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C. R. BOXER

ON the 28th of April, 1656, a Dutch East-Indiaman, the *Vergulde Draeck*, outward-bound from the Texel in Holland to Batavia (Jakarta) in Java was wrecked off the West coast of Australia with great loss of life. Thanks to the invention of the aqualung and other technical innovations in submarine archaeology, a considerable part of the treasure on board this ship has been recovered in recent years, following the accidental discovery of the wreck in April 1963. Over 7,000 silver coins have been salvaged so far, the great majority of them being *macuquina* issues of the Mexico mint in the years 1652-3-4, judging by those that are dated. There are also about 200 coins of the Potosí mint of the same period, and a small sprinkling of silver coins from other colonial and metropolitan mints, including Santa Fé (Nuevo Reyno de Granada), Toledo, Madrid, and Segovia.¹ This discovery serves to remind us of the great importance of Spanish-American silver in the trade of Asia for over three centuries (c. 1550-1850), and of the great demand for Mexican *pesos de a ocho reales* in particular.

After the foundation of Manila in 1571, the Mexican and Peruvian silver coins which circulated so widely in Asia, and more especially in China and India, arrived there by two main

¹ For further details see the article by S. J. Wilson in Spink & Son, Ltd., *The Numismatic Circular*, LXXII, 9 (1964), pp. 191-6, and by C. R. Boxer in *The Numismatic Circular*, LXXVI, 9 (September 1968), pp. 261-64.

maritime routes. The most direct was by way of the annual Manila galleons, which left the port of Acapulco in February or March, carrying the Spanish-American silver of the *situado* for the maintenance of the Philippine Islands, and which returned across the Pacific with cargoes consisting largely of Chinese silks.² The second and longer route was by the annual fleets across the Atlantic from Puerto Bello and Vera Cruz to Seville and Cadiz.³ During the second half of the sixteenth century much of this silver soon found its way to Lisbon, whence it was sent to "Golden Goa," in the annual *Náos* or "great ships" which left Lisbon for India. During the seventeenth century large amounts of this Spanish-American silver were acquired by the Dutch and English East-India Companies to finance their respective trades in Asia, the Dutch securing it direct from Seville and Cadiz after the Treaty of Munster in 1648 had ended their eighty years' war of independence against Spain. A third route by which some of this silver reached India from Europe was through the Turkish empire, either via Aleppo, Basra, and the Persian Gulf, or else via Egypt and the Red Sea.

The importance of silver in the China Trade was explained by Fr. Gaspar da Cruz, O.P., in his *Tractado em que se contam muito por extenso as cousas de China, com suas particularidades* (Evora, 1569-70), cap. xi:

na China nam ha moeda de ouro nem de prata, se nam que corre a peso ho ouro e ha prata, e a peso se compra e vende tudo...

² W. Lytle Schurz, *The Manila Galleon* (New York, 1939); Pierre Chaunu, *Les Philippines et le Pacifique de Ibériques, XVI^e-XVIII^e siècles* (1 vol. & atlas, Paris, 1960-66); N. P. Cushner, S.J., "Merchants and Missionaries: A Theologian's View of Clerical Involvement in the Galleon Trade," in *Hispanic American Historical Review*, XLVII (1967), 360-69.

³ Huguette & Pierre Chaunu, *Seville et l'Atlantique, 1504-1650* (8 vols. in 12, Paris, 1955-60), for the most exhaustive analytical survey of the *Carrera de Indias* in the period with which we are concerned. Cf. also the classic works of Earl J. Hamilton, *American Treasure and the Price Revolution in Spain, 1501-1650* (Harvard University Press, 1934); C. H. Haring, *Trade and Navigation between Spain and the Indies in the Time of the Habsburgs* (Harvard University Press, 1918), and the Spanish translation by Emma Salinas, published at Mexico City in 1939.

e porque ho comun que corre em lugar de moeda he ha prata a peso, todos tem balancas como disse: porque como cada hum trabalha de enganar por todas as vias que pode ao outro, nenhum se fia das balancas e pesos do outro.... Ha prata comunmente ha trazem chea de liga, e porque com ha liga ha acrecentam, daqui vem que quem quer fazer boa fazenda na terra da China e que lhe saya barata, leva prata antes que fazenda, porque polas crecencas que os chinas fazem na prata com ha liga, dam boas e baratas fazendas pola prata...

The silver which the Portuguese of Macao (founded in 1557) used in the China trade was derived chiefly from Japan, where the prevailing ratio of gold to silver enabled the Portuguese to make a profit by exchanging Japanese silver for Chinese silks and gold.⁴ But some of the silver employed by the Portuguese in the purchase of Chinese silks, gold, porcelain, musk, and other commodities was of American origin and it came by the Cape of Good Hope route from Portugal to Goa and Macao. For the best part of two centuries (c. 1550-c. 1750), Spanish-American silver was the principal means of exchange in Portugal and most of its empire, *pesos de a ocho reales* (often called *patacas* by the Portuguese) and the smaller denominations (4, 2, and 1 *reales*) being much more common than the silver money minted in Portugal itself. As early as 1555, the Spanish envoy at Lisbon, Pedro Sarmiento, complained to the Crown of Castile, that the Spaniards on the *flotas* homeward-bound from Vera Cruz and Havana preferred "vender aqui su oro y plata y dextarlo aqui por no llevarlo a Sevilla, que verdaderamente aunque aya registro dessas cosas mucho mas es lo que traen fuera del escondido y todolo demas viene que lo venden en la[s] Ysla[s] de los Azores o aqui que ay muchos mercaderes aqui y en las islas de los Azores que los van a sperar para se lo comprar." One of the principal means by which the Portuguese secured so much Spanish silver was by selling Negro slaves from West Africa to the Spaniards in America. This was a singularly profitable business, as noted by the Portuguese chronicler and

⁴ Delmer M. Brown, *Money Economy in Medieval Japan. A Study in the Use of Coins* (New Haven, 1951), pp. 55-66; C. R. Boxer, *The Great Ship from Amacon. Annals of Macao and the Old Japan Trade, 1555-1640* (Lisbon, 1959), pp. 1-20.

poet, Gracia de Resende, writing shortly before his death in 1536:

he cousa que sempre val,
e tresdobra ho cabedal
em Castella e nas Antilhas.

If the Spaniards complained (as they certainly did in the period 1550-1650) that too much of their silver found its way into Portuguese hands, whether licitly or illicitly, the Portuguese on their side complained that all or most of this silver soon left Portugal either to pay for their imports from Northern Europe, or else it went out to the East to finance their purchases of Indian and Chinese goods.⁵ The *pesos de a ocho reales* which reached India via Goa were soon melted down and cast into silver rupees in the Mughal mints of Gujarat and Bengal; but those which reached China, whether via the Portuguese of Goa and Macao, or else via the Spaniards and *Sangleys* (itinerant Chinese traders, mostly from Fukien province, at Manila), were melted down and cast into bars or ingots, since the Chinese traded by weight of bullion at this period and not with gold and silver coins. The benefits which the Portuguese at Macao and the Spaniards at Manila derived from acting, in effect, as bullion-brokers between China and the wider world were explained by Pedro de Baeza, a Madrileño merchant with twenty-five years' experience of the trade of East Asia, in 1609:⁶

Que por quanto en todo el Reyno de la China ay grandissima cantidad de oro fino de ley de mas de veynte y dos quilates, el qual trayéndose a Nueva España, ô a Castilla, se ganaría en el del precio de una parte a otra mas de setenta y cinco, ô ochienta por ciento, porque lo tienen en la China como mercadería que sube y baxa, conforme a la falta ó sobra que ay del, y no tiene precio fijo como

⁵ Vitorino Magalhaes Godinho, *Os Descobrimentos e a Economia Mundial*, Vol. I (Lisbon, 1963), pp. 401-465, for an excellent and well-documented analytical survey of this problem, especially pp. 412-426, "A maré enchente dos reales."

⁶ Pedro de Baeza, *Este Memorial me mando el Conde de Lemos que hiziesse, que es la resolución destas materias, y de todos los mas que le tengo dado a Su Excelencia, para que se diesse a Su Magestad* (Madrid, 1609).

tiene aca en Castilla, porque comunmente vale un peso de oro en la China cinco pesos y medio de plata, y si ay falta del, y lo piden de otros partes sube de precio a seys pesos, y a seys y medio de plata por un peso de oro; y lo mas caro que yo lo compre, y vi vender en la ciudad de Canton en la China, fue a siete pesos de plata por un peso de oro, y nunca le vi subir de aqui, ni hasta oy se ha subido, y aca en España vale comunmente un peso de oro doze pesos y medio de plata, con lo qual se vee que se gana en el oro que traen de la China mas de setenta y cinco, y ochenta por ciento... porque en la China es grande la cantidad de oro que se saca de las minas que ay en ella, que mas estiman los Chinos la plata que no el oro, y por esso le dan tanta estima a la plata y no al oro. Y los Portugueses que llevan la plata de la ciudad de Lisbon en las naves que parten della para la India Oriental, la llevan toda a la China para hazer sus ferias, y ganan en ella quando la truecan por mercaderías de la China mas de setenta por ciento, y por aqui se verá el grande valor que tiene alli la plata, y lo poco que tiene el oro...

As indicated above, Pedro de Baeza was exaggerating somewhat when he stated that all the silver which the Portuguese exported from Lisbon to Goa found its way to China via Macao; but certainly a high proportion of it did so, even though some remained in Moghul India, transmuted into silver rupees. During the last two decades of the sixteenth century and the first three decades of the seventeenth, the ratio of gold to silver oscillated between 1 to 5.5 and 1 to 8 in China, while it was fixed at 1 to 10 in Japan in 1592, and it was around 1 to 9 in Moghul India. This was the basic reason why China remained for so long the suction-pump (*bomba-aspirante*) which absorbed silver from all over the world, in the expressive phrase of V. Magalhaes Godinho.⁷ Duarte Gomes de Solis, a Portuguese contemporary of Pedro de Baeza, who was likewise experienced in the trade of Asia, observed, "la plata, pues en la China, para donde ay mayor saca por valer mas alla, acude como a su centro, porque en toda la mas tierra es peregrina."⁸

Many foreign merchants and travellers in Asia, Portuguese, Spaniards, Dutch, English and French alike, commented on the

⁷ V. Magalhaes Godinho, *Os Descobrimentos e a Economia Mundial*, I, pp. 432, 465.

⁸ Duarte Gomes de Solis, *apud* V. Magalhaes Godinho, *op. cit.*, p. 465.

extraordinary demand for silver in India and in China during the sixteenth and seventeenth centuries, and most especially on the Chinese demand for *pesos de a ocho reales*. The Portuguese Dominican friar, Joao dos Santos, describing his recent visit to Goa in his classic *Ethiopia Oriental e Varia Historia de cousas deste Oriente* (Evora, 1608-09), observed:

Por toda a India correm patacas, e meyas patacas, que vao de Portugal. Vale cada pataca logo quando chegao as náos hum cruzado [400 reis]; e depois que se tornao para Portugal, vao sobindo, e chegao muitas vezes a valer 500 reis cada huma: e nas partes de China, Bengala, e Scinde (para onde se levao) valem muitas vezes seis tostoes, por ser muito estimada sua prata.⁹

Just about the same time, Dr. Antonio de Morga, recalling his experience of the China traders at Manila in 1594-1603, wrote in his *Sucesos de las Islas Filipinas* (Mexico, 1609):

El precio de ordinario de las sedas crudas y tejidas, y manerías, que es lo mas grueso que traen, se haze de espacio, y por personas que lo entienden, asi por parte de los Españoles, como de los Sangleyes, y lo que se les da por ellas, es plata y reales, que no quieren oro, ni otros algunos rescates, ni los llevan á la China.¹⁰

Some forty years later, Fr. Sebastiao Manrique, a Portuguese Augustinian missionary-friar, who had travelled widely in Asia between 1628 and 1643, recalled of the Chinese desire for silver which he had witnessed at Manila in 1637-38:

el estaren estas Islas tan cerqua de la China, pues no ay de un promontorio al otro, mas de cien leguas, las haze abundantissimas de todo lo que el humano deseo puede desear de bueno, riquo, y curioso; mas esta felicidad no se puede atribuir a virtud de la propria tierra [de Luzón], mas agradecida a los partos, que producen las minas de la America, mandándolos en reales á Manila, a cuyo olor acuden los Sangleyes, o Chinas, con tan grandes ansias, que si les fuera posible, baxaran al infierno a inventaren cosas nuevas que traer, para llevaron la deseada plata, y enamorados Reales de a ocho; y es tanto

⁹ Joao dos Santos, O.P., *Ethiopia Oriental* (Evora, 1609), Parte II, Livro 4, cap. 2.

¹⁰ Antonio de Morga, *Sucesos de las Islas Filipinas* (ed. Retana, Madrid, 1910), p. 218.

esto ansi, que suelen de ordinario deziren por proverbio en mal pronunciadas palabras españolas, *Plata sa sangre*.¹¹

An almost identical observation was made by Henry Bornford, an English merchant who visited Macao in 1635. He noted that the commodity most in demand there was silver, especially the *peso de a ocho reales*: "The Chinese following this with such an earnest eagerness as not to be beaten from the place where they know it is, offering their commodities to sell with an extraordinary importunity, and will as soon part with their blood as it, having once possession."¹² Peter Mundy, another English merchant who visited Macao at this period, noted (in 1637), that there was then "fifteen-percent difference in ordinary payments between Spanish and Japanese silver, the former the better, called *plata corriente* or current silver."¹³

As an Indian historian, K.N. Chaudhuri, has pointed out recently, the real price of silver, which was the current monetary standard in most of Asia, was much higher there than in Europe. From a purely financial point of view, therefore, it was profitable to carry silver to Asia and import commodities for which there was a ready demand in Europe. Since silver was at a premium in Asia, the European traders, whether Portuguese at Goa and Macao, Spaniards at Manila, or English and Dutch at Surat, Batavia and Bantam, could buy cheap and sell dear when they were well-supplied with the coveted *pesos de a ocho reales*. Writing in 1621, Sir John Wolstenholme, a director of the English East-India Company, distinguished three streams by which the greatest part of "the fountain of silver springing in the West Indies," and coming to Spain and Europe, was again dispersed over all Asia. The first was by way of Aleppo and Persia for the purchase of raw Persian silk. The second was by way of Egypt and Mocha in the Red Sea for Indian textiles. The third was by way of Surat, Bantam and the Moluccas for pepper, indigo, cloves, mace and nutmegs. It was chiefly by

¹¹ *Itinerario de las Misiones que hizo el Padre Fr. Sebastian Manrique* (Roma, 1649), cap. 43, p. 285.

¹² Henry Bornford, letter of 29th of April, 1636, *apud* W. Foster (ed.), *The English Factories in India, 1634-1636* (Oxford, 1911), p. 229.

¹³ *Apud* C. R. Boxer, *The Great Ship from Amacon*, p. 337.

these ways, he stated, that "Christendom is drained of the greatest part of the silver that comes out of the West-Indies." He valued the total volume of the bullion annually exported to Asia in this way at £1,500,000.¹⁴ He forgot, however, to include the massive export of Mexican and Peruvian silver in the annual Manila galleon from Acapulco. By a law of 1593, the Spanish Crown had restricted all trade between New Spain and the Philippines to two ships of 300 tons each, to be operated for the benefit of the Manileños. These two ships might bring from Manila silks and other Chinese goods of a total value not exceeding 250,000 *pesos de a ocho reales*. In return they might export a total of 500,000 pesos in silver coin or in bullion from Acapulco. As is well known, this order, though frequently reiterated, was generally ignored in practice. Much larger quantities of silver were often shipped to Manila from Acapulco in a single year. In 1602, the Cabildo of Mexico City complained to King Philip III that the silver lost to his realms through shipment to the Philippines and thence to China came to five million pesos a year, having attained the staggering total of twelve million pesos in 1597.¹⁵

With the Cerro de Potosí in full production during the last quarter of the sixteenth century, the bulk of the silver sent to Manila from Acapulco had probably originated in Upper Peru. Padre José de Acosta, S.J., in his celebrated *Historia Natural y Moral de las Indias* (Sevilla, 1590), Libro IV, cap. 41, "De los pacos y guanacos y carneros del Perú," describes how convoys of llamas transported the silver from Potosí to the coast, for onward shipment to Panama and Mexico:

usan llevar manadas de estos carneros cargados como recua, y van en una recua de éstas trescientos o quinientos, y aun mil carneros, que trajinan vino, coca, maíz, chuño y azogue, y otra qualquier mercadería; y lo mejor de ella, que es la plata, porque las barras de plata las lleven el camino de Potosí a Arica, setenta leguas, y a Arequipa otro tiempo solían ciento y cincuenta. Y es cosa que muchas veces me admiré de ver que iban estas manadas de carneros con mil y dos mil

¹⁴ K. N. Chaudhuri, *The English East-India Company. The Study of an early joint-stock company, 1600-1640* (London, 1965), pp. 118-136.

¹⁵ Woodrow Borah, *Early Colonial Trade and Navigation between Mexico and Peru* (University of California Press, 1954), pp. 116-127.

barras y mucho más que son más de trescientos mil ducados, sin otra guarda, ni reparo, más que unos pocos de indios para sólo guiar los carneros y cargallos, y, quando mucho, algún español; y todas las noches dormían en medio del campo, sin más recato que el dicho. Y en tan largo camino, y con tan poca guarda, jamás faltaba cosa entre tanta plata; tan grande es la seguridad con que se camina en el Perú.¹⁶

At this time the fame of Peruvian silver was world-wide, and in 1636, a *procurador* of the "Gremio de los Azogueros de la villa de Potosí" at the Court of Madrid could still boast to King Philip IV, "El Rey Planeta":

Señor, Sabida cosa es, que los Reinos del Pirú, y sus dilatadas tierras son las mas ricas de oro y plata de quantas hasta oy se han descubierto, ni visto en el universo, cuyo cuerpo principal es la Provincia de los Charcas, donde el omnipotente Dios quiso criar y prover tan gran tesoro: y la cabeca suya es la villa imperial de Potosí, sin que en esta pueda aver ninguna duda, y todos han de confessarlo...pues es cosa cierta que desde 14 de abril del año de 1545 que Potosí se descubrió, hasta el postrero dia del año de 1635... han salido de sus entrañas por la cuenta de los Reales libros, que no puede faltar, 55 millones 167 U966 pesos ensayados de a 450 maravedis cada uno, de solos los quintos pertenecientes a V.M. y caxas Reales, que con lo que han llevado los particulares, y presas de Iglesias, plata labrada, y otra destrabiada, han salido largamente 367 millones 786 U440 pesos de la dicha plata...¹⁷

¹⁶ *Apud* Francisco Mateos, S.J. (ed.), *Obras del Padre José de Acosta* (Madrid, 1954), p. 136.

¹⁷ *El gremio de los Azogueros de la Villa Imperial de Potosí del Perú, suplica a V. M. y por el Geronimo Garabito su Procurador General, se sirva de passar los ojos por este papel, y mandar lo vea el Real Co(n)sejo de las Indias con particular ate(n)ción y brevedad, por lo mucho que importa, assi por la mucha hazie(n)da que V. M. pierde, como porq(ue) de dilatarse corre riesgo la saca de la plata, y quedar Potosí destruido, sin esperanca de remedio, y con el lo esteran todas aquellas Provincias, de cuya perdida y dano ha de participar aqueste Reyno [Madrid] 1636. Folio. 12 leaves (British Museum Pressmark; 725-k-18(45)).*

A copy of this memorial to the Crown, together with another six printed memorials on the same subject by Geronimo de Garabito in 1636-43, totalling altogether 64 printed leaves, was offered for sale by the Amsterdam antiquarian bookseller and publisher, N. Israel, item no. 159 in his *Catalogue No. Ten* (Amsterdam, n.d. but c. 1963). They are there described as being "very probably printed in Lima between 1636 and 1643." This suggestion is unfounded, as it is clear

Geronimo Garabito went on to deplore in this *Memorial* of 1636, that production had of late fallen off alarmingly, and the quality of the silver coined in the mint at Potosí likewise declined sharply in the first five decades of the seventeenth century.¹⁸ Mexican silver now came to be preferred to the Peruvian variety, and consequently in greater demand both in Asia and Europe. During the years 1630-1640, for example, the English merchants in India frequently complained that the Peruvian *pesos de a ocho reales* were much worse in silver content than those struck in Mexico or in Sevilla. Similar complaints were voiced by the employees of the Dutch East-India Company in Indonesia. As H. F. Burzio has written in his classic *La Ceca de la Villa Imperial de Potosí y la moneda colonial* (Buenos Aires, 1945):

Por espacio de casi dos siglos se inundó a toda la América con esa bárbara moneda, hecha con rudimentaria técnica y sin ningún esmero. Muy pocos son las piezas macuquinas que presentan la forma circular, figuras bien estampadas y leyendas claramente legibles, acuñadas en verdaderos cospeles, tanto en su forma perfectamente redonda, como en su espesor y campo liso.... Fue el producto de una técnica monetaria harto defectuosa y primitiva; fabricada a golpe de martillo, muestra la huella de su imperfección en sus figuras y leyendas, mal grabadas y incompletas... (*op. cit.*, pp. 54-56).

Many of the Mexican coins were likewise of this primitive *macuquina* type but they were usually of a superior silver content, and the officials of the Mexico City Mint seem to have been more honest (or less dishonest) than those at Potosí. The frauds and malpractices prevalent at Potosí reached their climax in the 1640's, when the officials of the Mint were not merely

from the wording and the context of the Memorials that they were printed at Madrid, in a very limited edition, for distribution to the members of the Council of the Indies and a few high government officials. This was the practice with most of the representations submitted by the lobbyists (as they would be termed nowadays) who were maintained by a wide variety of colonial pressure-groups to forward their respective interests at Madrid.

¹⁸ The annual average of the exports of American silver to Spain in the peak years of 1591-1600 is estimated by Earl J. Hamilton at just under seven million *pesos de minas*, whereas the corresponding figure for the decade 1651-1660 was 1,065,488 *pesos de minas*.

dishonest but hopelessly ignorant and inefficient, if we are to believe the accusations of an eyewitness, Dr. Don Alonso Merlo de la Fuente in a *Memorial* which he submitted to the Crown at Madrid on the 7th of November 1650. He alleged, *inter alia*:

no ay en la Casa de la Moneda [de Potosí] ni en ningun lugar de los de arriba, donde ay Casa Real en que se funden barras, ningun ensayador que sepa hazer un ensayo, como se verificô en los ensayadores, que en los galeones del año de 1648 vinieron, que no obstante, que V.M. por su Real Cedula mandó al Virrey que los embiasse todos, para juntarlos con los de acá, y ver, y examinar en quien estava el yerro, ô ignorancia, y que no se conformassen y ajustassen los ensayadores de Indias con los de acá, para que en lo de adelante se pusiesse remedio; y aunque el Virrey se solicitó con cuidado, y los llamó à todos, unos se ausentaron, y otros por sus años mayores y achaques se escusaron, y solo vinieron dos.

One of these two returned back to Peru from Havana, and only one man reached Spain. This was "Geronimo Velazquez, ensayador de barras de Potosí." He was examined by "Andres de Pedrera, ensayador de la Casa de la Moneda desta Corte" and by several other experts. He was found utterly wanting, "y que no havia sabido hazer el ensaye, ni dar cuenta de su persona. Y si este, como mas científico, se atrevió a venir, y no supo obrar, que harán los demas que se quedaron, y que satisfacción se podrá tener dellos?"¹⁹

Having denounced the ignorance of the technicians at the Potosí Mint, Alonso Merlo de la Fuente expatiated on their dishonesty and criminal carelessness, as witnessed by him in October 1644:

Muchas veces procuré en Potosí certificarme por vista de ojos de las noticias que trafa cerca de la falsedad de las fundaciones: y aunque los mas de los dias (cerca de un mes) que alli estuve iba por mañana y tarde a la Casa de la Moneda, nunca pude conseguirlo, ni ver mas

¹⁹ *Copia de un Memorial, que en 7 de Noviembre de 1650 dió al Rey N. S. . . el Doctor Don Alonso Merlo de la Fuente, Consultor del Santo Oficio, Tesorero, y Procurador General de la Cathedral de Arequipa, en razón de la moneda falsa que de algunos años a esta parte se ha labrado en la Villa de Potosí, y de los muchos derechos de quintos y aberias que se usurpan, y del remedio de todo, sin daño de ningun vassallo, y con aprovechamiento de la Real Hazienda, en mayor cantidad de doze millones de oro y plata en cada año (14 leaves; Madrid, 1650). British Museum Pressmark: 725-k.18-(45).*

que sellar los reales de a ocho, que con estar con su blanquimiento, y todo perfección, muchos dellos publicarán su falsedad, porque estaban del color del cobre; y estos los apartaban en espuerta aparte, para bolverlos a blanquear, ò fundir: y preguntando a los acuñadores por la causa de tan grande diferencia, y estar tan colorados, me respondieron: Que no me metiesse en su oficio, que los dexase, y me fuesse con Dios. Y con el deseo de informar-me de todo, para dar cuenta de ello à V.M., pregunté à algunas personas honradas de aquella Villa, por la hora en que hazían en la Casa de la Moneda las fundiciones; y me respondieron: Que de media noche para abaxo. Y replicándoles, como siendo la tierra mas fría que ay en todas las Indias, ni en España, y que ha acontecido muchas vezes à los caminantes que les ha cogido la noche dos ò tres leguas de Potosí quedarse elados en el camino, y por el contrario en saliendo el Sol, era mas fuerte allí que en otras partes, y que si se hizieron de día las fundiciones, desde las siete de la mañana, hasta los quatro de la tarde, como se hazen en las Casas Reales las fundiciones de barras, se gastería menos carbon, y los negros y oficiales estarían con mas descanso y fuerzas para el trabajo, me dixeron: Que se lo preguntasse a los oficiales que alcancavan todo lo que yo dezía, y lo conocían assi: pero que su mayor conveniencia era en hazerlas à media noche, que es capa de pecadores, y en ella hazían sus falsedades, poniendo en la eracada ò fundación, en presencia de los oficiales que tienen obligación de asistir a ella, las barras con el material necesario, y que en empecando a arder el fuego, se iban algunos, y de los que se quedavan, se retiravan al abrigo de un rincón, y se dormían, ò lo fingían; y en este tiempo, con toda libertad, los negros y peones, en las espuestas de carbon que echavan en la fundición, llevavan muchos saquillos de bayeta negra del tamaño de la palma de una mano, llenos de pedacos menudos de plata y de cobre, del que con las piñas compravan, cebando mas a menudo el fuego de lo que era necesario, para aumentar su falsedad, y ganancia, con que no les era considerable el consumo de el carbon. Y con los reales que de estas fundiciones les quedarán, hazían favor de despachar a los mineros el mesmo día que de otras partes llegarán a Potosí a fundir sus barras, quedándose con ellas, y hurtando a la Real Hazienda de V.M. muy grandes cantidades de plata: Y deste modo han salido muchos oficiales muy ricos, y otros huyendo de que no los cogiesen en su falsedad se han retirado.

Esta es, Señor, la fidelidad con que han servido a V.M. en dicha Casa de la Moneda, que tantas inquietudes, daños, y perdidas ha causado a todos los vasallos, cuya alevosa traición y falsedad se continuará, si no se pone presto y eficaz remedio con exemplar castigo, para enmienda de lo de adelante....²⁰

²⁰ Alonso Merlo de la Fuente, *Memorial* of 7th of Nov., 1650, fls. 4-5.

On this occasion, at least, a "castigo exemplar" was forthcoming. The Crown had already ordered a vigorous investigation into the notorious abuses of the Potosí Mint, which led to the celebrated trials conducted by Dr. Don Francisco de Nestares Marín, President of the Audiencia de Charcas, in 1648-51. As a result, the *alcalde provincial* of Potosí, Francisco Gómez de la Rocha, was found guilty of defrauding the mint of 472,000 pesos, and executed, together with an assayer of the mint, in 1654. A *Cedula Real* of 22nd of December, 1650, authorized the issue of a new type of coinage at Potosí, with the "escudo de armas, los castillos y leones en cantones de la cruz potenziada, y las columnas de Hercules en el reverso." All base and fraudulent coins were to be collected at the mint, melted down, and re-issued in conformity with this new type, which was not actually inaugurated in practice until 1652, but which then remained the standard type until 1773. There was some hesitation both in Spanish-America and in the wider world about accepting this new "columns of Hercules" type, as shown by the fact that the authorities at Acapulco in 1654 refused to accept 5,000 pesos of the new Potosí type. It was only by a royal decree (*alvará*) of the 17th of July 1655, that they were allowed to circulate in Portugal and its overseas dominions, after some specimens had been tested at the Lisbon mint, "donde se vió que eran buenas, tanto en el peso, como en la calidad de la plata."²¹ On the other hand, it is interesting to note that the *Vergulde Draeck*, which left the Texel early in October 1655, for the East-Indies, carried some of the new Potosí coins on board; and the writer possesses three such *pesos de a ocho reales* dated 1653, and one *quatro-reales* dated 1652, which have been salvaged (with nearly 200 others) from this wreck. The famous Dutch poet, Joost van den Vondel, in an ode celebrating the opening of the new baroque Town-Hall at Amsterdam in 1655, did not forget to mention the Wissel-Bank or Exchange-Bank located in the southern wing, whose vaults were stuffed with Spanish-American silver; although we must allow him

²¹ For these and other relevant decrees by the Spanish and Portuguese Crowns regarding the new type of Potosí pesos and reales, see Tomás Dasí, *Estudio de los reales de a ocho*, II, 1565-1700 (Valencia, 1950), pp. cxl-clix.

some degree of poetic licence for implying that it all came from Peru (*diep en langk, ontvanght geheel Peru op zijne Wissel-bank*).

It is, however, both typical and significant of the relative esteem in which Peruvian and Mexican silver coins were held in the mid-seventeenth century, that whereas the *Vergulde Draeck* apparently only carried a few hundred of the former, she obviously had thousands of the latter pieces. It is equally typical and significant that the Dutch had lost no time in securing these Spanish-American coins, since some of them are dated as late as 1654, and the ship, as we have seen, left the Texel on the 4th of October 1655. Undoubtedly, the majority of them had come from Vera Cruz in the *flota* of 1654 and had been transhipped to Dutch vessels which were waiting for their arrival at Cadiz. These massive shipments of Spanish-American silver via Cadiz to Amsterdam, whence the coins were redistributed into the multifarious channels of trade leading to elsewhere in Europe, to Africa, and to Asia, had been a regular annual feature of Dutch trade with Spain ever since the conclusion of the Treaty of Munster in 1648. Most contemporary sources state that the Dutch ships waiting at Cadiz usually carried off from fifteen to twenty per cent of the treasure brought by the galleons and the *flota*, but some estimates allege that about one-half of the American silver was assigned to the Dutch.²² We have only a few fragmentary estimates for some non-consecutive years for the second half of the seventeenth century; and quite apart from the official silver consignments, we have to reckon with the (often much larger) amount of treasure which was smuggled in from the New World to the Old. As Dr. Alonso Merlo de la Fuente complained in his above-quoted *Memorial* of 7th of November 1650:

que toda la plata y oro que viene fuera de registro, que de ordinario es ocho tanto mas que lo registrado, sin que pise tierra de España, desde las mismas Naos marchantes (sin poner dolo en los Galeones, porque sus Governadores y oficiales son fieles, ò deven serlo) fondean

²² Violet Barbour, *Capitalism in Amsterdam in the Seventeenth Century* (Baltimore, 1950). The quotation from Vondel is in J. C. Van Dillen, *Mensen en achtergronden*, p. 191.

la plata en las naos extranjeras, que las estan aguardando en los Puertos de Cadiz, y Sanlucar, y las llevan a Reynos extraños, y les traen las mercaderías para el despacho de la Flota, que assi mismo fondean en las naos y llevan à Indias, sin pagar ningun derecho de entrada ni salida, en que es enormemente dañada la Real Hazienda de V.M. en más de dos millones cada año.²³

The arrival of the Dutch ships from Cadiz with the Mexican and Peruvian pesos which they had transshipped from the returning *flota* at Cadiz was eagerly awaited on the Amsterdam Bourse and was punctually reported in the Dutch news-letters and gazettes. On the 16th of October 1654, for example, we find the editor of the *Hollandtze Mercurius* complacently recording the arrival of five Dutch ships in the Texel, homeward-bound from Cadiz with ten million florins' worth of Spanish-American silver on board. Undoubtedly some of this silver was embarked a year later in the *Vergulde Draeck*, and so was shipwrecked off the West Coast of Australia on the 28th of April 1656. Most of those on board were drowned, as the ship sank almost immediately on striking the reef, but some seventy-five persons managed to reach the shore in two of the ship's boats. Seven sailors, led by the second pilot, subsequently reached the Dutch East-India Company's headquarters at Batavia (Jakarta) in one of these two boats on the 7th of June 1656. A relief expedition was immediately dispatched to search for the other survivors and to salvage the silver treasure in the wreck, but neither this nor subsequent efforts in the years 1656-58 achieved any success in either respect. Some silver coins found by children playing on the neighboring shore in 1931, revived interest in the fate of the *Vergulde Draeck* and the castaways who had got ashore; but it was only with the accidental rediscovery of the wreck in 1963 that the scene of the tragedy was finally located. A substantial amount of the silver was subsequently recovered, although much still remains down below. The original amount of silver shipped at Amsterdam in 1655 was valued at 78,000 Dutch florins, most of it being in Mexican pesos of 8-, 4-, and 2-reales, struck between the years 1644 and 1654 inclusive. The approximate total of coins recovered

²³ Alonso Merlo de la Fuente, *Copia de un Memorial que en 7 de Noviembre de 1650 dió al Rey*, fl. 9.

to date is 7,500, of which 2,500 were too severely damaged to be of any interest and were melted down by the Perth (West Australian) mint. Of the remaining 5,000 "reasonable specimens," some 3,000 are *macuquina* pieces-of-eight from the Mexico mint, thus confirming the preference enjoyed by this coin in the Asian trade of the seventeenth century.²⁴

The decade of 1650-1660 was in many ways a disastrous one for the Spaniards in the Philippine Islands, as noted by the contemporary Jesuit chronicler, Padre Francisco Combes, writing at Manila in 1662:

...los socorros cada día son mas limitadas, siendo a la Caja Real de Mexico mas custosos oy que lo eran antiguamente los que se enviaban proporcionados a los gastos. Porque aquellos salían de los derechos de las mercaderías que como el trato era tan grueso rendían largamente su costo. Oy an faltado los tratos que engrosavan el comercio, que era el de Perú, y Japón,²⁵ que como lo que de alla se conducía era plata, llamava con fuerza poderosa el trato de la China, Cochinchina, Camboja, Siam, Macassar, y todos los Reynos del Oriente, i toda esta masa de plata se convertía en generos preciosissimos que enoblecian grandemente el comercio, descargándose en Acapulco, con mucho aumento de los derechos Reales...y aora esta cantidad tan limitada lo mas sale de su casa. El mayor socorro, que

²⁴ Cf. note (1) above and the sources there quoted.

²⁵ The allegation concerning Manila's trade with Japan is incorrect, since this never amounted to very much, either in value or in volume, during the years when it was intermittently carried on in the first quarter of the seventeenth century. Dr. Antonio de Morga observed in his *Sucesos de las Islas Filipinas* (Mexico, 1609): "De Xapon, vienen asimismo cada año del puerto de Nangasaque, con los Nortes de fin de Octubre, y por el mes de Marco, algunos navios de mercaderes, Xapones y Portugueses que entran y surjen en Manila... la gruesa que traen, es harina de trigo, mui buena para el abasto de Manila, cecinas estimadas; algunas sedas tejidas de matizes, curiosas, biouos al olio y dorados, finos y bien guarnecidos; todo genero de cuchillería, muchos cuerpos de armas, lancas, catanas, y otras visarmas, curiosamente labradas, escritorillos, cajas, y cajuelas de maderas, con barnizes y labores curiosas, y otras bujerías de buena vista, peras frescas muy buenas, barriles y balsas de buen atun sal presado, jaulas de calandrias muy buenas, que llaman simbaros, y otras menudencias... el precio es, lo mas en reales, aun que no los cudician como los Chinas, por tener plata en Iapon, y de ordinario, se trae por mercadería, cantidad della en planchas, que la dan a precios acomodados" (p. 219 of the edition by W. E. Retana, Madrid, 1910).

de diez años a esta parte sea remetido a estas islas a sido de 150,000 pesos en Reales, año a auido de solos 100,000, otros de 120,000, siendo lo preciso para los gastos que aca se acen a su cuenta 700,000. Siendo los socorros tales, sucede arribar las Naos, y pasar-se uno y otro año sin socorro, y no por eso se dobla, en Nueva España, sino que siempre se remite la cantidad ordinaria, como si el antecedente se uviera remetido.²⁶

Despite this tale of woe, and the undoubted fact that the Philippines were then in the trough of an economic depression, aggravated by Koxinga's threat to invade the islands in 1662 and the consequent abandonment by the Spaniards of their strongholds on Ternate and Tidore in the Moluccas, the Mexican silver which reached Manila, whether much or little, was eagerly sought by neighbouring peoples as well as by the Chinese. Fr. Casimiro Díaz, O.E.S.A., writing of various Asian potentates who sent envoys to Manila in 1658, observed: "El primer embajador fué del gran Subanco y Rey de Macassar, Carín Patingalón, Mahometano de profesión, pero siempre muy amigo de los Españoles; porque la plata de Nuevo España hace estas y otras mayores amistades."²⁷ This Augustinian chronicler likewise echoes the Jesuit Padre Combes' complaints about the inadequacy of the *situado* from Mexico during the governorship of Don Sabiniano Manrique de Lara, 1653-63, when he writes: "Un millón de pesos fueron el socorro que en diez años

²⁶ Francisco Combes, S.J., "Advertencias y Dictámenes al Gobierno Politico destas islas" (original Ms. written at Manila, c. 1662-63, in the Lilly Library, Indiana University, call-mark, Ms. 21526, fls. 328-34).

²⁷ Casimiro Díaz, O.E.S.A., *Conquistas de las islas Filipinas: La Temporal por las armas de nuestros Católicos Reyes de España, y la espiritual por los religiosos de la Orden de San Agustín* (Valladolid, 1890), p. 558. For these Muslim rulers of Macassar and their cordial relations with both Spaniards and Portuguese at this period, see C. R. Boxer, *Francisco Vieira de Figueiredo: A Portuguese merchant-adventurer in South East Asia, 1624-1667* (The Hague, 1967), *passim*; J. S. Cummins (ed.), *The Travels and Controversies of Friar Domingo Navarette, O.P.* (Cambridge, 1962), pp. 113-25, 267-68; *Itinerario de las Misiones que hizo el Padre Fr. Sebastián Manrique, O.E.S.A.* (Roma, 1649), cap. 47, pp. 299-303.

tuvo Don Sabiniano cuando en años de mejores empeños venían de Nueva España, 500,000 cada año."²⁸

As we have seen, both contemporary and later writers repeatedly denounced the amount of smuggling that went on the trade between Manila and Acapulco, just as it did in that of the Atlantic *flotas* which plied between Vera Cruz and Seville. Obviously, the amount of silver smuggled in this way cannot be accurately calculated; but some justification for this "psychosis of fraud" which permeated all long-distance maritime trade in the seventeenth century and for long afterwards, may be gathered from a memorandum by Fr. Alvaro de Benavente, O.E.S.A., containing advice to the members of his order who were charged with conducting levies of missionary-friars from Spain via Mexico to the Philippines. The memorandum was drawn up about 1700, but the advice is equally applicable to the conditions obtaining fifty or a hundred years earlier:

La plata que fuere en registro ha de tener intolerables gastos de derechos y empréstitos, que tomará Su Magestad à nunca pagar, de suerte que estoy entendiendo que a de salir a ciento por ciento lo de registro, y assi es necesario que lo que VR hubiese de llevar, sea por debaxo de la cuerda, en secretos de caxas, en barriles de chocolate, y lo que se pudiese llevar en oro sera mas facil de encubrir...y si se pudiese llevar alguna plata en confianza de persona segura, como del General... sería cosa muy acertada; mas de algunos maestros y de otras personas no ay mucho que fiar, que se suelen quedar con todo.²⁹

The amount of American silver which reached the Crown exchequer was, of course, very considerable, although its quantity was often exaggerated by contemporaries. As Antonio Dominguez Ortiz has reminded us in his article, "Los caudales de Indias y la politica exterior de Felipe IV":

²⁸ Casimiro Díaz, O.E.S.A., *Conquistas de las islas Filipinas* (ed. 1890), p. 569.

²⁹ Fr. Alvaro de Benavente, O.E.S.A., "Itinerario para el Padre Comisario que fuere por Procurador para España" (Ms. in the Lilly Library, Indiana University, call-number Ms. 21528, fl. 59). Fr. Alvaro de Benavente, O.E.S.A., (1646-1709), came out to the Philippines in 1668, worked as a missionary in South China, 1680-1686, was Comisario-Procurador at Rome and Madrid in 1687-1689, returned to the Philippines in 1690, and to China in 1696 as titular Bishop of Ascalón and Vicar-Apostolic of Kiangsi.

por su volumen, los tesoros de Indias no guardaban proporción con la fama de que estaban rodeados, ya que dentro de las agoliadas finanzas del cuarto Felipe nunca representaron más del décimo de las totales entradas de su Hacienda, y muchos años no llegaron ni al vigésimo. Atendiendo sólo a las cifras globales significaban para el Erario un ingreso no despreciable pero tampoco de extraordinario volumen.... Pero lo que le daba una significación especial era el ser un ingreso en plata, y por ello especialmente apetecible para los hombres de negocios que tenían hacer asientos en el exterior, donde el desacreditado vellón de Castilla no tenía curso.³⁰

The Mexican and Peruvian pesos salvaged from the *Ver-gulde Draeck* are one more proof of that.

³⁰ Antonio Domínguez Ortiz, "Los caudales de Indias y la política exterior de Felipe IV," in *Anuario de Estudios Americanos*, XIII (Sevilla, 1958), pp. 311-85. Cf. also M. E. Rodríguez Vicente, "Los caudales remitidos desde el Perú a España por cuenta de la Real Hacienda. Series estadística, 1551-1739," in *AEA*, vol. XXI (1964), pp. 1-24.



Plate I-A: *Peso de a ocho reales*. Ceca de Potosí (1653). *Ex-Vergulde Draeck* (1656). Enlarged c. three or four times the actual size.



Plate I-B: *Peso de a ocho reales*. Reverse side of coin on Plate I-A. above.



Plate II-A: *Peso de a ocho reales*. Mexico mint (c. 1652). *Ex-Vergulde Draeck* (1656). Enlarged c. three or four times the actual size.



Plate II-B: *Peso de a ocho reales*. Reverse side of coin on Plate II-A above.



Plate III-A: *2-Reales*. Segovia Mint (1627). *Ex-Vergulde Draeck* (1656). Enlarged c. three or four times the actual size.



Plate III-B: *2-Reales*. Reverse side of coin on Plate III-A above.