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# Trade relationship between japan and Philippines from 1592 TO 1637

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#### Abstract

The period 1592 - 1637 was the golden age not only of Japanese trade, but also with Southeast Asian countries, including the Philippines. This was also the period when trade relations between Japan and the Philippines were challenged by the penetration of Western countries and the competition of Chinese merchants. The article focuses on analyzing the trade relationship between these two countries during the Indian Ocean period and draws some comments on the importance of the period as a foundation for diplomatic relations between Japan and Philippines today.

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#### Introduction

The study of the commercial relationship between Japan and the Philippines during the Red Seal Ship period is an interesting issue, attracting the attention of not only Western scholars, but also mentioned in many books many research works of Vietnamese and Southeast Asian scholars. Research can be divided into two main groups as follows:

First, the group of research works on the economic - political - cultural - social history of Southeast Asia in general, as well as the Philippines in particular. The research work that is likened to an encyclopedia of Southeast Asian history is John's "History of Southeast Asia" (1997). Not only recreating a comprehensive picture of the political - social - economic situation of Southeast Asian countries, the author also presents in depth about Southeast Asia in the seventeenth and eighteenth centuries and uses a lot of ideas original data (steles) and fieldwork. The book provides a partial overview of Southeast Asia's maritime trade and economy in the seventeenth century.

In addition, there are a number of works that delve into the commercial field of Southeast Asia in modern times. Reid (1995) made it very clear that the commercial age was a very important historical period and that the spice trade in the sixteenth to seventeenth centuries spurred the boom of Southeast Asian trade. The penetration of the capitalist economy also affects the socio-political systems of these countries.

Second, the group of studies on the trade relationship between Japan and Southeast Asian countries (including the Philippines) in pre-modern times is directly related to the research problem. Kim (2003) <sup>[6]</sup> presented very specifically about the economic - political - cultural relationship between Japan and Southeast Asian countries in the sixteenth - seventeenth centuries. At the same time, this scholar also explains that one of the reasons why Japanese merchant ships rushed to Southeast Asia during this period was to limit the monopoly of Chinese and Western merchants. Ninh *et al.* (2015) <sup>[10]</sup> also gave an overview of the commercial flourishing period of Southeast Asian countries, including the Philippines.

Cho H.G *et al.* (2000) <sup>[2]</sup> also emphasized the importance of studying the period of sea trade of Southeast Asian and Northeast Asian countries. The author also considers this to be a more vibrant period than any before when the Southeast Asian kingdoms of Majapahit and Ayutthaya, China and Japan began to take an active interest in foreign trade. At the same time, the author also spends a comment section to explain the causes leading to the decline of trade in these countries in the seventeenth century.

Thus, the study of maritime trade relations between the countries of Northeast Asia and Southeast Asia in general, between Japan and the Philippines in particular during the Red Seal Ship period (1592-1637) has attracted a great deal of attention. Interest of many scholars. However, previous studies have often focused on trade relations between Japan and the countries of the Mekong sub-region. The study of the trade relationship between Japan and the Philippines as the most important trade relationship of the contemporary period will contribute to filling the gap in the history of Japan-Philippines diplomacy in modern times. Specifically, the Philippines is the bridge between two markets: Northeast Asia (one of the centers is Japan) and Southeast Asia.

#### Research Methods

The article applies quantitative and qualitative methods to analyze key references, as well as previous studies on trade relations between Japan and the Philippines during the Red Seal ship period (1592-1637). While the quantitative method is used to check the density of Red Seal Ships docked in the Philippines, the goods are imported and exported. The qualitative method is then useful for assessing the development of Japanese merchants in the Philippines when it was always constrained by the Spanish authorities. The method of synthesis and comparison is also very effective when comparing trade relations between Japan and the Philippines with other trade relationships of Japan with Southeast Asian countries during this period. The article aspires to present a relatively complete picture of the Philippines-Japan trade relationship in the sixteenth to seventeenth centuries and proves the point: the Philippines is a potential and interesting market for both Europeans and Asians.

#### Research results

In the late sixteenth and early seventeenth centuries, along with the unification of Japan, the government of Toyomi Hideyoshi established friendly relations with neighboring countries through trade, especially by trade. Maritime trade. In 1580, the government of Toyomi Hideyoshi allowed merchant ships carrying large amounts of silver to trade directly in many Southeast Asian countries. In 1592, Shogun Toyomi Hideyoshi officially issued 9 permits for Japanese merchant ships to trade in Southeast Asia. Later, during the time of the Tokugawa shogunate, Shogun Ieyasu also continued to encourage maritime trade to boost the Japanese economy. To protect their prestige in foreign trade, the shogunate and the Daimyo both issued certificates to merchant ships similar to the Toyomi era (called Goshuinjo). With this policy, only licensed merchant ships bearing the red seal of the shogunate were allowed to go abroad to trade, and conversely, only foreign merchant ships with Goshuinjo were allowed to enter Japan to trade. Sell. Besides the purpose of issuing certificates to establish authority, the Tokugawa government also wanted to prevent piracy and ensure the safety of Japanese and foreign merchant ships. (The boat with the Goshuinjo was supplied with weapons for self-defense by

Thanks to the open trade policy, along with the boldness of the merchants, the fierceness of the shogunate government, Japan had a "golden age" in the history of maritime trade with hundreds of ships. Boats crossed the sea to go to sea, to many countries and territories such as: China, Korea, Southeast Asia, India, Western countries. Japanese history called this period "Red Seal ship" (Shuinsen).

A typical "Red Seal ship" has a tonnage of about 500-750 tons, smaller than standard European merchant ships in East Asia. Light weight makes it easy to get in and out of estuaries or coves, while still being large enough to carry a lot of cargo or supplies. These ships were built in various places throughout the Daimyo territories in Japan, including at the Japanese trading post in Ayutthaya, because the quality of the Siamese wood was quite good and because the Thais ordered it. But most of them are made in Nagasaki (where the trade is very developed) combined with a special design of the hull and sail that helps the boat to glide smoothly and withstand strong storms. The crew members on the boat are not only Japanese, but also some Spanish and Portuguese navigators, because they are more familiar with Southeast Asian waters than the Japanese. It is this Western element that has created adventure in the trips of the Japanese, helping them not only trade with the countries of the Mekong sub-region, but also to countries in Southeast Asia islands, including the Philippines.

The nautical chart the Portuguese used in Asia were also a reference for the Japanese to draw their own charts, with Japanese place-name notes. Over a long period of time, along with the deterioration of relations with Portugal, Japan began to rely on Dutch advisors or develop its own maritime technology. The main export items of the Japanese in the Red Seal ship trade are silver, diamonds, copper, iron, sulfur, paper, swords, lacquerware and handicrafts... while other goods. The outstanding goods they buy are silk and porcelain, spices, incense, agarwood and deer skin...

The Philippines is a country with an important strategic position in trade relations between the countries of Northeast Asia, Southeast Asia and the Americas. However, when they first established a dominant position in the Philippines, the Spanish colonists considered the colony only a secondary interest, as very few Spaniards settled there permanently. It was not until 1575, when Manila was established as a permanent trading base for the exchange of American silver (mainly Mexican) and Chinese silk, that this economic area developed by integrating many other areas into the emerging global economy. Dennis O. Flynn and Arturo Giráldez (1995, p. 201) [3] asserted in their article: "Manila was the crucial entrepot linking substantial, direct, and continuous trade between the Americas and Asia for the first time in history". It is Manila's participation in the international maritime trade market that has contributed to making Southeast Asia a vibrant economic region in the pre-modern times.

Before the "Red Seal ship" era took place, the Japanese came to the Philippines to trade and even settle in Manila, although the number of inhabitants was not large. In 1571, when Martin de Goiti was sent by the Spanish government to the island of Luzon, he found in Manila about 20 Japanese people living regularly. Among those Japanese were some Christians. Fearing that Japan's influence was expanding on the archipelago, in order to maintain its monopoly position, the Spanish government sent troops to suppress the Japanese expatriate block to leave the Cagayan area. But in different areas such as northern Luzon or Lingayen and Agoo, Japanese merchants continued to reside. Their activities were somewhat superior to those of Western merchants and people called the trading ports that the Japanese frequented as "Puerto del Japan" (ports of Japan). Due to its location as the focal point of several economic lifelines, Manila became the convergence of Chinese and Japanese merchants. Around 1582, Japanese settlements were also established. In addition to trading reasons, the Japanese come here for the purpose of hunting for Chinese ceramics belonging to the Song (960-1279) and Yuan (1280-1368) dynasties. These are antiques that are very popular with many tea ceremony sects and collectors of antiquities and are always valued highly in the Japanese market.

In the late sixteenth and early seventeenth centuries, due to the Edo government's policy of promoting trade relations with the Philippines, from 1596 to 1634, there were 57 Red Seal ships from Japan to this country (Kim, 2003, page 161) <sup>[6]</sup>. On average, within 10 years 4.1 merchant ships are sent to the Philippines each year. Although Portuguese and Spanish traders often prevent and hinder merchant ships from coming to Manila, it can be seen that Red Seal ships are still here regularly over the years (See Table 1).

**Table 1:** Number of Japanese merchant ships to the Philippines from 1593 to 1602 (Kim, 2003, p. 161) <sup>[6]</sup>.

Year	Number of merchant ships
1593	3
1594	3
1597	6
1599	9
1660	2
1601	5
1602	2

The year 1601 is considered a quite prosperous year in the trade relationship between Japan and the Philippines, marked by the event that the Tokugawa Ieyasu government sent a letter to the Governor of Manila, expressing his desire to maintain the maintained commercial relations with both Luzon and New Spain. This event laid the foundation for the government of Ieyasu and the Governor of the Philippines to legalize the commercial relationship between the two islands by licensing merchant ships in both countries and having certain protections to merchants and their assets. By 1602, another agreement between the two parties specified that four Japanese ships could enter Manila Bay, while Spanish merchants also received official permits to do business in Japan in the number of four ships per year (Tremml-Werner, 2015, p. 150) [16]. Along with the increase of Red Seal ships, the number of Japanese expatriates to settle in the archipelago also continued to increase. They live in the Dilao area, on the outskirts of Manila. From 1570 to 1637 the number of Japanese in Manila was as follows: in 1570 there were 20 Japanese in Manila, in 1593 it was 300-400, in 1595 it was 1,000, in 1603 it was 500, in 1606 it was 1,500, and in 1619 was 2,000, in 1620 it was 3,000, in 1622 it was 3,000, in 1637 it was 800 (Iwao, 1966, p. 257). The Spanish government also allowed the formation of the Nihon Machi in Manila (San Miquel).

The goods that Japan brings to the Philippines are usually food, foodstuffs, gunpowder materials, weapons, and many other luxuries. And vice versa, Japanese merchants often brought silk (acquired from Chinese merchants), deer skin, sugar, beeswax, flavorings and some consumer goods from the West. In particular, Manila's favorite items are gunpowder materials and weapons. The Spaniards had high hopes for a trading relationship with Japan that could bring further prosperity to the Philippine archipelago, although they were apprehensive about the Japanese's ability to use weapons proficiently (Petrucci, 2010) p 59 – 72) [12].

Therefore, in order to receive the protection of the shogunate when coming to trade in Japan, merchant ships from Manila often brought gifts to the Shogun. Japanese historian Takase Kōichiro has discovered a document of a financial officer of Manila of 1607 stating that it was customary to send ships from Manila to the Japanese ruler along with an ambassador and highly priced gifts (valuing between 800 to 1000 pesos). (Takase, 2002, p. 102) [14]. Usually gifts consisted of Chinese silk, Castilian clothes, and wine; glass items, wax, weapons, and earthenware.

In the last years of the Red Seal ship period, due to many objective and subjective reasons, the diplomatic as well as economic and commercial relations between Japan and the Philippines faded and interrupted. To increase competitiveness with Portuguese traders, the Spanish government entices Chinese merchants to trade by increasing the price of silk by 1.85, from 140 pesos to 260 pesos (Kim, 2003, p. 167) [6]. This policy made Japan lose a large profit from the silk trade with Manila. On the other hand, on the side of the shogunate government, the policy of prohibiting religion was implemented drastically in the years 1611, 1612, 1614 also a detrimental factor for the trade relations between the two countries during this period. Although, on the Edo side, it was explained that the implementation of strict supervision of Spanish and Portuguese merchants and clerics was to keep Japan from the curiosity of Western colonialism. But on the part of Western clerics and merchants, one of the main reasons why they were shunned and monitored in Japan was that when they came here they did not bring gold or silver to give to the Shogun (Álvarez-Taladriz, 1973, p. 69) [1].

In response to the Tokugawa government's policy of banning religion, the Spanish side refused to send some experts to help build ships for Japan. At the same time, send a letter requesting the Japanese side not to allow unlicensed boats to come to the Philippines. The number of boats that dock in Manila is limited to three per year (Kim, 2003, p. 167) <sup>[6]</sup>. Therefore, from 1625 to 1635, the number of Japanese merchant ships to the Philippines was only 4. Meanwhile, the number of Chinese merchant ships coming here is innumerable and goods are always available, enough to supply the needs of both the natives and the Spaniards.

Chinese merchants were also the ones who also went to Siam, Cambodia, Moluccas, Makassar, and Japan and thus secured Manila's provisions in everything needed, including iron, mercury, silk, rice, pork, gold, and a thousand other things that were all exchanged against silver (Medina, 1893, pp. 68-69). Although the tax rate imposed by the Spanish government on goods from Chinese traders is quite high (6% - 14%), the absence of Japanese merchant ships has created conditions for Chinese goods to overflow. into Manila. In 1628, when Japan stopped licensing merchant ships to Manila, the number of Chinese merchant ships increased to nearly 50 (Ly, 1990, p. 121). In the 30s of the seventeenth century, due to Japan's closure policy, all Portuguese merchant ships were banned from entering Japan, and 287 Portuguese and their families were also deported. Arrived in Macao in 1636 (Toby, 1984, p. 5). This event not only ended the Red Seal ship era, but also ended the "golden" development of Japanese trade, ending the trading relationship between Japan and Southeast Asian countries general, and the Philippines in particular.

### **Comments and conclusions**

For the purpose, Japan's Red Seal ship operation is to break

the monopoly status of Western countries (Spain, Portugal), and minimize damage caused by the "closed-door" policy of the Ming Dynasty, prevent piracy and, more importantly, aim for the new Southeast Asian market than the traditional Northeast Asian market. Although the infiltration of Western colonialism into Southeast Asia in the sixteenth and seventeenth centuries caused many challenges to the Japan-Southeast Asia relationship, in general, the purpose that the Japan's proposal has been implemented. Due to their trading skills, good weapons and strong economic potential, the Japanese quickly established a special position in many Asian trading ports, including (Philippines), and at the same time established trade ports. Nihon Machi to live permanently on this archipelago. Thanks to the open policy of the shogunate government, Japan has stopped the silver bleeding caused by having to import luxury products at high prices such as silk, ceramics, spices, etc., through merchants intermediate (Chinese, Portuguese, Spanish). Most importantly, through the commercial activities of Indian boats, Japan came to know a world other than the "Chinese world", which is the "Southeast Asian World", thereby laying the premise for relatively accurate understanding of economic potential, strategic position on the world political map, as well as political institutions and development status of each country. Those insights were much deeper than those of Japan before the Red Seal ship era, and the results achieved were far beyond the original intent of the Japanese government.

In terms of time, Red Seal ship is not a long period (1592 -1637), but it is the period that lays the first foundation for the relationship between Japan and Southeast Asian countries in general, and the Philippines in particular. This relationship comes from both sides and from the objective requirements of the era of Asian maritime trade. However, due to the influence of different political, economic, geographical and natural conditions, the degree of Japan's relationship with each country is also different. Trade relations between Japan and the Philippines during this period were dominated by Japan's relations with Spain and other Western countries. At the same time, this relationship is also affected by economic and political changes among other Southeast Asian countries. If in other Southeast Asian countries, economic relations maritime trade took place in a relatively homogenous political environment (Feudalism), then the Japan-Philippines trade relations took place strongly when the Philippines was under the invasion of Spanish colonialists. Because it was controlled by the Spaniards in all aspects, Philippine trade was also dominated by Spanish needs. This explains the fact that many documents reflect the Japan-Philippines relationship in the Japan-Spain relationship. This is a very special relationship in the economic and cultural history of Southeast Asia that no other country has.

A very prominent feature of foreign trade activities between Japan and the Philippines is reciprocity. If during the Red Seal ship period, Japan was mostly active in foreign trade with the Philippines, while when Japan implemented the "closed-door" policy, most merchants from Manila actively sought out Japan under indirectly, through Chinese merchants to continue to maintain trade relations. Therefore, if comparing the trade relations between Japan and the Philippines during the Red Seal ship period with the following period, this is the time when the two sides' trade took place directly, a pivotal period, laid the foundation for diplomatic and economic relations between the two countries

in the following centuries and is a precious legacy of Japan's cooperation with the Philippines today.

It can be said that the period of Red Seal ship was a period of strong penetration of Japanese merchants into the Philippines and a period of fierce competition between Japanese merchants and Chinese and Western merchants. And it is the presence of Japanese, Chinese, Spanish, and Portuguese traders that have contributed to making the Philippines the busiest transit point in Southeast Asia. Handicrafts (silk, ceramics), agriculture (food, food) from China and Southeast Asia will pass through Manila, then to Europe and America. And vice versa, consumer goods, luxury goods, silver will come from the Americas, through Manila to Southeast Asia. With the flourishing of the Chinese and Japanese trading systems, a new trading system was formed in the Philippines, acting as a bridge between Asian, European and American trade. That flourishing not only turned the Philippines from a natural economy to a maritime trading economy, but also turned the Philippines into the busiest trading center in the Far East in the seventeenth century.

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