The impact of the Silk trade:

Macau - Manila,

from the beginning to 1640


The Silk Roads: Highways of Culture and Commerce,

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"Above there is heaven, on earth, Suzhou and Hangzhou" ¹.

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¹ - Chinese adage, from Ming-Qing Dynasty, expressing the wealthy development of the meriodional Chinese cities of Suzhou e Hangzhou due to the increase of the silk demande from foreigner markets. Chuan Hansheng mention the important role of the American silk demand for the development of Chinese meriodional 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, ed. L’Asiatheque, 1977, p. 86.
1. MACAO MARITIME TRADE NETWORK

Between the 15th and the 16th 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, China up to Japan and Korea, throughout the whole of Southeast 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 was very important for the Portuguese trade due to the several kinds of merchandise produced and due to 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 refer to the traders of Zhangzhou, the Quanzhou (region of Amoy), in the province of Fujian], and particularly Macao (Aomen 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.

As is well known, one of the factors that 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 merchandise traded in Macao. A regional or long-distance circuit was used for their import/export to Japan (via Nagasaki), Philippine (via Manila and then to Spanish America and Southeast Asia) to India and Europe (via Malacca - Goa). The Portuguese silk and silver trade was not isolated, but was integrated in South China trade (ceramics and other precious goods), more specifically Canton and Macao. In Macao arrived the merchandise brought through the complex trade network of the routes of the Cape of Good Hope, Red Sea, Persian Gulf and the Indian Ocean as well as those of Southeast Asia and America (via the Philippine).

The Asiatic trade was, in general, the main source of profit for Macao as well as for the Estado da Índia if we compare it with the trade to Europe via the Cape of the Good Hope. This maritime trade of Macao was in competition with other European powers such as the Spanish in the Philippines, the Dutch in Formosa island or in Batavia, and also with Asian powers such as the Chinese and the Japanese.

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2. Also called The Middle Kingdom or The Great Middle Empire ('The Great Middle Empire').


5. Cf. J.E. Willis, Jr., «Maritime China from Wang Chih to Shih Lang: Themes in Peripheral History», in J.D. Spence and J.E. Willis, Jr., eds., From Ming to Ch’ing: Conquest, Region and Continuity in the Seventeenth Century, New Haven, 1979, pp. 210-213.

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], eunicamente autorizá-los a negociar em Malaca para bem da Fazenda Real" in APO, fasc. 3º, par.1º, doc. 78, pp.286-299; also in Bol.FUP. nº 2, pp. 309-312; the original is in Historical Archive of Goa, Livros das
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\(^7\). In the XVI-XVII centuries, the Portuguese maritime trading system was original in that it led to the creation of permanent settlements (populated with citizen of Portuguese origin, settlements usualy with militar protection) throughout the enormous area covered by their trade from western Europe to Japan\(^8\). Macao was a crucial point of suport for the Far East Portuguese trade network (*Estado da Índia*). It sought to be the exclusive intermediary for import/export trade between all Europe and China. The Macao-Manila-New Spain trade was one of the new maritime trade routes that connected the European markets directly with the Asian ones \(^9\).

**Routes**

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

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**THE MACAO-JAPAN ROUTE**

In 15 of August 1549 was arrived in Kagoshima the first formal Portuguese mission to Japan. This is considered the beginning of the formal relations between the *Estado da Índia* and Japan\(^10\). The Portuguese royal monopoly over the Japan trade was established in 1550. The Goa - Malacca - China (Macao only after 1557) - Nagasaki was, in general, the voyage of *Estado da Índia* for the Japanese trade.

Until the Portuguese were expelled from Japan, the Macao-Japan route was the central point and the most profitable 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"\(^11\).

The voyage Macao-Japan was usually undertaken by four *pataxos*, which took about twelve days on the trip to Japan and ten days on the return trip. The main bulk of 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 trips would bring 65,000 taels to the royal treasure, excluding the copper profits, and one trip earned 10,000 taels\(^12\). In the period between 1585

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\(^9\) - Another very profitable route was the Macao-Japan route started in the 40's of XVI century and monopolised by Portuguese traders during the forbidden period of trade between China and Japan (1557-67). However this monopoly was progressively broken by the Chinese smuggling trade and afterwards by other European powers, mainly the Dutch.

\(^10\) - In 1543 arrived in Tanegashima Island a private Portuguese ship which was considered the beginning of the European private trade to Japan. See G. Schurhammer, S.I., "O descobrimento do Japão pelos Portugueses no ano de 1543", *Anais da Academia Portuguesa de História*, 2ª série, nº 1, 1946; João Paulo Oliveira e Costa, "Oda Nobunaga e a expansão portuguesa", in *Revista de Cultura*, Macau, nº 13/14, 1991, pp.258-272

\(^11\) - Original citation: "As viagens que se fazem desta cidade do Nome de Deus 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, pg.41.
and 1630, it is estimated that some 14,899 thousand tael of silver entered Macao, most of which would have been invested in Chinese goods which in turn would have been sold in Japan. In 1639 Japan issued decree of expulsion, effectively limiting trade. Although traders from Macao continued to trade with Japan, using Chinese agents and ships as intermediaries, the levels were insignificant compared to the previous volumes. Nevertheless one of the most profitable Macao trade routes was closed.

The reaction of this enterprising community to such a dramatic situation, which would in fact be aggravated by the Dutch take-over 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, Makassar, Solar, Timor and other places where trading is prosperous."  

THE MACAO-MALACCA / GOA-LISBON ROUTE

The Macao-Malaca / Goa-Lisbon was the Portuguese route which supplied 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. That route was used to transport to the Orient, the administrative, political and military staff of Estado da Índia. Traders and merchandise from Europe, Africa and Japan, and also the mail circulated through Macao-Goa-Lisbon route. The political characteristic of the Macao-Goa-Lisbon was underline by the persistence of the Crown in support it even when it was not more profitable in economic terms. This route suffered preferential and devastating attacks by European powers competing in the Eastern and Far Eastern markets. Thus, the conquest of Malacca by the Dutch in 1641 represented an irreparable blow to the safety of the Macao and Goa links, as it meant that the Dutch solidly replaced the Portuguese authority in 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 tonnes, worth 240,000 taels, were sent. The most important import to Macao was silver; between 1585 and 1591 some 900 thousand tael of American silver arrived in the city via the Cape of Good Hope route. Other goods were also imported, however: spices (mainly pepper), ebony, ivory, and sandal wood.

2. MACAO - MANILA ROUTE

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

In an analysis of the sea traffic between Macao and Manila, which totalled about 80 ships (more precisely, 77 ships were counted from 1580 to 1642) from Macao, the first point was its irregularity (keeping in mind the economic and political military constraints). This traffic can be subdivided into three distinct periods of 20 years each.

15. See in the bibliography the list of the "legajos of Fundos da Contaduria of Arquivo das Indias de Seville" (of 1577 to 1645), which was used for this work. The almorralfazo is the designation used in the Spanish Empire for a series of taxes charged the 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, ff. 324, gr. in 4°."), as natural it is possible to state that there is a direct relation between the degree of mercantile development (of the maritime trade) and the total income of taxes (of the almorralfazo) of Manila. See Pierre Chaunu, Les Philippines et le Pacifique des Iberiques XVIe - XVIIIe Siècles, Introduction Méthodologique et Indices d'activité, Paris, 1960.
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Origin and number of ships arriving at the port of Manila

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Fontes: 
- "Legajos" dos fundos da Contaduria das Filipinas do Archivo General de Indias em Sevilha (cf. bibliog.).
- BPAD.Évora, cd.CXVI/2-5,
- Pierre Chaunu, Les Philippines et le Pacifique des Ibériques.
- B. & R., op. cit., XI e XVIII.; APO, fasc.3,

China
Macau
Japão
Índia
Indeterminados
Number of ships arriving in Manila from China (apart from Macau)

Number of ships arriving from Macao in Manila
Number of ships from Japan arriving in Manila

Years

Number of ships

1577 1579 1581 1583 1585 / 87 1589 / 90 1592 / 95 1597 1599 1601 1603 1605 1607 1609 1611 1613 / 19 1621 1627 1629 1631 1633 1635 1637 1639 1641
Ships arriving from India in Manila

Years

1577 / 1579 1581 1583 1585 / 1587 1589 / 1590 1592 / 1595 1597 1599 1601 1603 1605 1607 1609 1611 1613 / 1619 1621 1627 1629 1631 1633 1635 1637 1639 1641

Number of ships

0 1 2 3 4 5 6 7 8 9

Years
Ships arriving in Manila coming from other ports of the Philippines and unidentified

The first period, between 1580 and 1600 is characterised by the irregular arrival of one to two ships per year. During this period only 8 ships made the journey from Macao to Manila: there were two boats in

Fontes: "Legajos" dos fundos da Contaduría das Filipinas do Archivo General de Indias em Sevilha (consultar bibliog.).
- BPAD.Évora, cd.CXVI/2-5,
- Pierre Chaunu, Les Philippines et le Pacifique des Ibériques.
- B. & R., op. cit., XI e XVIII.; APO, fasc.3,
1580, one boat in 1582 and one in 1583, and once again two boats arrived in Manila in both 1584 and 1588\textsuperscript{16}. These 20 years can thus be defined as a period of "start-up".

In the second period, from 1601 to 1621, there were 23 ships - an increase of almost three times in relation to the previous period. Most of this increase came towards the end of this period, but nevertheless this can be consider the period of growth and development. In 1601 there was one vessel, followed by a period of two years without any boats from Macao. In the two years from 1604 to 1606 respectively five, two and one vessel entered Manila. After a three year gap there was one vessel in both late 1609 and 1610. In the year 1612 it is difficult to determine the origin of the 7 Portuguese ships recorded in the Manila customs, however it would been seen that six were from Macao and one from Goa. (leg. cd. 1209). In 1620 (8 years later) another 5 ships from Macao are recorded, and in 1621 only one vessel sailed from Macao to Manila.

The third period extending from 1622 to 1642, presents a certain homogeneity and continuity, as in the period of 15 years between 1627 and 1642 there was an average of 3 boats per year, and only in 1634 was no boat from Macao recorded. The total number of boats, amounting to 46, represents an increase of 50% in relation to the 1601-1621 period. Thus, we can define this period as being one of expansion and the peak of the trade route between Macao and Manila (considering the traffic between the XVI and the XVIII centuries), ending suddenly with the official recognition of the new Portuguese King - João VI - in 1642 in Macao.

1627 and 1630 were the years which saw the greatest number of ships (six) sailing from Macao to Manila\textsuperscript{17}. In 1628, 1629 and 1641 two ships arrived in Manila each year. The number of ships increased once again to three in 1631, 1633 and from 1637 to 1640 respectively. It also increased to 4 ships in 1632 and 1635. The last ship of this period arrived in 1642. Only 30 years later, in 1672, would the arrival of a boat (pataxo) from Macao be once again registered in Manila.

\subsection{Periodicity}

Before the invention of the steam boat, navigation between China and Manila depended on the monsoons. Therefore there was a period which was considered to be more favourable for the trip to Manila and also for the return trip. The best period to leave the coast of China was at the time of the new moon in the month of March; the ships returned from Manila at the end of May or June, before the period of the typhoons\textsuperscript{18}.

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 the voyage to Manila; he was refused, although he saids: "that the voyage will be sell only to whom will navegate in the ordinary monsoons" \textsuperscript{19}. 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 the number of ships he wished.

\textsuperscript{16} . The "lejado" cd.1200 does not define the origin of numerous vessels, and it is therefore impossible to give accurate data for 1578 and 1579.

\textsuperscript{17} . At least until 1787, according the compiled data by Pierre Chaunu, ob.cit.


\textsuperscript{19} . "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 CXV/2-5 fl. 99, of the Biblioteca Publica e Arquivo Distrital de Évora published in the \textit{Diário do 3º Conde de Linhares}, pg. 87-91, and in the work of C. R. Boxer \textit{The Great Ship From Amacon}, pg. 253-256. Note that both Marco d’Avalo and António Bocarro give in their descriptions of Macao give an inaccurate account of the Macao-Manila voyage in these periods. The former states (p. 85) that the vessels leave Macao in April and they generally return in October, the latter says that it is possible to navigate "during all the year to Manila" (pg. 47), which, as we have observed, was not recommended. This contradiction is probably based on the stories which were told in Goa (where Bocarro was found) about the clandestine trade, which possibly did not strictly obey the normal calendar.
By comparing a large number of documents, the intensity of the maritime traffic which originated from the coasts of China can be classified.

The month when the largest number of ships arrived in Manila from China, varies depending on the period under observation. Between 1577 and 1644 about 1088 ships arrived in Manila, mostly between May and June. Nevertheless, although there were many arrivals in May and June, ships also continued to arrive throughout the year. From 1607 to 1645 January is 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 in December.

From 1607 to 1610, of the 160 ships which landed in Manila, the majority arrived in June, followed by May (with an average of 40% fewer ships were), and then March.

In the years 1611-12 and 1620, 95 ships were counted; February registered the greatest number of arrivals each year.

From 1627 to 1630 there were more arrivals in June, with more than 20 ships compared to an annual total of 73.

In the period between 1627 and 1635, 171 ships were counted, and June registered the greatest number of arrivals (around 20), with January being the second busiest month.

Between 1636 and 1640 May, followed by June, was the busiest month, 154 ships entered the port of Manila during these years.

Between 1641 and 1644, 86 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 until July.

We may thus conclude that Macao-Manila trade took place on an annual basis, but in intermittent periods of time; often the link was not officially established: clandestine trade but although it took place more or less intensively, not always respecting the regime of the monsoons. When Macao-Manila trade was officially allowed, the authorities of the Portuguese State of India established many directeries dictating the necessity to respect the favourable period of the monsoons: "and because the success of the voyages from Japan and Manila normally consist of the ships with which they sailed from China to those parts at the beginning of the monsoons." 21

2.2. REGIMENTO (GUIDE RULES) OF THE VOYAGE MACAO-MANILA

The opening of China to overseas trade placed the trading community of Macao in an unfavourable position by reducing its importance as 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, or via indirect routes (Japan or regions in Southeast Asia); second they intensified the pressure the Macao-Manila route opened and legislated.

The intensification of trade along the routes from Macao to "Solor, Timor, Macassar, Cochinchina and other parts of that coast" weakened the Malacca income because the profits that traditionally

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21. "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 Historical Archive of Goa, «Livro do regimento e instruções», III, fls. 38 verse 51; and integrally published by Boxer. The Great Ship..., pg. 286-306.
22. Generalising the use of the name of the island of Luçon (Luzon), where the city of Manila is situated.
23. HAG, Goa, «Livro de regimentos e instruções», III fls. 38 v. - 51, quotation of «Regimento que se deu a Romão de Lemos que vay por administrador das viagens de Jappão e das mais anexas a ellas que se fazem por conta da fazenda de sua Magestade (24 de Abril de 1637)». Published by Boxer. The Great Ship..., pp. 286-306, na pág. 289.
belonged to it were then taken away by Macao. The clandestine trade that linked Macao to Manila damaged the interests of merchants and of the Spanish pressure group connected to the route of Seville - New Spain. Because when the Macao traders supply with silks the American market via Philippines the Spain silk trade from Seville to America and to Philippines decline. With that trade Macao increased the amount of silver drainage to China of American Silver via the Philippines. This also increased the prices of silk sold by the Portuguese in Manila. The Goa revenues also decreased with the reduction of the silks sent to Europe via the Philippines. All of these factors contributed to Indian regional authorities decision to legalise the route Macao-Manila and to make it official, as the only way of supervising it, and regulating its trade through the concession of a regiment of royal monopoly. Thus the Viceroy Count of Linhares after referring to these facts adds that this legalisation, according to his understanding, eliminates the rivalry between Macao and Malacca along the Southeast Asian routes with the aim of reaching Manila.

To illustrate this, the letter of the Viceroy Count Admiral D. Fernando da Gama, of 1623-V-14, can also be quoted. This letter ordered that all profits from the Macao-Manila route be direct to the royal treasury. Thus, new laws and judicial rights, such as contracts and regiments, regulating the navigation between Macao and Manila emerged. The Treasury Council elaborated the regulations of the voyages and supervised their exploitation (either by a monopoly of the royal treasure or in an private regime, may used) according to the general principles featured in the royal letters. When in November 16, 1629 this council decided to move for a concession system to private merchants, this decision was justified by the council who stated "that it would be more profitable to sell the voyage with this system, than to do so at the expense of the Crown". The treasury council (consisting of the Viceroy, ministers and deputies of the Estado da Índia), after publicly announcing the sale and having respected the legal period of time stipulated by the regiment (for the condition of purchase), could sell the Macao-Manila voyage, either singly, or for one or three successive years (being sold by 30,000 xerafins/year in the 1620s and 1630s), or sold together with the voyage Macao-Japan (sold for seventy thousand xerafins).

The obligations regulated by the regiment consist in: a minimum number of ships and of voyages must 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 of three years of voyages Macao-Manila and Macao-Japan, a minimum of 9 ships to Manila (3 per year) and of 13 to Japan. The other obligations included in this contract were: that on each voyage from Japan 1200 picks of copper be transported (the royal monopoly); that 50 thousand xerafins in money be delivered previously to the treasurer of Go; that the warrantors were totally responsible; that 30 thousand patacos must be paid to reimburse the providos.

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24. "o que hé em grande perjuizo 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 maeres [that represent a great lost for the royal treasuary, which needs increase its profits because the royal treasuary expend a lot of money suportiing the navy in the Indian Ocean]", Boxer, idem, p. 290.
25. HAG, idem, p. 293.
26. 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 Maccos 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 of May de 1635, in Torre do Tombo, Lisboa, «Livros das Monções», XXXIV. fls. 63-66, integrally published by Boxer in The Great Ship..., p. 273.
27. In the codex CXVII/2-5, this letter occupies folio nº 44, and is found among the papers of the Capitão Geral [first General Captain] of Macao D. Francisco de Mascarhehas, of the Fundo Geral de Manuscritos da Biblioteca Arquivo Distrital de Évora.
28. In ANTT, Lisboa, "Livros das Mongões ou documentos remetidos da India", livro XXXVIII, fls. 349-355. About this subject see, namely: - Carta do Vice Rei D. Fernando da Gama, who in the name of the king ordered the voyage Macao - Manila for the royal treasure, in fundo Geral de Manuscritos da Biblioteca e Arquivo do Distrito de Évora, códice CXVI/2-5, f. 44. - Papers about the controversy between the Capitão Geral of Macao, D. Francisco Mascarhehas, and the city, about the justice and convenience of the voyage from Manila, idem codex CXVI/2-5 fls. 78-165. The "Treslado de assento que se tomau en Conselho da fazenda sobre a composiçao que se fez com Lopo Sarmento de Carvalho, por via da transacção..."idem, fl. 99, está publicado por Boxer, The Great Ship..., idem, pp. 253-256, and also the remaining documentation published in pages 245-306. Documents on Macao-Manila trade, idem, códice CXVI/2-5, fl. 253. Order from the Capitão Geral D. Francisco Mascarhehas, on Manilha and Japan trade, idem, códice CXVI/2-5, fl. 270.
29. The person who received a specific voyage given by the Portugal authorities as a reward for the work that he had done for the Portugueses crown.
registers and accounting books were to be submitted to the Provedor Mor; and that the goods be identified, and kept in storehouses reserved for that purpose.

The main regiment benefit for the owner of the Macao-Manila and Macao-Japan voyages was the 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," thus the owner may ask freight from other traders also interested in sending goods to Manila or Japan; the right to be indemnified in case of shipwreck; the possibility of fulfilment of these voyages personally or through their administrators; and finally, the possibility of keeping and taking advantage of all profits obtained through the voyages and through the number of ships that he intended to put sailing, (after the obligation of payment established in the contract). These conditions usually made it possible for the owner to became wealthy with only one voyage.

Manoel Ramos, on behalf of the Estado da Índia treasury, was named as administrator of the voyages of Japan and Manila by the regiment. He received, in 1629, 500 taels less than the Capitão Mor (who received 2 thousand silver taels of reales). In 1637 the royal monopoly on the Macao-Manila route was established by a new regiment. Direct private trade with Manila was forbidden, only in a small royal ship were the private traders allowed to carry their goods, to avoid rivalry with the Seville route trade. Lourenço Liz Velho, a Macao citizen, was designated as the Capitão Mor of the Macao-Manila voyage, and was also given the functions of feitor (factor). It was established that he should not participate in any trade but he would receive a salary of a thousand patacas and two patacas per day as living expenses; the clerk or secretary received 400 patacas.

The regiments also determined what to do with the profit of these voyages, which was usually addressed to the Royal Treasury and now were reserved for the building of new ships and supporting the Goa shipyard. According to the diary of the 3rd Count of Linhares, the 1629 Treasury Council at its meeting to sell the rights to the voyages to Japan and Manila, gave first preference to Macao, whose representative, however, refused to buy it as he did not agree with the conditions. The rights were then sold to a rich ship owner 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 towards mercantile innovation. In contrast Holland and England had by this time already laid the foundations for an economic pre-capitalist system, which then overtook the debilitated Portuguese and Spanish economic and colonial system. Each merchant was considered to be one soldier less by the central and local Portuguese administration of Estado da Índia and Crown staff. The official Crown policy preferred soldiers to merchants and therefore sought to prevent public officers and soldiers from participating in the private trade. The documentation reflects these conflicts and the uneffect 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 clandestine Chinese ships and other ports of departure. In 1592 the Portuguese authorities established that it was forbidden to any one sailing from China to India (merchants included) to disembark before arriving in Goa port, in order to ensure that there were enough men on board to defend the vessels from eventual danger.

30. An important officer of the Portuguese financial department of Estado da Índia.
31. ANTT, "Livros das Monçõens ou documentos remetidos da India", Livro XXXVIII, fl. 352.
33. HAG. «Livro de Regimentos e Instrucções», III, fls. 38v.-51; publicado por Boxer, idem, pp.286-306.
34. In the original: "Aplicando tudo o que ellas montare aos gastos da riveira de Goa apresto das Armadas e fabrica dos navios","ANTT, "Livros das Monçõens ou documentos remetidos da India", Liv. XXXVIII, fl. 353.
35. Diário do Terceiro Conde de Linhares, Vice-Rei da India, I, Lisbon, 1937, p. 52. This period comprises the period of February the 6th 1634 till February 16th 1635.
36. Order in name of Filipe I, wrote in Goa on the 7th April of 1592, in HAG. Livro 1º de Alvarás fl. 12 v. and in Archivo Português Oriental, fasciculo 3, 1º part, documento 109, pp. 353-354.
Another element of the lower mercantile mentality of the Portuguese administration, is the discrimination against wealthy traders (more than 50 thousand 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. The Spaniards in Manila were in a similar situation; all Spanish soldiers were strictly forbidden to trade with America (mainly with Acapulco).

2.2.1. - REGIMENTO FOR SHIPMENT OF GOODS

On the 4th of May 1635, the Viceroy Count de Linhares wrote to Goa to the administrator of the voyages from Japan to Manila, giving the following instructions: firstly that sailors should be hired in sufficient numbers; secondly that "nothing be transported on deck nor in the cabins, other than the clothes, and everything should be in the right place", because carrying the goods on deck was the origin of many shipwrecks.

There were various reasons for officially regulating the shipment of goods: first, the overloading of ships, and the use of areas not intended for transportation; second, unscrupulous ship owners who reduced the number of crew members to increase profits by transporting more goods in the 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 the crew not transport larger quantities of goods than allowed by the regulations, and these goods must not be transported in the wrong places.

The Regimento also stipulated a monetary compensation of 50 patacas for those officers who did not broke the rules by loading goods in the cabins.

From these instructions it can be deduced that in the trips from Macao to Manila, which the Royal fazenda were in charge of, the same abuses as on the other maritime routes were committed. Some
owners even modified the interior compartments of the ships and also filled the deck with goods, thus threatening the stability of the ship and restricting the crew’s mobility.  

The penalty for transgressing the regulations regarding the season was that the owners would lose the right to any compensation for possible damage or losses.

2.3. 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 different types of taxes on the Portuguese and other foreign ships whether they arrived in Macao or in Guangzhou. Two kinds of taxes were asked from 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 Fujian province, was officially allowed in 1567, after a long discussion between Chinese authorities (Imperials and regional) about the advantages and the disadvantages. Until 1567, in China, only the official tribute trade was allowed and Macao was the only exception. The Chinese demand for silver was clearly as mentioned the reason for the Chinese acceptance of the Portuguese trade in South China Coast in a report of 1535 from the Cantonese Governor (Bu zheng shi, called Lin Fu).

The customs taxes were the responsibility of the Department of Foreign Commercial Ships (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 (the taxes were worked out on a percentage basis-20% over the value of the goods); in 1571 the Zhang Chou method was adopted (the 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.

These customs taxes were not applied equally to all foreign ships; the Portuguese in fact received privileged treatment in relation to the other European and even other Asiatic Ships (coming from the “Great Western Ocean” - the Indian Ocean).

- Portuguese ships, of 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 1800 taels of silver. For all subsequent voyages Portuguese ships would 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. The Portuguese ships thus paid about one ninth what other foreigner ships paid.

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44 - "As embarcações que assy partirem de Macao fora dito tempo posto que se perceão, ou aríemb não entrarião 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, Lisboa, «Livros das Monções ou documentos remetidos da India», Livro XXXVIII, fls. 349-355. published in integraly by C.R. Boxer, The Great Ship... pp. 248-249.


46 - Huang Hongjian, História de Macao, (Nanjing, 1986), I thanks agradeço a tradução do chinês feita pelo Dr. Lu Yanbin e Dr." Wang SuoYing for their translation of the 6º chap. - "External trade in the Ming Dynasty" (typewrite); Luís G. Gomes, Ou-Mun Kei-Leok, publish diferents reports on foreigner trade, as "Memorial de Uông-Hei-Mân acerca do facto de se dever prestar grande importância às fronteiras ser o mesmo que fazer ressuscitar o povo" pp. 100-104, and "Memorial de P'ông-Sèng-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. 104-109.
Various Chinese sources (e.g. Guangdong Fu yi Quan Shu), mention the customs taxes charged in Macao as well as the manner in which they were charged. 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 (the Provincial Governor during the Ming dynasty) and from Hai Dao Fu shi (Admiral of the command station of the Guandong Province). The Department of Foreign Mercantile Ships Shi Bo Si and the Chief of the District (Xiang shan) would send official orders to the ships 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 the Portuguese escorts paid no taxes; 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 favoured; there were great advantages for the transportation of goods in Portuguese ships.

Zhang Ru Lin e Yin Guang Ren (authors of Monograph of Macao Ao Men Ji Lue) tell us that the fan bo (smaller ships than the Ocean ships) were authorised to sail in Chinese sea, classified as xiang. Twenty of these ships were given their licences by the Chinese maritime authorities. These authors also mentioned that during the subsequent 20 years, the sea damages had reduced the number of ships to half the previous number.

Other Macao taxes:
Nevertheless, the City of Macao, through the city council, charged half percent over the goods that entered the city. In 1606 the Viceroy, Bishop D. Pedro de Castilho, wrote to His Majesty about the tax of half 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. In 1607 (January 10) the King's agreed.

In order to respond to the attacks by the Dutch and English navies the Senate of Macao raised the taxes on goods in foreign ships, according to their quality, from 1% on the lower quality goods, 1.5% on that of medium quality, and 2% on the high quality goods. In 1623 the Macao customs rose to 10% for the fortification of the city.

According to the representatives of Macao in Goa, in 1623, the City Council's expenses of Macao were: 10% for paying the taxes to the Chinese customs, another 10% was used to pay for the Capitão Mor of the voyage Macao-Japan, and 6% or 7% for the ordinary expenses of Macao.

Manila Taxes
The Manila customs also imposed different types of taxes in the almojarifazgo, during the history of the Philippines, which in general can be devided into a relatively low tax and another, relatively high, tax. From 1610 onwards there was tax of 3% for all commerce originating from the Indian Ocean, and...
Japan, and a tax of 6% applied to Chinese commerce\textsuperscript{55}. These different tax percentages, however, were not very significant in relation to the revenues. On a long term basis, they essentially reflected a political attitude to support and favour trade with certain regions, and to make trade more difficult or discourage trade with other regions; 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 they were private, they would pay 6%; if they were royal they would pay 14%, including the transportation charges\textsuperscript{56}.

In the city of Manila the \textit{Pancada}\textsuperscript{57} was the common contract used. This consisted of a system of evaluation of cargo in global terms, and of its sales and purchase in bulk by the Spanish merchants, to silk and other goods transported by the junks from the various ports of the South of China. The price of the Chinese merchandise varied annually, depending on the quantity, quality and the variations in the flow of silver to China. In fact, the merchants from Macao protested over the inflation of the price of silk in Canton and Macao, caused by the great amount of silver that reached China with Chinese merchants (from Fujian Province). The Portuguese could only react by accepting the purchase for the market price and selling the goods, or refusing it and returning to Macao, the latter being a very expensive alternative. However the Macao merchants managed to carry on a very profitable trade with Manila. The \textit{pancada} system was not new for the 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 the silk for resale\textsuperscript{58}.

The profits of the Portuguese commerce along the Macao-Manila route, can be estimated by examining the taxes imposed on the maritime trade in Manila (almojarifazgo), and the arrival of ships originating from Macao, China, India and Japan. In order to obtain a fairly homogenous unity, the annual average values of five in five years (starting from the global values of the \textit{almojarifazgo}) will be used. These are shown in:  

\begin{table}
\centering
\begin{tabular}{|c|c|}
\hline
Year & Total Value (pesos) \\
\hline
1607 & 70,093.5 \\
1608 & 70,093.5 \\
1609 & 70,093.5 \\
1610 & 70,093.5 \\
1611 & 70,093.5 \\
1612 & 70,093.5 \\
1613 & 70,093.5 \\
1614 & 70,093.5 \\
1615 & 70,093.5 \\
1616 & 70,093.5 \\
1617 & 70,093.5 \\
1618 & 70,093.5 \\
1619 & 70,093.5 \\
1620 & 70,093.5 \\
\hline
\end{tabular}
\caption{Annual Values of the Taxes Imposed on Maritime Trade in Manila}
\end{table}

\textsuperscript{55} Codex 1209 - The "almojarifazgo" on the Chinese trade before and after the increase of the tax from 3% to 6% in 1610 reveals (Pierre Chaunu, \textit{Les Philippines et le Pacifique des Ibériques}, pg. 34-35), after a short first period, an increase in the global amount of the income charged by the former tax of 3% (in part due to the systematic sub-evaluation of the goods in the Manila customs). The 78 Chinese boats paid in 1607 and 1608, 70,093.5 pesos, at the rate of 3% (cd. 1207); in 1609-1610 the application of the new tax of 6% to the 82 Chinese ships increased the income to 128,338 pesos. The unitary payment increased from 900 pesos to about 1500 pesos between 1607-1608 and 1609-1610. In 1611, 31,683 pesos were charged for 23 ships, which means a tax of about 1400 pesos per ship. In 1612 with the payment of 97,180 pesos for 46 ships, the unitary payment is of about 2,100 pesos; and in 1620 the level of 1,200 pesos is maintained. On the other hand, in 1627 the payment for each ship decreased to about 830 pesos, which corresponded to about 17,450 pesos paid to the customs.


\textsuperscript{57} 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 knocking the table in the markets, or the regional term used int the North of Portugal": "viagar de pancada" which means to follow in a group, (in Macao e a assistência, pg. 120). Boxer C. R. - \textit{The Great Ship...}, pg. 66.

\textsuperscript{58} Directive of "Conde Vice Rey da India", Dom Francisco Mascarenhas, 1584, in codex 49 IV-57, fls. 170 verso and following; \textit{Jesuítas na Ásia} of BA.. Published for the first time (according to C. R. Boxer) by Y. Okamoto in \textit{Nichi - po Kotsu}, II, Tokyo, 1943 and also published by . Boxer em \textit{The Great Ship From Amacon}, idem, pp. 197-200.
### ANNUAL AVERAGE VALUE, IN PESOS, CHARGED BY THE CUSTOMS OF MANILA AND THE PERCENTAGE OF THE TOTAL AMOUNT OF INCOME OBTAINED

<table>
<thead>
<tr>
<th>Date</th>
<th>MACAO</th>
<th>China</th>
<th>Japan</th>
<th>India</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Average</td>
<td>%</td>
<td>Average</td>
<td>%</td>
<td>Aver.</td>
<td>%</td>
</tr>
<tr>
<td>1591 / 159</td>
<td>22,065</td>
<td>61</td>
<td>295</td>
<td>0.80</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1596 / 160</td>
<td>24,155.5</td>
<td>56.04</td>
<td>258.5</td>
<td>0.60</td>
<td>861</td>
<td>1.99</td>
</tr>
<tr>
<td>1601 / 160</td>
<td>200</td>
<td>0.50</td>
<td>30,104.2</td>
<td>70.03</td>
<td>572.20</td>
<td>1.33</td>
</tr>
<tr>
<td>1606 / 1610</td>
<td>8.6</td>
<td>0.01</td>
<td>46,382.6</td>
<td>78.52</td>
<td>46</td>
<td>0.08</td>
</tr>
<tr>
<td>1611 / 1614</td>
<td>50</td>
<td>0.1</td>
<td>64,432</td>
<td>91.4</td>
<td>396.5</td>
<td>0.5</td>
</tr>
<tr>
<td>1616 / 1620</td>
<td>6,798</td>
<td>13.2</td>
<td>9,045</td>
<td>60.3</td>
<td>353</td>
<td>0.6</td>
</tr>
<tr>
<td>1626 / 1630</td>
<td>7,110.50</td>
<td>27.65</td>
<td>11,153</td>
<td>34.70</td>
<td>31</td>
<td>0.11</td>
</tr>
<tr>
<td>1631 / 1635</td>
<td>9,327.6</td>
<td>22.1</td>
<td>24,951.2</td>
<td>59</td>
<td>17.4</td>
<td>0.04</td>
</tr>
<tr>
<td>1636 / 1640</td>
<td>3,556.8</td>
<td>11.46</td>
<td>23,927</td>
<td>77.1</td>
<td>1,894.8</td>
<td>2.9</td>
</tr>
<tr>
<td>1641 / 1645</td>
<td>15,735.5</td>
<td>50.8</td>
<td>13,194.5</td>
<td>41.98</td>
<td>5,297.8</td>
<td>13</td>
</tr>
</tbody>
</table>

Source: Pierre Chaunu, Les Philippines et le Pacifique des Ibérique (XVIe, XVIIe, XVIIIe siècles), Introduction Méthodologique et Indices d’ activité, pp. 200-206

By comparing the information of this chart with the data referring to the number of ships from Macao that entered the port of Manila in the same period, the characteristics of the three periods suggested can be verified.

The initial period (1580-1600) registers not only the lowest number of ships (8), but compared with the other periods, its cargo also registers an inferior global value. The periods in which the total amount of transported cargo from Macao was the least valuable was in 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 an increase of 255% in the number of ships (23), and also a significant increase in the global value of transported goods was registered (increasing from 8.6 pesos of an annual average charged by the almojarifazgo in 1606-1610, to 6,798 pesos during the period of 1616-1620). The period of expansion (1622-1642), with an increase of 501% in the number of ships (46), also reached a peak in the global value of the transported cargo 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% 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 these two years only three ships arrived, while in 1627 and 1630 6 ships arrived from Macao, the highest number of ships until the end of the XVIII century.

2.4. TRADE IN CHINA, MACAO AND MANILA, IN JAPAN AND INDIA.

With the aim of identifying other alternative routes used by the Portuguese merchants of Macao to ensure the continuity (frequently in a clandestine manner) of its trade, some data was gathered relative to the Chinese, the Japanese and the Indian trade. The trade with China and the Philippines gradually become more intense as the Ming dynasty accepted a policy of a gradual opening of a maritime commerce with the exterior. During the reigns of Jia Jing (1522-1567) and Mu Zong (1567), Japanese pirates plagued the Chinese coasts, making the maritime trade difficult. During these reigns their activity was quashed, and the mandarin responsible for the province of Fujian (Du Ze-Min) requested that his region be opened to maritime
trade with Eastern and Western Countries. Chinese traders could at this time travel freely overseas if they were provided with a proper license. In 1589, 88 licenses and later 110 licenses were given. In 1597, 137 licenses were requested for ships from the Zhangzhou (Fujian, Chincheo) region. Half of the licences 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.

The formerly clandestine trade flourished with its new freedom. The port of Moon in Zhangzhou began to trade directly with the island of Luçon, which route substituted the former much longer Guangzhou to Luçon, via Champa (today's Vietnam) and Borneo. Although the Portuguese tried to monopolise and secure exclusive commercial relations with Macao-Manila, the direct trade between the Chinese and the Philippines persisted and gained in importance while the Portuguese trade with Manila declined.

The enormous Chinese consumer and production market, with which the Portuguese had contacts through the flourishing mercantile life of the Canton (Guangdong), Chincheo (Fujian), and Liampó region (Ningpo-Zhejiang), impressed them so much that many authors from that time were convinced that, with free access to the Chinese commerce, Portugal could renounce all its other markets; two examples follow: "if the Chinese trade is free for us, Portugal could renounce all other markets because the Chinese goods are very appreciated in all Asia and all over the world" (Bocarro 61); "If the Portuguese could have free access to Chinese trade, Macao could survive and grow without any other voyages to Japan and Manila, because Chinese Kingdom is such that their vassals may survive without foreigner trade, and the Macao inhabitants are considered by the Chinese authorities as Chinese vassals (dependants)" 62.

A similar opinion, believing that trade with Asia was strategically more important than trade with America, is illustrated in the following document "Dissertation to prove that the East Inde were more important than the West Indie, because of its commerce, and connected with this we unveil the origin of the contemporary decadence of the Eastern trade, and the Spanish situation of poverty" 63.

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 SE Asia, Japan and India] has to be brought from Canton in junks and other ships", the food supply also depended on the good will of the Chinese 64.

The Macao merchants would choose representatives from among their own to personally negotiate and establish contacts in Canton. The presence of the Portuguese traders in Canton was occasionally used by the Chinese authorities in the case of a dispute between the two nationalities, to force Macao to

61. This quotation in Portuguese: "se possuirmos livre só o comércio de China bastava sem nenhum outro porque era todo este Oriente serve o que nela ha e pera todo o mundo", this statement was justified by, in Bocarro’s perspective: "de tudo o que a natureza produziu em muitos Reinos ha neste só muita cópia que parece que só nelle se dá, e mane houve tanto cabedal de mercadores que lhes faltace em Quantão senão duma sorte, doutras muitas de fazendas e todas que servem". Quotations by the historian, António Bocarro, in "Descrição da cidade do nome de D.s da China", which is found in a voluminous work of 300 pages with the plans of 48 forts or Portuguese possessions in Asia. The full title is as follows: Livro das Plantas de todas as Fortalezas, Cidades e Povoacíens do Estado da India Oriental com as descripcõens da altura em que estão, e de tudo que há nelas, Artilharia, Presidio, gente de Armas, e Vassalos, 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 Filipe o IV das Espanhas, e III de Portugal Rey, e Senhor nosso, Goa, 1634. The description of Macao used here was published by C. R. Boxer, Macao na Época da Restauração (Macao three hundred years ago), Macao Imprensa Nacional, 1942, p. 37.
62. "The original quotation: “Sendo que se lhes tivessem liberdade para entrar e mercanciar pello Reino podéron servir-se, e crescer sem mais viagens para Japão, nem pera Manila, por resão de ser tal a monarchia da China que não nècessita de comercios estranhs para sustento dos Vassalos, e os de Machao estão lá tidos por vassalos...".BA. 54-XI-215, I.P. de Azevedo, Advertencias..., f. 20v.
63. Original title: "Discurso en que se mudra da mas importancia, las indias orientales, que las occidentales en raco, del comércio y al preposito se discubren las cauzas de estar perdido el comércio delas orientales y espana reducida a la ultima pobrea que vemos", BA: Cod. 51-VII-27, doc. nº 21, fls. 196-210, 1626 (sem data), anónimo, in Spanish, Lisboa.
64. "Relação do principio que teve a Cidade de Macaco e como se sustenta ate o presente", BPAD: Évora, cod. CV/2-7, fol. 65, published by Fr. Manuel Teixeira, Macau e a sua Diocese, IX, O Culto de Maria em Macau, Macau, 1969, p. 423.
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 the Portuguese destroy the houses built in the "Ilha Verde" by the Jesuits 65.

2.5. Fairs and Merchants

The most prestigious silk came from Central China, especially from Jiangsu e Zhejiang. The external demand (in particular by the Europeans) for Chinese silk led to a fast economic development of the Chinese regions where silk was produced and traded (Canton and Fujian Provinces). The Chinese proverb (adage) quoted on the title page: "Above we have the heaven, on earth we have Suzhou and Hangzhou" reflect this prosperity. Chuan Hansheng mentioned the important role taken by the American demand for silk, in later Ming and Qing times, for the development of the cities (which were located in Jiangsu e Zhejiang provinces) mentioned in the above Chinese proverb 66. The biannual fairs of Canton (December/January and May/June) could last several weeks or months. Different textiles, Chinaware, and other products, were also bought by Portuguese traders in these fairs 67.

How were the merchant ships received in Manila? The Chinese ships would arrive in the Bay of Manila, whereupon a Spanish ship which was 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 transported goods, and they would then charge 3\% of their global value. The goods were transported in sampanas to the Parián (Chinese market place) 68 or to other warehouses, where they could be freely sold. The main cargo, as has already been mentioned, consisted of raw silk and textiles which could be freely sold without any interference from the Spanish authorities; silver and the reales were the only currency for trade 69.

In Manila these goods, which arrived in the monsoon season from the South (March and April), were transported in the galleons which in June would sail to Nueva España. The most powerful merchants, however, the sangleys 70 (Chinese) and the Spanish, would remain in Manila to sell the rest of their goods for the best price possible 71. About six or seven thousand sangleys lived permanently in Manila, of these three or four thousand lived in the area of the Chinese market place. The number of Chinese who sailed on this route was calculated to be "more than two thousand" 72.

65. "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 Província de Japão do Collégião da Madre de Deus da companhia de JHS. em Macao". Written in January 1747, by João Alvares. In the pages 24-24v., it contains an extract of the annual letter of 30 December 1621 of Father António Leite, where this pressure on the Portuguese is referred "os portugueses com sua prata fazendo seus empregos, tratos e mercancias" em Cantão. Cod. 49-V-4, is contained in 26 folios, which belong to the Jesuit collection in Asia, J.M. Braga published the fl. 10v.


67. 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 recognised Macao as a special zone. The door was only opened six times per month, for the Portuguese in Macao to get their supplies. From 1578 on, the Portuguese were authorized to negotiate with Guangzhou. See on Canton fairs - Jorge Manuel Flores «"A mão direita de Cantão": Macau e o comércio do rio das pérolas, (séculos XVI-XVII)», in Artur Teodoro de Matos e Luís Filipe F. R. Thomaz (eds.), As relações entre a Índia Portuguesa, a Ásia do Sueste e o Extremo Oriente, Actas do VI Seminário Internacional de História Indo-Portuguesa, (Macau, 22 - 26 Outobre 1991), Macau and Lisboa, 1993.

68. For a description of Parian, see the first detailed description of the first Bishop of Manila "Relacion de las cosas de la China del Parian de Manila"; of 24 June 1590, pp. 309-326; and see "El Parian de les Sangleys", pp. 151-174; both texts in Carlos Sang, Primitivas relaciones de España com Asia y Oceania. Madrid, 1958.

69. "es plata y reales, que no quierem oro, ni otras algunos rescated, ni los llevan á la China", in António Morga, Sucesos de las Islas Filipinas, p. 353.

70. Originally the Chinese in the Philippines were all known by this term; in the XVII century it began to be used exclusively to designate the Chinese residents of the Philippines; see P. Juan Cofo, the 1st Bishop of Manila; and Carlos Sanz's work, Primitivas relaciones..., pp. 151-174, 309-326, see Boxer, South China in Sixteenth Century, London, 1953, p. 260.


By the end of the XVI century, an average of forty junks, from Guangzhou, Quanzhou and Fuzhou, which mainly transported silk, but also other Chinese goods, travelled to Manila. Sebastião Soares Paes states that in 1633, with the beginning of the Royal monopoly of the Macao-Manila route, the direct trade between China and Manila was intensified: "40 ships called somas left the province of Chincheo (Fujian, mainly from the bay of Amoy) to Manila overloaded with merchandise"\(^73\). Pedro de Baeza refers to an annual average of arrivals (by the end of the first decade of the XVII century) of 30 to 40 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 calculated 2.5 to 3 million reais of silver annually\(^74\). A rather more realistic statement is the one which, in 1591, calculated it at about 300 thousand pesos annually. The currency normally used was the peso of silver of 8 reais\(^75\).

The volume of the goods transported by the Chinese traders provided the Manila customs with 40 thousand pesos annually with the customs taxes calculated at a rate of 3%. The sale of this merchandise gave China an annual income of one and a half million in gold\(^76\).

In the last quarter of the XVI century the Chinese traders from Fujian province took a preponderance role in the China-Manila route. This is clear from the level of tax they pay, which frequently reached more than 50% of the profits of the customs taxes in Manila. The Chinese mercantile flux to Manila continued to increase; from 80%, at the beginning of the XVII century, it rose in 1641-1642 to more than 90% of taxes paid in Manila (in comparison with the total amount of collected taxes)\(^77\).

The origin of this Chinese preponderance had internal and external factors. The economic and social development of the late Ming Dynasty was an internal factor, and external factors were: the Chinese control of the silk trade, the war between the Europeans nations in the Indian and Atlantic Oceans, the long experience of trade in the Indian Ocean, and the retraction of the Japanese trade in the Philippines.

However, those who suffered most from this increase (commerce established directly by the Chinese of the province of Fujian and of Guangdong with Manila) were the Portuguese from Macao; they felt that their position as intermediaries between the Chinese, consumer and producer market, and the Philippines was weakening. Another factor which worried the merchants from Macao was the direct commerce which existed between Manila and Japan, even with the official prohibitions. There were numerous rulings by the Portuguese authorities, especially by the General Captain of Macao, which had the aim of impeding and even forbidding the trade of "the Chinese merchants with Manila and Japan". Fines and punishments were established for those who did not obey the law: five hundred pardaus of reales and the confiscation of the goods in favour of the Royal Treasury. Denouncers of this type of trade would be rewarded with 100 pardaus, to be paid by who had infringed. These

73. "Carta de desembargador Sebastião Soares Paes para a Princesa Margarida, Duquesa de Mantua", Goa, 19 de Janeiro 1637, no ANTT, Lisbon, in "Livros das Monções", XXXVIII, fls 468 and following, published also by C.R. Boxer, *The Great Ship...*, pp. 278-286. This letter is an answer to the letter of the Duchess of Mantua (Regente do Reino de Portugal) of the 7th of March of 1636.

74. Pedro de Baeza, "Esta relación y discurso, me mando V. Excelência que hiziesse... para que en el satisfizesse las dudas que me pusieron cerca de la grande costa que la armada avia de hazer." Madrid, 1608, fls. 11v. 13. In C.R. Boxer, *The Great Ship from Amacon*, p. 74.

75. Rial-of-eight (peso de "ocho reales"; "peso de plata"; "el duro"). The commonest and most popular European coin in the Far East after the establishment of the Spaniards in the Philippines (C.R. Boxer). At Goa in 1584 it was officially valued at one cruzado (400 reis) or 6 2/3 tangas. In Peter Mundy's days it oscillated around 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 from Amacon*, p. 336-337.

76. Guang Dong Hai Fang Hui Lan (Collection on the Maritime Defence of Guangdong), rolo 37, made by Lu-Kun. Translated by Dr. Lu Yan Bir. 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 Bâmeues y Camillo" in which he informed the king "that one and a half million in gold enter China each year." (p. 350).

regulations were published in the habitual places [in the city walls of Macao] with a translation in Chinese.\(^{78}\)

Maritime commerce opened up during the Ming dynasty (at the end of the XVI century) and stimulated Chinese trade with Southeast Asia; this is verified by the Chinese documentation and also by the Portuguese documentation of that period. The letters from King Philips, for example, illustrate the way in which the authorities tried to protect the interests of the Iberian Empire in Southeast Asia. The objective of this legislation was to restrain the Chinese merchants (chincheos) from sailing directly to the regions of the "Sunda, Patane, Andregir, Jambix and Solor" and buying pepper and sandal directly, thus protecting the routes and markets connected with Portuguese Malacca.\(^{79}\) The opening of the Middle Empire to commerce with the exterior, made it easier for Spanish 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 Macao's inhabitants interests forbidding "the Spanish trade from Philippines directly with China."\(^{80}\)

The data included in the chart "Annual average value, in pesos, charged by the customs of Manila and the percentage of the total amount of income obtained", bring us to the conclusion that:

The period of peak trade in the Macao-Manila route does not coincide with the period of peak trade in the China-Manila route. Between 1580 and 1645 Chinese maritime trade with Manila had paid the most part of the money collected in taxes by the almojarifazgo (with the exception of the period between 1586-1590, the only time in which the commerce in Nueva España was over 40%, reaching 61% of the customs revenues).

**The initial period (1580-1600)** is also the "take off", of the trade from China to Manila. Which passed from 28.02 % (corresponding to 3,750 pesos as an annual average in 1586-1590) to 56.4 % (corresponding to 24,155.5 pesos as an annual average in 1596-1600; during this time no ships from Macao were registered in the customs of Manila. It is probable that goods from Macao were carried on some of these Chinese ships).

**During the following period (1601-1620)** there was little commerce from Macao whereas Chinese commerce with Manila expanded and indeed peaked. These was a sudden rise of 70.03 % (30,104.20 pesos) of the annual average of the almojarifazgo in 1601-1605, to 91.4 % (64,432 pesos) in 1611-1615, after overtaking the 78.5% in 1606-1610. It is interesting to note that this peak in Chinese commerce corresponds to lessening Portuguese commerce between Macao and Manila (with lower annual averages: 1606-1610 with 8.6 pesos, which represents 0.01% of the customs taxes charged in Manila, and in 1611-1615 with 50 pesos representing 0.1 % of the almojarifazgo). From 1515 onwards Chinese trade in Manila began to decline.

**The period of recession was from 1620 to 1645** (lasting until 1670-80, which was the beginning of another long period of expansion); Portuguese trade with Manila peaked at this time.

Trade between Japan and Manila, however, was of much less importance. It began between 1591-1595 (295 pesos corresponds to 0.8 % of the almojarifazgo) and 1596-1600 (258.5 pesos corresponds to a 0.6% of the almojarifazgo). It should be noted that during these 10 years no ships from Macao arrived in Manila. Therefore it is possible that some of the merchants from Macao may have used some of these Chinese ships. In the following period (1601-1605) there was a rise to 572.20 pesos of annual average, corresponding to 1.33 % of the global value of the almojarifazgo. The final period (1606-1635) was one of recession 46 pesos in 1606-1610; a small recovery in 1616-1620 with 353 pesos; with the lowest point in 1631-1635 with an annual average of 17.4 pesos.

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78. “Fundo Geral de Manuscritos” of BPAD. de Évora, códice CXVI/2-5, fl. 270, "Mandado do capitão Geral D. Francisco de Maccarenhas, acerca do comércio com Manilla e Japão".

79. See the letter from Filipe I in January 1591 to Viceroy Martins de Albuquerque (HAG., “Livro das Monções”, nº 3 fl. 430 (2ª via) e fl. 438 (4ª via), also published in the Arquivo Português Oriental, fasc. 3º, parte 1ª, doc. 78, pp. 286- 299, or Boletim da Filmoteca Ultramarina Portuguesa, nº 2 pp. 309-312, referência: 13, 20-23/4-4; or another royal letter, four years later (28/2/1595), in which the Viceroy is instructed to prevent, where possible, the “chincheos” from going to the islands of Solor to obtain sandal, 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. 332-333, referência 44, 70-71/5-3 or in "Livro das Monções" nº 3-B pages 589-590.

80. - BA., Cod. 51-VIII-18, nº 243, fl.112-113v.,
As for the trade originating from India, the years 1626-1630 were, in terms of percentages, those which contributed the most (7.05%, which corresponds to 1,813.25 pesos) to the almojarifazgo of Manila; 1620 was the year in which the cargo of the 9 Portuguese ships which sailed from India to Manila was most valuable. Therefore, although no ships were registered in the years 1616 to 1620, the value of the customs tax 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 the registered cargo was less valuable were 1611-1615, and 1641-1645, where an annual average of 396.5 and 507.2 pesos were paid 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 left from other intermediary ports of Southeast Asia to trade with Manila, such as Malacca, Cambodia and Cochinchine. Malacca sent at least one ship in 1597\textsuperscript{81}; its cargo was evaluated and registered in the accounts of the almojarifazgo at the tax of 1.99%, with 861 pesos of annual average from 1596-1600.

One must, however, be very careful with the interpretation of the data mentioned above, because it does not provide all the facts of maritime traffic along the Macao-Manila trade route. One fact which must be taken into account is that, since trade was often officially forbidden, its continuity was assured through smuggling. Other routes, depending on the period and the political circumstances, which would permit 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, Coromandel and from Malacca, around 50 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 ships from Japan in 1591,1599,1600, and 1601, which carried Portuguese. It is probable, however, that Chinese ships were used for most of the clandestine commerce from Macao to Manila, with independent merchants from Macao travelling in ships originating from Canton, or through Chinese agents (respondentes)\textsuperscript{82}. Further documentation supporting this can be found in the legajos (codex) of the Contadoria, which refer to the presence of Chinese Christians (in 1633 and in 1634), and also mention that the Chinese captain of one of the 39 ships of 1608 was Christian; they also say that of 5 of the 33 Chinese ships of 1631 the owner was a Chinese Christian. The Portuguese could thus 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.

2.6. CHINESE MERCHANTS IN MANILA

The large amount of silver in the Philippines transported by the Spanish from America to Manila progressively attracted more merchants, specially the Chinese. The Chinese community in Manila quickly prospered and grew. A significant part of those who worked in the trade with Manila (about 2000), came from the city of Zhangzhou in Fujian province, and sometimes stayed for a long period of time (the term used for this period in Manila is "spent the winter"), in order to sell their goods at a more advantageous price.

Many of the Chinese who came to Manila lived and worked there permanently, but there was also a Chinese community that lived there temporarily. The Chinese were all required to live in a quarter called in Spanish, alcaiceria, and in Chinese, Jia Nei. However it was locally known as parián (meaning silk market), which clearly reveals that their main activity was the silk trade. This Chinese group were the most important traders in Manila. The Chinese community included a large number of non-differentiated workers, but also a highly specialised group, including a large variety of artisans who were, according to contemporary sources,

\textsuperscript{81} AGI, Filipinas, cd. 1204.

\textsuperscript{82} See the titles of respondência of Tristão Tavares (1637) and Pero Fernandes de Carvalho (1638), published by Prof. Boxer in The Great Ship from Amacão, pp.284-287. Among the various documentation which confirms the existence of smuggling, two examples should be mentioned: the letter from Sebastião Soares Paes to Princess Margarida, Duches de Mantua, from the 19th of January 1637, in the ANTT, Lisbon, "Livros das Monções", XXXVIII, fls. 468 and following (This is the answer to a letter from Princess Margarida written on the 7th of March 1636; Boxer published a resume of this letter, in English, in the article "Portuguese commercial Voyages to Japan 300 years ago", in TJS, XXXI (1933-34) pp. 65-75; this same author also published the complete text of the letter in Portuguese in The Great Ship from Amacão, pp.278-286); see the Mandado do Capitão Geral D. Francisco de Mascarenhas on the Macao-Manila-Japan trade. The original is in the BPAD. de Évora, código CXVI/2-5, f. 270.
extraordinarily versatile. They were considered essential ("without Chinese people Manila would be a miserable place because with them Spain becomes wealthy"83) to daily life in Manila and in the Philippines, for they were in general recognised as careful and able workers.

The Chinese group that arrived in Manila belonged to the lower social classes; the Friar, Juan Colbo, refers to their low social origins, saying they were "the scum of the Earth...", but among them were also merchants who grew rich from the Macao-Manila trade. This trade was dominated directly or indirectly by rich merchants, although some not rich merchants competed with them. This trade was authorised (after 1567) by Chinese Authorities. Some of these traders used advanced techniques, for instance, the use of credit 84.

The origin of this Chinese preponderance had internal and external factors. The most important were: internally, the Chinese economic and social development at the end of the late Ming dynasty, and externally, the 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 a long trading experience with Southeast Asia and a large merchant fleet, and profited from the retraction of Japanese trade in the Philippines.

3. CONCLUDING NOTES

During the late sixteenth century and the seventeenth century Macao, Japan and Manila were powerful commercial centres for the trade of silk, silver and other Chinese goods (such as porcelain). This trade must be analysed in the historical context of trade between the East and the West. The Europeans in the XVI and XVII centuries established direct contact with the Asiatic sources of production and tried to control them.

Silk, silver and porcelain assumed a role of predominance in the Macao-Manila route and all the Macao trade network, within this period. Portuguese commerce rapidly expanded into a unique global network of trade. The dynamic network that connected China with Pacific and Atlantic markets has been studied by Pierre Chaunu, who point out the correlation between the general European price conjuncture (in particular Holland and Spain) and the general conjuncture of the Pacific trade85.

Manila and Macao became important trade centres of the Far East for two main reasons: the first was the geographical and political situation of these two Iberian colonies. Macao acted as the gateway to China, and, with Manila, was the intermediary for Chinese trade to Japan, America and India; the second reason was economic and technological and it is related to the seafaring capacity of Portugal and Spain which allowed a direct connection between the Far East and the European world-wide 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 of the XVI and XVII centuries).

According to a recent research on China86, from the last quarter of sixteenth century until the fall of the Ming Dynasty (1644), most of the silver imported by China come from Japan. However, American silver was also relatively important in the global amount of silver (10 million taels) in the Ming treasury (Taicang). The importation of silver in the late Ming Dynasty rose to levels never before seen, and exceeded the importance of the pepper trade. From 1570 to 1642 the Chinese treasury registered a progressive increment of silver from 2.3 million taels to 23 million87. The silver exported by the

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83 - The original of this quotation: "si no hubiera chinos en estas Islas era Manila una miséria, porque con los chinos ganan los castillas". This idea is commonly found in the Spanish documentation of that time, mainly written by Frade Juan Cabo or the 1st Bishop of Manila, published by Sanz, Carlos, Primitivas relaciones... pp. 281, 283, 277-278, 315.

84 - "Es gente muy práctica, é inteligente en la mercancía... 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, idem p. 354. The activity of these usuary merchants is also mentioned in a document which says that three quarters of the general amount of the goods of the neighbours of Manila are sold in Mexico "fiadas por los Sangelyes" in Boxer, Asia Sinica e Japonica, I, pp. 225-227.

85 - Pierre Chaunu, op.cit., p. 265.


87 - Brian Moloughney e Xia Weizhong, idem, p. 68.
Portuguese to China until 1639, was a little more than 2 millions Kgs.; 1.65 millions kgs. were from Japan and 500 thousand kgs. from Manila and via Cape of Good Hope. In the course of XVI-XVII centuries, the silver trade made a significant contribution to the progressive circulation of money in Asiatic trade.

The intense external demand for Chinese silk (both European and Asiatic) as well as the Chinese demand for silver motivated a economic and social development of the Chinese silk production and trade centres. According to Atwell the Ming economy benefited from the silver trade in various ways: development of agriculture, with particular regard to its specialisation and its trade system; the fast development of the artisan industries; the enlargement of the interregional trade in volume and new markets, and a general modification of the tributary system.

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 Japanese, American, Indian and European silk industries. Paul Mantoux states, with regard to the repercussion of the Eastern textiles trade in Europe that "la nouvelle industrie est fille du commerce des Indes". Finally, the East-west trade and the Macao-Manila route, in the XVI-XVII centuries, gave rise to for contemporaneous European debates on the mercantile theories. F. Mauro says that the long maritime voyages were one of the most innovating and advancing facts; although the European economic system was still at that time "commercial capitalism of mixed character" because it coexisted with a seigniorial (manorial) system where archeaic agriculture was predominant.

The Chinese maritime trade may be classified into two main types. First, the governmental or official tribute trade, called in Chinese Gong Mao; secondly, the privied trade, called Si Mao, that one might be legal or clandestine, even including piracy. The private trade was considered smuggling by the Chinese imperial authorities, until 1567 when it was legalised in Fujian province.

Thus, according to the official Chinese rules, 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 inscribed in the list of the countries that paid tribute to the Chinese Emperor. Thus, the European were out of the official tribute trade, anyway the profits of the trade were so large that the Portuguese, and after the other Europeans, were stimulated to hardly try to find a way to trade with China.

In the beginning of the XVII century, the increase of Dutch and English attacks on the large Portuguese ocean ships (naos) and Portuguese territories in Asia became a determinant factor in weakening of the Portuguese Estado da India (demographically, politically and financially). These

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88 Brian Moloughney e Xia Weizhong, *idem*, p. 59; George Bryan Souza suggest that, between 1546 and 1638, 36,6 millions to 41,1 millions taes were imported from Japan, Souza, *op. cit.* pp.56-57; 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 Kgs. to 1.5 millions de Kgs.

89 - In Zhejiang, Jiangsu, Fujian, and Canton provinces. Chuan Hansheng, "The Chinese Silk Trade with Spanish América from the late Ming to the Mid Qing Period", in *Chine Ancienne, Actes du XXIX Congrès International des Orientalistes*, Paris, ed. L’Asiatheque, 1977, point out the importance of the American demand of silks for the development of the above mentioned Chinese cities, in p.86.


92 - Duarte Gomes de Solis, *Discursos sobre los comercios de las dos Indias donde se tratam materiais importantes de Estado y Guerra*, Madrid, 1622. Edition of Móses Amzalak, Lisboa 1943. Solis was one of the first Portuguese economists whose work was significant for his time. See by the same author, *Alegucion en favor de la Compañia de la India Oriental, y comercios Ultramarinos que de nuevo se instituyen en el Reino de Portugal*, 1628. Reed. por Móses Amzalak, Lisboa, 1955. Mémoires inédits de Duarte Gomes de Solis (décembre 1621), ed. por Léon Bourdon, Lisboa, 1955. This edition includes his work - *Arbitrio sobre la plata*. See Solis, *Discursos en razón de la Compañia Oriental que tiene los rebeldes de Olanda y Ingleses* de cerca de 1618 e está publicado por Gentil da Silva, *Alguns Elementos para a História do Comércio da India de Portugal*. 1951.


attacks had some important consequences: in 1639 the Dutch diplomacy succeeded in having the Portuguese banished from Japan; Malacca fell to the Dutch in 1641; sail technology improved and this new technology was incorporated in smaller Portuguese ships, in order to make them faster and better able to escape from sea attacks; Portuguese diplomacy made new agreements with its old enemies (an armistice with England in 1635, with Dutch in 1644) in order to break the blockade to 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 a effective way of breaking the Dutch blockade in the Indian Ocean⁹⁵.

In the framework of the Spanish agreement for sovereignty over Portugal, the trade between the Portuguese and Spanish colonies was forbidden, in order to preserve the particular 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 the Lisbon-Goa-Macao via Cape of Good Hope. This rivalry was because when Mexico and Peruvian Markets were better supplied with silks and other Chinese products from Philippines, they would import fewer worked silks from Spain. The Portuguese central power and tranders related with the Lisbon-Goa route also saw their habitual profit reduced when the Macao and Malacca traders sold the silk directly in Philippines. The profits from customs duties of Goa and Lisbon were reduced with the reduction of goods transported in their routes ⁹⁶.

During the end of the XVI century and first half of the XVII century, in spite of the successive orders reaffirming these interdictions, the Macao-Manila route was frequently sailed by a private and clandestine trade which was both Portuguese and Spanish. However, in response to due to the 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, legalised the Macao-Manila route during certain periods. The tolerance and subsequent legalisation of the clandestine Macao-Manila trade by the Portuguese Goa authorities must be related to the economical difficulties of the Estado da Índia. Part of the profits from the Macao-Manila trade (such as Royal monopoly or concession) was channelled to the Royal Treasury of Manila and Macao, and other part to supply the Estado da Índia in its war against its European and Asiatic enemies⁹⁷.

As usual the economic interest established the border between solidarity and conflicts. The Portuguese Macao traders protested against the intromission of the Portuguese Goa traders in the Canton fairs. In 1622, the Viceroy protected the Goa traders against the Macao protest, giving a written authorisation for their activities in one of the two Canton annual fairs, and tried to exclude the Macao traders from that Canton fair (September). The casados ⁹⁸ Macao traders accused the Goa traders of being dangerous for the stability of the Portuguese-Chinese relationship. They said that the Goa traders did not pay attention to Chinese traditions and law, they only looked for a faster way of making money, such as when they bought slaves to take to India against the Chinese law and against the Macao-China oral agreements⁹⁹.

During 1580-1642, three different periods of the Macao-Manila trade may distinguished according to the number of ships and customs duty paid in Manila. These are: first, the "start-off" period (1580-

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⁹⁶ - This is the argument also expressed by the contemporaneous Spanish feitor in Philippines Antonio Morga: "Por haberse engrosado tanto este trato, que hacia daño y perjuicio à las mercadorias de España, que se cargaban al Perú y à la Nueva España, y à los derechos reales, que por razón dellas se cobran, y haberse acodiciado les 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 de las Islas... p. 350.

⁹⁷ - In April 1629, a secret order from King Filipe IV, allowing the trade Macao-Manila, was personally taken by the Viceroy Miguel de Noronha on his voyage to India, in ANTT, "Livros das Monções ou documentos remetidos da Índia", Liv. XXXVIII, B. 351; Diário do 1º Conde de Linhares, I, p.51-52; C.R. Boxer, The Great Ship..., p. 250.

⁹⁸ - Casado, means a Portuguese man married and established in a city under Portuguese control, to be a casado gave the man a set of privileges and some duties to the Portuguese administration. It corresponds to a social status of privilege and honner.

⁹⁹ - "Arezoado, em que se apontão alguas rezois por onde não convém ao bem desta cidade erem os Portugueses a Cantão à feira" (1622), in Luis Gonzaga Gomes, "Documentos Setecentistas Portugueses no Arquivo Colonial da Holanda", in Boletim do Instituto Luís de Camões (1975), pp.40-60, p.57.
1600); secondly, the increase and development period (1601-1621); finally the expansion period (1622-1642), which was interrupted and forbidden Macao-Manila relations were official cut, a consequence of Macao's support of the new Portuguese King, João IV, ending the sixty year Spanish sovereignty over Portugal.

The development of maritime trade during the Ming dynasty after the middle of the XVI century is recorded not only in Chinese documents, but also in those of the Portuguese and the Spanish. The Chinese merchants, especially the financiers, played an important role in the Macao trade as well as in the economic life of Manila. This was recognised by the Spanish writers of the time that refer to their presence as indispensable. The ascendancy of the Chinese silk trade to Manila is also reflected by the fact that one of the quarters in the North of Manila was called "the silk market" (Parían).

During the XVI-XVII centuries, the Macao traders faced competition by Chinese traders, especially from Fujian, Zhejiang and Canton. Between 1580 and 1645 Chinese trade with Manila was the most important both in terms of the number of ships and in the amount of taxes paid to the Manila customs (except in 1586-1590 when the Nueva España paid 61% of the global taxes collected by the almojarifazgo).

The peak period in the Macao-Manila trade (1621-1642) does not coincide with the peak period of the trade from other ports of China to Manila, rather they are complementary. 1611-1615 was the peak of the China-Manila trade (excluding Macao) with 64,432 pesos (annual medium) which corresponds to 91.4% of the global duty paid in Manila. In that period, Macao only represented 0.1% of Manila customs duty (50 pesos of annual medium). The importance and deep correlation between the China trade and the Manila trade mean that, when the China trade went into decline the Manila trade did so too. 1671-1675 was the minimum level of the Chinese trade registered in Manila with 19.05% of Manila almojarifazgo.

The Japan-Manila trade was generally of lower intensity. 1601-1605 was its peak period with 1.33% of the Manila almojarifazgo. When Macao traders had difficulty in sailing directly to Manila they used to sail to Manila from other ports. It is probable that they did this from Japan in 1591-1600. The Indian-Manila trade reached its peak in 1626-1630 with 7% of Manila almojarifazgo. However, in 1620, 9 Portuguese ships arrived from India with the most valuable cargo of the 1586-1642 period.

Their pragmatic capacity to overcome difficulties by finding different trade routes was an example of Macao's ability to survive the interruption and loss of trade from Japan, Manila, and Malacca. Macao traders used the clandestine mercantile flux through the Chinese agents or by transporting products along alternative routes, that is from Siam, Cambodia, Cochinchina, Tonkin, Timor and Macassar; from some of these ports Macao merchants traded with Manila after the Macao ships were excluded from Manila. According to Claude Guillot, the best period for the Macassar and Banten trade (until the late XVII century) was when they traded with Manila. During the second half of the XVII century, the Macao traders were particularly active in the Macassar-Manila trade. Ships from other European countries were also used by Macao traders. The English ship of Francis Breton, President of East India Company, em Surate, was an example of the ships sent to Manila in 1644-45.

The Portuguese community of Macao mixed with the Chinese community and adapted themselves to Chinese customs. Macao was, by the end of the XVI and the beginning of the XVII century, a.

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101 - "Termo de fretamento que se fez para o Macassar, Cambodia, Cochinchina, Tonquim e mais partes conforme o consentimento dos senhorios das embarcações de 12 de Novembro de 1640", in AM, vol. 3, nº 2, Agost 1930, pp. 61-63.
102 - Claude Guillot, "Les Portugais et Banten (1511-1682)", in Revista de Cultura, Os mares da Ásia, 1300-1800, Sociedades Locais, Portugueses e Expansão Europeia, Macao, 1991, n°13-14, pp. 80-95; see also Chaunu, op. cit., 160-161; Between 1641 and 1646, 8 ships from Macassar sail to Manila.
103 - Claude Guillot, "Les Portugais et Banten (1511-1682), idem, p. 93 .
104 - "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 Manila" in Serafin Quiazon, English "Country Trade" with the Philippines, 1644-1765, Quezón City, University of the Philippines Press, 1966, p. 5. More information on José de Brito in W. Foster, The English Factories in India, 1642-1645, Oxford, 1927, p. 219.
cosmopolitan city with strong financial roots which was militarily defended by a net of fortifications against the numerous maritime enemies (Dutch and English).

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

Macao was in fact an exception in the Portuguese Estado da Índia, due to its particular geo-political-economic situation. Its fragility came from its vulnerability to Chinese attacks, as the Chinese could simply close the Macao gate - Porta da Barreira - to close the trade and submit the city to famine. On the other hand, Macao's strength lay in the fact that it had a key role in the diffusion of the abundant and precious Chinese merchandise, and also in the silver trade, of strategic importance for China, and in particular, for the superiority of Guangdong authorities over those of Fujian.

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

The Macao maritime routes, as has been mentioned, were not only a commercial route. Founded on a mutually profitable commerce, they naturally developed as a melting point between the different communities, who shared and exchanged customs, cultures and religions.

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