TOMÁŠ
EVAN

CHAPTERS OF EUROPEAN ECONOMIC HISTORY

KAROLINUM

Chapters of European Economic History

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Introduction

This book originated with my lectures on world economy, comparative economic studies and introduction to European economic history. As my written notes for Czech and later American students were positively accepted, I have endeavoured to put together a more detailed and comprehensive text. The name ‘chapters’ in the title is, however, used advisedly. Standard texts on the topic are two-volume books of thousand or very rarely below five hundred pages. In parts, using my original research, I strive to condense the most important events and key figures as well as to address some of the interesting issues economic history offers. As the total list of literature would expand the book unjustifiably well beyond the planned maximum of pages, I limited myself to quoted or otherwise essential literature. I tried to limit the literature not available in English to acceptable minimum. It is suggested to have historical atlas at the reader disposal.

Proceeding chronologically, in the first chapter I pay attention to the first states, the creation of local and regional markets, a unified Mediterranean under the Greeks and Romans and the causes of the fall of the Roman Empire. Then the shift from Mediterranean to Atlantic trade is described with accompanying impacts on economy and society of the continent and the fact that the Portuguese and Spanish, both in their own way creators of large empires, were replaced by the French, British and Dutch. In the second chapter I continue with the impact of agricultural and industrial revolution on world trade as well as the balance of power in the 18th and 19th centuries respectively.

Focus is also given to colonies, particularly in North America in the 18th century. The colonial War of Jenkins' Ear between Britain and Spain soon expanded to Europe, the War of Austrian Succession and ultimately the fighting of the Seven Years' War. This war changed North America completely with the French colonies, once half of the continent, now limiting itself to a few islands. While this turn of events massively increased British holding in America, it also directly led to the rebellion of its Thirteen colonies.

I continue with Europe of the 19th century with its great birth rates and rapidly decreasing mortality making 40% of the world population. Within one century its population has doubled and it has become a continent of emigration to the areas of so called European settlement – North and South America, South Africa, Australia, New Zealand and Siberia – which benefited from this population explosion. With people came trade, land was settled, cities established and the structure of society became western.

I try to explore life with a vast majority of the world landmass under the power of European countries, a fact that led to the first wave of globalization in around 1830 under the auspices of Pax Britannica. Great Britain, the strongest of all European powers, profited most from this liberal globalization. Others (particularly unified Germany and the United States) were catching up mainly in productivity and newly developed industries.

After 'The war to end all wars' had ended, three of the five European powers ceased to exist and the remaining two were financially ruined. Europe descended into economic misery and social radicalism. The disaster of WWI brought the end to liberal globalization. The Great Depression of the 1930s cost the United States one third of its GDP but European economies were also hit very hard. With totalitarism reaching new height in the person of Joseph Stalin, Europe also got the extreme right in Hitler's Germany, marking the road to the new world war. I look at similarities and differences in the economic planning of both totalitarian regimes and continue with a focus on the similarities in the economic order established after WWII (which under the name 'the Bretton Woods system' gave foundation to the new era – Pax Americana) with the British system of the 19th century.

The impact of two oil shocks on the European economy in the 1970s is debated at the end of the third chapter, and the origins and present state of European economic integration and the inevitability of the fall of the Communist regime in Central and Eastern Europe in the fourth. The text ends by describing the contemporary centres of the world economy – the European Union, the United States, Japan and China.

I am much obliged to all who read various versions of this monograph and commented on the text extensively, first of all to Prof. Martin Kovář, Head of

the Institute of World History, Faculty of Arts, Charles University in Prague and Deputy Chairman of the Department of Economic History, University of Economics in Prague. It is my pleasure to also give thanks to Kevin Kapuder, Chairman of Business Administration Department at University of New York in Prague for valuable comments. I thank the reviewers for their thorough review and highly appreciate the comments and suggestions.

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Finally, I would like to thank my wife Jitka, who assisted in innumerable ways: in commenting upon the various parts of the text, in eliminating many spelling and stylistic mistakes, in compiling the references and writing interesting texts I could use as a source of information. To her this book is dedicated.

/1/ The world before the rise of the Global economy

1.1 LOCAL AND REGIONAL MARKETS, AND SPECIALIZATION

Markets appear whenever there is something to exchange. Exchange is possible only if products vary, i.e. if people become specialized. As soon as people are able to eat their fill, they can produce things for barter. This specialization enables the establishment of local markets. In order for local markets to grow in variety and scale, means of transport are necessary to connect them. That is one of the reasons the first states appeared along great rivers such as the Nile, the Euphrates, and the Tigris, not only to provide conditions for up to three crops a year, but also to allow transport and trade among individual local markets and to tax and protect such relations. Thus a regional market can be established.

However, this process was quite slow and very fragile. Those villages which did not provide enough food for specialists, such as blacksmiths or millers, had difficulty in participating in trade. Despite that, many ancient European civilizations were capable of widespread long-distance trade, especially between deposits of vital commodities. Let us take for instance, the

Greek city-states and their Atlantic tin trade, or the Amber Road between the Baltics and the Black Sea. We can see the vulnerability of trade during the Greek-Punic wars, when the Carthaginians occupied the Greek colonies in the western Mediterranean and shut off the Strait of Gibraltar: the Greeks had to look for new routes. This contributed to the development of Massilia (today's Marseille), a Greek settlement at the end of a lengthy land road across France, to acquire tin deposits (an essential component of bronze) from Britain.

The Greeks were also the first to write about the topic of trade and specialisation in a systematic manner. Xenophon, the 4th century B.C. author, made the following observation: 'In large cities, because many make demands on each trade, one alone is enough to support a man, and often less than one: for instance, one man makes shoes for men, another for women, there are places even where one man earns a living just by mending shoes, another by cutting them out, another just by sewing the uppers together, while there is another who performs none of these operations but assembles the parts. Of necessity he who pursues a very specialized task will do its best.' (Finley 1970:3) As we know, quality is a function of price, so we can clearly state that Europeans have been (for 2,400 years), well aware that specialization increases quality and/or decreases in prices. Why specialize, however, if there is no market in which to sell your product? The necessity of a free market was seen clearly by Aristotle, probably the greatest Greek philosopher. He was a stout opponent of monopoly, and also claimed that everyone should have that which is his own, including property and justice, guaranteed. However, he, and the whole of Christian Europe well into the 16th century with him, claimed that money is here to allow trade and exchange and not just to profit from trade or interest-taking. He loathed bankers and petty usurers living on small consumer loans.

A major increase in trade was enabled by the so-called 'Pax Romana'. By paving roads and building ports, Rome facilitated an unprecedented heyday of trade within its constantly growing Empire. The increasing scale of commerce contributed to a deepening specialization in return. Whole regions specialized in one or two types of production. Wine from the eastern and southern Iberian Peninsula or metals from inland were exchanged for Anatolian marble or Egyptian grain and delivered to Rome from the opposite shore of the Mediterranean Sea. The origin of many commodities familiar today can be traced back to ancient Rome where European specialization started. We may recall, for example, collocations like Lebanese cedar, Indian incense or Balkan silver.

It was possible to travel to Rome from today's Cádiz in nine days, from Caesarea in Palestine it took twenty, a few days more than the voyage from Egyptian Alexandria. Crude iron production is a chapter on its own. The Romans mastered it to such an extent that its quality and scale would not be superseded until the Industrial Revolution 1500 years later. The Romans had created a huge, single market covering the entire Mediterranean, and an Atlantic trade reaching as far as present-day Belgium and Britain. In addition, middlemen enabled them to trade with Scandinavia, with today's Russia, and across the Red Sea as they made their way to as far away as India. Indisputable evidence of extensive Roman business activities and an almost global market in what was then the known world is Roman coins, which have been found in all of these territories. As Rome's neighbours were embracing Roman technology – their military tactics in particular – and were gradually creating improved technology of their own, Rome had to face growing competition in commerce at the same time as the Empire's defence expenditures were escalating. The disproportion between Roman treasury income and expenditures forced the rulers to mint fewer and fewer valuable coins of lower weight, which in turn caused an increase in prices, weakened the economy, and finally resulted in the economic collapse of commerce and crafts. This was a situation in which great power necessitated the change of informal power into formal power to protect their (usually economic) interests abroad, and in which all accompanying military expenses had dragged them into insoluble economic problems; this has become the standard scenario for the demise of civilisations. I t has also been experienced by civilizations preceding Ancient Rome, and has been repeating itself with regularity ever since. Whenever a state is unable to pay its bills or find a solution to interference with trade and work specialization, which together comprise the key components of economic growth, it disintegrates and vanishes. A relatively high standard of living and the unity of civilization naturally start to dwindle. In Rome trade was vital, being facilitated by the general system of weights and measures. Rome was the natural business centre. When, however, in a surprisingly up-to-date context, the provinces started producing cheap articles while the prices of homemade products were increasing, the commercial life of Rome relented. In trying to deal with the decline of trade by means of set prices and government subsidies, the state did actual harm to commerce; harbours and shippers, to cite just one example, were even forced to carry state cargoes almost free of charge. Taxes were increased and prices were fixed by law. During the Late Roman Empire, the countryside became the focal point of economic life in the Empire; the city administration was deteriorating both structurally and institutionally. Citizens felt insecure as foreign tribes were inducing unrest along the borders of the Empire. At the end of this period, when Germanic nations had penetrated into Gallia and Hispania, the citizens started to show contempt for their citizenship and preferred to live among the barbarians, thus being exempted from taxes and liabilities, rather than staying in Romanised urban regions as taxpayers of the Empire (Ubierto, 1995). The overall economic decay of Rome had a milder impact on agriculture, which satisfied the most basic needs. Therefore, the most significant feature of the late Roman Empire was the development of the rural way of life, i.e. ruralisation. The breakdown of Roman commerce and craft production corresponded with the decay of a class that could be called bourgeoisie, and which had been sustaining the very life of the Roman Empire. The devaluation of the currency turned the

Roman economy into a barter system of agricultural products and a primitive type of economy.

Troops were recruited from city inhabitants at first. However, in order to reinforce numerous contingents guarding the borders of the Empire, it was inevitable that peasants be recruited. Soon, the Roman army was comprised nearly exclusively of peasants, and thus represented the uneducated and unskilled lower classes of the Empire's society. Nevertheless, it gained almost absolute power and could depose or appoint emperors at will.

In the middle of the 5th century, provincialisation and the collapse of trade, perpetual civil wars, as well as barbarians settling down in more and more Roman provinces and comprising an ever larger part of its military force as *foederati* (allies), led to the doom of Roman civilization. Britain, for instance, had ceased to be Roman in any sense by the year 425 AD. Cities and rural villas had been abandoned, all ceramics were home-made, trade had become local, the barter system had replaced money, and the specialists, who were the essential bearers of culture, could not be sustained; for example, the fresco and mosaic workshops had closed down.

Christian Europe would have to wait for the next trade connections, though regional, for six centuries – with one notable exception. History has known this nation mainly as bloody raiders, however, their advanced technologies and significant long-distance trade routes, as well as their input into almost every region of Europe they had arrived makes it worthwhile mentioning them in this text. The Vikings, originally from Scandinavia, undertook a great number of raids between the years 900 and 1100, usually followed by the establishment of small agricultural settlements and trading posts scattered all over Europe. Norsemen reached the Orkney Islands as well as Greenland and Newfoundland in Canada via Iceland; the Danes terrorized eastern England and the northern coast of present-day France (Normandy – the land of the northmen) where they gradually settled. Their descendants, the Normans, temporarily conquered various cities on the Iberian Peninsula and in North Africa; they took Sicily from Muslim hands and founded the Kingdom of Naples on the Italian Peninsula. The Swedes set out primarily northward and eastward, colonizing present-day Finland. Rurik, the legendary Viking, became the ruler of Novgorod, while Oleg, probably his son-in-law, founded the first Russian state – Kievan Rus. In spite of all of the violence, the often tiny minority of Vikings must have brought significant economic benefits to the population in order to maintain power. In most cases, economic advantages increased the standard of living for the predominant part of the population. Quite often, the key element of such economic advantages was participation in either regional or better long-distance trade. This example is most remarkable in Russia. The system of lakes near Novgorod, and rivers such as the Volga, the Don or the Dnieper enabled a connection of the Baltics with the Black Sea, which resulted in an unprecedented growth of trade and specialization within craft production. The Viking sailing ships interconnected the Baltics and the North Sea with the Atlantic, using oars for short-distance voyages, and heralded a vast growth of Baltic maritime trade in the centuries to come.

The conquest of England at the Battle of Hastings in 1066, along with the participation of Normans from Sicily and southern Italy in the Crusades, marks the climax of the Norman age. Normans brought their new organization to England, along with new technologies in virtually in all aspects of life, and commercial contacts, tightly binding the British Isles with Continental affairs for several centuries. Thanks to their vital participation in the Crusades, Naples and Palermo became important trading posts in these large-scale expeditions, which has affected the history of three continents. According to some authors, leadership, organization and logistics skills tested in undertaking the Crusades made later voyages in the Age of Exploration possible. Even if the connection between the exploration voyages and the military campaigns in the Holy Land had not been strong, the wealth of distant lands stirred the European imagination for centuries on. While the Crusades themselves were a political and economic failure (with the Crusader states lasting for about a hundred years – never reaching long term sustainability), the technological exchange and the establishment of a trade network, though complicated, were vital to Europe in many aspects. Many noblemen vastly indebted themselves purchasing all the necessities (horses, supplies, armour), some of them finding a solution in pogroms against their Jewish creditors. After a stressful and very expensive journey to the Holy Land, either over land or by sea, they pined for new conquests in order to acquire land and the means to sustain themselves in the new country. That was in sharp contrast with the already settled nobility, who needed peace and stability to continue their mutually beneficial commerce with neighbouring Muslims; Antioch, Acre or shortly occupied Damietta were ports where Chinese silk and Indian spices boarded Pisan, Genoese, and Venetian ships, which were to carry these increasingly demanded cargoes to Europe.

While they included reciprocal massacres of devout Muslims and Christians, causing a hatred which echoes to the present day, the Crusades also defined a trade network, which would last (at least in the case of Venice) for hundreds of years. Should we speak of the first glimpses of a global trade network in that period, then Genoa (and particularly Venice) played an indispensable role.

One of these trade routes came out of eastern China, then continued by several routes westward across the united Mongol Empire as far as Europe. The northern route of the Silk Road ended in the Crimea, in the Genoese trade stops of Caffa (Theodosia) and Tana (Tanais). Then the cargo was carried by Genoese ships through Constantinople (present-day Istanbul) and Sicily to Genoa. In addition to these trading posts (so-called factorias), the Genoese controlled more on the coasts of the Black and Aegean Seas. It was through the Silk Road that the Black Death, arguably the greatest pandemic in human history, reached Europe. Originating probably in China around 1320 and reaching Genoan trade stations in Crimea by 1347, it was transported by fleas on rats on board Genoan ships to Sicily and Pisa, and from there to virtually all of Europe. Once transmitted to humans, the plague spread with incredible speed. The disease peaked in 1352, killing one-third of the European population with many more recurrences well in the 18th century. The impact on European economy was profound, causing a decrease in the price of land while increasing real wages despite dramatic inflation.

Venetians managed to hold on to some of the eastern Mediterranean markets even after the fall of the crusader states, e.g. in Antioch, one of the destinations of the southern route of the Silk Road. First of all, Venetians had a virtual monopoly on the supply of spices. A variety of spices such as pepper, ginger, aloe, nutmeg, cinnamon, etc. were carried by Arab middlemen from India along the ancient maritime route, already known to Alexander the Great, from the Indian Ocean to the Red Sea and then across land by caravan trains to Alexandria. There, the long-distance road, connecting three continents, continued by loading the cargo onto Venetian galleys. Besides a great arsenal and being able to build one galley a day, the Venetians disposed of large storehouses, allowing them to control the prices of both goods in stock and sold. From Venice the goods were either transferred along the Alpine trails to North Europe, or kept in Italy, in one of the wealthy urban communes. The Italian merchants' range was much broader, however. In all the Mediterranean and Black Sea regions, the factorias were often transformed into larger colonies. They were buying slaves, grain, tropical fruit, expensive cloths, silk, carpets, drugs and medicine, or perfumes, along with other oriental goods. Trade also facilitated the transfer of valuable technology as well as the exchange of material culture with the Orient. Europeans predominantly owe Italian merchants for knowledge of more advanced methods of production of glass, paper, and gunpowder, as well as information from fields such as the textile industry and metalworking, among other techniques. Italians also exported goods to Asia (Venetian cut mirrors and perfumes, Genoese silk fabrics, Milanese arms, embroidered silk and brocades from Lucca, or famous colourful Florentine cloths), nevertheless they fell behind the Asians in trading. The deficit in the balance of trade had to be offset with precious metals, in which they were lacking as much as the rest of Europe.

The whole of Europe was absolutely shocked by the rise of the Turks. After the Battle of Manzikert (1071), where they put a larger Byzantine army to rout (the defeat launched the Crusades, which were in fact military assistance to eastern Christendom), they succeeded in fighting their way through to Anatolia, and Byzantine rule in modern-day Turkey came to an end. When the Ottoman Turks landed in the Balkans 100 years later and defeated the Serbs at the Battle of Kosovo polje (1389), they joined Thrace, Macedonia, and today's southern Bulgaria and southern Serbia (including Kosovo & Metochia) to their rule. The days of the Roman Empire, which had lasted for almost two thousand years, were numbered. The fall of Constantinople in 1453 not only caused a psychological shock to all of Christendom, but it also meant a major shift in economic relations. Genoa lost all of its colonies on the Black and Aegean Seas and started to focus primarily on Western Mediterranean trade. Later, its close economic ties to today's Spain put Genoa in the position of the monarchy's banker. Also, Venice had difficulties coping with the loss of commercial positions in the Byzantine Empire. Venetians were made to withdraw from one position after another. After giving up their colonies on the Aegean Sea and bases on the Peloponnese, they lost Crete and Cyprus, along with several colonies on the Dalmatian coast. Their former dependencies fell to the Turks. Perhaps the worst of all was the Venetian financial crisis in the 1460s caused by the Ottomans shutting off Venetians from Serbian and Bosnian silver mines after they conquered both countries in 1459 and 1451, respectively. For several years, commerce between Venice and the East nearly stopped. This financial crisis subsided very slowly as new silver mines were being opened in Bohemia and several minor German states of the Holy Roman Empire. No later than at the time of the Vikings, trade in northern Europe had started taking place on both the North and Baltic Seas. In the 15th century, the dominant position was gained by the so-called Hanse, a league of predominantly northern German towns which included up to 200 port cities at its heyday. The Hanse was created to secure the trade network, acquire and keep privileges, and facilitate operations overseas. The northern German port of Lübeck had become its main centre of commerce. The Hanse traded not only in Russian wax and furs, Polish timber, Baltic amber, Danish meat and horses, German silver and salt, English wool, Scandinavian herring and dried fish, but also grain, wine and pig iron. The key trade route connected Novgorod in today's north-western Russia with Riga, Danzig (present-day Gdansk), Stettin (Szczecin), Lübeck, Hamburg, Bremen, and London. As this route demonstrates, the Hanse played a political role, enabling individual free imperial cities, as well as large merchant republics (Novgorod controlling a major part of Russia), or such towns as Visby and Malmö, to protect their interests from the powerful feudal states surrounding them. The number of members of the Hansean League and the scale of trade gradually decreased between the 15th and 17th centuries, when this regional commercial organisation finally ceased to exist.

So far, we have been discussing the development of economic relations, crafts and commerce in Europe and regions geographically related. From a retrospective point of view, this makes very good sense. Although the Chinese Empire, the rulers of India, or the Arab countries had been equally more developed in many respects, both in sea-going trade, and in today's economic indicators (GDP per capita, volume of export, etc.), it was in the 15th and 16th centuries when fortunes began to change, and it was Europe and its great colonial powers that lay the foundations of the first truly global economy. The reasons for this have been the subject of research by many economists and historians. The main reason seems to be economic unity in combination with political disintegration. Europe, with its geographical complexity, allowed for the existence of various political units which associated loosely, if necessary, to protect their independence (e.g. the Hanse); but most of all, they competed against each other. This competition was the primary cause of rapid development in the area of new technologies, including warfare. A great number of competing political entities existed. Most of these states possessed or were able to buy military means to ensure their own independence, but none of them could achieve autonomous rule of the Continent. To cite one instance for all, in 1494 Italy was invaded by the French army equipped with new bronze cannons, causing dire effects never heard of before. In no time, all the inventors and scholars, including brilliant Leonardo, were urged to devise some defence against those cannons. Eventually, the Italian states freed themselves from French influence with the help of Spanish intervention. And, as we will see later, the Spaniards were the ones who would attempt to unite the Continent, saving no effort or fortune in numerous wars. Their failure in 1648 sent a clear message that Europe would continue to be comprised of national states and any attempt to unite Europe would be short-lived or even cause millions of people to die.

This fierce competition obviously penetrated maritime trade and economic activities, so it is no surprise that it was the imperial Portuguese and Spanish, later joined by the Dutch, the French, and most of all the British, who established trading networks interconnecting individual economic regions and set up the economic relations as we know them today. There is no doubt that foreign trade was the ultimate bond uniting national economies into a single global one, until the expansion of foreign investments in the last quarter of the 20th century.

At the end of the 15th century, the conditions for exploring new trading routes and opportunities were favourable. The negative impulse undoubtedly being Far-East commerce interruption, i.e. the Turkish occupation of the Bosporus and Dardanelles along with most of the Balkans. A military altercation with the Turks arose, both on the seas and ground, and Christians, namely the Venetians, were losing. After the Turks had controlled today's Egypt, the clinch became perfect, both the northern route across the Black Sea, and the southern route across Persia or the Red Sea were cut off. Even later, when Venice had succeeded in restoring trade, the price of spices was too high and the scale of trade relatively small. Besides, naval warfare between the Christian North and the Muslim South was carried out all over the Mediterranean Sea. Barbary pirates (from the present-day cities of Algiers, Tunis, Oran, and others) launched their fleets, which assaulted maritime operations, capturing Christian slaves and interfering with mercantile activity from Gibraltar to as far away as Ragusa. Even in the 19th century, these pirates were still laying their hands on ships not only in the Mediterranean, but also in the Atlantic, sending raiding parties, e.g. to the East Coast of the United States. They were faced with Christian fleets belonging to the Order of Malta, Spain, France, and later the Italian states. The mercantile activity and the importance of the

Mediterranean Sea for European commerce gradually subsided, while maritime trade and economic activity were shifting to the Atlantic coast.

The first nation to take full advantage of qualitative changes in shipbuilding, as well as improved technical and navigation equipment (compasses, astronomical tables, more accurate maps), was the Portuguese. Waging war against North African Islamic states, they managed to conquer Ceuta in 1415 (a present-day Spanish enclave on the north coast of Morocco), which encouraged their efforts towards further invasions in that direction. The failed attack on Tangier, however, stopped their endeavour in this direction. The Portuguese captains then started sailing along the North African coastline in their efforts to circumnavigate and bypass Arabian trade rather than let them take their share in it. Prince Henry the Navigator (1394–1460), who built an observatory and a nautical school in Sagres, personally sponsored voyages and shielded them with his name. Ensuring profitability was a major issue; acquisition of long-term investments was quite complicated in poor feudal countries. Only when the Portuguese set up a company to trade with the Canary Islands in 1441 and landed in the Bay of Arguin (of present-day's Mauritania) two years later, did they enjoy some success.

Being the third son of the Portuguese king John I (1358–1433), Prince Henry had little chance of gaining the throne; therefore, he devoted his whole life to maritime and colonial enterprises. He founded a colonial mercantile company in the port city of Lagos in the south of Portugal in 1444, which later acquired monopoly rights to trade in West Africa. That encouraged more exploration to the south, and the slave trade soon became the most profitable sector of colonial commerce; although trade in pepper, gold, ivory, and other African products started gradually developing, too. The Portuguese founded several trading posts in the Gulf of Guinea in 1471; in 1487 they sailed past the Cape of Storms (later renamed for the more pleasant the Cape of Good Hope); and, in 1498 they finally reached Indian Calcutta, one of the biggest entrepôt for Asian spices. This exploratory voyage of Vasco de Gama was soon followed by others; the Portuguese established trading posts in the town of Goa and enlarged their commercial sphere of influence through the conquest of Socotra and Aden, including the vital Strait of Hormuz at the mouth of the Persian Gulf, where the Red Sea extends into the Indian Ocean. In addition to that, they controlled a major part of the newly christened African Congo, and also had significant footholds in the East African coast. At the beginning of the 16th century, the Portuguese's African trading empire displaced the Arabs, becoming the middlemen and suppliers of Asian spices to Europe. In the year 1511, the Portuguese conquered Malaysian Malacca and made a treaty with the rulers of Ayutthaya (Siam) to secure the free operation of missionaries and to establish trading posts in exchange for supplies of harquebuses and gunpowder. Then in 1512, they discovered the Indonesian Moluccas, 'the fabled Spice Islands' archipelago, and in 1513 they landed at Canton in southern China.