5 Local and Central Dualism

In the last chapter I portrayed the official diplomatic framework for the sake of contextualising Manila-based foreign affairs. Foreign relations doubtlessly shaped Manila's early modern development but they often existed parallel to private unofficial encounters. Such unofficial exchange – sometimes in competition with the central government – constituted the bulk of early modern cross-cultural contacts and had a far greater impact on Manila's economic and political reality. To be more concrete, early Hispano-Japanese diplomatic relations were not initiated by the central authority but by local powers and a variety of actors. At the end of the sixteenth century Kyushu *daimyō* were still largely at odds with the central elite. Fearing to be cut off from maritime trade they clandestinely courted foreign powers. Profits from maritime trade would eventually increase their stance inside Japan. The Matsura of Hirado were the Bakufu's first obvious rivals in this respect. By far the largest number of Spanish, Japanese, and Chinese ships from Manila called at Hirado around 1600. Exchange between colonial officers with local lords differed both from official diplomatic exchange between central authorities (in Beijing, Kyoto/Osaka/Edo and Valladolid/Madrid/Seville) and from communication with private merchants.

Supposing that the key to understanding triangular relations lies in disentangling central from local factors, then state formation processes and other formative developments will have to be taken into consideration. If we consider the pre-modern state as an actor, we need convincing answers to this question: For what purpose and to what extent would a central government intervene in functioning patterns of maritime commerce and why? Naturally all parties engaging professionally in trade had a strong interest in making profits and therefore based their economic decisions on the prevailing circumstances. Considering each party's exact expectations and aspirations helps to reset some of my earlier conclusions and to restate them in greater detail. Central governments' intervention ranged from institutionalising, and restricting measures and usually occurred when private foreign trade was profitable enough to change a state's political economy. Thus, the ups and downs of Manila-centred triangular relations were not simply a 'clash of European mercantilism with oriental despotism', as Patricia Carioti once put it.[1] By the mid-sixteenth century, all three countries saw the emergence of

1 Carioti (2007), 'International Role', p. 39.

state-sponsored enterprises in the shadow of private maritime initiatives. When government officials unhesitatingly abused the intellectual property of generations of free-spirited seafaring merchants for introducing ambivalent control and trade restrictions, tensions were a logical consequence.[2]

Yet, when studying the history of political economies, scholars have focused primarily on central powers and the importance of structural developments. The majority of these studies have failed to understand local and central performances in foreign exchange as connected, mutually inspired processes. State and private actors are conventionally placed in opposition to each other.[3] Kevin H. O'Rourke and Jeffrey G. Williamson, who denied the existence of a global market and an integrated world economy prior to the nineteenth century, for instance, argued that there would have been a bigger trade boom without the state.[4] That would probably have also been true for early modern Manila but it does not seem the most relevant question in the context of triangular relations. It is more important to decentre the state by looking at connections between individuals and groups operating beyond state control, while still being indirectly encouraged by it. Recent scholarship on maritime politics in Asian waters has picked up that approach. The works of Zhao Gang and Cheng Wei-chung explored how maritime enterprises outside state control not only dominated import and export channels in Southern China but also challenged the Ming and Qing courts to react.[5] Hence, the Qing opening to the ocean, to use Zhao's terms, is just one example for the logical consequence of reciprocal central and local initiatives.[6] It would be wrong to view the decisions of early modern entrepreneurs from a solely economic perspective of profit seeking, even though profit-related aspects were overwhelmingly assertive. Such a narrative casts aside any political aspect of commercial networks in the China Seas.

2 Many historians have discussed the role of mercantilism in Spain and reached controversial conclusions. Focusing on arbitirastas, actors, and agencies Regina Grafe most recently stressed the notion of contractual monarchy in early modern Spain. See Grafe (2014), 'Polycentric States', pp. 242-244; Other studies include Kamen (1993), *Crisis and Change*; Smith (1971), 'Spanish Mercantilism', pp. 1-11.

3 Flynn, Giráldez (2008), 'Born Again', p. 382.

4 Williamson, O'Rourke (2002), 'When Did Globalisation Begin?', pp. 23-50.

5 Zhao (2013), *Qing Opening*; Cheng (2013), *War, Trade and Piracy*.

6 Other studies on the China Seas and new research perspectives feature contributions to Nakajima (ed.) (2013), *Namban*.

In the realm of overlapping diplomacy and trade we are well advised to consider Robert Hellyer's study on local diplomatic actors of the Edo period such as Satsuma and Tsushima, who 'accomplished foreign relations in conjunction with the central Tokugawa authority'.[7] Previous diplomatic exchange with the Spanish in Manila made use of similar intermediary diplomacy, as represented by various actors, including Bakufu officials and senior advisors such as Honda Masazumi. Similarly, Spanish negotiating practices rarely distinguished between central and local authorities. Hellyer's study demonstrates that foreign relations were divided among several actors and included 'multiple voices and agendas which went beyond a single and commonly held ideology of seclusion'.[8] The early years of relations with Luzon show clearly how local *daimyō* and the Tokugawa equally struggled for recognition, as will be discussed in more detail as part of an analysis of the 'Kanto issue'. The Tokugawa celebrated their first victory in October 1602 when the Manila Galleon *Espiritú Santo* was shipwrecked: In the course of these events, two Spaniards who had just arrived in Hirado from Manila (Nicolas de Cueva and Diego de Guevara) used a previously issued written permission by Ieyasu, as warrant against the local lord of the Tosa domain, Yamauchi Kazutoyo (山内一豊).[9]

Manila Trade-related Central and Local Dualism

If institutions really made the difference, how did they affect triangular relations? When focusing on the Manila system in its entirety, we note that institutional boundaries between local and central were often unclear. As we have seen, not all commercial shipping to Manila was state-sponsored. In fact, the several dozen Fujianese ships calling at Manila's port annually were exclusively in the hands of private traders – at least as far as financing and operation were concerned. Most of them were equipped with official licences but could not count on any financial or legal support from the government. Circumstances could differ from region to region. While Guangdong developed a working system to control trade in Macao (and later Canton), Fujian's bureaucracy first struggled with integrating the Manila

7 Hellyer (2009), *Defining Engagements*, p. 7.

8 Hellyer (2009), *Defining Engagements*, p. 11.

9 Cf. Iaccarino (2013), 'Comercio y Diplomacia', p. 81. The literal proof was a letter of invitation stating that the Spanish galleons on route to Acapulco were permitted to land at any Japanese port without having to fear any harm. For the shipwreck, see Kishino (1974), 'Tokugawa', pp. 21-36.

trade and later with keeping the Dutch at a safe distance.[10] Simultaneously, the entire coastal region from Xiamen (厦門) to Ningbo experienced a sharp increase in private journeys to South East Asia and Japan, where many private merchants came to enjoy greater success than average members of the state-run maritime projects of Spain and Japan.[11] In the case of Chinese maritime shipping, trade permits only served as authorisation. By contrast, the Manila Galleon as a state-owned enterprise – as well as the vermillion-seal (*shuinjō*) – included legal protection and financial support. In both cases a central government utilised the licences to protect maritime trade from both domestic and foreign competition. As a system of controlling foreign trade it served to benefit directly from imports.[12]

For the macro region we may conclude that regular access to the Manila market led to far-reaching political changes in all three pre-modern states. Initiatives taken by local actors clearly outnumbered operations of the state. Politically and economically interrelated attitudes towards Manila differed largely among Chinese, Japanese, and Spanish actors and agents. Global players were, at the same time, local actors. On its most basic level, a 'local' actor can be defined as counterpart of a representative of the central state. The latter involved rulers, government officials, state-sponsored merchants and to a certain degree members of the church, whose actions, depending on the affiliation and position, could be bound by instructions of the King or the Pope. Local actors are easily associated with liberal trade. As has been indicated, central and local factors often overlapped in multilayered interactions. Instead of forcefully disentangling them it seems useful to consider hybrid existences. To name a few: regional officials' political initiatives grew due to increased foreign trade. Thus Fujian officials, Kyushu *daimyō*, and Spanish authorities alike supported private commercial enterprises in Manila while – somewhat ludicrously – acting on behalf of their rulers.

In light of the strong network character of the triangular Manila trade it seems strange that 'classic' intermediaries were largely absent in the ports involved. With the exception of the Portuguese, who occasionally sailed from Manila to Hirado and Nagasaki at the end of the sixteenth century and Chinese ports in the 1620s, only native merchants shipped merchandise or silver from Manila to their home countries. The absence of intermediaries is closely linked to the diversity of the trading parties operating and collaborating in

10 Wills (2010), 'Maritime Europe', p. 41.

11 As discussed in the first chapter of Zhao (2013), *Qing Opening*.

12 Adam Clulow warrants against the view that the Bakufu was interested in institutionalising foreign trade for the sake of benefitting economically. Clulow (2006), 'Pirating', p. 76.

Manila, ranging from pirate-cum-smugglers (*wakō*), Overseas Chinese (ch. *huaqiao*, jp. *kakyō*) to licensed Japanese and Chinese merchants, Spanish colonial authorities, and random Manila residents of the Overseas Empire. This is not to claim that all groups were equally strong or equally successful: In Manila *huaqiao* benefitted from their business acumen, while Mexican merchants held a privileged position in the galleon trade. Once Japanese foreign trade became restricted to Nagasaki linguistically gifted merchants from Southern China (some of them with links to Manila) managed to further increase their power by serving Bakufu authorities as *tsūji* (jp., 通詞, official interpreters) and supervising the rest of the Chinese communities.[13]

Hispanic Actors and Trans-Pacific Silk Bartering

Spaniards in different parts of the empire knew about the potential riches in South East Asia and intended to tap into their full potential by copying the example of Portuguese trade in luxury goods, spices, and precious metals. Chinese silk was a convenient option and served the Manila Spaniards as a long-distance luxury commodity. While the trans-Pacific silk trade exemplifies triangular connected histories, it is striking that the global role of Chinese silk has often only been relegated to a brief mentioning. Compared to the attention silver has received in recent years it seems particularly imbalanced. Taking into account that Chinese raw silk (of which large amounts originated from the area around Suzhou, Nanjing, and Hangzhou next to what came from an indigenous production in Fuzhou) had a significant impact on the emerging Mexican and Japanese market and domestic production of the sixteenth and seventeenth centuries, scholars' lack of interest is even more surprising.[14] Chinese silk cargoes to Mexico covered various kinds of manufactured silk, including satin, brocades, damask, coloured, light and heavy silk fabrics.[15]

A few decades before the inauguration of the Manila Galleon trade, the Overseas Empire's sericulture and silk manufacturing had achieved a

13 Carioti (2010), 'Focusing on the Overseas Chinese', pp. 62-75. Patrizia Carioti stresses the diversity of Chinese migrants to Japan in this period. While the bulk of late-sixteenth-century Chinese newcomers could be labelled low-ranking coastal 'outlaws', after the 1630s they also included refugees from educated classes fleeing the Manchu.

14 For Chinese integration into global silk trade, see Cheong (1997), *Hong Merchants*. The author examined the connectedness of European and Chinese traders in Canton at different stages in the seventeenth- and eighteenth-century Canton trade.

15 Different types of Chinese silk imports to Manila in the 1580s are registered in AGI Patronato 24, 66. f. 8, cf. Gil (2011), *Chinos*, p. 62. They included damask, taffeta, bundled silk thread, white silk, brocade, raw silk, and linen. For Chinese silk and Japanese demand as understood in Manila, see also Morga (1890), *Sucesos*, p. 351.

status as joint project between the motherland and the Mexican colony. Of course, under terms favourable for the producing elite in the metropolis: While a large amount of silk was shipped from Seville, lower quality products were produced locally in *obrejas* that traditionally catered to the needs of the colonial society for European clothing.[16] Spain itself possessed one of Europe's most important silk industries of the time. Finished silk products were exported from Toledo, Granada, Seville, Valencia, and Murcia. At its height at the end of the sixteenth century, Toledo was reported to have employed some 20,000 people in the silk sector.[17] Furthermore colonial production was partially in Castilian hands since many artisans from Castile did not have to pay taxes in the Americas. The church as the main consumer of these luxury goods encouraged the development of silk weaving in certain regions such as in the industrial centre of Puebla.[18]

Workers and brokers involved in the trans-Atlantic silk business suffered from the trans-Pacific silk flows: Earlier studies have revealed that prices on the Mexican silk market increased sharply in the second half of the sixteenth century. In 1579, the price of raw silk was roughly seven times higher than 40 years before.[19] Under these circumstances certain colonial entrepreneurs were optimistic about the prospects of the silk industry in New Spain on the eve of Chinese silk imports. Early profit-oriented considerations included sending special cargoes of Chinese silk to Peru with a possible net gain of 2,000,000 pesos for 1000 picos of raw silk and 60,000 pieces of satin, damask, and other valuable fabrics.[20] Collecting data from the Spanish and Latin American archives, Fernando Iwasaki Cauti has shed light on the different types and prices of Chinese silks sent on the notorious 1581 galleon from Manila: Silk products, including damask (in bulk), were sold for little more than 2 pesos and various other qualities of silk for 10 pesos in bulk.[21]

Many merchants in Seville, who had a monopoly on the silk trade with the Americas relied economically on selling silk to the colonies and thus felt uncomfortable about the influx of cheaper and often better quality Chinese

16 Borah (1943), *Silk Raising.*

17 Cf. Israel (1981), 'Debate', pp. 170-180.

18 Bazant (1964), 'Evolution of the Textile Industry', pp. 56-61.

19 Bazant (1964), 'Evolution of the Textile Industry', p. 27.

20 BR 19, pp. 304-307. This report deals with speculations about the amount of money that could be earned from controlling trade between China and the Americas. For Chinese merchandise on colonial American markets, see Mazumdar (1998), *Sugar and the Society*, pp. 154-155.

21 Cf. Iwasaki Cauti (1992), *Extremo Oriente*, p. 39.

fabrics.[22] As a consequence a large group opposed the development of trans-Pacific trade, as soon as imports of raw silk, silk stockings, shirts, as well as vestments and tapestries for churches and convents, reached the Americas.[23] Han-Sheng Chuan's study has shown that losses in the silk industry had the potential of turning into a fundamental problem for the Crown.[24] As a result of trans-Pacific Chinese silk imports, parts of the silk sector in Granada and Valencia even went bankrupt.[25] When those living off Spanish sericulture started protesting against the influx of cheap Chinese silk during a period that coincided with civil protest and high military spending on the peninsula, the central government had to take action. Restrictions of the galleon trade in the 1580s and 1590s were part of early Crown intervention.[26] Given Spanish information policies it is hardly surprising that early *cédulas* sent from Madrid to Manila instructed colonial officers on this matter. Increasing rivalry over profit should be controlled and curtailed.[27]

Silver-silk controversies of the early colonial period reflect conflicts of interests within the overstretched Spanish Overseas Empire. Metropolitan Spanish restrictions and prohibitions were probably a concession to Philip II's newly acquired Portuguese vassals, who saw their privileged position in Macao at stake.[28] During these early decades of trans-Pacific trade, the Viceroy of Mexico remained the driving force in promoting the China trade, despite protests from his own people. When the Spanish settlers of the

22 García Fuentes (1980), *Comercio español*, speaks of a collapse of the Castilian and Andalusian silk centres. Reed (1978), *Colonial Manila*, p. 30.

23 See Ho (1994), 'Ceramic Trade'. Art historians have made important contributions in that field. The Metropolitan Museum of Art has even dedicated a small collection to Manila Galleon artefacts, including Chinese ceramics and Sino-Chinese sacral art, http://www.metmuseum.org/toah/hd/mgtr/hd_mgtr.htm (accessed 20 November 2013). The *mantón de Manila*, still part of flamenco, is in fact a token of Sino-Spanish cultural transfer. The silk shawls are traditionally decorated with floral motives. Chinese landscapes are not uncommon either. A particularly fascinating example from the early nineteenth century can be admired in the Museo de Artes Decorativos in Madrid, labelled '¿China o Filipinas?' See also http://www.passimblog.com/de-china-a-sevilla-pasando-por-manila (accessed 27 February 2013).

24 Chuan (1975), 'Chinese Silk', pp. 241-260.

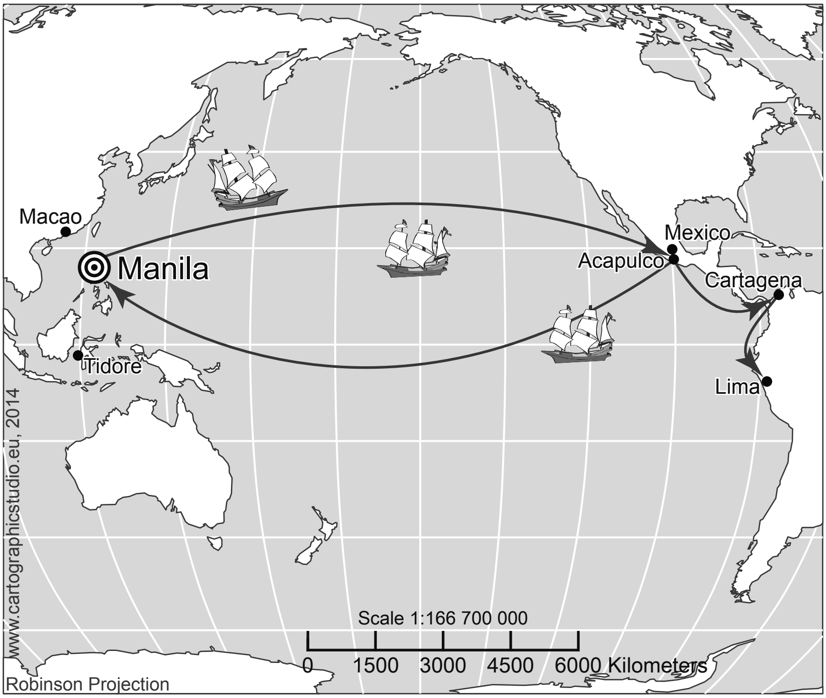
25 AGS PTR. LEG. 89, doc. 298, 'Memorial del Reino pidiendo la prohibición de la importación de seda de China y Persia', August 1617.

26 BR 8, pp. 316-318.

27 Ayers (ed.) (1700-1746), *Cédulas reales*, no. 3 (1577).

28 Montalbán (1930), *Spanische Patronat*, p. 113. A Manila Galleon – directed by Francisco de Mercado – stranded in Nanao, an island of Guangdong close to the borders with Fujian in 1583. For a comprehensive list of all Manila Galleons including their arrival dates see http://docs.google.com/viewer?a=v&pid=sites&srcid=ZGVmYXVsdGRvbWFpbnxtYW5pbGFnYWxsZW9ubGlzdGluZ3xneDoxNzhiZWQ3NDkzNjEwNTA3 (accessed 7 June 2014).

Map 7 Pacific Routes



Philippines petitioned the King in Spain to order the Viceroy of New Spain to prohibit trade with the Philippines because of a disturbing silver drain to China, the latter, Alvaro Manrique de Zuñiga (r. 1585-1590), wrote a very convincing plea in favour of sustaining shipping silver to the Philippines.[29] Yet the situation was more complex. A 29-point declaration of the Council of the Indies regarding the future of the Manila Galleon trade in 1586 reveals that the secretary of the council was in favour of the Philippines. This means that even in Spain a pro-Philippine party, interested in liberal trade with China existed, just as it did in Mexico and Manila.[30] It also means that the gap between theory and reality widened, while debates about abolishing trade with China became increasingly complex.[31]

29 BR 6, pp. 279-280.

30 Cf. Montalbán (1930), *Spanische Patronat*, p. 115.

31 AGI Filipinas 18A, r. 5, n. 31, 'Carta de Vera sobre situación, comercio, japoneses', 26 June 1587.

Probably the most interesting feature of the 1593 restrictions was an attempt to protect the profits of the Manila Galleon trade 'from above'.[32] That year, King Philip II commanded that his vassals should no longer go to China to buy merchandise, but that Chinese were to come at their own risk to Manila.[33] Chinese merchants were officially prohibited from travelling to Mexico. Robert Reed has argued that all these regulations 'gradually led to a highly institutionalised, closely supervised, and extremely restricted trade'.[34] Indeed, we have seen that prices for selling goods in Manila were fixed and defined in advance by means of the *pancada* system until 1600.[35] However, evidence for exactly the opposite exists. First, taxes and customs led to different prices and profits for each trading party. Second, non-Crown merchants soon strengthened their grip on lucrative overseas commerce.[36] Within a few years, Mexican merchants (*mercaderes de plata*) dominated the silk trade.[37] In that function they competed with Seville-based companies as well as common traders in Manila. The effects of Sino-Mexican exchange were indeed problematic for Manila: Neither members of the indigenous population nor ordinary Spanish citizens (*vecinos*) were no longer able to purchase silk products. Since the limited cargo space on the Acapulco-bound galleons was largely reserved for silk, Manila merchants became entirely excluded from trans-Pacific commerce.[38] Hence, the royal government responded by restricting participation in trans-Pacific trade to those Spaniards from Mexico who were willing to settle in Manila for at least ten years.[39] In addition the Governor designated *oidores* to inspect outbound ships in order to minimise smuggling and to protect passengers against ill-treatment.[40] It was a half-hearted attempt that above all encouraged contraband trade and corruption. Many merchants soon circumvented Crown intervention by bribing officials or forging cargo registers.[41]

32 AGI Filipinas 339, l. 2, ff. 70r-71r, 'Orden al Virrey de Perú sobre prohibición de comercio', 11 January 1593.

33 BR 25, p. 137.

34 Reed (1978), *Colonial Manila*, p. 30.

35 AGI Filipinas 18B, r. 2, n. 4, 'Carta de G. P. Mariñas sobre oposición a la pancada', 31 May 1592. AGI Filipinas 18B, r. 2, n. 9, 'Carta de G. P. Mariñas sobre Pedro de Rojas', 6 June 1592.

36 Reed (1978), *Colonial Manila*, endnote 19.

37 Lockhart, Schwartz (1989), *Early Latin America*, p. 152.

38 Ayers (ed.) (1700-1746), *Cédulas reales*, no. 30 (1589).

39 Ibid.

40 Cunningham (1919), *Audiencia*, p. 158.

41 A galleon merchant's account neatly summarises the enormous profit margin of the early years: '[T]wo hundred of ducats in Spanish commodities and some Flemish wares which I carried with me thither [to Manila] I made worth 1,400 ducats there in the country. So I make account that with those silkes [sic!] which I brought with me from thence to Mexico I got 2,500 ducats

Han-sheng Chuan demonstrated that in 1620, one picul of raw silk was sold in Manila for 200 pesos (approximately 3.3 pesos per kg) while the price for the same picul was 1950 pesos in Lima.[42] He further estimated a 100 to 300 per cent average profit margin for silk sent from Manila to the Americas.[43] Fear that Chinese goods would swamp the American markets remained alive until the late seventeenth century. Even if royal trade monopolies limited opportunities of the Manila market, regulations to prevent the developing maritime linkage between Peru, Macao, and the Philippines, failed to intercept Peruvian traders' commercial participation in Asian trade or other forms of competition.[44] In terms of the Manila system private Mexican and Fujianese merchants' activities were influential enough to cause social change and economic liberalisation in Acapulco, Mexico City, and Puebla.[45]

Japanese Silk Imports and Macro-regional Consequences

Contemporary visitors from the West detected a silk addiction in Japan and observers like Richard Cocks, head of the EIC (English East India Company) trading post in Hirado, complained about the Japanese lack of interest in wearing broad cloth.[46] Fernando de Silva (r. 1625-1626), Governor of the Philippines, remarked in 1626 that the Japanese could not live without it.[47] And still, Japanese shipping to Manila decreased in the second half of the 1610s, while Japanese domestic silk production only increased slowly in the 1620s and 1630s.[48] Despite a thousand-year-old history of wearing

with the voyage, and had gotten more if one packe of fine silkes had not been spoilt with salt water.' Cf. Regidor, Jurado, Mason, 'Commercial Progress of the Philippines', p. 10.

42 Chuan (1975), 'Chinese Silk Trade', p. 256.

43 Chuan (1975), 'Chinese Silk Trade', p. 256.

44 AGI Filipinas 339, l. 2, ff. 70r-71r, 'Orden al Virrey de Perú sobre prohibición de comercio', 11 January 1593. BR 25, p. 137. Despite the 1593 regulations the two Peruvian traders, Juan Solís and Eduardo Antonio, were still active in Macao and Japan in 1597.

45 Slack (2010), 'Sinifying New Spain', pp. 7-34.

46 Cocks (1883), *Diary*, p. 259 (13 November 1613). For the English trading post in Hirado, see Fujino (1985), *Kyūshū to gaikō*, pp. 129-161.

47 Juan de Silva commented on Japanese merchants' eagerness to buy Chinese silk as follows: 'Los japoneses – que no pueden pasar sin seda – han de venir por ella a nuestro puerto trayéndonos la plata: somos dueños de todas sus contrataciones, Siam, China y Cambodia habiendo de pasar por este Estrecho, y así estimarán nuestra amistad y se abriría la puerta a la conversión, principalísimo fin de V.M.' AGI Filipinas 21, r. 10, n. 47, 'Carta al Rey de D. Fernando de Silva, governador de las Islas Filipinas, dando cuenta de la jornada que D. Antonio Carreño de Valdés hizo a la Isla Hermosa', 30 June 1626. Cf. Borao et al. (2001), *Spaniards in Taiwan*, vol. 1, p. 82.

48 For more detail on Japanese silk weaving, see Jansen (1992), *China in the Tokugawa World*, p. 17.

silk kimonos, sericulture and mulberry growing, Japanese domestic raw silk production remained inferior to Chinese products both in quality and quantity. The importation of Chinese raw silk was therefore vital to the Japanese economy, politics, and culture. The flourishing silk weaving in Nishijin (西陣) in Kyoto, for instance, which served the imperial court and the warrior class, was heavily dependent on damask silk and white silk imports from abroad.[49]

With regard to the profitable exchange of Japanese silver and Chinese raw silk, the Japanese historian Nakajima Gakushō has re-emphasised impressive gains made by Chinese and Japanese pirate-smugglers in the late sixteenth century before Portuguese intermediaries institutionalised silver-for-silk exchange between Macao and Nagasaki in 1580. Nakajima has furthermore pointed out that both the Ming and the Toyotomi regimes failed to reap direct profits from this exchange of the most precious commodities of their countries.[50] Nakajima indirectly suggests that the lack of regulating mechanisms in the second half of the sixteenth century, such as laws that defined and institutions that supervised commercial exchange, harmed the pre-modern economies of China and Japan. Once private Chinese and Japanese merchants found a safe haven for direct exchange in Manila, the Toyotomi regime and the Ming continued to be excluded from the profits made there. Toyotomi Hideyoshi, however, had an explicit interest in monopolising silk imports and soon took measures to control foreign trade by issuing licences and after 1589 he became the largest investor in silk-silver exchange.[51] Engaging with the Portuguese of Nagasaki and negotiating with the envoy from the Governor of the Philippines, Pedro Bautista, in 1593, Hideyoshi's understanding of overseas trade developed and ultimately explains his obsession with the cargo of the capsized galleon *San Felipe* at the end of 1596.[52]

As for the confiscation of the cargo of the Spanish trading vessel 1596/97, the *Tsūkō Ichiran* reports of *namban* goods that were stored in Hideyoshi's depots in Osaka while the ship was repaired.[53] One of the Japanese interpreters claimed that the Castilian captain wanted to bestow the cargo of his ship to Hideyoshi.[54] We know today that the rich cargo, of which the value exceeded 1,000,000 pesos, helped to finance Hideyoshi's last desperate

49 Hayami (2004), 'Introduction', p. 16.

50 Nakajima (2009), 'Portugarujin', pp. 41-81.

51 Cf. Iwao (1958), *Shuinsen*, pp. 14-15; Cheng (2013), *War, Trade and Piracy*, p. 18.

52 Igawa (2010), 'Sei Pedro Bautista', pp. 25-44; Álvarez-Taladriz (ed.) (1973), *Relaciones*.

53 Hayashi et al. (eds) (1967), *Tsūkō ichiran*, 179/567.

54 The freight was later distributed among nobility and allegedly even the *tennō* received some items.

military interventions in Korea.[55] Silk was the main reason for friction between different agencies. Thus what happened after the shipwreck of the *San Felipe* was essentially a continuation of Hispano-Japanese bargaining for Chinese silk. What has often been overlooked is the geographical surrounding – the Spanish ship capsized in Shikoku (Tosa), a region infamous for *wakō* operations. Unlike Kyushu, however, Shikoku domains never became integrated in *namban* trade. Hence we have reason to believe that local interest motivated the local *daimyō* Chōsokabe (長宗我部) to take advantage of the helpless Spaniards after being stranded in Urado (in present-day Kōchi).[56] The Jesuits' inglorious involvement in the events moreover hints at economic rivalry. The Portuguese, who objected to Japanese-Spanish trade, were clearly intimidated by the voluminous silk cargo of the Manila Galleon and feared that oversupply would cause prices to fall.[57] We may conclude that the *San Felipe* incident was neither religiously nor geopolitically motivated. It was the result of 'connected' economic Luso-Castilian and Sino-Japanese competition, which testifies to the huge quantities of Chinese silk being sent to the Americas.

In light of escalating Hispano-Japanese relations one tends to agree with Lothar Knauth, who concluded in the 1970s that it was a mix of military and commercial interests among the *daimyō* that guided the Japanese southwards.[58] As a consequence of Japan's growing silk trade, the position of Chinese traders in Hirado and Nagasaki became increasingly important at the beginning of the seventeenth century. A pragmatic Tokugawa Ieyasu then insisted on a concentration of Chinese trading ships in Nagasaki in order to secure the Bakufu's direct share in the silk trade. Chinese junk trade in Kyushu increased further after 1610, due to special contracts and agreements with private traders.[59] Direct Sino-Japanese trade in Manila could no longer sustain the needs of the inhabitants of the island, nor of the rest of the Overseas Empire. In 1609, the Crown intervened. In a disposition to the Governor of the Philippines, King Philip III demanded that commerce and navigation from the Philippines to Japan should 'be made by the citizens of the former

55 Uyttenbroeck (1959), *Early Franciscans*, pp. 22-33; Gil (1991), *Hidalgos y Samurais*, p. 75.

56 Ubaldo Iaccarino discussed the issue in his doctoral thesis with references to the works of Boxer, Álvarez-Taladriz, Laures, Schütte, and Matsuda. See Iaccarino (2013), 'Comercio y Diplomacia', p. 74.

57 The Jesuits paid a lot of attention to the issue of confiscation and who was to take the blame for the fate of the 26 Christian martyrs, as interrogations in the port of Nagasaki following the crucifixions show. See ARSI Jap/Sin 32, ff. 6-40.

58 Knauth, *Confrontación Transpacífica*, p. 21.

59 Oka (2010), *Shōnin*, pp. 130-135.

islands, and the Japanese [should] not be allowed to go to the islands'. Freight charges should be kept to a minimum.[60] In light of Manila's dependence on provision from Japan, the King's policies did not match the colonial reality.

During the period of political tensions between Edo, Manila, Mexico, and Madrid *shuinsen* trade was partly redirected from Manila to Hoi An, Tonkin, and Siam. With a huge number of both resident and travelling merchants from coastal China, the Vietnamese port of Hoi An offered similar conditions as Manila.[61] After the Tokugawa's final break with the Spaniards, Hoi An (ruled by the Nguyen dynasty) became Japan's primary location for silk acquisition abroad. Between 1615 and 1633, Taiwan became another source to quench the Japanese thirst for Chinese silks.[62] Annual *shuinsen* voyages – encouraged by Chinese traders, who had reoriented to Taiwan and Xiamen (Amoy) during unstable times in the China Seas when Dutch ships preyed on Fujianese vessels heading for Manila – added a further chapter to Manila's silk narrative. Yet, while unauthorised Japanese mercantile activities in and around Manila continued for several years, significant price fluctuations changed the profit margin on silk yarn.[63]

Having said that, we should place Manila's silk trade into an even broader context of global consumption and desire. In early modern Manila, theoretically everyone could afford and everyone was allowed to wear silk. This was not the case in Qing China or pre-modern Europe, where dress codes and a prohibition on wearing silk existed for certain groups, based on sumptuary laws. Silk was attributed to luxury, and often related to China, in most parts of the world and for most of the time in the history of clothing. Even the Ancient Romans talked about the high cost of silk imports and acknowledged the draw of this luxury commodity. According to Pliny the Elder, Romans spent a hundred million sesterces annually on silks from Seres (China).[64] The example of silk consumption suggests that in Manila rules of class, race, and social status followed less rigid patterns than elsewhere.

60 BR 17, p. 50.

61 Nagazumi (2001), *Shuinsen*, p. 49.

62 Cheng (2013), *Trade, War and Piracy*, pp. 21-24; 30.

63 Cocks (1893), Diary, p. 339: 'Silk at present is not worth so much as it was at the arrival of our fleete, yet we have made away most of ours which rested, the presentes being geven out, and trusted it out till the next monson; as the Hollanders have donne the like.'

64 Plinius the Elder, *Naturalis Historia*, vol. 12, p. 84. I have been inspired by the inaugural lecture of Thomas Ertl at the University of Vienna, 'Die Seidenmetapher. Fäden eines sozialen Diskurses im europäischen Mittelalter', 31 October 2012.

Private versus *Shuinsen* Trade with Luzon

Of all three countries, the case of Japan provides the best illustration of the competition between local and central actors. As we have seen, long before the leading Tokugawa elite organised foreign trade, regional competition dominated trade with Luzon. Initially, the transitional period of the Warring States accelerated early modern economic Japan's decentralisation. *Daimyō* not only monopolised resources in close collaboration with peasants and merchants but also participated in foreign trade. Overseas silk, woods, spices, and ceramics offered desired revenue for local investors and enabled potential military ventures.[65] When during the 1580s trade between Manila and Kyushu started to prosper, rivalry between two *daimyō*, 'Don Bartolome' (Ōmura Sumitada) of Nagasaki and 'Don Agustín' (Konishi Yukinaga), spread south.[66] Yet neither of them understood how to benefit from *namban* trade as much as Matsura Shigenobu from Hirado did. Matsura not only pioneered semi-official Japanese trade with Luzon but also managed to attract all four seventeenth-century European trading nations and host factories of the Portuguese, Dutch, and the English during the 1610s and 1620s.[67] In addition to the events of 1584 and 1587 the Spaniards of Manila benefitted from the Portuguese withdrawal from Hirado following hostilities against the Jesuits.[68] Although Matsura was never seriously in favour of any Christian order, he encouraged Iberian mendicant friars to step into his domain.[69] Another diplomatic strategy included anti-Ming propaganda, which he employed to persuade the Spaniards to serve as middlemen in the China trade.[70] Matsura Shigenobu's strategy was successful, given that private Spanish merchants – ironically often enlisted on Portuguese vessels and Chinese junks – shipped Chinese merchandise from Manila to Hirado during the following years.[71] At the same time ships from Hirado were welcomed in Manila. In the trading season 1591/92 at least four private

65 Lieberman (2009), *Strange Parallels*, vol. 2, p. 423; see also Miyamoto (2004), 'Quantitative Aspects', p. 40.

66 AGI Filipinas 18A, r. 5, n. 32, 'Copia de Carta de Vera al virrey sobre situación, japoneses', 26 June 1587.

67 For Hirado's outstanding position in foreign trade, see Clulow (2010), 'From Global Entrepôt', pp. 1-25.

68 Toyama (1987), *Matsurashi*, p. 168.

69 See Laures (1941), 'Ancient Document'.

70 AGI Filipinas 18 A, r. 5, n. 32, 'Copia de Carta de Vera al virrey sobre situación, japoneses', 26 June 1587. For Kyushu-Hirado relations, see also AGI Filipinas 34, n. 64, 'Carta de Pablo Rodríguez sobre el rey de Firando', 7 July 1584.

71 Pastells (1925), *Historia General*, vol. 1, pp. 47-49.

trading vessels from Hirado were expected in Manila. The hybrid merchant Silvestre Rodriguez, a baptised Japanese captain and temporary resident of Manila, who participated in the 1592/93 mission to Manila, led one of them.[72]

Another important 'glocal player' was Shimazu Yoshihisa (島津義久), *daimyō* of Satsuma, the leading power in Kyushu at the end of the Toyotomi reign. The Shimazu clan was also interested in regular trade with Luzon and sent vessels and letters to Manila at a time when the Matsura had already stopped doing so.[73] Japanese researchers agree that the Shimazu's short but intense participation in early modern trade in the South China Sea was a reaction against the unification process originating in Honshu.[74] The Shimazu were eager to remain politically and economically independent by maintaining their hold on overseas trade. After an attempt to establish official relations with Fujian by exchanging gifts with the viceroys there,[75] an envoy was sent to Luzon in 1601.[76] In a letter to the Dominicans of Manila, Shimazu Yoshimune warmly invited Spaniards to his realm. A particularly notable aspect of his letter is his subtle reference to his suzerainty: 'I have been told by [the Japanese] living there that you are treating those of my kingdom well.'[77] The passage indicates that the Shimazu as previous allies of Toyotomi Hideyoshi, who did not subdue to Tokugawa Ieyasu until the year 1603, were able to carry out sovereign foreign policies behind the Tokugawa's back. This further suggests that Luzon and the relations with the Spaniards played an important role for political transitions in Japan. However, once the Shimazu clan realised the limitations of private initiatives, Shimazu Yoshihiro (島津義弘) requested a Luzon-bound *shuinjō* from the Bakufu for merchants of his domain (藩, jp. *han*) in 1604; He indeed received it soon afterwards for a vassal called Yamaguchi.[78] With regard to his aspirations in China, the Shimazu had to accept temporary defeat. The subservient status vis-à-vis the Tokugawa as *tozama* limited their scope for action.

72 Pastells (1925), *Historia General*, vol. 1, p. 50.

73 Maehira Fusaaki applied a local-central perspective by exploring Shimazu's trade with Luzon as foreign trade at the periphery. Maehira (2004), 'Kinsei shoki'.

74 Nagazumi (1990), *Kinsei shoki*; Katō (1968), 'Bahansen', pp. 120-134.

75 Mizuno (2004), 'China in Tokugawa Foreign Relations', pp. 111; 116; Uehara (2006), 'Shoki Tokugawa seiken', pp. 509-510: In his first letter to China in 1600, Ieyasu demanded the restoration of tally trade. Yet, instead of personally directing his request to the Emperor, he had his letter signed by three *daimyō* (Terasawa Masanari, Shimazu Yoshihiro, and Shimazu Tadatsune) and addressed to the military commander of Fujian province, Mao Guoqi毛国器.

76 Uehara (2006), 'Shoki Tokugawa seiken', pp. 509-510.

77 Author's translation based on Aduarte (1640), *Historia*, p. 251: 'Yo he oído que trataís muy bien a los que van ahí deste mi reino, y se les he dicho a los que viven en el, para que lo sepan.'

78 Uehara (2006), 'Shoki Tokugawa seiken', pp. 509-510.

Indeed, the Shimazu's position was particularly tenuous after 1600. Beaten by Ieyasu's troops at the Battle of Sekigahara, Shimazu Tadatsune (島津忠恒) withdrew to his domain in Southern Kyushu and was thereafter – similarly to other *tozama daimyō* such as Tosa – considered a potential opponent to the Tokugawa's centralisation plans.[79] Once the Shimazu admitted to not being in a position to establish direct trade relations with the Ming, they focused on Ryukyu instead. Thanks to Satsuma's exceptional role in foreign relations as overlord of Ryukyu after 1609, they exclusively enjoyed indirect access to Chinese products.[80] Yet, not being entirely satisfied, the Shimazu tried to circumvent the authority of the Bakufu in foreign trade in the years following. For instance, they widely ignored the 1616 edict that all Chinese ships were to land at Nagasaki and even employed their own Chinese interpreters thereafter.[81]

Spanish records allow us to contextualise the Kyushu lords' attempts to maintain autonomy. Intended secret collaborations with the Spanish in the Philippines date back to the 1590s. Back then, the Spanish regarded lords from Kyushu – some of them sympathised with Christianity – as allies against potential military threats from neighbouring countries. Governor Tello informed authorities in Spain in 1598 that he was friendly with 'several prominent persons' in Kyushu. He added that 'the one who [was] most friendly [was] the general of Coria [Korea], named Gentio'. Tello claimed that this 'Gentio', a 'friend of Christians' was close in order of succession to Hideyoshi. The memo ended saying that communication between Tello and 'Gentio' was secret 'being without the knowledge of the Conbaco [Toyotomi Hideyoshi], who is very hated in the kingdom, because of his great tyranny'.[82] Tello refers here to Katō Kiyomasa, lord of Kumamoto and one of the major generals in the Korea invasion, who had sent Gotō Kanbei to Manila in 1597. The quote indicates that Spanish officials were not only aware of internal power struggles in Japan but also tried to take advantage of them.[83]

79 Jansen (2002), *Making*, p. 53.

80 For Satsuma-Ryukyu relations, see Watanabe (2012), *Kinsei ryūkū*; Okamoto (2008), 'Foreign Policy', pp. 35-55.

81 Hellyer (2009), *Defining Engagements*, pp. 46-47.

82 BR 10, p. 171. AGI Filipinas 6, r. 9, n. 146, 'Carta de Tello sobre abandono de Mindano, embajada a Japón', 23 June 1598. We have reason to believe that Tello refers to a letter he received one year earlier. The sender is referred to as Cata Canzuyeno Camidano (Katō Kiyemasa); See AGI Filipinas 6, r. 9, n. 140, 'Carta de Tello remitiendo copia de Cata Canzeyuno Camidono', 13 June 1597.

83 AGI Filipinas 6, r. 9, n. 175, 'Copia de carta del obispo de Japón al gobernador sobre Dayfu Sama', 1601. In April 1601 the Jesuit bishop of Japan sent a letter to Governor Tello reporting about the Battle of Sekigahara and the remaining resistance against Ieyasu ('Dayfusama'), especially pointing out that opposition from Satsuma posed a major threat to the Christians there.

Having said that, it becomes more and more obvious that Toyotomi Hideyoshi and Tokugawa Ieyasu's eagerness to gain control over Japan's external relations and maritime trade was domestically motivated. Given that neither Hideyoshi's ban on private trade in the South Chinese Sea 1588 nor the *shuinjō* system managed to centralise foreign relations entirely it is hardly surprising that both unifiers felt uneasy about Kyushu *daimyō* who had made attempts to formalise foreign trade. Ieyasu's petitioning of the Spanish authorities to report unlicensed traders so he could take the necessary measures was part of pursuing sovereignty on the sea.[84] Rivalry furthermore explains the Bakufu's hesitant behaviour regarding the *daimyō*'s participation in foreign trade. As for Luzon, Matsura Shigenobu was the only *daimyō* to obtain a *shuinjō* – the rest were reserved for members of wealthy merchant clans from Kinai (Osaka, Sakai, and Kyoto) and Kyushu.[85] As a result, other *daimyō* sought to hold close ties with merchant families, such as Oda, Chaya, or Gotō (who sailed to Luzon in 1604) to secure access to the Manila market. An overview of captains and *shuinjō* holders involved in Japanese trade with Manila, painstakingly collected and generated by Ubaldo Iaccarino, reveals that over the first year of *shuinsen* trade, all official Japanese *shuinjō* captains were private Japanese seafarers with Spanish or Portuguese aliases, but probably not Christians; this pattern changed and leaned more towards the participation of Christians in years to come.[86] Some of them acquired enough wealth to support local construction work in Japan, others held important administrative posts that secured their influence on foreign affairs by receiving foreign envoys and or assisting with diplomatic correspondence. In her study on the impact of Luzon on the Tokugawa politics of national seclusion, Shimizu Yūko distinguishes between public and private Japanese trade with the Castilians between 1586 and 1625. Furthermore, she points out that these two forms did not influence each other, for they never existed simultaneously.[87] Spanish sources, however, frequently refer to private Japanese traders operating in Manila, even after 1604.[88] It suggests that loopholes continued to exist. *Shuinsen* traders did not refrain from doing business on the side. Miguel Iloya (a Japanese merchant),

84 Hayashi et al. (eds) (1967), *Tsūkō ichiran*, 179/570 (1602): 'What [I] tell your country, in case illicit [*ayashii*] traders from Japan are spotted along the Philippine coast, take their names, create a list, and forward it to [Ieyasu], who will take necessary measures. The Spanish should not trade with bad people, not even if they are equipped with a [trading] permit!'

85 Uehara (2006), 'Shoki Tokugawa seiken', p. 511. Merchants from Hakata were also among them.

86 Iaccarino (2013), 'Comercio y Diplomacia', p. 117.

87 Shimizu (2012), *Kinsei nihon*, pp. 309-313.

88 Kondō (1983), *Gaiban tsūsho*, p. 176.

for instance, sold mirrors and bells to the value of 1194 pesos.[89] Another Japanese vermillion-seal captain, Luis Melo, invested private money in Manila.[90]

Table 5 Japanese Ships to Luzon[91]

Year	No. of Ships	Year	No. of shuinsen
1567	1	1604	4
1572	1	1605	4
1575	1	1606	3
1580/81	unknown	1607	4
1582	12	1609	3
1585	1	1610	2
1586	1	1611	2
1587	1	1612	1
1589	1	1613	1
1590	1	1614	4
1591	1	1615	5
1592	1	1616	1
1593	5	1617	1
1599	≤18	1618	3
1600	2	1619	1
1601	1	1620	2
Total	**≥48**	1621	4
		1622	2
		1623	1
		1624	2
		1630	2
		1632	2
		Total	**54**

Private merchants' fate in local-central competition is vividly reflected in the trade of earthenware from Manila to Japan. In the 1580s, some Japanese who discovered old Chinese earthen vases in Manila recognised these clay jars' value for the tea ceremony (茶の湯, jp. *chanoyu*), which enjoyed

89 Iwao (1937), *Nanyō*, pp. 335-336. Sebastian Ciomon sold 25 tinaja of biscuits for 3 pesos each and earned a total 525 pesos in gold.
90 BR 20, pp. 232-233; Colín (1900-1902), *Labor Evangélica*, vol. 1, p. 665. A Japanese merchant, fluent in Spanish, called Nishi Luis, a Christian who spent several years in Manila before he moved back to Sakai in 1614, from where he continued to travel to Luzon, is a further example. See Nagazumi (2001), *Shuinsen*, p. 119. Other *shuinsen* traders include the Chaya family in Kyoto and the Hasegawa family of Nagasaki. See Nagazumi (2004), 'Ayutthaya', p. 242.
91 Source: Nagazumi (2001), *Shuinsen*, p. 49; Shimizu (2010), '"Sakoku"', p. 139.

major popularity within a sophisticated *bushi* culture. These jars became known as *luson tsubo* (呂宋壷). Wealthy Japanese, including Toyotomi Hideysohi, spent substantial sums on utensils for tea consumption. Those clay jars, which were believed to be a rare kind that made storing teas for several years possible, were no exception.[92] Thus when the private Manila merchant Naya Sukezaemon (納屋助左衛門), sometimes referred to as Ruzon Sukezaemon, shipped a considerable number of *tsubo* back to Japan in the early 1590s he caught the *kanpaku*'s fancy. Hideyoshi ordered that all *tsubo* had to be sold to his agents in Nagasaki.[93] The future Bakufu became involved in the year 1599, when private merchants operating on behalf of the Shimazu brought back a cargo of 121 *tsubo* from Luzon; the *daimyō* of Satsuma sent the entire cargo to Ieyasu, who acted as if he had inherited the monopoly on *tsubo* trade from the Toyotomi regime. Thereupon Tokugawa Ieyasu banned Satsuma's trade with Luzon and in *tsubo*.[94]

When the Tokugawa demanded the leading merchants of Kyoto, Sakai, and Nagasaki to form a thread guild in 1604 in order to set prices for silk imports in Nagasaki, the local lords' obligation to yield to the Shogun's economic policies was implied. This standardisation introduced a new type of influential foreign trade merchants, known as *goyōshōnin* (御用商人).[95] Japanese silk dealers (糸年寄り, jp. *ito toshiyori*, high-ranking officials of the Shogun) bought silk exclusively from Portuguese and sometimes Chinese brokers in bulk at a previously fixed price before distributing it to local merchants. The system originally only applied to Portuguese ships from Macao, supervised by the Nagasaki *bugyō* who registered all incoming goods after 1606.[96] The *ito wappu* system deprived many foreign traders of their foothold in the Japanese economy and asked those who were able to defend their position to adhere to the rules dictated by the Tokugawa. Price-fixing and supervision harmed the liberal atmosphere of Nagasaki and Manila: private merchants' opportunities to bargain and to have contact

92 Tokugawa (1986), 'Luson no Tsubo', pp. 64-65: According to art historian Tokugawa Yoshinobu, *luson tsubo* served as generic term in the sixteenth century for all Chinese *tsubo* jars acquired by Japanese in South East Asia. He furthermore criticised how media had created a misleading picture of *tsubo* trade during the time of the *kingin no hibi*-hype, a NHK TV series of the 1960s featuring the adventures of maritime merchant Ruzon Sukezaemon.

93 Cooper (1989), 'Early Europeans and Tea', p. 116; Hideyoshi's obsession with the *tsubo* is even recorded in his biography, *Taikō ki*, first published in 1626.

94 Uehara (2006), 'Shoki Tokugawa seiken', pp. 508.

95 Yoshinaga (1972), *Shiro shitamachi*.

96 Gomi et al. (1998), *Shōsetsu nihonshi*, p. 244. In 1631 the same system was introduced for Chinese and 10 years later for Dutch traders. As for the position of Nagasaki *bugyō*, Hideyoshi created the position in 1592 and assigned it to the *daimyō* of Hizen, Terazawa Hirotaka.

with local people decreased significantly.[97] At the same time the new system enlarged the margin for smuggling between China and Japan. Time proved the success of the institution: in 1631 merchants from Osaka and Edo were allowed to join, while the Bakufu officially integrated Chinese and Dutch merchants in 1633 and 1635, respectively.

During the early years various actors understood how to make use of loopholes in the system. When ships from Manila brought Chinese raw silk in the years 1605, 1606, and 1612, the Shogun's merchants bought large amounts; brokers from Macao consequently complained about higher import duties.[98] Certain private merchants received orders from local lords and other officials. Such tactics were by no means limited to Japan. Spanish colonial officers used to commission private Japanese, Chinese, or Portuguese merchants to provide certain products, such as saltpetre or gunpowder, from Japan. Colourful examples include the Japanese merchant Silvestre Rodriguez and Li Tan, later 'captain' of the Chinese community in Nagasaki. Japanese sources also mention a 'señor' from Luzon (呂宋ノしんによる), Bartolomé de Medina, who served as a clerk in *namban* business transactions in Japan between 1602 and 1606. Cooperating with Japanese officials, they all enjoyed benefits from the silk trade.[99] Within this loose Manila-Kyushu axis, compared to Japanese and Spanish traders, unaffiliated Portuguese merchants probably made more money on a more regular basis. Portuguese residents of Manila Luis Manoel, Antonin Garces, and Jerónimo de Rocha were involved in Manila and *shuinsen* trade, and later moved to Nagasaki.[100] Official *shuinsen* records leave no doubt that Manila was one of the first and until 1616 a very important destination for outgoing vermillion-seal vessels, with a total number of 34 ships, a number only surpassed by 56 passes for Siam. However, after 1616 it degraded to a secondary destination in Japan's foreign trade, outrivaled by Hoi An, Ayutthaya and Taiwan.[101] The Bakufu was directly involved in that trade by giving orders for imports.[102]

97 Honda Masazumi on 3 May 1604. For a copy of the original, see Rekishigaku Kenkyūkai (2006), *Nihonshi shiryō*, p. 130.

98 *Dainihon shiryō*, vol. 12, no. 8, p. 652.

99 Gil (1991), *Hidalgos y Samurais*, p. 90.

100 Iaccarino (2013), 'Comercio y Diplomacia', p. 121; Luis Vilango in Cocks's diary. Other Portuguese active in the Manila trade included Jorge Pinto Barbosa, resident of Manila, who travelled to Japan with Bautista; and Domingo Pérez (Pires), native of Macao, as well as Vasco Diaz.

101 Nagazumi, *Shuinsen*, pp. 41; 48; Nagazumi (2004), 'Ayutthaya', p. 248.

102 Boxer (1963), *Great Ship*, p. 88.

Along with a decline in private trading operations in the China Seas, mutually benefitting relations with the Iberians started to soar to some extent. Controversies increased once the Japanese stood up against the latter. A particularly startling incident involved Arima Harunobu's vermillion-seal ship and Portuguese merchants. After becoming stranded in Macao on its way back from Cambodia in 1608, its crew got caught in a quarrel with the Portuguese and one Japanese crew member was killed.[103] Since the captain of the vessel carried a *shuinjō* the insult meant infringing the sovereignty of the Shogun, the Bakufu willingly approved retaliation: When the annual carrack from Macao arrived in 1610 in Nagasaki, Arima forces destroyed the Portuguese vessel *Madre de Deus*.[104] Following the harsh Japanese reaction the surprised Portuguese from Macao ratified a statement by the Nagasaki *bugyō* forcing them to renew annual commerce on terms dictated by the Japanese.[105] The incident illustrates the Bakufu's growing awareness of superiority and was a clear turning point for relations with all Europeans. With regard to the Spaniards in Luzon, the Japanese side became increasingly suspicions not least because of their solidarity with the Portuguese. Twenty years later the Spaniards confirmed Japanese suspicions when assisting the Portuguese in a strike against Japanese vermillion-seal traders in Siam.

The shift of control over maritime trade from the periphery to central Japan was all but smooth. In his first letter to Manila, Ieyasu already specifically invited the Spaniards to send ships to Uraga in Kanto, as part of his strategy to turn the region surrounding present-day Tokyo into a centre of maritime trade. Yet his plan did not materialise. Against Ieyasu's express wish, Spanish ships continued to land in Kyushu instead of Uraga: not for political reasons but rather because of force majeur, in terms of insuperable currents. Willing to comply with the Japanese ruler's demand Governor Pedro de Acuña, for instance, dispatched a small galleon, the *Santiago el Menor*, to Kanto in 1602. After an unsuccessful struggle against unfavourable winds, the vessel eventually landed in Hirado.[106] After Acuña's second attempt of 1603 failed as well, Ieyasu impatiently insisted on an explanation. When in 1604 still no Spanish ship had landed in Kanto he urged the Franciscan friar Diego Bermeo to investigate the Governor's

103 See Boxer (1963), *Great Ship*, pp. 77-78.

104 See also Clulow (2010), 'Maritime Violence', p. 84. In 1610, Arima's troops attacked the Portuguese vessel (*Nuestra Senhora da Graça*) of Andrea Pessoa and destroyed it on behalf of Tokugawa officials.

105 Murakami (ed.) (2005), *Ikoku nikki shō*, pp. 54-57.

106 Cf. Pastells (1925), *Historia General*, vol. 5, p. 17; Cabezas (1995), *Siglo Ibérico*, p. 450.

position.[107] Yet it could not be helped, not even when a letter of Shogun Hidetada made very clear that ships from Luzon were only to enter other Japanese ports when bad weather impeded a passage to Kanto.[108] By the time a ship from Luzon eventually landed in Uraga in 1608 the Bakufu had already successfully channelled overseas trade profits via their privileged merchants to Edo.[109] The Tokugawa elite had abandoned the idea of turning Uraga into an international port despite Northern European merchants' efforts in receiving permission for a stronghold in the vicinity of Edo. Unlike a few years earlier in the case of the Spaniards, the Bakufu encouraged neither the Dutch East India Company (VOC) nor the English East India Company (EIC) merchants to opt for Uraga. On the contrary, the English had to open their factory in Hirado against William Adams's insistence on Uraga.[110] When between 1610 and 1615 delegations to and from New Spain and Europe respectively left from and landed in Uraga, the port experienced a short period of international shipping.[111] Yet at that time, the more glorious days of Hispano-Japanese cooperation were already over.

Competition between Beijing and Fujian

Dialectics between central and local actors were not confined to the fledgling Tokugawa Japan but also a feature of dualism between the official of the unofficial in Ming China. Merchants, who left their native soil, became frontier traders, often linked by a common language, culture, and religion. We have reason to believe that the frontier traders, usually embedded in a clan system, whose networks were introduced elsewhere in this book, obeyed internal rules.[112] In the context of the Manila system Chinese dualism hindered both institutional transformation and reinvesting in the home economy.[113] The differences between Beijing's official policies and actual circumstances in coastal regions were, due to disintegration, bigger than in

107 AGI Filipinas 79, n. 47, 'Carta del franciscano Diego Bermeo sobre Japón', 23 December 1604.

108 Hayashi et al. (eds) (1967), *Tsūkō ichiran*, 179/574.

109 Torres-Lanzas (1928), *Catálogo*, vol. 1, p. 450.

110 Uehara (2006), 'Shoki Tokugawa seiken', p. 506. The Bakufu's decision to give up Kanto as the centre of maritime trade is striking. It seems a contradiction to assign the small Kanto-based peninsula of Miura to William Adams, designating the latter pilot of Miura as a countermeasure to Portuguese black ships' frequenting Kyushu. See also Tokoro (1989), *Komonjo*, vol. 6, pp. 168-169.

111 Gomi et al. (1998), *Shōsetsu nihonshi*.

112 Kishimito (2012), *Chiiki shakairon*, pp. 19-25. Kishimoto Mio has pointed at similarities with the system of Magreb traders described by Avner Greif.

113 Chang (1990), 'Chinese Maritime Trade', p. 74.

Japan or even Overseas Spain. In 1979, John E. Wills explored this issue in an influential paper, arguing that China's maritime zone remained peripheral because of the limited opportunities for positive interaction between profit and power at the state level. He claimed that 'Luzón and Taiwan [were] only marginally attractive as entrepôts and sources of a few mineral and other natural products, very promising for rice- and sugar-farming colonisation, but requiring a very substantial concentration of economic and military power to transport colonists and protect them from the natives.'[114] Late Ming China's maritime policies might best be summarised as a mix of 'official and elite efforts', as Roy Bin Wong has described them.[115] Now, who exactly were the 'Chinese' counterparts and trading partners of Japanese private merchants in Luzon? Lin Renchuan's study on maritime actors stressed the diversity of seagoing enterprises. At the top of his categorisation we find the feudal type, a cooperation between local nobility with the sons of poorer families, who were adopted for overseas trade.[116] One merchant group equalled a lineage organisation, whose members bore the same surname. Merchant capital derived originally from prominent land-owning families who tried to monopolise great profits by sending out relatives or servants. Becoming ever richer, the sons of gentry, military families, and merchants were able to pass the empire-wide civil examinations based on the teachings and interpretations of Confucius.[117] Merchants also gradually engaged with the literati elite. The same practice eventually led both to 'adopting foster children' and certain forms of slavery.[118] It moreover helped to circumvent trade restrictions and allowed maritime China a fluid transition from maritime prohibitions (海禁, ch. *haijin*) to 'liberal' private foreign commerce. The second category involved trade with borrowed capital and rented ships.[119] This practice integrated the entire region into maritime trade by interdependency based on the duty to pay back the loan and to declare

114 Reprinted in Wills (1979), 'Maritime China', p. 19.

115 Wong (1997), 'Confucian Agendas', p. 303, where he remarked that 'no other state in world history has ever enjoyed the challenge of creating instruments of local rule over two millennia'.

116 Lin (1990), 'Fukien's Private Sea Trade', p. 186: 'The rich and powerful families of the coastal region of Fukien had large seagoing vessels built illegally and provided venture capital, but sent their adopted sons out to sea to carry out the dangerous actual trading. Therefore we call this the feudal type of management.'

117 Elman (2002), 'Rethinking Confucianism', p. 540.

118 Ng (1983), *Trade and Society*, pp. 26-29.

119 Lin (1990), 'Fukien's Private Sea Trade', p. 189. The article summarises Lin's 1980s research on the commercial characteristics of Overseas Chinese communities. He connected the 'sprouts of capitalism' thesis to the local gentry's struggle against maritime prohibition. See also Lin (1987), *Ming mo*.

goods from overseas trade.[120] Finally, a third, independent type developed: traders who were able to engage in trade with their own capital.[121]

Late Ming sources show that on a local level, even government officials were very much in favour of permitting controlled foreign maritime exchange. For the sake of preventing piracy both outgoing and incoming trade should be encouraged.[122] Fuijianese officials and merchants took progressive initiatives and collaborated closely with European merchants, including Portuguese, Castilian, and Dutch traders.[123] Next to European-dominated port cities, illicit trade with Western merchants centred around Penghu, also known as the Pescadores – a group of 36 islets off the Western coast of Taiwan where the Ming established a patrol post in 1597 after acknowledging it as constant target of *wakō*. Lured by huge benefits from overseas trade they not only engaged in smuggling but also benefitted from licensed trade agreements.[124] Attitudes towards European trading partners evidently differed at the court in Beijing. The imperial court constantly feared foreign trade would corrupt the morals of ordinary merchants and government officials alike. Hesitation about what arrangements should be made in Fujian for the Luzon *fan* and Japanese *yi* indicate that reforms in official dealings with foreigners were frequently postponed.[125]

It has been pointed out elsewhere that the terms 'Chinese' maritime trader or 'Chinese' private merchant merely serve as auxiliary terms, whilst categories corresponding to 'Chinese' only existed outside China at that time. Yet, neither contemporary non-Chinese writers nor Western scholarship have paid much attention to the diverse origins of traders from China. Taking regional heterogeneity into consideration makes it easier to comprehend why Cantonese and Fujianese merchant groups competed

120 Lin (1990), 'Fukien's Private Sea Trade', p. 191.

121 Lin (1990), 'Fukien's Private Sea Trade', p. 192.

122 Fujian authorities described in chapter 2 of Cheng (2013), *War, Trade and Piracy*. The Dutch would be added to the list of potential threats after 1622.

123 Wade, MSL, http://epress.nus.edu.sg/msl/entry/3169 (accessed 11 March 2014); Ng (1997), 'Maritime Frontiers', p. 235: In 1608, Ming local government officials still complained about the dreadful dealings of the taxation supervisor Gao Cai, accusing him of filling his own pocket's with tax money amounting to 30,000 silver coins collected from illegal trade with the Dutch as well as people from Luzon.

124 Ng (1997), 'Maritime Frontiers', p. 245: 'In Luzon, skilled labor was in great demand, and the place attracted many Chinese migrants who could easily earn a living there with what they had learned at home.' According to a Ming primary source, 'evil people' (chien-min) monopolised profits on foreign trade because of too severe trade restrictions; Cf. Brook (2008), *Vermeer's Hat*, p. 170.

125 Wade, MSL, http://epress.nus.edu.sg/msl/entry/3191 (accessed 17 June 2013).

fiercely over foreign trade.[126] Accordingly, Fujianese traders (in particular, Haicheng merchants) tried to win the Spaniards' favour for the sake of getting exclusive access to trade in Manila. Thus they actively opposed Portuguese competition in Manila. Even Spanish officials recognised their envy, as two Portuguese vessels from Macao had arrived in Manila in 1587. Some of these Fujianese private traders went one step further in their 'monopolising' efforts by inviting the Spaniards to establish a similar settlement on Fujianese soil along the lines of the Portuguese enclave in Macao. Obviously a leading authority of Zhangzhou shared this view and was willing to issue licences for the sake of mutually safe and beneficial trade.[127] This project never materialised due to the brisk change in the late 1580s and early 1590s. In Yuegang a ship tax known as 'water prohibitions', an import tax ('land prohibitions'), and 'added provisions', a tax levied on ships returning from the Philippines, were collected from incoming and outgoing ships. From 1594 onwards, the annual tax earnings in Yuegang ranged about 30,000 taels.[128] Nevertheless, official Chinese attitudes towards maritime trade remained unstable, regardless of a rather steady number of Fujianese junks calling at Manila over the decades. In 1610, the imperial government again tried to restrict ocean-going trade and the building of tall-masted ships once it came to realise that trading with Japan had become more profitable than business in Luzon.[129] Yet this did not mean that officially China approved of trade with Japan; hence a comprehensive set of imperial prohibitions stood in sharp contrast to regular private Fujianese journeys to Nagasaki.[130] Chinese traders' rights as foreign traders manifested in several decrees issued against the background of Japan's demand for raw silk. In 1616, Ieyasu stipulated that Chinese merchants were to take up residence in Nagasaki instead of Hirado. Yet, regardless of the port of entrance (be it Nagasaki, Hakata, or Satsuma), merchants on Chinese ships had to report

126 Local competition between Quanzhou and Zhangzhou, as well as an active controversy over Xiamen, were further features of Fujianese trade with Manila, as Lucille Chia pointed out at a conference in 2011. Chia (2011), 'Beyond the Coast'.

127 AGI Filipinas 18 A, r. 5, n. 31, 'Carta de Vera sobre situación, comercio, japoneses', 26 June 1587. 'Junto a nosotros no hacemos también lo mismo en la provincia de Chincheo de adonde ellos traen tanta hacienda a esta tierra que si allá estuviese españoles enviarán a esta tierra sus haciendas con las cuales y con las que ellos traen no sería necesario que Portugueses viniesen aquí.'

128 Lin (1990), 'Fukien's Private Sea Trade', pp. 196-197.

129 Wade, MSL, http://epress.nus.edu.sg/msl/entry/3205 (accessed 17 June 2013).

130 Li (2010), *Qing dai*, pp. 26-27. According to Li's list of Chinese junks in Nagasaki, between 20 and 70 anchored each year. In some years a certain percentage was explicitly registered as 'Fujianese' vessels.

their cargo to the Bakufu, which is another indication of an increase in state-controlled trade.[131] Although Manila lost significance as a triangular port, silver from Mexico continued to flow in: and so did Fujianese traders, even if in slightly smaller numbers and with certain interruptions. Hence, the effects of Fujianese relocation must not be overestimated. After the peak years of Fujianese shipping in the first two decades of the seventeenth century, anchorage gradually declined to an average of one-third.[132]

Maritime Insecurity and Shifts in the Manila System

Over the course of the 1610s, Dutch presence in the China Seas and Spanish resentment turned Manila into a focal point of maritime conflicts. Notwithstanding Dutch merchants' inclination to use violence and menace to accomplish better trading conditions all over Asia, VOC officials accused the Spanish and Portuguese of generally applying unfair means in East Asia in their negotiations with the Shogun.[133] Indeed, the arrival of the Dutch brought a gradual change to the trading environment of South East Asian waters. The Spaniards, in turn, unrelentingly defamed the Dutch as pirates (*corsario*) whenever an opportunity presented itself.[134] Maritime and geopolitical challenges impinged upon the initially open nature of Manila as a trading port. After the first incident, the sea battle against Olivier van Noort (sp. Oliver de Noord), initially opportunistic Spaniards restricted access to Manila in a similar fashion to Seville or Veracruz.[135] After 1609, a general feeling of insecurity spread over the archipelago and the Chinese coast. Maritime insecurity lasted for several years.[136] In 1615/16 a Luso-Spanish naval intervention set out for a strike against the northern European troublemakers who planned to construct forts around the Straits of Melaka. In 1616 Juan de Silva commanded a fleet to Melaka, while the Dutchman Joris van Spielbergen arrived off the shore of Manila. Since the Spanish commander Juan de Silva died at Melaka the Spanish Armada

131 Uehara (2006), 'Shoki Tokugawa seiken', p. 506; Clulow (2014), *Company*, p. 145.

132 Chaunu (1960), *Philippines*, pp. 202-205.

133 Adams (1850), *Memorials*, p. 25.

134 Spanish propaganda in Asia frequently included the '*corsario*' discourse during the seventeenth century. In addition, inter-imperial correspondence referred to the Dutch as '*enemigo holandés*'.

135 AGI Filipinas 19, r. 3, n. 54, 'Relación de Morga de la jornada del corsario Noord', 20 November 1602.

136 AGI Filipinas 27, n. 124, 'Petición sobre comercio de Filipinas con China', 21 July 1621. The author of the petition claimed that trade with the Chinese had already stopped for three years by then.

was forced to retreat. In 1620 the Dutch attacked Manila three times and blockaded Cavite between January 1621 and May 1622.[137]

Joint Manila campaigns were feared the most. News of Dutch negotiations for collaboration with Japanese or Fujianese mercenaries further poisoned the climate. After an unfortunate sea battle off Manila in 1618, the Dutch turned to the English for support.[138] In a general council, EIC and VOC members – based in Hirado – agreed in 1620 to send ten ships.[139] The entire project was part of a larger strategic approach that included the entire China Sea region. Richard Cocks (1566-1624), head of the English factory in Hirado, was supposed to sail to the Chinese coast in advance and look out for Chinese junks and take care of them.[140] They failed and tried again in October 1621, when eight ships were sent to the 'Manillas', where they attacked passing vessels. Most of the time the Spanish eventually overcame the aggressors; sometimes they were supported by Fujianese maritime merchants.[141] Nevertheless, the Manila system hit rock bottom during an Anglo-Dutch blockade of Manila in 1622. Fortunately for the Spaniards, an even larger advance failed in 1623 after Maurice of Nassau had dispatched 13 ships to reach Manila Bay via South America. He ordered an auxiliary fleet from Taiwan and aimed at intercepting the galleon trade.[142] Dutch and English practices of naval coercion damaged Iberian and East Asian trading nations alike, yet they did not destroy them: The VOC never succeeded in creating a monopoly in trading with the Fujianese, nor in keeping the Iberians out. Moreover, cooperation between Northern European trading nations was short-lived. Not only were the English reluctant to support the Dutch after peace arrangements with Spain, but there was also the fierce rivalry between Dutchmen and Englishmen in Asian waters, which escalated in the Massacre of Ambon (1623), when several EIC merchants were executed by VOC agents.[143]

137 Borschberg (2010), *Singapore*, pp. 137-155.

138 Cocks (1883), *Diary*, p. 171.

139 Ch'en (1968), *Chinese Community*, p. 126: 'Governor Dasmariñas made every endeavour to build large galleys. This kind of ship was badly needed for the defence of the Philippines to replace lost ships, to cruise around the archipelago, to keep away the plundering English privateers and Japanese pirates, and thus to maintain the security of the sea routes between the Philippines and Mexico.'

140 Cocks (1883), *Diary*, p. 209.

141 Cocks (1883), *Diary*, p. 302.

142 Cheng (2013), *War, Trade and Piracy*, pp. 36-41.

143 Borschberg (2010), *Singapore*, p. 61.

In this rough maritime climate some Fujianese private maritime merchants accumulated large sums of silver for further investments.[144] Illegal Chinese merchant magnates such as Li Tan (李旦) or Zheng Zhilong (鄭芝龍) collected protection money from other Chinese merchants operating in the South China Sea after 1625. They were among those to benefit from the system the most, due to their flexibility.[145] Changes in maritime commerce therefore were mainly linked to the rise and fall of illicit merchant networks.[146] Sufficient negotiating skills in Japanese and Portuguese enabled Li Tan to advance as sneaky maritime merchant. To the Europeans he became known as 'Captain China'. The title reflects their respect for Li's outstanding organisation skills and power to control.[147] He accumulated essential knowledge in Macao and Manila, and after falling out with the Spaniards he cooperated with the Japanese and the Dutch. Zheng Zhilong (or Iquan in Dutch sources), another famous 'Chinese pirate', based in Taiwan during the late 1620s, was part of Li Tan's network.[148] Eventually, Li Tan, whose brother was headman of the Chinese at Nagasaki, became the chief of a pirate community in Taiwan, where he died in 1625.[149] Having inherited the leading position from Li Tan, Zheng Zhilong controlled the already impressive number of 120 ships in 1626. In 1628 the Governor of Fujian estimated that the same network had incorporated up to 1000 ships.[150]

In terms of official Chinese trade policies, the Ming Court renewed trade prohibitions in the second half of the 1620s as a reaction to the aggressive forms of trade utilised by the Dutch and an increase in smuggling.[151] With regard to Japan it is noticeable that trade with the Japanese on a local level was not affected. As indicated earlier, private merchants and captains kept their business deals with Nagasaki, including Chinese residents there. It is moreover noteworthy that local authorities did not consider the Japanese in Manila as enemies. Although the ban on maritime trade was reimposed at the end of the Ming period, Manila re-emerged a popular destination for Fujianese traders after an official relaxation of this policy in 1631.[152] During

144 According to Deng (1997), *Chinese Maritime Activity*, p. 101, 'ultrafamily business organisations' were Chinese maritime merchants' the key to success.

145 Borao et al. (2001), *Spaniards in Taiwan*, vol. 1, p. x.

146 The maritime empire of the Zheng has recently gained attention. See among others Hang (2010), *Between Trade and Legitimacy*.

147 Iwao (1985), 'Li Tan', pp. 27-83; Andrade (2006), *How Taiwan Became Chinese*, chapter 2.

148 Boxer (1941), 'Rise and Fall', pp. 401-439.

149 Cf. Slack (2010), 'Sinifying New Spain', p. 23; Kuwayama (1997), *Chinese Ceramics*, p. 16.

150 Cheng (2013), *War, Trade and Piracy*, p. 95; Chang (1983), 'Evolution', pp. 289-290.

151 Von Glahn (1996), *Fountain*, p. 123.

152 Von Glahn (1996), *Fountain*, p. 124; Elvin (1973), *Pattern of the Chinese Past*, p. 219.

that period authorities in Manila even received a Chinese delegation, asking for the continuation of trade after the interruption caused by Dutch attacks on Chinese merchant vessels on their return trip from the Philippines.[153] A random sample of the number of registered ships from coastal China shows that in 1607 and 1642, 37 and 34 ships were listed respectively. Yet fluctuations were common: 13 ships in 1620 and 8 in 1644.[154] By way of comparison, the number of only 3 Chinese junks in 1572 had increased to 20 ships in 1581.[155] While Pierre Chaunu's figures indicate that trade precipitously dropped after 1640s, William Atwell denies this.[156] Given that in 1644 the colonial government earned 113,668 pesos (18 per cent of the total income) from Chinese licences, a sharp drop in the number of incoming ships is indeed hard to imagine.[157] Yet 1639 was a good year for the mid-seventeenth century: 34 arrivals from the Chinese mainland were recorded in Manila's port registers.[158] Officially sanctioned junk trade may have been about half of the total. With the beginning of the Qing dynasty in 1644 collapse was inevitable. An average of only seven vessels reached Manila in the period 1644-1681 from Chinese ports, figures that equalled those of the 1570s.[159] In particular after 1650 the decline of trade volume was reflected in the decline in tax income for the colonial government.[160]

153 San Agustín (1698), *Conquistas*, p. 265: 'También llegó otra embajada del Mandarín o Gobernador de la Provincia de Tochen en China pidiendo la continuación del comercio, porque se había interrumpido mucho por temor de las correrías que hacían los holandeses, apresando los Champanes de China que volvían del comercio de Manila, que es para los Chinos el mas acomodado y rico, y para los españoles el más necesario por la variedad de mercadurías que conducen el señuelo de la plata que viene de la Nueva España que es el metal que mas estiman por no correr en China otra moneda, usando del precio intrínseco de este metal, sin cuño ni forma de moneda. Fue esta embajada bien despachada como sobre materia en que tanto se interesaba.'

154 Chaunu (1960), *Philippines*, pp. 222-225. Between 1663 and 1673, 104 registered Chinese vessels came to Manila; idem pp. 165, 168.

155 Cf. Ch'en, *Chinese Community*, 64-70.

156 Atwell (2005), 'Another Look', pp. 467-491.

157 Von den Driesch (1984), *Grundlagen*, p. 234.

158 Chaunu (1960), *Philippines*, p. 148.

159 Reid (1993), *Southeast Asia*, vol. 1, p. 288.

160 Chaunu (1960), *Philippines*, pp. 114-115; 123-125: Pierre Chaunu's figures indicate a significant decline in tax income from trade with the Chinese after the 1650s.