Silver and the “White” Gold: Currency and Commodity

A number of commodities circulated between, and therefore connected, the Atlantic and Pacific, luring Europeans eastward and forming the basis of trade. Yet, various merchants, such as rice merchants, experienced too many instances of having to negotiate over payment when copper coins were being used. Eventually, this led to silver becoming the preferred medium of exchange. Once established, the role of silver in the Chinese economy fundamentally altered the direction of international commerce. In turn, porcelain, and the European passion for it, thus became directly related to this tale of trade given the currency Western merchants used to pay for their purchases of porcelain and other Chinese wares. Europe and America had little to offer the Chinese that they did not already have or even wanted, except for silver, which came from mines in colonial South America. Through the examination of these trades we see that not only did these products contribute to the involvement of the West in Eastern capital markets but also that we should reconsider such a Eurocentric gaze since the European West did not revolve around itself.

In his essay, “Three Concepts of Atlantic History,” David Armitage proposed a three-pronged comparative analysis for looking at the structure of Atlantic history, which included the concept of the Circum-Atlantic or transnational history. As such, Armitage cites as his example for the “truly” circum-Atlantic history the “story” of the silver that came out of Spain’s colonies in the New World and poured into China, “creating a link between the Atlantic world and the Asian trade that has been identified as the starting
point for a truly global economy in the sixteenth century.”¹ This is the same point that Flynn and Giráldez assert in their essay, “Born with a ‘Silver Spoon’: The Origin of World Trade in 1571”; that the “singular product most responsible for the birth of world trade was silver.”² Yet, while the authors competently develop their thesis, intentionally emphasizing the role of China in the trade, and thereby effectively decentering Europe as “the epicenter of early modern commercial activity,” they, like Armitage, fall short in completing the circumspection of the various agents and objects in this particular trade.³

Who or what, then, is this “missing” agent or object? I contend that it is porcelain. While Flynn and Giráldez do acknowledge that “Europeans liked Asian silks, spices, and porcelain,” there is no equivalent acknowledgement of the significant cultural impact of that “treasure” back in Europe.⁴ For more on that discussion, I will later look to Robert Finlay’s essay, “The Pilgrim Art: The Culture of Porcelain in World History.” In the meantime, though, more needs to be said about silver and its role in global history, in a global economy.

Although the early modern production and distribution of silver in the West has received sufficient scholarly attention, it is curious to note that the world’s biggest customer, China, “is routinely eliminated from the story.”⁵ Yet, as Flynn and Giráldez claim, to focus on silver, and therefore China, “is crucial … to understand the underlying motivation of world trade: it was the elevated value of silver inside China that created

³ ibid., 203.
⁴ ibid., 215.
⁵ ibid., 207.
the opportunities for profit around the globe.” The elevated value of silver was not due to any calculated effort on the part of the Europeans, however. Indeed, as Flynn and Giráldez also assert, “Europe was not the causal center in early modern trade.” That causal center or “causation” originated within the Chinese silver market itself: the Chinese had a demand that was supplied by Spain via its mines in South America and by Japan. The question then should be, why the demand for silver in China in the first place? The answer is thus equally crucial to the understanding of this particular trade.

China had evolved from using paper money to silver as the preferred currency. The transition arose out of the fact that they had over-issued paper to the extent that, as a medium of financial exchange, it had basically become worthless by the middle of the 15th century. Gold was too valuable for day-to-day exchanges but there was silver as well as copper to consider. Copper soon was ruled out since, to assay the weight of copper coins for some sense of purity meant that the coins had to be melted, and therefore rendered useless. Silver, however, did not have to be melted to be assayed, so it became the coin of choice, and it was not long before all taxes were to be paid in silver. Thus, if we consider that the citizens of China in the late 16th century already amounted to about one-fourth of the world’s population, “with urban centers of up to 1 million inhabitants (five to seven times greater than the largest cities in Western Europe), the ‘silverization’ of China” would have “had global ramifications.”

Interestingly, it is in part due to this “silverization” that other commodities and/or producers in this burgeoning global marketplace come into focus as well. Case in point:

6 ibid., 206-7.
7 ibid., 207.
8 ibid., 208.
Flynn and Giráldez cite the work of J. P. Geiss to illustrate the process through which silver defeated copper as the preferred coin of the Chinese market system. Geiss refers to a rice merchant who “would have to specify what kind of copper coin he had in mind, each [having] a different value in the marketplace, and the price of the merchant’s rice depended on the type of coin offered in payment.”\(^9\) This rice merchant, and others like him, experienced too many instances of having to negotiate over payment just because copper coins were being used. “How much simpler to set the price in silver,” which is exactly what happened. It was not long before “silver came to be the preferred medium of exchange.”\(^10\) Thus, the role of silver in the Chinese economy is significant because “this development fundamentally altered the direction of international commerce.”\(^11\)

An important point here is that, on the one hand, the successful “globalization” of trade, at least for Europeans, did not happen “overnight.” Rather, it was more like two steps forward, one step back. But on the other hand, however “insignificant” Western-inspired global trade may have been in the years before the late seventeenth or even the early eighteenth century, “often entailing the intermittent or, at most, periodic exchange of precious metals, spices, luxury goods, and so-called preciosities of relatively limited market purview: [such as] silver for porcelain, silk, [and] nutmeg,”\(^12\) at least there was trade, and specifically the exchange of porcelain, about which, as we will see, European elites went crazy.

The Chinese developed porcelain more than 1,000 years ago. As an item of trade, porcelain gradually made its way into Europe, initially via overland trade routes, and

\(^{9}\) ibid.
\(^{10}\) ibid.
\(^{11}\) ibid.
\(^{12}\) ibid., 118.
remained “exceedingly rare until the early 15th century.” Chinese exports soon became universally admired, however, and one of, if not the most, widely imitated products in the world. The fine white body, often with delicately painted decoration, conveyed aspects of Chinese culture across vast distances and reshaped ceramic traditions throughout the Afro-Eurasian world. As the principal material vehicle for the assimilation and transmission of artistic themes and designs, porcelain would ultimately provide extensive material evidence for sustained cultural encounter on a worldwide scale. However, in the Western academic tradition, porcelain as a subject of study has been relegated to a kind of second-class citizenship within the history of art. It typically falls into the category of “decorative art” or worse, craft, and yet, as an object (or cultural product) to be considered in an historical context, as Robert Finlay articulated in his 1998 article, “The Pilgrim Art: The Culture of Porcelain in World History,” porcelain is “particularly revealing, for … [it was] often simultaneously functional [ware], treasured [possession], and [bearer] of cultural significance; hence, the history of porcelain must be linked to changes in commerce, art, and social values.”

Just as Peter Coclanis connected rice to a larger, more global arena, one beyond the limiting description of an amorphous Atlantic basin connecting Europe, Africa and the Americas, as did Flynn and Giráldez with their discussion of the Atlantic-Pacific dimensions of the silver trade, John Ayers and Clare Le Corbeiller lay out the basics and global dimensions of the European trade with Asia. Le Corbeiller refers to “[spices],

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religion, and adventure” as luring “Europeans eastward” (as if that were the only
direction in which to go). This remark, however, an otherwise innocuous, inauspicious
beginning to her introductory discussion of China trade porcelain, is particularly
interesting in the context of a broad discussion of Atlantic history and its traditional
themes of people, commerce, and politics because Le Corbeiller touched upon at least
one of several broad cultural themes that not only were not included in Bailyn’s article
but that do indeed play a role in the creation of an Atlantic history. One of those themes
is religion; another is material cultural forms. Although this is especially the case in the
Iberian Atlantic where Portuguese and Spanish, colonists and clerics, brought European
architectural and art forms to the Americas, precipitating a fusion between that which
they brought and the skills, traditions, and materials of native craftsmen, this cross-
cultural exchange is also evident both in Chinese porcelain wares made for the European
market as well as in later European wares. Indeed, Robert Finlay’s article attempts not
only to connect the trade of Chinese (and Japanese) porcelain beyond the ports of Europe
but also recognized that “[the] cultural impact of porcelain provides an illuminating but
unexplored theme in the study of world history.” And while there is a great deal of
published material on the subject of porcelain, much of it is in publications that historians
do not typically use, “such as exhibition catalogues, auction house magazines, museum
booklets, and art journals.”

17 Finlay, 143.
18 ibid.
As an product of material culture, porcelain can tell us a great deal about a culture, and in this case, about an economic relationship between cultures and continents as well. It is not unlike how the archaeologist looks at Greek vases from the fifth century B.C.E. Incised and/or painted on the pot are clues about the material culture of Athens at the time, such as what kind of furniture they had or textile designs, while the illustrations of their myths tell us something about their religion beliefs.

In 1619 Philip III of Spain paraded into Lisbon, capital of Philip’s Portuguese kingdom and “a European port of entry for porcelain since 1499, when Vasco da Gama returned from his … voyage to India with a dozen pieces for Dom Manuel.” Heralding his arrival were several triumphal arches, one of which was decorated with a scene of Portuguese ships unloading Chinese porcelain while other ships were loading containers of Portuguese imitations of Chinese wares for export to other European countries. The story is significant, at least in terms of the porcelain trade, because Philip III was the son of Philip II, whose own porcelain collection was the largest in Europe at the time – with approximately 2,000 pieces – because he had been able to obtain porcelain through both the Manila galleon trade (Manila being the Spanish trading post that linked “substantial, direct, and continuous trade between America and Asia for the first time in history” and the Portuguese, who were the first to set up a trading outpost in Asia. It was also in the 16th century that the Spanish realized they could use their silver for trade with the Chinese.

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19 Finlay, 142.
And thus the “craze” was born. Responding to this “craze” were Western merchants who, in the seventeenth and eighteenth centuries, “imported at least 70 million pieces” of porcelain in order to cater to the “feverish desire” of European princes and aristocrats “to possess the Chinese ware.” Of considerable importance at the same time was what currency Western merchants were to use to pay for their purchases of porcelain and other Chinese wares. Europe and America had little to offer the Chinese that they did not already have or even wanted, except for silver that came from mines in colonial South America.

The Chinese were able to maintain a monopoly on porcelain until the early eighteenth century when the secret for making porcelain was “discovered” in Europe due to the unrelenting efforts of researchers working for Augustus II (the Strong), elector of Saxony and king of Poland, who founded the first porcelain manufactory at Meissen in 1710 (although the first successfully produced piece of porcelain was in 1708). From this moment forward and throughout the eighteenth century there was great prestige attached to ownership of a porcelain factory, and workmen connected to a factory were eagerly sought out by kings, princes, and wealthy entrepreneurs. European-made porcelain embodied the essence of taste for mid-eighteenth century Europeans – its white body the epitome of refinement and beauty in the arts. It was also rare, costly, and had been attained through scientific and technological struggle – the latter especially appropriate in the Age of Reason.

Production at the new royal factory at Meissen brought the West into competition with China for the first time. Porcelain also generated a new political instrument or

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21 Finlay, 142.
“white gold”, as some called it, which could be used for expensive gifts of state or for timely propaganda. Indeed, no one in Europe should be under the impression that Saxony and Poland were still suffering from the effects of the Northern War! And while the earliest European porcelains were straight-forward copies of Chinese models – since the eighteenth-century painter did not know what the Chinese motif meant, he just repeated the pattern – there were, in fact, a multiplicity of design sources, which in turn is a reflection of “the Europeans’ habit copying: copying designs, copying shapes, copying from each other, copying from the East, copying back and forth among materials.”

I would like to conclude by offering an example in support of the thesis that the importation of an object of material culture can imply the importation of other aspects of culture. A porcelain teapot made in Jingdezhen, China (a major center of the Chinese porcelain industry) about 1740 depicts a scene of a Chinese man sipping a cup of tea. The image, however, is not of Chinese origin but European; it is based on similar decoration found on Meissen porcelain of the 1720s and 30s. At the time, this type of decoration was created by the porcelain painter Johann Gregor Horodt who specialized in chinoiserie, a European interpretation of design found on Chinese porcelain and lacquer. By the time that this teapot was made in China, European versions of Chinese designs were being sent to China to be reproduced on porcelain exported back to Europe. That said, there may have been another reason behind the production of Chinese export porcelain with Meissen-style chinoiserie decoration (which, of course, was very popular in Europe when it first appeared): it may have been a way to encourage tea drinking, which was now also becoming increasingly popular in Europe in the 1730s and 40s.

22 Le Corbeiller, 9.