

Unit 15

Early Global Commodities

Section 1

Unit Materials

Questions To Consider

Question 1.

What caused the creation of the first truly global network of world trade in the sixteenth century?

Question 2.

How can historians reconstruct the past by tracing the exchange of particular commodities (such as silver)?

Question 3.

How were early commercial patterns altered by the European discovery of silver in the Americas?

Question 4.

How did forces and events that originated outside the West cause the “rise of the West”?

The Big Picture

How is this topic related to Increasing Integration?

In the sixteenth century, the world became linked through networks of global trade for the first time. As a result, its peoples became increasingly integrated in complex ways through labor systems, migration, and new economic relationships.

How is this topic related to Proliferating Difference?

Once a global system of trade was created, the orientation of the world’s regions shifted in relation to one another; some central regions became peripheral, and some peripheral regions became central. This reorientation created differences between the world’s people based on differing access to key commodities.

Unit Purpose

- In the sixteenth century, silver came to link the fortunes of Asia, Africa, the Americas, and Europe by creating a truly global network of trade.
- In the past, historians understood this era as the first stage in the “rise of the West,” during which Europeans were viewed as an exceptional people who drove the global economy.

- World historians now view China's hunger for silver as the force that drove the global economy. Europeans, in this view, were peripheral to the global economy, and were only able to gain access to it through the discovery of South American silver.

Unit Content Overview

Until the sixteenth century, the world's four main monetary substances were silver, gold, copper, and various shells. Each flowed independently to distinct regional markets on every continent and along much of the world's coastlines. Cowries, gold, and "red gold" (copper) in Africa; shells in South America and the Pacific; and gold and silver in Eurasia all made their way from market to market as mediums of exchange. Of these substances, it would be the story of silver, as commodity and currency, that would finally create an all-encompassing network of global trade in the sixteenth century. Where did the flow of silver begin and where did it end? What were the powerful economic, demographic, and ecological forces that gave birth to world trade? What were the legacies of these global linkages?

This unit explores these questions by looking at converging forces in sixteenth-century Asia, the Americas, Europe, and Africa, which — taken together — created a global market for silver through 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 a substantial portion 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. By the end of the eighteenth century, however, the silver web had begun to lose its luster. Silver glutted the global market, which led to a decline in its value. This 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.

Unit References

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Global Historical Context

- Time Period: 1500–1800
- The period 1500–1800 is frequently represented as an era of increasing European global domination. Attention to the conquest of the Americas, the Enlightenment, the Atlantic slave trade, and expansion into Asia and Africa typically reinforce this interpretation. However, recent analyses of this period do not place Europeans at the center of world affairs: they emphasize the importance of large, centralized states in China, West Asia, sub-Saharan Africa, and India. Historians now theorize that Europeans served not as dominators, but as intermediaries for commercial goods — including silver, slaves, and manufactured goods — between these various regions. Indeed, they argue that Europeans did not dominate global trade and politics until about 1800.

AP Themes

- Examines interactions in economy and politics by focusing on the silver trade and its impact on regional economies around the world.
- Explores change and continuity because the global trade in silver after 1600 produced profound economic and social changes from China to Europe and the Americas.
- Discusses technology, demography, and the environment because the silver trade relied on maritime technologies for its success, and because the brutalities associated with silver mining at Potosi resulted in population losses among indigenous American groups.

Related Units

- Unit 9. Connections Across Land: Through case studies of the Eurasian Silk Roads, the Trans-Saharan Gold Roads, and the Mesoamerican Turquoise Roads, this unit develops the idea of trade routes as conduits of both commerce and culture. Using the stories of men and women who traveled these roads, it traces the transmission of commodities, religions, and diseases, as well as the movements of peoples across vast land routes. It is related to Unit 15 because it provides comparative cases for an earlier period of trade.
- Unit 10. Connections Across Water: The Indian Ocean, the Mississippi River, and the routes connecting the Baltic and Black seas provide the settings for a voyage to the past shores of encounters in world history. Rafts, boats, and ships carried death and disease, skills and technologies, and philosophies and religion. This unit examines these conduits of expansion, cultural transmission, and trade before Columbus. It is related to Unit 15 because it provides a useful framework for comparing earlier water-based trade with the post-1500 global maritime trade.

- Unit 14. Land and Labor Relationships: From Southeast Asia to Russia to the Latin American frontiers, systems of land and labor provided ways for societies to maintain the status quo or expand, and use or exploit what they valued. This unit places slavery and conquest in a wider global spectrum. It is related to Unit 15 because the system of Atlantic slavery was an outgrowth of global trade networks forged after 1500.
- Unit 16. Food, Demographics, and Culture: Food has always played a variety of complex and central roles in human societies. Since the invention of fire turned solitary eaters into communal banquet-goers, cuisine became a window on the social history of world societies. Food also allows historians to uncover hidden levels of meaning in social relationships, because its history reveals both the everyday life of common folks and the intricacies of status and class. This unit looks at the changing foodways, culture, and commerce in the Caribbean, Asia, and Europe. It is related to Unit 15 because changing foodways emerged from the increasing global connections forged after 1500.

Section 2

Video-Related Materials

Video Segment 1: Silver Connects the World: China

This segment explores China's contribution to the creation of a global silver market during the sixteenth century. By the fifteenth century, China had been producing prized commodities like silk, jade, tea, and porcelain for hundreds of years. The Chinese exchanged these items within a thriving system of domestic trade, long-distance land-based trade, and tributary trade with nearby states. Because of these well-established trade networks, there were few trade items the Chinese needed from other channels. That changed in the mid-fifteenth century, when the Ming government's century-old system of using paper currency finally collapsed. At that point, the government adopted silver as its preferred medium of exchange, and promised from then on to pay all salaries — and to collect all taxes — in silver. The result was an explosion in demand for silver throughout China. Without adequate silver resources of its own to satisfy such demand, however, China had to look beyond its own borders. Initially, the Chinese imported most of their silver from Japan, whose mines produced nearly a third of the world's silver output in the sixteenth and seventeenth centuries. However, by the 1540s it was already clear that the Chinese demand would outstrip the Japanese supply. It was at nearly that moment that silver from the Peruvian mine at Potosi was making its way onto the market — a historical convergence that would set the first global trading network in motion.

Video Segment 2: Silver Connects the World: The Americas

This segment explores the discovery of silver at Potosi, Peru, and the ways that silver made its way around the world by maritime trade. Unlike the Chinese — who felt little need for European trade items — Europeans in the sixteenth century desperately wanted to obtain Chinese silks, tea, and porcelain. With the discovery of the richest silver mine in history in Spanish-controlled Peru, Europeans discovered they finally had something the Chinese desperately needed. The site of the mine, Potosi, became the most populated city in the Americas (150,000 people) and required the forced labor of thousands of Indians to produce its precious metal. Profits were enormous. At first, the flow of Peruvian silver to the huge Asian market was slowed because it had to move east across the Atlantic. But in 1565 the Spanish discovered winds that allowed them to travel directly between East Asia and their territorial empire in Mexico. Then, with the founding of Manila in 1571 in the recently conquered Philippines, the Spanish established a Pacific trading base between China and Mexico. The voyages that began in the year 1571 — called the Manila Galleon — mark the beginning of the first truly global trade between the

Americas, Europe, Asia, and Africa. By that time, Spanish America was the world's most important silver-producing region, and China by far its biggest consumer.

Video Segment 3: Silver Connects the World: Europe, East Asia, and West Africa

The effects of the global trade in silver were worldwide and linked the world in new and unprecedented ways. This segment explores some of those effects in Japan, West Africa, the Americas, China, and Europe. In Japan, the Tokugawa shoguns grew rich off the trade in silver, which they used to strengthen the state against warlords. In addition, the global silver trade encouraged the Japanese to produce other commodities for export, which then made their way to the Americas, Europe, and West Africa. In West Africa, Europeans involved in global trading networks brought a variety of commodities to coastal regions to trade for gold, local goods, and slaves. Eventually, this trade had profound effects on West African society: It reoriented trade routes toward the coast rather than across the Sahara, which led to the decline of interior states. It also led to an increasing traffic in humans to work, among other places, in the silver mines of the Americas. In the Americas, silver mining at Potosi led to the deaths of eight million Indians. Meanwhile, Mexican silver production — which exceeded Peruvian production by the eighteenth century — resulted in the minting of half a billion Mexican pesos that were then used for currency in China, India, and West Africa. In China, the demand for silver initially drove the global economy. Then, by 1750, silver glutted the Chinese market, bringing its price down and leading to inflation. The devaluation of silver in China had a devastating financial effect on Spain as well — a fact that allowed its European competitors to gain the upper hand in a new global trade focused on sugar, tobacco, gold, and slaves.

Perspectives on the Past: Interactions and Common Currencies

What other kinds of currencies existed alongside the use of precious metals? Historian Candice Goucher argues that even after the global spread of metals and coins in the sixteenth century, regional currencies continued to be used. Especially when coins were in short supply, shells and strings of shells assumed all the characteristics of Western money.

Video Details

Who Is Interviewed

- Candice Goucher
- Linda Walton

Primary Source Materials Featured in the Video

- Rodrigo De Loaisa, Spanish traveler
- Pedro De Baeza, Spanish merchant
- He Qiaoyuan, Chinese official

Program Contents

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		<i>West Africa</i>
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