

Asian Commerce

Although European commerce in the Indian Ocean and the South China Sea created new linkages between East and West, historians have sometimes exaggerated their impact on Asian societies during the early modern era. Certainly the European presence was far less significant in Asia than it was in the Americas or Africa during these centuries. European political control was limited to the Philippines and a few of the Spice Islands. To the great powers of South and East Asia—Mughal India, China, and Japan—Europeans represented no real military threat and played minor roles in their large and prosperous economies. Japan provides a fascinating case study in the ability of major Asian powers to control the European intruders.

When Portuguese traders and missionaries first arrived on that island nation in the mid-sixteenth century, soon followed by Spanish, Dutch, and English merchants, Japan was plagued by endemic conflict among numerous feudal lords, known as *daimyo*, each with his own cadre of *samurai* warriors. In these circumstances, the European newcomers found a hospitable welcome, for their military technology, shipbuilding skills, geographic knowledge, commercial opportunities, and even religious ideas proved useful or attractive to various elements in Japan's fractious and competitive society. The second half of the sixteenth century, for example, witnessed the growth of a substantial Christian movement, with some 300,000 converts and a Japanese-led church.

By the early seventeenth century, however, a series of remarkable military figures had unified Japan politically, under the leadership of a supreme military commander known as the *shogun*, who hailed from the Tokugawa clan. With the end of Japan's civil wars, successive shoguns came to view Europeans as a threat to the country's newly established unity rather than an opportunity. They therefore expelled Christian missionaries and violently suppressed the practice of Christianity. This policy included the execution, often under torture, of some sixty-two missionaries and thousands of Japanese converts. Shogunate authorities also forbade Japanese from traveling abroad and banned most European traders altogether, permitting only the Dutch, who appeared less interested in spreading Christianity, to trade at a single site. Thus, for two centuries (1650–1850), Japanese authorities of the Tokugawa shogunate largely closed their country off from the emerging world of European commerce, although they maintained their trading ties to China and Korea.

Despite the European naval dominance in Asian waters, Asian merchants did not disappear. Arab, Chinese, Javanese, Malay, and other traders benefited from the upsurge in seaborne commerce. Chinese merchants, for example, continued to carry most of the spice trade from Southeast Asia to China. Overland trade within Asia remained wholly in Asian hands and grew considerably. Christian merchants from Armenia were particularly active in the overland commerce linking Europe, the Middle East, and Central Asia. Tens of thousands of Indian merchants and moneylenders, mostly Hindus representing sophisticated family firms, lived throughout Central Asia, Persia,

and Russia, thus connecting this vast region to markets in India. These commercial networks, equivalent in their sophistication to those of Europe, continued to operate successfully even as Europeans militarized the seaborne commerce of the Indian Ocean.

Silver and Global Commerce

■ Significance

What was the world historical importance of the silver trade?

Even more than the spice trade of Eurasia, it was the silver trade that gave birth to a genuinely global network of exchange (see Map 15.2). As one historian put it, silver “went round the world and made the world go round.”⁷ The mid-sixteenth-century discovery of enormously rich silver deposits in Bolivia, and simultaneously in Japan, suddenly provided a vastly increased supply of that precious metal. Spanish America alone produced perhaps 85 percent of the world’s silver during the early modern era. Spain’s sole Asian colony, the Philippines, provided a critical link in this emerging network of global commerce. Manila, the colonial capital of the Philippines, was the destination of annual Spanish shipments of silver, which were drawn from the rich mines of Bolivia, transported initially to Acapulco in Mexico, and from there shipped across the Pacific to the Philippines. This trade was the first direct and sustained link between the Americas and Asia, and it initiated a web of Pacific commerce that grew steadily over the centuries.

At the heart of that Pacific web, and of early modern global commerce generally, was China’s huge economy, and especially its growing demand for silver. In the

Map 15.2 The Global Silver Trade

Silver was one of the first major commodities to be exchanged on a genuinely global scale.



1570s, Chinese authorities consolidated a variety of tax levies into a single tax, which its huge population was now required to pay in silver. This sudden new demand for the white metal caused its value to skyrocket. It meant that foreigners with silver could now purchase far more of China's silks and porcelains than before.

This demand set silver in motion around the world, with the bulk of the world's silver supply winding up in China and much of the rest elsewhere in Asia. The routes by which this “silver drain” operated were numerous. Chinese, Portuguese, and Dutch traders flocked to Manila to sell Chinese goods in exchange for silver. European ships carried Japanese silver to China. Much of the silver shipped across the Atlantic to Spain was spent in Europe generally and then used to pay for the Asian goods that the French, British, and Dutch so greatly desired. Silver paid for some African slaves and for spices in Southeast Asia. The standard Spanish silver coin, known as a “piece of eight,” was used by merchants in North America, Europe, India, Russia, and West Africa as a medium of exchange. By 1600, it circulated widely in southern China. A Portuguese merchant in 1621 noted that silver “wanders throughout all the world... before flocking to China, where it remains as if at its natural center.”⁸

In its global journeys, silver transformed much that it touched. At the world's largest silver mine in what is now Bolivia, the city of Potosí arose from a barren landscape high in the Andes, a ten-week mule trip away from Lima. “New people arrive by the hour, attracted by the smell of silver,” commented a Spanish observer in the 1570s. With 160,000 people, Potosí became the largest city in the Americas and equivalent in size to London, Amsterdam, or Seville. Its wealthy European elite lived in luxury, with all the goods of Europe and Asia at their disposal. Meanwhile, the city's Native American miners worked in conditions so horrendous that some families held funeral services for men drafted to work the mines. One Spanish priest referred to Potosí as a “portrait of hell.”⁹

In Spain itself, which was the initial destination for much of Latin America's silver, the precious metal vastly enriched the Crown, making Spain the envy of its European rivals during the sixteenth century. Spanish rulers could now pursue military and political ambitions in both Europe and the Americas far beyond the country's own resource base. “New World mines,” concluded one scholar, “supported the Spanish empire.”¹⁰ Nonetheless, this vast infusion of wealth did not fundamentally transform the Spanish economy, because it generated more inflation of prices than real economic

Potosí

This colonial-era painting shows the enormously rich silver mines of Potosí, then a major global source of the precious metal and the largest city in the Americas. Brutally hard work and poisonous exposure to mercury, which was used in the refining process, led to the deaths of many thousands of workers, even as the silver itself contributed to European splendor in the early modern era. (Courtesy, The Hispanic Society of America)



growth. A rigid economy laced with monopolies and regulations, an aristocratic class that preferred leisure to enterprise, and a crusading insistence on religious uniformity all prevented the Spanish from using their silver windfall in a productive fashion. When the value of silver dropped in the early seventeenth century, Spain lost its earlier position as the dominant Western European power.

Japan, another major source of silver production in the sixteenth century, did better. Its military rulers, the Tokugawa shoguns, used silver-generated profits to defeat hundreds of rival feudal lords and unify the country. Unlike their Spanish counterparts, the shoguns allied with the country's vigorous merchant class to develop a market-based economy and to invest heavily in agricultural and industrial enterprises. Japanese state and local authorities alike acted vigorously to protect and renew Japan's dwindling forests, while millions of families in the eighteenth century took steps to have fewer children by practicing late marriages, contraception, abortion, and infanticide. The outcome was the dramatic slowing of Japan's population growth, the easing of an impending ecological crisis, and a flourishing, highly commercialized economy. These were the foundations for Japan's remarkable nineteenth-century Industrial Revolution.

In China, silver deepened the already substantial commercialization of the country's economy. In order to obtain the silver needed to pay their taxes, more and more people had to sell something—either their labor or their products. Communities that devoted themselves to growing mulberry trees, on which silkworms fed, had to buy their rice from other regions. Thus the Chinese economy became more regionally specialized. Particularly in southern China, this surging economic growth resulted in the loss of about half the area's forest cover as more and more land was devoted to cash crops. No Japanese-style conservation program emerged to address this growing problem. An eighteenth-century Chinese poet, Wang Dayue, gave voice to the fears that this ecological transformation wrought:

Rarer, too, their timber grew, and rarer still and rarer
As the hills resembled heads now shaven clean of hair.
For the first time, too, moreover, they felt an anxious mood
That all their daily logging might not furnish them with fuel.¹¹

China's role in the silver trade is a useful reminder of Asian centrality in the world economy of the early modern era. Its large and prosperous population, increasingly operating within a silver-based economy, fueled global commerce, vastly increasing the quantity of goods exchanged and the geographic range of world trade. Despite their obvious physical presence in the Americas, Africa, and Asia, economically speaking Europeans were essentially middlemen, funneling American silver to Asia and competing with one another for a place in the rich markets of the East. The productivity of the Chinese economy was evident in Spanish America, where cheap and well-made Chinese goods easily outsold those of Spain. In 1594, the Spanish viceroy of Peru observed that "a man can clothe his wife in Chinese silks for [25 pesos],

whereas he could not provide her with clothing of Spanish silks with 200 pesos.”¹² Indian cotton textiles likewise outsold European woolen or linen textiles in the seventeenth century to such an extent that French laws in 1717 prohibited the wearing of Indian cotton or Chinese silk clothing as a means of protecting French industry.

The “World Hunt”: Fur in Global Commerce¹³

In the early modern era, furs joined silver, textiles, and spices as major items of global commerce. Their production had an important environmental impact as well as serious implications for the human societies that generated and consumed them. Furs, of course, had long provided warmth and conveyed status in colder regions of the world, but the integration of North America and of northern Asia (Siberia) into a larger world economy vastly increased their significance in global trade.

By 1500, European population growth and agricultural expansion had sharply diminished the supply of fur-bearing animals, such as beaver, rabbits, sable, marten, and deer. Furthermore, much of the early modern era witnessed a period of cooling temperatures and harsh winters, known as the Little Ice Age, which may well have increased the demand for furs. “The weather is bitterly cold and everyone is in furs although we are almost in July,” observed a surprised visitor from Venice while in London in 1604.¹⁴ These conditions pushed prices higher. The cost of a good-quality beaver pelt, for example, quadrupled in France between 1558 and 1611. This translated into strong economic incentives for European traders to tap the immense wealth of fur-bearing animals found in North America.

Like other aspects of imperial expansion, the fur trade was a highly competitive enterprise. The French were most prominent in the St. Lawrence valley, around the Great Lakes, and later along the Mississippi River; British traders pushed into the Hudson Bay region; and the Dutch focused their attention along the Hudson River in what is now New York. They were frequently rivals for the great prize of North American furs. In the southern colonies of British North America, deerskins by the hundreds of thousands found a ready market in England’s leather industry (see Map 15.3).

Only a few Europeans directly engaged in commercial trapping or hunting. They usually waited for Indians to bring the furs or skins initially to their coastal settlements and later to their fortified trading posts in the interior of North America. European merchants paid for the furs with a variety of trade goods, including guns, blankets, metal tools, rum, and brandy, amid much ceremony, haggling over prices, and ritualized gift-giving. Native Americans represented a cheap labor force in this international commercial effort, but they were not a directly coerced labor force.

Over the three centuries of the early modern era, enormous quantities of furs and deerskins found their way to Europe, where they considerably enhanced the standard of living in those cold climates. The environmental price was paid in the

■ Change

Describe the impact of the fur trade on North American native societies.



Map 15.3 The North American Fur Trade

North America, as well as Russian Siberia, funneled an apparently endless supply of furs into the circuits of global trade during the early modern era.

Americas, and it was high. A consistent demand for beaver hats led to the near extinction of that industrious animal in much of North America by the early nineteenth century. Many other fur-bearing species were seriously depleted as the trade moved inexorably westward. By the 1760s, hunters in southeastern British colonies took about 500,000 deer every year, seriously diminishing the deer population of the region.

For the Native American peoples who hunted, trapped, processed, and transported these products, the fur trade bore various benefits, particularly at the beginning. The Hurons, for example, who lived on the northern shores of Lakes Erie and Ontario in the early seventeenth century, annually exchanged some 20,000 to 30,000 pelts, mostly beaver, and in return received copper pots, metal axes, knives, cloth, firearms, and alcohol. Many of these items were of real value, which strengthened the Hurons in their relationship with neighboring peoples. These goods also enhanced the authority of Huron chiefs by providing them with gifts to distribute among their followers. At least initially, competition among Europeans ensured that Native American leaders could negotiate reasonable prices for their goods. Furthermore, their important role in the lucrative fur trade protected them for a time from the kind of extermination, enslavement, or displacement that was the fate of native peoples in Portuguese Brazil.

Nothing, however, protected them against the diseases carried by Europeans. In the 1630s and 1640s, to cite only one example of many, about half of the Hurons perished from influenza, smallpox, and other European-borne diseases. Furthermore, the fur trade generated warfare beyond anything previously known. Competition among Native American societies became more intense as the economic stakes grew higher. Catastrophic population declines owing to disease stimulated “mourning wars,” designed to capture people who could be assimilated into much-diminished societies. A century of French–British rivalry for North America (1664–1763) forced Native American societies to take sides, to fight, and to die in these European imperial conflicts. Firearms, of course, made warfare far more deadly than before.

As many Native American peoples became enmeshed in commercial relationships with Europeans, they grew dependent on European trade goods. Among the Algonquians, for example, iron tools and cooking pots replaced those of stone, wood, or bone; gunpowder weapons took the place of bows and arrows; European textiles proved more attractive than traditional beaver and deerskin clothing; flint and steel were more effective for starting fires than wooden drills. A wide range of traditional crafts were thus lost, without the native peoples gaining a corresponding ability to manufacture the new items for themselves. Enthusiasm for these imported goods and continued European demands for furs and skins frequently eroded the customary restraint that characterized traditional hunting practices, resulting in the depletion of many species. One European observer wrote of the Creek Indians: “[They] wage eternal war against deer and bear... which is indeed carried to an unreasonable and perhaps criminal excess, since the white people have dazzled their senses with foreign superfluities.”¹⁵

Beyond germs and guns, the most destructive of the imported goods was surely alcohol—rum and brandy, in particular. Whiskey, a locally produced grain-based alcohol, only added to the problem. With no prior experience of alcohol and little time to adjust to its easy availability, these drinks “hit Indian societies with explosive force.”¹⁶ Binge drinking, violence among young men, promiscuity, and addiction followed in many places. In 1753, Iroquois leaders complained bitterly to European

authorities in Pennsylvania: “These wicked Whiskey Sellers, when they have once got the Indians in liquor, make them sell their very clothes from their backs. . . . If this practice be continued, we must be inevitably ruined.”¹⁷ In short, it was not so much the fur trade itself that decimated Native American societies, but all that accompanied it—disease, dependence, guns, alcohol, and the growing encroachment of European colonial empires.

■ Comparison

How did the North American and Siberian fur trades differ from each other? What did they have in common?

Much the same could be said about the other fur trade that was simultaneously taking shape within a rapidly expanding Russian Empire. As a new Russian state emerged from Mongol rule around the city of Moscow in the late fifteenth century, it became a major source of furs for both Western Europe and the Ottoman Empire. The profitability of that trade in furs was the chief incentive for Russia’s rapid expansion during the sixteenth and seventeenth centuries across Siberia, where the “soft gold” of fur-bearing animals was abundant. With growing markets in both China and Europe, the fur trade greatly enriched the Russian state as well as many private merchants, trappers, and hunters. Here the silver trade and the fur trade intersected, as Europeans paid for Russian furs largely with American gold and silver.

The consequences for native Siberians were similar to those in North America as disease took its toll, as indigenous people became dependent on Russian goods, as the settler frontier encroached on native lands, and as many species of fur-bearing mammals were seriously depleted. In several ways, however, the Russian fur trade was unique. Whereas several European nations competed in North America and generally obtained their furs through commercial negotiations with Indian societies, no such competition accompanied Russian expansion across Siberia. Russian authorities imposed a tax or tribute, payable in furs, on every able-bodied Siberian male between eighteen and fifty years of age. To enforce the payment, they took hostages from Siberian societies, with death as a possible outcome if the required furs were not forthcoming. A further difference lay in the large-scale presence of private Russian hunters and trappers, who competed directly with their Siberian counterparts.

Fur and the Russians

This colored engraving shows a sixteenth-century Russian ambassador and his contingent arriving at the court of the Holy Roman Emperor and bearing gifts of animal pelts, the richest fruit of the expanding Russian Empire. (RIA Novosti)

