

Pacific Overtures



The Spanish Lake and the global economy, 1500-1800

Almost five hundred years after Balboa, American historians have themselves discovered the Pacific. Who would have thought that a body of water comprising one third of the earth's surface—twice as much as the Atlantic—could have remained hidden in plain sight for so long? Whatever the reason—the dynamism of Asia today, the formidable challenge posed by the new field of global history, the innovative work of a few inspired researchers—this discovery (sea change?) is welcome indeed. As a result, scholars have begun to take seriously, really for the first time, historical actors, actions, and processes both on the ocean itself and around and along the entire Pacific Rim. Many of the historical parties and topics being treated are interesting and important in their own right, of course, but in some cases they also shed much-needed light upon actors, actions, and processes further east.

This little essay was largely written while on a research trip to a place called Los Baños, about forty miles outside of Manila in the Philippines. Given my geographic situation and this issue's theme, I thought it might be instructive to employ the Philippines as a scholarly platform upon which to address several questions relating to the Pacific, broadly conceived, during

the sixteenth, seventeenth, and eighteenth centuries. More specifically, I decided to focus a bit of attention on that old saw horse of Latin American history, the Manila Galleon, in the hope that such attention might jumpstart a discussion about the process by which both the Philippines specifically and the Pacific generally came to play prominent roles in global economic history.

The Philippines do not show up very much on the radar screens of Americans today. Indeed, but for occasional reports of Islamic terrorist activity on the southern island of Mindiñao—a Muslim stronghold well before any Europeans had ventured into the area—we have not heard much from the Philippines since the 1980s when “people power” and Imelda Marcos’s shoes were all the rage. It is surprising in some ways, then, that the Philippine island group figured so prominently during earlier periods of world history. For example, in 1521 the legendary Portuguese explorer Fernão de Magalhães (Ferdinand Magellan) was killed in a battle against indigenous tribesmen on the (Philippine) island of Mactan, while leading the Spanish-sponsored expedition that went on to become the first successful circumnavigation of the globe. More germane to our purposes here, however, was an expression, later in the sixteenth century, of the institutionalization of Spanish power in the Philippines and the Pacific more generally: the establishment of the so-called Manila Galleon trade.

This trade connected the vice royalty of New Spain (present-day Mexico) with the Philippines, which a fleet commanded by Lopéz de Legaspi, a Basque, had finally taken for Spain in 1565. Legaspi’s first beachhead in the Philippines was on the island of Cebu, but in 1571 the Spanish shifted their attention—and the seat of government—to the site of an old Moro (Muslim tribesmen) settlement on the island of Luzon in Manila Bay.



Fernand Magellan, Foreign Portraits. Courtesy of the American Antiquarian Society

On the surface, the Manila Galleon trade was a simple shuttle trade running back and forth yearly between the Philippines (first Cebu, then Manila) and Acapulco. The number of galleons involved in each crossing varied from one to as many as four, and, after considerable trial and error and at much human and material cost (many vessels were lost at sea during the history of the trade) both the eastward and westward Pacific routes became relatively standardized.

What of the galleons themselves? They were state-of-the-art vessels when the Manila-Acapulco trade commenced. Developed by naval architects around 1550, galleons were three or four-masted, high-forecastle-and-poop vessels that could run to over two-thousand-tons cargo capacity, although most were somewhat smaller, often running in the seven-hundred to one-thousand-ton range. Because of their great size and commanding appearance, and because they were typically heavily armed, galleons seem to have inspired the same feeling among contemporaries as they have among doting naval historians: shock and awe.

If these huge ships plied the Pacific in an increasingly methodical, point-to-point way, their cargoes originated not at either shipping point but in other areas. And here lies the trade's importance. Indeed, contemporaries often referred to the galleons as the China ships (*naos de China*) because the trade, for all intents and purposes, revolved around the exchange of silk and other *Chinoiserie* for Spanish silver mined in the Americas. In actuality, then, the Manila-Acapulco trade was not a shuttle trade at all, and Manila in particular was little more than a way station and transshipment point for Spanish silver on its way to China.

The Manila Galleon has long been the subject of scholarly study by Latin American historians and by students of the Spanish Empire, but until recently the trade was viewed, by and large, as a kind of colorful curio or, at best, a sideshow to the main business at hand: the establishment and growth of Spanish colonies in the Americas, whether in the West Indies or on the mainland. This view has begun to change of late, particularly as a result of the provocative revisionist work of two collaborating scholars, Dennis O. Flynn and Arturo Giráldez.

To these two scholars, the Manila Galleon, rather than being a curio or sideshow, represented one of the turning points in history, for with its establishment we find for the first time "substantial and continuous trade across the Pacific Ocean." Furthermore, the catalyst for this trade, according to Flynn and Giráldez, was a powerful China, whose nearly insatiable demand for silver shaped and conditioned the entire world economy during the age of sail.

Although there are many component parts to their overall argument, its burden is to suggest that the real economic engine during the sixteenth, seventeenth, and eighteenth centuries was Asia, particularly China and India. This is a striking challenge to the old chestnut that Europe and the Atlantic basin have been the center of the global economy since the middle ages. Along with a number of other economists and historians, Flynn and Giráldez are thus

attempting to “re-Orient” conventional views regarding not only economic power and geopolitics, but also what might be called metageography, our overall sense of spatial organization and global economic power.

Obviously, Flynn and Giráldez are putting a lot on the table here, more than this author has appetite for biting into in a piece of this length. Nonetheless, it does seem fair (fare?) to chew on the implications of one morsel of their larger argument: the need to reevaluate goings on in the Pacific after the Manila Galleon began sailing in 1565. For simplicity’s sake, we will stick mainly to the English goings on, with occasional nods to the Dutch and the French. (Also for simplicity’s sake, I will at times refer to England even though after the Act of Union in 1707 England became part of Great Britain.)

Let us start with a basic, but often overlooked or at least noncontextualized point: the Manila Galleon trade was big business. By the early seventeenth century, the value of trade between Manila and Acapulco exceeded the value of the Atlantic trade between Spain and its colonies in the Western Hemisphere. This same point can be made in another way. According to Flynn and Giráldez, throughout the seventeenth century the China ships carried on average “two million pesos in silver annually (i.e., more than fifty tons) from Acapulco to Manila,” which silver, as we have seen, quickly found its way to China. This figure was equal to the annual value of American silver shipped from Europe to Asia by both the Portuguese and the Dutch and the English East India companies *combined* during the seventeenth century. When one also takes into account the value of the silks, the cottons, the spices, the porcelain, etc., shipped from China through Manila and back to Acapulco (thence to be redistributed to other parts of Spanish America) one can readily understand why the galleons attracted, shall we say, the avid attention of various and sundry freebooters, pirates, privateers, and ultimately state navies. For, like Willie Sutton, who, when asked why he robbed banks, famously responded, “[T]hat’s where the money was,” these parties too had noses for pesos.

Maritime attackers affiliated informally, semiformally, or formally with England succeeded in taking Manila Galleons on four separate occasions before 1800: in 1587, 1709, 1743, and 1762. The Spanish fended off English assailants on other occasions, as well as a number of attacks by the Dutch (particularly in the seventeenth century).

Time does not permit detailed discussion of the successful English attacks on the Manila Galleon. Suffice it to say here that the first two successes—the taking of the *Santa Ana* by Thomas Cavendish in 1587 and Woodes Rogers’s taking of the *Encarnación* in 1709—differed fundamentally from the successes later in the eighteenth century. Although both Cavendish and Rogers held commissions of sorts to move against the Spanish, they were acting at most in semi- or quasi-official capacities, rather like their notorious predecessors Francis Drake and John Hawkins. Certainly, the status of all four of these men contrasted sharply with that of Royal Navy commander George Anson who took the *Covadonga* off the

east coast of the Philippines in May 1743 and, even more, with Vice Admiral Samuel Cornish who in 1762 took the gargantuan *Santísima Trinidad*, the largest ship of the age. As their titles suggest, both Anson and Cornish were naval officers acting directly under the authority of the Crown, which was becoming increasingly enamored with, and aggressively involved in, Asia and the Pacific as the eighteenth century progressed. It is worth noting as well that Anson's expedition emanated from Macao and Cornish's from Madras.

Now, no matter how one spins the numbers, four successful missions against the Manila Galleon does not constitute fearsome predation. Vessels were taken in four out of the 250 years the trade existed, or in only 1.6 percent of the years in which vessels were at risk. Given the fact that the yearly Manila Galleon often included more than one vessel traveling in each direction, the risk of loss to predation seems more acceptable still. But numbers alone do not mean that the English, along with the Dutch and the French, should be considered a mere phantom menace. For attacks on the galleons represented but one type of threat. Other classes of Spanish vessels were often subject to attack, and Spanish settlements on both sides of the Pacific were victimized periodically by raids from elements affiliated, nominally or formally, with one or another European power. Manila, for example, was the target of frequent raids by the Dutch—emanating from Dutch strongholds in the East Indies—until the middle of the seventeenth century, and Spanish coastal settlements from Peru through New Spain always had to be on the ready because of foreign marauders. Regarding the latter, one need only recall the English buccaneer Henry Morgan whose famous raids between 1665 and 1671 included Granada, Portobelo, and of course Panama City.

Other types of foreign incursions into the Pacific were ultimately to prove more important, however. Beginning in the sixteenth century and becoming increasingly ominous over time were attempts by the Dutch, the French, and particularly the English to breach the Spanish monopoly of the Pacific through voyages of exploration. Ever since the signing of the Treaty of Tordesillas in 1494, the Spanish had considered the Pacific Ocean to be their private preserve. According to this treaty, negotiated under the auspices of the papacy during the reign of Pope Alexander VI, the Portuguese and the Spanish agreed to a demarcation line, 370 leagues west of the Cape Verde islands, dividing up the world into two respective spheres of exploration and conquest. As a result, the Spanish received exclusive rights to that half of the globe west of the demarcation line, including the Pacific. In the legal parlance of the day, this ocean thus became a *mare clausum* or closed sea, somewhat akin to a "Spanish Lake." Almost from the beginning, though, this "lake" was penetrated by discoverers, explorers, and expectant conquerors under the sponsorship of other European powers.

In the sixteenth century, for example, the Portuguese explorer Pedro Fernandes de Quirós "discovered" Vanuatu, and in the seventeenth century a number of Dutch explorers—Jakob Le Maire, Willem Corneliszoon, Franz Jacobszoon Visscher, and his rather more celebrated captain Abel Janszoon Tasman among them—made

their way through various parts of the southwest Pacific, including the northern Tuamotus, islands in the Tonga and Fiji groups, islands in the Bismarck Archipelago, and, most importantly in the long run, New Zealand.

Reflecting European power politics, French and especially British explorers were increasingly preeminent in the eighteenth-century Pacific. Jean-François de Galaup de Lapérouse and Louis Antoine de Bougainville—eponym of the showy flower—explored much of the southwest Pacific, including Tahiti, Samoa, New Guinea, and the Solomon Islands, and a number of British nationals explored the same general area. Any list of notable eighteenth-century Pacific explorers would perforce include Britons John Byron, Samuel Wallis, and Philip Carteret. Of course that list would also include the most notable explorer of them all, James Cook, whose three voyages (1768-79) led to the mapping and charting of vast stretches of the Pacific, and to the exploration of various islands and island groups, including New Caledonia, Easter Island, and the Hawaiian Islands.

Not surprisingly, the French and the British were not content merely to discover, map, and chart. Trade and territory in the Pacific were increasingly central to each, and many of the lands they explored soon fell under their formal or informal control. Indeed, during the Seven Years' War (1756-63), the British, mounting a naval campaign from Madras, seized control of Manila and held the city for two years before returning it to Spain. In light of this move and in light of the broader British imperial push *into* the subcontinent, maybe we really should refer to this global conflict as the French and *Indian* War after all. In any case, both its seizure of Manila and the intensification of its interest in India should be seen as early manifestations of Britain's emerging imperial redesign. That design aimed among other things at transforming the Spanish Lake from a *mare clausum* into what the seventeenth-century legal theorist Hugo Grotius had famously labeled a *liberum mare*: a free or open sea.

During the latter third of the eighteenth century British statesmen—people such as Pitt the Younger, the earl of Shelburne, Henry Dundas, and William Grenville—formulated a relatively systematic strategic plan that over time succeeded in doing just that. The “opening” of the Pacific was, as historian Alan Frost has demonstrated, related to a broader goal as well, however: the creation of a truly global trading scheme involving regularized and routinized commerce between and among Europe, the Americas, and Asia—commerce organized and controlled by the British and operating via the premises of free trade.

Such a global economy, begun with Magalhaes's circumnavigation and fed by silver and silk and the Manila Galleon trade, actually became a reality in the second half of the nineteenth century when Britain's “Eastern” strategy reached its apex. Moreover, in shifting its imperial presence to Asia or rather to “the extended Pacific”—that is, the Pacific Ocean, the Indian Ocean, and the South China Sea—the British were foreshadowing in some ways the West's fixation on the Pacific Rim today. And, as we have seen, this all began with Europe's

Pacific overtures in the sixteenth century—Magalhaes, the Manila Galleon, and all that—unless, of course, it actually began, as Gavin Menzies contends, with the Chinese “discovery” of America in the early fifteenth century. But that is a story for another day.

Further Reading:

William Lyttle Schurz’s study *The Manila Galleon* (New York, 1939) remains the standard work on the subject. Dennis O. Flynn and Arturo Giráldez’s basic argument can be found in two articles: “Born with a ‘Silver Spoon’: The Origin of World Trade in 1571,” *Journal of World History* 6 (Fall 1995): 201-21; “Cycles of Silver: Global Economic Unity through the Mid-Eighteenth Century,” *Journal of World History* 13 (Fall 2002): 391-427. On British activity in the Pacific in the late eighteenth century, see Alan Frost, *The Global Reach of Empire: Britain’s Maritime Expansion in the Indian and Pacific Oceans, 1764-1815* (Carlton, Vic., 2003). Gavin Menzies’s controversial thesis is laid out in *1421: The Year China Discovered America* (New York, 2003). Finally, for a pioneering attempt to bring the Pacific into the early American narrative, see Alan Taylor, *American Colonies* (New York, 2001).

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