

# The Problem of National Debt in Dutch Republican Thought: Joan Derk van der Capellen and Elie Luzac

*Lina Weber*

On the morning of September 26, 1781, numerous copies of a pamphlet called *Aan het volk van Nederland* (To the People of the Netherlands) were discovered on the streets of all large towns in the Dutch Republic. The names of its author and publisher were omitted from the imprint. François Adriaan van der Kemp (1752–1829), a Mennonite pastor from Leiden, had organized the secret dissemination. The pamphlet's content was explicit: its anonymous author explained to his readers that the established political order of a hereditary stadtholderate and a regent oligarchy was corrupt, and he called on citizens to assemble, protest, and arm themselves. The provincial authorities proclaimed the pamphlet subversive, forbade people to sell or possess it, and tried to discover the identity of the author. Yet, *To the People of the Netherlands* was reprinted several times. The authorship of Joan Derk van der Capellen tot den Pol (1741–84), a nobleman from Overijssel, became widely known only much later.

This famous pamphlet was a key text of evolving Patriotism, a movement that caused a major political crisis and was crushed by an Anglo-Prussian army in 1787. Its story is well known and has often been told. Interpreting the pamphlet's content, however, has proven more difficult, as has the characterization of the political thought of Van der Capellen, the Patriots, and their Orangist opponents. One strand of scholars identifies *To the People* as a plea for revolution. Van der Capellen and the Patriots emerge as harbingers of equality, democracy, and nationalism.<sup>1</sup> Other historians reject applying the label “revolutionary” to Dutch Patriotism. They claim that the movement was fairly moderate and adhered to well-established structures, traditions,

1 C.H.E. de Wit, *Het ontstaan van het moderne Nederland 1780–1848 en zijn geschiedschrijving* (n.p.: n.p., 1978); Simon Schama, *Patriots and Liberators: Revolution in the Netherlands, 1780–1813* (London: Fontana Press, 1992 [1977]); N.C.F. van Sas, *De metamorfose van Nederland. Van oude orde naar moderniteit, 1750–1900* (Amsterdam: Amsterdam University Press, 2004); R.R. Palmer, *The Age of the Democratic Revolution: A Political History of Europe and America, 1760–1800: With a New Foreword by David Armitage*, Princeton Classics (Princeton: Princeton University Press, 2014).

and arguments.<sup>2</sup> Defenders of the stadtholderate have received comparably little scholarly attention.<sup>3</sup> A more nuanced understanding of Patriots and Orangists has been reached by relating Dutch political thought to revisionist interpretations of early modern republicanism. In *The Machiavellian Moment* (1975), John Pocock described two paradigms, or political languages, of eighteenth-century republicanism that evolved in Britain in reaction to the financial revolution of the 1690s and were adopted by those discussing American independence. To criticize the new system of financing war by borrowing from the public, Country opposition writers used the language of classical republicanism that focused on virtue and liberty in the sense of active participation. They feared that the independent community was corrupted by the national debt, mobile property, the moneyed interest, and the standing army. An abuse of power could be prevented only by a mixed constitution and self-sustaining, land-owning, and arms-bearing citizens. This classical republican language was challenged by a modern republicanism of Court authors. Here, “modern” does not entail a normative judgment and does not refer to democracy, equality, or any such notion. These eighteenth-century “modern” writers focused on politeness and highly praised the achievements of commercial society such as civilization, sociability, progress, and moral refinement.<sup>4</sup>

The applicability of these republican paradigms to Dutch political thought has been rejected by Ernst Kossmann. Although he admitted that the Dutch adopted certain British ideas, Kossmann stressed that the differences were greater than the similarities. Patriots like Van der Capellen and Orangists like Elie Luzac (1721–96) eclectically used and mixed elements of mutually exclusive republican languages.<sup>5</sup> Yet, if a broader basis of sources is investigated in

2 Leonard Leeb, *The Ideological Origins of the Batavian Revolution: History and Politics in the Dutch Republic 1747–1800* (The Hague: Nijhoff, 1973); L.H.M. Wessels, “Tradition et lumières in politics: Quelques remarques sur l’argumentation et la position idéologique des patriotes aux Provinces-Unies à l’aube de la Révolution (1780–1787),” *Documentatieblad Werkgroep Achttiende Eeuw* 19, no. 1 (1987); Maarten Prak, “Citizen Radicalism and Democracy in the Dutch Republic,” *Theory and Society* 20, no. 1 (1991).

3 See, however, Wyger R.E. Velema, *Enlightenment and Conservatism in the Dutch Republic: The Political Thought of Elie Luzac (1721–1796)* (Assen: Van Gorcum, 1993); idem, *Republicans: Essays on Eighteenth-Century Dutch Political Thought* (Leiden: Brill, 2007), 115–78.

4 J.G.A. Pocock, *The Machiavellian Moment: Florentine Political Thought and the Atlantic Republican Tradition* (Princeton, NJ: Princeton University Press, 2003 [1975]). For a recent historiographical overview on republicanism, see Rachel Hammersley, “Introduction: The Historiography of Republicanism and Republican Exchanges,” *History of European Ideas* 38, no. 3 (2012).

5 E.H. Kossmann, “Comment II,” *Theoretische geschiedenis* 9, no. 1 (1982); idem, *Political Thought in the Dutch Republic: Three Studies* (Amsterdam: Koninklijke Nederlandse Akademie van Wetenschappen, 2000).

more detail, a different view of Dutch political discourse in the 1780s emerges. Applying the paradigms of classical and modern republicanism to Dutch discourse, as Wyger Velema has shown, helps us to discern what was traditional and what “modern” or “conservative” about Patriotism and Orangism. Thereby, new light can be shed on the relation of the Dutch case to broader transnational intellectual developments.

If the classical and modern republican paradigms are applicable to Dutch political discourse, a question about the Dutch perspective on national debt arises. Public borrowing was an important issue in eighteenth-century political debate because it was a decisively modern phenomenon, setting the early modern state apart from politics in antiquity. In Pocock’s account, it was the introduction of a long-term, funded, national debt and a system of public credit during the financial revolution that revived classical republicanism in Britain. In the Netherlands, public debt had been introduced much earlier. Drawing on structures of public borrowing from the late Middle Ages, Dutch provinces took out loans from their subjects on a large scale to fight against the Habsburgs in the sixteenth century. By the eighteenth century, the provinces, and the province of Holland in particular, were highly indebted, but their interest rates were comparatively low. Historians explain this paradox by pointing to the abundance of capital in the Netherlands and to the lack of knowledge about the true state of the debt that helped maintain a public image of creditworthiness.<sup>6</sup> Ida Nijenhuis has therefore concluded that the Dutch did not share the classical republican concern about a moneyed interest and national debt of their Anglo-American contemporaries. Even for a Patriot landholder like Van der Capellen, public borrowing was an accepted means to finance war. Wantje Fritschy has made the contrary claim that Van der Capellen and other Patriots expressed the same resentment of financial modernity as Anglophone classical republicans, although she did not find any direct reference to national debt or stock trading in Van der Capellen’s main publications.<sup>7</sup>

This chapter aims to shed new light on the relationship between republicanism and national debt in the Netherlands. Using Van der Capellen as an example for the classical republican perspective, I argue that the Patriots, like their Anglo-American contemporaries, worried about the corrupting effect

6 E.H.M. Dormans, *Het tekort. Staatsschuld in de tijd der Republiek* (Amsterdam: NEHA, 1991), 187–92; Wantje Fritschy, *Public Finance of the Dutch Republic in Comparative Perspective: The Viability of an Early Modern Federal State (1570s–1795)* (Leiden: Brill, 2017).

7 I.J.A. Nijenhuis, *Een joodse filosofe. Isaac De Pinto (1717–1787)* (Amsterdam: NEHA, 1992), 116f; J.M.F. Fritschy, *De patriotten en de financiën van de Bataafse Republiek. Hollands krediet en de smalle marges voor een nieuw beleid (1795–1801)* (The Hague: Stichting Hollandse Historische Reeks, 1988), 85f.

of debt. However, their concern was not caused by Dutch debt, but by Dutch holdings of foreign debt and that of Britain in particular. In the eighteenth century, inhabitants of the Netherlands lent money to foreign nations on a large scale. The most important debtor was Great Britain. The new role of the Dutch Republic in international finance, brought about by the investment activity of its citizens, caused the Patriots great concern. It was the Patriot's Orangist opponents who developed a more critical stance on the Dutch provinces' debt in the early 1780s, as an investigation of Elie Luzac, illustrative of the modern stance, will show. Rather than the classical republican fear of political corruption, Luzac warned about the economic effects of rising indebtedness, such as an increasing tax burden. The Dutch case with its general acceptance of commercial modernity is interesting for broader research into republicanism since it shows the adaptability of the paradigms established by Pocock.

## 1 Van der Capellen

Eighteenth-century Dutch political discourse was thoroughly republican. One of its strands, Velema has argued, can be identified as classical republicanism. Yet, to make fruitful comparisons, the focus on landed property must be given up.<sup>8</sup> Dutch authors used this language to emphasize the importance of virtue, liberty, and independent citizens. Although admiring the classics, Dutch republicans were highly aware of the differences between their own modern, commercial reality and the circumstances of antiquity and of the other existing republics. The Patriots, like earlier classical republican authors, interpreted liberty as active participation of citizens in politics and feared corruption and patronage. What set them apart from their predecessors and made them radical and revolutionary in the 1780s was that they combined this idea of liberty with the conceptions of popular sovereignty, of inalienable rights, and of enlightening the people.

It is well known that Dutch Patriot thought was strongly influenced by British writers. Van der Capellen read John Locke, David Hume, Francis Hutcheson, and *Cato's Letters*. Andrew Fletcher's *A Discourse on Government with Relations to Militias* and Richard Price's *Observations on the Nature of Civil Liberty* and the subsequent *Additional Observations* seemed so important to him that Van der Capellen translated them into Dutch in the 1770s. In 1783, a translation of parts of Joseph Priestley's *Essay on the First Principles of Government* followed.

---

<sup>8</sup> Velema, *Republicans*, 123.

From these British works, Van der Capellen adopted the idea that a concentration of power in the government endangered liberty and that an armed citizen militia could remedy the problem.<sup>9</sup>

What has received less attention is the fact that translating Price's *Observations* in 1776 served two purposes. In the preface to the translation, Van der Capellen states that he thought "this treatise was extremely suitable for explaining to my fellow countrymen the dangerous state of England's credit, as well as the true foundation of liberty and civil government, from within."<sup>10</sup> Price's political philosophy was general and could thus be applied to the Netherlands. Price's reasoning about national debt, by contrast, was considered to be specific to the British case. In the Netherlands, it served to warn investors about the precarious state of their money.

Arguing on the basis of general, natural rights, rather than historic jurisdictions, Price maintained that the people were the source of all power. Since power corrupted those who governed and introduced dependencies, citizens had to be alert to the abuse of political power. Van der Capellen applied this political reasoning to the Dutch case: "Has any people ever made more extensive use of its omnipotence than we Dutchmen?"<sup>11</sup> He explained that he did not refer to the deposition of Philip II, who had been a tyrant, but to the reinstatements of the stadtholderate in 1672 and in 1747. The governments that were abolished had been lawful and just, their unavoidable abuses could have been corrected. Van der Capellen admitted, "Yet, the people thought it was good to no longer be ruled by the same people; but to introduce a very new form of government that was fundamentally different from the earlier one."<sup>12</sup> Since sovereignty resided with the people, they could replace civil government.

In addition to Price's political philosophy, the translation "revealed" the true state of Britain's finances. Price argued that Britain's war against the American colonies was unjust and unaffordable. Britain's enormous debt had increased

9 Kossmann, "Comment II," 30; M. Evers, "Angelsaksische inspiratiebronnen voor de patriottische denkbeelden van Joan Derk van der Capellen," in 1787: *De Nederlandse Revolutie?*, ed. by Theo S.M. van der Zee and Joost Rosendaal (Amsterdam: De Bataafsche Leeuw, 1988); S.R.E. Klein, *Patriots republikenisme. Politieke cultuur in Nederland (1766–1787)* (Amsterdam: Amsterdam University Press, 1995), 78–82.

10 Richard Price, *Aanmerkingen over den aart der burgerlyke vryheid, over de gronden der regeering, en over de regtveerdigheid en staatkunde van den oorlog met Amerika: Benevens een aanhangsel en naschrift, bevattende eenen staat van de nationaale schuld, eene begroting van de geldsommen, die door middel der belastingen [...] geheeven worden, en eene berekening der nationaale inkomste en uitgaave sedert den laatsten oorlog*, trans. by Joan Derk van der Capellen tot den Poll (Leiden: L. Herding, 1776), 3f.

11 *Ibid.*, 11.

12 *Ibid.*, 11f.

taxes and devalued credit papers. The riches created by public banks were unreal and dangerous. In a classical republican manner, Price warned that credit papers could become powerful tools in the hands of ministers to increase their influence, to become less dependent on the people, and to “create a deceitful impression of common prosperity, while ruin is very close.”<sup>13</sup> Britain was able to maintain this impression of creditworthiness only because of the American colonies. Consequently, Price suggested reforming the empire: in exchange for certain political and economic freedoms, America could contribute towards paying off Britain’s national debt. He exclaimed, “May heaven soon send us an able statesman, who sees this, and pursues powerful remedies to save us and maintain us, if it is not too late already.”<sup>14</sup>

To convince his readers that bankruptcy was looming, Price published lists reporting Britain’s national debt and revenue in the appendix. These data stated that in 1775 the national debt amounted to £135,908,241. The enormity of the debt alone, according to Price, “was sufficient to sink all public credit.”<sup>15</sup> Britain raised taxes on land, stamps, papers, card games, houses, windows, and goods but was still unable to meet the expenses of war. Price concluded, “Without doubt, such a situation is the most dangerous and dreadful in a large commercial state; but there is no redress as long as the national debt remains what it is....”<sup>16</sup> Published in 1776, when Britain was at war and its American colonies had declared themselves independent, the translation served as a warning in the Netherlands, the most important creditor nation of Britain. Warnings about the immediate ruin of Britain seemed more authentic and believable to the Dutch audience when they came from the inside. It is noteworthy that Van der Capellen applied Price’s political ideas of civil liberty and popular sovereignty to the Dutch case but refrained from doing the same with national debt.

Dutch investments in Britain’s debt became highly political in 1780 when George III declared war on the Netherlands. This is reflected in Van der Capellen’s *To the People of the Netherlands*. The pamphlet told the history of the Netherlands in a classical republican fashion as a struggle between the original liberty of the Batavians and oppression by the Orangist stadtholders. The monarchical element in the mixed constitution had gradually exceeded its powers by introducing a standing army, making systematic use of patronage, and the display of decadence at court. Ever since the fight for independence, the stadtholder had been supported by an English faction. Van der Capellen

---

13 Ibid., 84.

14 Ibid.

15 Ibid., Appendix, 7.

16 Ibid., Appendix, 17.

maintained that this faction had continuously “spread its partizans everywhere, in every Province, in every assembly.”<sup>17</sup> England had been jealous of Dutch commercial success and worked towards reinstating the stadtholder in 1747. He claimed that

To lessen our happiness, to bring us to the ground, to ruin our commerce, to reduce us to a state of dependency, they [i.e. the English] gave us Stadtholders, who, as they were to *them* alone beholden for their exaltation, as they expected from *them* alone assistance for the further encroachments on our liberties, have always closely allied themselves with these our natural enemies, and have always, as true and faithful allies, been attached to their service; and who, as we again experience it too plainly now, would rather see this country ruined than quit their English party. This, Gentlemen! is the key to all that has happened in our days.<sup>18</sup>

Through the marriages between stadtholders and the royal family, England had caused all wars, all public debts, and all ruin that the Dutch Republic had experienced. The pernicious influence of England was not restricted to the stadtholderate itself. It had also infiltrated into the regent oligarchy, the aristocratic element of the mixed government. Many men of power were living at the stadtholder’s court, became corrupted, and lost all interest in the public good. Van der Capellen added,

Besides, most of our grandees and other men of consequence, have lent great sums of money to England. It is for that reason that they will not fall upon that country, and that they side with the Prince. They apprehend that England might be brought too low, and that she might stop payment. Many of them are so much attached to England, and so little to their own country, that even now they support, with their fortunes, that kingdom, our declared enemy. This is treason, and should be investigated and punished.<sup>19</sup>

17 [Joan Derk van der Capellen], *An Address to the People of the Netherlands: On the Present Alarming and Most Dangerous Situation of the Republic of Holland: Showing the True Motives of the Most Unpardonable Delays of the Executive Power in Putting the Republic into a Proper State of Defence, and the Advantages of an Alliance with Holland, France and America: By a Dutchman: Translated from the Dutch Original* (London: J. Stockdale, 1782), 22; [Joan Derk van der Capellen], *Aan het volk van Nederland* ([s.l.]: [s.n.], [1781]), 13.

18 [Van der Capellen], *An Address*, 70; [Van der Capellen], *Aan het volk*, 39.

19 [Van der Capellen], *An Address*, 30f.; [Van der Capellen], *Aan het volk*, 17.

By investing in English stock, these patricians (*regenten*) became attached to their debtor. Their interest in England's future willingness and ability to honor its debt guided patricians' political decisions. Even now that there was war between the two countries, Van der Capellen claimed, those who had lent money to England preferred England's wellbeing to the prosperity of their own country. Regent investors were thus diametrically opposed to the Patriot ideal of the independent and free citizen who acted for the public good rather than in his own interest, a point Van der Capellen underlined by accusing them of treason, the quintessential insult in Patriot rhetoric.<sup>20</sup>

According to Van der Capellen, the situation of the Dutch Republic was grave but could still be salvaged. To do so, the democratic element in the mixed constitution needed to be strengthened again. The Batavians had governed themselves, but, Van der Capellen acknowledged, the Netherlands had become too large for citizens to assemble and execute their sovereign power directly. His solution was the delegation of power, as in a joint-stock company:

The inhabitants of a country, the landholders, the burghers and peasants, the boors and the rich, the great and the *small*, all of them together, are the true owners, lords, and masters of their country; these ought to appoint governors, and to establish laws. A nation is a great society, in political partnership; the rulers, the chiefs, the magistrates, the Prince, those, in short, who constitute the acting sovereignty, are but directors, commanders, and treasurers of that society; and, in their respective capacities, or collectively, they are of less consequence than its members, that is, than the collective body of the nation.<sup>21</sup>

Van der Capellen used the *Vereenigde Oostindische Compagnie* (Dutch East India Company) as an example to illustrate the workings of such an institution. This passage has puzzled scholars. Kossmann argued that the usage of the joint-stock-company metaphor shows that the classical republican paradigm cannot be applied to the Dutch Patriots. Their conception of society and the state differed significantly from that of their Anglo-American contemporaries. Kossmann remarked that, "The British and American Patriots did not, of course, regard the state as a joint-stock company."<sup>22</sup> What he did not take into consideration was the different functions of joint-stock companies in the

20 N.C.F. van Sas, "Drukpers, politisering en openbaarheid van bestuur in de patriotentijd. Enkele kanttekeningen," in 1787: *De Nederlandse Revolutie?*, 176.

21 [Van der Capellen], *An Address*, 38; [Van der Capellen], *Aan het volk*, 21.

22 Kossmann, *Political Thought*, 188.



Netherlands and in Great Britain. All of them were colonial and commercial enterprises; their shares were traded on stock markets. The British *East India Company* and *South Sea Company* were involved in the country's national debt, although to a lesser extent than was the *Bank of England*. Dutch authorities, by contrast, took up loans directly on the market instead of using the *Vereenigde Oostindische Compagnie* as a mediator. Consequently, the metaphor of the joint-stock company had very different implications in the Netherlands than it would have had in Britain. Given their aversion to public borrowing, it was impossible for British republicans to use this metaphor.

Passages such as the one quoted are also used to present Van der Capellen as a democrat. Scholars of this persuasion state that his broad definition of the nation made him a harbinger of modern equality and the rule of the people. To explain the disparity between his political convictions and his own noble background, historians have diagnosed Van der Capellen with a bipolar disorder.<sup>23</sup> Such conclusions are unhistorical and do not further our understanding of what Dutch Patriots were trying to achieve. More insightful are the interpretations of Simon Schama and Wyger Velema, who have shown that Van der Capellen did not aim to establish a democracy in the modern sense but attempted to reestablish the balance in the mixed government by strengthening its democratic element. His understanding of the "people" was not modern and egalitarian but remained rather exclusive.<sup>24</sup>

To reestablish the proper balance in the Dutch constitution, Van der Capellen argued that the male and independent citizen needed to make his voice heard and check the government by making use of petitions, the press, and city assemblies. Most importantly, he was to arm himself. Van der Capellen

23 Jan Romein and Annie Romein-Verschoor, *Erfaters van onze beschaving. Nederlandse gestalten uit zes eeuwen* (Amsterdam: Em. Querido, 1977), 557–59; Palmer, *The Age of the Democratic Revolution*, 248; Joan Derk van der Capellen tot den Poll, *Aan het volk van Nederland. Het democratisch manifest van Joan Derk van der Capellen tot den Pol 1781*, ed. by W.F. Wertheim and Hetty Wertheim-Gijse Weenink (Weesp: Heureka, 1981). For the diagnosis of bipolarity, see Murk de Jong, *Joan Derk van der Capellen. Staatkundig levensbeeld uit de wordingstijd van de moderne democratie in Nederland* (Groningen: Wolters, 1922), 441–44; Leeb, *The Ideological Origins*, 159f.

24 Schama, *Patriots and Liberators*, 66; Wyger Velema, "Generous Republican Sentiments: The Political Thought of Joan Derk Van Der Capellen," in *A Marble Revolutionary: The Dutch Patriot Joan Derk Van Der Capellen and His Monument*, ed. by Arthur Weststeijn (Rome: Palombi, 2011), 56–58. See also Richard Price, *Nadere aanmerkingen over den aart en de waarde der burgerlyke vryheid en eener vrye regeering: Benevens een kort berigt van de schulden en middelen van Frankryk; en een nader verslag van Grootbrittanjes toestand met betrekking tot deszelfs schulden, inkomsten en koophandel [...]*, trans. by Joan Derk van der Capellen tot den Poll (Leyden: L. Herdingh, 1777), 49f.

demanded that “our burghers and boors should every one of them have a good firelock, bayonet, and sword, and learn the manual exercise.”<sup>25</sup> This was no newly invented fantasy but a fundamental law, stipulated by the Union of Utrecht, and practiced by the Swiss and the Americans. As a result of strengthening the democratic element, Van der Capellen argued, trade would be revived, peace be established, the Dutch navy be strengthened, and alliances be made with France, “our old ally,” and America.<sup>26</sup>

It is important to notice that Van der Capellen applied the classical republican fear of national debt to Dutch investments in British stock only. He encouraged the North Americans to take out loans to finance their war against the British motherland and participated in these loans himself. In 1781, *De maandelykse Nederlandische Mercurius* published a letter that Van der Capellen had written to John Adams in 1778. In this letter he stated that he had invested 20,000 livres in an American loan and was encouraging other people in the province of Overijssel to follow his example. He also advised Adams that the North American Congress, if it wanted to succeed with borrowing money from the Dutch, should guarantee payment independent from the outcome of the war.<sup>27</sup>

Other Patriots followed Van der Capellen in accusing Dutch investors in British debt of treachery and warning about a looming bankruptcy of Britain. The important Patriot confession of faith *Constitutional restoration* even went so far as to suggest excluding those who had invested a great part of their property in foreign stock from political offices.<sup>28</sup> For the Dutch Patriots, the corrupting effect of national debt came from holding foreign sovereign debt, not from their own financial liabilities. This crucial difference can be explained by pointing out the different experiences: in Britain, public borrowing was closely related to commercial and violent colonial expansion. The connection of this new financial system to powerful institutions caused great concern about opportunities for corruption. In the Netherlands, public credit and mobile property were well established by the eighteenth century. Since Dutch authorities contracted public debts primarily on the provincial level and directly on capital markets, state finance was too decentralized to be abused by a political institution or minister.

25 [Van der Capellen], *An Address*, 35; [Van der Capellen], *Aan het volk*, 19f.

26 [Van der Capellen], *An Address*, 49; [Van der Capellen], *Aan het volk*, 28.

27 *De maandelykse Nederlandsche Mercurius*, vol. 51 (Amsterdam: Bernandus Mourir, 1781), 38f.

28 *Grondwettige herstelling, van Nederlands staatswezen zo voor het algemeen bondgenootschap, als voor het bestuur van elke byzondere provincie [...]*, vol. I (Amsterdam: Johannes Allart, 1784), 364.

## 2 Luzac

To challenge the classical republican emphasis on virtue and active participation in politics, Dutch authors used elements of the modern republican paradigm. The spectatorial press, for example, developed a polite republicanism to tackle the perceived moral decline. In the 1780s, Elie Luzac, a publisher and supporter of the stadtholderate from Leiden, challenged the classical republican conception of men and political society by using natural jurisprudence. He took to extremes the praise of commerce, moral refinement, and the rule of law. It was Luzac who identified Dutch public debt as the reason for the country's perceived decline, and other Orangists followed him. However, like the Patriots he did not adhere to the classical republican idea that national debt was a source for corruption and patronage. For Orangist critics of Dutch debt, it was the economic impact of public borrowing that raised concerns, rather than any political effect.

The most sophisticated treatment of Dutch debt can be found in Luzac's *Hollands rijkdom* (Holland's Wealth). Published in four volumes between 1780 and 1783, it has been praised for its analytical quality and its international influence by both contemporaries and historians.<sup>29</sup> With a thorough analysis of commerce, Luzac aimed to uncover the reasons underlying Dutch decline and to find ways for its recovery. His view was an original take in the long-standing debate about the perceived decay of the Netherlands. Luzac claimed that manufacturing and trade had been harmed by the rise in taxation that resulted from a growing public debt. He traced the beginning of the "pernicious practice of burdening the state with debt" to the early sixteenth century, when Charles v gave a privilege to the States of Holland to borrow money from the public. The debt grew immensely through the subsequent wars fought by the supporters of "True Liberty" during the two stadtholderless periods (1650–72 and 1702–47).<sup>30</sup>

The growth of financial liabilities led to an increase of taxation. Thereby, according to Luzac, labor and commodities became more expensive, undermining commerce and manufacturing. As a result of this loss of international competitiveness, the Dutch started providing more and more financial services to foreign nations. Luzac explained that "it is entirely to be ascribed to the

29 For the assessment of *Hollands rijkdom*, see Velema, *Enlightenment and Conservatism*, 117f. For the work more generally, see *ibid.*, 115–43; and *idem*, "Homo mercator in Holland. Elie Luzac en het achttiende-eeuwse debat over de koophandel," *Bijdragen en Mededelingen Betreffende de Geschiedenis der Nederlanden* 100, no. 3 (1985): 427–45.

30 Elie Luzac, *Hollands Rijkdom: behelzende den oorsprong van den koophandel en van de magt van dezen staat [...]*, vol. iv (Leiden: Luzac en Van Damme, 1783), 54–64, 291.

decline of our shipping and trade that we have invested capital outside of our country which otherwise could have been used in commercial businesses.”<sup>31</sup> Admitting that there was a certain advantage to be gained from commission service and investments in foreign stock, Luzac stated that financial involvement abroad had brought the Netherlands into a critical situation. The far-reaching consequences were revealed only by the current war. The problem was “that the Republic is at the same time very powerful and very powerless.”<sup>32</sup> A part of the Dutch population had become enormously rich. The state, by contrast, had become poor. Since the Dutch government had no means to remedy the situation by a further increase in taxation, the ongoing Anglo-Dutch War humiliated the Republic. The money invested abroad constituted “a dead body for the state” because it neither circulated in the Netherlands nor was it available to Dutch enterprises in search of capital.<sup>33</sup> Additionally, Luzac warned, investing abroad transformed active merchants into idle rentiers and undermined the “spirit of commerce” on which trading republics relied. Consequently, young men lacked a good education in trade and encouragement to engage in business. They became lazy, reckless, and indebted.<sup>34</sup> Luzac’s critique of idleness was crucially different from that of classical republicans. It was not citizens’ virtue and political independence that he was concerned about, but their industriousness and involvement in commerce.

Like the Patriots, Luzac was critical of Dutch investments abroad and of Britain as a debtor. Although he admitted that Britain had greatly improved its trade, manufactures, and agriculture, Luzac warned that it had overstretched its natural power by using foreign money to finance excessive colonial expansion. In contrast to the Patriots, Luzac highlighted that the true inner state of Britain was difficult to assess in an informed manner, despite what the recent “libels” claimed to reveal.<sup>35</sup> His criticism of the ruinous effect of growing national debt was much more general than that of Van der Capellen, as he was of the opinion that France, America, and Spain had impoverished themselves in the same manner as Britain.

Despite the currently dire situation of the Dutch Republic, Luzac was hopeful. Limited natural resources, its geographical location, and the abundance of capital destined the country for international trade. Commerce relied on liberty in the sense of the rule of law, security of property, and freedom

---

31 Ibid., 298.

32 Ibid., 10–13.

33 Ibid., 314.

34 Ibid., 251.

35 Ibid., 297–99.

from duties and taxation. These preconditions were best protected under the stadtholderate. Luzac therefore suggested adopting a policy of neutrality and introducing a limited free port. The latter idea came from a proposition made in 1751 that suggested reviving the staple-market function of the Netherlands for international commerce by exempting certain goods from duties. If Dutch citizens shifted their focus back from financial services to the international carrying trade, Luzac hoped, their money would be used for the public good.<sup>36</sup> Devoting all efforts to trade, the Dutch Republic could become internationally competitive again and return to its former glory.

### 3 Conclusion

This chapter has explored Patriot and Orangist approaches to national debt and their relationship to the broader classical and modern republican paradigms. Although Van der Capellen used the language of classical republicanism and translated Price's apprehension about modern state finance, he applied it only to Britain's debt. His usage of the joint-stock company as a metaphor for the state and his involvement in American loans underline that he was not against commercial modernity itself, but against Dutch investments in Britain's debt. By lending money to Britain, he claimed, Dutch regents had become corrupted and betrayed their fatherland. This alleged attachment to the government in London conflicted with the Patriot ideas of virtuous citizenship, love of the fatherland, national independence, and active liberty. While the Patriots neglected the issue of Dutch debt, the Orangist Luzac, a fervent defender of commercial society, identified it as ruinous. But his argumentation, too, differed from the British classical republican rhetoric about debt. Instead of corruption, patronage, and the fluidity of property, he criticized the economic effects of growing debt, the rise in taxation, and loss in competitiveness. Since he propagated an idea of negative liberty, that is the rule of law and absence of interference, there was no need to fear a moneyed interest. Analyzing Patriot and Orangist thought with a focus on debt brings to the fore their fundamentally different ideas about the role of citizens in the republic.

The Dutch example shows the adaptability of the classical and modern republican languages as defined by Pocock. The Patriots translated important texts and shared important ideas with their Anglo-American classical-republican contemporaries, such as the active interpretation of liberty and armed

---

36 For Luzac's assessment of the Dutch situation, see Velema, *Enlightenment and Conservatism*, 135–43.

citizen militias. However, they applied only certain concepts to their own state and adapted them to their specific circumstances. The Orangists combined the praise of modern, commercial society with a critique of national debt. Yet, their grievance differed from that of classical republicans as it concentrated on the economic and systemic effects of public borrowing. Comparing the British and Dutch republican conceptions of national debt highlights the uniqueness of the Dutch case. Not only were the Dutch obsessed with the perception of decline, but they also accepted commercial modernity and mobile forms of property as the basis for a republic. The anxiety about the political effects of an excessively growing national debt expressed by Anglophone republicans was thus not a necessary consequence of the financial revolution.