Dutch Presence in the Persian Gulf (1623-1766)

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Abstract

The Dutch like the English came to the Persian Gulf to buy raw silk. They had high hopes of profitable results, which initially were indeed realized. However, slowly returns on silk exports fell, which coincided with a Dutch effort to acquire large quantities of silk in the 1630s. Also, they had to borrow too much money locally to finance their purchases in Iran. The Dutch then preferred to reduce their silk purchases and put emphasis on the sale of pepper, spices, sugar, textiles and other products. However, this objective ran counter to the commercial agreement reached with Iran, which stipulated that the Dutch had the right to tax-free trade in Iran on condition that they bought a fixed quantity of royal silk at a determined price that was higher than the market rate. The dispute about the interpretation of the commercial agreement led to the first Dutch-Iranian conflict in 1645 and was only resolved in 1651. Despite the conflict trade continued and the Dutch were able to make good profits on the sale of Asian goods, while the export of specie helped finance their business operations in India and Ceylon. Although silk exports had resumed in 1652 the Dutch wanted to reduce their silk purchases, while the Safavid court wanted to increase their sales to the Dutch in the 1670s. Once again a dispute broke out over the interpretation of the agreement, which led to the second Dutch-Iranian conflict in 1685, which was only resolved in 1691. Although the conflict was about silk after the resolution of the contract the Safavid court preferred to sell its silk to other merchants and thus the Dutch gradually stopped exporting silk altogether. They still enjoyed their tax-free status and paid the Safavid court an
annual amount in lieu of the silk exports. Apart from specie, the only export commodity of some importance from Iran was Kerman goat wool (kork). Relations between the two sides developed without any major problem until 1714 when a dispute broke out about the alleged illegal export of silver. This dispute was resolved in 1717 by the Ketelaar embassy. With the fall of Isfahan in 1722 trade was dead in Iran and the Dutch only stayed because they hoped that the Safavids would be able to return, also because they owed the Dutch more than Dfl. one million, which they had lent Shah Soltan Hoseyn just prior to the surrender of Isfahan. The restoration of Safavid rule in 1730 was full of promise, but trade soon fell off again and was reduced to 10% of the pre-1722 level under Nader Shah, who ruined his own and other countries with his wars. Because of the low profits, which actually had turned into losses, the Dutch decided to consolidate their operations. They withdrew their office from Isfahan and only kept their trading station at Bandar Abbas. It was only in 1737 at the urging of Afsharid officials that they also started trading in Bushehr in the hope of more profits. This was an empty hope and therefore in 1753 the Dutch decided to withdraw to the island of Khark and left Bushehr. The Bandar Abbas office was closed in 1656, although a caretaker remained. The Khark enterprise was not profitable either and it was decided to close down this office as well. Before this decision could be taken the Dutch were coerced by Karim Khan Zand to join in an operation against Mir Muhanna of Rig, who took Khark and expelled the Dutch. This was the end of Dutch presence in the Persian Gulf, although voyages to Masqat continued to be made until 1794.
Beginning of Dutch Relations with Iran

The Dutch came to Iran to buy its raw silk; for `Abbas I they were a welcome additional source of cash. In the hope to get more cash for his wars `Abbas I had established an export monopoly of silk as of 1619. Like the English, the Dutch therefore started trading with Iran based on contract with the shah. On 17 November 1623, `Abbas I agreed to a treaty that granted the Dutch complete freedom of trade in Iran as well as exemption from customs duties, although road-duties or rahdari had to be paid. In exchange for these privileges, the Dutch had to buy silk from the Shah at 48 tumans per carga (200 kg), which was more than the going market price. The Dutch had to supply 75% of the purchase price of the raw silk with a specified quantity of a number of Asian goods at fixed prices and 25% in cash. The manner of payment was agreed upon in a separate contract with the Shah’s factor, Molayem Beg. The implementation of the contract was not easy or to each other’s expectation. The Safavid court was not always able to supply silk on time and/or in the required quantity, while the Dutch did not always pay 25% in cash and then oversupplied the royal factor with goods. Also, when the market for Asian goods was down, the royal factor suffered a loss on the sale of his goods. As a result, difficulties arose between Molayem Beg and the Dutch about

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\* Dunlop, pp. 677-82; Meilink-Roelofsz, pp. 18-19; Hotz 1908, p. 47.
the interpretation of the contractual rights and obligations. Because of these different interpretations of what rights the Shah had granted three times conflicts arose between the two parties concerned during the Safavid era (1645, 1684 and 1712).

The early complaints were resolved by `Abbas I, when the Dutch director, Huybert Visnich, appealed to him for intervention. In 1626, however, Molayem Beg insisted on renegotiating the contract. The result was a new three-year contract for the delivery of raw silk. Half of the silk would be in so-called ardasse and half would be legie silk.* The contract listed the goods that the royal factor would accept and specified their prices and quantities, all on the condition that one-third of the payment was to be made in cash. The Dutch would provide:

Table 1: list of goods to be supplied to the royal factory by the VOC

<table>
<thead>
<tr>
<th>Weight</th>
<th>Commodity</th>
<th>Unit cost</th>
<th>Total cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>6,000 mann (12 lbs.)</td>
<td>Pepper</td>
<td>@ 2 ory*</td>
<td>12,000 tumans#</td>
</tr>
<tr>
<td>500 mann</td>
<td>Cloves</td>
<td>2 ory</td>
<td>600</td>
</tr>
</tbody>
</table>

* For the meaning of these and other terms denoting the various qualities of Persian silk see Floor, "Dutch Silk", pp. 336-337; see also Ibid., The Persian Textile Industry in Historical Perspective 1500-1925 (Paris: l'Harmattan, 1999), pp. 14-15.
<table>
<thead>
<tr>
<th>Item Description</th>
<th>Item</th>
<th>Quantity</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,200 <em>soms</em> (312 lbs.)</td>
<td>Sugar</td>
<td>3.5 <em>ory</em></td>
<td>4,200</td>
</tr>
<tr>
<td>500 bundles</td>
<td>Sarkhei indigo</td>
<td>21 <em>ory</em></td>
<td>1,050</td>
</tr>
<tr>
<td>1,400 to 1,500 <em>mann</em></td>
<td>Nutmegs</td>
<td>5 <em>ory</em></td>
<td>730</td>
</tr>
<tr>
<td>500 <em>mann</em></td>
<td>Macis</td>
<td>6 <em>ory</em></td>
<td>325</td>
</tr>
<tr>
<td>55,000 <em>mann</em></td>
<td>Tin</td>
<td>3.5 <em>ory</em></td>
<td>1,925</td>
</tr>
<tr>
<td>400 <em>mann</em></td>
<td>Sandalwood</td>
<td>6 <em>ory</em></td>
<td>200</td>
</tr>
<tr>
<td>500 <em>mann</em></td>
<td>Cochineal</td>
<td>11 <em>ory</em></td>
<td>5,500</td>
</tr>
<tr>
<td>3,000 pieces</td>
<td>Indian steel</td>
<td>2 <em>ory</em></td>
<td>300</td>
</tr>
<tr>
<td>12,000 ells</td>
<td>Cloth (ordinary)</td>
<td>2 <em>ory</em></td>
<td>2,400</td>
</tr>
<tr>
<td>2,000 pieces</td>
<td>Kersey</td>
<td>1 <em>ory</em></td>
<td>200</td>
</tr>
<tr>
<td>---</td>
<td>Camphor and Benzoin</td>
<td>At market price</td>
<td>570</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>30,000 tumans</strong></td>
</tr>
</tbody>
</table>

**Remarks:** *Ory* is short for *ducato d'oro* or [the Venetian] gold ducat, which was widely used in trade in the Middle East. The book value of the tuman was Dfl. 40.
Although both the Dutch and Molayem Beg continued to complain about the actual implementation of silk contract both parties, and certainly the Dutch, were quite pleased with their trading results. Silk profits were promising, and later the profits from the pepper sales were also excellent.*

Under Shah Safi I (r. 1629-42) trouble started. Shah Safi had confirmed the treaty with the Dutch trade in 1629, which meant that they continued to enjoy freedom of trade, no restrictions on the volume of trade, total exemption from customs, permission to export specie and the right to transport their goods without examination by royal officials, although road duties had to be paid at the usual rate. In exchange the VOC had to buy silk from the Shah at a rate above the market price, viz. 50 tumans per carga. In 1632 Shah Safi granted the Dutch also exemption from payment of road duties and other similar imposts. Shah Safi I had abolished the silk export monopoly in 1629, but when silk production in these provinces was severely reduced — first, by a revolt; second, by a lack of labor due to this revolt and a subsequent plague; and third, by the normal agricultural cycle of ups and downs in silk output— was unable to honor his engagement to the Dutch and the English. Moreover, it was more profitable for the shah to export silk to the Levant and he

therefore sold most of the royal silk to Armenian merchants for cash. Shah Safi I eventually paid the Dutch and English, but always too late and too little. The Dutch had to satisfy the market, which demanded silk and they therefore bought silk from private sources. However, the contract between the shah and the Dutch Company stated that the latter was free from the payments of customs duties, for the amount equivalent to silk bought from the shah. When Mirza Taqi, the grand vizier, reminded the Dutch that they had to pay customs duties on the private silk Nicolaas Overschie, the Company's director, admitted as much. However, it seems that this was more of a negotiating ploy than an admission. When Mirza Taqi demanded payment of 4,600 tumans in customs duties owed Overschie refused. He did not deny that the Dutch owed customs duties, but the Shah owed the Dutch for the loss of interest on capital, for they had paid and only received silk after lengthy delays and in insufficient quantities. Mirza Taqi was not convinced by this argument and forced the Dutch to pay the amount due.

The director-general of the VOC was furious and ordered his staff in Bandar `Abbas to protest against this non-respect if the treaty and demand repayment of the 'extorted' money. Mirza Taqi, however, told the Dutch that they only enjoyed freedom of trade and from taxes on condition that they bought silk from the Shah.
To show that he meant business he forced the Dutch to buy more silk at higher prices. Also, the Dutch director was treated with disrespect and was even beaten. This position was unacceptable to the Dutch, who wanted to be free of the silk contract. Market conditions had made silk a less attractive export commodity, which the Dutch had now to pay for in cash rather than with Asian goods. At that time the Dutch had a cash-flow problem and therefore had to borrow money in Isfahan at 20% interest per year to pay for silk that they did not ant and at prices that they considered too high. When Mirza Taqi refused to give in to Dutch protests, Batavia finally decided in 1644 to go to war against Iran.

In May 1645, a fleet of six ships arrived at Bandar `Abbas. These blockaded Iranian ports, seized some Iranian vessels, and on June 10, 1645 landed troops on Qeshm Island and bombarded the fortress, which they were unable to take. The attack on Qehsm caused consternation in Isfahan and `Abbas II (1642-1666) offered favorable terms to the Dutch. However, before these could be confirmed the commander of the Dutch fleet died in Isfahan before he had even been received by the shah. To facilitate negotiations the Dutch raised the blockade and withdrew their fleet. However, `Abbas II (r. 1642-66) decided to try for better terms by holding up the negotiations. A Dutch negotiating team that came to Isfahan in 1647 failed to break the dead-lock. The
Dutch were allowed, however, to continue to trade customs-free pending negotiations and without having to buy silk. Despite this advantageous situation the Dutch wanted to resolve the conflict, if need be by force, and therefore in 1649 once again a Dutch fleet arrived at Bandar `Abbas. This time no hostilities ensued and both sides agreed to find a peaceful solution. This did not happen immediately as Shah `Abbas II was pre-occupied with the conquest of Qandahar at that time. The conflict was finally settled in 1652 when ambassador Joan Cunaeus obtained new farmans, which stipulated that the Dutch would enjoy freedom of trade in Iran and exemption from customs, while their goods could be transported without inspection by the Iranian authorities. Moreover, in future the Dutch would not have to pay road duties. However, the Shah had placed an upper limit on the customs-free import-and export, viz. a value of 20,000 tumans per year, and the Dutch were forbidden to export specie. Finally, the Dutch had to buy 300 cargas of silk each year from the Shah at a price of 48 tumans per carga in exchange for these privileges. This agreement, with minor changes, formed the basis for Dutch trade with Iran till 1766.

The Dutch were not entirely pleased about the result, because they had not obtained all that they wanted from the Shah, but

* Floor 2004.
their standing in Iran and the Persian Gulf nevertheless increased significantly. This was further boosted when the Dutch defeated the English, their major competitor. When this rivalry led to war between the two nations in Europe (the first Anglo-Dutch War 1650-52), this war also spread to the Persian Gulf and the rest of Asia. In 1652 a major naval battle took place near Bandar `Abbas in which the Dutch were victorious. “The repulse of the Portuguese at the beginning was succeeded by collapse against the Dutch at the end. The liberators of Ormus became the scorned at Gombroon.” * It meant the collapse of the English trade in the Gulf, although it would make its comeback at the end of the 17th century.

Despite the Governor-General’s dissatisfaction with the 1651 treaty it proved to be an effective basis for Dutch trade till the end of Shah `Abbas II’s reign. So much so that the Dutch decided to send Huybert de Lairesse as envoy in 1666 just to inform `Abbas II how good trade and other relations were. Huybert de Lairesse was able to settle a number of minor issues having to do with local officials, while he was probably the last foreigner who was received by Shah `Abbas II, who confirmed Dutch privileges. The Shah died a few days later. This did not mean that there were no problems. In fact there were some serious problems. Between

* Ferrier, British-Persian, pp. 97.
1650 and 16661 the function of *shahbandar* of Bandar `Abbas was held mostly by a family member of the powerful grand vizier, Mohammad Beg (1655-61). They took advantage of their position to enrich themselves by levying more than the usual customs duties from merchants. Their oppression grew so much that increasingly Asian merchants avoided Bandar `Abbas and preferred to call on other Persian Gulf ports, in particular Masqat, Bandar-e Kong and Bandar-e Rig, where reception was friendlier and customs rates lower. The result was lower revenues for the Shah, who in 1664 sent one of his courtiers to assess the situation. The latter asked the Dutch for naval assistance to attack Masqat, which had drawn much of the Malabar trade away from Bandar `Abbas. The Dutch played for time, because they were not interested in such an adventure. Moreover, the Shah abandoned the Masqat invasion plan, when the Imam of Masqat raised customs duties to placate Iranian feelings. To prevent competition between Bandar `Abbas, Kong and Rig through lower customs rates the Safavid decided to farm out the customs administration for all its Persian Gulf port as of 1668.*

Under Shah Soleyman (r. 1666-94), new problems arose, however. Trade problems once again became acute in the 1670s; it was in fact a kind of repetition of those of the 1630-40s about

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* Floor 1982b; Ibid. 2005 c.
silk deliveries and interference with Dutch trade. Under Shah `Abbas II the royal court had hardly ever delivered the stipulated 300 cargas of silk, which was greatly appreciated by the Dutch. Iranian silk was not a profitable commodity and the Dutch wanted to get as little of it as possible. They had access to an alternative source of cheaper silk in Bengal as of 1650. Moreover, the Dutch were much more interested in exporting precious metals (gold, silver) from Iran than silk. However, in 1670, when the Safavid government faced a serious financial crisis, the dynamic grand vizier, Sheikh `Ali Khan (1669-89), insisted that the Dutch buy the obligatory 300 cargas of silk per year. To explore whether they might abandon its operations in Iran the Dutch established a trading station in Masqat in August 1673. They abandoned it in January 1675, because trade in Masqat was disappointing and the Imam did not offer attractive terms of trade. Moreover, the Omani authorities were only interested in possible Dutch military support against the Portuguese.*

The Second Dutch-Iranian Commercial Conflict.
Prior to the outbreak of hostilities in 1685 several incidents had created a negative climate between the two sides. In 1678 a conflict between the governor of Bandar `Abbas and the Dutch about his claim for more gifts and 34 years of arrears of rent for

* Floor, "A Description of Masqat."
the Dutch factory led to an official Dutch protest asking the shah to order the governor to desist, which the shah did. The Dutch had threatened to withdraw from Iran. However, the Dutch were unable to convince Sheykh `Ali Khan to agree to reduce the quantities of silk delivered to them. When in 1680, Safavid officials by force took payment for road-duties Batavia wanted to take military action, but was occupied elsewhere at the time. The governor-general ordered his director in Bandar `Abbas to ask and insist in the delivery of lower silk deliveries. Sheikh `Ali Khan became very angry about this request and said: “You are dealing with a King, not with a merchant, and that if we did not like it we had better leave.” At the same time he ordered 300 cargas of silk to be delivered to the Dutch factory. The Dutch refused to accept it, which led to an exchange of angry words as a result of which the Dutch representative was beaten and forced to receive the silk. He thereupon lodged a complaint with the grand vizier and asked for a reduction in silk deliveries. The grand vizier replied that “he could not understand what kind of rascally people we were, for he had informed us of his wishes in writing. Further, if we were not interested in sticking to the contract in this manner then we could go to hell and were free to leave the country.” The director in Iran recommended that military action be taken, to which Batavia agreed. It sent a fleet (five men-of-war and a hooker) to blockade the Persian Gulf, seize Iranian vessels and/or goods, while a
landing force attacked and seized the island of Qeshm and its fortress, which the Dutch held for one year. Although a Dutch negotiating team had gone to Isfahan, Shah Soleyman refused to negotiate under threat, with Qeshm under Dutch occupation and his ports under an economic blockade. The choice which the grand vizier put to the Dutch was simple: either buy the contractual amount of silk or pay customs duties. He finally allowed the Dutch to return to Bandar `Abbas after they had promised that an ambassador would be sent to settle their differences. Trade was resumed again in 1687 under the supervision of two royal inspectors who recorded all VOC imports and exports.

To resolve the dead-lock Batavaia sent an ambassador, Johan van Leene, who managed to get new privileges after the payment of costly presents and lengthy talks in 1691. Shah Soleyman confirmed Dutch rights to freedom of trade in Iran, exemption from payment of customs duties up to a maximum annual import and export value of 20,000 tumans as well as of payment of road duties. Finally Safavid officials were forbidden to open Dutch chests and bales. In exchange the Dutch had to buy each year 300 cargas of silk from the Shah at 44 tumans per carga. Although these farmans had not yet been sealed by the Shah the ambassador left, having been promised that they would

* Matthee 1999; Floor 1988 c.
be sent after him. This did not happen. In 1694 the Dutch sent a special mission from Bandar 'Abbas to obtain these *farmans*, but then Shah Soleyman died.

His eldest son and successor, Shah Soltan Hoseyn (r. 1694-1722), however, confirmed the privileges granted by his father and also gave a verdict favorable to the Dutch with regard a dispute concerning the wool trade with Kerman. In 1696, the Safavid court was unable to deliver any silk and therefore proposed to the Dutch that instead of the obligatory delivery of silk they would pay an annual quantity of selected goods to the Shah. The Dutch were not in favor of this change, but to avoid trouble Batavia sent an ambassador, Jacobus Hoogkamer, to Iran in 1701. Hoogkamer (who was VOC director in Iran) was able to conclude a new agreement which stipulated that the Shah would sell the Dutch an annual amount of 100 *cargas* of *kadkhodapasand* silk at a price of 44 *tumans* per *carga*. In addition, the VOC had to deliver to the Shah an annual amount of so-called *reconinrie goederen* or treaty goods of the following composition:

10,000 *mann-e Tabriz* or 60,000 lbs powdered sugar
1,120 *mann-e Tabriz* or 6,720 lbs loaf sugar

119 mann-e Tabriz or 864 lbs cardamon
119 mann-e Tabriz or 864 lbs cloves
289 mann-e Tabriz or 1,704 lbs cinnamon
289 mann-e Tabriz or 1,704 lbs pepper
1,000 methqals or 111 lbs nutmegs
130 methqals or 1.3 lbs mace
650 methqals or 6.5 lbs of aguilwood
4 mann-e Tabriz or 24 lbs benzoin
24 mann-e Tabriz or 144 lbs white sandalwood
2,000 methqals or 20 lbs radix china
8 mann-e Tabriz or 48 lbs candied nutmegs
4 mann-e Tabriz or 24 lbs candied cloves

If the shah did not supply the Dutch with the contracted annual amount of silk they did not have to supply the treaty goods. However, if the Dutch did not purchase any silk, they nevertheless were obliged to deliver the recognitie goederen. In exchange the Dutch were granted free trade allover Iran and the import and export of goods exempt from customs and other imposts to the amount of 20,000 tumans per year.

Although trade relations developed quite smoothly thereafter, there were nevertheless difficulties that, with hindsight, indicated what trouble lie ahead. Already in 1703, the shahbandar of
Bandar 'Abbas, Mirza Sadeq, accused the Dutch of having carried on trade worth Dfl. 1,053,653 more than the amount of 20,000 tumans or Dfl. 800,000 during the last five years. He therefore demanded the payment of customs over this amount at a rate of ten per cent or Dfl. 135,753. The farmer of the ducat trade in Isfahan also complained about the fact that the Dutch bought too many golden ducats. In June 1710 the farmer of the ducat trade again complained about excessive exports of golden ducats by the Dutch. In response, the Shah issued a decree permitting him to control and examine Dutch caravans. However, after a Dutch protest the decree was revoked and so a source of conflict between the Dutch and Iran was removed.

The Third Dutch-Iranian Commercial Conflict.
The commercial conflict between Iran and the Dutch started as an in-house conflict in 1712. It was what seemed to be a simple quarrel between Willem Backer Jacobsz, the director at Bandar 'Abbas and his deputy, chief of the Isfahan office Pieter Macaré Junior. The quarrel was not about Iranians, but about their private interests in the export of cash. Moreover, the fact that Macaré had become deranged played a major role. Already in 1710 Macaré had written to the VOC directors that Backer Jacobsz has organized a plot against his life. Macaré therefore

¹ Floor 1988 chapter 1.
tried to arrange that Backer Jacobz be dismissed and he himself appointed as director in Iran. In his turn Backer Jacobsz complained about Macaré, but Batavia asked for proof. In 1711 Backer Jacobsz asked to be allowed to resign; Batavia decided to appoint Macaré in his place and hoped that this would but an end to the troubles. However, by that time Macaré had become totally deranged. He now accused his interpreter of wanting to poison him, and therefore van Biesum, his deputy, took over management of the Isfahan office declaring Macaré mad and incompetent. Macaré reacted by asking the grand vizier to reinstate him! To induce the grand-vizier to get involved Macaré informed him about Dutch export of specie on which the required export duty had not been paid. The grand vizier then demanded to examine the Dutch trade books, which van Biesum refused. The grand vizier threatened to demand a large amount in compensation from the Dutch and the Dutch threatened to leave Iran. Macaré, who still held the VOC’s money-box, had given the grand-vizier a large loan with the promise of royal protection. To resolve the conflict the grand vizier sent an envoy (Mohammad Ja’far Beg) to Batavia in 1714. He also took Macaré with him, who, despite the promise of Iranian protection, was handed over to Dutch authorities to stand trial. The envoy returned in 1715 with the promise that an ambassador would be sent to discuss the matter. Meanwhile, the
new grand vizier, who did not want to wait for the ambassador to arrive, extorted 6,000 tumans from the Dutch, after which they were left in peace.

Johan Josua Ketelaar, the Dutch ambassador, arrived in Isfahan on May 31, 1717. After several meetings on July 31 the grand vizier offered that he was prepared to grant the Dutch the same privileges that Hoogkamer had obtained in 1701 on the following conditions:

i. Free export of ducats was not allowed because this had not been granted in the farmans which Hoogkamer had obtained.

ii. All Dutch caravans would have to be examined and their bales sealed before departure, as in former times.

iii. The Dutch had to cancel the Shah’s debt owed to them.

iv. The treaty goods would have to be twice the amount henceforth, and

v. Iran would cancel the Shah’s claims of 68,392 tumans on the Dutch.

Under pressure Ketelaar accepted this offer, but he received the new decrees only after having paid 1,000 tumans to the grand vizier. A few days later the grand vizier invited Ketelaar for talks about the Omanis, who had just attacked Bahrain for the
third time in row and now had taken it. He asked for Dutch military support to retake the island. Ketelaar replied that he had no authority to do so, that the VOC was not interested in military ventures, but that he would inform the Governor-General of the request. Ketelaar was willing to give passage to an Iranian envoy to Goa to ask the Portuguese for military support. When Ketelaar arrived at Bandar `Abbas, the Omanis also had taken the islands of Qeshm and Larek and were besieging the fortress of Hormuz. The governor of Bandar `Abbas asked the Dutch for military support, which was refused. He then surrounded the Dutch factory to enforce their compliance. During the blockade Ketelaar, who had been ill since his arrival in Iran, died. The siege was then raised. Batavia was not pleased with the results of Ketelaar’s mission and instructed director Jan Oets try to get better terms, which only led to interpretation difficulties between the two parties. Discussions dragged on, which led to no resolution and were ended by the fall of the Safavid dynasty in 1722.*

The Afghan Occupation of Iran.
The Ghilzai Afghans of Qandahar had first thrown off Safavid rule in 1704, but after re-imposition of Safavid control were able to expel Safavid troops in 1715. In 1719 they had devastated

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* Floor 1988 c.
much of Eastern Iran, and in 1721 they returned to march on Isfahan. After a five months’ siege the city was taken and Safavid rule was handed to Mahmud Khan, the Ghilzai chief. The Dutch staff in Isfahan were kept under house arrest till the Afghans fled in December 1729. Afghan forces only reached Bandar `Abbas at the end of 1727, which led to strained relations with the Dutch. The latter were therefore considering moving their base of operations to Hormuz, whose garrison had invited them to do so. The whole issue became irrelevant when the Afghans abandoned Bandar `Abbas on January 9, 1730. The only Dutch trade during the Afghan period took place in Basra, where the VOC had returned in 1724, for by then it had become clear that the economic situation in Iran would not improve soon. Trade was non-existent and the Dutch had to make money, at least to make enough to cover the cost of its expensive establishment in the Persian Gulf.*

Afsharid Iran.
The Afghan occupation changed the nature of Dutch operations in Iran. First, the Dutch had to keep a permanent military garrison at Bandar `Abbas to protect their staff and trading operations as of 1721. Second, the formal basis of Dutch trade relations with Iran still rested on the premise of tax-free trade in

* Floor 1998.
exchange for the purchase of silk and the annual supply of the treaty goods to the court. However, after 1730 the court did not supply any silk and thus the Dutch bought none, while they also did not sent the treaty goods to the court. The Dutch thus formally enjoyed advantages for which they did not return any benefit to the shah, who therefore felt entitled, without saying so, to demand services from the Dutch. Already in 1730 Tahmaspqoli Khan (the later Nader Shah) asked the Dutch to patrol the littoral to prevent Afghan leaders from fleeing. In 1733, he asked them to stop Mohamad Baluch Khan and Sheikh Ahmad Madani, leaders of a revolt against him, from fleeing. The demand to ferry Iranian ambassadors and their goods gratis to Thatta also became a regular item. The demand for these services became really obnoxious and expensive when Nader Shah (r. 1736-1747) started his invasion of Oman in 1737. His generals regularly demanded that the Dutch ferry across supplies for the troops and supply equipment to the newly formed fleet. Despite protests the Dutch gave in fearing militarily retaliation. They refused, however, to sell any ships to Nader Shah, although they temporarily made some craftsmen available for his shipyard at Bushire. In 1741, the Dutch reluctantly supplied two ships to assist in a punitive expedition against Arab mutineers, who had taken half of Nader Shah’s fleet. Demands to ferry supplies to Oman continued to be made and given, but
these demands finally stopped when Mirza Taqi Khan rebelled in 1745. During the fights between the rebels and forces loyal to Nader Shah in Bandar `Abbas the Dutch refused to choose sides and told both parties that they were there to trade not to fight. They would only do so if forced to defend themselves.*

The End of Dutch Presence in the Gulf.
The death of Nader Shah in 1747 brought temporary relief to the littoral and trade. However, the succession war that had broken out in Iran also reached the Persian Gulf. In 1751, forces of `Ali Mardan Khan Bakhtiyari took Bandar `Abbas. The Dutch had left the port prior to their arrival leaving a skeleton staff behind to look after their affairs. Although, the full staff returned in 1752 they did not stay long. In 1758 the Dutch closed their factory in Bandar `Abbas, although they left a caretaker to look after the building. It was taken over by the governor of Lar in 1765.*

Already in the 1740s proposals had been made to abandon the entire trade with Iran, because of losses suffered. The Dutch had established a factory in Bushire in 1734 to increase sales, but the results were disappointing. Not only was trade not important,

* Floor 1989a.
there also was interference with trade by the local chief sheikh Madhkur, while sales at Bushire had a negative impact on those of the Dutch factory in Basra. This office had become independent of the Persian Directorate in 1747. When in 1751, Tido von Kniphausen, the Dutch chief in Basra, was accused of having relations with a Moslem woman and was forced to pay a large sum to obtain his freedom he was able to convince the governor-general in Batavia of the advantage of a reform plan for Dutch trade in the Persian Gulf. Von Kniphausen suggested to close down the factories in Basra and Bushire, and eventually also in Bandar `Abbas, and to build a factory on the island of Khark. Being on an island would guarantee that the Dutch were not subject any more to demands from local officials for assistance and supplies. Von Kniphausen returned to the Persian Gulf in 1753 with three ships. He blockaded the Shatt al-Arab and forced the Basrene authorities to return the money extorted from him. He further closed the factory of Bushire much to the chagrin of Sheikh Naser of Bushire and built a new one on Khark Island. Because most Dutch trade was gradually concentrated at Khark this rendered the Bandar `Abbas factory irrelevant, which was therefore closed in 1758. Von Kniphausen tried to stimulated trade and revenues, by, for example, getting engaged in pearling, while he also proposed to occupy Bahrain, which proposal Batavia vetoed. After an initial rise in trade
results they soon fell back to their previous low lackluster level. Von Kniphausen’s successor had to deal with the piratical activities of Mir Muhanna, the chief of Bandar-e Rig. The latter also contested the Dutch claim that his father had given Khark to them and attacked the island in 1762, but he was repulsed. By that time Batavia had received orders to close down Khark and withdraw from the Gulf, but because of Batavia sugar interests in sales in the Persian Gulf this decision was postponed. When the decision was finally taken it was too late, because in late December 1765 Mir Muhanna had attacked Khark again. The Dutch against their better judgment had reluctantly agreed to support a military operation against Mir Muhanna by the new ruler of Iran, Karim Khan Zand. Mir Muhanna of Rig not only preyed on his neighbors on land, but also was engaged in piracy at sea. Karim Khan Zand and the chiefs of the neighboring ports, therefore, wanted to mount a combined land and sea operation against Mir Muhanna. Karim Khan’s forces had expelled Mir Muhanna from Rig, who then had fled to the small island of Kharqu, next to Khark. The Dutch were supposed to assist Bushire forces led by Sheikh Sa`dun, who fled when Mir Muhanna attacked them. Dutch forces that had landed on Kharqu were no match for Mir Muhanna. They suffered considerable losses and withdrew to Khark. Mir Muhanna then immediately attacked the Dutch factory, which surrendered on
January 3, 1766. Although he kept the goods that he found there as booty Mir Muhanna allowed the Dutch staff to depart and even gave them a few small boats to reach Bushire.* Thus ended 133 years of permanent Dutch presence in the Persian Gulf. It did not mean that the Dutch did not come to the Persian Gulf anymore. Until 1793, each year one ship or sometimes two, usually privately-owned, sailed from Batavia directly to Masqat to sell its cargo, mostly consisting in sugar and some spices. Although letters were received from local governors (Hormuz, Bandar `Abbas, Bushire, and Basra) inviting the Dutch to come and trade again at those ports the VOC had decided that trading in the Persian Gulf was too risky and not profitable enough. It could sell the goods it would sell there in the market of Surat, whence they would taken by country-traders into the Gulf.*

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