

# Economic Transformation: Commerce and Consequence

## 1450–1750

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### CHAPTER LEARNING OBJECTIVES

- To explore the creation of the first true global economy in the period 1450–1750
- To examine Western European commercial expansion in a context that gives due weight to the contributions of other societies
  - To encourage appreciation of China as the world’s largest economy in the early modern period
  - To increase student awareness of the high costs of the commercial boom of the early modern period in ecological and human terms
  - To investigate the various models of trading post empires that were created in this period

### CHAPTER OUTLINE

- I. **Opening Vignette**
  - A. The Atlantic slave trade was and is enormously significant.
  - B. The slave trade was only one part of the international trading networks that shaped the world between 1450 and 1750.
    1. Europeans broke into the Indian Ocean spice trade
      2. American silver allowed greater European participation in the commerce of East Asia
      3. fur trapping and trading changed commerce and the natural environment
- II. **Europeans and Asian Commerce**
  - A. Europeans wanted commercial connections with Asia.
    1. Columbus and Vasco da Gama both sought a route to Asia
    2. motivation above all was the desire for spices (though other Eastern products were also sought)
    3. European civilization had recovered from the Black Death
    4. national monarchies were learning to govern more effectively
    5. some cities were becoming international trade centers
    6. the problems of old trade systems from the Indian Ocean network
      - a. Muslims controlled supply

- b. Venice was chief intermediary for trade with Alexandria; other states resented it
  - c. desire to find Prester John and enlist his support in the Crusades
  - d. constant trade deficit with Asia
- B. A Portuguese Empire of Commerce
1. Indian Ocean commerce
    - a. very rich
    - b. ethnically diverse
    - c. peaceful
  2. Portuguese did not have goods of a quality for effective competition
  3. Portuguese took to piracy on the sea lanes
    - a. Portuguese ships were more maneuverable, carried cannons
    - b. established fortified bases at key locations (Mombasa, Hormuz, Goa, Malacca, Macao)
  4. Portuguese created a “trading post empire”
    - a. goal was to control commerce, not territories or populations
    - b. operated by force of arms, not economic competition
    - c. at height, controlled about half of the spice trade to Europe
  5. Portuguese gradually assimilated to Indian Ocean trade patterns
    - a. carried Asian goods to Asian ports
    - b. many Portuguese settled in Asian or African ports
    - c. their trading post empire was in steep decline by 1600
- C. Spain and the Philippines
1. Spain was the first to challenge Portugal’s control of Asian trade
  2. establishment of a Spanish base in the Philippines
    - a. first encountered when Ferdinand Magellan circumnavigated the globe (1519–1521)
    - b. Philippines were organized in small, competitive chiefdoms
    - c. run from colonial Mexico, the Spanish conquest was relatively easy and often bloodless, as local leaders were bought off with gifts, joined alliances, or defeated with gunpowder weapons
- D. The East India Companies
1. Dutch and English both entered Indian Ocean commerce in the early seventeenth century
    - a. soon displaced the Portuguese
    - b. competed with each other
  2. ca. 1600: both the Dutch and the English organized private trading companies to handle Indian Ocean trade
    - a. merchants invested, shared the risks
    - b. Dutch and British East India companies were chartered by their respective governments
    - c. later, France created a company
    - d. had power to make war and govern conquered peoples
  3. established their own trading post empires
    - a. Dutch empire was focused on Indonesia
    - b. English empire was focused on India
    - c. French company was also established
  4. Dutch East India Company
3. major missionary campaign made Filipino society the only major Christian outpost in Asia
  4. Spaniards introduced forced relocation, tribute, taxes, unpaid labor
    - a. large estates for Spanish settlers, religious orders, and Filipino elite
    - b. women’s ritual and healing roles were attacked
  5. Manila became a major center with a diverse population
  6. Chinese population
    - a. essential to the colonial trade system
    - b. resisted conversion to Catholicism and occasionally revolted
    - c. Spanish expulsions and massacres: 20,000 killed in 1603

- a. monopolized both shipping and production of cloves, cinnamon, nutmeg, and mace
  - b. seized small spice-producing islands and forced people to sell only to the Dutch
  - c. destroyed the local economy of the Spice Islands; made the Dutch rich
  - d. colonized Taiwan through large-scale Chinese immigration, 1624–1662, but lost control to China
  - e. killed, enslaved, or starved 15,000 on Banda Island
5. British East India Company
- a. was not as well financed or as commercially sophisticated as the Dutch; couldn't break into the Spice Islands
  - b. established three major trade settlements in India (seventeenth century): Bombay, Calcutta, and Madras
  - c. British navy gained control of Arabian Sea and Persian Gulf
  - d. could not compete with the Mughal Empire on land
  - e. negotiated with local rulers for peaceful establishment of trade bases
  - f. Britons traded pepper and other spices, but cotton textiles became more important
6. Dutch and English also became involved in “carrying trade” within Asia
7. both gradually evolved into typical colonial domination
- E. Asians and Asian Commerce
- 1. European presence was much less significant in Asia than in Americas or Africa
  - 2. Europeans were no real military threat to great powers in Asia
  - 3. Siam able to expel the French in 1688
  - 4. Japan
    - a. Portuguese reached Japan in the mid-sixteenth century
    - b. Japan at the time was divided by constant conflict among feudal lords (daimyo) supported by samurai
    - c. at first, Europeans were welcome
    - d. but Japan unified politically under the Tokugawa shogun in the early seventeenth century
      - i. increasingly regarded Europeans as a threat to unity
      - ii. expulsion of missionaries, massive persecution of Christians
      - iii. Japanese were barred from travel abroad
      - iv. Europeans were banned, except the Dutch at a single site
    - e. Japan was closed off from Europe from 1650 to 1850 but remained connected to China, Korea, and Southeast Asia
    - f. wave of Japanese merchants moved into Southeast Asia in 17th century
      - i. used violent means similar to Europeans
      - ii. Japanese government refused to support these merchants and their criminal behavior, unlike the European states
4. Asian merchants continued to operate, despite European presence
- a. overland trade within Asia remained in Asian hands
  - b. tens of thousands of Indian merchants lived throughout Central Asia, Persia, and Russia

### III. Silver and Global Commerce

- A. The silver trade was even more important than the spice trade in creating a global exchange network.
- 1. enormous silver deposits were discovered in Bolivia and Japan in the mid-sixteenth century
  - 2. in the early modern period, Spanish America produced around 85 percent of the world's silver
- B. China's economy was huge and had a growing demand for silver.

1. 1570s: the Chinese government consolidated taxes into a single tax to be paid in silver
    - a. value of silver skyrocketed
    - b. foreigners with silver could purchase more Chinese products than before
  - C. Silver was central to world trade.
    1. “silver drain” to Asia: bulk of the world’s silver supply ended up in China (most of the rest reached other parts of Asia)
    2. Spanish silver brought to Europe was used to buy Asian goods
    3. silver bought African slaves and Asian spices
    4. the Spanish “piece of eight” was widely used for international exchange
    5. Potosí, Bolivia, became the largest city in the Americas (population: 160,000) because it was at the world’s largest silver mine
      - a. the city’s wealthy European elite lived in luxury
      - b. Native American miners lived in horrid conditions
      - c. women found some new economic opportunities
    6. influx of silver caused inflation, which combined with the climate fluctuations of the Little Ice Age to cause the general crisis in the 17th century
  - D. Silver vastly enriched the Spanish monarchy.
    1. caused inflation, not real economic growth in Spain
      - a. Spanish economy was too rigid
      - b. Spanish aristocrats were against economic enterprise
    2. Spain lost its dominance when the value of silver fell ca. 1600
  - E. Japanese government profited more from silver production than did Spain.
    1. Tokugawa shoguns used silver revenues to defeat rivals and unify the country
    2. worked with the merchant class to develop a market-based economy
    3. heavy investment in agriculture and industry
      4. averted ecological crisis, limited population growth
  - F. In China, silver further commercialized the country’s economy.
    1. people needed to sell something to obtain silver to pay their taxes
    2. economy became more regionally specialized
    3. deforestation was a growing problem; wasn’t addressed as it was in Japan
  - G. Europeans were essentially middlemen in world trade.
    1. funneled American silver to Asia
    2. Asian commodities took market share from European products
- IV. The “World Hunt”: Fur in Global Commerce**
- A. Europe’s supply of fur-bearing animals was sharply diminished by 1500.
    1. Little Ice Age in Europe increased demand for furs
    2. Great Dying in North America led to an increase in forest habitats for fur-bearing animals
  - B. There was intense competition for the furs of North America.
    1. French were prominent in St. Lawrence valley, Great Lakes, and along the Mississippi
    2. British traders moved into Hudson Bay region
    3. Dutch moved into what is now New York
  - C. North American fur trade.
    1. Europeans usually traded with Indians for furs or skins, rather than hunting or trapping animals themselves
    2. environmental impact
      - a. beaver and other furry animals were driven to near extinction
      - b. Native American sources commented on impact
    3. by the 1760s, hunters in the southeastern British colonies took around 500,000 deer every year
    4. trade was profitable for the Indians
      - a. received many goods of real value

- b. Huron chiefs enhanced their authority with control of European goods
  - c. but Indians fell prey to European diseases
  - d. fur trade generated much higher levels of inter-Indian warfare
  - e. Iroquois began producing ginseng for export to China
5. Native Americans became dependent on European trade goods.
- a. iron tools and cooking pots
  - b. gunpowder weapons
  - c. European textiles
  - d. as a result, many traditional crafts were lost
  - e. many animal species were depleted through overhunting
  - f. deeply destructive power of alcohol on Indian societies
6. Implications of fur trade for Native American women
- a. many native women married European traders facilitating cross-cultural exchange
  - b. in native societies the status of men was enhanced by the focus on hunting.
  - c. some new opportunities arose for women in the production of wild rice and maple syrup

D. Russian fur trade.

- 1. profits of fur trade were the chief incentive for Russian expansion
- 2. had a similar toll on native Siberians as it had on Indians
  - a. dependence on Russian goods
  - b. depletion of fur-bearing animal populations
- 3. Russians didn't have competition, so they forced Siberians to provide furs instead of negotiating commercial agreements
- 4. private Russian hunters and trappers competed directly with Siberians

**V. Commerce in People: The Atlantic Slave Trade**

A. Between the mid-fifteenth and mid-nineteenth centuries, the Atlantic slave trade

took an estimated 10.7 million people from Africa to the Americas.

- 1. millions more died in the process
- 2. vast human tragedy
- 3. African slave trade transformed the societies of all participants
  - a. the African diaspora created racially mixed societies in the Americas
  - b. slave trade and slavery enriched many
  - c. slavery became a metaphor for many types of social oppression

B. The Slave Trade in Context

- 1. most human societies have had slaves
- 2. Africans had practiced slavery and sold slaves for centuries
  - a. trans-Saharan trade took slaves to the Mediterranean world
  - b. East African slave trade since seventh century
  - c. Islamic slave trade resulted in many Africans living outside of the continent
- 3. slavery took many forms, depending on the region and time period
  - a. Indian Ocean slaves were often assimilated into their owners' households
  - b. children of slaves were sometimes free, sometimes slaves
  - c. Islamic world preferred female slaves and slaves for domestic work; Atlantic slave trade favored male slaves for plantation work
  - d. not all slaves had lowly positions (in Islamic world, many slaves had military or political status)
  - e. most premodern slaves worked in households, farms, or shops
- 4. distinctiveness of slavery in the Americas
  - a. the scale and importance of the slave trade in the Americas was enormous
  - b. largely based on plantation agriculture, with slaves denied any rights at all
  - c. slave status was inherited
  - d. little hope of manumission
  - e. widespread slavery in society that valued human freedom and equality—

- unlike anywhere else except maybe ancient Greece
        - f. slavery was wholly identified with Africa and with “blackness”
  - 5. origins of Atlantic slavery lay in the Mediterranean and with sugar production
    - a. sugar production was the first “modern” industry (major capital investment, technology, disciplined workers, mass market)
    - b. the work was very difficult and dangerous—slaves were ideal
    - c. at first, Slavs from the Black Sea region provided most slaves for Mediterranean sugar plantations
    - d. Portuguese found an alternative slave source in West Africa
  - 6. Africans became the primary source of slave labor for the Americas
    - a. Slavs weren’t available
    - b. Indians died of European diseases
    - c. Europeans were a bad alternative: Christians from marginal lands couldn’t be enslaved; indentured servants were expensive
    - d. Africans were farmers, had some immunity to diseases, were not Christian, and were readily available
    - e. long debate on how much racism was involved
- C. The Slave Trade in Practice
1. slave trade was driven by European demand
  2. but Europeans didn’t raid Africa for slaves; they traded freely with African merchants and elites
    - a. from capture to sale on the coast, trade was in African hands
    - b. Africans received trade goods in return, often bought with American silver
    - c. harrowing journey for the slave
  3. increasing pace of Atlantic slave trade
    - a. between 1450 and 1600, fewer than 4,000 slaves were shipped annually
      - b. in the seventeenth century, average of 10,000 slaves per year taken to the Americas
4. who was enslaved
- a. people from West and South-Central Africa (present-day Mauritania to Angola)
  - b. mostly people from marginal groups (prisoners of war, debtors, criminals)
  - c. Africans generally did not sell their own peoples
5. vast majority of slaves ended up in Brazil and the Caribbean
- a. smaller numbers North America, mainland Spanish America or in Europe
  - b. about 15 percent of those enslaved died during the Middle Passage
6. various forms of resistance
- a. from slow work to outright rebellion
  - b. Maroon societies
    - i. escaped slaves mixed with Native Americans
    - ii. Palmares in Brazil: 10,000 or more people
  - c. Haitian Revolution, 1790s
- D. Consequences: The Impact of the Slave Trade in Africa
1. created new transregional linkages
  2. slowed Africa’s growth, while Europe and China expanded in population
    - a. sub-Saharan Africa had about 18 percent of the world’s population in 1600 but only 6 percent in 1900
    - b. slave trade generated economic stagnation and political disruption in Africa
      - i. those who profited in the trade did not invest in production
      - ii. did not generate breakthroughs in agriculture or industry—since Europeans didn’t increase demand for Africa’s products, just for its people
  3. social effects
    - a. fostered moral corruption

- b. unbalanced sex ratios in Africa
  - i. increased substantially labor demands on women
  - ii. led to more polygamous households
  - iii. led to the increased use of female slaves in West Africa
  - iv. a few women benefited by marrying European merchants, with some operating their own trading empires
- 4. women participated in several state-building enterprises
  - a. Kingdom of Dahomey was ruled over by a Queen Mother
  - b. in the kingdom of Kongo, women held lower administrative positions and served on the monarch's council of advisers
  - c. Matamba also had female rulers
- 5. effect of slave trade differed from place to place
  - a. many small-scale kinship-based societies were thoroughly disrupted
  - b. some larger kingdoms such as Kongo and Oyo slowly disintegrated
  - c. Benin in the forest area of present day Nigeria succeeded in limiting the effects of the slave trade until the 1700s
    - i. diversified its exports and bought firearms and other goods
    - ii. banned export of male slaves
    - iii. only with decline in 1700s did Benin reengage in the slave trade
  - c. Dahomey actively participated in slave trade during the early 1700s, but under royal control
    - i. annual slave raids by the army
    - ii. government depended on slave trade for revenue