

## SEVILLA AND CHINESE RAW SILK

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### *Foreword*

Among imported goods to Japan by Dutch and Chinese vessels, raw silk and silk fabrics always ranked at the top in terms of trade volume. For example, according to E. Kato, among the total imported goods, the percentages occupied by raw silk and silk fabrics were 59.43% and 21.13% respectively totaling about 80% of all the imported goods.<sup>1</sup> S. Iwao made a quantitative comparison of raw silk between Chinese ships' and Dutch ships' (The quantity of raw silk carried by Dutch ships was quoted from O. Nachod's study). It is stated in the comparison that during the 47 years from 1637 to 1683, the average annual load of the former was about 121.808 catti and that of the latter was about 75.654 catti, which indicates the total quantity of raw silk, carried by both vessels, being 210.230 catti on average annually. S. Iwao concluded that the total quantity seemed to have become a little less than that of the period before the seclusion when Portuguese vessels as well as Japanese merchant vessels with the pass of Vermilion Seal of Tokugawa Shogunate (*Shuin-bune*) had participated in the raw silk trade.<sup>2</sup>

Raw silk exported to Japan by Dutch vessels was mainly Chinese-made raw silk and had originally been brought to Taiwan by Chinese ships. Raw silk produced in Cochin-China (Kuangnan, Tonkin) and later, Bengali-made raw silk were also brought to Japan by Dutch vessels directly or via Taiwan. Raw silk and silk produced in Asia had already been carried to ports in the

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<sup>1</sup> E. Kato, "Genwa, Kanei-ki ni okeru Nichi-Ran Boueki - Sakoku Keisei-ki ni okeru Boeki-gin o megutte -" (The Japanese-Dutch Trade in *Genwa* and *Kanei* Periods - regarding Japanese silver in the formation period of seclusion" in *Bakuhau-sei Kokka Seiritsu Katei no Kenkyu* (A Study of the State Formation Process of the Shogunate and Feudal Clan System), M. Kitajima ed., Yoshikawa-Kobun-Kan, Tokyo, 1977, p. 573.

<sup>2</sup> S. Iwao, "A Study on the Chinese Trade with Japan in the XVIIth Century - chiefly on their volume and quantity -" in SHIGAKU-ZASSHI (*The Journal of Historical Science*), Vol. LXII, No. 11, 1953, pp. 27-29.

Levant by Muslims before they were imported in great quantity to Europe by the Portuguese, the Dutch and English.<sup>3</sup> In the first half of the 17th century, Chinese-made raw silk was also imported to Sevilla via Manila and Acapulco.

### I Chinese Raw Silk

K. Glamann, author of *Dutch-Asiatic Trade, 1620-1740* started his chapter on the East India Company and raw silk with a description of the following interesting affair.<sup>4</sup> On February 25, 1603, Admiral Jacob van Heemskerck, who was dispatched by the East India Company, captured a Portuguese carrack, "S. Catharina", off Johore and found that the carrack was carrying 1,200 bales of Chinese raw silk, which was worth over 2.25 million gulden at the then domestic price of raw silk in the Netherlands. The raw silk was sold at auction in Amsterdam the following summer. Coincidentally, there had been a failure of silk crops in Italy that year, so the auction was overwhelmingly successful, gathering a great number of prospective buyers from all over Europe. After this auction, Amsterdam established itself as the most important raw silk market in Europe. Therefore, immediately after the establishment of the East India Company, raw silk, together with pepper and other spices, became the most desirable return cargo. A directive concerning the trade in Asia written by the Heeren XVII dated in the April 1608 contained instructions to expand trade with China by all means possible, and, most importantly, to obtain raw silk. There were also instructions to purchase raw silk at ports such as Patani, which Chinese dealers visited for the purpose of trade, if direct trade with China was impossible.

The Dutch East India Company succeeded in the pepper and spice trade, and established their monopoly position in the spice trade in the late 17th century by occupying the Spice Islands, the only place that produced spices (cloves, nutmeg, and mace). However, they were not so successful in the raw silk trade, since export to the Japanese market was made prior to import into the Netherlands. As for the raw silk trade with Japan, the Portuguese, having Macao as a base, completely dominated the raw silk trade between Japan and China. On the other hand, since the Dutch could not directly trade with China where raw silk was produced, they first had to obtain raw silk through rendezvous trade with Chinese vessels at ports in Eastern Asia. At that time, they had to face keen competition with traders of *Shuin-bune*. In addition, they had to cut into the prosperous raw silk import trade in Manila by Chinese junks and Portuguese vessels in the first half of the 17th century.

<sup>3</sup> Refer to: N. Steengaard, *The Asian Trade Revolution of the Seventeenth Century, The East India Companies and the Decline of the Caravan Trade*, Chicago and London, 1973.

<sup>4</sup> K. Glamann, *Dutch-Asiatic Trade, 1620-1740*, Copenhagen and The Hague, 1958, pp. 112-131.

The Ming Dynasty's foreign policy, which included a great maritime expedition to the Far West of the Indian Ocean and the eastern coast of Africa, later lost its momentum. The Ming Dynasty's trade restrictions and ban on sea transport motivated many Chinese to join Japanese pirate vessels during the Chiatuan period (1622-66), and encouraged, with the connivance of the authorities, merchant trade in the provinces of Fukien and Kuangtung, which finally led to official approval of overseas trips by private commercial ships in 1667. Before Westerners had sailed the Orient, Chinese merchants traveled to Cochin-China, Cambodia, Siam and the eastern coast of the Malay Peninsula and, further, to the Straits of Malacca and the Indonesian Archipelago to trade their raw silk, silk fabrics, cotton cloth, porcelain, perfume, rhuarb, pearl, gold and silver for pepper, spice and sandalwood before returning home.

Taking advantage of the Ming Dynasty's strict ban on Japanese vessels, the Portuguese from Macao made a monopoly of the trade between China and Japan after the latter half of the 16th century. They brought raw silk and silk fabrics produced in China to Japan and traded them for Japanese silver. However, the silk market in Japan underwent a drastic change after the year 1600.

In 1600-1602, when the foundation of the Edo Shogunate was strengthened after the Battle of Sekigahara, the system for *Shuin-bune* was established. Japanese trade, mainly carried out by such ships bringing back raw silk purchased from Chinese junks in Cochin-China or Manila, took the first step towards great prosperity. At the same time, Chinese junks carrying raw silk paid their first of many subsequent direct visits to Japan. As noted in Valentin Carvalho's report, Portugal's share of the raw silk market in Japan fell sharply to 1,300 quintal (130,000 catti) out of 6,300 quintal (630,000 catti) in 1615, and what was worse, the decline (sometimes sharp) in the price of raw silk brought about by oversupply struck a blow against Portuguese trade with Japan.<sup>5</sup>

Japan was not the only market where the trade war over Chinese raw silk grew intense: a letter written by a Portuguese priest to the Governor of the Philippines in 1659 states as follows: Observing the Japanese ships going to Manila to take back raw silk and other commodities to Japan and knowing that it caused a price decline of goods which they themselves shipped to Japan, people in Macao made strenuous efforts to hamper such trade by Japanese ships. This describes how the Portuguese trade with Japan was rivalled by Japanese trading ships which went to Manila and purchased raw silk from Chinese junks to bring back to Japan. As a result of the subsequent active trade by Japanese with Manila, which caused a sudden rise in the raw silk price in Manila, a provision was enacted that no purchase of silk by Japanese shall be allowed until all Spaniards complete theirs. This was not all: the

<sup>5</sup> S. Iwao, "On the Annual Amounts of Trade by Japanese Merchant Vessels with the Pass of Vermilion Seal" in SHIGAKU-ZASSHI (*The Journal of Historical Science*), Vol. LIX, No. 9, 1950, p. 18.

number of Japanese trading ships was first limited to six a year (in 1602) and then to four (in 1608). In 1609, things went from bad to worse. Harsh regulations forbade Japanese visits to the Philippine Archipelago and forbade anyone but citizens of the Archipelago to trade with, or sail to Japan.

*Shuin-bune* by no means played second fiddle to the Chinese and Portuguese in Macao, who were greatly favored with benefits in purchase of Chinese raw silk. S. Iwao indicates three reasons why Japanese *Shuin-bune* managed to maintain leadership in purchasing raw silk in East Asia area.

- (1) *Shuin-bune* carried ample silver, which Chinese and others craved, and had been traditionally engaged in trade with such people.
- (2) There were many Japanese immigrants in the ports of destination, who, scattered about everywhere in those areas, purchased products in large quantities in time for the departure of the *Shuin-bune*.
- (3) Merchants concerned with such *Shuin-bune* were familiar with products as well as sales techniques in their home areas, making possible close and strong ties between home and overseas markets.<sup>6</sup>

Once *Shuin-bune* arrived at ports in Tonkin, Kuangnan, Siam, Cambodia, and Patani, the market grew brisk, the price of products for Japan rose, and shortly after, those products disappeared from the market, greatly impeding trade by Western merchants. In this way, merchants from the Netherlands and England, latecomers in South-East Asia, found it very difficult to thrust themselves into the raw silk trade. To be precise, however, the Dutch East India Company was the first in history to become a stock company, creating a powerful and enduring organization and concentration of capital and mobilizing excellent fleets under national protection and prestige. In addition, the Netherlands was at that time at war with Spain and Portugal (which was absorbed into Spain from 1580 to 1640), and was filled with ambition as a newly emerging independent nation.

The Dutch, who failed in direct negotiation with China, had no other way than to purchase raw silk transported by the Chinese to Siam, Cambodia, Kuangtung, and Tonkin, or to assault Portuguese vessels, Chinese junks, or *Shuin-bune* and seize their goods. However, they were no match for *Shuin-bune*, which received the cooperation of local Japanese residents in obtaining goods. Moreover, Chinese preferred to trade in Manila, with its good location, where raw silk was in great demand, avoiding the risk involved in a long voyage to Malaya and Indonesia. As the Dutch saw it, their plundering against Japanese or Chinese ships would incur the displeasure of the Japanese, and a battle with a Portuguese ship would require a large-scale fleet and was thus a very dangerous undertaking. Hendrik Brouwer, *opperhoofd* (head of the trading post) in Hirado, proposed to the Governor-General, in his letter of February

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<sup>6</sup> *ibid.*, p. 23.

13, 1613, that unless the Dutch were allowed free trade in China, it would be difficult to get a profit from their trade with Japan, and that a Dutch factory should be established in Formosa to make Formosa an intermediate port.<sup>7</sup>

The 1620's were the first bright decade for the Dutch factory in Hirado. Since 1614, when Ieyasu ordered Christian churches to be destroyed, the shogunate's oppression against Portuguese and Spaniards grew more and more severe. In the same year, on the other hand, the Dutch East India Company invaded Formosa, as proposed previously by Hendrik Brouwer, took an enormous leap forward in their raw silk trade with Japan, and succeeded in improving its relationship with the shogunate. Now the greatest obstacle to the Dutch East India Company, which engaged in rendezvous trade with Chinese junks, using Taiwan as its base to obtain raw silk, was the Japanese merchants who had often come to Formosa. As is well known, the Dutch East India Company, ambitious to win an advantageous position in the silk trade with Japan, tried to eliminate the Japanese merchants, finally leading to the Taiwan Incident. The Company, in an attempt to effectively obtain more Chinese raw silk, aimed to deter Portuguese vessels in Macao or Chinese junks from exporting raw silk to Manila.

## *II Manila – Acapulco – Sevilla*

The Philippines has traditionally been famous for its production of gold. Prior to visits by the Spaniards, Chinese, Muslims, and also Japanese had engaged in trade with Filipinos for inexpensive gold.<sup>8</sup> In 1564 the Spanish Galleon fleet led by Miguel Lopes de Legaspi left Mexico and in 1565 arrived at Cebu Island to conquer the Philippines. In 1571 they established the fortress city of Manila on Luzon Island. Between 1545 and 1558, in the Western European countries, the prices of pepper and spices skyrocketed compared with those of other commodities. According to F. Braudel, it was because the Islamic countries had succeeded in counter-attacking against the Portuguese pepper trade, which resulted in the re-opening of the conventional trade route from the Persian Gulf and the Red Sea to the Eastern Mediterranean Sea. The severe shortage of pepper annoyed countries which purchased pepper from Portugal. It was this pepper price hike that triggered the Legaspi expedition.<sup>9</sup>

Although the Spaniards had targeted the Philippines as the supply source of spices, there was not much spice produced in the Philippine islands with the

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<sup>7</sup> O. Nachod, *Die Beziehungen der Niederländischen Ostindischen Kompagnie zu Japan im siebzehnten Jahrhundert*, Leipzig, 1897, Japanese edition, 1956, p. 102.

<sup>8</sup> A. Obata, *Kin-Gin Bouekishi no Kenkyu* (Study on the History of Gold and Silver Trade), 1976, Tokyo, pp. 121-137.

<sup>9</sup> P. Chaunu, "Le galeon du Manille, grandeur et decadence d'une route de la soie," dans E. S. C., p. 450.

exception of some cinnamon production on Mindanao Island. Looking for spices, the Spaniards, therefore, tried to approach the Moluccas. But they were attacked by the Portuguese and finally Legaspi's expectation of making the Philippines the base of spice trade foundered. However, Legaspi, who had failed in the spice trade, saw the emerging possibility of trading Chinese raw silk for American silver with the infinite profits. In 1569 Legaspi proposed to the King of Spain to give priority to the raw silk trade and give up the spice trade. It is needless to say that for the Spaniards in the Philippines it was extremely advantageous to carry the cheap silver produced on the New Continent to Asia where silver was sold at a high price.

In 1571, the Spaniards constructed the rampart city in Manila and many Spaniards settled there. Year by year, the number of Chinese junks which called the port of Manila carrying Chinese-made commodities, especially raw silk, increased. Every year a Spanish galleon (about 300 tons) came to Manila from Acapulco and left Manila between the middle of June and the middle of July. The ship, sped up by the Black tide, went north as far as 40° North Latitude keeping the Japanese Islands left. Then it swung its bow around rightward to reach the coast of America at about 35° North Latitude. The ship then proceeded south to reach Acapulco. On its way, it took only eight to ten weeks and it was usually a quiet voyage. But on its way back, it took as long as four to seven months.<sup>10</sup>

It took only ten days by ship from China to Manila, which enabled the Chinese to make several round trips by junk during the season between March and the beginning of June.<sup>11</sup> In general, the price of gold against that of silver was lower in the Orient, especially in the Philippines, when compared with the situation in Europe. For the Chinese coming to the Philippines for gold, it is obvious that trades in gold and silver were advantageous. However, other Chinese-made commodities such as raw silk, silk, cotton cloth, porcelain, furniture, food, etc. brought about more profits. With the construction of Manila by the Spaniards and the increased inflow of silver produced on the New Continent, the Chinese gradually started to ship out silver instead of gold. In 1586, in his letter to Felipe II, Pedro de Rojas in Manila stated that every year 300,000-peso worth of silver was brought out from the Philippines to China. He also mentioned that in that particular year, the amount zoomed up to more than 500,000 pesos. In a report and proposal on trades by Fray Martin Ignacio de Loyola submitted in 1602, it is indicated that from Nueva España and Perú two million-peso worth of silver were sent out every year to the Philippines, all of which eventually landed up in China.<sup>12</sup>

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10 *ibid.*, pp. 452-453

11 Meilink-Roelofs, *op. cit.*, p. 264.

12 A. Obata, *op. cit.*, pp. 127-128.

From the latter half of the 16th century, the Japanese had also carried wheat flour, silver, and weapons to the Philippines in order to trade them for gold and propolis. Later, the Japanese traded those goods for raw silk, deer-skin, etc. carried by Chinese from Manila, as well as rarities from Spain.<sup>13</sup> Meanwhile, prior to the occupation of Manila by the Spaniards, Moros were very active in trade. But the Spaniards fought against the Moros and Moros' trade activities on the Philippine islands tapered off.<sup>14</sup>

Naturally the Nueva España and Perú Viceregal Territories could not remain immune to the influence of the Manila trade. In the first half of the 16th century, as the Pacific coast ports of the Northern Viceregal Territory, La Navidad in the north and Huatulco in the south prospered. In the area of La Navidad and Colima to the south, a great number of *Indios* resided.

However, soon La Navidad, as the port for Manila fleets carrying silver and Chinese commodities, was replaced by a better port called Acapulco which was located nearer to Mexico City, the capital.<sup>15</sup> It is needless to say that Mexico constituted the center of politics, religion, military, and culture of the North- and economic activities controlling the colony's commerce. Customers who purchased the Chinese commodities were the colonial nobles including conquistadores who collected El Dorado's abundant treasures by plundering the *Indios*, the colonial administrators who were paid enormously, high-rank priests, and rich merchants who were satisfying their ambitions of making a fortune at a stroke in the rapidly growing colonial markets. There was more to it. It was the rich merchants residing in Mexico who invested in the Manila trade and promoted the trade activities. *Nao de China* filled with Oriental commodities, came back to the port of Acapulco to provoke gorgeous fantasies and frenzy among the nobility in Mexico. It also provided the rich Mexican merchants with more profits than those through trade with Sevilla. At last Mexico became a port along the Atlantic Ocean controlling Vera Cruz as well as Acapulco. Moreover, the "Chinese Trade" in Manila was not in the hands of Spanish merchants there but under the control of rich Mexican merchants who regarded that particular trade as an extension of the Acapulco trade.<sup>16</sup>

In the latter half of the 16th century, the era of colonization by Spain came to an end and in both viceroyalties, the administrative structures were gradually expanded. The increased colonial population and the economic development of the colonies steadily enlarged the demand for European merchant vessels, which resulted in the rapid production increase of silver with which people paid for commodities from Europe. A new silver refining technology by mercury also accelerated this rapid increase of production. Since the middle

<sup>13</sup> *ibid.*, p. 125.

<sup>14</sup> P. Chaunu, *op. cit.*, p. 455.

<sup>15</sup> P. Chaunu, *Seville et l'Atlantique (1504-1650)*, Tome VIII, Paris, 1959, pp. 796-797.

<sup>16</sup> *ibid.*, p. 734, pp. 756-759.

of the 1570's, the Potosí silver mine in the Perú Viceregal Territory was rapidly developed and people observed the advent of the "Potosí Age," the prime time of development of that colonial silver mine, in place of the "Mexican (Zacatecas, Guanajuato) Age." The population of Potosí was 120,000 in 1580 but in 1650 it reached as many as 160,000 which exceeded the population of Sevilla. Potosí became the largest city in the Spanish colonies. However, those who acquired enormous fortunes and profits brought about by the Potosí silver mine were not the mine owners living in Potosí but traders in Lima and *Encomenderos* who supplied many *Indio* workers to the silver mine.<sup>17</sup>

In Lima, the capital city of the Perú Viceregal Territory, a colonial nobility was formed which ruled the colony and Potosí. Those nobles absorbed all the profits out of the colony as well. Meanwhile, in this remotest city from Europe, a college, the Inquisition, theater and the like were established to transfer European culture and the European way of living. Naturally, this created a strong desire and a great demand for European-made products and luxuries. It is needless to say that commodities from the Orient carried by the Manila fleets excited their curiosity and desire.<sup>18</sup> Silver produced in Potosí was carried to the Isthmus of Panama via Arequipa or Arica, crossed the Isthmus, and was traded for exported goods from the home country in the large market located at port of Puerto Belo along the Atlantic coast. But the exported goods from home were not sufficient to meet the demands of increased population of immigrants in Perú and therefore supplies from the Northern Viceregal Territory supplemented the shortage. Industrial products manufactured in the Northern Viceregal Territory were welcomed by the white people in Perú as substitutes for European products which were then in short supply. As a result, in the middle of the 16th century, the north-south trade was activated with the establishment of a trade route from Mexico via Huatulco and Callao to Lima.

Manila trade in the 1570's made Acapulco into the largest port on the Pacific coast replacing Huatulco. After 1585, a route from Mexico via Acapulco and Callao to Lima became the major trade route between the North and the South. Nueva España merchants carrying textiles and daily necessities on mules and Perú vessels shipping silver and wine traveled toward and flocked together at the large-scale market of Acapulco where Manila fleets called every year. Although Acapulco was the market for the north-south trade, at the same time it now served as the re-export market for Chinese-made commodities: most of those commodities were not sent to Mexico but were re-exported from Acapulco to Callao. As was mentioned before, it was rich Mexican merchants or their proxies who organized and promoted transactions at the

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<sup>17</sup> *ibid.*, pp. 1124-1129.

<sup>18</sup> *ibid.*, pp. 1135-1136.



large Acapulco market.<sup>19</sup> Thus the rich Mexican merchants, who had already controled the Perú market, established an intermediate trade between Manila and Lima, taking away trade both from Manila and from the home country, Spain, and as I. Wallerstein has pointed out, Mexico “colonized” Perú. As a result, there appeared a phenomenon that a colony acquired another colony, which should be called secondary imperialism. The intermediate trade based on Acapulco which brought Chinese-made commodities to Perú through Manila now constituted the major route of colonial trades.

The trade between and among the colonies diminished the export market of home-made products of Sevilla. The Manila trade drained away to China a considerable part of Peruvian-produced silver which used to flow into Sevilla while keeping profits in the hands of rich merchants residing in Mexico. The annual silver production of Potosí attained its peak in the last 20 years of the 16th century. But the institution of the Viceroy and its development increased the cost of colonial administration at the expense of silver delivery to the homeland. Thus on January 11, 1593, the money traders of Sevilla, and the court at El Escorial banned the direct trade between Perú and the Philippines. They put a ceiling quota of 500,000-peso worth export of silver from Peru and 250,000-peso worth import of Chinese products. The size of the galleon fleet sailing between Manila and Acapulco was limited to two 300-ton vessels. Despite these bans and restrictions, the influx of Chinese raw silk and outflow of silver continued to accelerate. Around the year 1600, the silver delivery from Perú to the Northern Viceregal Territory amounted to 15 million pesos most of which paid for the purchase of Chinese merchandises. The Spanish authorities imposed additional bans and restrictions and mounted strict surveillance in an effort to eliminate inter-colony trade and prevent clandestine trade. In 1604 the tonnage of Manila-bound vessels was reduced from 300 to 200 tons and the trade between Acapulco and Callao was limited to the capacity of two 200-ton vessels.<sup>20</sup>

Part of the raw silk destined for Acapulco was eventually imported to Sevilla by way of Mexico and Vera Cruz (Table). The raw silk landed at Sevilla must probably have met the demand of silk weaving industry in Sevilla, Granada, or Toledo which had thrived in the 16th century owing to morisco. At any rate, in parallel with the Portuguese trade route – Macao – Malacca – Goa – Lisbon – a second silk road by sea, had been established. This new route, having enjoyed an ephemeral prosperity, went into oblivion around the year 1640 due to the antagonism of the Sevillians, the Spanish court, and Lisbon, challenges by the English and the Dutch, and decrease in Peruvian silver production.

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<sup>19</sup> P. Chaunu, *Le galeon de Manille*, pp. 453-454.

<sup>20</sup> *ibid.*, pp. 458-459.

**Table: Imports of Chinese & Nueva España Silk, Raw Silk (Sevilla Port)**

Year	Volume (libra)	Price (maravedi)	Total Amount (maravedi)
1581	6,388	1,037	6,624,356
1589	15,371	1,000	15,371,000
1593	6,082	1,000	6,082,000
1595	6,291	1,111	6,821,722
1604	13,600	1,200	16,320,000
1606	15,413	1,200	18,496,000
1609	17,265	1,400	24,171,824
1610	2,599	1,466	3,810,134
1611	44,000	1,450	63,800,000
1612	43,750	1,360	59,500,000
1613	90,921	1,000	90,921,000
1614	30,700	1,700	52,190,000
1615	68,945	1,000	68,945,000
1616	29,579	800	23,663,200
1617	12,400	1,000	12,400,000
1618	103,000	1,360	140,080,000

Source: P. Chaunu, *Seville et l'Atlantique*, Tome VI<sub>2</sub> p. 1020

### *III The Portuguese vs. The Dutch*

In the same way as the trade centering around Manila and the one in the interior of Latin American colonies developed contrary to the intentions of the Spanish government, the Portuguese in Asia came to find an increasing importance of their trade based in Asia. They severed ties with their home government and while accelerating their military and political autonomy, they intensified the conflicts over different interests with their home government.<sup>21</sup> According to P. Chaunu, the Portuguese merchants in Macao exported for the first time in 1604 a great quantity of raw silk to the Philippines and thereafter every year sent large cargo vessels to Manila (three in 1605, four in 1606, and five in 1607).<sup>22</sup> Manila which used to be the arch competitor of Macao, emerged, in the eyes of the Portuguese in Macao, as a closer, safer and more promising market, with a huge potential demand and a richer supply of silver, than Malacca.

<sup>21</sup> I. Wallerstein, *The Modern World-System: Capitalist Agriculture and the Origins of the European World-Economy in the Sixteenth Century*, 1974, p. 254.

<sup>22</sup> P. Chaunu, *Le galeon de Manille*, p. 458.

The direct motive for launching the Manila trade by the Macao-based Portuguese was their concern about the advance of the Dutch into Asia. After the establishment of the Dutch company in 1602, the first Dutch fleet to be sent into the area led by van Waelweick forthwith attacked a Portuguese fleet in front of Johore which commands the passage into the Malacca Straits. Other Dutch fleets that followed the same route attacked on sight every Portuguese vessels in the waters of Malay-Indonesia and ransacked them. The Dutch drove the Portuguese from Bantam in western Java and built their first factory there. Other factories followed one after another at other places. Within a few years the Dutch fleets had disrupted the Asian trade network built over a century by the assiduous efforts of the Portuguese, above all the key route linking the Molucca Islands, Macao, Malacca and Goa. The Portuguese of Macao severed from the port of Malacca had to seek an exit out of their predicament by developing the trade with Manila. Table indicates a tremendous increase of raw silk import from Vera Cruz to Sevilla between 1604 and 1618. The raw silk delivered to Sevilla included stocks from Nueva España and China. The breakdown of the two stocks is not ascertained. At many places in Nueva España, above all in the Mixtecan region, sericulture was developed, causing in turn the start of a silk weaving industry in Mexico, Puebla, and Antequera from which places raw silk came to be exported to Spain. But after 1880, the import of cheaper raw silk from China overshadowed the raw silk production in Mixtecan and sharply reduced the latter's export to Spain. Therefore it is assumed that most of the raw silk imported into Sevilla after the 17th century came from China.<sup>23</sup> Table says nothing about raw silk imports after 1618, but it may be assumed that the sharp upward trend after 1604 continued on beyond 1618 as long as the external conditions remained unchanged. But from this period, the Dutch started their full-scale attack on the import of Chinese-made raw silk into Manila by the Portuguese.

When Portugal, claiming her exclusive possession of the waters east of the Cape of Good Hope, confederated with Spain, the Netherlands and England started a colonial war against their common enemy Portugal. Between 1598 and 1599, the Dutch attacked Portuguese footholds in Africa, Asia and Brazil, starting with the two islands of Principe and São Tomé on the west coast of Africa.<sup>24</sup> In contrast with the inland-type colonies of Spain, the Portuguese enclaves, factories, and fortresses served as bases for trade activities and were all located on the coasts, which made them vulnerable to attacks from the sea. According to C. R. Boxer's summarization, the objective of the Dutch colonial war against Portugal was to challenge the Portuguese' pepper trade in Asia, slave trade in West Africa, and sugar trade in Brazil, and the final results were

<sup>23</sup> P. Chaunu, *Seville et l'Atlantique*, pp. 741-744.

<sup>24</sup> C. R. Boxer, *The Portuguese Seaborne Empire 1415-1825*, London, 1977, pp. 109-111.

the Dutch victory in Asia, retreat from West Africa, and defeat in Brazil.<sup>25</sup> Along with the pepper trade in Asia mentioned by C. R. Boxer, the case of silk trade may also be included.

In 1619, the States General of the Dutch Republic ordered the Dutch East India Company to enter into an agreement with its English counterpart. The Dutch company had competed intensely with the English, trying for a monopoly of the pepper trade in the Spice Islands and Jakarta. The treaty of 12-year-truce concluded in 1609 with Spain being on the verge of expiration, the Netherlands, threatened by an anticipated resumption of the war against Spain, had to work out a temporary truce with England in Asia. The English-Dutch agreement stipulated free engagement in trade activities by the respective parties without causing price competition. It also stipulated 1:1 share of jointly purchased products, 3:1 share of spice trade by the Dutch and the English and setting up of a joint war defense council.

On June 13, 1620, the joint defense council sent instructions to an English-Dutch joint fleet composed ten vessels: five vessels with a total crew of 600 from each country. The instructions ordered the ten English-Dutch warships first to come to Hirado, Japan, then to sail off toward Manila Bay around January 1, 1612, and occupy the Bay. The instructions further ordered them to purchase in Japan, if it were possible, two jacht-type vessels or junks to be added to the attacking fleet. One of these two vessels was to be kept at anchor north of the Manila Bay and the other, south of the Bay to ambush and ransack other junks from China or Manila. The instructions finally ordered the entire fleet to stay in the vicinity of Manila until the end of June ambushing junks from China.<sup>26</sup>

Prior to dispatching the instructions to the joint fleet to sail off toward Manila, the defense council had ordered, on May 30, that four of the ten warships (two each from the English and the Dutch ships) to start in advance toward Hirado to capture the Portuguese ships on their way to Nagasaki from Macao. The instructions further ordered that the joint expedition fleet should immediately attack all the Portuguese and the Spaniards found aboard any vessel at any place on the sea and ransack them, but should not injure under any circumstances people of other nationalities such as Chinese or Japanese nor damage their vessels and properties. The joint fleet, however, was allowed to attack and ransack Chinese junks on their way to or from Manila but not the Chinese junks on their way to Japan. The joint fleet was instructed to prevent Portuguese vessels seeking asylum in Japanese ports from casting anchor there.<sup>27</sup>

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<sup>25</sup> *ibid.*, p. 110.

<sup>26</sup> O. Nachod, *op. cit.*, pp. 338-342.

<sup>27</sup> *ibid.*, pp. 335-338.

In 1622 a Dutch fleet attempted a raid on Macao, the largest Portuguese foothold in the raw silk trade, but sustained heavy damages. The Dutch occupied Malacca (1641), Ceylon (1638-58), Macassar (1667), Cochin Malabar Coast (1663) and expelled the Portuguese from all of South-East Asia. Macao, however, remained in the hands of the Portuguese. But in the following year of 1623, when the Dutch built a fortress at Taiwan, the Portuguese traffic between Macao and Manila came to be exposed to fatal blows from the fortress. Threatened by Dutch naval power on the South China Sea, the Chinese and the Portuguese mothballed the large unarmed junks which were replaced by lighter, faster but smaller 10 to 20-ton junks.<sup>28</sup>

Meanwhile, the thriving trade with Manila operated from Macao diminished the trade between China and Malacca, Goa and Lisbon and deprived the latter of profits. The merchants in Lisbon attributed the economic predicament of Portugal to the Dutch advance and the Macao-based trade with Manila, and together with the Sevillians, their former arch competitors over colonial trade, kept appealing to the Spanish King against the Manila trade. The colony in the Philippines did not produce pepper, spices, or precious metals sought by the Spaniards. The cruel exploitation of the local indigenous people did not suffice to finance local administrative costs and insurgents were never totally under control. In view of the situation, some of the King's entourage suggested a prohibition of the Manila trade or even abandoning the Philippines.<sup>29</sup>

In the 1630's, the silver import from the New Continent to Sevilla declined sharply. This decline may be imputed to exhaustion of silver mines in Mexico and Perú, sudden decrease of indigenous labor supply due to cruel mining work and diseases, clandestine colonial trade, rising demand for money due to economic development and increases in administrative costs. At any rate, due to the crucial shortage of silver, Acapulco could not supply enough silver to the cargo vessels from Manila. Portugal's independence from Spain finally terminated the Macao-based Manila trade.

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Dutch fleets' attacks and blockades against Chinese and Macao vessels trading with Manila or against Manila itself continued even after the 1620's. Attacks against the Philippines only ceased with the conclusion of the Münster Peace Treaty in 1648. One of the purposes of those attacks was to beat down trades which had served as a source of huge amount of duty income. According to an estimate made by the Governor-General of East India, the export duty on raw silk alone amounted to as much as 500,000 reals. Manila-based Spanish

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<sup>28</sup> Meilink-Roerofsz, *op. cit.*, p. 264.

<sup>29</sup> P. Chaunu, *Le galeon de Manille*, p. 459.

fleets sustained by the income from this tax not only acted against Dutch ships in the South-China Sea but also threatened the Dutch control of the Mollucas. Portugal, with the support of the Spanish fleets, managed to barely retain, until 1622, its colonies in the Northern Mollucas.

As was mentioned before, another purpose of the attacks against Manila by the Dutch was to obtain Chinese-made raw silk for the Japanese market. More generally, the Dutch intended to attract Chinese merchants, who until then had looked only to Manila for trade, to Bantam and later, after the 1620's, to Batavia. By so doing, the Dutch tried to make Batavia grow into the largest trade port for rendezvous trade. While they attacked Chinese junks sailing toward Manila, the Dutch protected Chinese junks coming to Batavia by providing guard vessels from Chinese pirate ships and also from attacks by English ships. In Batavia Chinese merchants were exempted half the amount of duty and the benefits were provided for immigrating Chinese to settle there permanently.

As has been known already, the East India Company needed a large amount of gold and silver for the Asia trade. The Company could obtain a huge amount of silver in the Japanese market which was paid for Chinese raw silk purchases. Accordingly, until Japan banned silver export in 1667, the Company's trade with Japan constituted the main pillar of its Asia trade. The amount of silver the Company obtained from Japan sometimes exceeded that transported from home. Therefore, most of the raw silk purchased by the Company was dispatched to Japan to be traded for silver. Even when there were demands for raw silk in the home country and greater profits were expected there, the raw silk was first sent to Japan as long as a request was made by the Dutch factory in Japan.