

# Unit 15

## Early Global Commodities

### Introduction to Unit

This unit explores converging forces in sixteenth-century Asia, the Americas, Europe, and Africa, which together created a global market for silver via maritime trade. Until about 1750, China's demand for silver served as the engine for world trade. Both the Japanese Tokugawa Shogunate and the Spanish Empire captured substantial portions of silver profits from mines they controlled. States and individuals profited around the world, further increasing the global demand for commodities. Ships sailed to and from the Americas, Europe, Asia, and Africa, carrying precious cargoes. However, by the end of the eighteenth century, the silver web had begun to lose its luster. Silver glutted the global market, which led to a decline in its value. This decline in turn led to a global price inflation, which diminished silver's purchasing power. Indeed, just as the transportation technology of maritime trade had created a vast web of silver markets throughout the world, the same web determined that the fall in silver's value would also be global. As at least one historian has noted, the fact that Spain's empire owed its financial foundation to China is a forceful reminder that after about 1571, much of what passes for local history can only be understood from the perspective of world history. The era of the silver seas found all of humanity in a single vessel. Once connected, the fortunes of continents would remain intertwined.

### Learning Objectives

- Identify the different types and groups of people involved in the first global trade network.
- Predict how the different peoples interacted to form the global trade network.
- Analyze the economic, demographic, and ecological forces that created the first truly global network of world trade in the sixteenth century.

### Preparing for This Session

Read Unit 15 in the *Bridging World History* online text. You may also want to refer to some of the Suggested Readings and Materials. If you feel you need more background knowledge, refer to a college-level world history textbook on this subject (look under the index for Silver [global trade], The Netherlands [trade], Potosi).

# Unit Activities

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## Before You Begin—30 minutes

Use the information from the Introduction to Unit paragraph above to map the flow of silver in the sixteenth century.

## Watch the Video, “Unit 15: Early Global Commodities”— 30 minutes

### Activity 1: Early Maritime Encounters in the Pacific Rim— 45 minutes

Create a script for an encounter in a Chinese teahouse in Manila involving a Chinese merchant, a Chinese storyteller, a Spanish sea captain, and a Japanese sailor. Use the following sources to write the script.

Spanish Priest Rodrigo de Loaisa witnessed the exploitation of the native peoples forced by the Spanish to work the mines in a version of the traditional *mit'a* system of tribute labor.

The Indians enter these infernal pits by some leather ropes like staircases. They spend all day Monday on this journey, taking some bags of roasted maize for their sustenance. Once inside, they spend the whole week in there without emerging, working with tallow candles. They are in great danger inside there, for one very small stone that falls injures or kills anyone it strikes. If 20 healthy Indians enter on Monday, half may emerge crippled on Saturday.

The annual Manila Galleon, which connected American mines with Asian markets for European profits, was so great that in some years the amount shipped across the Pacific to Manila was greater than the amount sent back across the Atlantic to Spain itself. This trade allowed Peru to hold off for decades the depression weighing down seventeenth-century Europe. China was the primary end market for the world's silver for several centuries. In 1569, a Dominican priest wrote, “He who would make good market in the country of China carrieth silver rather than goods.”

Portuguese Merchant Pedro de Baeza, 1609:

The most expensive that I have seen and bought gold in the city of Canton in China was seven pesos of silver for one of gold, and I never saw it go beyond this price, and here in Spain a peso of gold is commonly worth 12 of silver; therefore it is easy to see that bringing gold from China means a gain of more than seventy-five or eighty percent! (Charles R. Boxer, 1970, “Plata Es Sangre: Sidelights on the Drain of Spanish-American Silver in the Far East, 1550–1700,” *Philippine Studies* 18, no. 3 [1970]: 457–475.)

By the seventeenth century, the Chinese demand for silver was disturbing many Ming officials. At first, they had thought silver had little practical worth, so they briefly enacted a ban on foreign trade in 1626. But He Qiaoyuan, a native of the Fujian province, argued that silver brought real economic benefits to those merchants who traveled to trade with Europeans.

When our Chinese subjects journey to trade in the (Indian Ocean), the (foreigners) trade the goods we produce for the goods of others. But when engaging in trade in Luzon we have designs solely on silver coins .... A hundred jin of Huzhou silk yarn worth 100 taels can be sold at a price of 200 to 300 taels there. Moreover, porcelain from Jiangxi as well as sugar and fruit from my native Fujian, all are avidly desired by the foreigners. (Richard Von Glahn, *Fountain of Fortune: Money and Monetary Policy in China, 1000–1700*, [Berkeley: University of California Press, 1996]: 201.)

# Unit Activities, cont'd.

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China's demand for silver remained at the center of the world economic system until about 1750. Finally, tens of thousands of tons of silver glutted China's market. The value of silver fell, and China's economy was rocked by inflation. Fluctuating values of silver caused the real salaries of Chinese officials to rise and fall, encouraging graft and corruption. For Spain, the declining value of silver meant disaster. So much so that the Spanish crown actually experienced bankruptcies during times of record silver production. But, just as the Pacific economy stumbled, the Atlantic economy picked up because of profits from the circular movements of slaves, sugar, tobacco, and gold. Europeans weaned themselves from deficit trading of silver, and eventually the balance of economic power shifted in their favor. One uniquely significant commodity was also traded between West Africans and Europeans, beginning in the sixteenth century: human beings. The presence of Europeans along African coasts ultimately led to the forced migrations of twelve million Africans. Trade in slaves to work the silver mines and plantations of the New World reached its peak during the seventeenth and eighteenth centuries. During the sixteenth through eighteenth centuries, European traders carried Japanese silks to West Africa on their return voyages from Asia. African merchants then sold them to local weavers, who unraveled the silks and rewove the threads into traditional patterns like the kente cloth of the Gold Coast of West Africa. The Portuguese found themselves needing to rely on local communities in order to establish trade. They established "El Mina" ("The Mine") in the fifteenth century, which became a permanent base for Portuguese trading expeditions into the African interior and across the Atlantic Ocean. Once El Mina was established, it became a magnet of opportunity; it attracted trade from the interior; it reoriented the trade routes; and it brought goods south to the coast instead of north. Many societies declined in the African interior because of the growth of opportunity on the coast.

## Activity 2: Early Maritime Encounters in West Africa— 45 minutes

- Compare the local Sapi salt cellar design with its adaptation for the European luxury market.
- Write a note from the Medici family presenting the ivory salt cellar in the picture to a pope in 1500. (The Portuguese arrived on the Sierra Leone coast, where the Sapi ivory artisans lived, in 1460).



Item #5466. Barbara Blackmun, IVORY SALT CELLAR (sixteenth century). Courtesy of Barbara Blackmun.



Item #2681. Benvenuto Cellini, SALT CELLAR OF FRANCIS I (1543). Courtesy of World Art Kiosk.

# Unit Activities, cont'd.

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## Activity 3: The Flow of Early Global Trade—30 minutes

- Place silver, slaves, porcelain, silk, and tea on the world's trade routes in the mid-sixteenth century. Use a map in your textbook that charts the world in the sixteenth or seventeenth century. You should show silver flowing along all major trade routes. Slaves also were moved along routes in the Atlantic, across the Sahara, and within the Indian Ocean trade system. Porcelain, silk, and tea were exported from the Ming/Qing empires to all parts of the world, mostly on sea routes.
- Share and discuss your map. What kinds of interpretations did you make when you placed the routes and the trade goods? Do you think the cartographer(s) of the map in your textbook see early global trade as fully linking the world? What parts of the world did the cartographer(s) omit from the trade routes made on the textbook map?

## Homework

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Read Unit 15 in the online text, Section 3, Reading 3: Dennis O. Flynn and Arturo Giráldez, "Cycles of Silver: Global Economic Unity through the Mid-Eighteenth Century," *Journal of World History* 13, no. 2 (2002): 391–427 and answer the following questions.

### Reading Questions

- How did the Chinese demand for silver affect the production of silver in the Americas?
- How did increased exchanges with the Americas affect food supply during the Ming period?
- Why did Manila grow so much as a port city? What other cities had trade connections with Manila?
- How did the tea and opium connection change British merchants' fortunes?
- What role did merchants play in the silver trade from 1570-1600? Be sure to explain the types of trade goods merchants bought and sold in Spain, Tokugawa Japan, Ming China, and the Spanish colonies in the Americas and the Philippines.

### Optional: Visit the Web Site

Explore this topic further on the *Bridging World History* Web site. Browse the Archive, look up terms in the Audio Glossary, review related units, or use the World History Traveler to examine different thematic perspectives.