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The World's First Stock Exchange

A World-Famous Book

If one were to lead a stranger through the streets of Amsterdam and ask him where was, he would answer “among speculators,” for there is no corner where one does not talk shares.

—JOSEPH PENSO DE LA VEGA,
CONFUSIÓN DE CONFUSIONES

THIS IS NOT ABOUT Wall Street and the area around it, nor is it about the City of London. This is Amsterdam, the Amsterdam of around 1688—more than three centuries ago. It was not long since the great town houses along the rings of canals had been finished, and at night, save for a few flickering lanterns outside the houses, it was pitch dark in the streets and on the canals. On the far bank of the bay known as the IJ—clearly visible from the city—the bodies of condemned felons swung from the gallows. Was this really the place where people were talking about shares on every street corner?

It was. And the people of Amsterdam were talking about options,¹ too, and forward selling, quotations and prices, risk and speculation—all relating to the trade in the shares of the Dutch East India Company (the Vereenigde Oost-Indische Compagnie, VOC), which had been established in 1602. Fortunes were made and lost, and the men who engaged in this trade were wholly in thrall to it.