

BRIDGING WORLD HISTORY

Episode: #15

EARLY GLOBAL COMMODITIES

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AUDIO	TIME CODE
ANNENBERG/CPB LOGO	01:00:00:00
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NARRATOR: IN EARLY 1571, THE FAMOUS FLORENTINE GOLDSMITH BENVENUTO CELLINI DIED. PART OF HIS LEGACY WAS A GOLD SALTCELLAR, COMMISSIONED BY THE FRENCH MONARCH FRANCIS I. CELLINI'S DEATH, AS WELL AS THE BEAUTIFUL SALTCELLAR, CAN BOTH BE SEEN AS METAPHORS FOR THE ENDING OF ONE WORLD AND THE BEGINNING OF ANOTHER. FOR 1571 MARKED THE YEAR THAT TRADE FIRST BECAME A GLOBAL PHENOMENON.	01:00:27:09
CANDICE GOUCHER: Cellini's salt cellar, as beautiful and golden as it is, depicted Europeans sitting on top of the world. And, ironically, it would not be gold but silver that would lead historians to understand the true relationship between different parts of the world as this new, global identity emerged.	01:00:53:12
HOST: ON THE SHORES OF EAST AFRICA, THE INDIAN OCEAN STILL WASHES UP SHARDS OF 16TH CENTURY CHINESE PORCELAIN. IN MEXICO, CENTURIES OLD JAPANESE SCREENS DECORATED WITH EUROPEAN IMAGES ARE ON DISPLAY IN MUSEUMS AND GALLERIES. IN CHINA, COLLECTORS CAN STILL FIND ANCIENT MEXICAN SILVER PESOS. THESE ARTIFACTS ALL PLAYED A PART IN THE BIRTH OF GLOBAL TRADE.	01:01:41:15
HOST: A HIGHLY INTEGRATED GLOBAL ECONOMY HAS EXISTED SINCE THE SIXTEENTH CENTURY. HISTORIANS NOW REALIZE THAT ANY ANALYSIS OF THE WORLD'S REGIONS MUST RECOGNIZE THE INTERCONNECTED ECONOMIC AND DEMOGRAPHIC FORCES THAT HAVE BEEN OPERATING ON A GLOBAL LEVEL FOR CENTURIES. THE <i>BIRTH</i> OF GLOBAL TRADE ACTUALLY BRANCHED INTO TWO STORIES THAT	01:02:07:14

<p>TOOK PLACE IN SEPARATE PARTS OF THE WORLD. THE FIRST STORY WAS SET IN CHINA...THE ECONOMIC ENGINE OF ASIA. THE SECOND TOOK PLACE IN THE NEW WORLD...A RICH SOURCE OF A KEY COMMODITY THAT THE EUROPEANS WOULD EXTRACT FOR TRADE IN ASIA. THE TWO STORIES CONVERGED IN 1571 TO CHANGE THE COURSE OF HISTORY. THIS WOULD BE THE YEAR THAT GAVE RISE TO ONGOING, EXTENSIVE TRADE BETWEEN THE AMERICAS, ASIA, EUROPE AND AFRICA.</p> <p>THESE TWO ACCOUNTS TRACE HOW COMMODITIES CONNECTED THE WORLD. TO UNDERSTAND HOW TIME WOVE THE FABRIC OF GLOBAL TRADE, ONE NEED FOLLOW JUST A SINGLE THREAD...ONE COMMODITY...SILVER.</p>	
<p>SEGUE</p>	01:03:15:08
<p>HOST: BEFORE THE 16TH CENTURY, THE WORLD'S FOUR MAIN MONETARY SUBSTANCES WERE SILVER, GOLD, COPPER AND VARIOUS SHELLS. EACH FLOWED INDEPENDENTLY, WITH DISTINCT REGIONAL MARKETS ON EVERY CONTINENT. BUT IT WAS THE DEMAND FOR SILVER WHICH FINALLY CREATED AN ALL-ENCOMPASSING NETWORK OF GLOBAL TRADE. AND THAT DEMAND ORIGINATED IN CHINA.</p>	01:03:20:00
<p>CANDICE GOUCHER: Well, Europe was really on the periphery of world trade at this time. In the 15th century, Europeans were intermediaries, and in fact it was Asia, as historians would come to understand, Asia and the Asian economy that REALLY became the engine of change and of interconnections between different parts of the world.</p>	01:03:45:16
<p>HOST: IN THE 15TH CENTURY, MOST OF CHINA'S FOREIGN TRADE WAS CONDUCTED WITHIN THE FRAMEWORK OF AN IMPERIAL SYSTEM OF TRIBUTE.</p> <p>RULERS OF STATES SUCH AS SIAM AND VIETNAM PAID TRIBUTE TO THE CHINESE EMPEROR IN THE FORM OF GIFTS. IN THIS WAY, THEY PAID HOMAGE TO THE PERSONAGE THEY BELIEVED WAS THE SON OF HEAVEN, "THE RULER OF THE CENTER OF THE WORLD". GIFTS IN RETURN FROM THE CHINESE COURT MADE THESE TRIBUTE RELATIONS A KIND OF COMMODITY EXCHANGE.</p>	01:04:10:24
<p>LINDA WALTON: It would be a large mission—it would vary, depending on the size of the country, and the wealth of that particular country, but those...say the ruler of Siam would be interested in presenting himself in as powerful a way as possible to the "Sun of Heaven," to the Chinese Emperor. So they would bring an entourage of people, displaying their wealth and power.</p>	01:04:39:13
<p>HOST: THE CHINESE HAD BEEN LINKED TO MEDITERRANEAN EUROPE SINCE THEIR FIRST TRADING EXPEDITIONS IN 138 BCE. HAN DYNASTY ARTIFACTS FOUND IN ROMAN TOMBS BEAR OUT THESE EARLY CONNECTIONS. TRADE MOVED SLOWLY THROUGH OVERLAPPING NETWORKS OF REGIONAL MARKETS, VIA THE SILK ROADS AND VARIOUS INDIAN OCEAN ROUTES.</p> <p>DOMESTIC TRADE FLOURISHED IN CHINA AROUND THIS TIME. VARIOUS REGIONS PRODUCED PRIZED COMMODITIES SUCH AS SILK, PORCELAIN, JADE, AND TEA. CHINA DOMINATED THE EAST ASIAN WORLD FOR HUNDREDS OF YEARS, AND BY THE 16TH CENTURY, THERE WAS VERY LITTLE OFFERED BY OUTSIDERS THAT CHINA COULD USE. AND CHINA'S POSITION OF POWER WOULD NOT SHIFT FOR CENTURIES.</p>	01:05:06:00

<p>HOST: IN 1374 CE, FISCAL MANAGERS OF THE MING DYNASTY MADE A DECISION TO RESTORE A SYSTEM OF PAPER CURRENCY TO CHINA. THIS DECISION SET IN MOTION A CHAIN OF EVENTS THAT WOULD ESTABLISH WHAT SOME SCHOLARS HAVE CALLED THE FIRST NETWORK OF GLOBAL TRADE.</p> <p>BY THE 14TH CENTURY, THE CHINESE HAD BEEN USING PAPER CERTIFICATES FOR ABOUT 500 YEARS. WHILE EARLY CERTIFICATES WERE BACKED BY DEPOSITS OF GOLD, SILVER AND SILK, THESE NEW MING CERTIFICATES WERE NOT CONVERTIBLE.</p> <p>TO KEEP PAPER CURRENCY IN CIRCULATION, THE GOVERNMENT TRIED TO FORBID THE USE OF GOLD AND SILVER AS MEDIUMS OF EXCHANGE.</p> <p>MING FISCAL POLICIES PROVED A DISASTER. BY THE MID 15TH CENTURY, PAPER CURRENCY WAS VIRTUALLY WORTHLESS AND SILVER BECAME THE PREFERRED MEDIUM.</p>	01:05:52:25
<p>LINDA WALTON: Silver was never minted into coins in China, but it was used in weights that varied from about 37 to 50 grams: ingots of silver. And those ingots could be used in varied ways by shaving off bits of it to make it more and less valuable and weighty.</p>	01:06:45:00
<p>HOST: THE MING GOVERNMENT FINALLY ACKNOWLEDGED THAT SILVER HAD REPLACED PAPER. IT ANNOUNCED THAT IT WOULD PAY SALARIES AND COLLECT TAXES IN SILVER OR ITS EQUIVALENTS.</p>	01:07:08:00
<p>HOST: THE IMPACT OF THIS NEW SILVER MONETARY SYSTEM WAS TREMENDOUS. IMAGINE WHAT IT WAS LIKE FOR A CHINESE FARMER. WHERE ONCE HE COULD PAY HIS TAXES IN GRAIN, CLOTH OR OTHER BARTER GOODS, NOW, INCREASINGLY HE WAS FORCED TO PAY IN SILVER. BETWEEN THE MID-15TH AND MID-16TH CENTURIES, DEMAND FOR SILVER IN MING CHINA INCREASED DRAMATICALLY... AND SOON THAT DEMAND SPREAD BEYOND THE BORDERS OF THE EMPIRE.</p>	01:07:19:03
<p>HOST: CHINA BECAME WHAT SOME SCHOLARS HAVE CALLED "THE WORLD'S SILVER SINK." CHINA'S DEMAND CREATED A RIPPLE EFFECT ON WORLD TRADE...AND DROVE THE VALUE OF SILVER UPWARD.</p>	01:07:49:04
<p>HOST: IN THE 1540S, CHINESE MERCHANTS TRAVELED TO JAPAN FOR THE SOLE PURPOSE OF PROCURING SILVER. THE MINES OF TOKUGAWA JAPAN PRODUCED NEARLY A THIRD OF THE TOTAL WORLD'S OUTPUT OF SILVER IN THE 16TH AND EARLY 17TH CENTURIES. MOST WAS SHIPPED TO CHINA... AND STILL THE CHINESE DEMANDED MORE.</p>	01:08:01:11
<p>LINDA WALTON: So the old story had really been that Europeans searching for spices were what drove global trade. But in fact it was China's demand for silver that really drove global trade in this period. And the impact of that demand for silver was enormous worldwide.</p>	01:08:23:22

<p>HOST: THE EVENTS THAT GAVE BIRTH TO GLOBAL TRADE ILLUSTRATE THE IDEA OF "CONJUNCTURE"... IN WHICH INDEPENDENT, REGIONAL DEVELOPMENTS CONVERGE TO CREATE A UNIQUE HISTORICAL MOMENT. CHINA'S INCREASED NEED FOR SILVER WAS ONE IMPORTANT EVENT, AND THE OTHER WAS UNFOLDING HALF A WORLD AWAY.</p>	01:08:48:00
<p>SEGUE</p>	01:09:08:11
<p>HOST: BY THE 13TH CENTURY, THE CRUSADES AND THE MONGOL INVASIONS HAD INTEGRATED EUROPE INTO THE WIDER WORLD. IT WAS AROUND THIS TIME THAT EUROPEANS FOUND THEMSELVES ON THE PERIPHERY OF WELL-ESTABLISHED TRADE ROUTES. THE LAND BARRIER OF CENTRAL ASIA PREVENTED TRADERS FROM DEALING DIRECTLY IN EAST ASIAN MARKETS.</p> <p>IN THE 15TH CENTURY, NEW SHIP DESIGNS AND NAVIGATION TECHNIQUES ALLOWED EUROPEANS TO BYPASS OVERLAND ROUTES. HOWEVER, THOUGH EUROPEAN DEMAND FOR CHINESE GOODS--LIKE THIS PORCELAIN--WAS HIGH, THEY HAD VIRTUALLY NOTHING TO TRADE THAT CHINA WANTED. THAT ALL CHANGED WITH THE DISCOVERY OF SILVER IN SOUTH AMERICA.</p>	01:09:14:20
<p>HOST: IN PERU, THE SPANISH CONTROLLED THE RICHEST SILVER MINE IN THE HISTORY OF THE WORLD...POTOSÍ. FOR A TIME IN THE 16TH AND 17TH CENTURIES, POTOSÍ WAS THE LARGEST CITY IN THE AMERICAS.</p>	01:09:57:13
<p>PETER WINN: At its height, Potosí had a population of 150,000, more than any city in Spain itself.</p> <p>Potosí structured the economy of all of Spanish South America around its needs and desires—including the labor of the 50,000 Indians who were brought to Potosí from distant provinces to work in its mines.</p>	01:10:10:25
<p>HOST: THE SPANIARD RODRIGO DE LOAISA WITNESSED THE EXPLOITATION OF THE NATIVE PEOPLES... FORCED BY THE SPANISH TO WORK THE MINES IN AN DISTORTED VERSION OF THE TRADITIONAL MIT'A SYSTEM OF TRIBUTE LABOR.</p>	01:10:32:29
<p>VOICE OF DE LOAISA:</p> <p>The indians enter these infernal pits by some leather ropes like staircases. They spend all monday on this, 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 twenty healthy indians enter on monday, half may emerge crippled on saturday.</p>	01:10:46:23
<p>PETER WINN: When Peru's Indians refused to volunteer in sufficient numbers to work in the mines at Potosí, the Spanish Viceroy Toledo revived the old Inka Mit'a labor service, but for new purposes—not public works serving the ruler, but rather hard labor for private mining entrepreneurs. Gone too was the ruler's reciprocity, which assured that the mitayo and his community got something back in return for his labor.</p>	01:11:19:00
<p>HOST: THE PORTUGUESE, AND LATER THE DUTCH WERE THE PRIME MOVERS OF SILVER IN THE 16TH AND 17TH CENTURIES.</p>	01:11:52:15

<p>AT FIRST, THE FLOW OF SILVER MOVED EASTWARD ACROSS THE ATLANTIC AND THEN ALONG A MULTITUDE OF ROUTES INTO ASIA.</p> <p>BUT THE <i>SPANISH</i> WERE SEARCHING FOR A DIRECT ROUTE BETWEEN THE AMERICAS AND CHINA.</p>	
<p>HOST: IN 1565 THE SPANISH FINALLY DISCOVERED THE WINDS AND OCEAN CURRENTS THAT WOULD TAKE THEM FROM EASTERN ASIA TO MEXICO. THIS MEANT THEY COULD NOW ESTABLISH THE FIRST DIRECT LINK BETWEEN THE AMERICAS AND CHINA.</p>	01:12:13:05
<p>HOST: THE SPANISH CONQUERED THE PHILIPPINES IN 1565. WITH THE FOUNDING OF THE CITY OF MANILA IN 1571, SPAIN FINALLY HAD A BASE FROM WHICH TO GAIN ACCESS TO CHINA'S MARKETS.</p> <p>THIS LAUNCHED THE VOYAGES OF THE MANILA GALLEON, A LARGE TRADING SHIP THAT ANNUALLY CARRIED SILVER FROM THE AMERICAS AND CARRIED SILK, IVORY, SPICES AND OTHER GOODS BACK TO THE AMERICAS.</p> <p>ONE HISTORIAN DESCRIBED 1571 AS THE YEAR WORLD TRADE WAS BORN. THAT YEAR MARKED, FOR THE FIRST TIME, CONTINUOUS AND SUBSTANTIAL TRADE BETWEEN THE AMERICAS, ASIA, EUROPE AND AFRICA.</p>	01:12:29:07
<p>PETER WINN: Historians have been slow to realize the importance historically of the annual Manila Galleon, which connected American mines to Asian markets for European profits. Chinese demand for American silver 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. The Manila Galleon enabled Peru to hold off for some decades the depression weighing down 17th century Europe.</p>	01:13:10:28
<p>HOST: 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". THE MERCHANTS OF EUROPE FOUND THIS TO BE TRUE.</p>	01:13:42:02
<p>HOST: BY 1571, THE MOST IMPORTANT SOURCE OF WORLD SILVER WAS SPANISH AMERICA. THE SPANISH MERCHANT PEDRO DE BAEZA HAD GAINED BUSINESS EXPERIENCE IN ASIA AND WAS WELL AWARE OF THE SIGNIFICANCE OF CHINA'S DEMAND FOR SILVER.</p>	01:14:00:18
<p>VOICE OF PEDRO DE BAEZA: <i>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 twelve of silver; therefore it is easy to see that bringing gold from China means a gain of more than seventy-five or eighty percent!</i></p>	01:14:16:15
<p>HOST: THERE WAS PROFIT TO BE MADE TAKING SILVER FROM THE AMERICAS TO TRADING PORTS IN ASIA, LIKE MANILA. THE GREATEST PROFIT WAS IN TRADING SILVER FOR CHINESE LUXURY GOODS AND SELLING THOSE IN EUROPE AND THE AMERICAS. AN EXTRAORDINARY EXPANSION OF COMMERCIAL ACTIVITY FOLLOWED.</p>	01:14:40:08

<p>BUT HOW DID THE CREATION OF THIS FIRST GLOBAL SYSTEM OF TRADE PLAY OUT AROUND THE WORLD?</p>	
<p>SEGUE</p>	01:15:05:11
<p>HOST: IN JAPAN, THE TOKUGAWA SHOGUNATE SHREWDLY CONTROLLED WARRING REGIONAL FACTIONS BY RESTRICTING FOREIGN TRADE. DUTCH AND CHINESE MERCHANTS WERE ALLOWED TO TRADE ONLY AT THE SHOGUN'S PORT CITY OF NAGASAKI. JAPAN CONTINUED TO PROVIDE SILVER TO CHINA AND OTHER MARKETS. PROFITS FROM SHOGUNATE SILVER MINES FINANCED THE STATE, WHILE PREVENTING WARLORDS FROM BECOMING WEALTHY ENOUGH TO CHALLENGE THE MILITARY AUTHORITY.</p> <p>IN ADDITION TO SILVER, JAPAN TRADED OTHER COMMODITIES TO EUROPE AND THE AMERICAS.</p>	01:15:11:20
<p>LINDA WALTON: Japanese Namban, or "Southern Barbarian" screens of the 16th and 17th Centuries portray Europeans as kind of grotesque figures. But it's also evident in the screens that Japanese artists are using some European techniques in producing these screens. So both the subject matter and the technique to some degree are influenced by Europeans.</p>	01:15:49:12
<p>HOST: AS HISTORIANS HAVE EXAMINED THE TRAIL OF SILVER AND OTHER COMMODITIES, THEY HAVE PIECED TOGETHER A RE-ORIENTED MAP OF THE WORLD. THE BURGEONING TRADE AFTER THE 16TH CENTURY IS NOW UNDERSTOOD AS A HISTORICAL CONJUNCTION AND A WORLDWIDE STORY, NOT A EUROPEAN-DRIVEN EVENT. INTERCONNECTIONS START TO WEAVE REGIONAL STORIES INTO A TRULY GLOBAL NARRATIVE.</p>	01:16:19:06
<p>HOST: DURING THE 16TH-18TH 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 THEM AND REWOVE THE THREADS INTO TRADITIONAL PATTERNS... LIKE THIS KENTE CLOTH OF THE GOLD COAST OF WEST AFRICA.</p> <p>SCHOLARS SEE THESE ARTIFACTS AS EVIDENCE OF A PEOPLE WHO CONNECTED SELECTIVELY WITH A CHANGING WORLD... BUT ALSO HELD ON TO WHAT THEY VALUED.</p>	01:16:44:00
<p>HOST: BUT THIS CHANGING WORLD OF GLOBAL TRADING SYSTEMS WOULD HAVE A DEVASTATING EFFECT ON WEST AFRICANS. THE VAST COASTAL REGIONS DREW EUROPEANS SEEKING GOLD.</p>	01:17:18:21
<p>CANDICE GOUCHER: The Portuguese found themselves needing to rely on local communities in order to establish trade. They established El Mina, which meant "the mine," in the 15th century, and El Mina became a permanent base for their trading expeditions into the interior, and across the Atlantic Ocean. Once El Mina was established, it became a magnet of opportunity attracting trade from the interior, reorienting the trade routes, and bringing goods south to the coast instead of north, so many societies declined in the interior because of that growth of opportunity on the coast.</p>	01:17:30:19

<p>HOST: BEGINNING IN THE FIRST HALF OF THE 15TH CENTURY, EUROPEAN MERCHANTS SEEKING GOLD SAILED TO WEST AFRICA IN SHIPS LADEN WITH TRADE GOODS AS WELL AS METALS OF ALL KINDS—COPPER, BRASS AND IRON. THESE WOULD BE EXCHANGED FOR GOLD AS WELL AS FOR LOCAL GOODS FROM THE INTERIOR.</p>	01:18:24:19
<p>HOST: EUROPEAN SAILORS ALSO BROUGHT HOME SOUVENIRS FROM WEST AFRICA. IVORY SALTCELLARS WERE AMONG THE WORLD’S FIRST TOURIST ART. CARVED BY AFRICAN ARTISANS IN THE LATE FIFTEENTH AND SIXTEENTH CENTURIES, THE SALTCELLARS DEPICTED EUROPEANS AS STEREOTYPICAL CARICATURES FROM AN AFRICAN PERSPECTIVE. THEY DECORATED THE TABLES OF MANY OF THE GREAT DINING HALLS OF EUROPE.</p> <p>ONE UNIQUELY SIGNIFICANT COMMODITY WAS ALSO TRADED BETWEEN WEST AFRICANS AND EUROPEANS, BEGINNING IN THE 16TH CENTURY: HUMAN BEINGS. THE PRESENCE OF EUROPEANS ALONG AFRICAN COASTS ULTIMATELY LED TO THE FORCED MIGRATIONS OF 12 MILLION AFRICANS. TRADE IN SLAVES TO WORK THE SILVER MINES AND PLANTATIONS OF THE NEW WORLD REACHED ITS PEAK DURING THE 17TH AND 18TH CENTURIES.</p>	01:18:44:00
<p>HOST: THE TRADE GENERATED BY EUROPEANS IN WEST AFRICAN MARKETS BEGAN TO SUPPORT LOCAL AFRICAN ENTREPRENEURS. THIS GENERATED A NEW CLASS OF ELITES WHOSE WEALTH WAS BASED ON THE ATLANTIC SLAVE TRADE. AFRICAN MERCHANT PRINCES UNDERMINED THE AUTHORITY OF TRADITIONAL LEADERS AND BECAME RICH AT THE EXPENSE OF THEIR COMMUNITIES.</p>	01:19:36:11
<p>CANDICE GOUCHER: There is a wonderful West African proverb which says that the mudfish in the water grows fat to the delight of the crocodile. And in the case of West African merchants, there’s no doubt that they benefited from the trade along the coast. Eventually, they would be consumed by the mercantile interests of European traders.</p>	01:19:57:00
<p>HOST: EUROPEAN TRADE ALSO SPREAD INTO ASIA. IN ORDER TO REGULATE COMMERCE, THE BRITISH AND DUTCH GOVERNMENTS CREATED TRADE MONOPOLIES. THE BRITISH CROWN AWARDED THE EAST INDIA COMPANY THE EXCLUSIVE RIGHT TO ASIAN TRADE. THE COMPANY IMMEDIATELY ESTABLISHED ITSELF THROUGHOUT THE INDIAN OCEAN. THE EAST INDIAN COMPANY WAS OWNED BY JOINT STOCK...AN INNOVATION IN BUSINESS ORGANIZATION.</p>	01:20:23:26
<p>CANDICE GOUCHER: Subscribers invested in the company, and owned a piece of the profits, corresponding to how much they had invested. This process of investment and ownership—joint ownership—developed into what became the world stock markets.</p>	01:20:51:12
<p>HOST: WHAT HAPPENED IN THE AMERICAS, THE POINT OF ORIGIN FOR SO MUCH OF THE WORLD’S SILVER?</p> <p>THE POTOSÍ MINE IN PERU OPERATED FOR NEARLY THREE CENTURIES...UNTIL THE SILVER RAN OUT. IT’S ESTIMATED THAT NEARLY 8 MILLION INDIANS DIED AT POTOSÍ.</p> <p>IN A SECOND CYCLE OF SILVER, IN THE FIRST HALF OF THE EIGHTEENTH</p>	01:21:11:23

CENTURY, THE OUTPUT OF MEXICAN SILVER MINES GREW TO EXCEED THAT OF PERU.	
HOST: HALF A BILLION MEXICAN SILVER PESOS WERE MINTED DURING THE 18TH CENTURY. SHIPPED FROM ACAPULCO ON THE MANILA GALLEONS, MEXICAN PESOS RULED THE CHINESE MARKETPLACE. THEY ALSO FOUND THEIR WAY TO INDIA, EUROPE...EVEN TO WEST AFRICA, WHERE PESOS BOUGHT AFRICAN SLAVES.	01:21:45:21
HOST: AND WHAT ABOUT CHINA, THE EMPIRE THAT LAUNCHED A GLOBAL ECONOMY?	01:22:04:10
HOST: BY THE 17TH CENTURY, THE CHINESE DEMAND FOR SILVER WAS DISTURBING MANY MING OFFICIALS. AT FIRST, THEY HAD THOUGHT SILVER HAD LITTLE PRACTICAL WORTH, AND 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.	01:22:12:00
VOICE OF HE QIAOYUAN: 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.	01:22:35:17
HOST: 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.	01:23:07:01
HOST: 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 STUMBLERED, THE ATLANTIC ECONOMY PICKED UP...FED BY PROFITS FROM THE CIRCULAR MOVEMENT 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.	01:23:37:19
HOST: BUT EVEN WHILE SILVER WAS THE PREFERRED COMMODITY THROUGHOUT VAST PORTIONS OF EUROPE AND ASIA, ITS ACCEPTANCE WAS NOT ENTIRELY WORLDWIDE. GOLD, SHELLS, AND OTHER CURRENCIES ALSO COMPETED FOR THE ATTENTION OF TRADERS, BANKERS AND CREDITORS.	01:24:12:27

WHAT ROLES DID TRADITIONAL INDIGENOUS CURRENCIES AND LOCAL CHOICE PLAY IN THE EXPANDING GLOBAL ECONOMY?	
WRAP SEGUE	01:24:37:14
<p>CANDICE GOUCHER: In the Americas, the traditional Quiripa of the Orinoco basin (strings of shells), were one of the most important commodities for both Indians and Europeans. Both groups suffered from a chronic shortage of local coinage. Even in the 18th C, the dutch found that everyday exchange was not with their coins, but rather with the indigenous shells. The growing circulation and broadening function of the shell beads were the result of the expanding world economy. Shell beads assumed all the characteristics of western money. They had standard prices, they were used as a universal medium of exchange, they were used to pay taxes, and they were hoarded as savings. The shell beads acted as a kind of bridge between different economic systems.</p> <p>Global commodities required global currencies, though remarkably, many currencies connected world regions even before 1500. Like the cowrie shell that linked the Indian ocean and the West Atlantic Coast of Africa. Even after 1500, currencies weren't imposed on conquered territories. Sometimes, currencies were still chosen by the indigenous peoples, who continued to dictate the choice of the highly-prized commodities they traded. And the currencies through which those commodities were valued and exchanged.</p>	01:24:39:00
<p>HOST: THE QUEST FOR NEW COMMODITIES AROUND THE WORLD LED TO THE INCREASED SOPHISTICATION OF TRANSPORTATION, MARKETING AND DISTRIBUTION OF GOODS. JUST AS MARITIME TRADE HAD CREATED A VAST INTERCONNECTION OF SILVER MARKETS THROUGHOUT THE WORLD, THE SAME WEB DETERMINED THAT WHEN THE VALUE OF SILVER FELL, THAT, TOO, WOULD BE FELT AROUND THE GLOBE.</p>	01:26:11:00
<p>HOST: THE SPANISH EMPIRE OWED ITS FINANCIAL FOUNDATION TO CHINA. THIS CAUSE-AND-EFFECT INTERACTION STANDS AS A FORCEFUL REMINDER THAT, AFTER 1571, MUCH OF WHAT PASSED FOR LOCAL HISTORY COULD BE ACCURATELY UNDERSTOOD ONLY THROUGH THE WIDER LENS OF WORLD HISTORY. ONCE CONNECTED, THE FORTUNES OF THE CONTINENTS WERE BOUND TOGETHER FOREVER.</p>	01:26:33:00
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