Decay or defeat ? : an inquiry into the Portuguese decline in Asia 1580-1645

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CHAPTER IV

THE ASIAN TRADES

The Indian Ocean

Because of its loose organization, the total volume of the intra-Asian trade during the sixteenth and seventeenth centuries continues to be subject of debate.[1] Only where the Iberians were involved as participants or as revenue collectors has some piecemeal information been left behind, from which today's historians are now trying to reconstruct how big the flows of Asian trade really were.

As far as the Portuguese *Estado* was involved, some writers tend to rely on the snapshot that was made in 1580, to give Philip II an idea about the value of the concession voyages which became his 'property' in that year.[2] Others prefer to discuss the budgets of the Portuguese fortifications, which depended for about 60 per cent on the customs levied on the indigenous trade (see appendix 4.1).[3] The first approach produces only a small part of the total picture, but also the budgets present their problems: budgets do not necessarily represent reality, but rather an expectation, a hope, or, in the worst case, a suspicion.

Disney and Matos have already raised the point that for many years the budgets of the *Estado* continued to show large surpluses. This is of course not so surprising: a budget with a surplus will hardly ever raise difficult questions and once a surplus has been shown, it will have to be repeated in the years thereafter for exactly the same reason. The same can be said about accounts which are not checked by an independent person.[4]

Only from 1620 does an attempt seem to have been made either fully to spend the money that was going to be received or at least make it appear like that. However, in 1635, the time that the military

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[1] For a latest contribution to the debate see Andre Gunder Frank, *ReOrient: Global economy in the Asian age* (Berkeley/L.A. Cal. 1998) 182-185. He does not support his defence of a large volume of private trade with numbers, though.

[2] L.F.F.R. Thomaz 'Les Portugais dans les mers de l'Archipel au XVIe siècle' in *Archipel* 18 (1979) 121-124 and Sanjay Subrahmanyam, *The Portuguese empire in Asia 1500-1700. A political and economic histor*y (London/New York 1993) 140, both refer to Francisco Mendes da Luz (ed.)'Livro das Cidades e Fortelezas que a Coroa de Portugal tem nas partes da India' in *Boletim da Biblioteca da Universidade de Coimbra* 21 (1954) 116-144. Thomaz remarks that these concession voyages did not take place every year and that some had already been abolished in 1580. See also page 93-96.

[3] See Vitorino Magalhães Godinho, *Les finances de l'état Portugais des Indes Orientales (1517-1635) (Matériaux pour une étude structurale et conjoncturelle)* (Paris 1982) for the year 1574 and comparison with 1588, Artur Teodoro de Matos, 'The financial situation of the State of India during the Philippine period (1581-1635)' in Teotonio R. de Souza, *Indo-Portuguese history. Old issues, new questions* (New Delhi 1985), 90-101 for a summary of the years 1581, 1588, 1607, 1609, 1620, 1635. The same author has expanded the latter article with a more recent one: 'A situação financeira do Estado da India no período filipino (1581-1635)' in *Na Rota da India. Estudos de História da Expansão Portuguesa* (Macao 1994) 61-81. A.R. Disney, *Twilight of the pepper empire. Portuguese trade in Southwest India in the early seventeenth century* (Cambridge Mass./London 1978) 54-56 gives the total budgets of the individual fortifications for the years 1630 and 1634.

[4] In his latest article on this subject, Matos expresses the opinion that the so-called *orçamentos* (budgets) were in fact accounts.

expenditures should have been on the increase, the same problem occurred again (see appendix 4.1, under revenues and expenditures of the total *Estado*). Pero Barreto de Resende, the secretary of viceroy Dom Miguel de Noronha, count of Linares, demonstrated very little insight into the way the affairs of the *Estado* should have been managed and what should have been the first priorities, when he remarked that with better government the surplus of 1635 might have been even more![5]

To calculate the total volume of trade under the control of the *Estado da India*, one might consider using the custom revenues. However, the officials had much less insight into what were the profits made on the collection of duties than was the case in Lisbon. Therefore, the revenues from this activity were far from representative for the actual duties received. A better approach would be the 1 per cent *ad valorem*, which was supposed to stay out of the hands of the tax 'farmers', and which was levied to support the maintenance of the galleys and the fortifications. Regrettably, there are only a few places for which the revenues from this levy are known: Hormuz, Chaul and Diu.[6]

The presence of the *Estado da India* was in particular strong around the Indian Ocean. The overall trade of the Indian subcontinent had an export surplus, consisting mainly of cotton textiles and pepper, which was balanced with precious metals.[7] The different Indian regions also traded with each other; overland, via inland waterways or by sea and with the interior having a surplus in general, silver and gold tended to travel inland, with the silver moving to the north and the gold to the south.[8] Although Goa was closed from June to September because of the monsoon, the Portuguese had chosen it as the endpoint of their *Carreira*, because from here both the textiles and pepper were within easy reach (see fig. 4.1 and for more geographical details 9.1). The northern fleet brought mainly cereals, fruits and vegetables, on which no excise duties were levied and furthermore cotton, indigo, sugar, opium, camphor, furniture, ivory, crystal, golden jewelry and precious stones.[9] For textiles the trade to the North of the West coast was of prime importance. The first *cáfila*, sometimes consisting of 300 'coasters' and a number of Portuguese ships for their protection, left in September or early October for Gujarat and returned in December or January, just in time to catch the *Carreira* ships, leaving in January-March for Lisbon. The second or sometimes even third *cáfila* fleet left in March.

The Portuguese share of the total Gujarat trade was probably not more than 5 per cent,[10] but a considerable part of the Portuguese tax revenues came from Diu, Bassein, Chaul and Damãn (see appendix 4.1). In particular the town of Diu was of importance, because of its connection with Mecca, the import of copper from Portugal and

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[5] *Matos* 1985: 95.

[6] See below.

[7] *Frank* 1998:85, quoting K.N. Chaudhuri, *The trading world of Asia and the East India Company 1660-1760* (Cambridge 1978) 185.

[8] *Frank* 1998: 89.

[9] *Disney* 1978: 24.

[10] M.N. Pearson, 'The Portuguese in India' in *The New Cambridge History of India*, Vol.I.1 (Cambridge 1987) 87. K.N. Chandhuri stresses the 'large' number of commercial families of Portuguese origin living in numerous towns of coastal India by the end of the 16th century: e.g. in 1572 in Cambay there would have been 60. [K.N. Chaudhuri, *Trade and civilisation in the Indian Ocean. An economic history from the rise of Islam to 1750* (Cambridge 1999) 73]. See also chapter 5.

the export of cotton textiles, not only to Goa, but also to Malacca.[11]

While Goa, as port of arrival and departure for the *Carreira da India* was far from ideal, it offered the northern *cáfila*, together with places like Chaul and Bassein, a high degree of flexibility. During the Dutch blockades of Goa the indigenous ships with their limited draught could sail or even row close to the shore and stay outside the reach of the Dutch guns. In those times, if Goa were completely inaccessible, they would unload their cargoes in Chaul or Bassein.

Once in Gujarat, it was logical to continue the voyage to the Persian Golf, from where there was the overland connection with the Mediterranean and the Silk Road.[12] The merchandise carried to Hormuz consisted largely of textiles and leather fabrics, from Hormuz came Arab horses, Bahrein pearls, Persian silk and carpets, silver coins (also from Europe), Venetian glassware, mirrors and small quantities of woollen cloths.[13]

Until Hormuz was lost to the Persians and English in 1622,[14] it was more or less on par with Diu in total trading volume (about 48 tons of silver).[15] Also the revenues for the *Estado* and the salaries and other official benefits of the captains and factors were almost identical.[16] Nevertheless, in 1614, 145,000 *xerafins* (2,8 tons of silver) were paid for the captaincy of Hormuz, that was fifteen times as much as for the captaincy of Goa, whereas that of Diu was only worth five times that of Goa.[17] Twenty-five years earlier, Linschoten, who was in India in the latter part of the 1580's, even mentioned a price of 200,000 ducats (7 tons of silver) for the captaincy of Hormuz.[18] Obviously, the position had something more to offer than the salary and the usual benefits from the *Estado*, and Hormuz was not the only place where this was the case. According to Do Couto, around 1560 a captain of Hormuz, Malacca or Sofala would make a profit of 30,000 *cruzados* (0.9 tons of silver). By 1600 this

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[11] *Magalhães Godinho* 1982: 69.

[12] James C.Boyajian, *Portuguese trade in Asia under the Habsburgs 1580-1640* (Baltimore/London 1993) 59-61. *Frank* 1998: 83-84.

[13] Jan Huygen van Linschoten, H. Kern (ed.), *Itinerario. Voyage ofte schipvaert van Jan Huygen van Linschoten naar Oost ofte Portugaels Indien 1579-1592* (The Hague 1910) I, 53-54.

[14] See chapter 9.

[15] The most reliable data on total trading volume, can probably be deducted from the one per cent extra duty on imports and exports, which were to be used for the maintenance of the galleys and the fortifications and which are presented in following table (Taken from *Magalhães Godinho* 1982: 48, 58, 75).

Location	Year	Total trading volume tons of silver
Hormuz	1610	47.7
Chaul	1611	22.0
Diu	1611	47.7
	1634	12-14

[16] See *Magalhães Godinho* 1982: 159-161, 173-176.

[17] *Subrahmanyam* 1993: 154-156. For Daman this was four times, for Chaul, Malacca and Muscat three times and for Mombassa two times.

[18] *Van Linschoten* 1910: II, 104.

would have been 200,000 (6.1 tons of silver) or even 300,000 *cruzados* (9.2 tons of silver).[19] Besides the captaincy, also the position of *feitor*, who acted as a mediator in the purchase and sales of goods, was in Hormuz considerably more expensive than in other places. Boyajian has estimated that the *casados* of Hormuz, including the captain and the factor, at the zenith of their activities had about 570,000 *cruzados* (more than 17 tons of silver) invested in the Hormuz trade.[20] Another argument for the importance of the trade through Hormuz is the fact that the king wanted to limit the number of voyages to Hormuz because of the competition with the ships around the Cape.[21] Apparently the captains were independent and powerful enough to issue their own licences for their own trade, which was being carried by their own ships or with the caravels that were sent from Hormuz to India, to bring the messages from Europe.[22]

The officially recorded volume of trade through Hormuz, to the amount of 48 tons of silver, or say, 24 tons in each direction, was also not insubstantial.[23] After deduction of the costs of manpower and maintenance of the fort it was a large contributor to the negative balance of Goa.[24] The question where the northern flow of goods went is still subject of debate. According to Subrahmanyam the Middle Eastern trade from the Orient was in particular directed towards Basrah, Bagdad and Isfahan.[25] Steensgaard's view is that the overland trade to the Mediterranean via Aleppo and Cairo was just as important.[26] In support of Steensgaard's view are the 40 to 60 tons of silver, which in the beginning of the 17th century went to the Levant every year[27] and finally must have found an outlet somewhere.[28] As

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[19] *Pearson* 1987: 139.

[20] *Boyajian* 1993: 276 note 20. According to Niels Steensgaard, *Carracks, caravans and companies. The structural crisis in the European-Asian trade in the early 17th century* (Copenhagen 1973) 199, horses had a value of 40 *milréis* each, of which 19,5 went to the king. For 1,500 horses the total value in Hormuz would have been 150,000 *cruzados* (4.6 tons of silver), resulting in a profit, not taking in account the costs, of 200 percent. Steensgaard also notes that in 1589 a six percent, or 25,000 *cruzados* duty were levied on the spices and the pepper that were exported to Basrah by the Arabs, so that the total value of these goods must have been 400,000 *cruzados* (12.2 tons of silver).

[21] *DR* III, 427 and 433-34.

[22] *Steensgaard* 1973: 200, *Van Linschoten* 1910: Vol.I, 40-41, *Magalhães Godinho* 1982: 160, note 10.

[23] See Chapter 9 and William F. Sinclair, Donald Ferguson (transl./eds.), *The travels of Pedro Teixeira* (London 1902) xxii.

[24] *Matos* 1985: 98. Steensgaard claims an annual revenue from customs in 1611 of 200,000 ducats (7 tons of silver), which is about twice the revenues recorded by the *Estado* officials [Niels Steensgaard, 'The route through Quandahar: the significance of the overland trade from India to the West in the seventeenth century' in Sushil Chandhury, Michel Morineau (eds.), *Merchants, companies and trade. Europe and Asia in the Early Modern Era* (Cambridge 1999) 66.]

[25] *Subrahmanyam* 1993: 156.

[26] *Steensgaard* 1973: 168, table 12, estimates the European consumption of Asian pepper around 1600 as follows: via the Cape route 1-2 million pounds and 3-4 million pounds via the caravan route. After 1610 silk would have become the main commodity of the caravan route.

[27] As a result of the limitations in Antwerp, a part of the grain trade shifted from Barcelona via Genua to the Levant. Frank C. Spooner, *The international economy and monetary movements in France 1493-1725* (Cambridge Mass. 1972) 77 estimates the quantity of silver required to pay for that grain during the period 1610-1614 at 61 tons per annum. Artur Attman, *Dutch enterprise in the world bullion trade 1550-1780*

discussed in chapter 3, during the 1590s the volume and price of the pepper in Alexandria were just in balance with the Portuguese imports into Europe: where the latter faltered, the pepper from the Middle East took over, so that the price did not rise.

Already in 1611 the attention of the English and the Dutch was drawn to Hormuz, but for the Dutch VOC it was still too early in the day and finally it was the English who came to an agreement with the Persian Shah.[29] Apart from the loss of Portuguese *reputação* both in Europe and in Asia,[30] the capture of Hormuz by the Iranians and English represented a serious blow to the Portuguese treasury. Hormuz ceased to exist as a seaport and market and its commerce was transferred to the port of Gombroon, now known as Bandar Abbas, from where the English and thereafter also the Dutch became actively engaged in the export of Persian silk to Europe.[31] In 1635 the treasurer of the *Estado da India* apparently expected to compensate for the loss of revenue by asking more tribute from the *réis vizinhos* who were under Portuguese protection[32] and by getting more revenues out of Ceylon and Muscat.

Because of the fall of Hormuz, the revenues of Diu, where many goods from Hormuz were imported, suffered as well.[33] Furthermore, because many artisans died in the famine of 1630, cloth production and trade in Gujarat came to a total standstill[34] and the quality of cottons suffered for many years from a bad reputation.[35] The Anglo/Dutch exports of indigo and cotton from Surat had an additional negative effect.[36]

The Southern *cáfila* from Goa to Kanara and Malabar brought rice, palm oil, areca and pepper for the *Carreira*. Some of the ships went to Cochin, from 1580 the most important port of Malabar. Cochin in turn maintained a connection with Pegu in present-day Burma and

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(Göteborg 1983) 8 suggests 52 tons per annum during the seventeenth century.

[28] A continuation of the trade route Levant-Hormuz-Asia, besides the Portuguese route around the Cape, in particular for spices and pepper during the 1590's, when the *Carreira da India* suffered problems, is highly probable (*Van Linschoten* 1906: I, 40-41), notwithstanding the fact that the *Estado* charged 1/6 *ad valorem* on the import of these products [*Magalhães Godinho* 1982:46]. According to *Steensgaard* 1973: 175-193, the trade to the Mediterranean, mainly via Aleppo, Alexandria and Smyrna and which was largely a silk trade, was maintained until 1610. Its ups and downs were determined mainly by the Persian-Turkish wars. As far as there were pepper and spices involved, from 1610 the flow to the Mediterranean must have reversed: from England and Holland to Turkey, where the companies improved their sales by lowering their prices and offering advantageous credit facilities [*Steensgaard* 1973: 172-174].

[29] See also chapter 9.

[30] *Steensgaard* 1973: 347.

[31] W.H. Moreland, *From Akbar to Aurangzeb. A study in Indian economic history* (London 1923) 39-40.

[32] *De Matos* 1985: 97, table. The budget for these so-called *tributes páreas* as a percentage of total revenue increased from 17.8% in 1620 to 58.8% in 1635.

[33] *Subrahmanyam* 1993: 190, table 7.5 does not report the budgeted revenues of Diu in 1635. As a consequence, he draws the conclusion that the contraction of Diu took place much later, around 1650, when the trade in Gujarat 'tended to gravitate more and more towards Surat, the great westward-looking port of the Moghul empire' [*Idem*, 189]. Chapter 5 will show that the Hindu merchants already began to leave Diu after the English in 1612 had established a factory in Surat.

[34] *Chaudhuri* 1999: 32-33.

[35] E.L. Jones, *The European miracle. Environments, economies, and geopolitics in the history of Europe and Asia* (Cambridge 1996) 31.

[36] See chapter 9.

with Malaysia and Sumatra.[37] For the *Estado* and the *Casa da India* the trade in pepper was the most important and Disney has described extensively the complete process of harvesting, weighing, the purchase and transport.[38]

Added to this, there was a private overland trade from Goa with places like Golconda, Vijayanagara and Bijapur, where according to Boyajian, every year about 500,000 *cruzados* (15 tons of silver) were spent on diamonds. Very little duty was levied on them and they were used to transfer capital on the ships of the *Carreira* to Lisbon.[39]

As far as the total volume of the trade in and out of Goa is concerned, the estimate of Bocarro is apparently still valid: about 2,850,000 *xerafins* (57 tons of silver),[40] but in fact it may have been much more. It largely depends on whether one includes the private merchandise, brought to Goa for transshipment onto the ships of the *Carreira da India* and which did not have to pass through the Goan *alfândega*. The figure does not include the *Carreira da India*, which in the 1590s, as shown earlier, exported officially at least something like 17 tons of silver per annum worth of cottons, silk, pepper, spices, indigo, diamonds and other precious stones. This made it a worthwhile outlet for the Asian trading system.[41]

The concession voyages

Besides the northern and southern *cáfilas*, a network of long distance trade spread from places like Goa, Diu and Cochin, towards South East Asia and the Far East. Especially the South China Sea was a difficult barrier and it formed a separate trading area with the Chinese provinces Fukien and Kwangtung as a centre. After their arrival in Asia, the Portuguese, by necessity, had followed the existing patterns of trade and had declared some of the voyages a royal monopoly, for which purpose in the beginning, just as was the case with the *Carreira*, royal ships were used. After 1570 the royal voyages were gradually abolished and concessions were sold to the people who wanted to make use of the royal monopolies (see fig. 4.2).

These concessions gave the right to navigate on a certain route and the voyages were made under command of a *fidalgo* as *capitão mór*, who, together with some co-investors, paid for the costs of the ship, the equipment and the crew. This could become a costly affair, if the ship could not leave because of bad weather conditions. In this case the only alternative was to try and get another licence for the next season, whereas the capital that had been invested

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[37] *Disney* 1978: 25.

[38] *Disney* 1978.

[39] *Boyajian* 1993: 58. *Magalhães Godinho* 1981: 38 quotes a one percent duty levied on precious stones declared upon arrival in Lisbon. In 1607 the revenue on precious stones would have amounted to 360 *milréis*, so that the declared value must have been the equivalent of not more than 2.8 tons of silver!

[40] *Disney* 1978: 24. *Magalhães Godinho* 1982: 96 quotes for the 17th century custom revenues something in the order of 150,000 *pardãos de tangas*. With the prevailing Goan tax rate of 6% this would lead to a total volume of 57 tons of silver. In actual fact, the collection of custom duties was frequently farmed out [*Idem*:97], so that the quoted revenues were not the whole story. M.N. Pearson 'Indigenous dominance in a colonial economy. The Goa *rendas*, 1600-1670'in *Mare Luso-Indicum* 2 (1973) 72 quotes well over 2,500,000 *xerafins*.

[41] See chapter 3.

remained useless. Nevertheless, some of these voyages were profitable, notwithstanding their long duration, such as that from Goa to Banda, which in 1580 was still made on royal ships and that from Goa to the Moluccas.[42] Both voyages obtained the spices at their place of origin via numerous intermediate stops, which made them very costly.[43]

After 1605, when the Dutch had taken Amboina, the Portuguese private trade in spices continued, outside the concession system, but via Macassar, bringing in exchange the Coromandel and Gujarati textiles from Malacca. In 1625 the annual value of the Portuguese trade on Macassar would have been about 500 to 600,000 *taels* (equivalent to 18 tons of silver), of which a part went to Manila.[44] Not only Portuguese, but also other European merchants found their base in Macassar and it took almost forty years before the VOC, by waging war against the clove islands of Hitu and Hoamoal and destructing the fleet of Macassar, could put the Macassar trade almost to an end.[45] During the years 1641-67, which was also after the Portuguese Restoration, the value of imports from Macassar to Manila became negligible.[46]

The royal concessions were also given away to make the captaincies of the big Portuguese settlements more attractive and before long they had become a given right. The captains of Malacca had at their disposal the concessions for the voyages to Macao, Bengal, Malaysia, Cambodia and various destinations in Indonesia, which they could keep for themselves or sell.[47] In the Gulf of Bengal, where the power of the *Estado* was limited to three reinforced settlements: Tuticorin, Negapatnam and São Thomé de Meliapur,[48] the captains could sell concession voyages to Burma, Malaysia, Goa and even to Hormuz. The most interesting concession voyage was that from Coromandel to Pipli (Orissa) which in 1580 was noted as the most profitable in the Gulf of Bengal.[49] The trade within the Gulf and to the Indonesian archipelago was, even after the conquest of Bengal by the Great Moghul,[50] freely accessible to the private merchants and the *lançados*, the people who had escaped from the control of the *Estado* and were spread over the whole of Asia. Of course they directed their trade in the first

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[42] In 1574 the profit of the voyage to Banda, after deducting the costs, was estimated at 18,000 *milréis* (1,3 tons of silver), that to the Moluccas at 6,000 *milréis* (0.5 tons of silver) [*Magalhães Godinho* 1982: 337].

[43] *Thomaz* 1979: 120-121. See also M.A.P. Meilink-Roelofsz., *Asian trade and European influence in the Indonesian Archipelago between 1500 and about 1630* (The Hague 1962) 162.

[44] *Souza* 1986: 92.

[45] *Knaap* 1987: 19, 22.

[46] *Souza* 1986: 88-100, 102. The total value of imports from Macassar to Manila over all those years was not more than 417,867 *pesos* (11 tons of silver).

[47] *Thomaz* 1979: 122-123. The so-called spice voyage from Malacca to Macao cost 5,500 *cruzados* and yielded a profit of 10,000 *cruzados*. This profit did not differ very much from that from Malacca to Pipli (9,000 *cruzados*) or to Sunda (10,000 *cruzados*). The voyage to Borneo brought only a profit of 5,500 *cruzados*.

[48] For the early history of the Portuguese settlements in the Bay of Bengal see George D. Winius, 'The "shadow empire" of Goa in the Bay of Bengal' in *Itinerario* 7 (1983-2) 83-101 and of the same author *The merchant-warrior pacified. The VOC (The Dutch East India Company) and its changing political economy in India* (Delhi 1991) and 'A tale of two Coromandel towns. Madraspatam (Fort St. George) and São Thomé de Meliapur' in *Itinerario* 18 (1994-1) 51-64.

[49] *Thomaz* 1979: 122.

[50] See chapter 9.

place to those areas where the *Estado* was powerless.[51] In the end the concession system was fully undermined by the private trade, as was demonstrated by the public auction of concessions in 1614-1615. The buyers were only interested in six routes, those from Goa to Macao and Japan (against a reduced price) and from Goa to Mozambique being the most important.[52]

Also Malacca generated revenues for the *Estado* (appendix 4.1 note 5). It was a keypoint,[53] as it had always been, in the trade between the Indian Ocean and the China Sea, including the Indonesian Archipelago. For the small local ships, but also for the much bigger Portuguese, and later the English or Dutch ships, it was not possible to sail in one stretch from Goa to Macao, or from Malacca to Japan and back again. The ships that were to go from one trading zone to the next used Malacca as a stop-over. Here they could wait for a favourable wind and store their merchandise or trade it in for commodities coming in from the other two directions. In 1636 Malacca was to become the first target of the Dutch aggression, but the few available figures suggest a halving of the revenues from trade already sometime in the 1620s; maybe because other nearby ports, such as Kuming and Atjeh were providing alternatives.[54]

The China Sea

The trades of the China Sea were mainly driven by the unquenchable thirst for silver in China and the demand for silk in the rest of the world. The Ming dynasty had initiated the replacement of paper money by silver and copper and taxes had become payable in silver. The merchant population of Fukien and Kwantung were the first to take part in the ensuing process of metallization of the economy, but they were soon followed by the military and the civil servants elsewhere in the country. It caused an ever-growing demand for silver which could be accommodated by bartering ceramics, silk and gold against Japanese silver.[55]

In 1549 the Ming imperial court of China, in an attempt to quell piracy along the South East coast, prohibited the Chinese from trading overseas and the Japanese from entering China. These embargoes did nothing to diminish the thirst for Japanese silver in China, or the demand for Chinese gold and silk in Japan. Under the conditions prevailing at that juncture, the Portuguese were able to acquire a monopoly on the direct trade between China and Japan.[56]

In the meantime, the Chinese[57] and Japanese traders (or smugglers) took refuge in other meeting places, which were located along two routes towards the South. Starting from the Bay of Amoy, the

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[51] *Boyajian* 1993: 61-63.

[52] *Subrahmanyam* 1993: 141.

[53] In 1580 of the thirty concession voyages, about half involved Malacca as destination or point of departure. [Sanjay Subrahmanyam, Luís Filipe F.R. Thomaz, 'Evolution of empire: The Portuguese in the Indian Ocean during the sixteenth century' in James D. Tracey (ed.), *The political economy of merchant empires* (Cambridge 1991) 314.

[54] The latter point was brought to my notice by George Winius.

[55] *Frank* 1998: 111-112, 168-170.

[56] George Bryan Souza, *The survival of empire. Portuguese trade and society in China and the South China Sea 1630-1754* (Cambridge 1986) 16-17.

[57] See also Wang Gungwu, 'Merchants without empire: the Hokkien sojourning communities' in James D. Tracy, *The rise of merchant empires. Long-distance trade in the early modern world, 1350-1750* (Cambridge 1991) 400-421.

Eastern route had some forty-six branches, via the Philippines to the Moluccan islands. The Western route with something like one hundred-twenty-five possible stop-overs, ran via Champa, Cambodia, Siam, the Malay peninsula and Sumatra to the north coast of Java, from where, via Timor, it connected with the endpoint of the Eastern route. In 1567 the prohibition of private trade on the southern routes, but not that with Japan, was lifted again and it was along those routes that a certain quota of Chinese ships would sell their silk for Japanese silver and thereby became competitors for the Portuguese direct trade with Japan.[58]

In 1571, with the arrival of the Spaniards in the Philippines, a new element was added to the existing patterns of trade: the silver from Mexico and Peru. It would attract not only more Chinese ships to the Eastern route but also Portuguese ships directly from Macao or on their way back from India and it would bring the Spanish from Manila to Macao.

The Chinese from the mainland soon brought sugar, silk, porcelain and iron into Manila and by 1576 they were already supplying pepper, cloves and nutmeg directly from the spice islands south of the Philippines. By 1582 the Ming authorities only accepted the payment of custom duties by Portuguese and Chinese maritime traders in the form of silver.[59]

The two Chinese trading routes were apparently equally attractive. In the 1590s an average sixteen Chinese junks per year received a licence for Manila, whereas a similar number probably left for Cochin China.[60] In 1597 almost one hundred-and-twenty junks left China. Half of them had a licence for the Philippines, Borneo and the Moluccas, the rest had West Java,[61] Cochin China, South Sumatra, Cambodia and Champa as their destination.[62] According to VOC estimates, in the early part of the seventeenth century the number of junks that went to Manila during the season (which lasted from March to early June) was twenty to thirty, with a volume varying between 25 and 350 tons.[63] Their number is well in the vicinity of Souza's numbers of shipping arrivals in Manila, with, from 1590, fifteen to forty-six Chinese ships per year.[64] The food, silk and other luxury products brought into Manila would carry a 3 per cent levy and then be sold freely,[65] mainly against American silver.

The officially approved way to bring the Mexican silver to Asia was on board two galleons of 300 to 1,000 tons capacity, which sailed, commuted, every year from Acapulco to Manila and back again. After arrival at its destination, the royal share of the silver would be used to pay the administrators, the soldiers and for the maintenance of the defence works and the local Spanish fleet. Because

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[58] Leonard Blussé, 'No boats to China. The Dutch East India Company and the changing pattern of the China Sea trade, 1635-1690' in *Modern Asian Studies* 30 (1996) 58-59. See also *Frank* 1998: 98-99.

[59] *Souza* 1986: 65.

[60] Anthony Reid, "An Age of Commerce' in Southeast Asian history" in *Modern Asian Studies* 24 (1990) 9-10.

[61] Leonard Blussé, 'Western impact on Chinese communities in Western Java at the beginning of the 17th century' in *Nampo-Bunka, Bulletin of South Asian studies (Japan)* No.2 (Sept.1975) 28-29 quotes Iwao Seiichi with eight passes handed out to Chinese ships going to Bantam in the 1590s.

[62] *Reid* 1990: 9.

[63] *Meilink-Roelofsz* 1962: 264.

[64] *Souza* 1986: table 4.4, 67 and table 4.8, 84.

[65] *Souza* 1986: 82. As from 1610 the levy was doubled to 6 per cent.

the Philippines were dependent on the food and textiles supply from mainland China, one can reasonably assume that the major part of the silver that was spent for administrative and military purposes finally ended up in that direction.

The quantities of royal silver sent from the *Caja de México* have been evaluated by Chaunu and TePaske (appendix 4.2 column 6 and 7) and their numbers are reasonably well on line. Chaunu went one step further and checked the quantities that, according to the records, had arrived in Manila (appendix 4.2 column 5). After 1630 the quantities arriving there would appear to be far less than the quantities dispatched. Whether the discrepancy was caused by corruption, bad administration or simply by the loss of documents is an open question.

Furthermore, the ships from Acapulco had privately owned silver on board (appendix 4.3) which was used in the trade with the Chinese from Fukien and the Portuguese from Macao. The Spanish merchants themselves also went to Macao, to buy food, gunpowder, saltpetre and copper for the Philippines and silk and other luxurious Asian products for the Mexican and South American markets. Apart from the officially recorded flow of private trade there was, already from the end of the 16th century, also a private direct connection between the Philippines and Callao in Peru.

From the beginning, the Portuguese in Macao had been very much aware of the possibility of Spanish competition in the Chinese silk markets and the unification of the two thrones had made this worse. However, failure of the Spanish to regularize their relations with the Ming officials of Canton gave rise to a Portuguese interest in the trade with Manila. Going even one step further, in 1589 the first Portuguese ship left Macao to sail directly to South America, but this time they had gone too far. When the merchants returned in 1592, they found the new governor of Manila in complete disarray with the Portuguese of Macao on the issue of direct trade between the two locations. The outcome was that the Portuguese gave up on the idea of a direct connection with South America and used their agents in the Philippines to invest in the Manila galleon. Between 1591 and 1609 the direct traffic from Macao to the Philippines was somewhat tempered because the Portuguese began to use the Japanese shipping route between Nagasaki and Manila, but they continued their direct supplies from the Moluccas, Malacca and India.[66]

Obviously, the direct trades between the two Iberian spheres of influence not only represented leaks in the Castilian or the Portuguese toll systems, but also could be an outlet for illegal silver, on which no *quinto* had been paid. Besides, the merchants of Seville complained of the shrinking volume of their trade to the Spanish Indies. Already in 1582 Philip II prohibited the direct trade between the Philippines and Peru, an order he had to repeat in 1591, together with the prohibition of the trade between the Philippines and Panamá.[67] In 1587 he even issued a general prohibition of any kind of trade between the Portuguese and Spanish territories. However, the decree was immediately undermined by the governor of the Philippines, who allowed the Asian trade again, which by that time had reached a volume of more than 1 million *cruzados* (30 tons of silver). The king's motives were understandable, but the Philippines were fully dependent on the mainland for the supply of food and other necessities and the trade was an important source of revenue

[66] *Souza* 1986: 66-69.
[67] *Tepaske* 1983: 435-436.

for the Manila treasury.[68] In 1593 he put a quantitative ceiling on the trade between Acapulco and Manila: not more than two galleons per year, of 300 tons each, carrying not more than 250,000 pesos worth from Manila to Acapulco and not more than 500,000 pesos (equivalent to 12.8 tons) of silver to Manila.[69]

During the first decade of the seventeenth century the intrusion of the VOC in the Indonesian archipelago gave rise to a moderate co-operation between the two Iberian powers. For instance, in 1602 the outfitting of the fleet of André Furtado de Mendonça was financially supported by Manila. This led, with the tacit support of the crown, to an increased trade in munitions. On the other hand, the idea of exporting Chinese mercury to Manila for the silver mining in New Spain had a short life: the Spanish authorities were afraid that such a deal would encourage their New World silver to go down the ever-present drain into China. The Chinese mercury finally ended up in the Portuguese Macao-Japan trade to supply the silver mines there.[70]

From 1608 also Philip III repeatedly prohibited the trade between the Portuguese and Spanish settlements,[71] but his intentions were unrealistic and certainly there was no way to stop the Chinese. Dutch sources reveal that every year a Chinese fleet arrived in Manila to barter silk for silver. They had to pay 150,000 reals of eight (3.8 tons of silver) in duties. Around that time 30,000 Chinese were living in Manila, who paid 250,000 reals of eight in head taxes and another 250,000 reals of eight in sales taxes.[72] With the exception of the aid received from Mexico, the contribution of the Chinese trade to the Manila treasury was higher than any other source of revenue.[73]

From the numbers of ships arriving in Manila, quoted above, one may already conclude that the trade from Macao was very erratic. Again according to Souza, in 1612 the total value of imports into Manila would have been 1,8 million pesos (46 tons of silver) of

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[68] See appendix 4.2, columns 2-4. *Boyajian* 1993: 65. For the Spanish treasury the Philippines trade remained a problem. In December 1610 Philip III even sent a note to the viceroys of Portugal, Mexico, Peru and the *Audiencias* of Mexico, Lima and Manila, requesting their opinion on his proposal to close the Acapulco-Manila *carreira* and to maintain all contacts with the Philippines via the Cape of Good Hope [*Boxer* 1985: VI, 4].

[69] *Tepaske* 1983: 436.

[70] *Souza* 1986: 71-72.

[71] In January 1612 Philip III emphasized that the trade between Malacca and the Philippines was prohibited (*DR*: II, 145) and two months later he denied a request from the *Camara* of Macao to allow a voyage to New Spain to bring mercury, 'because this route was not to be opened' (*DR*: II, 247). In March 1614 he issued a prohibition against the presence of Spanish and other foreign traders staying in Macao:'...and that under no circumstance the presence of representatives from these islands in Macao, under the pretext of supplying ammunition and food, should be permitted and that if they asked for it, they should immediately be sent back, because, as I have already ordered on 5 March 1608, under no condition whatsoever these representatives or other foreigners should be allowed to stay in that city...' (*DR*: III, 98-101).

[72] D.A. Sloos, *De Nederlanders in de Philippijnsche wateren vóór 1626* (Amsterdam 1898) 46. The total of 500,000 reals of eight in the form of taxes would be equivalent to 12,8 tons of silver.

[73] P. Chaunu, *Les Philippines et le Pacifique des Ibériques (XVIe, XVIIe, XVIIIe siècles) Introduction méthodologique et indices d'activité.* (Paris 1960) II, 48-49. See appendix 4.2 column 3 and 4.

which 88 per cent were contributed by the Chinese. But in 1618 this would have been not more than 80 per cent out of a total of 120,000 pesos (3 tons of silver). In 1619 the Portuguese revived the import of gunpowder, ammunition and other merchandise from Macao into the Philippines. Over the years 1621-1630 the total value imported from Fukien, Macao and other places in the South China Sea amounted to about 4 million pesos (102 tons of silver). The Chinese share in this trade amounted to 1.4 million pesos (36.8 tons of silver), that of the Portuguese of Macao to 1.2 million pesos (31.2 tons of silver) and the rest belonged to 'others'.[74]

The same author, using Chaunu's data,[75] sheds an interesting light on the numbers of ships arriving in Manila from other directions. They have been summarized in appendix 4.4.

Portuguese shipping from Macao apparently declined from the late twenties to the thirties and was reduced to a minimum after the Restoration of Portuguese independence in 1640. With its capture by the Dutch in 1641, Portuguese shipping from or via Malacca came to a standstill.

During the 1630's the Chinese were sending far more ships to Manila than before, but in the early 1640s the yearly number began to fluctuate sharply. Nevertheless, during the 1630s the tax revenues coming from the Chinese trade decreased.[76] Von Glahn speculates that in the 1620s and 1630s a large portion of Philippine trade moved into the hands of Chinese smugglers. This would then account for the sharp fall in tax revenues from Chinese trade. He estimates that in those decades 38 tons of silver were exported annually from Manila through official and unofficial channels.[77] On the other hand, Souza arrives at only slightly more than 11 tons of silver per annum worth in dutiable imports.[78]

Whereas Chaunu's data are incomplete for the 1620s, Souza's import values quoted here are specified for each year and suggest some conclusions on the effects of the Dutch attempts, during the years 1620-1625, to stop the Chinese bringing silk to the Philippines.[79] Both Chinese and Portuguese shipping from Macao appear to have suffered severely in 1623 and 1624. However, other bad years were 1628 and 1629.[80]

As from 1644 the Manchu invasion caused a decline in the annual arrivals of ships from China to fifteen and even to below ten and the income from this source was finally decimated.[81] The question over who was the tail and who was the dog is currently still under debate however: did the Manchu invasion have a negative effect on shipping and therefore on the supplies of silver, or did the severe drop in silver supplies cause the downfall of the Ming dynasty? Von Glahn is a proponent of the idea that silver supplies did not dwindle at all, although his own figures show differently (see appendix 4.5, column 8); Frank believes that the flows of silver were dictating not only the economy, but also politics and military successes.

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[74] *Souza* 1986: table 4.7, 82-83.

[75] *Souza* 1986: table 4.8, 84.

[76] See appendix 4.2 column 3.

[77] Richard von Glahn, 'Myth and reality of China's seventeenth century monetary crisis' in *Journal of Economic History* 56 (1996) 438.

[78] *Souza* 1986: table 4.7, 83.

[79] See chapter 8.

[80] *Souza* 1986: table 4.7, 83.

[81] *Chaunu* 1960: 22.

As far as the Philippines were concerned, the royal subsidies from Acapulco were kept in line with the higher revenues in Mexico and with the remittances to Europe. Chaunu and Tepaske agree that they reached their zenith during the 1630s with about 10 tons per annum, ending up at a much lower level thereafter.[82] The officially recorded flow of private silver from Acapulco to Manila showed the same trend. After a hesitant beginning in the 1590s it achieved an annual average of say, 10 to 14 tons of silver until the end of the 1620s. Thereafter, in the 1630s, it was reduced again to 9 tons per annum.[83] As shown in chapter 2, during the same decade the flow of private silver to Europe came down also by about 20 tons per annum,[84] although at the same time the total of royal revenues in Mexico and Peru increased by about 29 tons per annum.[85]

The conclusion has to be that during the 1630s not only more public silver was retained in America, but also more private silver. The sharp upward trend in the number of Chinese ships arriving in the Philippines during the 1630s suggest that at least a part of the silver went this way. How much this could be is anybody's guess: for 1597 the estimate of smuggled silver stands at more than 300 tons,[86] but Von Glahn is suggesting something in the order of 22 tons per year for the 1620s and 1630s.[87] After the 1630s the officially recorded silver flows to the Philippines reduced still further: about 6 tons per annum public and 5 tons private.

The above observations and numbers leave no doubt that the Asian (in particular the Chinese) and the American markets 'were overlapping and interconnected'.[88] Still, the question remains how strong this link really was and who were first to cause the decennial highs and lows in the Manila trade: the Chinese merchants or the Spanish producers of silver?

As far as the first question is concerned, using the 'seven leagues boots' of Ward Barrett[89] or Andre Gunder Frank[90] and taking a 'macro-economic' view over the years 1591-1650, the total official export of money and precious metals to the Philippines amounted to not more than 14 tons of silver per annum, whereas an unknown quantity could have been smuggled. In that same period about 240 tons per annum were exported to Europe, of which not more than 25 tons went directly to Asia[91] and say 50 tons to the Levant and 50 tons to the Baltic (mainly through the northern Netherlands). The remaining part of the imports into Europe, i.e. 115 tons, went into the formation of private capital and into the consumptive growth and monetization of the European economy, mainly in or via the Netherlands. If anything accounted for the financial rise of the Republic, it must have been this simple fact.

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[82] See appendix 4.2 column 6 and 7.

[83] See appendix 4.3.

[84] See appendix 2.1 column 10.

[85] See table 2.1, columns 2 and 5.

[86] *Tepaske* 1983: 436.

[87] *Von Glahn* 1996: 438 and table 3, 439, estimating an annual total export of 38.3 tons of silver, against, say, 16 tons officially recorded.

[88] *Frank* 1998: 138.

[89] Ward Barrett, 'World bullion flows, `1450-1800' in James D. Tracy, *The rise of merchant empires. Long distance trade in the early modern world, 1350-1750* (Cambridge 1991) 224-254.

[90] *Frank* 1998: 143.

[91] I.e. 15 tons for the account of the *Casa da India*, the VOC and EIC, and say, 10 tons for the account of the Portuguese merchants.

Giving the Chinese the benefit of the doubt with Von Glahn's 38 tons from South America[92] and adding his 50 tons from Japan and 125 tons of direct and potential indirect European imports, the total influx of silver into China would have been slightly more than 210 tons. This could have given a similar stimulus to the economy, mainly in South China.[93] The direct contribution of the Americas to this phenomenon, via the Philippines, was however not too impressive.

The Great Voyage

Until the Japanese put an end to it in 1639, the most profitable voyage for the Portuguese was said to be that from Goa to Macao and from there to Nagasaki. The trade on this route was based on the export of textiles, bought in Gujarat and Hormuz, from Goa to Malacca, of pepper and spices from Malacca to Macao, of raw silk, silk goods and gold[94] from Macao to Japan, of silver from Japan back to Macao and of silk, copper, gold and silver from Macao back again to Goa.

Japan was an important producer of silver that played a considerable role in the East Asian trade. Appendix 4.5 gives a comparison of the various sources and quantities of money and precious metals that were, as far as presently known, imported into the Asian trading system. They include the quantities imported by the contractors of the *Casa da India*, the VOC, the EIC (*East Indian Company*), and those introduced via Manila and from Japan. Not included are the contributions from the Levant trade (some 50 tons per annum) and the Portuguese private trade.

There is a great divide amongst the experts over the volumes of silver exported from Japan[95] but it is a safe bet that, until the export was prohibited in 1668, they dwarfed the European and South American imports into Asia. The data brought together by Reid[96] suggest that in the years 1611-1620 and 1621-1630 the quantities

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[92] *Von Glahn* 1996: 438.

[93] Calculated from appendices 2.1 and 4.5. For the effects of the silver injection into China see *Frank* 1998: 151-158, 160-162. Of course not all Levant or Baltic silver ended up in China. One can play with these numbers as one likes. *Von Glahn* 1996: 435-436, omits the Levant and the Baltic trade altogether and ends up with 116 tons per annum in the first half of the seventeenth century.

[94] The metallic ratios of the early seventeenth century worked as priming pumps for the Euro-Asian and intra-Asian trades: whereas the gold/silver ratio in Spain was 1:12.5 to 1:14, in India it was 1:9, in Japan 1:10 and in Canton 1:5.5 to 1:7 [*Frank* 1998: 134-135]. In 1622 the profit made on the gold/silver trade between China and Japan was 60%, in 1635 it had reduced to 30% due to domestic mining in Japan. See also *Von Glahn* 1996: 433, 435.

[95] See appendix 4.5.

[96] *Reid* 1990: 20-21, quoting numbers from Iwao Seiichi, 'Japanese foreign trade in the 16th and 17th centuries' in *Acta Asiatica* 30 (1976) 1-18, Kozo Yamamura and Tetsuo Kamiki, 'Silver mines and Sung coins. A monetary history of Mediaeval and Modern Japan in international perspective' in *Richards* 1983: 329-62, Kristof Glamann, *Dutch- Asiatic Trade 1620-1740* (The Hague 1981) and Kazui Tashiro, 'Exports of gold and silver during the early Tokugawa era 1600-1700' presented to *Keio University Conference on monetary history*, 1987. Similar numbers appear in Dennis O. Flynn 'Comparing the Tokagawa Shogunate with Hapsburg Spain: two silver-based empires in a global setting' in James D. Tracey, *The political economy of merchant empires. State power and world trade 1350-1750* (Cambridge 1991) 332-359.

of silver from Japan amounted to 130, respectively 150 tons per year, to come down to a level of 50 tons after the 'closure'. This would still have been more than the total of all other importers into Asia. Von Glahn's figures make a considerable downward correction on Reid's data before the 1630s, an upward correction during that decade and a fair agreement thereafter.

The so-called 'Ship of Amacon' entertained the official Portuguese navigation between Macao and Nagasaki. Initially its outfitting was granted to selected noblemen, but from 1568 the community of Macao and its merchants were also allowed to participate in this voyage between Macao and Japan,[97] besides the other concessions they had, such as the voyages to Malacca, Sunda, Patani, Timor and a voyage via Siam to Japan.[98] Macao, not having any obligation to pay a contribution to the *Estado da India,* would collect duties from the merchants who invested in these trades and use the revenues for the benefit of the town. Until 1615 the *capitão mór* of the *Great Voyage*, so very well known through the work of Boxer,[99] was also the only representative of the *Estado da India* in Macao. The Great Ship, or *Kurofune* as the Japanese called it, had to wait in Macao for a favourable monsoon, in order to continue its voyage to Japan or back to Malacca. During that waiting time the concession holders of the voyage had the right to do some administrative business and to exercise jurisdiction on behalf of the crown, so that they could earn some additional income. In 1615 the king approved the appointment of an '*ouvidor de capa e espada*', a judge who in the absence of the *capitão de viagem* could also serve as a captain in case of war.[100] In 1623, after the Dutch attack on Macao,[101] followed the appointment of the first *capitão-geral*, who as a *fidalgo*, frequently came into conflict with the merchant community and its *Senado da Camara*. In the mid-1630s the *Senado* agreed that the crown would collect the revenues from the voyages to Japan and Manila but, in exchange, would pay for the military garrison.[102]

For the king the voyage had still another useful purpose: he could make a nice gesture and gain *reputação* by giving away the concession for one or more years to the municipalities, who could use the profits for the improvement of their fortresses or for another good cause.[103] Between 1584 and 1588 the voyage was auctioned once for the price of 22,500 *pardaos* (0.5 ton of silver). The money was supposed to be used for the fortifications of Damãn, but in the end only 9,000 *pardaos* reached their destination; the rest of the money got lost. In 1611 29,000 and in 1612 20,000 *pardaos* were paid for the voyage. With this money indigo and cinnamon were bought and sent to Lisbon, to be sold there with the intention to use the money for the monastery of Madrid, which was patronized by the queen.[104]

For the *Estado da Índia* the financial importance of the

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[97] Eiichi Kato, 'Unification and adaptation, the early Shogunate and Dutch trade policies' in L.Blussé, F. Gaastra (eds.) *Companies and Trade* (Leiden 1981) 214.

[98] *Thomaz* 1979: 122.

[99] C.R. Boxer, *The great ship from Amacon. Annals of Macao and the old Japan trade, 1555-1640* (Lisbon 1959).

[100] *DR* III: 276-277, 333-337.

[101] See Chapter 8.

[102] *Souza* 1986: 20-22.

[103] *DR*: II, 21, 53 and 72. See also George Bryan Souza, *The survival of empire. Portuguese trade and society in China and the South China Sea 1630-1754* (Cambridge 1986) 19-20.

[104] *Magalhães Godinho* 1982: 118-119.

Great Voyage was therefore rather limited. After 1590 with the exception of 1598, the voyage was undertaken only once a year, on some of the voyages the ships were wrecked or captured and for a number of years it was even cancelled.[105] Besides, as noted earlier, although the voyage was a royal monopoly, it had its competition from indigenous and Portuguese private traders.

There is general agreement that the value of the cargo coming from Japan averaged about 600,000 *cruzados* (18 tons of silver) and yielded to the *capitão mór* a profit of about 35,000 *cruzados* (1,1 tons of silver).[106] Alternatively, he could sell the concession for 20,000 *cruzados* (0.6 ton of silver). Compared to e.g. the 11,000 *cruzados* profit for the captain-general of the *Carreira* between Lisbon and Goa,[107] these sums were quite substantial. The ones who made the really big money were of course the merchants, who invested in the commodities that went on board and made their profits at each stop-over until the vessel finally returned home. Using a profit rate of 80 per cent on the silk purchased in China,[108] the merchants in Macao would make 8 tons of silver on one journey, from which the export and import duties, the costs and the profit for the *capitão mór* and his crew had to be deducted.

The Portuguese were able to keep their monopoly on the China-Japan trade until 1600. Already in 1580 the traffic and trade from Japan had begun to intensify and in 1591 the first Japanese ship was registered in Manila,[109] but around 1600 also the Chinese ships began to reappear in the Japanese ports. In the early part of the seventeenth century more than thirty, even up to sixty, Chinese ships visited Japan annually. The Japanese who were allowed to participate in the trade, obtained special permission and protection from the *shogun* by means of the vermilion-seal passes. From 1604 until the 'closure' of 1635, more than 350 Japanese ships left for South East Asia.[110] Of them, eighty-seven went to Cochin China, fifty-four to Manila, fifty-five to Siam, forty-four to Cambodia, six to Champa and thirty-seven to Vietnam.[111] From 1605, five to ten Japanese ships went also every year to Manila to bring wheat flour, ropes, copper and other metals for guns,[112] but in 1635 these activities had to be stopped.[113]

Von Glahn quotes estimates of the total silver exports from Japan in the period 1604-1639 of 59 tons per annum, which can be divided as follows: by the Japanese vermilion seal ships 24.1 tons, Portuguese 18.6 tons, Chinese 9.8 and Dutch vessels 6.5 tons of silver.[114] Therefore, according to him, the value of the *Great Ship* (18 tons of silver) would have been about one third of the total Japan-China trade. As from 1618, in order to spread the risk of

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[105] In 1592, 1594, 1599, 1601, 1603, 1607, 1608, 1610, 1611, 1613 and 1616 [*Subrahmanyam* 1993: 140, *Souza* 1986: table 4.2, 55].

[106] *Iwao Seiichi* 1976: 6, *Subrahmanyam* 1993: 140, *Boyajian* 1993: 64 and *Frank* 1998: 180.

[107] *Thomaz* 1979: 121.

[108] Iwao Seiichi's latest estimate quotes 'a profit of 70 to 80 per cent, sometimes exceeding 100 percent' [*Iwao Seiichi* 1976: 6].

[109] *Souza* 1986: table 4.4, 67.

[110] *Iwao Seiichi* 1976: 8-11.

[111] *Reid* 1990: 9-10.

[112] C.R. Boxer, *The christian century in Japan 1549-1650* (Berkeley/Los Angeles 1967) 242.

[113] *Reid* 1990: 10.

[114] *Von Glahn* 1996: 437, quoting Robert L. Innes, *The door ajar: Japan's foreign trade in the 17th century* Ph.D. diss. University of Michigan, 1980.

being captured, the *Great Ship* was replaced by the much smaller *galiotas*.[115] But in the eyes of the Europeans the *Great Voyage* kept its reputation of being highly profitable and even after the Dutch appeared in the Chinese Sea, the Portuguese continued to carry the bulk of the silk trade between China and Japan.

It is understandable that the directors of the Dutch VOC felt their hands itching when they received Coen's letter of 20 June 1623. It included a note that Lenart Camps had calculated 'that an amount of 1,008,000 reals of eight (25.7 tons of silver) spent on Chinese merchandise could be sold in Japan, every year, for 1,862,375 reals of eight (47.5 tons of silver), yielding a profit of 854,375 (21.8 tons of silver)'. Coen assured them that 'there was no doubt that every year so much and even more could be made with Chinese goods in Japan and another 100,000 reals of eight by changing gold against silver'.[116]

If one puts Camps' figure of 47.5 tons of silver worth against the total Japanese silver exports of that decade, and accepts Reid's compilation of data, it appears that Camps expected to acquire about 30 per cent of the total, with the Chinese and Japanese taking the remaining part in exchange for silk and gold. If we believe Von Glahn's data, Camps would have been even more ambitious, expecting to acquire almost 90 per cent of the total trade! This could explain why the VOC directors, rather than having their ships in East Asia lying in wait for the heavily armed Portuguese carracks, preferred to get a part of the Chinese and Japanese share themselves, 'using either violence or diplomacy'. As the export figures from Deshima show,[117] Camps' first target was indeed met after the 1630s: Reid's and Von Glahn's figures come nicely together to give the Dutch a share of somewhere between 25 and 50 per cent.

Summary

This chapter has described the logistics of the Asian trades and where possible, established an order of magnitude of the volumes. Appendix 4.6 summarizes the results for the end of the sixteenth or early part of the seventeenth centuries.

The data show the relative significance of the *Carreira da Índia* as an outlet for the Asian trade, as far as this was under Portuguese or Castilian 'protection' and administration. The fact that a considerable part of the purchases for the *Carreira da Índia* would be lost on the way back is in this context unimportant. As shown in chapter 3 the major part of the cargoes returning to Lisbon were privately owned and consisted of cottons and silk.

The most important suppliers of the *Carreira da Índia* were the northern and southern *cáfilas*, bringing food, textiles and pepper to Goa. Most of the royal pepper was loaded directly in Cochin. Diamonds and other precious stones would be brought from Golconda or from elsewhere outside India and represented the capital that was repatriated via the *Carreira da Índia*. Hormuz was an obvious target for aggression by the new West European invaders, but it would be 1622 before the English could fulfil their agreement

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[115] *Souza* 1986: table 4.2 and 4.3, 55-56.

[116] *Coen*: I, 771-772. The estimates of Camps thus suggest that an investment of about 26 tons would yield a 24 tons of silver, or almost a 100 per cent profit for the annual trade from Japan to China. The profits promised by Camps changed the lukewarm attitude of Batavia and the Gentlemen XVII towards the Japan trade [*Kato* 1981: 219-221].

[117] Appendix 4.5, column 9.

with the Shah. With the fall of Hormuz the financial and political power of the *Estado da India* began to crumble. At the same time, the *Estado da India* lost its most attractive postings for its captains and factors.

The loss of Hormuz also caused the collapse of the trade of Diu, which already had begun to feel the competition of Surat, where the English had established a factory in 1612, followed by the Dutch in 1619. This was the beginning of the Northwest European intrusion to the Indian continent.

With the exception of the *Great Voyage* between Macao to Japan, the royal concession voyages in Asia were undermined by the private trade and around 1615 potential buyers of the voyages had lost their interest. A single cargo from Japan had about the same value as the annual shipments from Goa to Lisbon and for a Portuguese captain the Japanese voyage was more profitable than the *Carreira da Índia*. Nevertheless, in the eyes of the incumbents the captaincy of Hormuz was worth five to six voyages to Japan (2.8 against 0.5 tons of silver).

As from 1600, Chinese ships began to compete with the Portuguese *Great Voyage* and the shipping from Macao to Japan, trading silk and gold against Japanese silver. The reputation of this trade and the Chinese and Japanese silk, rice and silver trade around the Philippines motivated the Dutch to involve themselves, more as pirates than as diplomats, in the Far East. During the 1620s their actions appear to have had a negative effect on Chinese shipping to and from the Philippines.

Chinese shipping to the Philippines peaked 'at an all time high' in the 1630s, the same period that the flow of silver from America was at its zenith. Nevertheless, even accounting for smuggling, the contribution of the Philippine trade to the Chinese economy, compared e.g. to that of Japan, remained small. Even after the 'closure' of Japan, the China-Japan trade, either direct or indirect, remained the most important of the China Sea.

During the period 1591-1650, of the total American silver production[118] something like 27 per cent may finally have ended up in China. This includes say, 20 per cent that first had to pass through Europe from where it was brought either directly to Asia or through the Baltic and the Levant trade. The greater part of this silver went through the northern Netherlands.

The 50 tons per annum of silver via both the Levant trade and the Baltic probably stirred more life into the world economy than the 25 tons via the Cape route or even the estimated maximum of 150 tons directly from Japan.

Of the total American silver production 19 per cent (113 tons per annum) ended up and remained in Northwestern Europe, again mainly in the Netherlands, for the formation of capital and the monetarization of the consumptive economy. The fall of the Portuguese-Asian empire was a relatively small event compared to the economic and financial rise of the Atlantic trade.

[118] See also appendix 10.1.