The Archaeology of Interdependence: European Involvement in the Development of a Sovereign United States
Chapter 3
St. Eustatius: The Nexus for Colonial Caribbean Capitalism

R.G. Gilmore III

Introduction

In this chapter, I argue that St. Eustatius was at the nexus of an interdependent Atlantic World financial network. Trade at St. Eustatius was so great that a significant proportion of capital made available to the burgeoning Industrial Revolution via investment banks was as a direct result of profits derived from this small Dutch Caribbean island.

The evolution of many Caribbean colonial physical and fiscal landscapes was inexorably tied to the economic cycles associated with agricultural production. Plantation monoculture provided the wealth, both urban and rural, through which all levels of society were able to fund landscape modifications. On St. Eustatius, although there were many plantations, they contributed little to the economic position of the island's inhabitants.

Instead, the largest trading network in the world was centered on St. Eustatius in the latter quarter of the eighteenth century. Each level of society from the ultra-wealthy merchant/planters to slaves was affected. The result was a social order set apart from all others in the colonial Caribbean. Merchant/planters built a communal system designed to maximize profits through personal contacts reinforced by social structures centered on entertainment and ostentatious displays of wealth. At the other end of the spectrum, although slaves and free blacks were kept at the physical periphery of Oranjestad (the island’s only town), they were intimately involved in keeping the trading activities there running smoothly for their owners while at the same time improving their own physical conditions. This chapter also explores the support provided via St. Eustatius for the American War of Independence as an example of the scale and significance of its trading domination.

R.G. Gilmore III, PhD (Lond.), IFA, RPA
Leiden University, P.O. Box 9515, 2300 RA Leiden, The Netherlands
e-mail: rggilmore3@gmail.com

The success of this trading network led to a relatively large and cosmopolitan population resulting in the densest concentration of historical archaeology sites in the Americas with the most diverse material culture. Architectural technology combines English, French and Dutch methods sometimes within the same structure. Archaeological assemblages at any given site reflect the global reach of St. Eustatius merchants.

Next the chapter discusses the evolution of the eighteenth-century European banking and financial sectors (specifically in the Netherlands and England). This includes tracing the roots of merchant capitalists in the seventeenth century and defining the relationship of the mature banking sector with merchant capital. This chapter also draws strongly upon economic theory derived from practitioners including Adam Smith, Robert Pollin, John McCusker, Giovanni Arrighi, and Jason Moore.

The combination of theory, documentary and archaeological evidence helps to characterize the extent and value of St. Eustatius’ contributions to the Atlantic World economy at the end of the eighteenth century. Finally, the analysis offers a compelling account of how St. Eustatius contributed to the development of global Capitalism. First, the background history of St. Eustatius is explored.

Historical Background

St. Eustatius

In order to show where St. Eustatius fits into the merchant trading picture, we must examine its historical condition from geological and geographical standpoints. St. Eustatius is located in the Northeastern arc of the Lesser Antilles—an ideal position for establishing a trading depot like none seen before or very likely since (Fig. 3.1). Both prehistoric and colonial peoples used the proximity of islands in the Caribbean archipelago as stepping stones for colonization and trade (Armstrong 1986; Armstrong and Hauser 2009; Hofman and Society for American Archaeology 2008). People, ideas and products were easily transferred over great distances with relative ease. Trade winds carried these items from and to the rest of the Atlantic World—especially during the colonial period. St. Eustatius possesses a relatively low geological topography significantly reducing rainfall amounts. The small size of the island combined with its drier climate meant that it was virtually ignored by France and England as a plantation island.

However, the French established the first European settlement on St. Eustatius when they built a wooden palisaded fort at the present location of Fort Oranje in 1627 (Hartog 1997). Prior to this time privateers used the island as a supply station while raiding the Spanish treasure fleets and colonies. The first Dutch West India Company (Geestroyenende Westindische Compagnie or GWIC) established a fort overlooking Oranje Bay on the southern leeward shore in 1636 replacing the French occupants. Tobacco and cotton plantations were established initially in an attempt to develop yet another plantation economy. With the collapse of the tobacco market in the 1680s, the Dutch turned to their more commercial instincts and began building a trading entrepôt instead (Goslinga 1985). By the early eighteenth century, along with Curacao, St. Eustatius turned toward the slave trade. Slave ships brought their cargo to Statia to be auctioned to buyers from the surrounding islands. Fort Amsterdam, at Oranje Bay’s northern end, hosted slave auctions and served to store enslaved Africans. Although slavers periodically came directly from Africa, the majority of slaves were part of the Kleine Vart—or inter-island trade (Klooster 1998).

Dutch merchants on St. Eustatius built a unique plantation community differing from those found on other islands during the seventeenth and eighteenth centuries. Merchants lived primarily in the “Upper Town,” which overlooked the harbor formed by Oranje Bay, and amongst the 200 warehouses located there (Gilmore 2006a). On St. Eustatius, urban and rural contexts differed in the unique social and economic roles assigned to each. Documentary evidence suggests that plantations were viewed as “country estates” whose economic significance was secondary to the trade occurring along the shore (Gilmore 2002, 2006a). Plantations were owned by merchants and were important as expressions of social status and in the role they played in transforming sugar from a raw product into a more liquid commodity (rum). Sugar planters from other islands (especially Jamaica, St. Kitts and Nevis) utilized this as a means to contravene high taxes on their islands. In fact, as early as 1753 English sugar refiners complained to Parliament that sugar exports from
Table 3.1. Relative shipping activity in European and Colonial ports

| Country/Colony | Port       | Year | Entering | Clearing | Total*
|---------------|-----------|------|----------|----------|--------
| Britain       | Bristolb  | 1768 | 178      | -        | 356a   |
|               | Londonf   | 1777 | 627      | 342      | 969    |
| British N. America | New Yorkd | 1772 | 710      | 709      | 1,419  |
|               | Providence/Newport* | 1773 | -        | -        | 1,661  |
|               | Philadelphiaf | 1797 | 1420    | -        | 2,840  |
| France        | Bordeauxg | 1786 | -        | 281      | 562d   |
|               | Nantes*   | 1704 | -        | 151      | 302    |
|               | Marseilles* | 1787 | -        | 146      | 292    |
| Jamaica       | Kingstonf | 1764 | -        | -        | 364    |
| Barbados      | Bridgetownb | 1730 | -        | -        | 843    |
| St. Eustatius | Oranjestad | 1777 | 2,315    | 2400     | 4,785  |
|               | Oranjestad | 1779 | 3,551    | -        | 7,102  |

*Total is estimated for the ports with a *based on entering ships while those with a *have totals based on ships clearing. Sources for data are: (Whitworth 1777, p. 57); (London Matson 1998); (Whitney 1811); (Maeuse 1811); (Philadelphia Clark 1981); (Walton 1981); (Schulte Nordholt 1982, p. 37); (Menkenman 1932, p. 372); (Gilmore 2006a).

Jamaica would not satisfy consumer demand, this was due to the illegal Jamaican trans-shipment of raw sugar to St. Eustatius where it is likely they made higher profits by converting this sugar to white sugar. For example, in 1779, St. Eustatius plantations produced a grand total of 13,610 lb of sugar but exported an incredible 25 million pounds (Groslinga 1985). The economic role of the Lower Town for pan-Caribbean trade is quite clear from both documentary and archaeological evidence. Trade grew even more after the American War of Independence reaching its apogee in the 1790s. Taxes under French and English occupation (1795–1816) and the severe decline of trade on the island after the 1820s (due to a substantial shift in commerce from the Caribbean to the United States) resulted in a massive reduction in population and general urban decay for the next 150 years (Gilmore 2006a).

A Cradle of Caribbean Capitalism: The Place of St. Eustatius in the Atlantic and Pan-Caribbean Trade

It is difficult to conceive today of the place that St. Eustatius once held in the world's trade economy. With our Euro- and Ameri-centric viewpoints, the West Indies no longer seems very important. However, during the eighteenth century the opposite was the case. Called variously the “Golden Rock,” “Diamond Rock,” and the “New Tyre,” St. Eustatius (or Stata) could supply almost any product manufactured in the Old or New World. On St. Eustatius millions of products were bought and sold each year in auctions held in the more than 200 warehouses built along Oranje Bay. During the last half of the eighteenth century, up to 7,100 ships passed through Stata each year (Menkenman 1932; Morgan 1993). In comparison, other ports processed far fewer ships during the same period (Table 3.1). One must keep in mind that Stata was an island only 21 km². If transients (sailors, prostitutes, etc.) are included, the population (about 20–25,000) was equal to that of New York City in the latter eighteenth century (Fenning and Collyer 1976; Gilmore 2004, p. 54; The Annual Register, or a view of the history, politics, and literature, for the year 1781, 1782).

There were three primary reasons for the success of St. Eustatius as a center for trade. First, the island has an ideally situated harbor on the leeward side and had low agricultural output: left with no natural agricultural promise, trade was the only economically viable option for residents. The second reason for Stataian success was its ideal location on the busy sea-lanes centrally placed between the northwestern Caribbean islands and those of the southwest (Fig. 3.1). The location was also favorable for taking advantage of wind conditions to trade and transship throughout the Caribbean and the greater Americas. Third, and most importantly, the Dutch West India Company made St. Eustatius into a free port in 1754 (Goslinga 1985; Heijer 1994). Thus, as with today’s online auctions, the trade occurring on the island was relatively uninhibited by governmental interaction and commenced at a breakneck pace. Trade in contraband sugar was rampant and the capital value of Stata’s entire trade was incredible (perhaps £100 million in 1781).

Thus, the aforementioned three factors combined to make the Golden Rock a corner post in the Atlantic trade and an essential connection for the American colonies to a Dutch global trade network. Dutch East India Company (Vereenigde Oost-Indische Compagnie, VOC) ships would ship items from Asia and the Indian subcontinent to Europe and these would then be transshipped via Stata to American destinations.

Dutch and English Banking in the Atlantic World

The Netherlands (Seventeenth Century): The Golden Age

The seventeenth century witnessed the apogee of overt Dutch commercial and military power. Dutch traders extended their influence through great fleets of armed merchantmen protected by a range of technologically advanced naval vessels. At their height, the Dutch East India Company and the Dutch West India Company controlled vast wealth through trading stations and trading routes across the globe. Spanish influence had waned and French and English forces had yet to rise. In addition to a successful merchant economy, several other factors contributed to Dutch victory during this time, windmills and peat supplied inexpensive energy to growing cities, while sawmills began to supply shipyards with a steady supply of cut timber that could be efficiently used to build a large fleet of ships for worldwide trade and to project military power. The Low Countries also did well in trading on the Continent itself linking east and west and north and south via a web of trading networks. The Baltic trade was of significant importance with almost 1,000 ships involved by the 1680s (Woudt and Vries 1997).
This economic growth led to a rapid urbanization of Amsterdam, which in turn attracted more merchants and bankers. Dutch bankers came to be the bankers for Europe with the most favorable terms for commercial loans to be had at that time but charging high interest rates for loans to countries fighting costly wars in Europe or overseas in the New World. A modern stock market engendered a "free-trade" spirit with the Amsterdam Stock Exchange founding in 1608, a century before its English counterpart. One year later, the Amsterdam Exchange Bank was founded becoming a major financial force in the 1600s. Significant collateral was required for backing loans, and thus, many merchants were not able to use these financial institutions.

Thus, merchant banks were formed to meet this particular need. Private loans among merchants eventually evolved into formal, government-approved or even government-funded enterprises. Within a few years, the Amsterdam Lending Bank was established to provide low-cost loans to less than wealthy customers.

A confluence of factors contributed to the establishment of a global financial center in Amsterdam at this time. During the Eighty Years War the loss of what is modern Belgium drove many merchants that had been based in Antwerp north to Amsterdam. Religious persecution drove waves of refugees including Sephardic Jews (from Portugal and Spain) and later Huguenots from France. Eventually, the Dutch enjoyed the highest per capita income in Europe, and Amsterdam was the financial center of the world until the Industrial Revolution. A century later, these wealthy merchants and bankers would prove extremely useful in financing the American War of Independence (Augur 1955; Bruyn 1984; De Luca 1996; Hurst 1996; Schulte Nordholt 1982).

The Netherlands in the Eighteenth Century: A Declining Power

During the second half of the eighteenth century, Amsterdam and Holland suffered an economic downturn. As a result, commercial innovation came to an end, industrial productivity dropped, and the population barely grew. Several issues brought about this decline. First, overseas commerce was emphasized at the expense of any sort of industrial development. Earlier in the century, profits from the few industrial activities were reinvested in commercial activities. However, after 1650, money made in commerce was instead invested in land or securities commodities. This along with a lack of raw materials and cheap labor resulted in little to no industrial activity in the Netherlands. Second, skilled workers left the Netherlands with the promise of higher wages elsewhere. Third, tax rates were higher than in other European countries (more than three times the English rate, for example) (Prak 2005). Fourth, Holland fought a series of expensive wars placing a heavy financial burden on the central government that was untenable with declining tax revenues. Fifth, other countries began to cut out Amsterdam's "middle-men" financial services managers and began to invest heavily in domestically owned merchant marine fleets. Finally, France and England invested more creatively in swinging the balance of economic power through mercantilist enterprises during the latter seventeenth century.

British Banking and the West Indies Trade

Opened by Elizabeth I in 1565, The Royal Exchange in London was established to facilitate trade among merchants. It quickly became a center for stock exchange, commodities trading and a central place to obtain information about both. Stockbrokers were expelled during the 1600s and took up business in nearby coffee houses—the direct antecedents of the London Stock Exchange (Brown 1978). Private bankers also established themselves nearby. These bankers took advantage of the instability of the previously dominant Amsterdam banking during Franco-Dutch War (1672–1678) by offering much lower interest rates for loans. Eventually, London displaced Amsterdam as the leading European financial center facilitating merchant exchange, loans, joint-stock companies—all lubricating international trade on a scale not seen before.

Several English financial institutions can trace their roots to this early period including The Bank of England (1694), Barclays (1690), Coutts & Co. (1692) and Drummonds (1717). The Bank of England is the second oldest national bank. The Bank of England was originally a joint-stock company and started loaning to the English government in 1694 (Brown 1978). By the eighteenth century the Bank of England acted more like a central bank including raising money through bond sales. Financial transactions for most government entities were processed by the bank. The Bank of England also backed other London banks and thereby greatly influenced the financial markets and loan transactions. These London banks soon supported the establishment of other banks throughout the country during the second half of the eighteenth century (including Lloyds Bank (1765)). To support this guarantee system the Bank of England accumulated the majority of England's bullion in its vaults (Wood 2005).

By the end of the seventeenth century whenever companies or individuals needed financing for capital investment or trade a relatively efficient internationally accepted banking system was in place to support it (Cain and Hopkins 1986; McCusker 1978, 1999). Merchants also could have their ships and cargo insured via institutions such as Lloyd's of London (1688) (Brown 1978). After the American Revolution, the business of insuring cargo and ships also found a home in the new United States, primarily in Virginia and New England (Crothers 2004). By the late eighteenth century, if the appropriate fees were paid, then a merchant operating in the Atlantic World could considerably reduce their structural risk through these devices. They could focus on deriving profit from their trading skills (Price 1989; Robinson 1987). A network of middlemen (and some women) known as factors or agents was utilized to represent their commercial interests in far-flung corners of the globe and especially in the West Indies (Checkland 1958; McCusker 1999). English agents based in Jamaica, Barbados and especially St. Eustatius were crucial to successfully moving sugar to Europe, rum (made from West Indies molasses) to the Caribbean and Europe and finished European products to the colonists in the West Indies and North America (Price 1989; Truxes 2005).
As trade flourished throughout the European powers' colonial realms the incentive for central banks to tax colonists on everything they produced and purchased became very strong with obvious consequences for both parties.

Documents and Archaeology of St. Eustatius’ Capitalism and War

When historical archaeologists first came to St. Eustatius in the 1960s they found a veritable cornucopia of very well preserved sites. Ivor Noel Hume was the first historical archaeologist to set foot on the island in 1966, and later related the uniqueness of St. Eustatius archaeologically and within the Atlantic World (Noel Hume 1991, 2001). In 1982, Edwin Dethlefsen and Norman Barka (1988) dubbed the island “The Pompeii of the New World” due to the incredible preservation of buildings and archaeological sites both above and below the sea. From the 1970s onwards, historical archaeologists have continuously worked on the island, with a permanent presence beginning in 2004 with the establishment of the St. Eustatius Center for Archaeological Research (SECAR). Primary research foci for this author and SECAR have been quantifying and understanding the character of St. Eustatius’s contributions to capitalism as a global economic force as well as the island’s contributions to supplying and financing the American War of Independence.

Over almost four centuries, Oranjestad on St. Eustatius has passed through several development phases. Outwardly, the island’s economy was tied to trading in sugar; however, it was more a combination of tax policy and the diverse array of commodities offered for sale that provided the most significant influences on urban development on Statia. During the colonial period these conditions resulted in the mixing of various cultures through commerce on the island that cannot be found at many other places in the region. Dutch, Spanish, French, English, Swedish, “Italian”, and Jewish (both Ashkenazi and Sephardic) merchants participating in commerce on a massive scale formed this community. Eighteenth-century trade was so great that the island was known as the “Golden Rock” and became the busiest trading port in the world by the 1770s with thousands of ships landing and departing each year. Labor was provided primarily by enslaved Africans in the harbor, warehouses, plantations and they also frequently crewed canoes, boats and ships across the Caribbean in trading for their masters (and for themselves) (Gilmore 2006b). Areas associated with each of these subcommunities provide insights into economic and social relations in this intense business environment.

It was along Orange Bay’s shores that the most significant changes occurred during this time. With the rapid expansion of the illicit trade in guns, gunpowder, and naval stores provided to the French military and the American rebels, dozens of new warehouses were constructed. In total, it is estimated that over 600 buildings including 200 warehouses once stood along this shore. When Rodney sacked St. Eustatius in 1781, the island had just suffered a devastating hurricane only 4 months earlier (The Annual Register, or a view of the history, politics, and literature, for the year 1781, 1782). When Rodney landed, the yearly rent on these warehouses totaled £1,200,000. Over £3,000,000 was realized from goods that were auctioned from the warehouses in what the 1781 Annual Register described as “one of the greatest auctions that ever was opened in the universe.” In addition to this sum, over £4,000,000 in bullion was confiscated from island residents. All of these figures are in eighteenth-century terms. They represent the largest single booty taken in time of war by any nation during the eighteenth century (Lavoie et al. 1995). Some comparisons are in order at this point to put these figures in perspective. Total UK public spending (including defense) was approximately £22,000,000 in 1780 (McCusker 1978, 1999; Mitchell and Deane 1971)—thus at this one short period in Statia’s economy there existed the capability of financing all UK government spending during wartime for 4 months. Or alternatively, everything confiscated on Statia would have paid for all public spending outside of defense for an entire year in 1780! Further descriptions of the scale of tiny Statia’s economy are detailed later in this chapter. It has been generally accepted that with the British occupation, trade on St. Eustatius suffered a blow from which it did not ever recover; however, this was patently not the case as trade was in fact greater during the 1790s—a decade after the end of the American Revolution.

As mentioned above, Statia was first settled by the Dutch in the 1630s. Trade began to take off in the 1670s and really got going after Statia became a free trade port in 1754. With occupation by the French in 1795, and the resulting removal of free trade status, merchants rapidly abandoned the island for more commercially friendly locales such as the Danish Virgin Islands and Swedish St. Barth’s, Statia entered a period of economic decline that resulted in the preservation of an incredible archaeological and architectural landscape—virtually identical to what happened in Newport, Rhode Island (USA) and Williamsburg, Virginia (USA). The volume of Statia’s trade is reflected in the table discussed previously (Table 3.1). Philadelphia is the only port in the Atlantic World that even came close to ship numbers coming and going from St. Eustatius during this period.

The cosmopolitan nature of Statia’s eighteenth-century population was also unique in contrast with that of other Caribbean colonies. For example, the population of Jamaica in 1785 included a three percent free-black segment—a typical breakdown within a Caribbean slave economy based on monoculture. In contrast, the population breakdown of St. Eustatius includes a free-black population approaching 15%. The only other colonial metropole with a similar percentage of Free Blacks was Charleston, South Carolina (USA) (Gilmore 2004). The agrarian economy of Statia was largely based on so-called “Provision Grounds” which supplied fresh fruit and vegetables to both ship crews and nearby sugar islands such as St. Kitts, Nevis, and Montserrat (Gilmore 2009b). Statia was the haven for avoiding sugar taxes on other islands. Fully half the sugar produced on Jamaica was secretly exported to St. Eustatius to be refined into white sugar and then re-exported thereby maximizing profit for planters and merchants alike (Gilmore 2004). This conveniently circumvented the profits normally lost through the mercantilist system imposed by most European powers. The headquarters for this trading venture was
the Dutch West Indies Company in Oranjestad’s Lowertown. The SECAR partnered with the owners in investigating the history of the complex that dates to the 1730s (Gilmore 2008). A series of watercolors completed in 1774 includes a tantalizing depiction of the Dutch West Indies Company compound (A. Nelson 1774). It was from within this compound that entreaties were sent to convince the GWIC directors that Statia should be made a tax-free port.

Investigations have also been completed for many of the religious properties on the island including the Synagogue, Lutheran, Roman Catholic, Methodist, Anglican and Dutch Reformed Churches. The diversity that coexisted in Oranjestad reflects a cosmopolitan colonial community that could only be found in a few other cities—Kingston, Charleston and Bridgetown for instance. Hoven Dalim Synagogue represents the second oldest standing synagogue in the Americas. It has been thoroughly investigated by SECAR and Norman Barka (Barka 1988; Gilmore and Miller 2011). The first excavation conducted under the auspices of the SECAR unearthed the Mikveh or ceremonial bath for Jewish women (Gilmore 2006c). The Jewish merchants were instrumental in tapping into finances that would otherwise not be available to the Americans fighting their War of Independence (Hurst 1996; Jameson 1903; Tuchman 1988). One artifact recovered from test excavations at the Lutheran Church provides an interesting link to the English financial network—albeit a sordid one (Gilmore 2009b). In one test unit what appeared a first glance to be halved silver Spanish 8 Reale piece was recovered. Upon cleaning it became clear that this was most likely an early product of the prodigious Birmingham counterfeiting industry from the end of the eighteenth century (Barrera Coronado 2000). The coins were mostly exported to the Chinese market to disrupt the dominance of Spanish silver. At least one made it to St. Eustatius, illustrating the island’s ties to global trade.

Alongside SECAR, University of Virginia (USA) architectural historian Louis Nelson has examined in great detail the standing architecture found in and around Oranjestad. It has been determined that the town reflects a unique combination of architectural technology and styles drawing upon English, French and Dutch traditions not found anywhere else in the region. English building techniques are combined with French and Dutch room designs. Kitchens adjacent to late eighteenth-century homes retain typically French and Dutch ovens and fireplaces while abandoning English norms. One architectural example that stands out is in a home owned by the Van Putten family on Kerkweg in Oranjestad (Nelson and Gilmore 2005). The entire home dates to the eighteenth century and is virtually completely intact with all original elements down to the door hinges. The most interesting part of this structure lies directly with the maritime trade economy on the island. In the fully finished basement are several Dutch yellow brick columns that support the weight of the structure above and spanning the space between these columns are large curved oak beams—the reused ribs of a ship! (Fig. 3.2).

Norman Barka and SECAR have excavated a number of sites on Oranje Bay (Dethlefsen and Barka 1979; Gilmore 2006a). In one instance, a section of one warehouse (SE 316) was tested inside its foundation walls. In about 1.5 cubic meters of soil over 3,000 sherds were recovered. They were a mix of locally produced and imported low-fired earthenware sugar refining vessels. The mix of ceramic types with identical uses was examined in Miller’s (2008) thesis. A possible local clay source has been identified and is currently undergoing Instrumental Neutron Activation Analysis (INAA) through Leiden University. Here, and in other areas along Oranje Bay, deep stratigraphy tells a story of destruction and rapid rebuilding. Mid-seventeenth century archaeological deposits right on the water are over 2 m deep. One particularly interesting stratum is a thick deposit (25–40 cm) of bituminous coal that is a type often used in blacksmithing or metal smelting. The stratum was identified in excavations over 100 m apart and was likely the result of a ship sinking during a storm. The cargo would have been used on the island perhaps in the local ceramic industry as well as the aforementioned smithing. By the mid-eighteenth century as trade was taking off, Statia’s landscape would have been devoid of any local fuel sources—merchants and tradespeople would have had no choice but to import what they needed. In this case, the choice was clear, coal provided the most BTUs per unit (Bealer and McRaven 1984) and would have been good ballast for a ship on a journey to pick-up Caribbean sugar.

Fig. 3.2 The full cellar under a 1750s merchant’s home in Oranjestad, St. Eustatius that exhibits the reuse of ship’s rib as arch supports.

Profit making was the sole purpose of the economy on St. Eustatius. As a result, not only are there hundreds of coin types, there are several that were produced on the island to make up for shortages in small change (Salamanca-Heyman 2004). Recently, a fine example of a Roman Sextertius from the third-century AD depicting Concordia on the reverse (Gilmore 2010) was discovered on the island. It is interesting to note that the coin was found on property owned by one of Statia’s more
illustrious governors—Johannes de Graff. One of De Graff’s many plantations was named “Concordia” and it was he who authorized the famous First Salute of the Continental Brigantine Andrew Doria (Du Sart 1791; Jameson 1903).

The diverse origins of artifacts found across St. Eustatius is reflective of its preeminent position in the Atlantic trade (Gilmore 2009a). For example, a typical bottle assemblage usually reflects the most influential European colonial powers on Statia’s history and economy. A mix of English, French and Dutch bottles are found on most archaeological sites. The same goes for ceramics. On free black, enslaved African, warehouse and plantation big houses often a range of French St. Onge, English pearlies, Mexican greywares and Dutch coarse earthenwares are found (Gilmore 2004, 2009a, p. 200; Gilmore and Reid 2013). Archaeologists working on the island must be intimately familiar with virtually all sources of colonial ceramics and how to identify them. One early nineteenth-century visitor commented on the magnificent ballroom with silk wallpaper and crystal chandeliers on the Pleasures Estate Plantation (Teenstra 1836). This was clearly an ostentatious display of wealth for the owners. Cannon and anchors also reflect the diversity of visitors and their extensive trading networks with English, Spanish, Swedish and Dutch groups all found on the island (Stelton 2010).

There are some classic examples of budding capitalists in Statia’s colonial history. For instance, Oluada Equiano’s trade through St. Eustatius brought him enough returns to purchase his freedom (Equiano 1799; Gilmore 2009a). This little focused upon fact surely reflects the capitalist environment that engulphed the island during the last 50 years of the eighteenth century. Documentary evidence also exists of free blacks taking on free black apprentices. Also, surviving ship muster roles regularly describe slaves crewing inter-island traders with only the captain and mate being free—a circumstance rarely found anywhere else in the Caribbean (Gilmore 2004, 2006b, 2009a). Surely there must have been great incentive to remain with the ship. Equiano’s description of his ability to trade alongside the crew for his own profit is the most likely explanation (Gilmore 2009a).

During 2008–2010, the author also excavated a portion of a free-black village on St. Eustatius. The material cultural remains indicate an upwardly mobile community where housing and personal possessions improved incrementally over several decades. Architecture on the site evolved from wattle-and-daub post-in-ground housing to shingled wooden structures on stone foundations. Material possessions developed to the point that even hand-painted porcelain was relatively common. Alongside these changes, a sociologically permissive atmosphere prevailed in which West African religious practices not only survived but actually openly flourished. For example an earthen ritual mound containing a gold offering was uncovered at the axes of property boundaries on this site (Gilmore 2013).

The number total known sites is now close to 1,000. The entirety of the Netherlands has 15,000 archaeological sites, and thus, St. Eustatius possesses fully 12% of the archaeological sites in the country. SECAR is now curating over 750,000 artifacts. Thus, the Statia landscape is one of the richest archaeological resources in the Americas. A primary research focus has been answering why this richness was present on tiny Statia and what impact it had economically on the Atlantic World.

In a few short decades, Statia’s trade network was global extending well beyond the Atlantic World.

Research at the International Center for Jefferson Studies, uncovered the ties that bound many of America’s so-called Founding Fathers to St. Eustatius. Of the over 150 generally accepted Founding Fathers, over 30 had some relationship to the island. A few examples can be provided here. Benjamin Franklin and many others requested that all official correspondence be sent via “neutral” St. Eustatius as this would facilitate the most expeditious communications between the Americans and their Continental allies and supporters (Gilmore 2013). Franklin’s position as head of the Secret Committee of Correspondence as well as the future first Postmaster General required that he be especially knowledgeable about getting documents and other correspondence quickly across the Atlantic. George Washington mentions the supplies obtained via St. Eustatius numerous times in his correspondence (Chase 1994). Like Franklin, Jefferson expected that his mail and packages be delivered with speed and discretion. St. Eustatius came through for him on a regular basis—one letter packet was delivered to Monticello 13 days after departing the island.

As America’s first Ambassador to The Netherlands, John Adams helped to engineer what has stood as the longest peaceful relationship between two countries in history. Based in Leiden, Adams could quickly travel to Amsterdam or The Hague to induce merchant bankers or the government to help the cause for independence. Adams (and his son’s diary written in Leiden) provides an intimate look at exactly to what degree the merchant class in Holland were involved in bankrupting the revolution. In 1781, when the island was sacked by Admiral Rodney and General Vaughn, this severely disrupted the flow of capital to these individuals and delayed by over a year the completion of loans negotiated by John Adams (Adams and Donovan 1965).

After lawyers, merchants made up the occupations of the bulk of Founding Fathers. As such, many had direct family and business ties to the island that greatly facilitated communications regarding war materiel, loans and other supplies to keep the American War of Independence going. Pennsylvania’s Lewis Morris (1726–1798) married the daughter of leading New York merchant William Walton who had strong ties to St. Eustatius all the way back to the Seven Years War (French and Indian War) (Truxes 2008). Another highly successful merchant and signer of the Declaration of Independence hailing from Pennsylvania was George Clymer. Clymer apprenticed with his uncle and eventually during the War, his son traded extensively with St. Eustatius (Three Generations of the Clymer Family 1885). The brother of New York’s Robert Livingston, John Livingston, traded extensively during the war between New York and St. Eustatius. James Monroe was the fifth President of the United States and author of the “Monroe Doctrine.” He was the last Founding Father to pass. A significant question that this researcher was able to address is whether his familial ties with the West Indies were an influence on his politics. Born in 1768, Elizabeth Kortwright (Kortright) married James Monroe in 1786. She was the daughter of Lawrence Kortwright, an extremely successful merchant in New York City. He in turn was the son of a successful New York merchant, Cornelius Kortwright. He was a descendant of the Kortright family who immigrated to Nieuw Nederland in the seventeenth century.
Lawrence ran a small fleet of privateers during the French and Indian War alongside his brother Nicholas (Abbott 1922). The two Kortwright brothers helped arranged the passage and education of Alexander Hamilton through their company Kortwright and Cruger (Chernow 2004). Elizabeth’s sister, Hester, married Alexander Nicholas Gouverneur in 1790. Another Kortwright sister, Mary, married Thomas Knox an attorney and relative of Henry Knox in 1793. The final Kortwright sister, Sarah, married John Heyliger related to the Heyligers of St. Eustatius and the Virgin Islands.

Henry Knox, the first Secretary of War, was the son of William Knox—a merchant born on St. Eustatius. William eventually died there as well (Drake 1873). It appears that William Knox was closely related to Alexander Hamilton’s religious mentor, the Reverend Hugh Knox.

Many historians have discussed Alexander Hamilton’s Caribbean roots (Chernow 2004). However, few have pursued what it meant for him to visit the island on a regular basis while running the Coxe trading firm on St. Croix. Not only that, his grandmother was born and died on St. Eustatius. His mother and biological father visited Statia for a christening with him and his brother in tow while they resided on Nevis. It is not difficult to believe that these visits shaped his view on the West Indies and facilitated trade and correspondence to further the war effort against Britain.

An illustration of the direct connection between St. Eustatius and the fledgling United States involved a special trading mission that was first discussed by William Griffiths (1893) and J. Franklin Jameson, a founder of the American Historical Society (Jameson 1903). The sovereignty of the United States was first recognized here when on November 16, 1776 a salute was fired from Fort Oranje in reply to a salute by the Continental Navy brigantine Andrew Doria (Tuchman 1988). The merchants on St. Eustatius provided much of the arms, gunpowder and ammunition used by the rebels in the American Revolution.

Named for the most celebrated sixteenth century admiral, the *Andrew Doria* was one of four ships authorized by the Continental Congress to form the first Navy of the fledgling United States. Formerly named the *Defiance*, the merchant brig was converted for war by Wharton and Humphrey’s Shipyard in Philadelphia during late 1775. *Andrew Doria* set out on its first assignment on 4 January 1776 under the command of Capt. Nicholas Biddle. Capt. Biddle guided the *Doria* on a number of successful raids and captured several enemy vessels throughout 1776 (Chernow 2004). John Paul Jones, the Revolution’s most illustrious naval hero, captured another vessel in the small fleet that raided a British garrison in the Bahamas.

Biddle was transferred to another ship in September 1775. Captain Isaiah Robinson took command and was ordered to go to St. Eustatius to obtain munitions and military supplies. The *Andrew Doria* also carried a precious cargo to St. Eustatius—a copy of the Declaration of Independence (Griffis 1893).

The *Andrew Doria* was flying a flag long expected at St. Eustatius—the Grand Union Flag—representing the newly independent Colonies (Griffis 1893). When the brigantine pulled into Oranje Bay, she fired 13 guns in salute. The commander of Fort Oranje consulted the governor Johannes de Graff before firing a return salute of 11 guns—the standard practice at the time to fire two less than the ship. The salute was a significant diplomatic move by the Dutch Governor as the Netherlands was ostensibly neutral in the conflict (Tuchman 1988). The British added this to a list of grievances against Holland that would later force them to secretly declare war in 1781. The governor of nearby St. Kitts immediately dispatched a ship to England to tell Parliament and the King the news—that Holland was the first foreign power to recognize the United States. During her voyage back north after loading with arms, guns, gunpowder, and other military and civilian stores, she captured the HMS Racehorse during one of the more celebrated naval engagements of the Revolutionary War.

The trade in arms and ammunition continued at a frenetic pace with some historians indicating that the majority of shot and gunpowder unleashed by the American revolutionaries during the 1776–1781 period being procured through direct trade with St. Eustatius (Reynolds 1965; Tuchman 1988). Thousands of barrels of gunpowder and tons of lead were brought into the colonies, especially Virginia. Colonists traded tobacco, cotton and indigo for the arms. The war materiel was vitally important as indigenous supplies were woefully inadequate. The trade was only cut off in 1781 through Rodney’s sacking of Statia.

**Conclusion**

It is not from the benevolence of the butcher, the brewer, or the baker, that we expect our dinner, but from their regard to their own self-interest (e.g., profit) (Smith 1776, p. 456).

Every individual necessarily labours to render the annual revenue of the society as great as he can ... he intends only his own gain, and he is in this, as in many other cases, led by an invisible hand to promote an end which was no part of his intention ... by pursuing his own interest he frequently promotes that of the society more effectually than when he really intends to promote it (Smith 1776).

The Dutch Overseas colonies were inextricably tied to the banking systems in the Netherlands and in England. During the height of trade on St. Eustatius, the colony became the source for the capital that many banks used for loans to other merchants, industrialists and other investors throughout the colonial world. Previous examinations of banking and capitalism have completely ignored the place that the West Indies and in particular St. Eustatius, had in the development of Free Trade and Capitalism itself. That is all except for the grandfather of economic history—Adam Smith. Free trade did not start with the English free ports act of 1766. Instead it started with the free trade agreement granted by the Dutch West Indies Company in 1754 after being persuaded by Statia’s governor at the time—Jan de Windt (Karras 2003). Other ports were places where “free trade” was commonplace such as Monti Christi on Hispaniola or New Amsterdam were not officially sanctioned by law and instead the government merely overlooked violations (Gardner 1988).

Over the course of the eighteenth century, economies evolved out of the “putting out” system whereby capital was expanded to purchase labor (free and waged)
to manufacture finished products from imported raw materials. As the industrial revolution progressed due to a confluence of factors in England (cheap labor, better transportation, and more efficient use of energy resources in the form of coal and water power), capital providers came to own factories and machinery (Smith 1776, p. 57). Beginning in the 1780s, and corresponding precisely with the economic explosion on St. Eustatius, the industrializing economies in Europe began to grow enormously (More 2000).

Alongside this economic growth, many governments from the fifteenth century onwards attempted to regulate trade for the benefit of the nation on the local, regional and international levels. It was not until Adam Smith put ideas to paper that the benefits of a true “free trade” across international borders and even oceans was made clear to citizens and businesses everywhere. Smith’s ideas took time to be implemented in most places—however, as he used St. Eustatius as an example, Statia reflected the tremendous advantages of a true free trading environment.

Arrighi and Moore (Braudel 2002, pp. 59–60) argue that finance capitalism:

was no newborn child of the 1900s, I would even argue that in the past, in say Genoa or Amsterdam, following a wave of growth in commercial capitalism and the accumulation of capital on a scale beyond the normal channels for investment, fiasco capitalism was already in a position to take over and dominate, for a while at least, all the activities of the business world.

As Robert Pollin has pointed out, the idea of recurrent and protracted phases of financial expansion poses a basic question: “Where do the profits come from if not from the production and exchange of commodities?” There are three possible answers to this question with each pointing to a different source of profits. First, there is a redistribution of profits within the capitalist class as some capitalists are making money at the expense of other capitalists so that there is no expansion of profits for the capitalist class as a whole. Second, by either by breaking previous commitments to workers and communities or by inducing governments to squeeze their populations to make payments to their capitalist creditors so that profits for the capitalist class as a whole expand because these financial deals enable capitalists to force a redistribution of wealth and income in their favor (e.g., a diversion of profits from Britain to St. Eustatius capitalists). Finally, “financial deals can be profitable on a sustained basis... if they enable capitalists to move their funds out of less profitable and into more profitable areas of production and exchange.” (Braudel 2002, p. 61). Thus, sustained financial expansions materialize only when the enhanced liquidity preference of capitalist agencies is matched by adequate “demand” conditions. Thus, Statia became the first truly free port in the Caribbean, smuggling goods into British American colonies to circumvent levies and taxes before revolution and supplying goods during the revolution blockade (Jameson 1903).

The history and material culture of St. Eustatius in the Dutch Caribbean epitomizes “The Archaeology of Interdependence.” As the nexus for international trade in the Atlantic World during the latter eighteenth and early nineteenth centuries, St. Eustatius provided the single largest and most efficient conduit for people, news, correspondence and trade items during this time. The material cultural record in both archaeology and architecture reflect the cosmopolitan society geared toward unfettered capitalism in the first free trading port in modern times. A mix of nationalities, languages and religions found in few places in the colonial Atlantic World significantly benefited the establishment of the United States as an economic and military power during its formative years.

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