying, well, it isn't really.

Oh, so this is what we're looking at.

So this is what we're looking at now.

Because I was wondering the stained glass windows in these, what appear to be these townhouses.

And that's actually a chapel.

And that is absolutely the chapel.

And so this kind of provides a template for what is going on elsewhere in the city.

So actually, there's a hoffer built in 1614,

which also serves as a refuge for beguines.
You know, there aren't chapels there,
but beguines settle there in a hoffer.
And also for kind of radical Protestant sects still.
So our friends, the Anabaptists, they're still lurking around.
So they have their kind of their secret churches and their hoffer,
men and knights who are kind of another radical Protestant sect.
But more generally, the hoffer, these courtyards that are built with charitable intent,
this is a kind of impulse that survives the Reformation.
So right the way up into the 19th century,
there was famously a baron who got locked in his own strong room, counting his money.
And he made a vow that he would build a hoffer if he got out and didn't starve to death.
And he did manage to get out. So he built a hoffer.
And if you come to Amsterdam and you want a kind of a way of getting to grips
with the kind of the history and the character of the city,
I think there is no better way than to do a tour of the hoffer.
And you have to know where they are because they're often invisible.
They just look kind of little doorways, quiet doorways.
So unless you know where you're going,
you'd never know that there are these kind of incredible spaces hidden away from the street.
Because the point of the hoffer is to be turned in,
inwards away from the street so people can't see these terrible religious practices that
you're getting up to and you're not infringing on the civic culture, which is overly Protestant.
There is that. But there's also a kind of a value of inwardness, of privacy,
a lack of public flourish that is expressive of the civic culture of the city, I think.
This sense that the domestic is valuable and precious and something that is worth cultivating
is absolutely a part of, I think, of what Amsterdam gives to the modern world.
You talked about this, didn't you, in the episode we did about the Dutch maid.
Remember the maid of Holland and the sort of the cleanliness, the domesticity?
That's a very, very sort of golden age of the Dutch Republic kind of ethos, isn't it?
Yes. And so we'll go and look at a particularly spectacular example of a Dutch townhouse in
the second episode. But I think that these courtyards, they're a very powerful, striking,
and I think moving expression of that impulse towards valuing privacy and valuing the domestic,
which is something, I think, pretty new by the standards of what had gone before.
However, it would not at all do Dominic to imply that everyone in Amsterdam is going inwards,
because 16th going into the 17th century, even as hoffer are being built and this
sense of privacy is being valued, at the same time Amsterdam is becoming the capital of
globalisation. Brilliant. Well, let's leave the Beguinhof behind and go and find your next location,
which I think is a much more outward looking one. It couldn't be more outward looking, Dominic.
So, Tom, we've just walked down the street from the Beguinhof and we've come to another
courtyard.
This is a courtyard of a very, very different looking building, much grander,
and this is the building that tells us the story, doesn't it, of how Amsterdam goes from being,
basically, a bit of a backwater to being the engine of globalisation.

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Yeah. So, in the 17th century, I mean, this, as you say, Amsterdam, an obscure backwater, a place that's still at war with the world's largest empire, but it becomes the birthplace of the modern, the modern world. So, it becomes the richer city in the world, it becomes the most globally connected and it develops aspects of capitalism that are still completely with us to this day. And this courtyard that we're in now, with this kind of incredibly, by the standards of Amsterdam, grandiose architecture.

So, Tom, let's just get out of the way out of these tourists. And so, this is, for those people who can't see it, which is basically everybody.

That's the magic of podcasts.

That is the nature of podcasting. So, it's a red brick building. It is, what is it, three-storey tall. It is, by the standards of Dutch architecture at the time, very grand.

And this is the headquarters, I believe, of the Wrenniter Ostindia Company.

The United East India Company. So, it's the Dutch equivalent of the British East India Company.

And this building was founded in 1606 and it is added to over the course of the seeding decades.

So, it's not finally finished until the 1660s. And if modern capitalism has a birthplace, this is it. And so, this building is simultaneously a great administrative center.

It's a warehouse. It's an auction room. And the company is Dutch-wide.

So, there are other East India companies in other cities. But Amsterdam is where meetings of all the various council directors of the company come from across the Dutch provinces because it is the biggest and the wealthiest. So, then there's the question, well, why Amsterdam?

I mean, this is the subject of a podcast in and of itself, isn't it? The Dutch East India Company.

But the fascinating thing is that, basically, Amsterdam is copying,

is it copying Antwerp? Is that right?

Well, it kind of is copying Antwerp. But essentially, what happens is that

we mentioned before that Antwerp gets sacked by the Spanish. And so, Calvinist merchants from Antwerp come here and they bring with them both their commercial practices and their

taste in architecture. So, this is kind of quite Antwerp in its look. And the other thing that

they bring with them is an addiction to gambling. So, there's a fabulous passage in

Simon Sharma's embarrassment of riches, the great kind of modern history in English of the

Dutch Golden Age, where he says, the Flemish city in its day had been famous for its addiction to gambling. And in this too, its Dutch stepdaughter followed suit. Wages were made on every

conceivable

opportunity from the outcome of a siege to the sex of an impending baby. They were made on the

streets and taverns at home in barges. The stakes could be a house full of furniture or a tanker

of ale. And he makes the kind of the wonderful suggestion that this Calvinist obsession with

gambling is almost a kind of a subconscious summing of the nose, that the kind of Calvinist idea is a predestination that everything has been chosen, that you can take a stand against what is doomed

to happen. And in a way, the founding of the VOC, the Renigde Ostendersche Company, is the

expression of probably what is the biggest and ultimately the most lucrative gamble in the

whole of Dutch history, which is Dominic. And I'm sure this will upset you because you're a

huge lover of Portugal, aren't you? Lucifile. That it was possible for the Dutch to stage

a very, very literally aggressive takeover of Portugal's global trading network,

because the Dutch are following the course that the Portuguese had blazed. To the Dutch in the late

16th, early 17th century, Portugal seems absolutely a kind of a global titan. It's the

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Portuguese who've really set up the first global trading empire, as we know. You know, much better than me. But there are Dutch observers who are working out that actually the power and the prestige of Portugal's trading system isn't all that it might be. There's one guy in particular, a guy called Jan Huigen van Lischotten. Tom, do you speak fluent Dutch? Yeah. And he Dutch listens to the podcast. He's here to address all your complaints, Tom, and not to me. Well, I think you're complicit in this. We both dabble our fingers in the blood. And Van Lischotten has a kind of very cool CV. So he's been assistant to the Archbishop of Goa in India, which is quite impressive for a Dutchman. And then he comes back and he gets shipwrecked on the Azores, which is also Portuguese islands. And he gets stuck there for two years. And he took full advantage of this to basically kind of take notes on how the Portuguese do things. And in 1595, he publishes a book, which is basically one of the great travel books ever written. But from the point of view of Dutch capitalists, one of the most useful travel books ever written because it details pretty much everything about how Portugal's empire works. And basically, what he's saying is that anyone who wants to kind of aspire to take over from the Dutch, they need ships. The Dutch have that in Amsterdam. They need the ability to build ships, churn them out. Again, Amsterdam has that. They need to know their way around the seas. The Dutch have that. And they need lots of money. And again, Amsterdam is starting to pick that up. And so basically, in 1602, when the VOC is founded and the Dutch Republic gives them a monopoly over the trade with Asia, they are in pole position and they move in. And I'm so sorry, Dominic, but they basically... Well, we talked about this as the First World War, didn't we? I mean, the Dutch Portuguese war. And they basically take over the Portuguese trading networks. So this is the... We're talking about the East Indies, obviously, hence the name, in particular, Spices. But Brazil as well. So that is absolutely why we've described this as the First World War. And the Dutch emerged basically triumphed from that. And they end up... This town perched on a stretch of bog on the margins of the North Sea. They end up with this globe-spanning trading empire. And what they do even more than the Portuguese had done is to buy up goods and not just bring it back to Amsterdam, but also sell it to other places across the various areas of Dutch control in the world. So they'll sell spices from Indonesia, in Arabia, carpets from Persia, in New Amsterdam, the future of New York. They'll sell Chinese porcelain to India. And also what they're doing is that they are encouraging people in the various portions of the world to bend and adapt their production to suit the needs of Dutch and ultimately European consumers. So it's the start of the process by which the global economy comes to be distorted and changed to reflect the demands of European consumers. So even a country like Japan, which famously has chucked the Europeans out and refuses to have anything to do with it, the only Europeans that they have dealings with are the Dutch. So to bring this back to Amsterdam where we are now, at the centre of this massive growing global network is this city where we're in. And this becomes one great warehouse. Yes. So I think that it blazes the path for capitalism in two ways. The first is that it absolutely makes the people who live in Amsterdam consumers in a way that simply hadn't been the case. This is across all classes. So obviously the goods have to be brought back and physically stored. And so this is part of what this house is. So you have more commodities available and for sale concentrated in one place and had ever been the case before in human history in this spot. Pepper, spices, porcelain.

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Pepper, porcelain, I mean tea and coffee. So it's the Dutch who are influencing the Europe wide taste for tea and coffee. So it's to the Dutch that the British owe their taste for tea. Again, something we may not want to acknowledge. But the Dutch tears rubbish. That's true. So in Rembrandt's house, which isn't far from where we're standing, there are drawings of alligators and of armadillos. So they're all kind of wild animals being brought back as well so that he can sketch them. So it's on an absolutely stupefying scale. And Descartes, who we mentioned before, who comes here and spends much of his life here, he says that there is nowhere else in the world where you can find more commodities and where the curiosity to consume is more stimulated. So he's kind of fascinated by this. And he absolutely has the sense that he is looking at something that he's completely new. So it's kind of an amazing, amazing moment in global history, considering where it's going to end up. This is basically where it starts. But the other thing that Amsterdam is doing is it's turbocharging the financial industry. So the VOC sells shares and it's not selling shares in expeditions, individual expeditions. Which people have been buying beforehand. Right. And which is happening in England at this time. They're selling shares in the company itself. And the shares, the price of the shares are not fixed, which means that once you've bought the shares, you could then sell them on, which means that you can then start to speculate in them. So basically, again, this is where kind of share dealing is born. So people are, I mean, the Amsterdam stock market, people are buying and selling shares in companies, which again, is a complete novelty. Yeah. And so the Amsterdam stock market, the Borse, is built, I think, six years after the founding of the VOC. And it basically exists as something that is designed to be distinct from the rest of the city. So governed by its own rules. And again, when we look at the workings of financial markets and the impact that they have on our kind of everyday life, again, this is where this sense of finance as something invisible, powerful, separate from us, yet able to influence us almost like a kind of Greek god. This is where it has its birth. So there are very precise rules governing it. It's the only place in the whole city that is licensed to deal shares you can only buy and sell shares between noon and two o'clock. And right from the beginning, you are getting the kind of behavior that we would recognize now. So there are crazes, there are investors running in desperate to sell shares, to buy shares. And basically, the behavior of people who are dealing in shares is so undignified that the very rich, the kind of the fathers of the city, will employ brokers to do it for them. So talking about dignified behavior, Tom, a huge part of tourists have come in. So you have to compete with them now. Okay, well, that's fine. But we can do that. Yeah, Chris Campbell. So you've got, you know, this separate place, you've got brokers running around kind of screaming and shouting and yelling. And also you have scandals right from the beginning. So famously, there's a guy called Isaac Le Maire, who was born in Flanders, early investor in the VOC, gets expelled due to financial improprieties. And so he goes off to France and tries to persuade the French King to set up an East India company. And he then sets up a consortium to sell shares in the VOC that they don't actually own. So again, this is short selling on the assumption that the French are going to set up a company and that this will therefore tank the Dutch, the VOC. But it doesn't because the French King doesn't go ahead with it.

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And so they're stuck with all these shares that they haven't even bought. And so they, what they do is they set up rumors saying that the French King is going to set it up anyway. There's a mass panic, all the shares get scaled. So there's a collapse in the share price. And the Dutch authorities have to step in and they declare share manipulation illegal. Okay. I'm not entirely convinced that we explain that quite as lucidly as we could have done. But I think we should charge straight on anyway, because I think you're going to talk about tulips. I mean, basically it's short selling. And it's share manipulation. And it's the need for financial regulation. All has come in within 10 years of the birth of this concept of share dealing. But yes, of course, the most famous of all the financial developments. Don't get run over by this man with his bike. But yes, of course, the most famous of all the financial initiatives that the Dutch develop is speculative bubbles, namely tulips. So tulips. So there's a great craze. I mean, tulip mania will do a whole podcast about tulip mania. So, but there's a huge craze for tulips, isn't there? Those people spend all their money on tulips and it all goes horribly wrong. Yes. So these are luxury items. The Dutch love their gardens and tulips are imported from the Ottoman Empire by traders and there's kind of complete mania. And the mania is one that's across Europe, but it becomes heightened to an astonishing unprecedented degree in the Dutch Republic because the wealth and the opportunities for dealing in them are so much more advanced than anywhere else. And people aren't just dealing in the tulips. They're dealing in tulip derivatives, which is how it anticipates so many stock market bubbles and all that sort of stuff. Exactly. And again, it becomes apparent to the authorities in Amsterdam that disaster threatens so they step in and bring the price of tulip back and there's an almighty crash. Right. So, to recap what we're saying, we will definitely come back and we'll do an episode about the Dutch East India Company at some point in the future. We will do an episode about tulip mania because that is a brilliant subject. But, Tom, you can stand down because we are now going to close this episode and we will be resuming our journey around Amsterdam next time. Now, remember, Tom, WISE have created a travel guide to Amsterdam that includes many of the locations that you've talked about in today's episode. So, for a nice souvenir, you might want to look at yourself. Now, to learn more about how you can travel like a historian and spend like a local. Travel like a historian, spend like a local. TV's Tom Holland. Visit wise.com slash restishistory or click the link in today's episode description. And Dominic, it's wonderful, isn't it? That we are being sponsored by a global company besting in finance and that's exactly what we've just been talking about. That's exactly the theme of this episode. So, without this house, we would have no wise and what a terrible thing that would have been. That would be terrible. And on that bombshell, we'll see you next time. Goodbye. Bye-bye.