

Chapter 8

SEVILLE AND THE PACIFIC

él hace del tiempo una nave y dirige este siglo al océano,
al ancho y sonoro Pacífico, sembrado por los archipiélagos . . .
Lord del mar, la cadena española nos cierra los ojos!
Lord del mar, nos amarra los sueños la noche española!

Seville: bases and fleets

Seville's ships were confined to the North Atlantic; not so her mercantile empire, which was powerful enough to secure the absolute suppression (at least in official theory) of the flourishing and economically rational commerce between New Spain and Peru. It is true that the happy coincidence of China's thirst for silver and New Spain's argentiferous profusion, with the profits so made, enabled Mexico and Manila to stand up against Seville's pressures, despite their own conflict of interests as buyer and seller; but they were always on an uneasy defensive, compelled to justify their tampering with the sacred principles of Sevillean monopoly. Lima had no autonomous outreach on the scale of the Acapulco Galleon trade—its tentative efforts at direct Peruvian-Philippine contact were quashed, since here the interests of New and Old Spain were in alliance; Callao was, however, the focus of a thalassic commerce whose extreme reaches were at Acapulco and Concepcion. Again, Seville restricted almost to nothingness any legal outlet from Peru to the Atlantic by La Plata, logical as such an alternative outlet might seem on the map. All routes—that is, all *legal* routes—led sooner or later to Seville and its outports, whose domination was based initially on solid advantages of location and tradition, backed by international capital (especially Genoese) and the interests of local magnates such as the Dukes of Medina Sidonia.¹ The Andalusian control was exercised through the elaborate machinery of the Casa de Contratacion and the Consulado or Merchants' Guild. Except at the very beginning, it would be wrong to describe the relation as umbilical: quite soon the mother country was giving less nutriment than she received, though this in turn was being passed on to other and insatiable offspring in Europe, most notably the French and Netherlands wars, while the Genoese midwife took her toll. But clearly there was a maternal bond which became irksome to the lustier children who had adventured overseas.

Pablo Neruda, *Lord Cochrane de Chile*—'[the mariner] makes Time into a ship and drives this century to the ocean, to the broad and sonorous Pacific strewn with its islands . . . Lord of the sea, the Spanish bonds shut on our eyes! Lord of the sea, the Spanish night binds down our dreams!'

The monopoly, at least the attempted control, of Seville thus affects all but the most local economics of the Indies; one might say that its Atlantic fleets were the keys, its Caribbean bases the locks, to Spanish trade in the Pacific. This was by fiat of the Crown—not, however, an entirely arbitrary fiat of an economically irrational Crown. It was logical that somewhere in Andalusia should be the main base for the Indies trade, and within Andalusia Seville was by far the most important centre.² Concentration on the massive intake of bullion has tended to mask the fact that trade across the Atlantic was two-way, with diversified exports to supply many of the consumption and construction needs of the New World settlements; and not only was Andalusia the province with the nearest ocean frontage to the vital Trade Winds belt, she was also one of the most productive regions of Spain. The other Atlantic littoral provinces, Galicia, Asturias, Vizcaya, had a more active maritime tradition than Andalusia; indeed, they had an overwhelming dominance in ship-building, and Biscayan seamen were disproportionately to the forefront in maritime enterprise. But these mainly mountainous provinces could not compare with Andalusia either in location or general productivity. The Casa de Contratacion formed at Corunna immediately after the *Victoria*'s return, especially to handle trade with the Spiceries and backed by Cristobal de Haro, never got off the ground: it foundered before Lusian and Sevillean opposition, and its resources were diverted to 'the silver dream of the Indies', specifically to Sebastian Cabot's 1526 expedition to La Plata—which sailed from Seville.³

Indeed, when in 1529 Charles V gave permission for outward sailings to the Indies, from nine ports, mostly northern, little advantage was taken of it; perhaps the point of the concession was frustrated by the limitation that the return must be to Seville, to register cargo, but in any case there seems to have been little interest. By mid-century the need to form convoys against freebooters enforced concentration, and even had Seville not had a head-start, it would probably have been the obvious choice, together with its outports of San Lucar de Barrameda, at the mouth of the Guadalquivir, and Cadiz; in 1573, by which time the privateering menace was much greater, it was ordered that all departures, as well as returns, must be via Seville. But the city lies about 100 km up a winding river, and large ships had often to carry out some of their lading or unlading outside the San Lucar bar. Cadiz gradually began to creep up on Seville, and in 1547 received a subordinate branch of the Casa and the assignment of a third of the Indies tonnage. In the seventeenth century the increasing size of ships took Cadiz ahead, until in 1717 the Bourbon government precisely reversed the roles and statuses of the rivals: Cadiz had now the Casa and two-thirds of the tonnage, Seville the branch and one-third.⁴

The functions of the Casa have been outlined above (Ch. 3). The Consulado, founded in 1543, was a tight oligarchic pressure group, which came to have executive functions: in 1562 it took over from the Casa the collection of the *averia* or tax to pay for escort ships, and from 1573 had a direct say in organising

the convoys. As Vicens Vives says, Casa and Consulado 'were bound together by a common cause: protectionism at any price'; also by discreet family and financial ties. The price included attempts at regulating not only the direct Atlantic trade to the Indies, but its offshoots in the Pacific; we have seen one small but typical example, the ban on Peruvian wine at Panama. Apart from such meticulous official regulation, the method of control was basically the chronic undersupply of a captive bullion-rich market—although given the distance-times involved, it would have been difficult in any case to ensure smooth supply to American markets, which were usually either in glut or dearth. It is perhaps illustrative of Sevillian ways that when in 1582 it founded a Stock Exchange, the building (now, pleasingly, occupied by the Archives of the Indies) was partly financed by a small octroi-type tax: the building was finished in 1598, the tax was collected until 1826.⁵

Initially the system was in reasonable accord with the economic views of the age: a not irrational attempt at 'maximization of the limited possibilities of a backward metropolitan economy' by protective monopoly.⁶ It had a strong element of the Just Price, and a perhaps stronger one of unjust price-fixers. In the not very long run, Spanish resources proved simply not equal to the integration of a complex economy over such a vast and diversified space, or even to its basic supply. To begin with, the economy, especially in Castile which had the sole responsibility for the Indies, was badly distorted by a bias in favour of wool production, often in great latifundia, over industry and crop farming.⁷ As a consequence, the productive capacity of the metropolis was not enough to keep the colonies supplied, and there were plenty of outsiders eager to break in. The system was exceedingly vulnerable to cracks and leaks at both ends and in the middle: at the American end, by smuggling, illicit trading (on the Galleon or by La Plata), disregard of inconvenient regulations; in between, by the direct pillage of French, English, and Dutch sea-reivers, commissioned or freebooting; at the European end, by more smuggling, the infiltration of foreign merchandise and interests wearing a Spanish mask,⁸ and above all by the drain of the Habsburg wars. Martial glory and the defence of the Faith had to be paid for at rates which led to that succession of six defaults in ninety years.⁹ As with the armoured dinosaurs, the defence mechanism, until the Bourbon reforms, was usually more of the same, a hypertrophy of the protective structures.

And yet this astonishing contraption worked, however creakingly and cumbersomely, for three centuries. At the time of its foundation, probably no other European country with the power to do so would have failed to set up such an organisation; it was well adapted to the thinking of its times. Perhaps also no other country would have kept it so long scarcely modified; but the innovating spirit departed from Spain with the century. The shadow of Seville was thrown on to Pacific waters, since the rhythm of economic life from Mexico to Peru was closely bound in to the rhythm of her fleets, even if that rhythm was often more regular in theory than in practice.

As early as the 1520s merchant ships were forbidden to sail for the Indies singly, and the first royal armada was sent out in 1537. In 1543—the year of the establishment of the *Consulado*—more formal convoy regulations were promulgated, and in 1564–6 Pedro Menendez de Aviles, an able naval administrator who had been appointed Captain-General of the *Armada de la Carrera de Indias*, set up the organisation of scheduled and escorted fleets which lasted through the Habsburg era, and indeed in an attenuated and irregular form long after that.¹⁰ Menendez' policy had three parts: fortified bases in the Indies; compulsory convoys; Indies-based fighting squadrons. The last of these, obviously an essential for any really serious defence scheme, was initiated by 1598 but not effectively developed until the Dutch admiral Piet Hein had taken an entire silver fleet at Matanzas in Cuba in 1628, and even then, as we have seen, this *Armada de Barlovento* was liable to be diverted to general convoy duties. But after the shock of Drake's 1585–6 raid, when Santo Domingo and Cartagena were sacked, the fortifications were taken in hand, if with much procrastination, after a survey by a trained military engineer, Juan Bautista Antonelli—one of whose reports fell into Richard Hakluyt's hands.¹¹ Meanwhile with all its inefficiencies the convoy system, plus the occasional fast *zabra*, did good service for over a century: at Cadiz in 1656 and Santa Cruz in 1657 the English gains, though substantial, did not equal the Spanish loss. At Vigo Bay in 1702 all the silver could have been saved had not the Casa delayed the unloading by objecting to the payment of customs at Vigo instead of Cadiz, but even so (and allowing for a considerable diversion of silver to Spain's ally France), 'the 4,587,493 dollars retained by the King of Spain was a greater sum' than in any year before or after—in part because the transfer to Vigo had disrupted the normal arrangements for smuggling.¹² As a rule, the King's enemies did less damage than Acts of God; hurricane disasters were quite frequent, though better management would have avoided the hurricane season, as the regulations provided.

Outwards, there were two convoys: the New Spain *flota* for Vera Cruz, the *galeones* for Tierra Firme¹³ and the Isthmus (Fig. 25). The former normally sailed from San Lucar in May, and was usually a smaller affair than the Isthmus fleet, sometimes being escorted by only two warships. The latter usually left in August, on a rather more southerly course, with an escort of as many as six or eight large galleons; after a stop at Cartagena, whence a notice was sent to Panama and Peru, it went on to Nombre de Dios or Puerto Bello, normally reached in ten or twelve weeks from Spain. Here took place the central feature of the whole operation, the great fair where the merchandise of, or at least from, Seville met the silver of Peru. Both fleets rendezvoused at Habana in March, to victual and refit before the summer hurricane season, and then made north to pick up the Westerlies. As with the Manila Galleon, it was easier to adhere to courses than to times, and the failure of the Peruvian silver ships, despite an early warning system, to synchronise with the *galeones* (or vice versa) was a constant complaint of the merchants; as even a modern Spanish revisionist must admit,

the timings were precise, but not for long: 'Poco duro esta práctica.'¹⁴ Although of course the Camino de China and the Camino de Castilla met in Mexico City, it was through the galeones rather than the flota that Seville impinged upon the Pacific, with the Isthmus as the great interchange.

The Isthmus as portal to the Pacific

Panama has the distinction of being the first Spanish city on the Pacific, founded the day before Cortes set out from the Atlantic coast for Mexico (15 and 16 August 1519); but in the beginning its range of action was limited. As the gold and the Indians of Castilla del Oro were rapidly worked out, and Darien showed itself to be (as it still is) highly intractable,¹⁵ entradas probed north in 1522, the year in which Cortes first made contact with the South Sea; but in two or three years they came up against prior claimants to conquest on the marches of Guatemala. Thus shut in on the north, the Panama base had a far greater sphere for expansion to the south, but one much more difficult to take up, since it was guarded by a great expanse of unknown sea flanked by extremely inhospitable shores. Southern exploration also started in 1522, but it was ten years before the seizure of Atahualpa at Cajamarca put Castile in possession of another empire as fabulously wealthy as that of New Spain, and completely changed the geographical values of central America.

But this new empire lay on the Pacific, and the Portuguese held the entry by the Indian Ocean and, in Brazil, lay athwart or flanked any possible routes across South America, while the Magellanic passage was useless for continuous traffic. Thus to link Spain and Peru 'America had to be crossed, involving a certainty of illegal trade. The solution finally settled upon simply crossed America at the least objectionable place and restricted trade as much as possible.'¹⁶

'Glance-at-the-map geography', hindsight, and Panama's eventual success have focused attention on that isthmus as the pass through the barrier between Atlantic and Pacific; but there are of course several constrictions of the land between Tehuantepec and the Atrato. As we have seen, rivalry between a Nicaraguan and a Panamanian route goes back to 1522, and the precise choice of a Pacific terminal on the Isthmus itself seems to have been largely due to chance.¹⁷ Tehuantepec had its prospects; the summit level is not much over 200 metres. But the portage between rivers (Tehuantepec and Coatzacoalcos) is long and would have needed much labour, ports at either end were dangerous in the season of 'Nortes' winds (October-May) and too small for the bigger ships of the later sixteenth century, while if Vera Cruz and Guatulco were used as main terminals there would have been prohibitive breaks of bulk. The *coup de grâce* to Tehuantepec's chances came with the opening of the Philippines trade: not only was its port too small for the Galleons, but it was not so well placed as Acapulco for a direct Mexico-Manila link, or as Panama for a link between the Atlantic convoys and Peru. There was also agitation in the 1550s

for Juan Garcia de Hermosilla's projected route between Trujillo (Honduras) and Realejo, its long portages being supposedly compensated for by better going in a much more healthy and productive country than Panama. In 1560 such efforts seemed successful, since the Crown agreed to make Trujillo to the Gulf of Fonseca the isthmian crossing for trade with Peru; but 'Habit was already too strong' and the project lapsed. It was revived again in 1590, with the usual high-flown propaganda, to receive a cold douche from that objective surveyor Juan Bautista Antonelli. There were still proponents of Nicaraguan routes in the 1620s, using the only really solid argument, that sailing to Peru was much easier from Realejo than by beating out of the Bay of Panama.¹⁸ But the tangible and intangible investment in Panama was much too great to be shifted.

The great arguments against Panama were its climate, with high mortality from disease and much damage to goods and foodstuffs from the very humid heat, and, later on, the virtual impossibility, in such jungly terrain, of suppressing the *cimarrones*, the runaway black slaves who plundered—and recruited—from the *requas* or mule-trains of the portage. In the 1570s the *cimarrones* formed, in Chaunu's words, a 'counter-colony' of 3000 or more people, with subsistence agriculture, laws, and a mud-walled town which Drake's men found 'kept so clean and sweet . . . very pleasant to behold'; in these respects at least it may have improved on Panama City. These stout recalcitrants had also, of course, a high capacity for collusion internally with the Negro muleteers of the *requas*, externally with any *corsarios luteranos* who might appear.¹⁹ But in the event, once Nicaragua's Desaguadero had been tried and found wanting, nothing prevailed over the shortness and low altitude of the Panama crossing; the risk of disease and plunder-age was balanced against a speedy transit, which meant fewer halts and hence fewer opportunities for illicit trade.

Pioneers from Mexico and Panama had met by 1524–5, and so disposed of the 'doubtful strait': there was no natural channel through the barrier; yet before the end of the decade there must have been talk of making an artificial waterway. Galvão's statement that Saavedra 'if he had liued, meant to haue opened the land of Castillia de Oro and New Spaine from sea to sea'²⁰ may be hardly solid evidence: Saavedra's name would naturally come to the mind of a Portuguese Governor of the Moluccas, and he may have merely attached it to Gomara's list, which he gives, of four possible locations for a canal to shorten Spain's route to the Spiceries. It is a good list, concentrating on Panama and the Nicaraguan lakes, but adding Uraba-San Miguel and Tehuantepec as possible but more difficult, which is objective in Cortes's secretary and biographer; Gomara indeed set the priorities for nearly three centuries of debate. Both Galvão and Gomara published in the 1550s, but the former's reference suggests at least that somebody had the idea of a canal in Saavedra's day, and this is surely demonstrated by the fact that in 1534, after three surveys of the Rio Chagres in 1527–33, Charles V directed not only the clearance of obstructions as far upstream as possible, but also a feasibility study (with analysis of benefit-costs for neighbouring provinces)

of a cut joining the Chagres and the South Sea. Pascual de Andagoya reported that this was not possible, but that a road would need only fifty Negroes to make and maintain.²¹

Canal schemes now went into the discard, though in the mid-fifties and again in the mid-sixties interest in the Nicaraguan route was revived, and Gomara made the spirited claim that, despite the mountains, 'For the spice trade, for the riches of the Indies, for a King of Castile, little is impossible.' There were indeed counter-arguments, amongst others the presumed difference in sea-level between the two coasts, with unpredictable hydrodynamic implications. Fr José de Acosta SJ thought this but vain discourse, stressing rather the 'strong and impenetrable mountaines' placed by God himself as a rampart 'to withstand the furie of two seas': even were men able to pierce them, they should surely fear His vengeance for impious meddling with the divine 'framing of this vniversall world'.²² This remark was passed into legend: although a tradition grew up that Philip II took a similarly devout view and forbade, on pain of death, even discussion of a canal project, this seems a caricature of his undoubtedly intense piety, and to be conflated with an actual but very local prohibition by Philip V, in 1719, of attempts to by-pass the Cartagena customs by using the Rio Atrato! The more genuine reasons for the long lapse in serious discussion of the idea are the cost of a canal and the fact that it would provide a target for attack and hence would need special defences; in 1535, Charles V actually refers to opening a door for Portuguese or Frenchmen. The mule track dignified with the name of *el camino real* did not obviate the need for defence, but despite the fact that until well into the eighteenth century it was notoriously bad by the low standards of its time and region, '18 leagues of misery and curses',²³ the track did after all work; while a waterway, even if technologically and economically feasible, would not have avoided the breaks of bulk at each end, and the transit would probably have taken longer than by road or road-and-river, with consequently greater hazard to life, property, and the Royal Customs.

Chaunu puts it very strikingly: *before* the creation of Peru, Castilla del Oro had been functionally much the same as any other local base for Indian exploitation and further forays, and so much isolated in a disjointed and sparsely-peopled land mass as to seem insular rather than Tierra Firme; *after*, human activity is solely devoted to the passage function. After 1530, then, it became truly an isthmus, *The Isthmus*.²⁴ Before it could properly take up this role, it had to be repopulated, for the Peruvian rush had all but emptied it. This took six or seven years, until in 1538 Veragua and Panama were formed into the smallest Audiencia,²⁵ which could muster in 1570 only some 800 Spaniards, half of them in Panama City. This administration was simply to control the passage: an index of the intense concentration of traffic, wealth, and imperial interests on a few leagues of poor river and worse road. How intense can be judged from Chaunu's reckoning: from 1538-40 to the mid-seventeenth century, the Atlantic side of

this 'complexe portuaire', Nombre de Dios and Puerto Bello, accounted for 55–60 per cent of the exchanges between Spanish America and the Old World; or—even including the trade of the Manila Galleon, of Brazil, and that carried on by foreign interlopers—35–40 per cent of all the external commerce of the New World. On the Pacific side, Panama ranked next to Callao in volume of trade, far ahead of any third port, and controlled 95 per cent by value of all trade between South America and Spain, though only 40 per cent by volume. These remarkable figures were of course overwhelmingly due to Peruvian silver.²⁶

The Isthmian node really began at Cartagena:²⁷ a solid city, from 1570 on largely stone-built, with an excellent and easily fortified harbour: a port which was important in its own right as a commercial centre for Tierra Firme, despite water shortage and mediocre inland communications. So important was it in fact, and after 1580 so attractive to Portuguese merchants (always suspect as rivals to Seville, and as crypto-Jews), that in 1610 it was awarded its own Inquisition, which put it in the rank of Mexico City and Lima, since, as Chaunu remarks, only cosmopolitan places warranted this luxury. But its major functions were as a barbican, an outer guard to the Isthmus, and as the first stop of the galeones: significantly, its real foundation was in 1533, the year after Cajamarca. The fleet usually spent only a few days at Cartagena on the outward run before going on to Nombre de Dios or Puerto Bello, but it might spend weeks, depending on whether or not the silver fleet from Callao was on time at Panama: if it was not, the galeones waited at Cartagena, since health conditions were very bad at the Isthmus ports, and Nombre de Dios was practically defenceless and undefended. After the fair at the Isthmus, the fleet returned to Cartagena for refitting, which led to a ship-repairing industry that by the mid-seventeenth century had gone on to the building of galleons of 600 toneladas or more. Most of the legal South American trade not handled at the Isthmus itself was carried out during these stopovers, and without doubt covered a great deal of illegal trade.

Compared to Cartagena, a real city, Nombre de Dios was a dreadful place: the nearest thing to a good word that anyone ever said for it was Antonelli's remark that it would have been very well had the harbour been any good; but it was a bad and shallow haven, dangerously exposed and without good water.²⁸ Although at times handling about half the exchange values between the Old and the New Worlds, the 'town' had only about thirty permanent residents. Defences were derisory—the place was 'a shanty town on an open beach', not worth spending on. There were no stone buildings: since for most of the year the town was almost deserted except for a few caretakers, and then for a couple of months a mere camp for Lima merchants or their Panama factors, there was no point in building. Above all, Nombre de Dios had the notoriety of being the most disease-and death-ridden place in a region with many contenders for this bad eminence. Antonelli strongly recommended that 'this citie should be plucked downe and newly builded againe in Puerto Bello.' It took the shock

of Drake's 1596 raid, when the 'citie', such as it was, was destroyed, to compel action; Puerto Bello was the obvious resort.

Here there was an excellent harbour, nearer the entrance to the Rio Chagres; Puerto Bello became an altogether more impressive place than its discarded rival, well fortified and with good stone buildings. As regards mortality, it was not so deadly as Nombre de Dios, but bad enough, and like that wretched settlement it really only came alive when the fleet was in. In 1637 Thomas Gage was offered lodging for nothing—until the galeones came in, when he was charged six score crowns a fortnight—perhaps about \$US200, in 1946!—for a room 'but as a mouse hole'. Food became 'so excessive dear' that fish and tortoises 'though somewhat dear were the cheapest meat that I could eat'; cloths were sold not by length but by weight and paid for not in coin but in weighed silver wedges. In one day Gage counted 200 mules laden with nothing but silver ingots, which 'lay like heaps of stone in the street, without fear or suspicion of being lost.' A century later the town 'en tiempo muerto' was 'solitary, poor, full of a perpetual silence, and infusing total melancholy'; but then at the fair-time, 'this most abhorrent shore' becomes 'the Theatre and magazine of the riches of the two trades of Spain and Peru.'²⁹

Panama Viejo itself—there has always been a certain mystery about that city. To some it has been a sort of 'Golden Goa', a merchant princes' city of magnificent palaces—timber it is true, but mahogany and cedar, richly carved; to others, a mediocre town of some 500 to 700 huddled wooden houses. Nearly seventy years after it was founded, Antonelli officially reported that the royal buildings 'are all of timber and bourdes, as the other houses are'—and this included treasury and prison!—while fifty years later still Thomas Gage adds that even the churches were of wood.³⁰ The idea of Panama's splendour seems to derive from Exquemelin's glowing account of the city at Henry Morgan's sack of 1671, at which he 'himself, of necessity, was present'. The genre—really on-the-spot 'I was there' journalism—is not unknown today; *a priori*, one might expect some exaggeration, and without doubt there was some inflation in the contemporary Englishing of his tale.³¹ On the other hand, timber building is quite consistent with elegance and even luxury, and when the town was rebuilt after the disastrous fire of 1644, some at least was in stone: the ruined Cathedral tower still stands. But considering that this rebirth was in a period of deep economic depression, one must agree that 'It is tolerably clear that the city never gave the appearance of a great commercial metropolis';³² a modest Phoenix.

For all that, and despite disadvantages already mentioned, on the economic plane Panama was no mean city: well over half of the silver of the Indies must have passed through its godowns. For 1607, by which time there were two official and two private houses of stone, we can even construct a sociological 'profile' from the Audiencia's complaint of economic decline. There were 495 Spanish householders, plus 31 Portuguese, 18 Italians, 4 others, a total of 548; of

these, 29 were wholesale merchants, 21 retailers, 35 owners of the 850 mules of the requas. The rest would be clerics, royal and municipal officials, notaries, small planters and ranchers in the food-producing *umland*, artisans, sailors, soldiers. Of the 548 no fewer than 333 were single or widowers; but as it is implied that in addition to 2558 male slaves (about 1000 of them muleteers or other transport workers) there were 1138 females, one must presume that these 333 unattached white males could make do with *negras escravas*; or as Gage more picturesquely puts it (perhaps with a tang of sour grapes?), 'The Spaniards are in this city much given to sin, looseness and venery especially, who make the blackamoors (who are many, rich, and gallant) the chief objects of their lust.'³³ Indians are not counted—there were 300 or 400 families surviving in 1570—nor of course were the cimarrones within the pale of the census.

Trade relations with New Spain were practically non-existent, but Nicaragua was a main supplier of mules and provisions, and of pitch and cordage for a small ship- or boat-building or repairing industry. But essentially Panama looked to the south: to Guayaquil for cacao and fibres for ships' rigging, to Paita and northern Peru for sugar, and above all to Callao. There was some minor exchange of produce—rice from the Isthmus, maize and especially wine in return—but dominantly this was the great exchange of silver for Sevillean merchandise. In effect, Panama acted as factor between Seville and Lima, in so far as her own merchants were not simply individual factors or commission agents for the Limeños. More than any other American centre, Panama was completely locked into the Sevillean monopoly. The Audiencia in 1607 attributed the city's hard times to two things: the Manila trade, and that between Mexican ports and Callao, by which silks and luxuries from China and general merchandise from Europe (and some from New Spain itself) reached Peru.³⁴ The former certainly, the latter probably, cut into Sevillean exports or re-exports; but both undoubtedly by-passed the Panamanian intermediary.

The East Pacific trading zone

The beginning of intercolonial trade in the Pacific was, as we have seen (above, Ch. 3), the export of armed men on entrada, and their supplies. The first recorded direct voyage from New Spain to Peru was Grijalva's in 1536, ostensibly sent by Cortes to help Pizarro cope with the Inca revolt of that year, but actually planned as a trading venture (the contract was signed in Acapulco two months before the Indian attack on Lima), and possibly with the ulterior motive of intra- or trans-Pacific discovery. In fact most early ships on the Mar del Sur were owned by encomenderos or officials and intended in the first place for exploration and conquest, with trading ventures merely as side-lines to keep this capital-intensive equipment at work; they tended to be too large for profitable working in cabotage, which had to rely on snapping up small opportunities. Except for cacao, which was handled by smaller ships on narrow margins, there

was no such solid coasting trade as developed in Peru, and it was not until the 1550s that merchants and masters or pilots took over as owners: according to Chaunu, as late as 1547 the Pacific trade was basically a support for emigration to Peru. But after the mid-seventies the opening of the Manila trade (with its big *entrepôt* potential) and the burst in Peruvian silver output transformed trading conditions, and the wealthy merchants of Mexico City joined in.³⁵

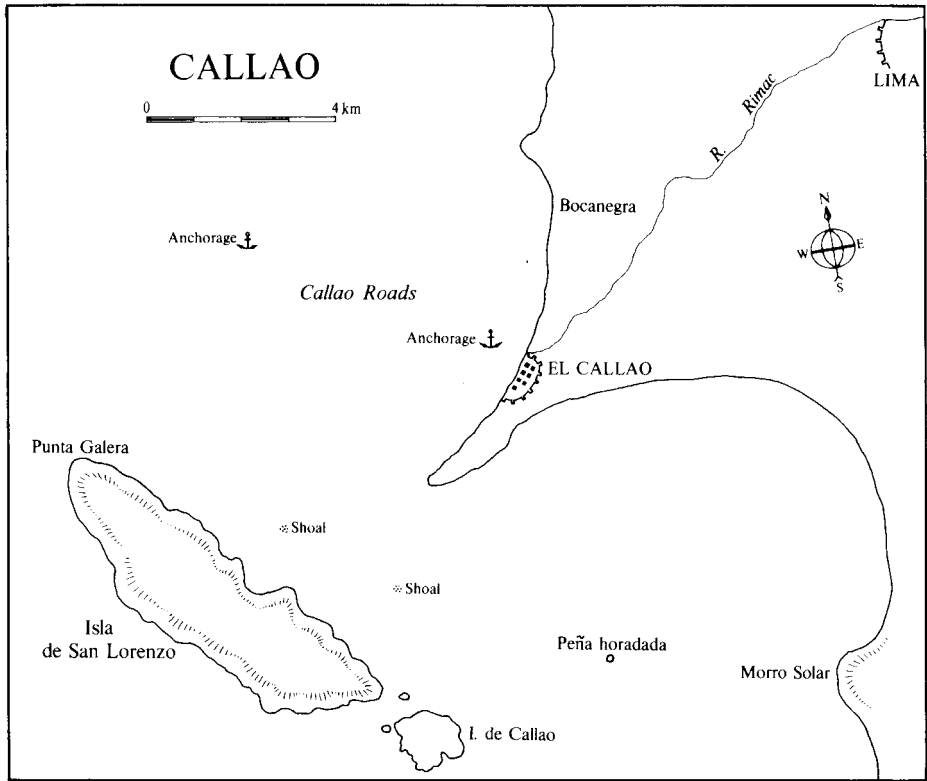
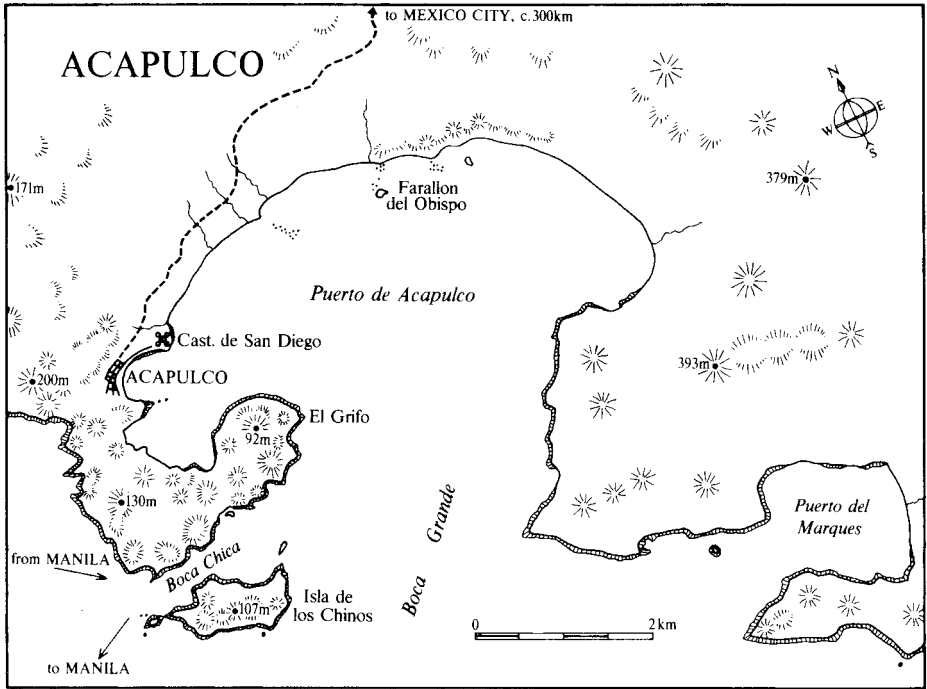
Although it is said that in exceedingly exceptional circumstances a ship might reach Paita from Panama in under a fortnight,³⁶ as a rule the set of currents and winds made the southbound journey at least two or three months, and this if started in the most favourable season, January–February (above, Ch. 5 and Fig. 13); generally speaking a ship made only one round voyage a year, if that, and passengers for Peru often disembarked in the far north and went on overland from Piura. Getting out of the Bay of Panama was particularly difficult. Nevertheless, after the 1550s sailings on the routes north of Callao were reasonably regular, and on occasion news passed between Spain and Peru more rapidly via New Spain than via Panama.³⁷

Callao, which had contacts with some two dozen ports from Acapulco to Concepcion, was the unrivalled focus for the shipping of the whole Pacific seaboard. Lying on an open bay, only 10 or 12 km from Lima, its harbour was not first class, but the long Isla San Lorenzo gave it shelter and the advantage of a double entry, from both south and north, the latter of especial value given the winds and currents; it was in Frezier's view 'the greatest, the finest, and the safest in all the South Seas', far better than the open roadsteads which were the rule along the Peruvian coast.³⁸ It lay halfway between Panama and Chile, and was an almost compulsory stop on the southwards run; until Juan Fernandez cut the Callao–Chile time to three or four weeks, a typical voyage might be three months Panama–Callao, three at Callao (careening, making up cargo, or waiting on a wind), and three more to Chile. There were usually long delays at Panama also. Hence a single round trip a year was normally the best that could be done, and probably even that needed some luck; the official silver convoys set up after Drake's raid maintained an annual service, but their individual ships had a two-year rotation. There were usually not more than three to five treasure ships a year to Panama: a modest tonnage sufficed for this high-value low-bulk cargo, while other Peruvian commodities were not valuable enough to warrant export across the Isthmus; they were handled almost exclusively by the small vessels of the local cabotage.³⁹ For the treasure, in effect a double fleet was needed to maintain yearly service, and with the recession of the seventeenth century it deteriorated: say three to five silver ships would sail one year, only one or two the next. However, the convoy system was never so rigid as in the Atlantic, since the risks were more sporadic, and much traffic was carried on by unescorted *navios sueltos* or 'free ships'. A stop at Callao was not so indispensable on the much quicker northbound run, but on the other hand there was probably no call for direct traffic Chile–Panama, even had it been officially favoured, while

there were always good commercial reasons for putting in to Callao. There was indeed only one, and that a partial, exception to the hegemony of Callao: there was some direct shipping from Panama to Arica, but this was a duty-dodging device, since Arica had customs exemptions to serve the Andean mining.⁴⁰

As for the scale of the traffic, there seem to have been between fifty and sixty ships on the Mar del Sur in 1562, of which perhaps only half a dozen were regularly engaged on the full New Spain-Peru voyage; this figure was probably doubled by the end of the century, when Callao had always about forty vessels at anchor, with a total of 250 or 300 entrances and clearances. In 1615–18, seventy-five units used the ports, fifty-two of them *navios*, the rest *barcos*, generally smaller craft which were officially supposed to keep within sixty leagues north or south of Callao. The biggest vessels were the King's galleons of the silver convoy, 200 to 400 or 500 tons; most private ships were from 60 to 135 tons, and the little coastal fregatas and lanchas ranged down to twelve or fifteen. Ships' companies, numbering anything from seven to thirty-odd all told, became far more professionalised than in the early days on the Mar del Sur of Cortes's time; but except for masters, pilots, and the notary carried on every ship, they were a rough mixed lot, with many Basques and Portuguese, not to mention Greeks, Flemings, mestizos, and Negroes. They were correspondingly despised by good Castilians, of whom exactly one is recorded amongst hundreds of known seamen. Already in 1572 it was necessary to use foreign masters and pilots for lack of Spaniards; they were heavily bonded and had to have a special licence to return to Europe, lest they should sell their knowledge and themselves to northern corsairs.⁴¹ One difficulty confronting the maritime historian is that of nomenclature: about half the ships of 1562 were either *Santiago* or *La Concepcion*. To overcome this, resort was had to nicknames: the officially styled *Nuestra Señora de la Concepcion* taken by Drake was more earthily known as *Cacafuego*; she failed signally to live up to her sobriquet, of which the standard translation 'Spitfire' is out by one consonant.

As for the commodities handled in this lively traffic, their general nature stems from the general economic development of the Pacific Indies. Passenger trade was mainly, though of course far from entirely, inwards to Peru; it ranged from great parties bringing new Viceroy's down to the trader with a handful of Negro slaves. Basically the Peruvian cabotage looked after provisioning and the exchange of primary products and obraje wares, all the way from the timber, cacao, and cotton of Guayaquil to the copper, hides, tallow, and fish (later the wheat and wine) of Chile. Callao itself was the entrepôt redistributing the merchandise brought on the long-distance truly intercolonial—or intercontinental—trade. Northwards it sent government silver for Seville, private silver for Seville or the Puerto Bello fairs or New Spain (and so much ultimately to China); sometimes, in the seventeenth century, mercury for the mines of New Spain; wine for central America and New Spain. Other exports were few and exotic: perhaps most important were drugs, especially Peruvian or Jesuits' bark,



the source of cinchona or quinine, brought to Europe in 1640 by a grateful Vicereine, the Marquesa de Chinchon, whose fever it had cured. The merchants coming to Callao from the Isthmus fairs carried a wide range of goods to spread their risks;⁴² Borah gives a full and fascinating list from which one may extract: textiles, European or Mexican, including cheap hats for Indians; dyestuffs; furniture, including even beds and writing desks; small metal wares, clocks, crockery, lacquered gourds and cups for chocolate drinking, luxury toilet utensils and cosmetics, jewellery; artisans' tools, leather goods, harness and saddlery; ointments (including salves for piles, 'a complement of the riding equipment'); ecclesiastical and devotional gear of all sorts; toys, guitars; stationery, books—a surviving list comprises mainly works of the Fathers, breviaries and so on, but also Virgil, Ovid, and Quintilian. And once the Galleon trade was opened, the wealthy of Peru increasingly used their abundance of silver to buy Asian luxuries.

This traffic, as Chaunu remarks, was not part of the world of Seville; its Asian component was indeed incongruous to the Sevillian scheme of things, even menacing to it. The conflicts and confluences of interests between Mexico, Lima, Manila, Macao, and both the public and the private sectors in Seville and Lisbon are curious and complex. It goes without saying that the Crown made every effort, counterproductive for the most part, to control and to tax intercolonial and Pacific trade: for one thing, Peruvian silver going to Acapulco meant a direct loss to the Treasury, since it avoided the '*averia* both in this sea and in the Mar del Norte' that it would have paid going to Spain by the Isthmus. The bureaucracy was naturally enough obsessed by the possibilities of fraud, and yet many of its members of necessity owed much of their living, at least their good living, to fraud; at the least and best, dependency on fees meant that they had an interest in keeping things moving despite irregularities and hence in winking at infringements, while so complicated were the rules that with the utmost good faith a merchant could hardly help breaking them. Money was the best lubricant of 'passive administration', and this institutionalised rather than personal corruption was left as a legacy to the successor Republics. There was a burdensome mass of taxes, fees, licences, evaluations, backed by heavy bonds which meant that only bigger capitalists could cope. Initiative was paralysed, and 'As the [Crown's] necessities grew, the fiscal jungle grew more and more tangled' and proliferated more regulations which were mostly 'de observación momentánea'.⁴³

Relative to Peru, New Spain was short of specie—the Crown's fiscal agencies seem to have been more efficient there, the Philippines had to be subsidised, and private fortunes were perhaps more readily returned to Old Spain; on the other hand Peru was industrially more backward and offered a good market

◀ *Figure 19. ACAPULCO AND CALLAO.* Acapulco about 1625, based on map in P. Gerhard, *Pirates on the West Coast of New Spain 1575–1742* (Glendale 1960); Callao from map in A. F. Frezier, *A Voyage to the South Sea* (London 1717).

for Mexican production. It was the merchants of Mexico City who took the initiative in the intercolonial trade, and since they also monopolised the Manila trade, Mexico rivalled Seville as an economic metropolis of the Empire. The Philippine domination was at first entirely in order from the Castilian point of view, since it was New Spain which found the heavy *situados* which alone maintained those islands for the prestige of the Faith and the Crown. This picture, from the Sevillian viewpoint, was to change drastically when remittances to Spain declined *pari passu* with the increase of those to Manila, and when not only did cheap Mexican products cut into Seville's sales at Puerto Bello, but Peru's increasing demand for the luxuries of Acapulco began to drain off her silver as well.⁴⁴ But when the question of direct Peruvian-Asian trade arose, the interests of Mexico and Seville were one. Governor Ronquillo sent two ships from Manila for Peru in 1581 and 1582; the first was lost, the second reached Callao with a cargo of silks, porcelain, spices (mainly cinnamon), and iron, the last two items on government account. The ships were sent on the authority of a royal *cédula*, ostensibly to help supply a rearmament program, in fact as a cover for trade; but as soon as the news reached Spain, any further voyages were forbidden. In 1590 Viceroy Cañete tried again, on the grounds that Peru was short of iron and copper for the mines and that goods were not coming through from Seville; but although he and other high officials had invested heavily in the venture, the ship was condemned by the officials of Asia. Again in 1618 another Viceroy of Peru pleaded for opening a silk trade with China, for fiscal reasons, but was again turned down.⁴⁵

The merchants of Lima were themselves, of course, quite willing to fight their own battles. In 1609–10 Peruleros came to Seville itself, with their own or their Lima principals' money, and bought direct, even from foreign suppliers, thus breaching the monopolistic hold of the Seville *Consulado*.⁴⁶ But the Limeños, like most men of the market, and certainly like Spain's rivals Dutch or English, had no abstract or *a priori* prejudice against monopoly, provided it were their own. There were, it is true, more rational arguments than are generally allowed for virtually sealing off Upper Peru's alternative outlet or supply line by La Plata: carrying the Potosi trade via Buenos Aires would have greatly lengthened the Atlantic leg of the total route, giving it a greater exposure to piratical attacks and demanding more shipping, and it would have meant diversion of naval resources from the Carrera—altogether a dangerous diffusion of energies. It is true again that the Portuguese and others made a very good thing out of illicit trade by this route, which became one of the major leaks in a leaky system; but this was due to no inherent advantage of the route itself, but to the insatiable demand of Potosi and the high added costs imposed by the Spanish protective system, which made smuggling profitable in almost any circumstances; as Jara puts it, this route 'created such problems of fiscal control (or better, of uncontrol) that it was thought most dangerous to the interests of the Crown.'⁴⁷ But the point is that any suggested relaxation of the ban was bitterly opposed by Lima: 'the trade of Buenos Aires was

frozen, on the demand of the Peruvians, who thus closed a continental port which would have taken from them the monopoly of Chile, Charcas, and Upper Peru.⁴⁸

There was doubtless quite as much rationale, if not more, in the decision to prohibit direct Peruvian intervention in the Asian trade; after all, it had been empirically ascertained that New Spain's relation to the circulation of winds and currents in the North Pacific approximated that of Seville in the North Atlantic, and there was now a known route which, with all its limitations, was speedier and safer than trying to develop new courses right across the wind-belts and the equatorial calms. Moreover, direct Peruvian trade meant not only a direct drain of silver, but also a competitive buying at Manila, which might well force prices up and so add to the drain. Already the activities of *Peruleros* in New Spain seemed to threaten the system of supply to *Tierra Firme*, since their heavy silver backing gave Lima something of a monopsony position. The first official reaction was to prohibit the import or sale in Peru of all goods from the Philippines; this was a dead letter until in 1587 the Court, Seville, and the *Cabildo* of Mexico City together put pressure on the Viceroy to enforce the ban.⁴⁹ Typically, the prohibition had to be reissued thrice by 1600. There were vacillations of policy in response to local and temporary dearths and gluts; the main result of restriction was probably merely an increase in the overheads for bribery. In 1604 trade between New Spain and Peru was limited to three ships a year, each of 300 tons, to carry only regional products for exchange: no specie. Penalties for infringement were severe, but naturally evasion was still the order of the day, for instance by slight re-working of Chinese goods into a New Spain product and similar tricks of the trade. In 1609 the number of 'permission ships' was cut to two of 200 tons, in 1620 to one, which could carry specie to the amount of about 300,000 pesos; it was to ply between Callao and Acapulco only, with no intermediate calls, and to bring back produce of New Spain only: and there were seventy merchants interested in the ship of 1629, with an investment of over 1,000,000 pesos! In short, it proved impossible to stop Chinese goods reaching Peru without likewise stopping all shipping between the two Viceroyalties—or even with such a ban. In 1631 a total suspension for five years was promulgated, and this was repeated in 1634. The Procurator-General for Manila at the Council of the Indies, Juan Grau y Monfalcon, put up a lengthy and strong case for re-opening—the ban was 'so menacing to the Filipinas, that it alone may prove sufficient to ruin them.' In response to his protests, in 1640 an 'Informatory decree' was issued to Bishop Palafox of Puebla, directing him

to inform me [Philip IV] very thoroughly of all that you shall ascertain and understand to be most expedient, in order that when I have considered all the reliable information in your report, I may take such measures as may be most fitting—

how small, how exceedingly slowly, ground the mills of Madrid!⁵⁰ Four years later the Council once again debated the matter: Manila, Peru, and even Mexico were now for re-opening the trade, Seville was opposed. So important a point

'necessita de resolucion', but, typically, nothing was resolved. Occasionally, when New Spain was in urgent need, a mercury ship might be sent, licensed to take a limited amount of merchandise from Callao to Acapulco; and less licit Peruvian ships continued to tap the trade from minor ports, Guatulco or even the Puerto del Marques, under 10 km from Acapulco, eventually from that very harbour: in 1685 Townley and Dampier tried, unsuccessfully, to cut the 'Lima ship' out from Acapulco itself.⁵¹ Guatemalan and Nicaraguan ports seized the opportunity provided by the ban; indeed in the 1570s a disregarded appeal had been made to have Realejo appointed as the American terminal of the Galleon trade, supplanting Acapulco itself. After the official closure of trade between New Spain and Peru, the re-export of Chinese goods from Mexico by land remained legal, and the customs of Acapulco and Guatulco were evaded by this route, to the profit of Realejo and Acajutla. However, contraband had its own channels, so well established that the share of these ports was never more than marginal.⁵² Both the illegal trade and its indefinite legal suspension lasted on into the eighteenth century—there was a reissue of the ban in 1706—to become yet another item on the agenda of Bourbon reform. The suspension was not formally rescinded—or rather itself suspended!—until 1779.

Paradoxically, the intercolonial trade had invited its official death-sentence by its success—that is, by its success in buying, however indirectly, into the intercontinental trade of the Manila Galleon.

The Philippines and the Galleon trade

Striking as it is, Wallerstein's dictum that 'in the sixteenth century, Iberia establishes *colonies* in the Americas, but *trading-posts* in Asia' over-simplifies the variety of political relations involved. It was one of the most notable Dutch rulers in the Indies who wrote of the Portuguese that

The greater number regard India as their fatherland, thinking no longer of Portugal; they trade thither little or not at all, living and enriching themselves out of the treasures of India, as though they were natives and knew no other fatherland.⁵³

Hence the stubborn and prolonged Lusian resistance to the assaults of the better-found and better-organised naval power of the Dutch; hence too, together with Albuquerque's conscious policy of integration by miscegenation, the much more marked cultural impression left by the 150 years of Portuguese rule in littoral Ceylon compared with that of the succeeding 150 years of Dutch rule. Malacca, Macao, Nagasaki may look like trading-posts pure and simple; yet perhaps only the last of these was truly one in the sense that the European factories of the seventeenth century in India, of the eighteenth at Canton, were such. From the start, the Iberian 'trading-posts' were bases not for wide political dominion but for extensive political and social influence (the latter largely mediated by religious missions) as well as trade. And if this is true of the scattered Portuguese holdings, it applies perhaps *a fortiori* to the relatively large but more concentrated

Spanish base in the Philippines, which lasted until 1898 and whose legacy of 'Hispano-Malayan Catholicism has survived the double collapse of the political and the linguistic presence of Spain.'⁵⁴

This is perhaps the key. Philip II may not actually and cold-bloodedly have made the magnificent, if Quixotic, assertion that 'for a single hermitage, in which the Holy Name of God should be maintained in the Filipinas, he would expend the whole revenue of his Kingdoms'⁵⁵—but it is significant that it could be ascribed to him, and it is certainly a highly symbolic statement. It is as certainly not consistent with a view of Iberia as merely planting trading-posts. It is of course true enough (and this is doubtless the core of Wallerstein's approach) that wide-ranging Conquistas, extensive colonies of settlement, were not possible in Asia as they were in the Americas. Entradas in Siam and Cambodia came to sticky ends, and serious contact with China and Japan soon dissipated such early dreams of glory as Sande's and Riquel's; the effectively organised and ruthless Dutch took the better part of a century to complete the subjugation of even the small island realms such as Mataram, Bantam, Makassar. By the same token, neither Spanish nor Portuguese ever displaced Asian shipping from a large share of the regional carrying trade; they ran the long-distance lines to other parts of the world, but these were fed by locally built, owned and managed craft.

But when Legazpi arrived on Cebu, the people of the archipelago had not developed for themselves political structures larger or more solid than loose associations of a few villages; 'for themselves', since in the south Islam was bringing new forms of political and social life, and here, in Sulu and Mindanao, it was not until within two or three decades of her own supersession in 1898 that Spain was able to claim anything more than the most nominal authority. North of Mindanao, however, the Spaniards found little difficulty in extending their control in the first place, and then in enlisting 'Indios' to maintain it by the repression of their fellows: in both phases they had powerful support from the spiritual arm. There was it is true much resistance—Zaide lists over a score of risings between 1574 and 1762, and this is not exhaustive—but it was sporadic, local in inspiration and leadership; there was no unity.⁵⁶ Manila *intra muros* became a central Spanish strongpoint, uneasily watching over suburbs of Indios and the more sinister-seeming Parian, a solidly Chinese town of perhaps 30,000 people in 1627; and although the encomendero system was not so central to society as it was in the Americas, over half a million Indios lived in the nearly 200 encomiendas of 1621. But the real colonisers were the clergy, who covered the islands north of Surigao Strait with over a thousand 'towns': most of them poor places, no doubt, but forming a network for cultural impregnation and social control.⁵⁷ This is hardly the work of a trading-post.

Yet, if something more than a trading-post, the Philippines were something less than a full-fledged colony, and Manila has the air of being superimposed onto the islands, not growing from them. In contrast to Anthonio van Diemen's Portuguese, the Castilians of the Philippines did not even in thought detach

themselves from Spain, still less perhaps from New Spain; and they enriched themselves not from local resources but by playing middleman between the treasures of America and the luxuries of Asia. A certain amount of gold was received from the Indios in trade or tribute, and from time to time there was a flurry of interest in reports of new finds; but nothing came of these. After the first few years, nothing was done to tap the potential of Mindanao in nutmeg and cinnamon, though the latter had formed part of one of the earliest cargoes shipped for New Spain: the local variety was inferior, but hardly enough so to warrant importing the spice from Ceylon, as was done. Intermittent attempts were made to export Indio-woven cottons to New Spain, but this industry could hardly stand up to Chinese and peninsular Indian competition even on its home ground. Tobacco seeds were brought from Cuba before 1600, and in 1641 Governor Corcuera presented the Viceroy of New Spain with two chests of Manila cigars; but the great days of their world fame, when the tobacco monopoly became the chief source of government revenue, had to wait until late in the eighteenth century. Some indigenous products—honey, wax, deer-skins, civet cats—went to Japan; China was as yet, and would long remain, sublimely independent of European wares. So by and large the exports of the Philippines were re-exports, to such an extent that when Grau y Monfalcon says that the islands ‘abound in copper’ while ‘the quicksilver of the Filipinas’ is of no less importance, the context makes it clear that he is speaking of imports from China. The lure of the super-profitable entrepôt trade stifled all other enterprise.⁵⁸

‘The manifest lists of the galleons are a veritable catalogue of the products of the Orient’, and after over a page of enumeration of the rarities brought from China, Morga gives up: ‘to recount all would mean never finishing, nor would even masses of paper suffice for the task.’⁵⁹ More prosaically, Guzmán-Rivas classifies the main lines exported to New Spain: food products—spices and later tea (both re-exports), palm wine; raw materials and drugs—amber, benzoin, borax (from inner China), Manila hemp, raw cotton and silk, iron, sandalwood, dyestuffs, tin, wax; manufactures—ceramics, many lines in silk and cotton textiles, jewellery, escritaires, screens, fancy boxes, and all sorts of curios and knick-knacks, chinoiserie in short. Obviously, with China and tropical Southeast Asia at hand to supply the luxuries of life, Japan the necessities such as iron, copper, lead, saltpetre, and Chinese artisans at Manila itself to provide domestic comforts, clothes, and furnishings, there was little call to import consumption goods from across the oceans. Some such there were, cacao and cochineal from New Spain, from Old ‘peculiarly national goods’ such as olive oil, wine, and books; but returns ‘were of so little bulk that the galleon virtually sailed in ballast.’ Basically the trade remained the exchange of silver for silk, much of which reached Europe itself.⁶⁰

The effect of the Galleon trade in Asia, strictly commercial exchanges apart, was essentially to maintain the Spanish presence in the Philippines; Spanish action

outside those islands (the Japanese and later the Marianas missions excepted) was military and ineffectual; the Portuguese seem to have had more intimate contact with local populations, over a wider field, and hence much more of a cultural impact. In the Philippines themselves, of course, things were different. Apart from direct religious indoctrination, romances such as those of Charlemagne and the Twelve Peers inspired Tagalog verse narratives, and there were many linguistic borrowings—over 150 plant names, hundreds of personal names.⁶¹ Plants introduced via the Pacific included acacias, capsicums, groundnuts, papaya, indigo, manihot, tobacco; maize was probably already in Southeast Asia before any Spanish introduction. The agave or maguey was also brought in, but its use for *pulque*, the universal fermented drink of Mexico, did not catch on; rather the Indios who came to New Spain corrupted the natives of Colima and Acapulco by introducing them to *tuba* or palm ‘wine’: this was distilled, ‘as strong as brandy, [so that] they crave it rather than the wine of España’, a manifest menace to the vintners of Spain (and probably Peru!). This apart, there was little plant transferral from Asia; in contrast to the westbound sailings, the cold on the northern reaches of the eastwards run was probably enough to inhibit success with seedlings, which were space- and labour-demanding on the tight-packed ships to Acapulco; in any case, such traffic was not likely to appeal to the Manileño penchant for large profits and quick returns. There is a possible Japanese influence, dating from Vizcaino’s times, on house-types in Michoacan, and more definite Malayan and Chinese motifs in ornamental glazed tiles (*azulejos*) and jars made for the mass market in New Spain. There were also some thousands of Chinese and Filipino immigrants, either as slaves or as Indio crewmen deserting the Galleon after the inhuman treatment and climatic rigours of the voyage. This seems to be almost the total cultural influence of the trans-Pacific trade in New Spain.⁶² Indeed, if we wished to find a trading-post in connection with the Galleon route, we might find it on American rather than Asian shores: Acapulco was entirely a town of trade, and that concentrated on the *feria* when the Galleon was in. As in Puerto Bello, there were then a few weeks of frantic activity, a milling population of 12,000 or so, rich and poor, officials and seamen, merchants and muleteers, clergy and slaves; afterwards, as all who could afford to do so fled the stifling cauldron-like bay, the lowly permanent residents—Indians eastern and western, Negroes, Chinese, and all possible combinations—relapsed into months of monotony under the brazen sky of the *tierra caliente*.⁶³

The Galleon trade: its geopolitical economy

‘Manila remained all this time the meeting ground, halfway round the world, of the heirs of Columbus and Vasco da Gama: a triumph of maritime communication in defiance of probability.’⁶⁴ The meeting was never without some tension, and this is a *leitmotiv* of the first forty years of the seventeenth century. For the first fifty, until the news came that by the Treaty of Munster (1648) the Spanish Crown had at last admitted reality and recognised the independence of

the northern Netherlands, there was a deeper burden: for throughout this period the Philippines were a beleaguered outpost, exposed to almost constant Dutch attacks. There was an offensive triumph at the beginning, Acuña's Moluccan expedition of 1605–6, and a defensive triumph at the end, 'La Naval de Manila' in 1646; but most of the actions between these dates, though generally successful, were in fact the *reactions* of a tough but hard-pressed static garrison. The Dutch pressure must be borne in mind as a persistent abrading factor, a tide constantly returning to beat upon the coast. The tone of the times can be caught from the Jesuit annual letter for 1618–19:

The Hollanders came to these islands with their fleet of five galleons to plunder the Chinese ships, as they have done in former years. The fleet entered the Bay of Manila . . . [and] went back and forth on these seas just as if it were at home. But its appearance caused so little disturbance that everything remained as quiet as before, which illustrates the force of habit. . . .⁶⁵

Paradoxically, the Dutch rush to the Indies, East and West, was expedited by Philip II himself. In a desperate attempt to cut off that trading with the enemy which was at once a running sore and a necessary nourishment of his own war effort, Philip in 1585 and again in 1595 closed Iberian ports to the shipping of England and the United Provinces, on the second occasion seizing some 400 Holland and Zeeland ships. It is highly likely that both countries, sooner rather than later, would have tried to tap the trade of the Indies at source—the English had already sought to find both a Northwest and a Northeast Passage to the Orient, the Dutch the latter only—and Philip's action by itself was neither a necessary nor a sufficient cause of the Dutch expansion. But it was a stimulus, a straight challenge, and with the confidence born of twenty or thirty years of privateering, good geographical intelligence, and a wealth of ships and shipping skills, the Netherlanders turned enthusiastically to direct long-distance trade. By mid-1596 the first fleet from the Texel had reached Bantam, and by the end of the century sixty-five Dutch ships had been sent out, all but eleven of them returning safely, and most of them profitably.⁶⁶

In March 1603 one of their commanders, Jacob van Heemskerck, was not doing too well in legitimate trade: there was already too much competition amongst the Hollanders, and indeed just twelve months earlier, in March 1602, the seal had been affixed to the charter of the association designed to limit it, the famous *Vereenigde Oost-Indische Compagnie* or VOC. But that was on the other side of the world, and hearing of two carracks on their routine voyage from Macao to Malacca, van Heemskerck fell upon them and took the 1500-ton *Santa Catharina*. This was indeed a prize: Japanese copper, American silver, Chinese porcelain and above all silks, to the value of over 1,200,000 pesos, making this one of the richest single captures of the age. The news did not reach Macao, brought by a Japanese junk, until July; and the same evening two Dutch ships entered the port and took a carrack already laden for Japan.⁶⁷

Macao now faced probable disaster: 'In a few years, the cunning and complex net which, from Lisbon to Macao and the Moluccas, held the Indian Ocean in the bonds of Portuguese trade, was torn to shreds . . . Macao was condemned to death, unless she could adapt herself; and she adapted.' The Macaonese were risk-takers in a sense the Manileños were not, versatile and persistent traders, as the career of Francisco Vieira de Figueiredo shows. By 1604 their ships had entered directly into the Manila trade, hitherto carried entirely in Chinese bottoms, taking over much of the high-value low-bulk *trafic de choix*. From 1618, the Dutch blockades were countered, with a good deal of success, by using numbers of lighter and handier galliots instead of the annual carracks; the Straits of Formosa were more difficult for the Dutch to block than those of Malacca, and so long as relations with the Japanese Court remained good (and nobles from the Shogun down had investments in Portuguese cargoes) the Dutch were held in check by diplomatic pressures. The Great Ship from Amacon was no more, but the traffic went on. The Portuguese came to be regarded by the Spaniards as masters of the Philippines;⁶⁸ but, just as with the intercolonial trade on the other side of the Pacific, the success of this trade—not between two Viceroyalties but between two Empires, albeit under one Crown—imperilled, or seemed to imperil, the whole system. It raised, even more acutely than before, the question of the 'drain'.

In the earlier years of the Union of the Crowns it was the Portuguese who feared trespass from Manila across the invisible boundary, arguing that all the treasure would go from New Spain to China, none to Old Spain, and even a Spaniard—although a bishop, and hence an enemy of Francisco Tello—could say that the Governor's shipment to China could utterly ruin Macao and with it the Japanese mission and all Luso-Castilian interests in the Orient, 'for all these affairs are moved but by one wheel, namely, Macan.'⁶⁹ It was on Lusian insistence that the Manila-Macao trade was banned in 1593, since at this time the Portuguese could freely send Japanese silver not only to China but to their Indian Ocean trading zones. But from 1605 the Malacca Straits were always liable to Dutch blockade, and in 1612 and 1613 there were premonitions of religious troubles in Japan, where the VOC had recently (1611) established a factory at Hirado. Access to the Manila trade thus became vital to Macao just as that trade was coming under attack; as we have seen, the Cabildo of Mexico City was early on the scene with complaints. Its real concerns were probably the cutting-in of Peruvian merchants and the competition of Chinese with Mexican goods, but it was of course more tactical to express great anxiety over the silver drain; it alleged that in the peak year of 1596 this amounted to no less than 12,000,000 pesos; actually a quarter of that amount was probably exceptional, though of course even this reduced figure was six times the legal limit—when Anson took the Galleon in 1743, she was carrying about 1,300,000 pesos, plus 35,582 ounces of silver—some of it disguised as cheeses!⁷⁰ Sevillian hostility could be taken for granted, but Lisbon interests also saw in the Manila-Macao link a squandering into China of silver needed for the Indian Ocean trade, and

condemned the Manileños for reckless competitive bidding and a general forcing up of prices. Nevertheless, the trade across the South China Sea was flourishing until the early 1620s, when, on any reckoning, New Spain's silver output began to drop. The position was clearly seen by Grau y Monfalcon in 1637: the fall in trade that then set in was due to monetary inflation succeeded by declining output of precious metals, decrease in the number of Indians considered both as consumers and as workforce, falling purchasing power offsetting the increase in the number of Spaniards, and the high imposts, increasing averia, and fear of sequestrations and forced loans.⁷¹ The Dutch establishment of Fort Zeelandia in Formosa (1624), inside the Manila-Macao-Nagasaki triangle, of course did not help.

Even before this decline, drastic action to stop the drain had been requested by the Consulado of Seville—nothing less than the prohibition of Mexican trade to the Philippines, replacing it by direct trade between Spain itself and the archipelago, via the Cape of Good Hope. This was countered, ably and at length, by the Marques de Montecarlos, who pointed out that there were many other leaks, and at least 'the Chinese do us no other harm than to keep the silver', unlike 'the French and the rebels [who] are so skilful in getting this product away from us'; the Pacific route was more secure.⁷² Administrative measures were tried: in 1635 Pedro de Quiroga was sent to Acapulco to enforce the legal limits, which he tried to do *inter alia* by the outrageous procedure of insisting on opening boxes and bales to see that their contents conformed to the consignor's sworn statement. The row was tremendous: there was a shipping strike at Manila, and for two or three years no laden Galleon reached Acapulco. Quiroga was snubbed and died in disgrace, and reform died with him.⁷³

Proposed remedies were many, and conflicting. Grau y Monfalcon argued for lower imposts and fewer restrictions; he admitted that others stood for an opposite policy. In 1619 the Dominican Diego Auduarte put forward a drastic solution: forbid the Macaonese to trade with Japan, so that they would simply have to move to somewhere else in Portuguese India, where they would be more useful: there were only about 300 anyhow, an independent and irresponsible lot and 'evil examples'; Manila could take over the Japan trade and the conversion of China. The proposal was referred to Governor Fajardo, who thought that the Dutch or English would seize the place, destroying the Galleon trade; perhaps better to move the Macaonese to northern Luzon or Formosa, to keep open the Japan trade, but then again any action would be most difficult, and, on the whole, the time was not ripe for a definite decision. . . .⁷⁴

On an opposite tack, there were suggestions for exchanging the Philippines for Brazil, or even for abandoning them altogether, as a fiscal and strategic liability. This of course was all but unthinkable, and the Manileños' spokesmen in Madrid, Rios Coronel and Grau y Monfalcon, loosed salvos of counter-reasons, sacred and profane: first, the islands were as a firm column, a strong rock, whereby the Faith may be propagated and the heretics, Moors, and heathen broken; then

they were necessary as a base to defend the Spiceries; they forced the Dutch to divide their forces and so they protected the whole of India, and indirectly the Spanish Main as well; victories in the Filipinas added to the honour and profit of the Crown, and cemented the fraternal union of Castile and Portugal; 'on the preservation of these islands depends that of the China trade'; and finally, if from Philippine expenditures were deducted those properly attributable to general imperial purposes (such as the defence of the Moluccas), then the Manila establishment was not so expensive after all.⁷⁵ Between the suppression of Macao and that of the Galleon trade, which it was understood on all hands would destroy the *raison d'être* of the Philippines, a wide variety of compromises was canvassed, their particular biases depending on whether their promoters thought the Macaonese, the Manileños, or the Mexicans were the villains of the piece. Chinese goods might be taken to Japan, whence so much silver 'is and may be obtained' to stop the drain from America; or the Philippines should be confined to paying for Mexican imports with their own local gold. And so on, and so on . . . Little wonder that Philip III, anything but a strenuous or intellectual monarch, minuted wearily 'All has been carefully considered, but the remedy is not easy.'⁷⁶

In the 1620s Macao and Manila seem to have had a momentum of their own, since all the time the trade between them was officially without the law, and yet officialdom itself was often drawn in, by the mere necessities of the case. The semi-autonomy of the Senate of Macao may have accounted for something in this, as also of course the distance-time from Lisbon and Madrid; but the essence of the situation was that the fortunes of the two cities were bound together: if 'the ships from China do not come', there would be nothing for the Galleons. Both contributed to the cost of defending the communications between them.⁷⁷ Yet the tension remained, and became more acute with the depression in Mexican mining; it was exacerbated by mutual resentments stemming from the missionary rivalry in Japan, and doubtless by the reflex of events in the homeland, or rather the homelands. By 1624 Olivares had planned the 'Union of Arms'—in itself a sensible, even statesmanlike, proposal to pool Iberian resources in face of common danger, but in peninsular circumstances one bound to strain the loyalties of the non-Castilian realms, traditionally jealous of their ancient privileges; it was to lead by 1640 to secessionist revolt in Catalonia, revolution in Portugal. It had its reflection in the Orient: in 1630 Governor Niño de Tavora wrote to the King on the advantages of a 'union of posts and arms in the South Sea', but he had to admit that auditors and citizens bitterly opposed the experienced and meritorious, but Portuguese, Diego Lopez Lobo as admiral: 'I am not aware that it is a crime or a demerit to be a Portuguese.' (This was in face of a feared joint attack by Dutch and Japanese; nor did Tavora receive much help from the Viceroy in Mexico, who sent ninety men, little money, and gratuitous advice to reduce the military establishment—'he does not know what it means to have Dutch enemies about us . . .') Malacca and Macao should be joined with Manila; otherwise there was little hope for the Indies.⁷⁸

As silver output continued to fall in the next decade, the 1630s, crisis deepened; with a smaller cake to share, the old links of interest began to snap. The complaints against the men of Macao, regarded as bigger profiteers than even the Sangleys, became more bitter, until in 1632 seventeen articles, leading up to a demand for the total prohibition of Portuguese trade at Manila, were adopted, unanimously, by the Manila town council. Two years later, on the insistence of Grau y Monfalcon, royal decrees were issued for the enforcement of the old law, though perhaps the expression was not so stringent as it might have been; and in 1636 the Governor reported that trade with Macao had in fact been banned. The natural result, of course, was that the Sangleys, who had always carried the bulkier portion of the trade, moved in on the rest; and not only that, but Spanish ships put into Macao, with or without the excuse of stress of weather, and drove a roaring trade. Even the Governor of Formosa tried to smuggle so blatantly from Macao harbour that he had to leave under fire from its defences, while in 1637 the Acapulco Galleon itself put in. After the expulsion from Japan in 1639–40 the Macao Senate tried to get their trade to Manila licensed, or even extended to the Americas:

They pointed out that the rigid enforcement of the royal prohibition in 1633–34, had merely diverted the treasures of Potosi from the pockets of His Catholic Majesty's subjects at Macao into the coffers of the heathen Chinese at Canton and Amoy. 'Better to give the bread to the children than to the dogs' they protested, but by the time this remonstrance reached Europe, their liege lord was no longer King Philip of Hapsburg but King John of Braganza.⁷⁹

Perhaps in the end the divorce was a relief to both parties.

The fall of Malacca to the Dutch in 1641 cut Macao off from Goa and the rest of the Estado da India; with remarkable resilience the Macaonese turned to Indochina, Makassar, and Timor, fitting themselves into the regional carrying trade and surviving as an almost indigenous element; as Anthonio van Diemen put it, as if 'they knew no other fatherland.' The Galleon, supported now by the American market, continued to carry silk to New Spain and indirectly to Peru; Mexican competition in silks was all but eliminated.⁸⁰ But the mastery of the Indonesian and China Seas was falling to the Dutch and the Mar del Sur itself was no longer *mare clausum*: it was still a Spanish lake, but one increasingly traversed by English and Dutch keels.