

## VII. THE LAST JAPAN VOYAGES

It has been explained in a previous chapter that the Captaincy of a Japan Voyage, originally a royal gift bestowed by the King on some deserving *fidalgo*, soon became a Crown post sold at auction to the highest bidder. A document of 1637, informs us that prices ranged from 16,000 to 72,000 *xerafines* for a single voyage; this last amount (a record) being paid by Lopo Sarmento de Carvalho in November 1629. On this occasion, Lopo Sarmento, as head of a group of speculators, bought three Japan and Manila voyages for a total of 306,000 *xerafines*. Of this sum 50,000 *xerafines* were paid cash down, whilst the remainder was to be paid off in Japanese silver and copper ingots by progressive instalments at the end of each voyage. Elaborate arrangements were made in this contract to ensure that Lopo Sarmento delivered the stipulated quantity of copper annually to the exchequer representatives at Macao for the fixed price of 20 *xerafines* the picul, irrespective of its cost in Japan. In return, he was given a three-year monopoly for the purchase of copper, nobody else being allowed to send any ships to Nagasaki or Manila during this period; but anyone could of course load cargo for his own account in his ships on payment of freight and other dues. Lopo Sarmento further bound himself to send a minimum of four vessels to Nagasaki and three to Manila during this period. The contract would lapse if he failed to produce the necessary shipping; but allowances would be made if a Dutch blockade of the port prevented him from dispatching them in due time, or if the Chinese or Japanese authorities interfered with the trade through no fault of his own. With this exception, he was bound to clear all ships sailing for Nagasaki before the 1st August each year, and he would receive no rebate on cargoes lost through ships sailing later in the season. Arrangements

were also made for both him and his backers to be severally and jointly responsible for the strict fulfilment of this highly speculative contract; for which his heirs were likewise liable in the event of his death before the three-year term was up. His chief associates in this risky, but as it proved profitable speculation, were his brother-in-law Antonio Fialho Ferreira, who was to captain the Manila voyages whilst Lopo Sarmento undertook the Nagasaki end; Manoel de Moraes Supico, reputedly the wealthiest citizen in Goa; Gaspar Homem, a prominent Macao merchant; and Andre Salema, who as occupant of the key post of Auditor-General in 1631-38, was in an excellent position to keep his thumb deep in this financial pie.

It may be noted that the Viceroy Dom Miguel de Noronha, Count of Linhares, in setting his seal to this contract had violated his official instructions in more ways than one. In the first place, it had been decided in 1627 that the Japan Voyages were to be made under the direct supervision and control of officials of the Royal Exchequer, and that the proceeds therefrom were to be paid into a special fund earmarked for the maintenance of the Royal Dockyard at Goa, and for fitting out an armada to fight the Dutch and English in the Indian Ocean. Secondly, all commercial voyages between Macao and Manila had been repeatedly — if vainly — prohibited since 1580; but financial necessity knows no law and the Viceroy had to get both cash and copper quickly. The copper, it may be explained, was urgently required for the casting of bronze cannon at Goa and Macao, at which latter place the gun-foundry of Manoel Tavares Bocarro had just been established, — a foundry which for nearly a quarter of a century retained the reputation of being the finest in the Far East.

Lopo Sarmento de Carvalho was evidently that rare combination, a successful captain of both soldiery and commerce. He had made his first Japan Voyage in 1617, and had already bought three successive captaincies in 1621-3; although, as we have seen, he was only able to make the first of these owing to the opposition of the Macao Senate. Apparently undismayed by this local hostility, he now came back to the colony as monopolist of both the Nagasaki and the Manila

trade. Such uncommon business ability was rare indeed amongst his countrymen, and inclines one to the belief that he was partly at any rate of *Marrano* or Jewish blood. His knighthood in the Order of Christ militates against this supposition, as does the fact that this innuendo was not made by his arch enemy João Soares Vivas, who confined himself to casting aspersions on his wife's family. On the other hand we know that he came from Braganza in the highland province of *Tras-os-Montes*, where the *Christãos-Novos* or crypto-Jews were particularly numerous during this period; and the Senate of Macao more than once insinuated that he was 'tainted' with Israelite blood.

The agreement of 1629 certainly did not run smoothly, and it was hardly to be expected that it should, in view of the constant difficulties with the Chinese authorities at Canton and with the Japanese at Nagasaki, — to say nothing of intense local opposition at Macao and the menace from Dutch corsairs and Chinese pirates cruising in the straits of Formosa. On his arrival at Macao in 1630, Lopo Sarmento found that the embargo on Portuguese trade at Nagasaki was still in force; and although it was soon lifted, the Senate refused to allow him to begin his term until their own nominee, Lourenço de Lis Velho, had made his voyage in 1631.

When Lopo Sarmento finally began his own series next year with a fleet of four galliots, one of these, the *Nossa Senhora do Rozario*, lost her voyage through leaving too late in the season, although the cargoes of the remaining three fetched high prices at Nagasaki. In 1633, Carvalho set out with another four galliots, one of which was lost at sea, whilst a financial panic at Nagasaki bankrupted many of the Macaonese merchants who had speculated too freely in the Canton silk market with the silver they had borrowed in Japan. Lopo Sarmento sailed on his third and last voyage on the 1st August 1634, with a fleet of five galliots; but one was taken by the Fukienese corsair Liu-Hsiang after she had been dismantled in a typhoon off Pedra Branca which had forced three of her consorts to put back to Macao. Lopo Sarmento fought his way through storms and pirates alike in his flagship *Santo Antonio*, and did such good business in Nagasaki that this solitary galliot returned to Macao early



next year with a cargo of over 490 chests of silver.

Although Lopo Sarmiento had only been able to send a total of seven galliots to Japan in 1632-4, instead of the minimum of twelve as stipulated in his contract, this did not prevent him and his associates from claiming exemptions and rebates on various pretexts from the authorities at Goa. By an interim agreement reached in April 1634, his representative agreed to a settlement of all claims and counter-claims, on a payment of 20,750 *xerafines*, but Sarmiento himself was evidently dissatisfied with this compromise. The Viceroy in his turn was anything but pleased with the Captain-Major's tergiversations, to which he referred in scathing terms in a letter to the Governor of Macao, Manuel da Camara de Noronha, dated 4th May 1635: — "They tell me that Lopo Sarmiento is trying to avoid paying for this last Japan Voyage he made, and it is intolerable that this man should try to evade his plain duty, as if the terms of the contract were not as clear as broad daylight, nor can I understand how anybody can follow his reasoning . . . . Here we are, Sir Manoel da Camara, suffering from great want of money, and with urgent demands for it from all parts of India threatening us with ruin, so that His Majesty certainly cannot afford to leave money lying idle in the hands of Lopo Sarmiento. We have ordered Manoel Ramos to collect the utmost farthing which Lopo Sarmiento owes, and this regardless of high and low alike". An accompanying letter to Manoel Ramos, the Crown Agent at Macao, stressed these demands in even more emphatic terms. "There are no irregularities which Lopo Sarmiento or his agents did not commit in the voyages which he bought from the Royal Exchequer", wrote the irate Count-Viceroy, adding, "As regards the payments due from Lopo Sarmiento by virtue of his contract and your orders, you will admit of no excuse therein, and if you cannot get them in cash, you will sequester the property of himself and his agents, in accordance with the financial regulations, which as you know, make no allowance for courtesy and consideration; and you will pay no attention to any pleas about the ships which were lost going to Japan".

In spite of these stringent orders, the last laugh seems

freed them from the fear of possible reprisals in Europe, the *Bonne Esperance* was boarded and taken after a sharp fight, and ship and crew carried into Malacca, which had been captured by the Dutch in January 1641. The claims arising from this incident were not finally settled till the Peace of Breda in 1667, but it did have the immediate effect of putting a stop to the Portuguese trading between Goa and Macao with chartered English shipping.

On the conclusion of Lopo Sarmiento's contract in 1635, the management of the Japan Voyage reverted to the Crown, for whose benefit it was operated during its few remaining years. The first Captain-Major under the new system was Dom Gonçalo de Silveira, who after "sitting it out" in Nagasaki for four years, finally was granted audience at the court of Yedo in March 1634. His dignified persistence brought its reward; for the Japanese were so impressed with his character, that on his return to Macao the authorities insisted on his going back to Japan again as Captain-Major. He set sail in July 1635 with three richly laden galliots which arrived safely on August 9th. This was the last season in which the Portuguese were destined to enjoy even the scanty liberty still allowed them at Nagasaki, for the Japanese were working hard on the reclaiming of an artificial islet, which, under the name of Deshima, was to become the prison-house of all Europeans in the land of the Rising Sun for over two centuries. Nevertheless in spite of these adverse conditions the Portuguese did good business, and Dom Gonçalo left Macao at the end of October carrying 1,500 chests of silver; much of it, as usual, borrowed from Japanese merchants on *respondencia*.

Next year Dom Gonçalo de Silveira was appointed Captain-Major of the Japan Voyage for the third and last time, reaching Nagasaki on the 8th August 1636 with four galliots. On arrival, all the crew and passengers, numbering some 800 souls, were strictly searched and the cargo examined, whilst the ships' sails and rudders were removed. The Portuguese were then landed and confined in Deshima, thus setting the precedent for the future treatment of foreigners in Japan which was to last until 1854. Although they had not brought much silk this year, only a beggarly 250

to have been with Lopo Sarmiento de Carvalho. Manuel Ramos, after examining his accounts, certified that he owed nothing to the Royal Exchequer in 1636; and although the Auditor-General subsequently refused to pass this audit three years later, on the grounds that Lopo Sarmiento owed 46,366 *xerafines*, the claim was still outstanding at the time of his death in 1646. His son and heir Inacio Sarmiento de Carvalho eventually settled the matter with a cash payment of 14,000 *xerafines* after bribing the Viceroy, Dom Felipe Mascarenhas, with another ten thousand if contemporary rumour is to be trusted. Despite the numerous *contretemps* that he had met with during his three year captaincy, Lopo Sarmiento was certainly not the loser. Andre Salema admitted that his own share in this investment had brought him over 50,000 *xerafines* in hard cash, so it is easy to imagine what Lopo Sarmiento raked in as the principal. The means by which he placated the officials at Goa can only be guessed at; but the popular tradition in Macao which alleges the gift of "solid gold oranges" to officials in the right quarters, is probably not far from the truth in this instance.

This is not to say that the King got nothing out of the deal. Lopo Sarmiento did provide over 4,000 piculs of copper, most of which was cast into bronze cannon at Bocarro's famous gun-foundry, the site of which in Macao is the actual *Rua do Chunambeiro*. The difficulty was to get this precious artillery to Goa, since the Dutch cruisers blockading Malacca snapped up practically every Portuguese vessel that tried to run the gauntlet through the straits of Singapore. The Count of Linhares sought to solve the problem by concluding a truce with the English, under the terms of which he chartered the ship *London*, Captain Wills, to fetch the cannon, copper and other goods accumulating in the godowns at Macao. This first venture was successful, for the Hollanders reluctantly let her pass in November 1635, although "laden to sinking point with the goods of our mortal enemies the Portuguese", as their Commander bitterly reported to Batavia. A further attempt with Captain Weddell's ships three years later was equally successful; but when the English tried this game a third time in 1643, the Hollanders called their bluff. The outbreak of civil war in England having

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piculs in comparison with the 1,421 piculs brought by the Dutch, yet they made very substantial profits none the less. This was doubtless largely because of the Shogun Iyemitsu's decree which prohibited Japanese traders from leaving the country on pain of death. This drastic measure ended the activities of the *Goshuin-sen* or licensed ships trading to Indo-China, which had previously been given a fillip by the temporary embargo on Portuguese and Dutch trade in 1628-30. Japanese merchants who still wished to venture capital abroad could only do so through the medium of the Portuguese; for the Hollanders and Chinese, the only other foreigners trading to Japan, had enough capital of their own. Hence the Portuguese found that there was more silver available than they could take up, whilst the rate of interest for the money borrowed on *respondencia* was lower than ever before. It is not surprising to find that when the galliots left Nagasaki in October on the return voyage to Macao, they were laden "to sinking point" with over 2,350 chests of silver valued at nearly seven million florins according to a contemporary Dutch source. Against this splendid cargo, the nine Dutch ships which sailed from Hirado the same year only exported goods worth a little over three million florins, or less than half the value of the treasure taken by Dom Gonçalo's squadron. The latter also carried a human cargo of 287 women and children, exiled from Japan for being connected with the Portuguese by marriage or birth, who helped to swell the Eurasian population of Macao. Sebastião Soares, the Royal Factor at Macao, reported in February 1637, that Dom Gonçalo's first voyage had yielded a clear profit of 172,000 *xerafines* to the Crown, whilst the sums derived from the second voyage must have been even greater. The Japan trade thus continued to be a gold mine (or rather a silver mine) to the Royal Treasury; although the Macaonese had to face increasingly strong competition from the Dutch who visited Hirado with about a dozen ships yearly, and from the Chinese who came to Nagasaki with fifty or sixty junks annually from the ports of Canton, Amoy, Foochow and Ningpo.

By this time however the Portuguese were acting largely as agents for wealthy Japanese capitalists with headquarters



at Hakata (the modern Fukuoka) and other Kyushu cities. At what period this practice began I do not know, but it was already well-established in 1617, as is evident from a remark of the chronicler Antonio Bocarro who states, — "At this time both the profits of the Japan Voyages and the wealth of the inhabitants of Macao had increased greatly, owing to the vast amount of Japanese capital which they were in the habit of borrowing, some for use on commission and others on *respondencia*".

This last term (it might have been explained earlier) refers to money borrowed on the cargo of a vessel, as distinct from the similar practice of bottomry which signified money borrowed on the vessel itself. We have already alluded to the use made of this money by the Portuguese to finance their purchases of silk for the Japan market at the annual trade-fair at Canton. The avidity of the Chinese for the white metal was a well known fact, commented on by all European merchants in the Far East at the time, as the following typical examples will show.

Henry Bornford, Factor of the E.I.C. ship *London* at Macao in 1635, observed that silver was the most saleable of all commodities, "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 saile with an extraordinarie importunitie, and will as soon part with their blood as it, having once possession. It is incredible to report unto you their generall boundless desires in acquisition of itt." Marco D'Avalo who was in Macao a couple of years later says virtually the same thing, — "Whenever the Chinese hear that a stranger has arrived from overseas bringing silver with him, they go to his lodgings daily in order to try to sell their wares, and in such crowds and with such zeal that they have to be driven out of the house by main force, being a most greedy and covetous race where silver and money are concerned."

Cut off by the Dutch blockade of Malacca from their headquarters at Goa, the Portuguese of Macao were increasingly forced to find their working capital in silver bullion borrowed on *respondencia* at Nagasaki, — or to a lesser extent at Manila, where the annual galleon from Mexico

*Goshu-in*, whence their ships were termed *goshuin-sen*. The Hollanders in Japan were well supplied with capital of their own and were lenders rather than borrowers; whilst the Chinese trade to Japan, although steadily increasing in volume, was one-sided, since the Ming embargo on Japanese shipping in Chinese ports was rigidly enforced. Hence Japanese merchants who wished to adventure their capital abroad were virtually restricted to working through the Macaonese. The 1637 fleet of six galliots left Nagasaki on the 6th November with no less than 2,600 chests of silver bars, despite the detention of the Captain-Major, Dom Francisco de Castelo-Branco, at Deshima on a charge of complicity in the Christian Shimabara rebellion which had just broken out. This was the fleet whose return Peter Mundy noted in his Journal at Macao on the 15/25 November as follows, — "Came in the Japan Fleete who sett saile From hence the 23rd of July and made her voyage the Meane while thatt we lay tumbled, tost and crosst through variable Fortunes. These reported thatt there were 12 saile of Hollanders arrived there before them who spoiled their Markett by underselling them". This last observation should be taken with a pinch of salt, as the Dutch themselves estimated the value of their rivals' cargo at the tidy sum of eight million florins.

The relative ease with which silver bullion could be obtained in Japan induced a certain recklessness in borrowing it, with the natural result that the Portuguese began to borrow more than they could afford and the margin of safety was passed. In order to pay their original creditors, those Portuguese who had lost the capital they had borrowed at Nagasaki, owing to the failure of their investments at Canton or through some other cause, frequently borrowed more money from other Japanese speculators. This vicious system of robbing Peter to pay Paul increased, snowball-like, at an alarming rate, and the inevitable crash came in 1632-3. In the former year the Cantonese authorities gave a final twist to the screw by demanding the immediate refund of 43,000 *taels* which they had advanced as pay to a Macaonese contingent of musketeers who had been enlisted for service against the Manchus, but which had been sent

brought a vast amount of the coveted rials of eight. Henry Bornford sums up the situation in a nutshell when he wrote of the trade of Macao that it "hath of later yeares bin diverted to Japan and Monelias [Manila] to which parts they make the benefit of dubling their principall in those short voyages; whence they return little from both places but sylver (so greatly desired by the Chinas). The silks and stufes etc., which they transport for Japon are vended in the country itselfe to large and greate quantities; from the Monileas they are in great quantities transported to the West Indies. By these meanes . . . those that live in China have abandoned in a manner trade to the southwards to the ports of India etc., finding these extraordinarie benefitts, with a great deale more saftie and shorter times to return unto them the benefitt".

But if the profits of this triangular Canton-Macao-Nagasaki commerce were considerable, so were the risks and the losses. The Manchu invasion of China, now gathering momentum, interfered with the regular silk supplies for the Canton market, some of which were also diverted to meet the Dutch demand in Fukien and Formosa. The China Sea was infested by the corsair fleets of Cheng Chi-lung, Liu-hsiang and Katsura, whose hands were against everyman's, whether singly or in combination. Dutch ships were always on the watch to intercept the galliots in the Formosan straits, which they were compelled to navigate during the dangerous typhoon season. Last but by no means least, the Portuguese had to cope with the anti-foreign customs' officials at Canton who lost no opportunity of exacting crippling 'squeeze' from the hated *Fan-kwai* (foreign devils) who at the other end had to reckon with the ill-disguised hostility of the anti-Christian *Bugyo* of Nagasaki. It is therefore hardly surprising to find that the interest rates on silver borrowed on *respondencia* in Japan ranged between 25 and 50 percent according to circumstances. The Japanese capitalists who provided the bullion presumably did so because few other outlets for overseas trade were open to them. Even before the total prohibition by the *Bakufu* in 1636 of trade abroad in Japanese bottoms, this commerce had been restricted to the lucky few who held a Shogunal licence or

back (with the exception of their Jesuit conductor Father João Rodrigues and a few gunners) after reaching Nanchang in Kiangsi. To enforce their demands they seized the Macaonese lighter with its freight of silks destined for the Manila market, thus ruining a number of Macaonese merchants. *Naki tsura ni hachi*, 'Bees sting a crying face' as the Japanese proverb puts it; when the galliots reached Nagasaki with this news in 1633, the Kyushu creditors got together and unanimously demanded payment of their debts. This resulted in the immediate bankruptcy of the majority of the Macaonese merchants, and a complete *debauche* was only averted by Dom Goncalo de Silveira and Antonio de Oliveira Aranha agreeing to remain in Nagasaki as hostages for eventual payment, which however never materialised.

Writing to King Philip in February 1635, the Senate admitted that the Macaonese owed over 600,000 *cruzados* to their Japanese creditors and urged the Iberian monarch to grant them the management of two Japan Voyages in order to liquidate these debts and to complete the local fortifications. Probably at their instigation, the *Bugyo* of Nagasaki had written them to the same effect, but this suggestion was strenuously opposed by the Captain-General and the Crown officials. The former ordered the forts to open fire on any ship leaving for Japan with cargo loaded under the direction of the Senate; whilst Manuel Ramos and Sebastião Soares were both agreed on the desirability of prohibiting the citizens of Macao from borrowing money on *respondencia* in Japan. These suggestions were ignored, and the Japanese speculators seem to have been quite willing to throw good money after bad, for the Senate's representatives at Nagasaki continued to borrow bullion as blithely as ever. By some freak of chance, a few of these *respondencia* bonds have survived to this day, and I reproduce herewith a translation of one of them. This is the more curious for being one of the last ever signed. It was made on the eve of the departure of the Captain-Major Dom João Pereira from Deshima in 1638, which was the last year the Portuguese were allowed to trade in Japan.

"I, Dom João Pereira, hereby declare that I borrowed fifteen thousand *taels* of silver bars from Nakano Hikibioye,



merchant of Hakata, at twenty-five percent. And the said Nakano Hikibiyoie declared that the said fifteen thousand taels are to go from here to Macao divided equally in the two ships, flagship *Nossa Senhora de Conceição* and the *Nossa Senhora do Rosario e São Gonçalo*. And the proceeds and interest of the said silver are to be returned [next year in goods] to this city of Nagasaki equally divided amongst all the ships which leave together. And the said Nakano added that in the event of only one vessel sailing, it is to take one third of the whole; and if the voyage is cancelled another 10% will be paid him. And for verification I gave him this certificate under my hand and seal in Nagasaki today 18th October of the year sixteen hundred and thirty-eight.

(signed) *The Captain-Major Dom João Pr''*.

This particular *conhecimento* or bill of lading, probably refers to money borrowed by the Captain-Major for his own account; but from another document dated 22 December 1638 we learn that Pero Fernandez de Carvalho, Factor of the City of Macao, had borrowed a total of 97,000 taels at Nagasaki that year on behalf of the Municipality. This is a somewhat staggering sum in view of their heavy indebtedness in Japan (although the total bullion exports had dropped from 2,600 to 1,259 chests of silver this year), but as Manoel Ramos pointed out in his correspondence with the Viceroy, it was not altogether disadvantageous. So long as the rich Daimyo and speculators who furnished this silver bullion on *respondencia* had hopes of getting their money back, so long would the Japanese government hesitate to break off their relations with Macao, which they were otherwise anxious to do from political and religious motives. He deprecated the Viceroy's instructions to write off as bad debts all the money taken up on *respondencia* in Japan; pointing out that since the Japanese grandees were so heavily involved, the best solution would be to limit the interest on lending this money for speculation in Macao to 40% instead of the customary 45% or 50%. He stated that this was a perfectly adequate return since the money was originally taken up in Nagasaki at between 25% and 35%. This being so, it is not

surprising to find that in spite of all its attendant difficulties and complications, the Japan trade was still worth over three million *cruzados* annually to the City of Macao, according to a letter written by the Senate to the Pope in the year 1639.

The matter however was now beyond control by any Iberian authority, for the Shimabara rebellion of 1637-38 had finally decided the *Bakufu* to sever all political and commercial relations with Macao, with far-reaching results too well-known to need recapitulation here. Suffice it to say that when the Captain-Major Vasco Palha de Almeida reached Nagasaki with two galliots in 1639, he was not allowed to trade, nor would the Japanese accept delivery of nearly half a million taels worth of goods, forming the proceeds of recent loans on *respondencia*. The two vessels were sent away with the first fair wind, and with orders that the Portuguese were henceforth banished from Japan on pain of forfeiture of life and goods if they sought to return. That this was no idle threat was proved next year, when an embassy arrived from Macao to ask for a revocation of the Exclusion edict. The Jesuit Father Antonio Cardim after narrating the execution of sixty-one members of this mission on Martyrs' Mount at Nagasaki in August 1640, adds "And it is well worthy of note, in showing how great is the hatred of that tyrannical Shogun for the Christian Religion, how completely he ignored his own material interest and those of his vassals with the sole aim of uprooting it from his dominions; for although some Macaonese merchants owed the Japanese about 700,000 *cruzados* for silver which they had borrowed on *respondencia* in previous years, by his orders no mention of any repayment thereof was made to the Ambassadors, nor did the creditors (so feared is he for his atrocious cruelties) for fear of him ask any of the few survivors who returned to Macao to remind the City of this debt".