



Power, Society and Trade

The Historic Relationship between Macao and the Philippines from the 16th to 18th Centuries

LEONOR DIAZ DE SEABRA*



* Lecturer in the Portuguese Department, Social and Human Sciences Faculty of the University of Macao. History graduate, with an MA in "Portuguese-Asian Studies" (History).

Assistente do Departamento de Português da Faculdade de Ciências Sociais e Humanas da Universidade de Macau. Licenciada em História e Mestre em "Estudos Luso-Asiáticos" (variante História).

Previous page: The Philippines in a map by Petrus Plancius, 1594.

In 1519, the Portuguese navigator Ferdinand Magellan, whilst in the service of the Emperor Charles V (Charles I of Spain), led the first circumnavigation of the globe, and, in 1521, reached the northern part of the Molucca archipelago, claiming it for Spain. Six years later, in 1527, the few remaining Spanish soldiers, merchants and adventurers in the area were expelled from the Moluccas by the Portuguese, together with the local population, and the Treaty of Saragossa (1529) was signed. It settled the various claims in favour of Portugal, which was obliged to pay the enormous sum of 350,000 gold ducats in compensation to Spain.¹

Nevertheless, Spain did not abandon its interest in the famous Spice Islands. In an era in which the Portuguese were already firmly installed in the Moluccas, the Spanish Imperial crown planned the expedition of Miguel Lopes de Legazpi who, in 1565, began his assault on the archipelago, which was already named the *Islas Filipinas* (Philippine Islands), in honour of Philip II. This maritime and military expedition first occupied Cebu and, in 1568, obliged a Portuguese squadron under the command of Gonçalo Pereira to attempt, in vain, to expel the new Spanish invaders. After occupying and securing Manila in 1571, the Spanish monarchy found itself better placed to explore the strategic and economic possibilities of the region, and pursued a dual strategy of new trade links with the great Chinese empire and specialisation in a new form of trade agreement for the distribution of Spanish silver, which was increasingly being used as a type of international trading currency.² Thus bypassing the naval and military opposition of the Portuguese in the Moluccas region, Spanish political and military interests abandoned the idea of controlling traffic in the Spice Islands, and instead went on to exploit the lucrative Chinese silk routes easily made accessible through the Chinese junks which frequented the Philippines.

It is also known that the Spanish imperial crown attempted to acquire a trading base on the Chinese mainland which, both due to commercial strength and the utopian nature of the projects designed to conquer the Great Middle Empire,³ were quashed by the opposing forces of the Portuguese installed in Macao. This situation, however, did not prevent the Portuguese traders from trying to take advantage of trade in the Philippines, where a new market had been organised that had both local and imperial links to the Spanish Empire in the Americas. The initial opposition of the

RELAÇÕES IBÉRICAS NA ÁSIA ORIENTAL

Macao traders was transformed into voluntary and mutually sought-after commercial cooperation, strengthening local links between the Iberian traders and displeasing only the central powers in Lisbon, Goa and Madrid. It should be remembered that, by the end of the sixteenth century, Manila had already become a major trading centre for the silver currency that flowed generously out of the Spanish colonies of Peru and Mexico and had begun to fuel the ever-increasing purchase of Chinese spun silk and luxury goods, products for which Macao was the prime supplier. Manila thus became an increasingly important market for the Portuguese merchants of Macao who, in defiance of all sanctions, sold silks from Canton, receiving American silver *reales* in exchange, and controlled the majority of trade in the Philippines, a form of commercial specialisation that contributed significantly towards saving Macao from any kind of crisis when the Japanese market closed in 1639.⁴

THE DUAL MONARCHY (1580-1640)

After the tragic death of the young Portuguese king D. Sebastião in 1578 on the Moroccan battlefield of al-Qasr-al-Kabir, King Philip II of Spain ascended to the Portuguese throne in 1580 and established a dual monarchy, the news of which only reached Manila in 1581.⁵ One year later, the Governor of Manila sent a mission to Macao, led by Padre Alonso Sanchez, S. J., with the news of the union of the two Iberian crowns.⁶ In 1583, Alonso Sanchez returned to Manila via Japan, after a shipwreck in Taiwan, on the ship captained by Bartolomeu Vaz de Landeiro which, after various negotiations, returned to Macao in order to establish a system of annual voyages to the Philippines, to which end he dispatched two of his ships the following year. It is possible that the return of the Spanish Jesuit via Japan may have been related to Chinese mistrust of Spanish political and commercial motives, probably encouraged by Macao, since this Chinese port used by the Portuguese traders soon attracted the Acapulco galleons, to the extent that traffic was even re-routed there from Manila.

⁷

In spite of the dual monarchy, official collaboration between the two respective Asiatic colonies was practically non-existent in formal terms, and, in fact, a conflict began to develop between the Portuguese installed in Macao and the Spanish in the Philippines

in relation to their involvement in trade with China. This opposition increased after attacks by the Dutch and English on various parts of the Portuguese maritime empire, from Angola to Brazil, including several positions in South and Southeast Asia.⁸ Contrary to the ever-intensifying commercial cooperation, this estrangement grew with the arrival of Spanish missionaries, particularly the Franciscans, Dominicans and Augustinians, who also fuelled the opposition of the Macao traders supported by the Jesuits, who were trying to prevent any competition between religious orders, as well as amongst the Portuguese-Spanish population, which previously had been experienced in Japan, from extending to China. Firm intervention by the Vice-Regent of India in 1588 decreed that these religious orders should be replaced by Portuguese missionaries, and later, in 1589, obliged Philip II himself to ban Philippine religious orders in China and order the return of those who were already there.⁹ This royal order, which was signed by the monarch in 1594, was even supported by Pope Clement VII who, in 1600, forbade any missionary to sail for India unless they left from Lisbon, and banned the Spanish religious orders, on pain of excommunication, from entering Asiatic territory from the Philippines or from America. At that period, the main issue was resolving the problem of competition between the Portuguese and the Spanish *Padroado* (Patronage), a complex system of missionary monopoly in which competition between religious orders had already been established, as well as for the distribution of dioceses and other ecclesiastical benefits which were absolutely essential to the development of Catholic and European colonial societies in Asiatic territories.¹⁰ However, in 1608, in response to the pressure of religious mendicants, the papacy authorised the Franciscans and Dominicans of the Philippines to work on missions in Japan, whilst forbidding all other orders to be involved in trade in Japanese territories, a decision which would directly affect the Jesuits and the strong position they held in relation to silk trade agreements between Macao and Nagasaki.¹¹

The Portuguese traders in Macao aimed to maintain, by any means, their monopoly on trade with Canton and Nagasaki,¹² and attempted to exploit the unfavourable situation of Spanish trade in Japan, affected from the outset in around 1586 by mutual mistrust, which had even led Hideyoshi to threaten to annex the Philippines in 1591.¹³ In 1609, Tokugawa Ieyasu altered

IBERIAN RELATIONS IN EAST ASIA



Manila's port, 18th century.

the trade policy of his predecessor by giving a friendly reception to some of the Spanish survivors of a shipwrecked Manila galleon that had been en route for Acapulco. During this period, a degree of commerce was established between Nagasaki and Manila, the news of which displeased the Portuguese traders, since it threatened the trade routes between Macao and Nagasaki, particularly in the lucrative area of re-exportation of Chinese silks via Manila.¹⁴ After various vicissitudes, which are difficult to reconstruct with any degree of accuracy, the Japanese powers decided to break off relations with the Spanish in Manila in 1624.¹⁵

It is important to emphasise that, in researching the religious and political relations between Macao and the Philippines, it soon becomes clear that the dual monarchy did not contribute towards formalising any

type of common institution or means of communication. This interchange needs to be studied in terms of other types of competition and collaboration, which point towards the much less official world of mercantile and commercial interests and which provide a long history of exchanges extending throughout Southeast Asia and India.

TRADE BETWEEN MACAO AND THE PHILIPPINES IN THE 17TH CENTURY

Indirect trade between Macao and Manila via Nagasaki, Malacca and Portuguese India flourished in the first decade of the seventeenth century, benefiting from the practice in the Philippines of exempting Portuguese ships from taxes and duties. A reconstruction

RELAÇÕES IBÉRICAS NA ÁSIA ORIENTAL

of these connections shows that products from Spanish America, principally gold and silver, often in the form of coins, arrived in Manila on the annual galleon from Acapulco. In Manila, these precious metals, as well as local products—sugar, chocolate, rice, wax, etc.—were put onto boats for Macao and exchanged for silk, taffeta, brocade, porcelain, bronze or jade from China and textiles from Gujarat, Cambaia and Kashmir in India. These rich Asian products were then dispatched to Acapulco where, after a 10% tax was collected on the

*Manila thus became
an increasingly important
market for the Portuguese
merchants of Macao who,
in defiance of all sanctions,
sold silks from Canton,
receiving American silver
reales in exchange,
and controlled the majority
of trade in the Philippines...*

goods, they were sent on to the great Seville market.¹⁶

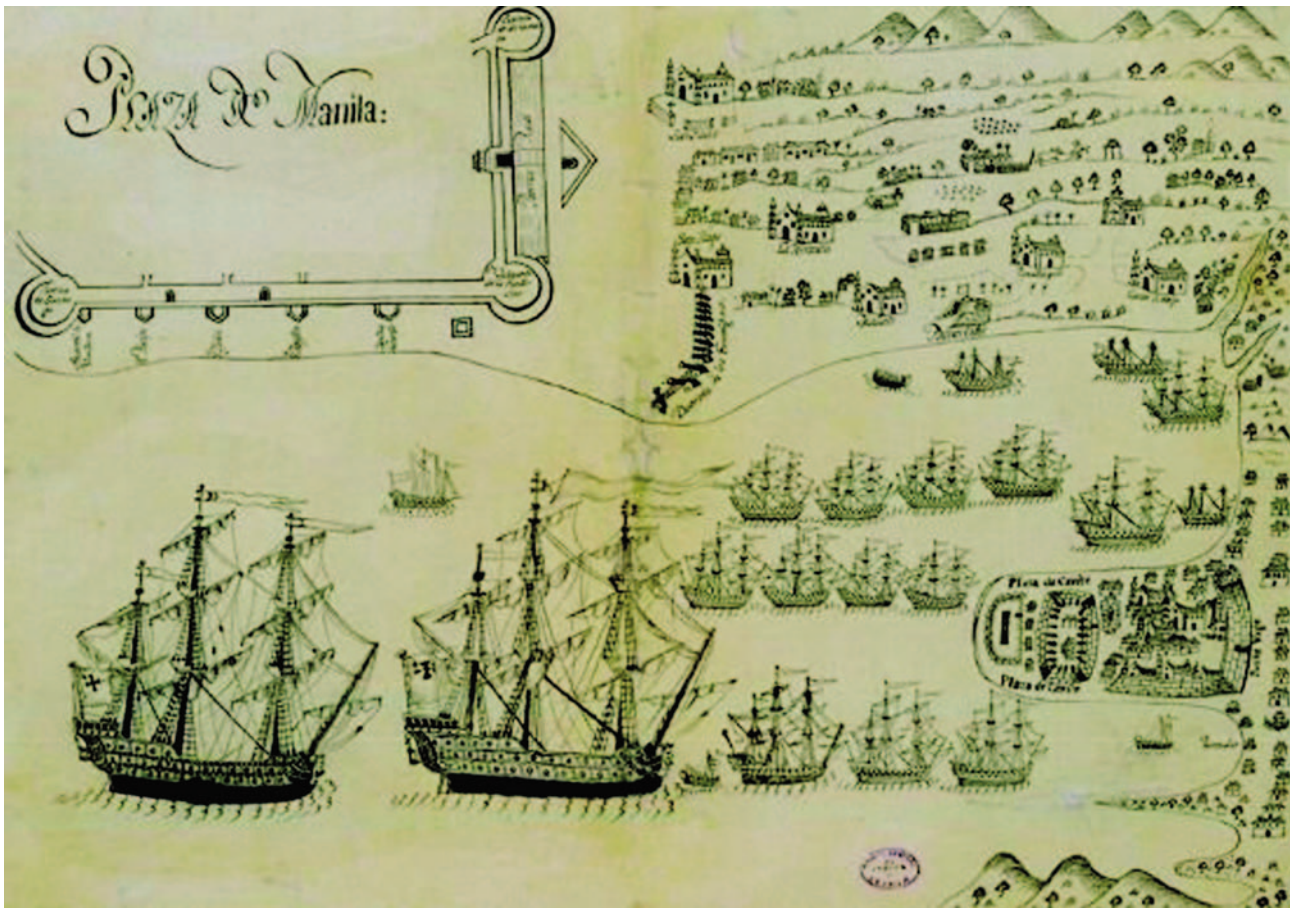
From the first decade of the seventeenth century, a huge number of traders and other foreigners were to be found in Manila: the Chinese, Japanese, Malaysians and Javanese rubbed shoulders with the French, Italians or even Greeks, added to which were the many Spanish, including some women, and several Portuguese. The importance of a Portuguese trading presence can also be verified by the founding of a *Misericórdia* (charitable confraternity), in 1606, according to the principles of the Lisbon mother institution that was particularly concerned to attract the social groups who were involved in overseas commerce in the big cities.¹⁷ Commercial links between Macao and Manila seem to have been authorised by a royal decree which, in 1608, allowed the merchants established in Manila to send one ship per year to Macao to buy arms and munitions but still forbade trade links between the two cities,¹⁸ a situation

that was, to a large extent, bypassed by various informal commercial contacts, reinforced by the appearance in Southeast Asia of competition in the shape of the mighty V.O.C., the Dutch East India Company, created in 1602 and incorporating large amounts of private capital. Cooperation between Manila and Macao in order to thwart the commercial interests of the Dutch also led, naturally, to a build-up in the acquisition and exchange of weaponry, an exchange which could not be separated from the trade in other products, such as silver, silk and textiles,¹⁹ which were exempt from duty since commercial shipping in Macao was officially banned,²⁰ but which multiplied generously through other maritime connections. It is particularly revealing of this proposition that even in 1609, Portuguese interests were complaining to the Crown in Madrid of the threats to their survival in Macao due to Spanish commercial competition in China and Japan, but omitting to mention the flourishing trade in contraband maintained with Manila.²¹

The official ban by the Spanish monarchy on commercial links between Manila and Macao must also be considered within a much wider economic context in which prices, inflation and fortunes were revolutionised through the American silver-based economy that was invading the European markets as much as the Asian ones. In controlling a vast European and colonial Empire that required ever-increasing investments, since the Portuguese throne had now been added to his political domains, Philip II attempted to halt the drain of American silver into China and Southeast Asia as a result of the Acapulco, Manila and Macao connections and tried to safeguard the income of Seville, Lisbon, Goa and Malacca. There were, therefore, immediate annual bans on trade between Manila and Macao in an attempt to restrict the new trading routes. It should also be added that the trade between Macao and Manila could not have been well accepted either in official Spanish circles or in the great European financial houses, since it re-routed Peruvian silver to *Nueva España* (New Spain) and thence to the Asiatic markets at a time when they were heavily dependent on it. This diversion also prevented Seville from recovering the duty on its import and the profits from its sale, since the silver directed to the Asiatic markets and trade left its profits in the American Vice-Regency and in the colonial government of the Philippine islands.

Private illegal trading between Manila and Macao also seriously threatened Portuguese commercial and

IBERIAN RELATIONS IN EAST ASIA



A map of Manila Bay, unknown date.

fiscal interests in Malacca, Goa and Lisbon, since it competed with the routes, ports and taxes of the Cape Route, as well as influencing price competitiveness due to the difference in value between Peruvian and Mexican silver and the other purchasing currencies, whether the local majority ones or the Portuguese and European ones, which were usually the minority currencies.²² To make matters worse, on the traditional circuit for the purchase of precious metals, necessary for their own supplies, it was in Seville itself that Lisbon stocked up on the official Mexican and Peruvian silver which was subsequently dispatched to the East in the coffers of ships of the Portuguese crown, reaching Cochin and Goa via the Cape, from whence the *reales* travelled to China. Here they were used to pay for the silk that was carried to Japan, where it was exchanged for more favourable quantities of silver bars. On the return journey, the *Chinese galleon*—as this maritime and commercial route was called—brought silk, silk cloth, porcelain, furniture

and luxury goods. Throughout these Asiatic voyages the different goods were subject to duty in Goa, and again in Malacca, thus feeding administrations and bureaucracies as much as the greed of the traders and adventurers, but also making these cities, to a certain extent, indispensable to the organisation of the official and private Portuguese trading presence in the Eastern markets. Once the most lucrative of the Asiatic products were taxed in the Indian ports controlled by the Portuguese, they were subsequently dispatched via the Cape Route to Lisbon where, again, duty was paid to the *Casa da Índia* (India House) which, in ensuring their general distribution throughout Europe, sent a significant quantity of silk to Spain, much of which went on to America, where the official silver circuit closed when the silk was used in payment for Mexican or Peruvian silver, which Lisbon acquired in Seville.²³ It was this complicated system of exchange of Asiatic products and large amounts of currency that was

RELAÇÕES IBÉRICAS NA ÁSIA ORIENTAL



The market of Manila (*Parian*), by Juan Francisco de Ravenet y Bunel, 18th century.

threatened when other commercial routes were introduced, attracting many private European and Eastern merchant groups and forcing American silver onto the South and Southeast Asian markets, thus radically transforming the economic and financial structures that, for decades, had been dedicated to the official colonial routes.

ARBITRISMO AND ASIATIC TRADE

The economic and financial problems of Iberian trade with the Americas and Asia gave rise to an important set of recommendations and studies that anticipated modern economic science and were known at the time as *arbitrios* (opinions). *Arbitrismo*, which was usually presented in the form of written advice to the crown of the dual monarchy, was a pioneering attempt to focus attention on the problems of trade, currency and population, and to propose important programmes of economic and commercial reform. Some of the most significant *arbitrista* principles during the Philippine period were to be found in the ideas

and work of the former Portuguese merchant Duarte Gomes de Solis.²⁴ In 1612, he sent an important *arbitrio* to the king entitled *Advertencia sobre el Comercio* [A Warning on Trade], in which he expounded the dangers of exhausting the American silver mines by over-exploitation, which ultimately would only benefit China and would threaten Spanish economic interests. As a solution, he advised the monarch to favour Seville, Lisbon and the Cape Route, reserving for them only the supply of silver for the *East Indies*, and totally forbidding all other trade routes, even if drastic measures had to be taken. Six years later, in a new *arbitrista* text, he demonstrated how the flow of silver *reales* via the Pacific only benefited Chinese goods and endangered the previously existing trade. He emphasised the advantages of the Acapulco-Manila trade route to the detriment of the Atlantic routes: losses incurred by sending American silver to Spain created a profit only on the goods sent in the opposite direction, whereas on the Acapulco-Manila route, the profit from trade with China was beneficial in both directions. Thus commerce always favoured links with

IBERIAN RELATIONS IN EAST ASIA

the East, even if this meant that Lisbon would profit from the export of *reales*. As an alternative, it recommended that the value of silver in Seville should be increased in order to attract colonial trade and products, which would, therefore, become more favourably priced.

The determinedly *arbitrista* opinions of Duarte Gomes de Solis did nothing more than express in writing the thoughts of many other critics who were well established in Iberian Eastern affairs. The various political and religious colonial authorities frequently protested in the same way, as was the case, for example in 1611, when the bishop of Japan, in a letter dated 20 September, demonstrated the threat to royal revenue caused by the Manila traffic, which also threatened its subjects, thus endangering the security of the state and hindering the spread of Christianity in the Far East. The *Conselho de Portugal* (Council of Portugal) itself insisted on many occasions, such as in 1606 or 1609, on the need to stem this influx into Asia of American silver, and this was supported by the protests of the Seville merchants. In addition to draining away silver and the commercial and economic interests linked to it, the European monopoly on the sale of silk held by Goa and Lisbon was also threatened by trade that reached Seville via Acapulco.²⁵

In spite of protests, opposition and *arbitrista* texts, the Philippines continued to devote itself to close trade links with Macao, creating an exchange circuit for products and currency that linked Mexico, Manila and Macao and was fuelled by the export of silk from China and its importation of large quantities of silver through the trade route. Thus, between 1587 and 1640, the silver which flowed from Manila to Macao represented 69% of the total amount of silver transported from the Philippines to China, as it endeavoured to provide consistency and a financial structure for the two main regional routes for silver, as much through links between Japan, Macao and China as through direct communication between Macao and Manila.²⁶

TRADE BETWEEN MACAO AND MANILA:
AMOUNT AND PROBLEMS

With the exception of the years 1634 and 1643, Portuguese direct trade from Macao to Manila during the period from 1619 to 1644—when Iberian relations were broken off due to the separation of the two

crowns—was maintained on a regular basis, with the annual arrival of at least one Portuguese ship from China.²⁷ Between 1620 and 1640, it can be seen that the largest number of arrivals of Portuguese ships from the *Estado da Índia* (State of India) occurred during the period 1620 to 1632, with a reduction in trade occurring between 1633 and 1639, and a total cessation, at least in the citations of the official registers, in around 1640.²⁸ Mainstream commercial contact, supported between 1619 and 1630 by the Governor and other functionaries of the Crown in the Philippines,²⁹ was distributed as follows:

TABLE 1. PORTUGUESE ARRIVALS IN MANILA, 1620-1644
(No data exist for the years that are omitted)

Year	Macao	India
1620	5	9
1621	2	
1627	6	2
1628	2	4
1629	2	5
1630	6	8
1631	3	6
1632	4	4
1633	3	1
1634	0	1
1635	4	1
1636	1	1
1637	3	1
1638	3	0
1639	3	1
1640	3	0
1641	2	0
1642	1	0
1643	0	0
1644	1	0
Total	54	44

India = Coastal ports of Malacca, Goa, Coromandel and Malabar.

Sources: Chaunu, *Les Philippines et le Pacifique des Ibériques (XVIe, XVIIe et XVIIIe Siècles)*, AGI, Philippines, leg. 20 and B&CR, XI and XVIII.

Established within the period 1630 to 1631 and evident in subsequent years as a continuous trend, it should be recalled during the period of this decrease

RELAÇÕES IBÉRICAS NA ÁSIA ORIENTAL

in official commercial contact, the *Verenigde Oostindische Compagnie* (V.O.C.) [Dutch East India Company] had begun to intensify its naval activities, in particular around the Strait of Malacca. It subsequently increased its maritime investments on the Fukien (Fujian) coast, which eventually led to the establishment, at the beginning of the 1630s, of Dutch traders in Taiwan, thus explaining the decline in Chinese activity in Manila, which, in turn, enabled the Portuguese to improve their unofficial trade in the Philippines.³⁰ In fact, from 1623 onwards, when the first Commander-in-Chief of Macao was appointed, as a result of pressure from other Commanders-in-

The determinedly arbitrista opinions of Duarte Gomes de Solis did nothing more than express in writing the thoughts of many other critics who were well established in Iberian Eastern affairs.

Chief, the Crown decided to legalise trade between Macao and Manila and make it official since, without a royal monopoly, it would be deemed subject to taxation. Shortly afterwards, in 1629, the *Conselho da Fazenda* (Ministry of Finance) decided to introduce a system of specific trading concessions accompanied by a ban on all private trade so that in 1637 the regional monopoly was re-established, with the profits from trading ventures between Macao and Manila returning to the Royal Treasury.³¹ In spite of these official efforts, which were hardly firm, no effective ban was implemented. Spanish interests in America and Manila, which were becoming increasingly interconnected, added to the powerful commercial interests of the Portuguese established in Macao, always opposed the efforts of the official central powers, given that they were far away from the metropolis and royal designs, and were able to counteract sovereign orders with the alternative order of commerce and trade. The income of the *almojarifazgo* (royal customs house) in Manila,

therefore, reveals only the official record of the taxes paid by Portuguese shipping in Macao and other cities in the State of India, as well as the Chinese and Japanese junks, but does not clarify the true volume of actual commerce which took place. Besides, the Spanish functionaries themselves who were responsible for the records did not include in the income the excessive amount of contraband and substantial tax evasion which was also occurring at the time.³²

Despite these deficiencies in documentation and official tax registers, we can make use of these sources in order to compare Chinese and Portuguese commercial activity in Manila by taking the measure of the volume of trade subjected to tax (which was 3% until 1610, when it rose to 6%). It is also possible to suggest more general comparisons relating to commerce, given that the following table provides a column entitled “Others” expressing commercial movement in terms of taxes on traders, whether in the China Sea region or as Portuguese arrivals from the State of India.

TABLE 2. TOTAL ANNUAL AMOUNTS AND PERCENTAGES OF IMPORTS SUBJECT TO TAX IN MANILA, 1619-1631 (THOUSANDS OF PORTUGUESE PESOS)

Year	Chinese		(Macao)		Others		Total
	Amount	%	Amount	%	Amount	%	Amount
1619	186	61	19	6	99	33	304
1620	463	54	148	17	246	29	857
1621	111	25	161	36	172	39	444
1622	134	32	123	30	161	38	418
1623	29	13	71	31	128	56	228
1624	50	30	90	54	27	16	167
1625	182	41	115	26	143	33	440
1626	376	52	171	24	178	24	725
1627	340	66	135	26	39	8	514
1628	49	21	151	63	39	16	239
1629	66	28	11	5	158	67	235
1630	105	19	194	35	258	46	557
1631	344	51	125	18	214	31	683
Total	2,435		1,514		1,862		5,811

Source: AGI, Philippines, leg. 27, 3/ix/1632.

Moreover, it is also possible to use the official documentation to compare the different numbers of

IBERIAN RELATIONS IN EAST ASIA

TABLE 3. FOREIGN SHIPS IN MANILA BY NATIONALITY AND, IN THE CASE OF THE CHINESE AND PORTUGUESE, BY GEOGRAPHICAL ORIGIN

Year	Portuguese		Chinese		Japanese		Not identified		
	Macao	State of India	Mainland	Taiwan	Japan	Cochin China	Cambodia	Macassar	Moluccas
1620	5	9	23	0	3	1	0	0	0
1621	2	na	Na	na	na	Na	na	Na	Na
1622-6	Na	na	Na	na	na	Na	na	Na	Na
1627	6	2	21	1	0	0	1	1	1
1628	2	4	9	1	0	0	0	1	0
1629	2	5	2	2	2	1	1	0	0
1630	6	8	16	5	2	0	3	0	0
1631	3	6	33	3	0	1	0	0	0
1632	4	4	16	2	5	1	0	0	0
1633	3	1	30	1	0	0	1	0	0
1634	0	1	26	3	1	2	3	1	0
1635	4	1	40	3	0	1	0	0	0
1636	1	1	30	1	0	0	2	1	0
1637	3	1	50	1	0	0	1	0	1
1638	3	0	16	1	0	0	0	0	0
1639	3	1	30	4	0	0	0	1	0
1640	3	0	7	1	0	0	0	0	0
1641	2	0	8	1	0	0	2	3	0
1642	1	0	34	1	0	1	4	0	0
1643	0	0	30	0	0	0	1	1	0
1644	1	0	8	1	0	0	0	2	U

Source: Pierre Chaunu, *Les Philippines...*, pp. 156, 157 and 160.

boats arriving in Manila during the period 1620 to 1644. A very general quantitative observation of this data reveals that, except for the at times almost overwhelming majority of Chinese ships embarking for Manila, foreign trade was dominated by Portuguese ships, with no reference made to any other European contacts (Table 3).³³

In 1640, the Restoration put an end to the dual monarchy, and D. João IV, Duke of the powerful House of Bragança was proclaimed the new King of Portugal. When, in the years that followed, the news of this proclamation spread across the Portuguese oriental empire, voyages to Manila were undertaken on behalf of the Royal Treasury, and the city of Macao installed three officials in Manila to deal with matters

relating to trade.³⁴ However, the Wars of the Restoration meant that relations between Macao and Manila were officially cut,³⁵ a situation that was soon bypassed by strong private commercial interests that, in a demonstration of much wider mercantile solidarity, began to use the merchants of Macassar as intermediaries. In this way, goods travelled from Macao to Macassar, where they were subsequently exported to Manila under the name of other traders.³⁶ The most influential person in this powerful trading community operating outside official controls was the Portuguese merchant Francisco Vieira de Figueiredo, a resident of Macassar and a close friend of the local Sultan. Macassar was a supply port for pepper, which was important in Portuguese trade, and a large number of Lusitanian

RELAÇÕES IBÉRICAS NA ÁSIA ORIENTAL

merchants had been based there since the end of the sixteenth century. This Portuguese community increased with the arrival of refugees following the conquest of Malacca by the Dutch in 1641. Later, in 1647, the Vice-Regent of India was obliged to nominate Francisco Vieira de Figueiredo as his representative, thus hoping to integrate the dynamic Portuguese private trade in Southeast Asia within the more general order of the economic activity of the State of India.³⁷ In addition to this indirect commercial itinerary via Macassar, Macao continued to fuel trade exchanges with Manila by making use of the intensified traffic between continental China and Manila during the War of the Restoration, which involved approximately 25 Chinese ships per year.

INTERNATIONAL COLONIAL COMPETITION

In the second half of the seventeenth century, international commercial competition increased in South and Southeast Asia. The Dutch in the powerful V.O.C. managed to expel the Portuguese from Macassar in 1660, but Francisco Vieira de Figueiredo succeeded in remaining there until 1665. In that year the Portuguese trader organised a new trade route between Banten and Manila, taking advantage of favourable relations between the two Sultanates, and between 1667 and 1672 even developed the pepper trade between Banten and Macao, Manila and Tonkin. In 1682, however, the V.O.C. acquired from the Sultan of Banten a ban on any other European trade, thus restricting commercial routes and markets for both the Portuguese and the English,³⁸ and began developing an increasing monopoly over the sources of pepper and other spices from the Indonesian archipelago, which would later form the basis of its commercial, and subsequently territorial, colonisation.

With its trade routes in Southeast Asia limited to contact with some of the Lesser Sunda Islands, such as the lucrative trade in sandalwood from Timor, the Portuguese traders in Macao turned once again to direct and regular trading with Manila, in conjunction with interests in Borneo and the Malabar coast, as well as diversifying its range of goods from China (Canton). It was, therefore, the search for a means of distancing themselves from Goa and the related



Galleon *Philip V*, 18th century.

perusal of commercial specialisation vital to its economic survival and as a social justification for the Portuguese trading colony in China, that characterised trade in Macao in the second half of the seventeenth century, during which time international competition was developing in the Asian markets.³⁹ It is within this context that the peace between Spain and Portugal, declared in 1668, paved the way for the official renewal of direct voyages between Macao and Manila, proposed by the Portuguese monarch himself in a letter dated 28 March of that same year to the Vice-Regent of Portuguese India.⁴⁰ The reply from Goa to the proposal from Lisbon, on 26 January 1670, explained the need to enter into negotiations with the authorities in Manila, for which purpose a Junta was nominated in 1672 to attend to all matters relating to voyages from Macao to Manila. The Vice-Regent ordered them to undertake this through the Royal Treasury and appointed António Mesquita de Pimentel as “captain of voyages to Manila”.⁴¹ Five years later, on 23 January 1677, the Vice-Regent

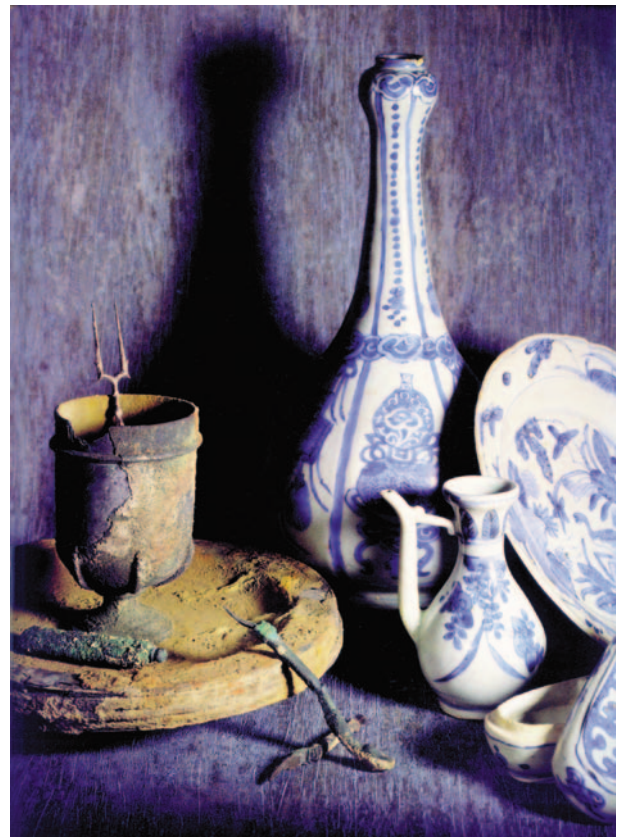
IBERIAN RELATIONS IN EAST ASIA

informed the Prince Regent D. Pedro that the Commander-in-Chief of Macao had warned him that the Governor of Manila, after allowing the first voyage, had ordained that a passage to Macao was forbidden, citing orders from Madrid.⁴² In spite of the instability within official spheres, the voyages continued to unite the two cities, with official irregularities merely a symptom of private dynamism.

Increasing international competition throughout the eighteenth century would, as we know, eventually attract the interest of the main European powers to the richness of Asiatic trade and commerce, a situation that not only threatened the Macao traders but also revealed their economic fragility. This was recognised by the *Mesa* (Council) of the city, which on 5 February 1710 stated that “every year over twenty *sommas* (Chinese ships) sail to Manila and because of this Macanese ships cannot do any business at all.”⁴³ In fact, between 1707 and 1710, no ship from Macao was registered as arriving in Manila, and it was not until 1711 that a Macanese *patacho* (two-masted pinnace) arrived in the Philippines. In order to prove that this commercial link was also economically vital for fuelling the monetary basis of the commercial economy of the Portuguese in Macao, in spite of the prohibition by the Vice-Regent, the powerful Senate decided, on 10 March 1713, with the agreement of the superiors of the Religious Orders and the subsequent approval of the Governor, that “the St. Ana and the St. Maria” should sail to Manila “in search of silver.”⁴⁴

In the early decades of the eighteenth century, trade relations between Macao and Southeast Asia experienced a new lease on life, due to the fact that the Qing dynasty had forbidden Chinese maritime trade in the region. As a consequence of this, Macao became the prime intermediary for the circulation of trade between China and Southeast Asia, which included, most importantly of all, the Philippines, the Malayan Peninsula and Siam.⁴⁵ It was, however, a time of change, since in 1730 China opened up Canton to international trade, and the Manila ships sailed there directly, thus contributing to the decline of the port of Macao⁴⁶ and to new commercial specialisations founded on merchandise from Batavia, Manila, Timor, Malacca, Madras (the metropolis of the English East India Company on the Coromandel

coast), Calcutta, Goa and Surat.⁴⁷ With the Christian population at the time representing 5,212 out of around 8,000 residents, Macao only registered the arrival of twelve ships, bringing an annual income of between 15,000 and 18,000 *taels*. This frail economic situation meant that protectionist measures were mobilised, with D. João V ordaining on 9 March 1746 that no foreigner could take up residence in Macao, with the exception of missionaries heading for the Chinese Missions, and only then if supplied with royal authorisation to do so. These dispensations also allowed ships from Manila to be admitted into the port of Macao to trade freely. Due to this royal decree, Spanish traders from the Philippines were able to enjoy more privileges in the city and port than the citizens and residents of Macao themselves, since, nominally, they paid 1.5 % duty, as opposed to the 2% levied on the Portuguese. On entering the port, the Spanish ships paid the same as the residents of Macao and on leaving paid nothing. In contrast, when they went to Manila, the Portuguese merchants of



Objects found in the wreck of the *San Diego*, sunk in Manila Bay, in 1600.

RELAÇÕES IBÉRICAS NA ÁSIA ORIENTAL

Macao paid double the duty that the Spanish paid, namely 2%, which was justified “as they were known foreigners.”⁴⁸ At this point, lengthy negotiations were opened with the aim of securing equal rights and payments for both sides. An initial reciprocal ruling established in Macao in 1773 meant that Spanish traders from Manila threatened to sail directly to Canton if they were not treated as they had been prior to 1773.⁴⁹ In 1778 the Bishop and Governor of Macao, D. Alexandre de Pedrosa Guimarães, seeking to establish fully reciprocal relations for Portuguese-Spanish trade in Manila and Macao, made representations to the King, the officials in Manila,

the Macao Senate and the merchants of the city.⁵⁰

Nevertheless, trade links between Macao and Manila continued to structure a significant part of Macanese trade and maritime investment, to the extent that a law decreed on 6 May 1785 continued to ban all trade with foreigners except ships from Manila.⁵¹ This was also the year in which the *Real Companhia Filipina* (Royal Philippine Company) was founded but which, in the four decades that followed, despite its mercantile organisation, was unable to preserve the trade routes that had united the Philippines, via the Pacific, with an America increasingly benefiting from another mightier and more dazzling route towards revolution and the independence of all people and nations. **RC**

NOTES

- George Bryan Souza, *A Sobrevivência do Império: os Portugueses na China (1630-1754)*. Lisboa: Publicações D. Quixote, 1991, p. 84.
- Souza, *op. cit.*, p. 85; Manuel Ollé, *La empresa de China. De la Armada Invencible al Galeón de Manila*, Barcelona: El Acanalado, 2002, pp. 39-88.
- Manuel Ollé, *La empresa de China. De la Armada Invencible al Galeón de Manila*.
- Souza, *A Sobrevivência do Império...*, pp. 87-89.
- Souza, *A Sobrevivência do Império...*, p. 87.
- Charles Boxer, *O Grande Navio de Amacau*. Macao: Fundação Oriente - Museu e Centro de Estudos Marítimos, 1989, p. 38.
- Boxer, *O Grande Navio de Amacau*, p. 39.
- Tien-Tsê Chang, *O Comércio Sino-Português entre 1514 e 1644*. Macao: Instituto Português do Oriente, 1997, p. 147.
- Manuel Teixeira, *Macao e a sua Diocese*, vol. II. Macao: Imprensa Nacional, 1940, p. 87.
- Teixeira, *Macao e a sua Diocese*, vol. II, p. 39.
- Boxer, *O Grande Navio de Amacau*, pp. 62-63.
- Boletim do Centro de Estudos Marítimos de Macau*, (special issue dedicated to Charles Boxer). Macao: Museu e Centro de Estudos Marítimos, 1989, p. 38.
- Boxer, *O Grande Navio de Amacau*, p. 63.
- Boxer, *O Grande Navio de Amacau*, pp. 64-65.
- Boletim do Centro de Estudos Marítimos de Macau*, (special issue dedicated to Charles Boxer), p. 43.
- Benjamim Videira Pires, *A Viagem de Comércio Macau-Manila nos séculos XVI a XIX*. Macao: Centro de Estudos Marítimos de Macau, 1987, p. 15.
- Pires, *A Viagem de Comércio...*, p. 16. In his key work on the Portuguese colonial empire, Charles Boxer clarifies the proposal for overseas *misericórdias*, stating that “there was a flourishing branch in Manila, founded in 1606, along the lines of the mother-institution in Lisbon; another in Nagasaki, which was famous throughout Japan for its charitable works before it was closed down during the persecutions which began in 1614” (Charles Boxer, *O Império Marítimo Português 1415-1825*. Lisboa: Edições 70, 1992, p. 286).
- Boxer, *O Grande Navio de Amacau*, pp. 65-66.
- Boxer, *O Grande Navio de Amacau*, p. 41.
- Boxer, *O Grande Navio de Amacau*, pp. 66-67.
- Boxer, *O Grande Navio de Amacau*, p. 66.
- Vitorino Magalhães Godinho, *Os Descobrimentos e a Economia Mundial*, 4 vols.. Lisboa: Ed. Presença, 1981-1983.
- Rui M. Lourido, *A Rota Marítima da Seda e da Prata: Macau-Manila, das Origens a 1640*. M.A. dissertation presented to the Faculty of Human and Social Sciences at the Universidade Nova de Lisboa, 1995, pp. 30-36.
- Armando de Castro, *Doutrinas Económicas em Portugal (séculos XVI a XVIII)*. Lisboa: Instituto de Cultura Portuguesa, 1978, pp. 53-60.
- Pires, *A Viagem de Comércio...*, pp. 41-42.
- Yunhua Cao, “Relations between Macau and South-East Asia,” in *Macao 2000*, edited by J. A. Berlie. Hong Kong: Oxford University Press, 1999, p. 183.
- Souza, *A Sobrevivência do Império...*, p. 96.
- Souza, *Sobrevivência do Império...*, 97.
- Souza, *Sobrevivência do Império...*, p. 103.
- Souza, *Sobrevivência do Império...*, p. 95.
- Pires, *A Viagem de Comércio...*, p. 25.
- Souza, *Sobrevivência do Império...*, p. 104.
- Souza, *Sobrevivência do Império...*, pp. 106-107.
- Pires, *A Viagem de Comércio...*, p. 31.
- Pires, *A Viagem de Comércio...*, p. 33.
- Pires, *A Viagem de Comércio...*, p. 33.
- Pires, *A Viagem de Comércio...*, p. 33.
- Souza, *Sobrevivência do Império...*, pp. 150-151.
- Sanjay Subrahmanyam, *O Império Asiático Português, 1500-1700: Uma História Política e Económica*. Lisboa: Difel, 1995, p. 292.
- Pires, *A Viagem de Comércio...*, p. 35.
- Pires, *A Viagem de Comércio...*, p. 36.
- Pires, *A Viagem de Comércio...*, p. 36.
- Pires, *A Viagem de Comércio...*, p. 43.
- Pires, *A Viagem de Comércio...*, p. 44.
- Yunhua Cao, “Relations between Macau and South-East Asia,” in *Macao 2000*, p. 184.
- Pires, *A Viagem de Comércio...*, p. 55.
- Pires, *A Viagem de Comércio...*, p. 60.
- Pires, *A Viagem de Comércio...*, pp. 60-61.
- Pires, *A Viagem de Comércio...*, p. 71.
- Pires, *A Viagem de Comércio...*, p. 70.
- Pires, *A Viagem de Comércio...*, p. 80.