7

The European entry into the trade of maritime Asia

European voyages around the Cape of Good Hope and across the Atlantic brought revolutionary changes in world history, but the full consequences were slow to appear. European shipping, like other European technology, had developed remarkably during the Middle Ages, but it was not yet vastly superior to Asian shipping. It was not yet what it was to become when industrial power made Europe the unquestioned world leader. Europeans of the sixteenth century were much stronger than they had been in military and naval power, but they were not dominant.

The European "maritime revolution" of the fifteenth and sixteenth centuries was not so much a revolution in ship design as the discovery of the world wind system. Prevailing winds vary with latitude in the Atlantic, Pacific, and the southern Indian Ocean. Strong and regular trade winds blow from the east over about twenty degrees north and south of the equator – from the northeast north of the line, from the southeast south of the line. Still farther north or south, from about forty to sixty degrees north or south, the prevailing winds are from the west. By the middle of the fifteenth century, Portuguese mariners had discovered this pattern off the Saharan coast of Africa. They learned to sail south with the northeast trades and then, on the return, to make a long tack to the north-northwest sailing as close as they could to the prevailing northeasterly winds. In time, this would bring them to the westerlies in the vicinity of the Azores. Columbus had sailed down the African coast before he considered crossing the Atlantic. He therefore knew that he could sail west with the tradewinds, in full confidence that farther north, he would find westerlies to bring him home.

Even before 1500, Europeans discovered that this pattern was also true of the South Atlantic. In 1498, with the help of local pilots, Vasco da Gama learned the basic workings of the Indian Ocean monsoons. By 1522, when Del Cano brought one of Magellan's ships back to Spain after the first European voyage around the world, the wind system of the Pacific was known as well. From then on, the Europeans could sail to virtually any coast in the world, though the full implications of this new ability were not immediately recognized.

The Portuguese trading-post empire

When the Portuguese arrived in Eastern seas, they brought a new current of trade and, even more, a new way of organizing commerce and protection costs. Asian trade diasporas before this time had operated with comparatively low protection costs, in spite of local piracy problems. Merchants traveled on ships that were often only lightly armed. Seaborne cannon were virtually unknown. Political authorities held coercive power and sometimes extorted what amounted to protection payments (or their officials did so as a private matter), but trade was generally open to all.[1]

Historians in the past, however, depicted a "Muslim monopoly" over Indian Ocean trade, taking it for granted that if Western Christians were to enter that trade at all, they would have to come "with guns blazing," as they actually did. Muslims were no doubt the most important single religious community in Asian maritime trade, but they were not a monolithic group. Even the Muslims were divided into many different and separate trade communities, and they rarely tried to interfere with trade by other religious communities. Jews, Jains, Parsees, and Hindus were important traders. So were Asian Christian communities like the Ethiopians, Armenians, and Nestorians from India. It is safe to assume that peaceful Portuguese shipping could have joined in free competition with existing traders.

In fact, the Portuguese had at least three options. One was to pay off Asian authorities as necessary. The second was to furnish their own protection. They could have seized a few port towns, fortified them, and used them as bases for secure storage of goods awaiting shipment, either back to Europe or outward through the Asian trade network. Instead, they pushed the coercive element one step further – not merely protecting their own trade but also selling "protection services" to others, forcing Asian merchants to pay for the privilege of sailing the seas in peace.

On the face of it, this was a curious choice. It was not the Asian way of trade, nor was it normal for Portuguese trade in Europe itself. The Portuguese crown had supported the diaspora of Portuguese traders in

[1] See Chapter 6 and, for the Asian organization of protection costs or redistributive enterprises, see Niels Steensgaard, *Carracks, Caravans and Companies: The Structural Crisis in the European-Asian Trade of the Early 17th Century* (Copenhagen, 1973), pp. 60–113.

Europe through factories or *feitorias*, in the familiar Mediterranean pattern. One in Flanders dated from the fourteenth century, located first in Bruges, but moved to Antwerp in 1488. Other royal factories were located in England, at Seville, and at Venice. The royal official in charge had duties a little like those of a present-day consul: to encourage Portuguese trade and watch out for the interests of Portuguese merchants.[2]

For its overseas operations, however, the Portuguese government chose another model, namely, that of the Venetian and Genoese trading-post empires in the Mediterranean. The Portuguese not only knew of the Italian trade practices, but many Genoese and Venetians also were settled in Lisbon. Several had been involved in sugar planting on Madeira, others in the Portuguese push down the African coast in the fifteenth century. Still others were active in the further Portuguese drive into Indian trade at the beginning of the sixteenth.[3]

These Italians functioned in some ways as technical instructors, who naturally taught their own way of doing things; but Portuguese society had its own predisposition toward coercive forms of commercial enterprise. Lines between feudal nobility and the merchant class were a little more fluid than they were in most of northwest Europe. There, the nobility were sharply distinguished from other classes. They were ranked after the clergy for theological reasons, but far above the peasantry. Merchants were even further down the line in prestige, in spite of their wealth and occasional power. This anticommercial ideology had the usual background. Nobles ruled; clergy intervened with God; peasants produced food for all; but merchants merely exchanged goods without apparently producing anything. As late as the eighteenth century, a French nobleman could lose his status by merely engaging in trade; but theory and fact were rarely completely aligned. Many a noble family had originally risen through trade. In Portugal, however, nobles, even members of the royal family, were openly involved in all kinds of commercial undertakings. It was only natural for them to bring the military traditions of the feudal aristocracy into these new enterprises.[4]

Between the 1410s and his death in 1460, Prince Henry sponsored a number of voyages down the African coast, and his career highlights the way Portuguese society could mix functions kept separate farther north. He was Administrator of the Order of Christ, an important crusading order, theoretically still dedicated to the anti-Muslim cause, and simultaneously a member of the feudal aristocracy, holding certain lands

[2] António Henrique de Oliveria Marques, *History of Portugal*, 2 vols. (New York, 1971), 1:171.

[3] Charles Verlinden, *The Beginnings of Modern Colonization* (Ithaca, N. Y., 1970), pp. 98–112.

[4] Marques, *History of Portugal*, 1:180–1.

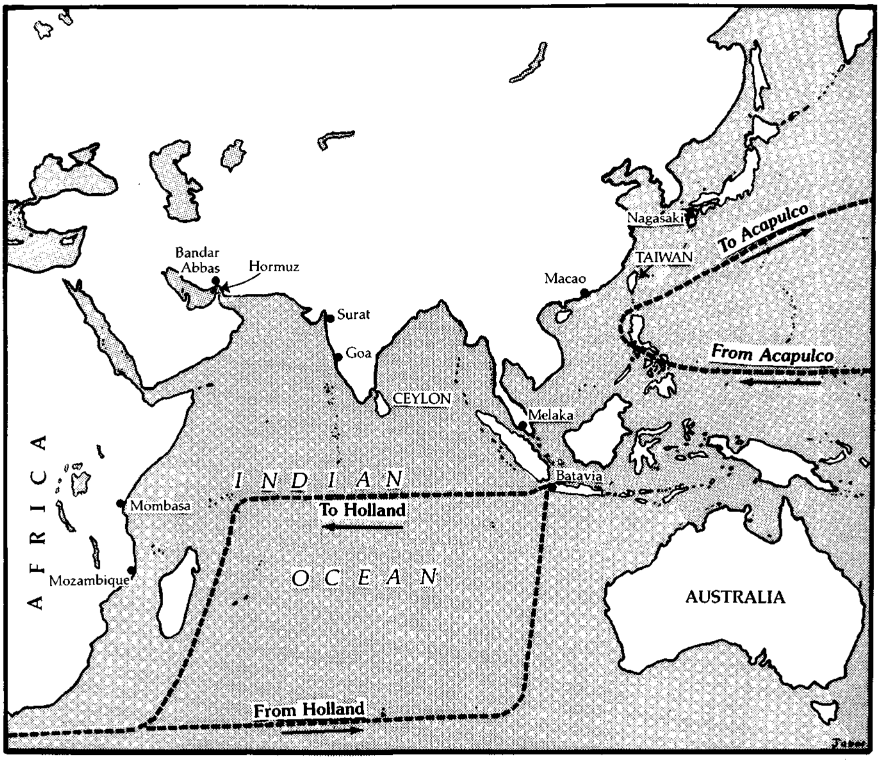
from the crown on feudal title, and an important merchant as well. He invested his own fortune along with funds belonging to the Order of Christ in all kinds of commercial ventures, including privateering, surely one of the most coercive forms of private enterprise. And he was not alone. Though he sponsored as many as a third of the Portuguese voyages down the Sahara coast before 1460, various feudal lords, private merchants, and the king himself also invested in these enterprises.[5]

This mixture of feudal and commercial activity continued through the late fifteenth century, with the crown especially active under Dom João II in the 1480s. The mixed social origins of the investors and directors were reproduced among those who actually navigated and commanded trading posts, where the combination of feudal background and desire for wealth through commerce was especially strong. The combination of trade and plunder came naturally. It was indicative that Dom Manoel "the Fortunate," the king who gained the first wealth from trade with India, took the grandiose title, "Lord of the Conquest, Navigation, and Commerce of Ethiopia, Arabia, Persia, and India" (little of which actually ever fell under Portuguese control). His contemporary fellow-monarch, Francis I of France, called him "the grocer king" – it was not a compliment.

The pattern of trade and empire that emerged during the African voyages, as well as the more distant Mediterranean precedent, helped to form the pattern that would emerge in the Indian Ocean after da Gama's voyage to India in 1498. By the 1480s, the earliest pattern of more-or-less peaceful trade had shifted to the model of a trading-post empire. The territorial bases were islands, sometimes islands well off shore like the Cape Verdes or São Tomé in the Gulf of Guinea, where African armies were no threat. Otherwise they were coastal islands where surrounding water formed a natural moat. The main island fortresses of this type were Luanda on the coast of present-day Angola and Elmina in Ghana, though there the fort was on a long peninsula separated from the mainland by a lagoon. The Portuguese also tried and failed to capture the island that would later become Saint Louis du Sénégal.

These precedents were clear in the instructions given in 1505 to Francisco de Almeida, the new viceroy of Portugal's Indian Ocean possessions. He was ordered to seize and fortify strategic points, giving precedence to island locations. Garrisons in these forts were to provide security for the fleets that were to begin patrolling the Indian Ocean, first of all, for the protection of Portuguese maritime trade, but second to sell protection to Asian shippers in the form of permits called *cartazes*,

[5] For a recent treatment of early Portuguese exploration see Bailey W. Diffie and George D. Winius, *Foundations of the Portuguese Empire, 1415–1580* (Minneapolis, 1977); Marques, *History of Portugal*, 1:144.



Map 7.1. The Indian Ocean

which were to be required of all non-Portuguese vessels engaged in local Asian trade.[6]

The trading-post empire that emerged took the shape of earlier Asian trade networks. The Portuguese quickly picked up Asian knowledge of winds, currents, routes, and ports, looking for a pattern of strong points that would give command over the sea lanes. In the northwestern sector, these were the island of Hormuz guarding the narrow straits at the entrance of the Persian Gulf and Aden at the entrance of the Red Sea. The Portuguese seized Hormuz, but they failed to take Aden; and they could never correct this initial failure. The Red Sea remained under Muslim, mainly Turkish, control. Portuguese sea power only occasionally reached into the Gulf of Aden.[7]

In southeastern Africa, the Portuguese were more successful. They

[6] Marques, *History of Portugal*, 1:232 ff.; Diffie and Windus, *Foundations*, pp. 243–300.
[7] Robert Bartram Serjeant, *The Portuguese off the South Arabian Coast: Hadrami Chronicles* (Oxford, 1963), esp. pp. 1–40.

sacked Kilwa, the old entrepôt for the gold trade of Zimbabwe, and they set up as their own equivalent a fortified post on the island of Mozambique. From there, they tried to dominate trade from the goldfields to the port of Sofala and northward along the coast. Portuguese fleets sometimes operated north of Mozambique, but it was only in the 1590s that they seized and fortified the island of Mombasa on the Kenya coast, providing a northern anchor for their African operations.

On the Indian mainland, they needed a strong point that could serve as their equivalent to the ports of Gujarat. After an initial effort at Cochin, they switched to Goa, another island partly defensible by seapower and convenient to the pepper-growing Malabar coast in the south.

Southeast Asia was especially important, since the spice trade was the main Portuguese objective. In 1511, they seized the key port of Melaka, and for a time they had a fortified trading post at Ternate in the Maluku (Molucca) Islands where the spices actually grew, though neither of these tradings posts gave them a genuine superiority over neighboring Asian powers – nor put them in a position to monopolize the spice trade. In 1557, they rounded out the pattern when Chinese authorities allowed them to fortify the island of Macao in the mouth of the Pearl River below Canton.

It is significant that these port towns were either key entrepôts before the Portuguese came or could be made the functional equivalents of the five or six main port towns of the pre–da Gaman commercial order. This was important for the Portuguese program of selling protection to Asian merchants. The fees charged for the cartazes were quite modest, but one condition of the sale was that ships granted permission to trade over a certain route were also obliged to call at Portuguese-controlled ports. Once there, any cargo that was unloaded or transshipped paid a duty of about 6 percent, rising to 10 percent in the seventeenth century.[8] The income from such charges at a port like Melaka, a normal breaking point between China Sea and Indian Ocean trade, could be important.

The Portuguese crown sought to control these operations through two separate organizations. One was the Casa da India, a royal trading firm located in Lisbon and endowed with royal monopoly over the principal imports from Asia. This included pepper, mainly from the Malabar coast of India, cinnamon, mainly from Ceylon (now Sri Lanka), and the luxury spices: cloves, nutmeg, and mace from the Maluku and Banda Islands of eastern Indonesia. Ginger, lacquer, silk, and borax were also on the monopoly list, but pepper was by far the most important.

The second organization was the Estado da India for the political

[8] M. N. Pearson, *Merchants and Rulers in Gujarat: The Response to the Portuguese in the Sixteenth Century* (Berkeley, 1976), pp. 133–54.

administration of the trading posts, control of military and naval forces, and economic regulations governing trade in Asian waters. Its headquarters was theoretically in Lisbon, but the effective center of power and authority was the viceroy in Goa with command over all posts, military, and naval forces from the Zambezi valley in Africa to Macao in China. Both the income and the expenditure of the Estado da India were higher than those of the Casa, since they included the military and naval expenses that made the Casa's profits possible, along with the tariffs, tolls, cartaz receipts, and other government income collected in the East.

In a sense, the Casa da India's revenues were commercial – drawn from the sale of commodities and shipping services, at monopoly prices where possible. The Estado da India's revenues, on the other hand, came mainly from the sale of protection – partly by the crown for the crown's own revenue, but even more by the crown's eastern officials for their own pockets. These officials drew far more income from the bribes and gifts of Asian traders and Asian rulers than they did from salaries. This corruption was so extensive that it was not merely a source of bureaucratic inefficiency. By the late sixteenth century, the whole structure rested on it. The pattern of private payments outweighed the importance of official channels many times over. Corruption had become, in Niels Steensgaard's phrase, "constitutionally determined."[9]

Pepper sales in Europe brought the crown a handy profit, but the operations of the Estado da India rarely did; and the fiscal balance for the Portuguese government over the long run was negative. For the crown, then, the initial decision for coercion rather than simple trade was certainly a mistake. For individual Portuguese in the East, however, it was probably, on balance and over the long run, profitable to sell "protection," since the individual pocketed the proceeds, while the crown paid the cost.[10]

In other respects as well, the reality of Portuguese empire in the East was less than the words "Lord of Conquest, Navigation, and Commerce" might suggest. Part of the problem was technological. The maritime revolution was in its early decades. Ships could sail to India and return, but the voyage remained extremely dangerous. Even today, the southern coast of Africa is a region of high winds, rocky shores, and few harbors. Of all the ships that sailed from Portugal for the Indian Ocean between 1500 and 1634, 28 percent were lost at sea. Nor were

[9] Steensgaard, *Carracks*, pp. 81–95.

[10] Steensgaard, *Carracks*, pp. 81–95; Pearson, *Gujarat*, p. 56; M. N. Pearson, "Corruption and Corsaires in 16th Century Western India: A Functional Analysis," in Blair B. Kling and M. N. Pearson (eds.), *The Age of Partnership: Europeans in Asia before Dominion* (Honolulu, 1979).

they many to begin with. The average number of departures for this whole period was only seven ships a year. They were monsters for their time, a thousand tons or more – several times the size of ordinary deep-water Asian ships. But Asian ships still carried most Asian trade, and the return cargoes around the Cape to Europe were limited. Over this whole period from 1500 to 1634, only 470 ships made it back from the East, less than four a year. This means that, even discounting outbound losses at sea, about a third of the ships that reached the Indian Ocean stayed there for the remainder of their useful lives.[11]

This permanent migration of shipping highlights an important aspect of this Portuguese trading-post empire. It was more Goa centered than it was Lisbon centered. In a hierarchy of urban multifunctionality, Lisbon was clearly at the top of formal hierarchies in government, economy, and religion; but it was a distant top. Goa, though lower, had more intimate control over its subordinate cities than Lisbon had over Goa. Both Goa and the lesser cities were also closely involved in patterns of Asian trade and relationships with other Asian cities. Just as royal officials made their fortunes by allowing Asians to corrupt them, other Portuguese – soldiers, clergymen, and even a few private traders – entered Asian trade on much the same terms as Asian traders. They sometimes shipped their goods on the royal ships, but they could also ship on the Asian-built (and sometimes Asian-owned) ships of European design manned by Asian or mixed crews. Partly because the return to Europe was so risky, most Portuguese trade consisted of carrying Asian goods to Asian destinations.

Portuguese culture reached deeply into the ecumenical patterns of Asian commerce, just as other new trade diasporas had influenced it in the past. The Portuguese language, for example, became an important, perhaps the dominant, lingua franca in Asian maritime trade, and it held that position till nearly the end of the eighteenth century, when it was gradually supplanted by English.

But the Portuguese were not successful in their effort to monopolize the traffic in pepper and spices between Asia and Europe. Their greatest success came in the first few decades of the sixteenth century, when their shipping reached all the way to the Maluku islands, and they even built a trade fort on the island of Ternate in the 1520s. But they bought spices in competition with Chinese, Malay, and a variety of traders from island Southeast Asia, including Javanese, and Makassarese and Bugis from South Sulawesi (South Celebes). Before the century's end, the Spanish appeared as well, by way of their own string of fortified trading

[11] Vitorino Magalhães-Godinho, *L'économie de l'empire portugais aux xv^e^ et xvi^e^ siècles* (Paris, 1969), pp. 663–709.

posts reaching from Seville to Mexico, then from Acapulco across the Pacific to Manila and south to the Spice Islands. After the 1570s, the Portuguese even lost their post at Ternate and fell back on the alternative policy of buying spices in Melaka from Asian traders who operated over the 3,500 kilometers that still separated Melaka from the Spice Islands. The port of Makassar on South Sulawesi became increasingly important as the center of South Sulawesi trade diasporas, which included the spice trade among other concerns of interisland shipping.[12]

It was much the same with the pepper trade on the Malabar coast of India. In the beginning, the Portuguese tried to monopolize the purchase of pepper through military and diplomatic pressure on petty rulers, supported by a maritime blockade to prevent pepper from being "smuggled" north to Gujarat, and on to the Persian Gulf for transshipment by caravan to Europe. These measures certainly discouraged some of the competition and may actually have created monopoly conditions for short periods, but, in the early seventeenth century, the Portuguese were only able to buy and ship about 10 percent of total Malabar production, even in a good year.[13]

Although quantities carried around the Cape were small in comparison with Asian trade, or with trade in European waters, they were nevertheless significant compared to those that got through to Europe by caravan. In the early decades of the sixteenth century the Portuguese crown had been able to charge prices based in part on the monopoly element in its operations. Later in the century, the monopoly weakened, but the crown still did well charging a price that was competitive with alternate routes. By the 1560s, the Portuguese appear to have imported about half of all the spices that got through to Europe. For pepper in the best decades of the century – the 1550s, and again in the 1570s and 1580s – the Portuguese may well have supplied about three-quarters of Europe's imports and perhaps the same in spices as well.[14]

Sixteenth-century responses of the Asian traders

Historians of Europe often write about the Portuguese trading-post empire in ways that distort unintentionally by keeping the Portuguese at the center of the Indian Ocean stage. In spite of Portuguese naval power,

[12] M. A. P. Meilink-Roelofsz, *Asian Trade and European Influences in the Indonesian Archipelago between 1500 and about 1630* (The Hague, 1962), pp. 136–72; Anthony Reid, "The Rise of Makassar" (in press).

[13] Anthony B. Disney, *Twilight of the Pepper Empire: Portuguese Trade in Southwest India in the Early Seventeenth Century* (Cambridge, Mass., 1978), pp. 32–6.

[14] C. H. H. Wake, "The Changing Patterns of Europe's Pepper and Spice Imports, ca. 1400–1700," *Journal of European Economic History*, 8:361–403 (1979).

the Portuguese were only one among a number of different trade diasporas that continued to operate, either with or without Portuguese permission. Asian traders met Portuguese at many different points, not least in Goa itself, where the Portuguese were always outnumbered by Asian traders. As elsewhere, some were residents who helped their fellow-countrymen find their way in an alien setting. More were moving traders who came with their goods, made their exchanges, and then departed. As might be expected from the Portuguese tendency to oppose Muslims wherever possible, the largest single community was Hindu. Others were Asian and African Christians – Nestorians from nearby parts of India, Ethiopians, and Armenians as well. Muslims were present, in spite of Portuguese disfavor, from Africa, Persia, Arabia, and from the old Muslim settlements on the Malabar coast south of Goa. Hindus and Jains came partly from Gujarat and partly from the nearby parts of India. They dealt partly in local food, textiles, and handicrafts for the supply of the fort, but they also brought in goods from China, Bengal on the other coast of India, or Arabia and the Persian Gulf. As of 1546, an estimated 30,000 Gujarati lived in Portuguese-controlled towns, compared to a Portuguese population in these same trading towns that never exceeded 10,000.[15]

Gujarati predominance continued outside India as well. About 1600, the Portuguese-controlled port of Hormuz at the entrance of the Persian Gulf had 17 percent Portuguese residents, 10 percent Indian Christians and Indo-Portuguese, 27 percent Hindu, 7 percent Jewish, and 40 percent Muslim. Most of the Hindus and some of the Muslims would have been from Gujarat, since Gujarati still dominated the trade between India and the Persian Gulf. As late as the 1570s, the value of Gujarat customs revenues was still three times the total revenue of the Portuguese empire in Asia, though many Gujarati merchants worked within the Portuguese cartaz system. In effect, where the Portuguese had decided to invest in arms so as to collect protection payments, the Gujarati decided to pay protection money instead. This made it possible for them to continue trading in their own right. Gujarati capital also helped to finance trade that was legally Portuguese, and Gujarati predominance, measured in value of trade carried, continued on into the seventeenth century, when Dutch and English competition was also present.[16]

[15] John Huyhgen van Linschoten, *The Voyage of John Huyhgen van Linschoten to the East Indies*, 2 vols. (London, 1885), 1:256; Meilink-Roelofsz, *Asian Trade*, p. 130; Holden Furber, *Rival Empires of Trade in the Orient, 1600–1800* (Minneapolis, 1976), p. 315.

[16] Jean Aubin, "Le royaume d'Ormuz au début du XVI[e] siècle," in Aubin (ed.), *Mare Luso-Indicum*, 5 vols. (Geneva, 1971–), 2:2–63; Pearson, *Gujarat*, pp. 4–5, 92–117; Tapan Raychaudhuri and Irfan Habib, *The Cambridge Economic History of India*, 2 vols. (Cambridge, 1982), 1:432–3.

Elsewhere, local Asian trading communities reacted in a number of different ways. Our present knowledge cannot illustrate the whole range of possibilities, but examples that *have* been exposed by recent research show some of them. One place of special concern for the Portuguese was the Malabar coast of southwest India, the center of Indian pepper production. It was also a region of ancient and interrelated trade diasporas with a complex past. That region, the present Indian state of Kerala, was wet tropics with several crops of rice possible each year. The low tropical coastal belt was also hemmed in by mountains to the east, which cut it off from easy contact with the rest of southern India. Ancient patterns of long-distance trade had linked it by sea with both western and Southeast Asia.

The local society was Hindu, but the two dominant castes were uninterested in trade. Their wealth came from land, their prestige from religion. They tended to be rural based, leaving the cities to outsiders who had been coming to buy pepper since Roman times. For nearly that long, Kerala society had recognized its need for foreign merchants in long-distance trade. Local rulers had issued grants of autonomy to religious and ethnic communities defined in local law as *Nagara*, trading corporations related conceptually to the ancient Indian trading guilds. They enforced their own law within the community, lived apart from the rest of the population in their own wards, and sometimes enjoyed freedom from taxation or other privileges.[17]

For a long time before the sixteenth century, four merchant groups had dominated Kerala's trade. Two were Hindu, the Chetti from the Coromandel coast and the Gujarati from the north. Two were Muslim, the temporary visitors from Persia or Arabia, and a group descended from transients but now taken root in Kerala. This local Muslim community was called Mappila. It began to take shape at least by the twelfth century. Merchants from the west came across the Arabian Sea in seasonal trade. These Muslims practiced the Arabian form of temporary marriage, acquiring families in one or more Indian ports. The new social group was Muslim in religion, Arabian in some aspects of culture, but Indian by descent. It also had cultural associations with the lower Hindu castes, and with the untouchables who had converted or married off their daughters as a way of moving up in society. Nestorian Christians and Jews were also present as less prosperous trading communities.

Politically, power in the early sixteenth century was fragmented in fact, though concentrated in theory in the hands of four Hindu states,

[17] Genevieve Bouchon, "Les musulmans du Kerala à l'epoque de la découverte portugaise," in Jean Aubin (ed.), *Mare Luso-Indicum*, 2:18–27; Stephen Frederick Dale, *Islamic Society on the South Asian Frontier: The Mappilas of Malabar, 1498–1922* (New York, 1980), pp. 19 ff., 29.

which the Portuguese identified by the names of their chief cities: Calicut, Cannanore, Cochin, and Kollam (Quilon). Mappila Muslims, like the other merchant communities, operated in all four, making up as much as 20 percent of the regional population. When Vasco da Gama first arrived in 1498, his pilot took him to Calicut, then the greatest Malabar entrepôt for the spice trade from Southeast Asia. The Portuguese soon alienated the zamorin, or ruler, of Calicut, partly through violent behavior toward his Muslim subjects. Local rivalries, however, made possible Portuguese access to Cochin in return for military and other support against Calicut over decades of chronic warfare.

Portugal also tried to monopolize the pepper trade of this region, working where possible through local rulers. Hindu peasants actually produced the pepper. They sold it first to middlemen, normally Nestorian Christians, who traveled into the hinterland, made contact with individual growers, and bulked the product for shipment. As Christians, they might be expected to find favor with the Portuguese, but the Inquisition thought otherwise, because they were not Catholic. Muslims in most ports bought the pepper and either sold it to the Portuguese or shipped it north to Gujarat in fleets of light, fast vessels that could stay close to shore and take refuge on land or in shallow water if the Portuguese should try to intercept.[18]

The Portuguese called these Muslim traders "corsairs," and the Calicut Muslims no doubt called the Portuguese some equivalent name in their own language. The more significant point is that by the early seventeenth century, the Portuguese military threat had brought about a thorough militarization of Mappila society. By that time, Mappila shipping had turned into an armed trade diaspora that made little distinction between the legitimacy of trade and plunder after a century of maritime guerrilla warfare. The new emphasis on armed trade included an ideological shift in local Muslim thought, built on the ancient belief in *jihad*, or struggle against unbelievers.

Here, as elsewhere, the Portuguese impact had no such simple consequence as destroying the existing trade networks, nor even using those that seemed to further Portuguese aims. Portuguese naval power reinforced some Asian trade opportunities while it suppressed or distorted others. The Portuguese carried their anti-Muslim bias into attempted trade regulation for the Bay of Bengal. Where they might trade with Muslim Gujarati in some places, they wanted Muslims out of the trade between India and Southeast Asia, if at all possible. One way to accomplish this was to encourage Kling merchants from the Coromandel coast

[18] Pearson, "Corruption and Corsaires," in Kling and Pearson (eds.), pp. 27, 32–9; Furber, *Rival Empires*, p. 315; Disney, *Pepper Empire*, pp. 32–9.

to take their place. This called for opposition to Gujarati trade in the Bay of Bengal and favors to encourage Kling traders already settled in other ports to use Melaka instead.[19]

But Portuguese opposition was hardly enough to drive the Muslim traders from the Bay of Bengal. They could simply substitute another entrepôt for Melaka. When the Portuguese captured Melaka in 1511, the ex-sultan had moved down the coast to become sultan of Johor, the hinterland of the later port of Singapore. Johor welcomed Portugal's enemies, but its main trade contacts ran east and north in Southeast Asia itself. Traders approaching from across the Bay of Bengal found a more favorable entrepôt in the sultanate of Aceh, on the northwest end of the island of Sumatra. Aceh was already a major pepper producer, and its own traders began to carry pepper around the Portuguese blockade. This could be easily done on the northeast monsoon, sailing directly to Aden but passing well to the south of Ceylon. Portuguese cruisers rarely patrolled so far south, and at most times the Gulf of Aden was more secure for Muslim ships than it was for Portuguese. Even Hindu Gujarati sometimes used this same route, sailing first from Gujarat to Melaka with a cartaz, then loading pepper in Sumatra and making directly for Aden without one.[20]

From Southeast Asia north to China, the sixteenth-century strategy was again different. The Chinese prohibition of foreign trade by Chinese was first issued in the 1430s and still in effect, though Portuguese were permitted to settle at Macao after 1557. The Okinawans were still important over these routes in the early sixteenth century, and Japanese shipping became important in the second half, using aspects of European ship design and navigational techniques under direct Portuguese tutelage until the closing of Japan after 1635. But a great deal of the China trade was carried illegally by Chinese from the province of Fujian or by overseas Chinese from Southeast Asia, who could sail with papers, easily purchased in Melaka or Macao, making them officially Portuguese.[21]

In the Indonesian archipelago, of course, the Portuguese simply lacked the power to act effectively over the thousands of miles of trade routes stretching along the main chain of islands from Melaka to Java and eastward to the Spice Islands. Those routes were shared by many, with special and growing prominence for the trade networks centered on the city of Makassar (the present Ujung Pandang) in South Sulawesi.

[19] Dennys Lombard, "Questions of Contact between European Companies and Asian Societies," in Leonard Blusse and Femme Gaastra (eds.), *Companies and Trade: Essays on Overseas Trading Companies during the Ancient Regime* (The Hague, 1981), pp. 79–87.

[20] Meilink-Roelofsz, *Asian Trade*, pp. 138–46; Pearson, *Gujarat*, pp. 92–117.

[21] Meilink-Roelofsz, *Asian Trade*, esp. pp. 124, 157–69.

North European competition for the Portuguese

Between about 1570 and 1600, other Europeans began trading to the Indian Ocean. Their coming marked a new phase, a new and heavier weight of Europe on Asian affairs, but it was still less than it was to be with the next increase of available European power toward the middle of the eighteenth century. The "European Age" in world history had not yet dawned. The Indian economy was still more productive than that of Europe. Even per capita productivity of seventeenth-century India or China was probably greater than that of Europe – though very low by recent standards.[22] Europe's clear technological lead was still limited to select fields like maritime transportation, where design of sailing ships advanced enormously through the sixteenth and seventeenth centuries. Otherwise, Europe imported Asian manufactures, not the reverse.

These major economic trends have to be seen as somewhat distant background for more immediate political shifts like the rise and fall of states and dynasties. In the last decades of the sixteenth century, China was passing through the last and weakest phases of Ming rule. Disastrous decline in governmental authority at the center foreshadowed the end of the Ming and the foundation of the Manchu or Qing dynasty in the 1640s. In the Muslim lands of South and Southwest Asia, major political reorganizations were also taking place in the sixteenth century. This new era in Muslim affairs has been characterized as the "Age of Three Empires,"[23] and this last period of Muslim imperial greatness reached its apogee in the seventeenth century, when the northern Europeans entered the Asian stage.

The earliest of the three empires was Ottoman Turkey, neighbor of Europe and rival of European sea powers in the Mediterranean all through the sixteenth century. Its peak of military power had already passed by 1600, but the Ottomans could still threaten Vienna and the middle Danube to the end of the seventeenth. The second of the three empires was the Safavid dynasty in Persia. It had gained control over the Iranian Plateau by about 1500, but the peak of its power came during the reign of Shah Abbas the Great (1587–1629). The last of the three was Mughal India. It began with a conquest of northern India by invaders from central Asia in the first decades of the sixteenth century, but its peak of power came only with the reign of Akbar (1556–1605) and Mughal culture continued to flourish through most of the seventeenth century.

[22] Raychaudhuri and Habib, *Cambridge Economic History*, 1:458–70.

[23] The term is Marshall Hodgson's. The period and its significance are summarized in his book, *The Venture of Islam: Conscience and History of a World Civilization in Three Volumes*, 3 vols. (Chicago, 1974), 3:1–162.

Even though much of the trade from Asia to Europe passed up the Red Sea or the Persian Gulf, the reputed wealth of trade by sea was enough to attract European competition for the Portuguese. The earliest in time and least significant in the long run were the Spanish from their base in Manila. The union of the Spanish and Portuguese crowns from 1580 to 1640 saved both Iberian powers from attack by the other – and strengthened both against the Dutch and English.

Manila thus became a transit market linking a Chinese trade diaspora with the Manila galleons from Acapulco. Like Goa, Manila was under European control, but the trading population there was largely Asian. One estimate for 1571–1600 put the annual average of seasonal Chinese visitors at 7,000, compared with a resident Spanish and Mexican population of less than a thousand. By 1600, the resident Chinese population had reached 8,000. Since the Chinese visitors were almost all male, intermarriage soon produced a mixed-race, mixed-cultural community able to act as cross-cultural brokers. It was indicative that the Philippine Spanish word for Chinese was *sangleye*, derived from the word for trade in the Xiamen (Amoy) dialect of Chinese. Relations between Spanish and Chinese, however, were hardly more peaceful than those between the Portuguese and Muslim traders. The outnumbered Spanish greatly feared Chinese influence; periodic "insurrections" were followed by massacres of the Chinese residents. Outbreaks in 1603 and 1639 were especially serious.[24]

The Dutch and English entered Asian trade in circumstances that included the prior arrival of the Portuguese. That in itself changed the Dutch and English options. To enter peacefully was no longer possible, especially when the king of Portugal was also king of Spain – perhaps the strongest monarch in Europe and certainly determined to defend what his predecessors had seized. In the last decades of the sixteenth century, he was chronically at war with France, England, and the Dutch provinces. For these north European enemies, the Iberian empires overseas were an inviting target.

International anarchy among Europeans overseas was confirmed by a peculiarity of international law. The various treaties that separately ended the wars between Spain, on one hand, and France, England, and the United Provinces, on the other, provided for peace in Europe only. The European zone of peace was bounded by the "lines of amity," that is, the Tropic of Cancer to the south and an imaginary north–south line

[24] Rafael Bernal, "The Chinese Colony in Manila, 1570–1770," in Alonso Felix, Jr. (ed.), *The Chinese in the Philippines*, 2 vols. (Manila, 1966); Milagros C. Guerrero, "The Chinese in the Philippines, 1570–1770," in Felix, Jr. (ed); John F. Cady, *Southeast Asia: Its Historical Development* (New York, 1964), pp. 238–40; William L. Schurz, *The Manila Galleon* (New York, 1939).

in mid-Atlantic. Beyond these lines, the European powers were neither at peace nor at war; it was an internationally defined zone of anarchy. This anomalous situation lasted into the 1680s, when a new series of bilateral treaties gradually brought it to an end. Meanwhile, it complicated the protection problem for European merchants beyond the lines. Plunder did not automatically replace trade, but unarmed trade was out of the question.

As sea powers, England and the United Provinces had a number of options. One was interloping, entering Asian or American trade in hopes of being able to evade Hispanic patrols. Both began their attacks on the Spanish and Portuguese in this way in the second half of the sixteenth century.

A second possibility was to organize enough military power to attack and capture the Hispanic empires. For the Indian Ocean, at least, both maritime powers decided against a major attack by government forces. Instead, each chartered a joint-stock company endowed with a monopoly over that nation's trade beyond the Cape of Good Hope. Each company also had the legal right to raise armies and navies, to fight wars, and make peace within their zone. Both charters recalled, in short, the mixture of feudal-military traditions with commercial aims that marked the first Portuguese efforts more than a century earlier. These arrangements were now justified in both England and Holland on grounds that merchants who would make profits overseas should also pay the protection costs, which might otherwise fall to the state, hence to the ordinary taxpayer.

In fact, neither company ever attempted a wholesale seizure of the Portuguese posts. Evidently it was no more an economic proposition for the companies than for their governments. As of 1600, the Portuguese held Mozambique, Mombasa, and Hormuz in the west, Goa in the center, and Melaka and Macao in the east. The only one that fell to either Dutch or English attack was Melaka, captured by the Dutch in 1641. Some of the others were lost to Asian powers (Hormuz to Safavid Persia in 1622, Mombasa to Omani Arabs in 1697), but the rest remained Portuguese to the middle of the twentieth century. A Portuguese trading-post empire therefore continued alongside whatever new elements the northern Europeans might introduce.

A third possibility was to create a new trading-post empire, parallel to the Portuguese and with about the same compromise between open competition and force. That is, it would include the use of force where necessary to secure commercial advantage.

A fourth possibility was similar, but with the use of force limited to self-defense. Successful trade would depend on purely commercial competition, though this would include as always the necessity of paying for protection or supplying it with the company's own forces. This option, in short, approached the mode of operation of the Indian Ocean traders before 1500 – with the major difference that any new European entrant had to be prepared to fight the Portuguese, who were not yet willing to sell protection to other Europeans.

Any of these options implied a further consideration. The trade diasporas of the Europeans were not to follow the Asian pattern of organization, where congeries of small firms worked in competitive cooperation with one another. As economic entities, the north European companies kept at least a large part of their trade under the same centralized, bureaucratic control their military-political operations necessarily followed. This newer and larger-scale commercial firm had begun with the Casa da India and other government trade. With the new companies of the seventeenth century, centralized control over a whole trade diaspora became much more evident. Indeed, it became typical of many of the European subfamilies of trade diasporas of the seventeenth, eighteenth, and into the nineteenth century, in other parts of the world as well.

As with all formal models, none of the European options became a reality in a pure form. All Europeans had to operate with a mixture, though one option or another would be dominant. And the mixture also tended to change with time. This proposition can be illustrated by taking the Dutch and English companies one at a time.

The VOC in practice

In 1602, the government of the United Provinces chartered the Vereenigde Oostindische Compagnie, the Dutch East India Company, or VOC. It was a new departure after a period of free-lance and aggressive Dutch interloping in the late 1590s, and the choice of a restrictive, monopolistic company was a curious one for the Dutch at this time. They themselves were the leading maritime power in Europe. Their ships dominated the European sea lanes, because they could carry goods more cheaply than anyone else. They specialized in bulk cargoes like fish, salt, Baltic timber, southern wine, and English and Flemish cloth. They were also the European leaders in commercial skills like bookkeeping, exchange services, and the marketing of securities. One might have expected VOC policies designed to capitalize on these advantages.

Instead, its first intent was to seize the Portuguese trade system by frontal assault. This policy is partly explained by the structure of the VOC itself. The company was subdivided among the various Dutch provinces, with an internal structure that gave capitalists a chance to invest, with some say in policy, but left the final decision to the state.

The VOC therefore began with its military force more important than its trade goods. It was less a capitalist trading firm than it was a syndicate for piracy, aimed at Portuguese power in Asia, dominated by government interests, but drawing its funding from investors rather than taxpayers.

Once in Asian waters, the VOC found that it lacked the power for a frontal assault. The Portuguese in Asia were few, but they had already accommodated such a variety of Asian interests that they were extremely hard to dislodge. The VOC therefore abandoned its first choice and fell back to the second option of setting up a parallel system. The main base was the fortified city of Jakarta, renamed Batavia, on the northwestern coast of Java. It was the functional equivalent to Melaka, though it used the Sunda Straits, not the Straits of Melaka, for its main passage between the Indian Ocean and the South China Sea. The VOC then tried to seize Taiwan, as its functional equivalent of Macao or Manila for entry into the Chinese market. It seized parts of coastal Ceylon as functional equivalents to southern Indian ports like Goa or Calicut, while Cape Town near the southern tip of Africa served as the equivalent of Mozambique and Brazil as way stations between Europe and India. All this was not, of course, the work of a few decades or careful planning from scratch. It was a sequence of gradual changes that took up much of the seventeenth century. Many people in VOC management regarded these posts as mere stopgaps until they might have power enough to seize all the Portuguese entrepôts as well.

The Dutch made one significant innovation in routes from Europe to the east. While they kept with the monsoonal crossings of the Indian Ocean for their inter-Asian trade, they found that ships outbound from Europe could stay far south so as to cross the southern Indian Ocean in the belt of prevailing westerlies, which blow all year long. They could then come north through the Sunda Straits. For the return to Europe, they could drop a little south of the equator to catch the southeast trade winds, which also blow all year. These routes through the South Indian Ocean kept Dutch shipping away from Portuguese naval patrols and saved it from the tyranny of seasonal winds.

As the Dutch developed their centers of trade and power, they also imitated the Portuguese attempt to monopolize trade. They too sold passes equivalent to a cartaz, and so did the English East India Company. At first, a pass made a ship safe only from capture by the fleet of the issuing nationality. With time, however, the companies began to honor the passes issued by the others. But where the Portuguese were willing to issue passes over most Asian routes, the Dutch company entered inter-Asian trade as well as the trade between Asia and Europe. It therefore restricted passes as a way of keeping down competition. At times, it tried to reserve the textile trade between the Coromandel coast and Java for its own shipping. It also tried to eliminate Asian shipping in the spice trade of the Maluku and Banda islands. At one period, the VOC tried to keep Gujarati ships out of Southeast Asian ports altogether. As with the Portuguese before, these moves simply pushed Asian competition onto alternative routes. Gujarati and Armenian ships, for example, could sail from India to Manila and there find a favorable entrepôt for distributing Indian cloth to the thousands of islands farther south.[25]

The Dutch succeeded in one way the Portuguese had failed; they created a genuine monopoly over the nutmeg and cloves production of the Maluku, Banda, and Ambon islands by controlling production itself, not merely trying to suppress "smuggling." On orders from Amsterdam, they sent soldiers to destroy the trees on shore so as to reduce supplies to other potential buyers. Between the 1640s and the 1680s the VOC realized a monopoly profit.

Elsewhere, the Dutch demanded a variety of privileges from the Asian authorities, though some of them granted privileges voluntarily as a way of attracting valuable trade. The Mughal Empire, for example, gave both the VOC and the English company concessionary duty payments and freedom from internal tolls as a way of attracting their silver. On the Malabar coast, the Dutch company succeeded to the sole right to purchase pepper in Cochin, once held by the Portuguese, and on Ceylon, it came close to the complete monopsony it had over trade in eastern Indonesia. Elsewhere, however, the Dutch were forced to operate within a trade system that was for most purposes open to all comers in spite of a good deal of individual chicanery and corruption.[26]

The Dutch drive for monopoly, however, was not a financial success. The cost of coercion was greater than the return, and this problem became more and more serious for the VOC in the eighteenth century.[27] Restriction also implied low turnover at a time when Asian trade was increasing by leaps and bounds. Because the VOC restricted trade in spices, they became a smaller and smaller part of the total value of exports to Europe. Spices and pepper were 75 percent of Dutch returns in 1620, 33 percent in 1670, and 23 percent in 1700, when textiles had already reached 55 percent. Willy-nilly, the VOC was gradually working its way back toward the competitive advantage in shipping services that

[25] Om Prakash, "Asian Trade and European Impact: A Study of the Trade of Bengal, 1630–1720," in Blair B. Kling and M. N. Pearson (eds.); Furber, *Rival Empires*, pp. 266–9. For the Dutch in general see also Charles R. Boxer, *The Dutch Seaborne Empire, 1600–1800* (New York, 1965).

[26] Om Prakash, "European Trade and South Asian Economies," in Leonard Blusse and Femme Gaastra (eds.).

[27] Furber, *Rival Empires*, pp. 52–3.

had built Dutch prosperity in European waters before the Asian adventure had begun.

The English East India Company

In the early 1590s, the English commercial community had the same options the Dutch had, and roughly the same information about Asian trade. Knowing of Portuguese weakness in the Spice Islands, it saw the greatest opportunity in eastern Indonesia. But the English East India Company, chartered in 1600, worked with different home conditions. Its charter gave it a monopoly over all English trade east of the Cape of Good Hope, along with the right to exercise force, but the similarity ended there. It was not under government control, as the VOC was. In its early years, it only had about one-tenth the capital of its Dutch rival, and the capital was raised from shareholders one voyage at a time, returned along with any profit at the end of the voyage. This meant that it lacked the ability to conquer anything. After 1613, capital was subscribed for a three- or four-year period, but the company had no permanent capital fund until 1657. This meant that a fortified trading post like Goa or Batavia was simply out of the question, though the company set up factories on shore to manage its Asian affairs between voyages. In fact, it held no sovereign territory at all until the English crown acquired Bombay from Portugal and passed it over to the company in 1669.

Long before, it had had to shift its objectives from the spice trade to the trade of western India, where its most important early factory was located in the Gujarat town of Surat, then part of the Mughal Empire. Until the 1620s, it kept its eye on the spice trade as well, with a factory on the island of Ambon. In 1623, however, the Dutch captured the factory and put the factors and most of their servants to death in the "Amboina massacre." The incident was more shocking to the English public than it was decisive in the East, but the English company pulled back from the Spice Islands to a factory at Banten (Bantam) on western Java. Meanwhile, English fortunes had improved in the Arabian Sea. In 1622, the company sent a naval force to help the Persian Empire capture Hormuz from the Portuguese. The Persians then founded a new mainland port of Bandar Abbas, which they opened to all friendly shipping.

The English company was thus comparatively late in acquiring fortified trade enclaves in India. By the 1680s, Madras on the Coromandel coast had become sovereign company territory, for all practical purposes. The Mughal court gave the company permission to fortify its post at Calcutta in 1696. Thus, by the end of the century, the three cities that were to become the seats of the three presidencies of British India were already in place – Bombay, Madras, and Calcutta – along with a number of less permanent factories and forts. In spite of the slow start, England at last had its own trading-post empire equivalent to those of the Portuguese and Dutch.

Even then, the English company moved carefully to get the greatest value from its comparatively small capital. Unlike the VOC, it left the inter-Asian or "country" trade to private merchants, both Asian merchants and some of the company's own officials acting in their private capacity. Even the ownership of ships to carry the company's cargoes back and forth between England and India was left to a separate but associated group of English capitalists. By the end of the seventeenth century, the company's business had settled down to the export of silver, originally from the Americas, in return for imports of cotton piece goods, raw silk, pepper, some indigo, and ultimately coffee and tea, though neither beverage was to be really important until the middle of the eighteenth century.[28]

Though the English company held a legal monopoly over all English trade to the east, it was never able to act like a textbook monopolist. Dutch, and later French, Danes, and other Europeans, also traded to India. If the English company tried to raise prices to monopoly levels, other English merchants were perfectly free to import Asian goods from Holland or elsewhere in Europe. Indeed, in its search for foreign exchange to buy silver, the company normally had to reexport Indian goods to the Continent, where they competed directly with those of the other East India companies.

Most of the time, the English company could compete effectively because its protection costs were comparatively low in the early decades. It had to pay protection costs, of course, even in the seventeenth century, for naval forces and a few soldiers on shore. It was therefore in a position to try from time to time to extract money from Asian merchants. It also paid protection money to a variety of different authorities, including the British government itself, which borrowed money from the company on favorable terms as a tacit quid pro quo in return for the monopoly grant. It also paid off important Asian powers, like the Mughal Empire, though the presence of an English post in a Mughal port town was often an advantage to both parties. The company's servants in the East also paid and received bribes for many purposes. But the English operations as a whole nevertheless mark a step away from the kind of trading-post empire the Portuguese had set up in the sixteenth century – and an even

[28] For the company's business affairs see K. N. Chaudhuri, *The Trading World of Asia and the English East India Company 1660–1760* (Cambridge, 1978), esp. pp. 215–410.

more drastic departure from the tougher, more successful Dutch monopoly over the sale of spices.[29]

Plunder is an effective, but potentially very expensive way to acquire wealth. It was a lesson the European trading companies were slow to learn, but they did gradually learn. The Asian trade the Europeans tried to control or suppress continued to grow through the sixteenth and into the seventeenth century. The seventeenth century was, indeed, a kind of golden age for Indian maritime trade. Then, with the early eighteenth century, stagnation and then decline began to set in. It was partly brought on by the decline in centralized power for both the Mughal and Persian empires, but it was also a matter of increasing European power from the middle of the eighteenth century. By the second half of the century, the Asian-European relationship began to change dramatically as the trading-post empires on Java and in Bengal turned into full territorial empires with the dawn of a "European Age." Meanwhile, alongside these European trading-post empires, Asian traders continued to operate their own trade diasporas, though often in new ways designed to accommodate the Europeans' presence and the ongoing problems of cross-cultural trade.

[29] Chaudhuri, *Trading World*, esp. pp. 453–62; Raychaudhuri and Habib, *Cambridge Economic History*, 1:432.