

# THE IMPACT OF THE MACAO-MANILA SILK TRADE FROM THE BEGINNINGS TO 1640

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*"Above there is heaven, on earth, Suzhou and Hangzhou."*<sup>1</sup>

## The Macao Maritime Trade Network

**B**etween the fifteenth and the sixteenth centuries the Portuguese made contact with lands and peoples previously unknown to the Western World—areas which stretched from the Eastern coast of Africa, Arabia, India and China up to Japan and Korea, throughout the whole of South-east Asia, from Malaysia to the Philippine Islands. The Portuguese empire attempted to control local oceanic space economically and politically from the Atlantic through the Indian Ocean to the Pacific Ocean.

China<sup>2</sup> was very important for Portuguese trade due to the various kinds of merchandise produced and the large quantities of silver consumed. The regions best known to the Portuguese were the flourishing mercantile regions of Liampó (Ningbo in the province of Zhejiang), Chincheo (this name was used by the Portuguese to designate the traders of Zhangzhou and the Quanzhou region of Amoy, in the province of Fujian<sup>3</sup>), and particularly Macao (Aomen in the district of Xiang Shan) in the province of Canton.

During the Spanish occupation of Portugal, conflicts arose among the Portuguese, Spaniards, and Chinese over the sharing of interests; at the same time the Dutch were fighting for control of the China Sea.

It is widely acknowledged that one of the factors which enhanced contact between European and Asian peoples, particularly the Chinese, was the exchange not only of goods but of knowledge, technology, and culture.

### *Main commodities*

Chinese silk and Japanese and American silver were the main goods traded in Macao. A regional or long-distance circuit was used for their import and export to Japan (via Nagasaki), the Philippines (via Manila and then to Spanish America and Southeast Asia), India, and Europe (via Malacca-Goa). The Portuguese silk and silver trade was not isolated, but an integrated part of South China trade (ceramics and other precious goods), more specifically the trade of Canton and Macao. Goods arrived in Macao from the complex network of the trade routes of the Cape of Good Hope, the Red Sea, the Persian Gulf, and the Indian Ocean as well as those of Southeast Asia and America (via the Philippines).<sup>4</sup>

In general, the Asian trade was the main source of profit for Macao as well as for the Far East Portuguese trade network (Estado da Índia) when compared with the trade to Europe via the Cape of the Good Hope.<sup>5</sup> Macao's maritime trade was in competition with other European powers such as the Spanish in the Philippines, the Dutch in Formosa or in Batavia, and also with Asian powers such as the Chinese and the Japanese.<sup>6</sup>

The Macao and Estado da Índia trade network was in general terms a continuation of the earlier Muslim, Indian, Southeast Asia, Chinese, and Japanese trading network.<sup>7</sup> In the sixteenth and seventeenth centuries, the Portuguese maritime trading system was original in that it led to the creation of permanent settlements (populated with citizens of Portuguese origin, usually under military protection) throughout the vast area covered by their trade from Western Europe to Japan.<sup>8</sup> Macao was a crucial point of support for the Estado da Índia. It sought to be the exclusive intermediary for import and export trade between all Europe and China. The Macao-Manila-New Spain trade was one of the new maritime trade routes that connected European markets directly with Asian ones.<sup>9</sup>

### *Routes*

There were four main trading routes from Manila: the most important of these connected the Philippines to New Spain; the second linked the Philippines to the Japanese market; the third the Malocan route linked Manila and Malacca; the last one led from the Philippines to Borneo, Siam, and Cambodia. Macao, on the other hand, was the center of three fundamental routes of Portuguese trade in the Far East. The Macao trade routes will now be described briefly.

### The Macao-Japan Route

On 15 August 1549 the first formal Portuguese mission to Japan arrived in Kagoshima. This is considered to be the beginning of formal relations between the Estado da Índia and Japan.<sup>10</sup> The Portuguese royal monopoly on trade with Japan was established in 1550. The usual route from Estado da Índia for Japanese trade via Goa, Malacca, and China (Macao only after 1557) to Nagasaki. Until the Portuguese were expelled from Japan, the Macao-Japan route was the central and the most profitable part of their trade network. The historian António Bocarro wrote: "The voyages from the City of the Name of God [Macao] to Japan were the most important as we well know."<sup>11</sup>

The voyage from Macao to Japan was usually undertaken by four *pataxos*, which took about twelve days outward to Japan and ten days on the return trip. The bulk of the merchandise carried was pure Chinese silk, although Chinaware, wood, and other goods were also traded, mainly in exchange for silver, but also for copper and gold. In the 1630s, these voyages would bring in 65,000 taels to the royal treasury, excluding the copper profits, and one particular voyage brought in 10,000 taels.<sup>12</sup> In the period between 1585 and 1630, it is estimated that some 14,899 thousand taels of silver entered Macao, most of which was probably invested in Chinese goods which, in turn, were sold in Japan.<sup>13</sup>

In 1639, Japan issued a decree of expulsion, effectively limiting trade. Although traders from Macao continued to trade with Japan using Chinese agents and ships as intermediaries, the quantities were insignificant compared to previous volumes—one of the most profitable Macao trade routes was effectively closed.

The reaction of this enterprising community to such a dramatic situation, which was to be aggravated by the Dutch takeover of Malacca in 1641, was the intensification of the routes already connecting Macao to Southeast Asia: "Annually, in the city of Macao, navettas, junks, fragatas and small ships are sent to Tonquim, Quinam, Chiampa, Cambodia, Macassar, Solar, Timor and other places where trading is prosperous."<sup>14</sup>

### The Macao-Malacca / Goa-Lisbon Route

The Macao-Malacca/Goa-Lisbon route was the one the Portuguese used to supply oriental products to Europe via the Cape of Good Hope. It was the official route between the Estado da Índia, with its headquarters in Goa, and Lisbon. It was used to transport the administrative, political, and military staff of Estado da Índia to the Orient. Traders, merchandise, and mail from Europe, Africa, and Japan circulated along the Macao-Goa-Lisbon route. The political feature of this route was underlined by the persistence of royal support even when it was no longer profitable in economic terms. It suffered devastating attacks by European powers competing in

the Eastern and Far Eastern markets. Thus, the conquest of Malacca by the Dutch in 1641 dealt an irreparable blow to the safety of the Macao and Goa links, as it meant that the Dutch had replaced Portuguese authority along the sea routes between the Indian and Pacific Oceans.

Raw silk was the preferred merchandise exported from Macao to Goa. Between 1580 and 1590 alone, some 15 tons, worth 240,000 taels, were transported. The major import to Macao was silver; between 1585 and 1591 some 900,000 taels of American silver arrived in the city via the Cape of Good Hope. Other goods were also imported, including spices (mainly pepper), ebony, ivory, and sandalwood.

### **The Macao-Manila Route**

In the context of the Macao-Manila route, we shall describe the frequency, fares and agents, kinds of sales contracts, rules governing the shipment of goods, and sailing regulations. Another important element is the smuggling trade which was carried on along this route, mostly by Portuguese and Chinese traders.

When analyzing the sea traffic between Macao and Manila, which totaled about eighty ships (seventy-seven ships have been documented between 1580 and 1642) from Macao, the first point to note is its irregularity (bearing in mind economic and political military constraints). The traffic can be subdivided into three distinct periods, each of some twenty years.<sup>15</sup>

A feature of the first period, between 1580 and 1600, is the spasmodic nature of the arrivals, i.e., one or two ships per year. During this period, only eight ships made the journey from Macao to Manila: there were two ships in 1580, one in 1582, one in 1583, and once again two ships in 1584 and 1588.<sup>16</sup> These twenty years can therefore be defined as a preliminary period.

In the second period, from 1601 to 1621, there were twenty-three ships—almost a threefold increase in relation to the previous period. Most of this increase came towards the end of the period, but nevertheless this can be considered to have been the period of growth and development. In 1601 there was one vessel, followed by a period of two years without any arrivals from Macao. From 1604 to 1606, respectively five, two, and one vessel entered Manila. Following a three-year gap, one vessel arrived in 1609 and another in 1610. In 1612, it is difficult to determine the origin of the seven Portuguese ships recorded by the Manila customs; however, it would seem that six came from Macao and one from Goa. In 1620, another five ships from Macao were recorded, but only one vessel sailed from Macao to Manila in 1621.

The third period from 1622 to 1642 presents a certain homogeneity and continuity, as in the fifteen years from 1627 to 1642 there was an average of three boats per year, although no arrival was recorded in 1634. The total number of forty-six boats represents a 50 percent increase in comparison with the 1601-1621 period. This period can therefore be regarded as one of expansion and the peak of the trade route between Macao and Manila (in terms of the traffic between the sixteenth and eighteenth centuries), ending suddenly with the official recognition of the new Portuguese King—João VI—in 1642 in Macao.

1627 and 1630 were the years that saw the greatest number of ships (six) sailing from Macao to Manila.<sup>17</sup> In 1628, 1629, and 1641, two ships came to Manila each year. The number of ships increased once again to three in 1631, 1633, and from 1637 to 1640 respectively. It rose to four in 1632 and 1635. The last ship in this period arrived in 1642. A full thirty years would pass before the arrival of a boat (pataxo) from Macao recorded once again in Manila, in 1672.

### *Periodicity*

Before the invention of the steamship, navigation between China and Manila depended on the monsoons. There was therefore a period which was considered to be more favorable for the trip to Manila and back. The best period to leave the coast of China was at the time of the new moon in March; the ships returned from Manila at the end of May or June, before the typhoons season.<sup>18</sup>

According to António Morga and official Portuguese documents, for example, a certain Lopo de Carvalho requested reduction of his debt after one of his ships sank on a journey to Manila; the request was refused, although he said “that the voyage will be sold only to whom will navigate in the ordinary monsoons.”<sup>19</sup> In this document it is stated that a license for a trip to Manila corresponded to each of the monsoons, but the owner of the license could send as many ships as he liked.

The intensity of the maritime traffic originating from the coasts of China can be classified by comparing a large number of documents.<sup>20</sup> The month when the largest number of ships arrived in Manila from China varied according to the period under observation. Between 1577 and 1644, some 1088 ships arrived, mostly in the months of May and June. Nevertheless ships continued to arrive throughout the rest of the year. From 1607 to 1645, January was the first month when ships arrived in Manila. Most of the ships arrived before July, but there were also one or two arrivals in November and even December.

From 1607 to 1610, of the 160 ships which called at Manila, the majority arrived in June, followed by May (with an average of 40 percent fewer ships) and March. In the years 1611-1612 and 1620, ninety-five

ships were recorded; February registered the greatest number of arrivals each year. From 1627 to 1630, there were more arrivals in June, with more than twenty ships compared to an annual total of seventy-three. Between 1627 and 1635, 171 ships were counted, and June registered the greatest number of arrivals (around twenty), while January was the second busiest month. Between 1636 and 1640, May, followed by June, was the busiest month, with 154 ships entering the port of Manila each year. Between 1641 and 1644, eighty-six ships were registered; most of these entered the port of Manila between January and March, but they continued to arrive with a certain frequency during the following months up to July.

We may thus conclude that trade between Macao-Manila was conducted on an annual basis, though intermittently. Often the link was not officially established—illicit trade also took place more or less intensively, but did not always observe the cycle of the monsoons. When the Macao-Manila trade was officially authorized, the authorities of the Portuguese State of India laid down regulations specifying the need to observe the favorable period of the monsoons, “because the success of the voyages from Japan and Manila normally involves the ships with which they sailed from China to those parts at the beginning of the monsoons.”<sup>21</sup>

### *Regulations Governing the Macao-Manila Voyage*

The opening of China to overseas trade placed the trading community of Macao in an unfavorable position by reducing its importance as an intermediary between China, Japan, Manila, and the rest of Southeast Asia. The merchants reacted to this challenge in two ways: first, they continued their clandestine voyages to Manila, either using ships and Chinese contacts that sailed directly to the archipelago, also known as Luções,<sup>22</sup> or via indirect routes (Japan or regions in Southeast Asia); second, they intensified the pressure to have the Macao-Manila route reopened and regulated.

The intensification of trade along the routes from Macao to “Solor, Timor, Macassar, Cochinchina and other parts of that coast”<sup>23</sup> reduced the revenue of Malacca as the profits that traditionally went to it were then absorbed by Macao.<sup>24</sup> The clandestine trade that linked Macao to Manila damaged the interests of merchants and of the Spanish pressure group connected to the Seville-New Spain route.<sup>25</sup> When the Macao traders supplied silk to the American market via the Philippines, the Spain silk trade from Seville to America and to the Philippines declined. Thanks to that trade, Macao increased the amount of American silver sent to China via the Philippines. This also increased the price of silk sold by the Portuguese in Manila. Goa revenues also decreased with the reduction of the quantity of silk sent to Europe via the Philippines. All

of these factors contributed to making the Indian regional authorities decide to legalize the Macao-Manila route and make it official as the only way of supervising it and regulating its trade by making of it a royal monopoly. Thus the Viceroy Count of Linhares, after referring to these facts, adds that this legalization, according to his understanding, eliminates the rivalry between Macao and Malacca along the Southeast Asian routes with the aim of reaching Manila.<sup>26</sup> In a letter dated 4 May 1523, Viceroy Count Admiral D. Fernando da Gama ordered that all profits from the Macao-Manila route be directed to the royal treasury.<sup>27</sup> Thus emerged new laws and judicial rights, such as contracts and regulations governing navigation between Macao and Manila. The Treasury Council defined regulations concerning voyages and supervised their implementation (either through a Royal Treasury monopoly or under a private regime) according to the general principles set out in the royal letters. When, on 16 November 1629 the Council decided to move for a concession system to private merchants, it justified its decision by stating “that it would be more profitable to sell the voyage with this system, than to do so at the expense of the Crown.”<sup>28</sup>

The Treasury Council (consisting of the Viceroy, various ministers, and deputies of the *Estado da Índia*), after publicly announcing the sale and having respected the legal period of time stipulated by the regime (for the conditions of purchase), could sell the Macao-Manila voyage, either singly, or for one or three successive years (for a sum of 30,000 xerafins per annum in the 1620s and 1630s), or together with the voyage Macao-Japan (for 70,000 xerafins).

The obligations stipulated by the regime required that a minimum number of ships and voyages should be made during the period of concession. The reason for this was that the profits from this voyage allowed the Royal Treasury and the private merchants to finance their projects. Thus the 1629 contract stipulated, for the owner for three years of voyages between Macao and Manila and between Macao and Japan, a minimum of nine ships to Manila (three per year) and thirteen to Japan. The other obligations under the contract were that, on each voyage from Japan, 1200 picks of copper should be transported (the royal monopoly); that 50,000 xerafins in cash should be paid in advance to the treasurer of Goa; that the warrantors should be wholly responsible; that 30,000 patacas should be paid to reimburse the *providos*;<sup>29</sup> that the registers and accounting books should be submitted to the *Provedor Mor*;<sup>30</sup> and that goods should be identified and kept in storehouses reserved for the purpose.

Under the regime, the main benefit for the owner of Macao-Manila and Macao-Japan navigation rights was a monopoly of these routes: “No one may send goods to or go to Japan or Manila during the period of this contract without a licence from Lopo Sarmento de Carvalho.”<sup>31</sup> The

owner could thus handle freight for other traders also wishing to send goods to Manila or Japan. He enjoyed the right of compensation in case of shipwreck; the possibility of undertaking these voyages personally or through his administrators; and finally, the possibility of keeping and taking advantage of all profits derived from the voyages and the number of ships that he intended to put to sea (under the obligation of payment established in the contract). These conditions usually made it possible for the owner to become wealthy following a single voyage. Manoel Ramos, on behalf of the Estado da Índia treasury, was appointed administrator of the voyages to Japan and Manila. In 1629 he received 500 taels less than the Capitão Mor (who received 2,000 silver taels of reales).<sup>32</sup>

In 1637 the royal monopoly on the Macao-Manila route was established by a new regime. Direct private trade with Manila was forbidden; private traders were allowed to carry their goods only in a small royal ship, to avoid rivalry with the Seville route trade. Lourenço Liz Velho, a Macao citizen, was appointed Capitão Mor of the Macao-Manila route, and also given the functions of *feitor* (factor). It was laid down that he should not be involved in any trade but would receive a salary of a thousand patacas and two patacas per day as living expenses; the clerk or secretary would receive 400 patacas.<sup>33</sup>

The rules also determined what was to be done with the profits from the voyages, which were usually addressed to the Royal Treasury and were now reserved for the building of new ships and financing the Goa shipyard.<sup>34</sup> According to the diary of the Third Count of Linhares,<sup>35</sup> the Treasury Council, at its meeting in 1629 to sell the rights to the voyages to Japan and Manila, gave first preference to Macao, whose representative, however, refused to buy the rights as he did not agree with the terms. The rights were then sold to a wealthy shipowner and nobleman living in Macao, Lopo Sarmento Carvalho.

The laws and regulations with regard to the Macao and other Estado da Índia routes reflected the Portuguese administration's conservative view regarding mercantile innovation. In contrast, Holland and England had, by this time, already laid the foundations for a precapitalist economic system, which then overtook the debilitated Portuguese and Spanish economic and colonial system.

Each merchant was considered to be one soldier fewer by the central and local Portuguese administration of Estado da Índia and Crown staff. Official Crown policy preferred soldiers to merchants and therefore sought to prevent public officers and soldiers from participating in private trade. The documentation reflects these conflicts and the negative effect of these orientations. The maritime trade to Manila was so profitable that the Portuguese (traders, officers, soldiers, clergymen, and sailors) continued to trade, even when it was forbidden; they used clan-



destine Chinese ships and other ports of departure. In 1592 the Portuguese authorities ruled that any person sailing from China to India (merchants included) should not disembark before arriving at the port of Goa in order to ensure that there were enough men on board to defend the vessels in case of danger.<sup>36</sup>

Another aspect of the anti-trade mentality of the Portuguese administration, was the discrimination against wealthy traders (possessing more than 50,000 xerafins) who were mainly New Christians (meaning Jews). Bocarro, the official chronicler, mentions that the wealthy Portuguese traders did not feel free to trade in Goa, fearing that they (or their money) might be called on to serve the King or that the Inquisition might interfere with their business and habits.<sup>37</sup> The Spaniards in Manila were in a similar situation; all Spanish soldiers were strictly forbidden to trade with America (mainly with Acapulco).<sup>38</sup>

#### Regulations Regarding the Shipment of Goods

On 4 May 1635 the Viceroy Count de Linhares wrote to Goa to the administrator of the voyages from Japan to Manila, instructing that sailors should be hired in sufficient numbers and that nothing be transported on deck or in the cabins, other than clothes, and everything should be in the right place, because carrying goods on deck was the cause of many shipwrecks.<sup>39</sup>

These measures were meant to rectify common profit-driven, but unsafe, practices such as the overloading of ships and the use of areas not intended for transport as well as the reduction of the number of crewmen to increase profits by transporting more goods in empty cabins—this obviously made sailing the ship more difficult and increased the risk of shipwreck in case of bad atmospheric or maritime conditions. Further regulations (Regimento) were laid down in 1637 concerning the Macao-Manila route. Romão de Lemos was ordered to ensure that crews did not transport larger quantities of goods than allowed by the regulations and that goods were not transported in the wrong places.<sup>40</sup> The Regimento also stipulated a monetary compensation of 50 patacas<sup>41</sup> for officers who did not break the rules by loading goods in the cabins.<sup>42</sup>

From these instructions it can be deduced that on journeys from Macao to Manila, over which the Royal *fazenda* ruled, the same abuses as on the other maritime routes were being committed. Some owners even modified the interior compartments of their ships and also filled the deck with goods, thus threatening the stability of the ship and restricting the crew's mobility.<sup>43</sup> The penalty for transgressing the regulations regarding the season was the loss of the right to any compensation in case of damage or loss.<sup>44</sup>

*Taxes*

The Macao-Manila route and its silk trade was a source of profit not only for the traders themselves, but also for the Macao and Manila customs in the form of taxes. The Chinese authorities also imposed various types of taxes on the Portuguese and other foreign vessels whether they arrived in Macao or in Guangzhou. Two kinds of taxes were levied on the Portuguese, a trade tax on ships, and rent for the right to live in the territory of Macao.

Foreign and private trade with South China, particularly with the Fujian province, was officially allowed in 1567 following lengthy negotiations between the Chinese authorities (imperial and regional). Until 1567 only official tribute trade was allowed in China, Macao being the only exception. The Chinese demand for silver was clearly, as mentioned earlier, the reason for Chinese acceptance of Portuguese trade along the South China Coast in a report of 1535 from the Cantonese Governor, Bu zheng shi, called Lin Fu.<sup>45</sup>

Customs duties were the responsibility of the Department of Foreign Commercial Ships, or Shi Bo Si, which the Chinese authorities transferred to Macao in 1535. The method of calculating these taxes changed over this period. Between 1535 and 1571, the Chou Fen method was used (taxes being worked out on a percentage basis, 20 percent over the value of the goods), then in 1571 the Zhang Chou method was adopted (taxes were worked out according to the tonnage of the ships). The reason for this change was that there was some difficulty in calculating the specific value of each of the goods.<sup>46</sup>

These customs duties were not applied equally to all foreign ships; the Portuguese in fact received privileged treatment in relation to other European and even other Asian ships. Portuguese ships, up to 200 tons, were classified in two categories depending on whether it was their first voyage to China or not. The tax on the first voyage was 1,800 taels of silver. For all subsequent voyages, Portuguese ships had to pay only 600 taels of silver. Other foreign ships, independent of the number of trips made to China, had to pay a tax of 5,400 taels of silver. Portuguese ships thus (except for their first voyage) paid one-ninth of what other foreign ships paid.

Various Chinese sources mention the customs duties charged in Macao and the manner in which they were charged.<sup>47</sup> On the arrival of foreign ships in Macao, the Mandarin in charge would inform the district of Xiang shan in order to receive instructions from Bu zheng shi and from Hai Dao Fu shi (Admiral of the Command Station of Guangdong Province). The Shi Bo Si and the Chief of the District would send officials to the ship in order to measure it and thus establish the tax according to the regulations. The ship would then be registered and the money handed over to the Chinese authorities.

There were two other ways in which Portuguese ships were privileged: first, the military ships which escorted Portuguese vessels paid no taxes; and second, a Portuguese ship involved in an accident would be rescued by the Chinese without payment being asked, whereas other foreign ships in such situations would be charged by the rescue service. Commerce with Portugal was therefore clearly favored—there were considerable advantages for the transport of goods in Portuguese ships.

Zhang Ru Lin and Yin Guang Ren (the authors of *Monograph of Macao Ao Men Ji Lue*) tell us that the *fan bo* (smaller than ocean-going ships) were authorized to sail in Chinese waters, classified as *xiang*. Twenty of these ships were granted licenses by the Chinese maritime authorities. These authors also mention that over the next twenty years, disasters at sea reduced the number of ships by half.<sup>48</sup>

#### Other Macao Taxes

The City of Macao, through its Council, charged half a percent on the goods entering the city. In 1606 the Portuguese Viceroy, Bishop D. Pedro de Castilho, wrote to his king about the tax of half a percent requested by the inhabitants of the city of Macao in China in order to strengthen the walls of the city and pay for a captain.<sup>49</sup> On 10 January 1607 the king gave his assent.<sup>50</sup>

In response to attacks from the Dutch and English navies, the Senate of Macao raised the taxes on goods aboard foreign ships, according to their quality, from 1 percent on lower quality goods, 1.5 percent on those of medium quality, and 2 percent on high quality goods.<sup>51</sup> In 1623 Macao customs duties rose to 10 percent for the fortification of the city.<sup>52</sup>

According to the representatives of Macao in Goa,<sup>53</sup> in 1623, the Macao City Council's expenses were as follows: 10 percent for payment of taxes to the Chinese customs, another 10 percent to pay the Capitão Mor of the Macao-Japan voyage, and 6 to 7 percent for ordinary expenses.<sup>54</sup>

#### Manila Taxes

The Manila customs also levied different types of duties in the form of the *almojarifazgo* (maritime trade taxes) which generally can be divided into a relatively low tax and another relatively high one. From 1610 onwards there was a tax of 3 percent on all commerce originating from the Indian Ocean and Japan and a tax of 6 percent on Chinese commerce.<sup>55</sup> These various taxes, however, were not very significant in relation to the revenues. On a long-term basis, they reflected essentially a political will to support and favor trade with certain regions, and to make trade more difficult or even discourage it with others; in other words, it

was an attempt to control the predominance of the Chinese in the economic activities of Manila. In Manila, between 1630 and 1640, ships arriving from Macao would pay different taxes: if private, they paid 6 percent; if royal, they paid 14 percent, including transport charges.<sup>56</sup>

The *pancada*<sup>57</sup> was the common contract used in the city of Manila. This consisted of a system of evaluation of cargo in global terms, of its sale and purchase in bulk by the Spanish merchants, and of silk and other goods transported by junks from the various ports of South China. The price of Chinese merchandise varied annually, depending on the quantity and quality and on variations in the flow of silver to China. In fact, the merchants from Macao protested at the inflation of the price of silk in Canton and Macao, due to the vast amount of silver that reached China with Chinese merchants (from Fujian Province). The Portuguese could only react by accepting the purchase at the market price and selling the goods, or refusing it and returning it to Macao, a very expensive alternative. However, the Macao merchants managed to carry on a very profitable trade with Manila. The *pancada* system was not new to Portuguese merchants; it was also applied by the leaders of the local merchants in Japan when the silk was bought from the Portuguese merchants, after which the Japanese would redistribute it for resale.<sup>58</sup>

The profits derived from Portuguese commerce along the Macao-Manila route can be estimated by examining the *almojarifazgo* taxes in

*Table 12.1* Annual average value, in pesos, charged by the customs of Manila and the percentage of the total amount of income obtained.

Date	MACAO		China		Japan		India		Other		Total	
	Avg	%	Avg	%	Avg	%	Avg	%	Avg	%	Avg	%
1586 / 1590	1,159.0	8.66	3,750.0	28.02					8,474.0	63.32	13,383.0	100
1591 / 1595			22,065.0	61.00	295.0	0.80			13,795.5	38.20	36,155.5	100
1596 / 1600			24,155.5	56.04	258.5	0.60	861.0	1.99	17,829.5	41.37	43,104.5	100
1601 / 1605	200.0	0.50	30,104.2	70.83	572.2	1.33			12,106.5	28.14	42,982.9	100
1606 / 1610	8.6	0.01	46,382.6	78.52	46.0	0.08			12,629.0	21.39	59,066.0	100
1611 / 1615	50.0	0.10	64,432.0	91.40			396.5	0.50	5,476.5	8.00	70,355.0	100
1616 / 1620	6,798.0	13.20	31,045.0	60.30	353.0	0.60	2,463.0	4.79	10,678.0	21.11	51,337.0	100
1626 / 1630	7,110.5	27.65	11,513.0	44.76	31.0	0.11	1,813.2	7.10	5,252.2	20.40	25,720.0	100
1631 / 1635	9,327.6	22.10	24,951.2	59.00	17.4	0.04	1,281.0	3.04	6,611.8	15.82	42,194.0	100
1636 / 1640	3,556.8	11.46	23,927.0	77.10			898.4	2.90	2,654.8	8.54	31,037.0	100
1641 / 1642	15,735.5	50.80	13,194.5	41.98					2,495.5	7.94	31,425.0	100
1643 / 1645	6,294.0	28.50	12,305.4	55.40			677.8	3.10	2,797.8	13.00	22,075.0	100

Source: P. Chaunu, *Les Philippines et le Pacifique des Ibériques (XVIe, XVIIe, XVIIIe siècles)*, Introduction méthodologique et indices d'activité, pp. 200-6.

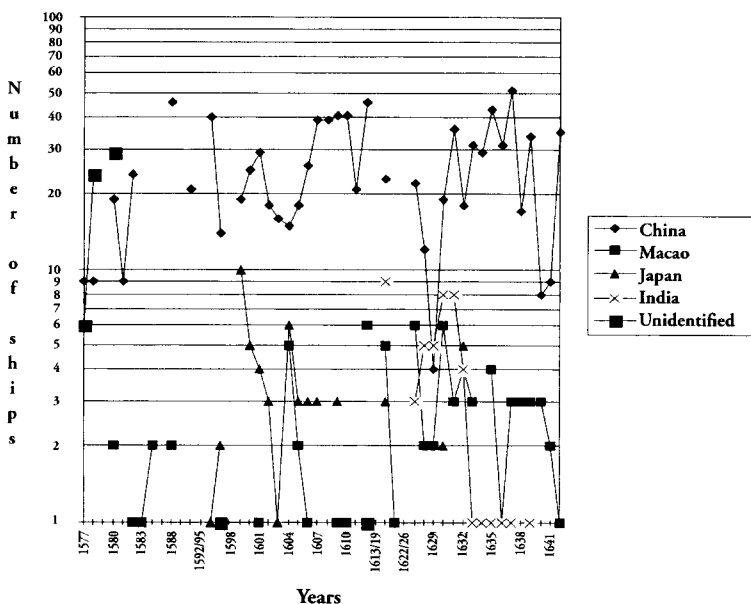
Manila and the arrival of ships from Macao, China, India, and Japan. In order to obtain a fairly homogenous unity, the annual average values of five countries in five years (starting from the global values of the *almojarifazgo*) are used (see Table 12.1).

By comparing the information in Table 12.1 with data referring to the number of ships reaching the port of Manila from Macao in the same period (see Table 12.2 and Figures 12.1-12.6), the main features of the three periods suggested can be verified.

**Table 12.2** Number of ships traveling from Macao to Manila between 1580 and 1642.

YEARS	SHIPS	YEARS	SHIPS	YEARS	SHIPS
1580	2	1601	1	1622	0
1581	0	1602	0	1623	0
1582	1	1603	0	1624	0
1583	1	1604	5	1625	0
1584	2	1605	2	1626	0
1585	0	1606	1	1627	6
1586	0	1607	0	1628	2
1587	0	1608	0	1629	2
1588	2	1609	1	1630	6
1589	0	1610	1	1631	3
1590	0	1611	0	1632	4
1591	0	1612	6-7	1633	3
1592	0	1613	0	1634	0
1593	0	1614	0	1635	4
1594	0	1615	0	1636	1
1595	0	1616	0	1637	3
1596	0	1617	0	1638	3
1597	0	1618	0	1639	3
1598	0	1619	0	1640	3
1599	0	1620	5	1641	2
1600	0	1621	1	1642	1

Figure 12.1 Origin and number of ships arriving at the port of Manila.



Sources: (all figures) “Legajos” dos fundos da Contaduria das Filipinas do *Archivo General de Indias* em Sevilha; BPAD (Biblioteca Pública e Arquivo Distrital). Évora, cd.CXVI/2-5; Pierre Chaunu, *Les Philippines et le Pacifique des Ibériques*, and B. & R., *op. cit.*, XI e XVIII.; *APO*, fasc.3. (see bibliography for particulars).

Figure 12.2 Number of ships arriving in Manila from China (apart from Macao).

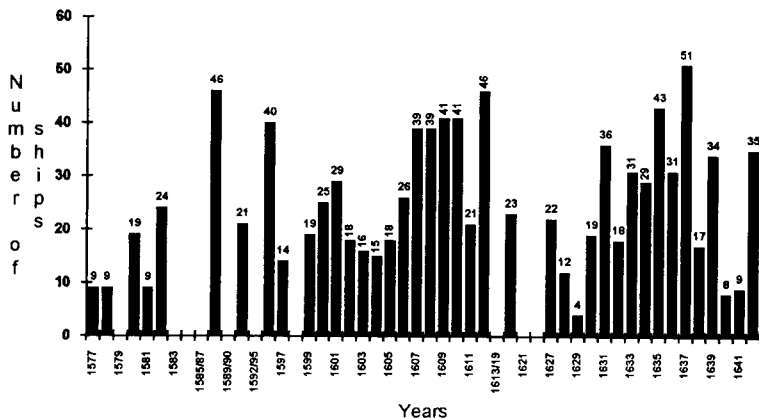


Figure 12.3 Number of ships arriving in Manila from Macao.

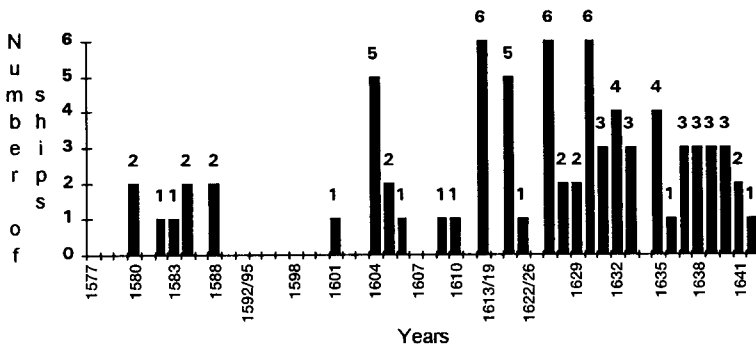


Figure 12.4 Number of ships arriving in Manila from Japan.

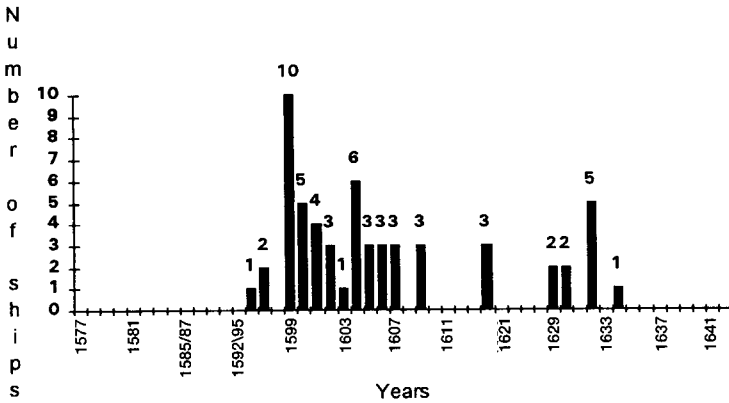


Figure 12.5 Number of ships arriving in Manila from India.

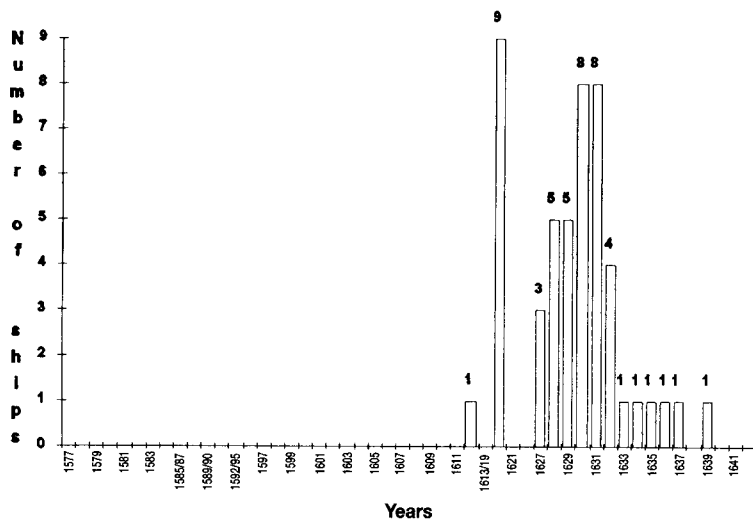
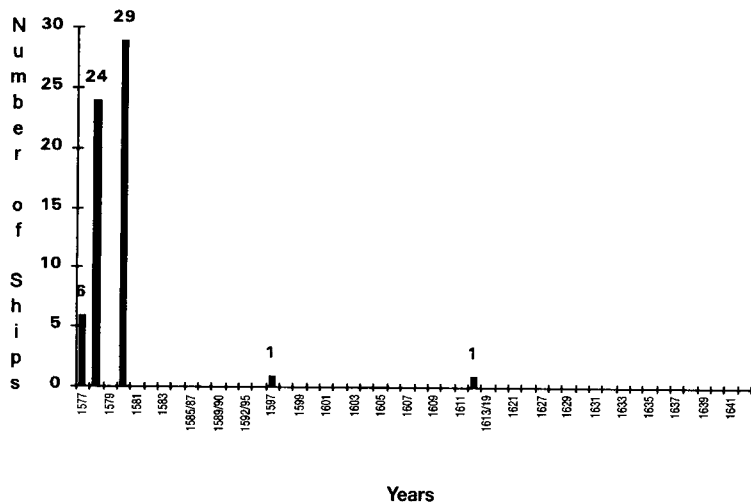


Figure 12.6 Number of ships arriving in Manila from other ports of the Philippines and unidentified places.





The initial period (1580-1600) recorded not only the lowest number of ships (eight), but compared with the other periods, cargo also reveals an inferior global value. The periods in which the total amount of cargo transported from Macao was the least valuable were the years 1606-1610, 1611-1615, and 1601-1605, in which they paid an annual average of 8.6 pesos, 50 pesos, and 200 pesos respectively. During the period of development (1601-1621), there was a 255 percent increase in the number of ships (twenty-three), and a significant increase in the global value of transported goods (increasing from an annual average of 8.6 pesos charged by the *almojarifazgo* in 1606-1610 to 6,798 pesos during the period 1616-1620). The period of expansion (1622-1642), with an increase of 501 percent in the number of ships (forty-six), also reached a peak in the global value of the cargo transported in boats from Macao which were taxed in Manila. The annual average in 1641-1642 is the highest with a value of 15,735.5 pesos or 50 percent of the total charged by the customs of all the ships that entered Manila. A rather curious point (also based on the accounts of the *almojarifazgo*) is that in those two years, only three ships arrived, while in 1627 and 1630, six ships arrived from Macao, the highest number of ships until the end of the eighteenth century.

#### *Trade in China, Macao and Manila, Japan and India*

Data has been gathered on Chinese, Japanese, and Indian trade with the aim of identifying other alternative routes used by the Portuguese merchants of Macao to ensure the continuity of their trade (frequently in a clandestine manner).

Trade with China and the Philippines gradually developed as the Ming dynasty adopted a more open approach to maritime commerce with foreigners. During the reigns of Jia Jing (1522-1567) and Mu Zong (1567), Japanese pirates plagued the Chinese coasts, making maritime trade difficult. Thus, the mandarin in charge of the province of Fujian (Du Ze-Min) requested that his region be opened to maritime trade with eastern and western countries. At this time Chinese traders could travel freely overseas if they were issued a proper license.<sup>59</sup> In 1589, eighty-eight licenses and later 110 licenses were granted. In 1597, 137 licenses were requested for ships from the Zhangzhou (Fujian, Chinchao) region. Half of the licenses were given for trade in the Eastern Ocean and the other half for trade in the Western Ocean, with a different tax being charged for each region for the registration of the licenses.<sup>60</sup>

The clandestine trade flourished with its new-found freedom. The port of Moon in Zhangzhou began to trade directly with the island of Luzon, thereby replacing the much longer Guangzhou to Luzon route, via Champa (Viet Nam) and Borneo. Although the Portuguese tried to

monopolize and secure exclusive commercial relations with Macao and Manila, direct trade between the Chinese and the Philippines continued and gained in importance while Portuguese trade with Manila declined.

The enormous Chinese market, with which the Portuguese were in contact through the flourishing mercantile life of the Canton (Guangdong), Chincheo (Fujian), and Liampó region (Ningpo-Zhejiang), impressed them so much that many authors in those times were convinced that, with free access to Chinese commerce, Portugal could renounce all its other markets. Here are two illustrations: "If Chinese trade is open to us, Portugal could renounce all other markets because Chinese goods are highly appreciated in all Asia and all over the world;"<sup>61</sup> "If the Portuguese could have free access to Chinese trade, Macao could survive and grow without any other voyages to Japan and Manila, because the Chinese Kingdom is such that their vassals may survive without foreign trade, and the Macao inhabitants are considered by the Chinese authorities as Chinese vassals (dependents)."<sup>62</sup>

A similar view, believing that trade with Asia was strategically more important than trade with America, is illustrated by a document entitled "Dissertation to prove that the East Indies were more important than the West Indies, because of its commerce, and connected with this we unveil the origin of the contemporary decadence of Eastern trade, and the Spanish state of poverty."<sup>63</sup>

Due to its geographical position, Macao was forced to buy its goods in Canton: "Within the limits of the city no products or textiles are produced and all that is necessary for these voyages [of trade with Southeast Asia, Japan, and India] has to be brought from Canton in junks and other ships;" the food supply also depended on the goodwill of the Chinese.<sup>64</sup>

The Macao merchants would choose their own representatives to negotiate and establish contacts in Canton. The presence of Portuguese traders in Canton was occasionally used by the Chinese authorities, in the event of a dispute between the two nationalities, to force Macao to obey and execute their instructions. In 1621, for example, the Chinese mandarins threatened to capture the Portuguese who were in Canton and to keep their silver in order to make them destroy the houses built by the Jesuits in the "Ilha Verde."<sup>65</sup>

### *Fairs and Merchants*

The most prestigious silk came from Central China, especially from Jiangsu and Zhejiang. External demand (particularly from Europeans) for Chinese silk led to the rapid economic development of the Chinese regions where silk was produced and marketed (Canton and Fujian Provinces). The Chinese proverb quoted on the title page of the present text: "Above there is heaven, on earth, Suzhou and Hangzhou," reflects

this prosperity. Chuan Hansheng mentioned the important part played by American demand for silk in later Ming and Qing times in the development of the cities (in the Jiangsu and Zhejiang Provinces) mentioned in the proverb above.<sup>66</sup> The biennial fairs in Canton (December/January and May/June) could last several weeks or months. Various textiles, Chinaware, and other products were also bought by Portuguese traders at these fairs.<sup>67</sup>

How were the merchant ships received in Manila? The Chinese ships would arrive in the Bay of Manila, whereupon a Spanish ship on guard would go out to meet them; three soldiers would then accompany them into the port of Manila. The officers from the Royal Treasury of Manila would board the ships to evaluate and register the cargo and would then charge 3 percent of their global value. The goods were transferred in sampans to the Parián (Chinese market place)<sup>68</sup> or to other warehouses where they could be sold. The main cargo, as already mentioned, consisted of raw silk and textiles which could be sold freely without interference from the Spanish authorities; silver and reales were the only currency used for trade.<sup>69</sup>

In Manila these goods, which arrived from the south during the monsoon season (March and April), were transported in the galleons which in June would sail to Nueva España. The most powerful merchants, however, the *sangleys*<sup>70</sup> (Chinese) and the Spanish, would remain in Manila to sell the rest of their goods to the highest bidder.<sup>71</sup> Some six to seven thousand *sangleys* lived permanently in Manila, three or four thousand of them in the vicinity of the Chinese marketplace. The number of Chinese who sailed on this route was estimated to be "more than two thousand."<sup>72</sup>

By the end of the sixteenth century, an average of forty junks from Guangzhou, Quanzhou, and Fuzhou, which mainly transported silk, but also other Chinese goods, traveled to Manila. Sebastião Soares Paes states that in 1633, with the beginning of the Royal monopoly of the Macao-Manila route, direct trade between China and Manila was intensified: "Forty ships called *somas* left the province of Chincheo (Fujian, mainly from the bay of Amoy) for Manila overloaded with merchandise."<sup>73</sup> Pedro de Baeza refers to an annual average of arrivals (by the end of the first decade of the seventeenth century) of thirty to forty junks from the province of Fujian, which would come and sell embroidered or plain silk in exchange for the much desired silver. Possibly exaggerating a little, Baeza estimated it to be 2.5 to 3 million reais of silver annually.<sup>74</sup> A rather more realistic statement is the one which, in 1591, estimated it at about 300 thousand pesos annually. The currency normally used was the silver peso of eight reais.<sup>75</sup>

The volume of goods transported by Chinese traders provided the Manila customs with 40,000 pesos annually in customs duties calculated at a rate of 3 percent. The sale of this merchandise gave China an annual income of one and a half million pesos in gold.<sup>76</sup>

In the last quarter of the sixteenth century, Chinese traders from Fujian Province played a leading role on the China-Manila route. This is clear from the level of tax they paid, which frequently exceeded 50 percent of the revenues from customs duties in Manila. The Chinese goods into Manila continued to increase; from 80 percent, at the beginning of the seventeenth century, it accounted in 1641-1642 for more than 90 percent of taxes paid in Manila (in relation to total tax revenue).<sup>77</sup>

The origin of this Chinese influence was both internal and external. The economic and social development of the late Ming Dynasty was an internal factor, while external factors included Chinese control of the silk trade, the war between the European nations in the Indian and Atlantic Oceans, long-standing experience of trade in the Indian Ocean, and the shrinking of Japanese trade in the Philippines.

However, those who suffered most from this increase (commerce established directly with Manila by the Chinese from the provinces of Fujian and Guangdong) were the Portuguese from Macao. They felt that their position as intermediaries between the Chinese consumer and producer markets and the Philippines was weakening. Another factor of concern to the merchants from Macao was the direct commerce which existed between Manila and Japan, in spite of official bans. There were numerous rulings by the Portuguese authorities, especially by the Capitão geral of Macao, aimed at impeding and even forbidding trading by "Chinese merchants with Manila and Japan." Fines and punishments were prescribed for those who did not obey the law: five hundred *pardaus* of reales and confiscation of the goods in favor of the Royal Treasury. Those who denounced this type of trade would be rewarded with a sum of 100 *pardaus*, to be paid by the guilty party. These regulations were published in the usual places [on the city walls of Macao] with a translation in Chinese.<sup>78</sup>

Maritime commerce opened up during the Ming dynasty (at the end of the sixteenth century) and stimulated Chinese trade with Southeast Asia, as testified to by both Chinese and Portuguese documentation of that period. The letters from King Philip, for example, illustrate the way in which the authorities tried to protect the interests of the Iberian Empire in Southeast Asia. The aim of such legislation was to prevent Chinese merchants (*chincheos*) from sailing directly to the regions of the "Sunda, Patane, Andregir, Jambix and Solor" and buying pepper and sandalwood directly, thus protecting the routes and markets connected with Portuguese Malacca.<sup>79</sup> The opening up of the Middle Empire to

external trade made it easier for Spaniards from the Philippines to trade directly with China. The merchants from Macao, however, protested strongly. An example of this is the letter from the Viceroy and Bishop D. Pedro de Castilho to the king, in which the former spoke of the interests of Macao's inhabitants, forbidding "the Spanish from the Philippines trading directly with China."<sup>80</sup>

Data included in the chart, such as the "Annual average value, in pesos, charged by the customs of Manila and the percentage of the total amount of income obtained," lead us to the following conclusion:

The peak period of trade on the Macao-Manila route does not coincide with the period of peak trade on the China-Manila route. Between 1580 and 1645, Chinese maritime trade with Manila accounted for most of the money collected in taxes by the *almojarifazgo* (with the exception of the period from 1586 to 1590, the only time when commerce in Nueva España was over 40 percent, reaching 61 percent of the customs revenues).

The initial period (1580-1600) was also the "take-off" of trade between China and Manila, which increased from 28.02 percent (corresponding to 3,750 pesos as an annual average in 1586-1590) to 56.4 percent (corresponding to 24,155.5 pesos as an annual average in 1596-1600). During this period no ships from Macao were registered by the Manila customs; goods from Macao were probably carried on Chinese ships).

During the following period (1601-1620), there was little commerce from Macao whereas Chinese commerce with Manila expanded and indeed peaked. There was a sudden rise of 70.03 percent (30,104.2 pesos) in the annual average of the *almojarifazgo* in 1601-1605, reaching 91.4 percent (64,432 pesos) in 1611-1615, after overtaking 78.5 percent in 1606-1610. It is interesting to note that this peak in Chinese commerce corresponds to shrinking Portuguese trade between Macao and Manila (with lower annual averages: 1606-1610 with 8.6 pesos, which represented 0.01 percent of the customs duties levied in Manila, and in 1611-1615 with 50 pesos representing 0.1 percent of the *almojarifazgo*). From 1515 onwards Chinese trade in Manila began to decline.

The period of recession lasted from 1620 to 1645 (lasting until 1670-1680, which was the beginning of another long period of expansion); Portuguese trade with Manila peaked at that time.

Trade between Japan and Manila, however, was on a much smaller scale. It began between 1591-1595 (295 pesos corresponding to 0.8 percent of the *almojarifazgo*) and 1596-1600 (258.5 pesos corresponding to 0.6 percent of the *almojarifazgo*). It should be noted that no ships from Macao arrived in Manila during these ten years. Thus, some merchants from Macao may have used certain Chinese ships. In the following

period (1601-1605), there was a rise to 572.20 pesos as an annual average, corresponding to 1.33 percent of the global value of the *almojarifazgo*. The final period (1606-1635) was one of recession with 46 pesos in 1606-1610, then a small recovery in 1616-1620 with 353 pesos, but then with the lowest point in 1631-1635 for an annual average of 17.4 pesos.

As for trade originating from India, the years 1626-1630 were, in terms of percentages, those which contributed most (7.05 percent, corresponding to 1,813.25 pesos) to the *almojarifazgo* of Manila; although, 1620 was the year in which the cargo of the nine Portuguese ships which sailed from India to Manila was most valuable. Therefore, although no ships were registered between 1616 and 1620, the value of the customs duties paid in 1620, divided by the respective fifth (1616-1620), still corresponds to the highest annual average with a value of 2,463 pesos. The years in which registered cargo was least valuable were 1611-1615 and 1641-1645, when an annual average of 396.5 and 507.2 pesos were levied respectively.

It is interesting to note that in the periods during which the merchants of Macao were not able to send their ships directly from Macao to Manila, Portuguese commerce with Manila used other intermediary ports in Southeast Asia to trade with Manila such as Macassar, Cambodia, and Cochinchine. Malacca sent at least one ship in 1597;<sup>81</sup> its cargo was evaluated and registered in the accounts of the *almojarifazgo* at a rate of 1.99 percent, with 861 pesos as an annual average from 1596 to 1600.

Caution is required, however, when interpreting the above data because they do not provide all the facts about maritime traffic along the Macao-Manila trade route. What must be taken into account is the fact that since trade was often officially forbidden, its continuity was ensured through smuggling. Other routes, depending on the period and political circumstances, permitting communication with Manila, would thus be used, namely via Southeast Asia, India (especially from Goa), or from Japan. From the Indian ports of Goa, Malabar, and Coromandel and from Malacca, some fifty Portuguese ships arrived in Manila between 1577 and 1644. Another way of getting around official restrictions was by using ships from other countries—such as Japanese vessels in 1591, 1599, 1600, and 1601—to carry Portuguese goods. It is probable, however, that Chinese ships were used for most of the clandestine commerce between Macao and Manila, with independent merchants from Macao traveling in ships originating from Canton, or through *respondentes* (Chinese agents).<sup>82</sup> Further documentation supporting this can be found in the *legajos* (codex) of the *Contaduría* which refer to the presence of Chinese Christians in 1633 and 1634, and also mention that the Chinese captain of one of the thirty-nine ships in 1608 was Christian. They

also say that of five of the thirty-three Chinese ships in 1631 were owned by a Chinese Christian. The Portuguese could therefore use some of these ships which were registered in customs without mentioning the place of origin, as well as some of the registered coastal trade ships.

### *Chinese Merchants in Manila*

The large quantities of silver transported by the Spaniards from America to Manila gradually attracted more merchants, especially from China. The Chinese community in Manila quickly grew and prospered. Many (about 2000) of those involved in trade with Manila came from the city of Zhangzhou in Fujian Province, and sometimes stayed for a long period of time (the term used for such a period in Manila was “spend the winter”) in order to sell their goods at a more advantageous price.

Many of the Chinese who came to Manila settled there permanently, but there was also a Chinese community living there temporarily. The Chinese were all required to live in a quarter under the Spanish name of Alcaiceria, and known in Chinese as Jia Nei. However, it was referred to locally as *parián* (meaning the silk market), which clearly reveals that their main activity was the silk trade. This Chinese group comprised the most important traders in Manila. The Chinese community included a large number of non-differentiated workers, but also a highly-specialized group, featuring a large variety of artisans who, according to contemporary sources, were extraordinarily versatile. They were considered essential (“without Chinese people, Manila would be a miserable place; thanks to them, Spain becomes wealthy”<sup>83</sup>) to daily life in Manila and in the Philippines, for they were generally recognized as able and conscientious workers.

Chinese migrants settling in Manila belonged to the lower social classes. Friar Juan Colbo refers to their humble origins, saying they were “the scum of the Earth,” but among them there were also merchants who grew rich from the Macao-Manila trade. While trade was dominated directly or indirectly by rich merchants, some less prosperous men competed with them. Such trade was authorized (after 1567) by the Chinese authorities. Some of the traders used novel methods such as granting credit.<sup>84</sup>

Such Chinese predominance can be traced to internal and external factors. The most important were, internally, Chinese economic and social development at the end of the late Ming dynasty and, externally, control of the silk trade from China by the large Chinese community living in Southeast Asia. Chinese traders profited from the rivalry and war between the European nations in the Indian and Atlantic Oceans. They also had considerable trading experience with Southeast Asia and a large merchant fleet, and benefited from the reduction in Japanese trade in the Philippines.

## Conclusion

During the late sixteenth and the seventeenth centuries, Macao, Japan, and Manila were powerful commercial centers for trading in silk, silver, and other Chinese goods (such as porcelain). This activity must be analyzed in the historical context of trade between East and West. The Europeans in the sixteenth and seventeenth centuries established direct contact with the Asian sources of production and endeavored to control them.

During this period, silk, silver, and porcelain assumed a predominant role on the Macao-Manila route and throughout the Macao trade network. Portuguese commerce rapidly expanded into a unique global trade network. The dynamic network that connected China with Pacific and Atlantic markets has been studied by Pierre Chaunu, who pointed out the correlation between overall European price levels (particularly in Holland and Spain) and the overall situation of Pacific trade.<sup>85</sup>

Manila and Macao became important trade centers in the Far East for two main reasons: the first was the geographical and political situation of the two Iberian colonies. Macao acted as the gateway to China, and, with Manila, served as intermediary for Chinese trade to Japan, America, and India. The second reason was economic and technological, and relates to the seafaring capacity of Portugal and Spain which allowed a direct connection between the Far East and the European worldwide economic system. Macao and Manila became the most important intermediaries for silver from both Nueva España and Japan to China (which absorbed most of the silver available in the sixteenth and seventeenth centuries).

According to recent research on China,<sup>86</sup> from the last quarter of sixteenth century until the fall of the Ming Dynasty (1644), most of the silver imported by China came from Japan. However, American silver was also relatively important in the global amount of silver (10 million taels) in the Ming treasury (Taicang). Silver imports during the late Ming Dynasty rose to unprecedented levels and exceeded the scale of the pepper trade. From 1570 to 1642, the Chinese treasury recorded a gradual increase in silver from 2.3 million to 23 million taels.<sup>87</sup> Silver exported by the Portuguese to China until 1639, amounted to a little more than 2 millions kg: 1.65 million kg from Japan and 500,000 kg from Manila and via the Cape of Good Hope.<sup>88</sup> In the course of the sixteenth and seventeenth centuries, the silver trade made a significant contribution to the progressive circulation of money in Asiatic trade.

Considerable external demand (both European and Asian) for Chinese silk as well as Chinese demand for silver motivated the economic and social development of the Chinese silk production and trade centers.<sup>89</sup> According to W.S. Atwell, the Ming economy benefited from



the silver trade in various ways: the development of agriculture, with particular regard to its specialization and its trading system; the rapid development of the artisan industries; the enlargement of the interregional trade in volume and new markets, and a general modification of the tributary system.<sup>90</sup>

The silk trade within Asia and to Europe, via Portuguese routes to Japan, India, and the Cape of Good Hope or Spanish routes via America, contributed greatly to the development of the American, European, Indian, and Japanese silk industries. Paul Mantoux states, with regard to the repercussions of the Eastern textile trade on Europe, that “la nouvelle industrie est fille du commerce des Indes.”<sup>91</sup> Finally, East-West trade and the Macao-Manila route in the sixteenth and seventeenth centuries gave rise to contemporaneous European debates on mercantile theories.<sup>92</sup> F. Mauro says that the long maritime voyages were one of the most innovating and progressive factors, although the European economic system was still “commercial capitalism of a mixed nature” because it coexisted with a manorial system where archaic agriculture was predominant.<sup>93</sup>

The Chinese maritime trade may be classified into two main types: first, the governmental or official tribute trade, known in Chinese as *Gong Mao*; and second, the private trade, called *Si Mao*, which might be legal or clandestine, even including piracy. Private trade was regarded as smuggling by the Chinese imperial authorities until 1567 when it was legalized in Fujian Province.<sup>94</sup>

Thus, according to official Chinese regulations, the only way to trade with China was within the framework of the official tribute trade. The imperial administration only accepted those foreign countries traditionally registered on the list of the countries that paid tribute to the Chinese emperor. Thus, the Europeans were excluded from the official tribute trade, but the profits of the trade were so large that the Portuguese, and subsequently other Europeans, were stimulated to try hard to find a means of trading with China.

At the beginning of the seventeenth century, increasingly frequent Dutch and English attacks on the large Portuguese *naos* (ocean-going ships) and on Portuguese territories in Asia became a determining factor in weakening the Portuguese Estado da Índia (demographically, politically, and financially). These attacks had some significant consequences: in 1639, Dutch diplomacy succeeded in having the Portuguese banished from Japan; Malacca fell to the Dutch in 1641; navigation technology improved and this new technology was incorporated in smaller Portuguese ships, in order to make them faster and better able to escape from attacks at sea; Portuguese diplomacy made new agreements with its old enemies (an armistice with England in 1635 and with Holland in

1644) in order to break the blockade on Portuguese settlements in the Indian Ocean and Macao. From 1635 to 1644, according to A.R. Disney, the freight of the East India Company ships and of the Courteen Company was an effective way of breaking the Dutch blockade in the Indian Ocean.<sup>95</sup>

Under the terms of the Spanish agreement on sovereignty over Portugal, trade between the Portuguese and Spanish colonies was forbidden in order to preserve the specific economic interests of both societies. Thus, the Macao-Manila route was banished by the Spanish-Portuguese administration because it competed with the routes of Seville-America-Philippines and Lisbon-Goa-Macao via the Cape of Good Hope. The cause of this rivalry was the fact that Mexican and Peruvian markets were better supplied with silks and other Chinese products from the Philippines, thereby importing fewer worked silks from Spain. The Portuguese central power and traders associated with the Lisbon-Goa route also saw their usual profits reduced when the Macao and Malacca traders sold the silk directly in the Philippines. The profits from customs duties in Goa and Lisbon fell as goods transported on their routes were reduced.<sup>96</sup>

During the late sixteenth century and the first half of the seventeenth century, in spite of successive orders reaffirming the bans, the Macao-Manila route was frequently plied by private and clandestine Portuguese and Spanish traders. However, in response to pressure from the Portuguese in Macao and the Spaniards in the Philippines, the authorities in Manila and Goa, on behalf of the central authority in Madrid, legalized the Macao-Manila route during certain periods. The tolerance and subsequent regulation of clandestine Macao-Manila trade by the Portuguese Goa authorities must be related to the economic difficulties of the Estado da Índia. Some of the profits from Macao-Manila trade (such as the royal monopoly or concessions) were channeled into the royal treasuries of Manila and Macao, while others went to supply the Estado da Índia in its war against its European and Asian enemies.<sup>97</sup>

As usual economic interests drew the line between solidarity and conflicts. The Portuguese Macao traders protested against the admittance of the Portuguese Goa traders to the Canton fairs. In 1622, the viceroy protected the Goa traders against the Macao protest, by giving written authorization for their participation in one of the two annual fairs in Canton, and tried to exclude the Macao traders from that fair (September). The Macao *casados*<sup>98</sup> accused the Goa traders of being a threat to the stability of Portuguese-Chinese relations. They accused the Goa traders of not observing Chinese traditions and law and of merely seeking a quicker means of making money, as when they bought slaves to take to India in contravention of Chinese law and Macao-China oral agreements.<sup>99</sup>

In the years 1580-1642, three different phases in Macao-Manila trade may be distinguished according to the number of ships and customs duties paid in Manila. First, the “start-off” period (1580-1600); second, the development period (1601-1621); and finally, the expansion period (1622-1642), which was interrupted when Macao-Manila relations were officially severed as a consequence of Macao’s support of the new Portuguese King, João IV, ending sixty years of Spanish sovereignty over Portugal.

The development of maritime trade during the Ming dynasty after the mid-sixteenth century is recorded not only in Chinese documents, but also in those of the Portuguese and Spaniards. Chinese merchants, especially financiers, played an important role in Macao trade as well as in the economic life of Manila. This was recognized by the Spanish writers of the time who refer to their presence as indispensable.

During the sixteenth and seventeenth centuries, Macao traders faced competition from Chinese traders, especially from Fujian, Zhejiang, and Canton (Guangdong). Between 1580 and 1645, Chinese trade with Manila reached a peak both in terms of the number of ships and the amount of duties paid to the Manila customs—except in 1586-1590 when the Nueva España provided 61 percent of the total tax revenue collected by the *almojarifazgo*.

The peak period in the Macao-Manila trade (1621-1642) does not coincide with the peak period of trade between other Chinese ports and Manila, but was complementary. The years 1611-1615 marked a peak in China-Manila trade (excluding Macao) with 64,432 pesos (annual average) corresponding to 91.4 percent of all duties paid in Manila. In that period, Macao only represented 0.1 percent of Manila customs duties. The intricate correlation between Chinese and Manila trade meant that when trade declined in China, it did so too in Manila. The years 1671-1675 saw the lowest level of Chinese trade recorded in Manila with 19.05 percent of the Manila *almojarifazgo*.<sup>180</sup>

Japan-Manila trade was generally on a smaller scale. The period 1601-1605 was its peak period with 1.33 percent of the Manila *almojarifazgo*. When Macao traders had difficulty in sailing directly to Manila, they would sail there from other ports. They probably did this from Japan in 1591-1600. India-Manila trade reached its peak in 1626-1630 with 7 percent of the Manila *almojarifazgo*. However, in 1620, nine Portuguese ships arrived from India with the most valuable cargo recorded during the 1586-1642 period.

A practical capacity to overcome obstacles by finding alternative trade routes was an example of Macao’s ability to survive the interruption and loss of trade with Japan, Manila, and Malacca. Macao traders resorted to clandestine traffic through Chinese agents or by shipping

goods along alternative routes from Siam, Cambodia, Cochinchina, Tonkin, Timor, and Macassar.<sup>181</sup> From some of these ports, Macao merchants were able to trade with Manila when Macao ships were banned from that port. According to Claude Guillot, the best period for Macassar and Banten trade (until the late seventeenth century) was when they traded with Manila.<sup>182</sup> During the second half of the seventeenth century, Macao traders were particularly active in the Macassar-Manila trade.<sup>183</sup> Ships from other European countries were also used by Macao traders. The English ship of Francis Breton, President of the East India Company in Surate, is an example of the ships sent to Manila in 1644-1645.<sup>184</sup>

The Portuguese community of Macao mixed with the Chinese community and adapted to Chinese customs. By the late sixteenth and early seventeenth centuries, Macao had become a cosmopolitan city with strong financial roots, which was defended militarily by a network of fortifications against its numerous maritime enemies such as the Dutch and English.

The Portuguese model of expansion established in the Indian Ocean was reproduced in Macao for several reasons: its preference for luxury goods such as silk, porcelain, and silver; the great mobility of the Portuguese; and the centralized system of administration (in spite of the original dual form of power, in which the city council played a fundamental role in Macao trade).

Macao was in fact an exception in the Portuguese *Estado da Índia*, due to its particular geopolitical and economic situation. Its fragility stemmed from its vulnerability to Chinese attacks, as the Chinese could simply close the Macao gate—*Porta da Barreira*—thereby preventing trading activities and submitting the city to famine. On the other hand, Macao's strength lay in the fact that it played a key role in the dissemination of the abundant and precious Chinese merchandise, and also in the silver trade, of strategic importance to China and, in particular, for the superiority of the Guangdong authorities over those of Fujian.

Macao was dependent on Chinese trade and the traders played a key role in Macao policy. Thus, when the Portuguese aristocratic officials were strong enough to impose a utopian expansionist policy in Macao, the city clashed with the Chinese authorities, became unstable and trade diminished. The pragmatism and realism of Macao's people and their collaboration with the Chinese authorities were decisive for the acceptance of the Portuguese in China, as well as for the stability of Macao over the centuries. Macao was a Portuguese city, but nevertheless accepted that sovereignty over its territories be shared between Portugal and China. This was what made Macao a unique city and society.

Thus, the Macao maritime routes, as mentioned earlier, were not only commercial in nature. Founded on mutually profitable trade, they

naturally developed as a point of convergence between the different communities which shared and exchanged customs, cultures, and religions.

## Notes

1. Chinese adage, from the Ming-Qing Dynasty, expressing the prosperity of the meridional Chinese cities of Suzhou and Hangzhou due to the increase in the demand for silk from foreign markets. Chuan Hansheng mentioned the important role of the American market in the development of Chinese meridional provinces. Chuan Hansheng, "The Chinese Silk Trade with Spanish America from the late Ming to the mid Qing Period," in *Chine Ancienne, Actes du XXIX Congrès International des Orientalistes*, Section organisée par Michel Soymié (Paris: L'Asiathèque, 1977), p. 86.
2. Also called *The Middle Kingdom* or *The Great Middle Empire*.
3. See Claudine Salmon and Denys Lombard, "Un vaisseau du XIIIe s. retrouvé avec sa cargaison dans la rade de Zaitun," in *Archipel*, vol. 18 (1979): pp. 57-67; Cheng Dasheng and Denys Lombard, "Le rôle des étrangers dans le commerce maritime de Quanzhou ('Zaitun') aux 13e et 14e siècles," in *Marchands et hommes d'affaires asiatiques dans l'océan Indien et la mer de Chine, 13e-20e siècles* (Paris: Denys Lombard and Jean Aubin, 1988), pp. 21-29.
4. For a global view of the Portuguese expansion and economy see Vitorino Magalhães Godinho, *Os Descobrimentos e a Economia Mundial*, 2 vols. (Lisbon, 1963-1965), or 4 vols. (Lisbon, 1983-1984). For a global view of the Malacca trade routes see Luis Filipe Ferreira Reis Thomaz, "Os Portugueses em Malaca, 1511-1580," 2 vols. (Graduate thesis, Biblioteca da Faculdade de Letras da Universidade de Lisboa, Lisbon, 1964); on Southeast Asia and the Malasian and Indonesian archipelago, see Luis F.R. Thomaz, "Les Portugais dans les mers de l'Archipel au XVI siècle," *Archipel*, vol. 18 (1979): pp. 105-25; and Manuel Lobato, "Política e Comércio dos portugueses...."
5. See J.E. Willis, Jr., "Maritime China from Wang Chih to Shih Lang: Themes in Peripheral History," in *From Ming to Ch'ing: Conquest, Region and Continuity in the Seventeenth Century*, eds., J.D. Spence and J.E. Willis, Jr. (New Haven, 1979), pp. 210-13.
6. See the letter from Felipe I of January 1595, asking the viceroy Matias de Albuquerque for his opinion on how to limit the Chinese pepper trade to Malacca: "impedir os chineses [Chinchéus] de ir buscar pimenta a Sunda, patane, paru [sic], Jambiz [sic], Andrigim, e outros locais [not mentioned], e unicamente autorizá-los a negociar em Malaca para bem da Fazenda Real" in *APO*, fasc. 3<sup>o</sup>, par. 1<sup>a</sup>, doc. 78, pp. 286-99; also in *Boletim da Filmoteca Ultramarina Portuguesa (Bol.FUP)*, no. 2, pp. 309-12. The original is in the Historical Archive of Goa (HAG), *Livros das Monções*, No. 3-b (fls. 430-37). Another letter from D. Felipe I of 28 February 1595, from Lisbon, giving details of the same order to Viceroy Matias de Albuquerque, to forbid "por todos os meios (manda enviar duas fustas com 60 soldados),

- os Chineses (Chinchéus) de ir buscar sândalo às ilhas de Solor, não só pelo prejuízo para a fazenda Real, mas também pela desordem que causam. O Bispo de Malaca já escrevera ao rei a denunciar igualmente esta grave situação, visto ser necessário favorecer a comunidade cristã de Solor, que vinha aumentando,” in *Filmoteca Ultramarina Portuguesa*, ficheiro 2, gaveta 1, divisão 6 e 7, fichas 70-1, exposição 5/3, documento 44; *Bol.FUP*, no. 2, pp. 332-33; HAG., *Livros das Monções*, no. 3-b (fls. 589-90r.)
7. Luís F.R. Thomaz, “Les Portugais dans les mers de l’archipel au XVIe siècle.”
  8. According to K.N. Chaudhuri, the easternmost limit of the Indian Ocean, the Pacific, “remained unnavigable to Asian sailing-ships,” in “Portuguese Maritime Empire, Trade and Society in the Indian Ocean during the Sixteenth Century,” in *Portuguese Studies*, vol. 9 (1992): p. 63.
  9. Another very profitable route was the Macao-Japan route started in the 1540s and monopolized by Portuguese traders during the forbidden period of trade between China and Japan (1557-1567). However, this monopoly was gradually broken by the Chinese smuggling trade and afterwards by other European powers, particularly the Dutch.
  10. In 1543 a private Portuguese ship arrived on Tanegashima Island and was considered to be the beginning of the European private trade to Japan. See G. Schurhammer, “O descobrimento do Japão pelos Portugueses no ano de 1543,” *Anais da Academia Portuguesa de História*, 2d series, no. 1 (1946); João Paulo Oliveira e Costa, “Oda Nobunaga e a expansão portuguesa,” in *Revista de Cultura*, no 13/14 (Macao, 1991): pp. 258-72.
  11. Original quotation: “As viagens que se fazem desta cidade do Nome de Deos bem se vê que a principal e de mais consideração he a de Japão,” in “Descrição da Cidade do Nome de Deus da China” in C.R. Boxer, *Great Ship From Amacon*, p. 40.
  12. Bocarro, in the above-mentioned description, p. 41.
  13. Boxer, *The Great Ship*, p. 157.
  14. Marco d’Avalo, “Descrição de Macau, em 1638,” in Boxer, *The Great Ship*, p. 86.
  15. See in the bibliography the list of the “legajos of Fundos da Contaduria of Arquivo das Indias de Seville” (from 1577 to 1645), which was used for this work. The *almojarifazgo* is the designation used in the Spanish Empire for a series of taxes levied on maritime commerce (roughly calculated according to the value of the merchandise—*ad valorem*). From an examination of the documents (mainly, the *Extracto historial del expediente que pende en el Consejo de Indias a instancia de la ciudad de Manila ...* [Madrid, 1736], fs. 324, gr. in 4º.), it can be said that there is a direct link between the degree of mercantile development (of the maritime trade) and the total tax revenue (of the *almojarifazgo*) of Manila. See Pierre Chaunu, *Les Philippines et le Pacifique des Ibériques XVIe-XVIIIe siècles, Introduction méthodologique et indices d’activité* (Paris, 1960).
  16. The *lejado* (c. 1200) does not define the origin of numerous vessels, and it is therefore impossible to give accurate data for 1578 and 1579.
  17. At least until 1787, according to data compiled by Pierre Chaunu, *Les Philippines*.
  18. “Treslado do assento que se tomou em conselho da fazenda sobre a composição que se faz com Lopo Sarmento de Carvalho, por via da transação,” Codex CXVI/2-5, fl. 99, of the Biblioteca Publica e Arquivo Distrital de Évora published in the *Diário do 3º Conde de Linhares*, pp. 87-91, and in the work of C.R. Boxer, *The Great Ship*, pp. 253-56. Note that both Marco d’Avalo and António Bocarro, in their descriptions of Macao, give an inaccurate account of the Macao-Manila voyage in those times. The former states (p. 85) that the vessels left Macao in April and generally returned in October, while the latter says that it was possible to navigate “the whole

- year to Manila” (p. 47) which, as we have observed, was not recommended. This contradiction is probably based on the stories which were told in Goa about illicit trade, which possibly did not strictly conform to the normal calendar.
19. Documentation referring to the *almojarifazo* of Manila (*legajos* dos Fundos de la *Contaduría* de los Archivos das Índias de Sevilha), see Pierre Chaunu, *Les Philippines et le Pacifique des Iberiques XVIe - XVIIIe siècles, Construction Graphique*, pp. 66-67.
  20. “Regimento que se deu a Romão de Lemos que vay por administrador das viagens de Japão e das mais anexas a ellas que se fazem por conta da fazenda de sua magestade (24 de Abril de 1637)” in HAG, “Livro do regimento e instruções,” III, fs. 38-51; and published in full in Boxer, *The Great Ship*, pp. 286-306.
  21. Generalizing the use of the name of the island of Luçon (Luzon), where the city of Manila is situated.
  22. See Boxer, *The Great Ship*.
  23. “o que hé em grande perjuiso do rendimento da dita alfandega, a que convem acodir pella grande despeza que de ordinário faz a fazenda real com as armadas que tras naquelles mares [which represent a great loss for the royal treasury, that needs to increase its profits because the royal treasury expended a lot of money supporting the navy in the Indian Ocean],” Boxer, *The Great Ship*, p. 290.
  24. HAG, “Livro,” p. 293.
  25. In this letter, the Viceroy says “The *chós* [a ship] that sailed in secret from China to Manila as you wrote in the last letter was why I ordered the voyage Macao-Manila to be made in a small *pataxo*. The ships found in Manila from the Macao islands will be captured with their textiles because the voyage is a crown monopoly.” Letter from the Count of Linhares to Manoel Ramos, administrator of the voyages from Japan, Manila, and Goa, 4 May 1635, in ANTT (Arquivos Nacionais – Torre do Tombo), Lisboa, *Livros das Monções ou documentos remetidos da Índia*, vol. 34. fs. 63-66, published in full in Boxer, *The Great Ship*, p. 273.
  26. In the Codex CXVII/2-5, this letter occupies folio no. 44, and is found among the papers of the Capitão Geral [Captain General] of Macao, D. Francisco de Mascarenhas of the Fundo Geral de Manuscritos da Biblioteca Arquivo Distrital de Évora.
  27. In ANTT, *Livros das Monções*, vol. 38, fs. 349- 55. On this subject, see: “Carta do Vice Rei D. Fernando da Gama, who in the name of the king ordered the Macao-Manila voyage for the royal treasure,” in Fundo Geral de Manuscritos da Biblioteca e Arquivo do Distrito de Évora, Codex CXVII/2-5, f. 44.—Papers on the controversy between the Capitão Geral of Macao, D. Francisco Mascarenhas, and the city, about the justice and convenience of the voyage from Manila, *ibid.*, fs. 78-165. The “Treslado de assento que se tomou em Conselho da fazenda sobre a composição que se fez com Lopo Sarmiento de Carvalho, por via da transacção...” *ibid.*, fl. 99, appears in Boxer, *The Great Ship*, pp. 253-56, and the remaining documentation in pp. 245-306. Documents on the Macao-Manila trade, *ibid.*, Codex CXVII/2-5, fl. 253. Order from the Capitão Geral D. Francisco Mascarenhas on the Manila and Japan trade, *ibid.*, Codex CXVII/2-5; fl. 270.
  28. The person who received a specific voyage attributed by the Portuguese authorities as a reward for the work that he had done for the Portuguese crown.
  29. An important officer of the Portuguese financial department of Estado da Índia.
  30. ANTT, *Livros das Monções*, vol. 38, fl. 352.
  31. “Carta do Desembargador Sebastião Soares Paes para a Princesa Margarida, Duquesa de Mantua,” January 1637, ANTT, *Livros das Monções*, vol. 38, fl. 468, in Boxer, *The Great Ship*, pp. 280.
  32. HAG, “Livro,” 3, fs. 38v.-51; in Boxer, *The Great Ship*, pp. 286-306.

33. In the original: "Aplicando tudo o que ellas montare aos gastos da riveira de Goa apresto das Armadas e fabrica dos navios," ANTT, *Livro das Monções*, vol. 38, fl. 353.
34. *Diário do Terceiro Conde de Linhares*, Vice-Rei da Índia, I, Lisbon, 1937, p. 52. This period extends from 6 February 1634 to 16 February 1635.
35. By order of Felipe I, written in Goa on 7 April 1592, in HAG, "Livro" 1º de Alvarás fl. 12 v. and in *Arquivo Português Oriental*, Fascicle 3, pt. 1, doc. 109, pp. 353-54.
36. Bocarro states "que por nenhum modo querem (os grandes mercadores, cazados) passar a Goa por não lançarem mão delles ou as justiças por algum crime, ou os V. Rey para serviço de sua Magestade e assy tambem muitos mercadores solteiros muito ricos em que melitam as mesmas rezös." in Bocarro, "Descrição da cidade de Macao," edited by Boxer in *Macao na Época da Restauração*, pp. 28-29.
37. Morga, *Sucesos*, p. 349, "Su Magestade prohibe à los que tiram su sueldade de la guerra en las islas, el ser mercadores, y ordena al gobernador, no se lo consienta, mi cargar para la Nueva España."
38. "The disasters on the Portuguese ships [sailing in the China Sea] were due to the overloading of the deck." ANTT, *Livro das Monções*, vol. 34, fls. 71-73; also in C.R. Boxer, *The Great Ship*. See note 26.
39. "Nos contratos dos fretamentos que se fizeram com os donos e senhorios dos navios que ouverem hir assy a Jappão como a Manila, se lhes não darão arcas de bomba nem payões nem outros gasalhos libertos para nelles levarem fazendas, nem nos que se lhes derem para as velas e sobresçelentes nos mesmos navios poderão embarcar nenhuma sorte de fazenda, assy elles como os mestres pilotos e maes officiaes, excepto os caixões de liberdade que lhes custuma dar que não excederão da medida que sempre foi costume," in "Regimento que se deu a Romão de Lemos qe vay por administrador das viagens de Japão e das mais anexas a ellas que se fazem por conta da fazenda de sua Magestade (24 de Abril de 1637)," in A.C. da Silva Correia, *História da colonização Portuguesa na Índia*, vol. 3, (1951), pp. 66-90, idem, vol. 4, (1952), pp. 98 ff., and published in full in C.R. Boxer, *The Great Ship*, pp. 286-306.
40. *Pataca (patacão)*, money of account, with a value of 360 *reis*. Usually equated with the *cruzado*, with the *S. Tomé* or the rial-of-eight, see Boxer, *The Great Ship*, p. 336. W. Barret refers to silver *patachines* at Goa in 1584, worth 6 *tangas* of good money or 360 *reis* (according to Boxer quotation). See António Nunes, "Livro dos Pesos da Índia, e assy Medidas e Moedas" (1554), pp.1-64.
41. "Em lugar dos camarotes que se davão nos altos aos ditos officiaies, se lhes darão maes a cada hum sincoenta patacas; e levando algumas fazendas fora da dita liberdade fareis que com effeito paguem os fretes della a fazenda real como se fora debaixo da cuberta sem lhes admitir resão em contrario;" in "Regimento que se deu a Romão de Lemos..." (24 April 1637), in A.C. da Silva Correia, *Historia* in C.R. Boxer, *The Great Ship*, pp. 286-306, and particularly p. 291.
42. "Regimento que se deu a Romão de Lemos...", in HAG, "Livro," vol. 3, fls. 38v-51; C.R. Boxer, *The Great Ship*, pp. 286-306.
43. "As embarcações que assy partirem de Macao fora dito tempo posto que se perção, ou aribem não entrarão no numero das de que se lhe ade fazer o abatimento por rota porquanto o dito abatimento se lhe não faz mais que aquellas que partirem dentro do dito mez.de julho." In "Treslado da arrematação e venda de tres viagens da China pera Jappão juntamente outra tres da China pera Manilla, o Lopo Sarmento de Carvalho p. preço e contia de trezentos e seis mil cruzados p. lla. manra. Abaixo," ANTT, *Livros das Monções*, vol. 38, fls. 349-55. Published in full in C.R. Boxer, *The Great Ship*, pp. 248-49.
44. Chang Pin-Tsun, "Chinese Maritime Trade: the Case of Sixteenth Century Fuchien (Fukien)" (Ph.D. diss., Princeton, New Jersey, 1983), p.165; K.C. Fok, "The Macao



- Formula: A Study of Chinese Management of Westerners from the Mid-sixteenth Century to the Opium War Period" (Ph.D. diss., Hawaii University, 1978), pp. 33-64, and an abridged version in Portuguese—"O debate Ming acerca da acomodação dos Portugueses e o aparecimento da 'Fórmula de Macao,' a colónia portuguesa e as primeiras reacções Chinesas," in *Revista de Cultura*, vol. 16, (Macao: Instituto Cultural de Macao, 1991), pp.13-30; Luís G. Gomes, *Ou-Mun Kei-Leok, Monografia de Macao* (Macao: Quinzena de Macau [October 1979 – Lisbon]), p. 103.
45. Huang Hongjian, *História de Macao* (Nanjing, 1986). I wish to thank Dr. Lu Yanbin and Dr. Wang Suo Ying for their translation of the 6th chapter, "External Trade in the Ming Dynasty;" Luís G. Gomes, *Ou-Mun Kei-Leok*, has published several reports on foreign trade, including "Memorial de Uóng-Hei-Mân acerca do facto de se dever prestar grande importância às fronteiras ser o mesmo que fazer ressuscitar o povo," pp. 100-4, and "Memorial de P'óng-Sèong-P'áng acerca da forma como deve ser dividida Macao e como se deverá proceder para manter a tranquilidade em todas as reintrâncias do litoral," pp. 104-9.
  46. For an analysis of Chinese customs, see also *Yue Hai Guan Zhi* (Reports of the Guangdong Aduana), and *Guangdong Fu Yi Quan Shu* (Global Report of the Tax and Corvée of the Guangdong Province). See also *Xinxiu Xiangshan Xianzhi*, edited by Zhu Huai (1927), ch. 6, p. 27a.
  47. "From the time when Kuóng-lâm was mayor of Hèong-Sán..." to the period when "the mayor was U-Lâm..." in Luís G. Gomes, *Ou-Mon Koi-Leok*, p. 227.
  48. "Pretendem que S.M. lhes conceda nas fazendas que nella entrarem, pera com esse dinheiro cercarem a cidade e sobre se por nella hum capitão assistente que entenda nesta obra e tenha a seu cargo a guarda da dita cidade..." in BA (Biblioteca da Ajuda), Codex 51-VIII-18, nº. 199, 17 December 1606.
  49. BA, Codex 51-VIII-6, nº. 620, royal letter to Bishop D. Pedro de Castilho "sobre o direito por sento que pedem os moradores de Macao...."
  50. Luís G. Gomes, *Ou-Mon Koi-Leok*, p. 227.
  51. "Treslado dos Apontamentos de Lopo Sarmiento de Carvalho" (1-3 May 1623), "Treslado da Resposta dos Procuradores da Cidade de Macao," in C.R. Boxer, *The Great Ship*, pp. 241-44.
  52. Manuel Pereira, João Simões de Carvalho and Lourenço de Carvalho were the representatives of Macao in Goa. On 3 May 1623, they signed the document entitled "Treslado da resposta aos apontamentos de lopo sarmiento depois de serem tratadas no conselho do estado" (Transcript of the reply of the representatives of the City of Macao) in C.R. Boxer, *The Great Ship*, pp. 243-44.
  53. "Treslado da Resposta."
  54. Codex 1209: the *almojarifazgo* on Chinese trade before and after the tax increase from 3 to 6 percent in 1610 reveals, after a short initial period, an increase in the global amount of income subject to the former tax of 3 percent, in part due to the systematic under-evaluation of goods in the Manila customs. See Pierre Chaunu, *Les Philippines*, pp. 34-35. In 1607 and 1608, 78 Chinese boats paid 70,093 1/2 pesos, at the rate of 3 percent (cd. 1207); in 1609-1610, the application of the new tax of 6 percent to 82 Chinese ships increased the income to 128,338 pesos. The unitary payment increased from 900 pesos to about 1,500 pesos between 1607-1608 and 1609-1610. In 1611, 31,683 pesos were charged for 23 ships, which means a tax of about 1,400 pesos per ship. In 1612 with the payment of 97,180 pesos for 46 ships, the unitary payment was of about 2,100 pesos; and in 1620 the level of 1,200 pesos was maintained. On the other hand, in 1627, the payment for each ship decreased to about 830 pesos, corresponding to about 17,450 pesos paid to the customs.

55. Pierre Chaunu, *Les Philippines*, pp. 200-6; S. J. Pires and Benjamim Vidreira, *Viagem do comércio Macao-Manila*, p. 24.
56. The explanation of the name of the “Pancada” system is not clear. José Caetano Soares gives us two possibilities: the name originates either from the “The customs of the auctioners to close the bidding by knocking on the table in the markets, or the regional term used in the North of Portugal;” “viagar de pancada” which means to follow in a group (in *Macao e a assistência*, p. 120). C.R. Boxer, *The Great Ship*, p. 66.
57. Directive of ‘Conde Vice Rey da Índia,’ Dom Francisco Mascarenhas, 1584, in Codex 49 IV- 57, fls. 170 verso and following; ‘Jesuítas na Ásia’ of BA, First published (according to C.R. Boxer) by Y. Okamoto in *Nichi - po Kotsu*, 2 (Tokyo, 1943), and by Boxer in *The Great Ship*, pp. 197-200.
58. Chang T'ient-Tse, *Sino-Portuguese Trade from 1514 to 1644: A Synthesis of Portuguese and Chinese Sources* (Leiden, 1934).
59. Stephen Chang Tseng-Hsin, “Commodities Imported into the Zhang-Zhou Region of Fujian, China, during the Late Ming Period—A Comparative and Analytical Study” (Paper presented at a symposium, 31 August 1989, University of Heidelberg, 1989), p. 3.
60. This quotation in Portuguese: “se possuirmos livre só o comércio da China bastava sem nenhum outro porque pera todo este Oriente serve o que nelle ha e pera todo o mundo....” was justified according to Bocarro, by: “de tudo o que a natureza produz em muitos Reinos ha neste só muita cópia que parece que só nelle se dá, e nunca houve tanto cabedal de mercadores que lhes faltace em Quantão senão duma sorte, doutras muitas de fazendas e todas que servem.” The quotations are from the historian, António Bocarro, in *Descrição da cidade do nome de D.s da China*, a voluminous work of 300 pages with the plans of 48 forts or Portuguese possessions in Asia. The full title is *Livro das Plantas de todas as Fortalezas, Cidades e Povoações do Estado da índia Oriental com as descripçoens da altura em que estão, e de tudo que há nellas, Artilharia, Presidio, gente de Armas, e Vassallos, rendimento, e despeza, fundos e baxos das Barras, Reys da Terra dentro, o poder que tem, e a paz, e a guerra, que guardão, e tudo que está debaxo da Coroa de Espanha. Dedicado à Serenissima Magestade del Rey Felipe o IV das Espanhas, e III de Portugal Rey, e Senhor nosso* (Goa, 1634). The description of Macao used here was published in C.R. Boxer, *Macao na Época da Restauração (Macao three hundred years ago)* (Macao Imprensa Nacional, 1942), p. 37.
61. The original quotation: “Sendo que se lhes tivessem liberdade pera entrar e mercanciar pello Reino poderão conservar-se, e crescer sem mais viagens para Japão, nem pera Manila, por resão de ser tal a monarchia da China que não necessita de comércios estranhos pera sustento dos Vassallos, e os de Machao estão lá tidos por vassallos....” BA, 54-XI-219, J.P. de Azevedo, *Advertencias*, f. 20v.
62. Original title: *Discurso en que se muetra ser da mas importancia, las Índias orientales, que las occidentales em racon, do comércio y al preposito se descubren las cauzas de estar perdido el comércio delas orientales y espana reducida a la ultima pobreza que vemos*, BA, Codex 51-VII-27, doc. no. 21, fls. 196-210 (sem data), anonymous, in Spanish (Lisboa, 1626).
63. “Relação do principio que teve a Cidade de Macao e como se sustenta ate o presente,” BPAD, Évora, Codex CV/2-7, fol. 65, published by Fr. Manuel Teixeira, *Macao e a sua Diocese. O Culto de Maria em Macau* (Macau, 1969), p. 423.
64. “Noticias verdadeiras das contendas que houve em Macao sobre a Ilha Verde no anno de 1621 São tiradas dos papeis que se conservão na secretaria da Provincia de Japão do Collégio da Madre de Deus da companhia de JHS em Macao.” Written in January 1747 by João Alvares, pages 24-24v. contain an extract from the annual let-

- ter of 30 December 1621 by Father António Leite which puts pressure on the Portuguese and is referred to as “os portugueses com sua prata fazendo seus empregos, tratos e mercancias” em Cantão. Codex 49-V-4 consists of 26 folios which belong to the Jesuit collection in Ásia, J.M. Braga published the fl. 10v.
65. Chuan Hansheng, “The Chinese Silk Trade with Spanish America from the late Ming to the Mid Qing Period,” in *Chine Ancienne, Actes du XXIX Congrès International des Orientalistes*, section organized by Michel Soymié (Paris: L’Asiathèque, 1977), p. 86. See also Vitorino Magalhães Godinho, *Os Descobrimentos e a Economia Mundial*, 2d ed., vol. 4, pp. 217-18.
  66. When, in 1574, the Chinese Government built the gate called “Porta da Barreira” or “Porta do cerco” in the extreme north of the peninsula of Macao and put it under military observation, it implicitly recognized Macao as a special zone. The door was only opened six times a month for the Portuguese in Macao to get supplies. From 1578 on, the Portuguese were authorized to negotiate with Guangzhou. On Canton fairs, see Jorge Manuel Flores “A mão direita de Cantão: Macau e o comércio do rio das pérolas, (séculos XVI-XVII),” in *As relações entre a Índia Portuguesa, a Ásia do Sueste e o Extremo Oriente, Actas do VI Seminário Internacional de História Indo-Portuguesa*, (Macao 22-26 October 1991), edited by Arthur Teodoro de Matos and Luís Felipe F.R. Thomaz (Macao and Lisbon, 1993).
  67. For a description of Parian, see the first detailed account by the first Bishop of Manila, “Relacion de las cosas de la China del Parian de Manila,” of 24 June 1590, pp. 309-26; and see “El Parian de les Sangleyes,” pp. 151-74; both texts in Carlos Sanz, *Primitivas relaciones de España con Asia y Oceanía* (Madrid, 1958).
  68. “Es plata y reales, que no quierem oro, ni otras algunos rescated, ni los llevan a la China,” in António Morga, *Sucesos de las Islas Filipinas*, p. 353.
  69. Originally the Chinese in the Philippines were all known by this term; in the seventeenth century it began to be used exclusively to designate the Chinese residents of the Philippines; see P. Juan Cobo, first Bishop of Manila; Carlos Sanz’s work, *Primitivas relaciones*, pp. 151-74, 309-26, and Boxer; *South China in the Sixteenth Century* (London, 1953), p. 260.
  70. António Morga, *Sucesos de las Islas Filipinas*, p. 354.
  71. Carlos Sanz, *Primitivas relaciones*, p. 321.
  72. “Carta de desembargador Sebastião Soares Paes para a Princesa Margarida, Duquesa de Mantua,” Goa, 19 de Janeiro 1637, ANTT in *Livros das Monções*, 38, fls. 468 ff., and in C.R. Boxer, *The Great Ship*, pp. 278-86. This letter is an answer to a letter from the Duchess of Mantua (Regente do Reino de Portugal) of 7 March 1636.
  73. Pedro de Baeza, “Esta relación y discurso, me mando V. Excelência que hiziesse... para que en el satisfizesse las dudas que me puseron cerca de la grande costa que la armada habia de hacer” (Madrid, 1608), fls. 11v., 13. In C.R. Boxer, *The Great Ship*, p. 74.
  74. Rial-of-eight (*peso de ocho reales; peso de plata; el duro*). The most common and most popular European coin in the Far East after the establishment of the Spaniards in the Philippines (C.R. Boxer). In Goa in 1584 it was officially valued at one cruzado (400 *reis*) or 6  $\frac{2}{3}$  *tangas*; in Peter Mundy’s day, worth about 10 *tangas*. The peso in gold coin or the *peso de oro* was in circulation and was worth 16 Spanish *reais*. For more detailed information about gold currency, see C.R. Boxer, *The Great Ship*, pp. 336-37.
  75. *Guang Dong Hai Fang Hui Lan* (Collection on the Maritime Defense of Guangdong), rolo 37, made by Lu-Kun. Translated by Dr. Lu Yan Bin. António Morga in his work *Sucesos de las Islas Filipinas* wrote: “Los derechos del tres por ciento de las

- mercadorías que traen de la China los navíos sangleyes, valen un año con otro, cuarenta mil pesos” (p. 360). In this work he refers to “Relação escrita pelo Almirante D. Jerónimo de Bānueles y Camillo” in which he informed the king “that one and a half million in gold enter China each year” (p. 350).
76. Pierre Chaunu, *Les Philippines*, pp. 199-219.
  77. “Fundo Geral de Manuscritos” in BPAD of Évora, Codex CXVII/2-5, fl. 270, “Mandado do capitão Geral D. Francisco de Mascarenhas, acerca do comércio com Manilla e Japão.”
  78. See the letter from Felipe I in January 1591 to Viceroy Martins de Albuquerque in HAG, *Livro das Monções*, no. 3, fl. 430 (2ª via) and fl. 438 (4ª via), also published in the *Arquivo Português Oriental*, Fasc. 3, pt. 1, doc. 78, pp. 286-99, or *Boletim da Filmoteca Ultramarina Portuguesa*, no. 2, pp. 309-12, ref.: 13, 20-23/14-4; or another royal letter, four years later (28.2.1595) in which the Viceroy was instructed to prevent, where possible, the *chincheos* from going to the islands of Solor to obtain sandalwood, not only because of the damage suffered by the Royal treasury, but also because of the disruptions which they caused. In *Boletim da Filmoteca Ultramarina Portuguesa*, no. 2, pp. 332-33, ref. 44, 70-71/15-3, or in *Livro das Monções*, no. 3-B, pp. 589-90.
  79. BA, Codex 51-VIII-18, no. 243, fs.112-3v.
  80. AGI, *Filipinas*, cd. 1204.
  81. See the titles of *respondência* of Tristão Tavares (1637) and Pero Fernandes de Carvalho (1638), published in C.R. Boxer, *The Great Ship*, pp. 284-87. Among the various documents confirming the existence of smuggling, two examples should be mentioned: the letter from Sebastião Soares Paes to Princess Margarida, Duches de Mantua, on 19 January 1637, in ANTT, *Livros das Monções*, vol. 38, fls. 468 et seq. This is the reply to a letter from Princess Margarida written on 7 March 1636. Boxer published a résumé of this letter in English in the article “Portuguese Commercial Voyages to Japan 300 years ago,” in *TJS* vol. 31 (1933-1934): pp. 65-75; this author also published the complete text of the letter in Portuguese in *The Great Ship*, pp. 278-86); see the *Mandado do Capitão Geral D. Francisco de Mascarenhas* on Macao-Manila-Japan trade. The original is in the BPAD of Évora, Codex CXVII/2-5, f. 270.
  82. The original of this quotation is: “si no hubiera chinos en estas Islas era Manila una miséria, porque con los chinos ganan los castillas.” This idea is commonly found in Spanish documentation of the time, mainly written by Frade Juan Cabo or the first Bishop of Manila, published by Carlos de Sanz, *Primitivas relaciones*, pp. 281, 283, 277-78, 315.
  83. “Es gente muy práctica, é inteligente en la mercancia... y saben fiar, y hacer comodidad liberalmente à quien saben les trata verdad, y no les ha de hacer falta en la paga,” in António Morga, *Sucesos*, p. 354. The activity of these usury merchants is also mentioned in a document stating that three-quarters of the total amount of the goods of Manila’s neighbors were sold in Mexico “fiadas por los Sangleyes,” in C.R. Boxer, *Azia Sinica e Japonica*, I, pp. 225-27.
  84. Pierre Chaunu, *Les Philippines*, p. 265.
  85. Brian Moloughney and Xia Weizhong, “Silver and the Fall of the Ming: a Reassessment” in *Papers on Far Eastern History* (Canberra: Australian National University, 1989), pp. 51-78.
  86. Moloughney and Xia, “Silver,” p. 68.
  87. Moloughney and Xia, “Silver,” p. 59; George Bryan Souza (*Survival of Empire*, pp. 56-57) suggests that, between 1546 and 1638, 36.6 million to 41.1 million taes were imported from Japan; Kozo Yamamura and Tetsuo Kamiki, “Silver Mines and

- Sung Coins—A Monetary History of Medieval and Modern Japan in International Perspective” in *Precious Metals*, p. 351, make a different calculation for a period of 40 years ending in 1600. They suggest 900,000 to 1.5 million kg.
88. In Zhejiang, Jiangsu, Fujian and Canton provinces. Chuan Hansheng, “The Chinese Silk Trade,” p. 86, points out the importance of the American demand for silks for the development of the above-mentioned Chinese centers.
  89. W.S. Atwell, “Notes on Silver, Foreign Trade, and the Late Ming Economy,” *Ch’ing-shi Wen-i’i*, vol. 3, no. 8 (1977). See also R. Huang, *Taxation and Government Finance in Sixteenth Century Ming China* (Cambridge, 1974), p. 243.
  90. Quotation in Paul Leuilliot, “Influence du commerce oriental sur l’économie occidentale,” in *Sociétés et compagnies de commerce en Orient et dans l’Océan Indien, Actes du huitième colloque international d’histoire maritime* (Beyrouth, 5-10 September 1966) (Paris, 1970), p. 620.
  91. Duarte Gomes de Solis, *Discursos sobre los comercios de las dos Indias donde se tratam materiais importantes de Estado y Guerra* (Madrid, 1622). Published by Moses Amzalak (Lisbon, 1943). Solis was one of the first Portuguese economists whose work was significant for his time. See by the same author, *Alegacion en favor de la Compañia de la India Oriental, y comercios Ultramarinos que de nuevo se instituyo en el Reino de Portugal* (1628; reissued by Moses Amzalak, Lisbon, 1955). Also *Mémoires inédits de Duarte Gomes de Solis* (December 1621), edited by Léon Bourdon (Lisbon, 1955). This edition includes his work *Arbitrio sobre la plata*. See Solis, “Discurso en razon de la Compañia Oriental que tiene los rebeldes de Olanda y Ingleses” (c. 1618), published by Gentil da Silva in *Alguns Elementos para a História do Comércio da India de Portugal* (1951).
  92. F. Mauro, “Concepts économiques et économie coloniale à l’époque du capitalisme...” was justified according to Bocarro, by: “de tudo o que a natureza produz économique, Aix-en-Provence, 1962,” vol. 2 (1965), p. 715.
  93. Chang Pin-Tsun, “Chinese Maritime Trade, p.165.
  94. A.R. Disney, *Twilight of the Pepper Empire: Portuguese Trade in Southwest India in the Early Seventeenth Century* (Cambridge, Mass., 1978), pp. 148-54; see also H.B. Morse, *The Chronicles of the East India Company Trading to China, 1635-1834*, 5 vols. (Oxford, 1926-1929), (new edition, Taiwan, 1975), vol. 1, pp. 14-30.
  95. This is the argument also expressed by the then Spanish *feitor* in the Philippines, Antonio Morga: “Por haberse engrosado tanto este trato, que hacia daño y perjuicio à las mercaderias de España, que se cargaban al Perú y a la Nueva España, y a los derechos reales, que por razon dellas se cobran, y haberse acodiciado los hombres de negocios de Méjico y el Perú, à tratar y contratar en las Filipinas, por mano de sus encomenderas y factores; de suerte, que cesaba en la mayor parte el trato de España,” in Antonio Morga, *Sucesos*, p. 350.
  96. In April 1629, a secret order from King Felipe IV, authorizing Macao-Manila trade was personally conveyed by the Viceroy Miguel de Noronha on his voyage to India, and appears in ANTT, *Livros das Monções*, vol. 38, fl. 351; *Diário do 3º Conde de Linhares*, I, pp. 51-52; C.R. Boxer, *The Great Ship*, p. 250.
  97. *Casado* means a Portuguese man married and settled in a city under Portuguese control. Being a *casado* gave a man a number of privileges and obligations to the Portuguese administration. It corresponded to a social status of privilege and honor.
  98. “Arezoado, em que se apontão alguas rezois por onde não convêm ao bem desta cidade erem os Portugueses a Cantão à feira” (1622), in Luís Gonzaga Gomes, “Documentos Setecentistas Portugueses no Arquivo Colonial da Holanda,” *Boletim do Instituto Luís de Camões* (1975): pp. 40-60.
  99. According to data given in Pierre Chaunu, *Les Philippines*, pp. 202-3.

100. "Termo de fretamento que se fez para o Macassar, Cambodja, Cochinchina, Tonquim e mais partes conforme o consentimento dos senhorios das embarcações de 12 de Novembro de 1640," in *AM*, vol. 3, no. 2 (August 1930): pp. 61-63.
101. Claude Guillot, "Les Portugais et Banten (1511-1682)," in *Revista de Cultura, Os mares da Ásia, 1500-1800, Sociedades Locais, Portugueses e Expansão Europeia, Macao*, nos.13-14 (1991), pp. 80-95; see also Chaunu, *Les Philippines*, pp. 160-61; between 1641 and 1646, eight ships sailed from Macassar to Manila.
102. Claude Guillot, "Les Portugais et Banten," p. 93.
103. "The man who spurred that inspiration was an enterprising Portuguese merchant in Surat, Joseph de Brito, who pointed out to Francis Breton the considerable benefits that would be gained from trade in Manilla," in Serafin Quiazon, *English 'Country Trade' with the Philippines, 1644-1765* (Quezon City: University of the Philippines Press, 1966), p. 5. More information on José de Brito can be found in W. Foster, *The English Factories in India, 1642-1645* (Oxford, 1927), p. 219.