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HOWARD T. FRY

THE BRITISH CHALLENGE

On 14 September 1758 the *Pitt* East-Indiaman, under the command of Commodore William Wilson, anchored off Fort St. George Madras. Wilson, who was bound for Canton knew that the season was too far advanced to enable him to catch the southwest monsoon up the South China Sea. In such circumstances the standard practice was to stay in a convenient port to await the return of the favourable monsoon to continue the voyage up the China Sea. Wilson, however, decided to try an experiment to circumvent this expensive and time-wasting procedure. He knew that near the equator in this part of the world the winter north-east monsoon became a northwest monsoon,¹ and he reasoned that if he could keep close to the equator, this northwest monsoon would enable him to reach the Pacific Ocean. Once in the Pacific, he could then head back to Macao, where the northeast monsoon, now abeam, would be a favourable wind. With the summer's change of monsoon, the same procedure could be used in the reverse direction. Hitherto East-Indiamen had been compelled to regulate their voyages in accordance with the rhythm of the monsoons in the China Sea. The opening of the new route, if it proved practicable, would mean that dependence upon the monsoons would be a thing of the past.

When Wilson reached Batavia (Djakarta) on 14 December 1758, the Dutch knowing he could not be bound for China by the normal route, immediately suspected that the British, who had "for-

1. And the southwest monsoon became a southeast monsoon.

merly possessed [settlements] in Java, Borneo, Celebes, the Moluccas, and other neighbouring islands, [which] tho' long neglected [had] never been renounced . . . meant to resettle in some of these places." The Dutch themselves, their English rivals observed, had "set up an extra-ordinary claim to an exclusive right, which they pretended to have acquired in all those islands . . . as if the seas were theirs and the bare navigation thro' them was an invasion of their property."² They therefore resented, but were powerless to prevent, Wilson's departure in his powerfully-armed ship.

When Wilson reached the coast of New Guinea on 15 February 1759, he discovered, named and sailed through Pitt's Strait,³ to the south of and leading into Dampier's Strait. The rest of the outward journey was uneventful, and passing to the north of the Philippines by way of the Bashi Channel, he reached Macao on 3 April 1759.⁴ On 13 June he left Macao on his return voyage, and after again sailing through Pitt's Strait he reached Batavia on 24 August 1759.

Other East Indiamen were soon following Wilson's lead. In September 1760 the *Caernarvon*, *Princess Augusta* and the *Warwick* also left Madras for Canton by way of Pitt's Strait, and attempted to return by the same route. Only the *Warwick* was successful. However, when she was near the Moluccas, the secretary of the Dutch settlement in Tidore came on board and announced that he had orders to inform all the English he might meet with that they were not to navigate in those seas, since "all the countrys round belong'd to the Dutch Company." Soon afterwards, the Dutch authorities in Batavia, "having . . . some notion that we were settling at Sallawatty, one of the Papose Islands on the coast of New Guinea, set on foot an armament, consisting of three ships and five smaller vessels, with a military force of one hundred and fifty Europeans and two or three hundred troops of the country, which actually sailed from thence in the beginning of the year 1762, under the command of Schevichaven, a man remarkable for his enmity to the English." The object apparently was "to dislodge us [from our supposed settle-

2. Secret Committee to the Earl of Halifax, 16 June 1764, Home Miscellaneous Series (India Office Library), vol. 97, f. 3, p. 9.

3. Situated between Batanta and Salawati Islands.

4. See P. Crowhurst, "The Voyage of the *Pitt*—A Turning Point in East India Navigation," *Mariner's Mirror* 55 (1969): 43-56.

ment on the] Island of Sallawatty, to extirpate all the English which might be found there, to make an effective cruise all along the coast of Papos, to set on fire all the vessels they might meet with on that coast, to take no prisoners, to be as auxiliaries to the kings of Tidore and Ternate, in doing this, and effectually to root out and destroy all interlopers.”⁵

Despite this sharp reaction from the Dutch, other East-Indians continued to use this route, and when Thomas Forrest made his voyage to Geelvink's Bay, on the northwest coast of New Guinea, on the *Tartar* galley in 1774, he mentioned that on Mysol Island, situated between the island of Ceram and New Guinea, he learnt that “many English ships coast the north of Ceram, steering east for Pitt's Strait, I suppose.”⁶

The Spaniards had as much reason to feel endangered by the opening up of this new route as did the Dutch, and they had even more to fear when the English East India Company chose the Sulu archipelago as the site for a new settlement. Its purpose was to establish an emporium where British and Indian goods could be exchanged for the marine and jungle products of the Malay archipelago, and these, in turn, for the teas, silks, porcelain and other products of China. The site chosen by Alexander Dalrymple for the settlement was the uninhabited island of Balambangan, strategically situated between Borneo and Palawan, on the flank of the China Sea. In addition to Balambangan, Dalrymple negotiated for the ‘cession’ of North Borneo, Palawan, Banguay, Balabac, Labuan and other neighboring islands.⁷ Though this particular experiment came to grief, the type of trade which Dalrymple envisaged did eventuate, so that the rapidly growing China trade of the English East India Company was accompanied by an equally rapid growth in the demand for the marine and jungle products of the Malay archipelago. This, in turn, resulted in increasing the importance of the Sultanate of Sulu, as it extended its trade to meet this demand. This brought about a great increase in the Sultanate's slave-raiding and slave-trading activities to supply the increased demand for labour which this rapidly

5. Secret Committee of Earl Halifax, 14 January 1764, Dutch Records-A, vol. XVII.

6. Thomas Forrest, *A Voyage to New Guinea* (London J. Robson, 1775), p. 132. On pp. 168-71 he gave some advice for ships using the Eastern Passage.

7. See H.T. Fry, *Alexander Dalrymple and the Expansion of British Trade* (London & Toronto: F. Cass, 1970) for details.

growing trade entailed.⁸ No area suffered more severely from these slave raids than the coastal regions of the Spanish-controlled islands of the Philippine archipelago.

While all these events close at hand showed that the Spanish colony was entering upon a new and dangerous age, events further afield signaled that the challenge to the Spanish control of the Pacific Ocean was coming to a climax. In 1764-65, first the French and then the British had planted colonies on the Falkland Islands, and as the First Lord of the Admiralty, the Earl of Egmont explained, the great importance of this new settlement was that it "is undoubtedly the key to the whole Pacific Ocean."⁹ This planting of colonies in the Falkland Islands was immediately followed by the series of British and French voyages of exploration which, culminating in those of Cook and La Perouse, were to reveal the true nature and extent of the Pacific Ocean and were to open it up to world trade. The Spaniards too, it seems, were planning a similar search of the South Pacific from their Philippine base. When Dalrymple visited Manila in 1761 he learned that the Jesuits in the city were "possessed of 123,000 dollars, for prosecuting discoveries and establishing settlements in those parts laying to the southward of the Moluccas, [where land was known to exist], but whether continent or island no discoveries yet have reached far enough to determine."¹⁰

THE MERCANTILE THREAT

By the end of Cook's second voyage in 1775 the true nature of the South Pacific Ocean was at last known. In his third and last voyage (1776-80), as in the others, an essential mercantile element was involved. For in 1773, while the second voyage was still in progress, Captain (later Admiral) Blankett, assisted by Dr. John Campbell, the famous author specializing in mercantile affairs, prepared a memorandum for Lord Sandwich which Daines Bar-

8. James F. Warren, *The Sulu Zone, 1768-1898* (Singapore: Singapore University Press, 1981) is a very important study throwing new light on the whole subject of Malay piracy at that time.

9. Egmont, Memorandum to the Duke of Grafton, 20 July 1765, Public Record Office, State Papers 94/253, f. 238, quoted in Robert J. King, "The Territorial Boundaries of New South Wales in 1788," *The Great Circle* 3 no. 2 (October 1981): 80-81.

10. *European Magazine* 42 (1802): 322. That sum represented £30,750 at that time.

rington duly laid before the Royal Society. Blankett believed that extensive trade could be carried on "to the N.E. of China, the Kingdom of Corea, to the Liu Kiu's and several islands in those Seas," and he also had in mind "the regaining the trade of Japan."¹¹ Writing in 1780, Blankett sadly confessed that this scheme had been frustrated by Cook's death, but had it been effected it would inevitably have increased English interest in the Philippines still further.

It was, in fact, shortly after Cook's death that in June 1779 Spain declared war on Britain, during the American War of Independence. War between Britain and Netherlands followed in December 1780. In the same year Tupec Amaru began his tragic revolt in Peru. The result was various schemes whereby British aid would be channelled to support revolutionaries who aimed at the overthrow of Spanish authority in Latin America. In August 1780 the British cabinet approved in principle a plan for the invasion of Latin America by way of the Pacific Ocean, and called upon the East India Company to cooperate. The latter agreed on certain conditions. The Company argued that such an expedition would only be practicable if launched from a strong and defensible base in the East Indies, with a second base available in a supporting role. "The Island of Mindanao and the Island of Celebes are excellently situated for such purposes," they declared, and "to both these Islands the English nation has been strongly invited by the Princes of those Countries."¹² This occupation of Mindanao and Celebes did not take place, but the fact that it was seriously contemplated emphasizes the increasing maritime threat to which the Philippines was being exposed at that time.

Another aspect of this threat was the manner in which the English East India Company was coming to regard Philippine waters as one of its regular sea-lanes to China. This had begun in the Seven Years' War when Alexander Dalrymple, in the *Cuddalore*, had escorted a fleet of East Indiamen, returning to Europe from Macao, through the Philippine archipelago to the Straits of Macassar and Sapy. In 1782, in the midst of a new war, Dalrymple, now Hydrographer of the East India Company, advised

11. See H.T. Fry, "The Commercial Ambitions behind Captain Cook's Last Voyage," *The New Zealand Journal of History*, vol. 7, no. 2, October 1973, pp. 186-91.

12. Chairs of Lord Hillsborough, 9 August 1780, quoted in V.T. Harlow, *The Founding of the Second British Empire*, vol. 1 (London, 1952), pp. 404 ff.

the Captains of East Indiamen, in his *Memoir Concerning the Passage to and From China*, that in wartime "the Straits of Malacca and Sunda may be considered as ineligible." To lessen the danger of interception, ships sailing to China by way of the Cape of Good Hope and the west coast of Australia might pass through any of the straits to the east of Bali. For those ships then passing through the Strait of Macassar between the months of June and September, the best course, he wrote, "is directly to the northward through the Sooloo Archipelago; here passing with a fair wind there is no danger of the Spaniards who can not be supposed to have any force in the Philippines (sic) which an Indiaman need fear, except at Manila, and there they could receive no intelligence of her 'till she was out into the China Sea beyond their reach, nor is it an easy matter to get out of Manila Bay at that season." Even when using the route up the China Sea late in the season, this passage could "only be secured by keeping in with the coast of Luzon or Lukonia . . . as the land of Luzon is very high, I think a ship standing to the eastward 'till in sight of the land could have nothing to fear from any enemy . . . The Spanish caution would prevent them coming out of Manila 'till they knew what the ships seen were, lest they should be drawn into a snare."¹³

For the Dutch, their involvement in the American War had proved a disaster, and when the time came to negotiate a peace treaty with the Netherlands, the English East India Company wanted the Dutch to be forced to recognize in a formal way its "liberty to navigate and trade to the islands in the Eastern Seas without molestation."¹⁴ The Shelburne Ministry, while pressing both points, concentrated upon the vital freedom of navigation. Thus Fitzherbert's instructions stated: "The Dutch have hitherto kept themselves Masters of the Navigation of the Eastern Seas. It will be necessary that the liberty of navigating those seas should be asked for and granted," and he was soon able to report that

13. H.M. Elmore, *The British Mariner's Directory and Guide to the Trade and Navigation of the Indian and China Seas* (London, 1802), p. 168 stated: "Along the west coast of Luconia from September to June there is a current (or rather counter-eddy, from the great current which sets to the S.W. down the China Sea) setting to the northward, and from September until April, upon the same coast, you have land and sea winds, all of which assist a ship very much in going to the northward and securing her passage to China."

14. Nicholas Tarling, *Imperial Britain in South-East Asia* (London, etc., 1975) pp. 9 ff. quoting 'Observations of the Court of Directors, 10 December 1782, in P.R.O., FO. 27/15.

whereas in his negotiations he had been forced to drop his demand for freedom to trade, he had succeeded in obtaining "the Right of free Navigation in those Seas."¹⁵

THE SECURITY OF THE EASTERN PASSAGE

As war with France and the Netherlands became increasingly possible, if not probable, the British took steps to protect the safety of the various alternative searoutes to China. The security both of the Bay of Bengal and of the Strait of Malacca was substantially improved by the annexation of the island of Penang on 11 August 1786, and by its conversion into a naval base. In the case of the Eastern Passage,¹⁶ however, a difference of viewpoint was discernible between the East India Company and the British Government as to how its security could best be ensured. The Company viewed the matter in a strictly commercial light, whereas for the Government political considerations were of equal importance. This difference came to the fore when Lord Cornwallis went to India as the new Governor General in 1786. The East India Company advised Cornwallis to establish a settlement near Pitt's Strait. The Government, on the other hand, publicly announced its decision to establish a convict settlement at Botany Bay exactly one week after the annexation of the island of Penang. Botany Bay was well placed to guard the alternative route around the south of Australia which would be the only available route to China in time of war (with the Straits of Malacca and Sunda 'ineligible') should the British decide to forego their newly acquired right to free navigation in the Eastern Seas.

For political reasons this was precisely the policy which Henry Dundas, the President of the Board of Control, recommended. The Dutch fought hard to have the 1784 treaty's concession of free navigation nullified, and Dundas was so worried about the possibility of a new Franco-Dutch alliance, should this Dutch approach be rejected, that he was prepared to make concessions.

15. *Ibid.*, quoting Grantham to Fitzherbert, 18 December 1782, FO 27/2, and Fitzherbert to Grantham, 19 February 1783 with enclosure, FO 27/5.

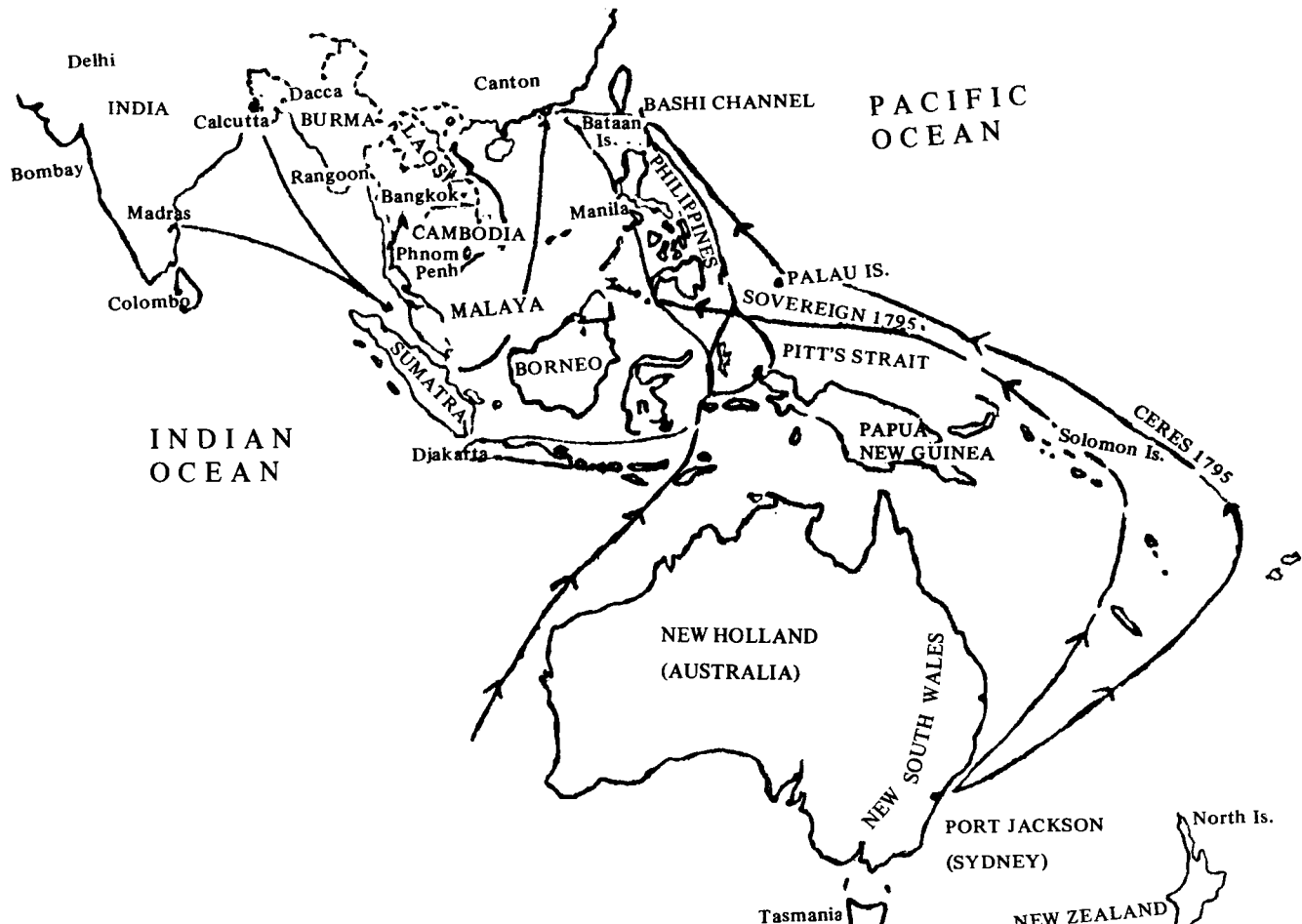
16. In this paper, this term is used to describe the variety of routes between the north coast of New Guinea and the south coast of Mindanao, which took vessels into the Pacific, along the east coast of the Philippines, and to China by way of the Bashi Channel.

"A Treaty with the Dutch," he wrote, "is preferable to [one with] any other Country Our empire in India . . . is scarcely vulnerable from the attack of any single European Power, but it may be endangered from that of France and Holland united. It must therefore be sound policy to detach Holland from France in India . . . and to induce her to be warm and zealous to Great Britain." He therefore recommended that Britain, for the time being, should abandon "the navigation and intended settlement in one of the Eastern Islands. I do not mean that we should renounce the right to do either," he added, "as we may not always be on good terms with the Dutch, but that they should content themselves with assurances on our part."¹⁷

It is reasonable to suggest that a prime motive in the British Government's decision to establish a settlement at Botany Bay at this time was the desire to be able to offer the East India Company an alternative to the Eastern Passage, should the right to use the latter be renounced as the necessary political price for preventing the formation of a new Franco-Dutch alliance. The Company was not enthusiastic about the proposed new settlement, and as it had already advised Lord Cornwallis when he sailed for India in May 1786, "The great importance of the China Trade . . . as well as the good policy of awing the Dutch to prevent a rupture with them, or in the case of its taking place, to be able to avail ourselves of it advantageously, to break effectually their spice monopoly, make us look with sanguine expectations to the benefit of an establishment somewhere near the Pitt's Strait, which by the judicious choice of an harbour for shelter and refreshment, for our ships which may make that passage, as well as for promoting the most important operations in case of future war, will effectually answer those purposes."¹⁸ And despite Dundas's reservations on this score, when the Board of Control met on 20 December 1789, he joined his colleagues Mulgrave and Grenville in demanding that in any treaty with the Dutch, Britain should retain the right to navigate amongst "the islands

17. Henry Dundas, "Considerations on a Treaty Between Great Britain and Holland relative to their interests in India," October 1787, Melville Papers, Wm. Clements Library, Ann Arbor, Michigan.

18. V.T. Harlow & F. Madden, "Orders from the Court of Directors of Lord Cornwallis, Relative to the Strait of Malacca." *British Colonial Developments, 1774-1834: Selected Documents* (Oxford: Clarendon Press, 1952), pp. 52-54.



to the Eastward of the Easternmost part of Sumatra," a vague phraseology deliberately adopted to ensure that British ships "may avail themselves of the different passages through the Islands to China as the Seasons and other circumstances may require."¹⁹

As a further step towards making the Eastern Passage a safer and more reliable route, the East India Company set in motion a survey of the northwestern coast of New Guinea, to see if a more convenient strait existed which could be used in preference to those already known. John McCluer of the Bombay Marine was therefore appointed to undertake the new survey. His instructions, despatched to Bombay on 23 March 1790, told him to examine "what appears to us as the most eligible Passage [on account] . . . of the frequent occasion which our China ships lately have had to go by unfrequented Passages and the probability that it will be expedient in future to proceed in like manner."²⁰

McCluer left Bombay on 24 August 1790. During the course of his voyage, in which he discovered that McCluer's Inlet or Gulf (now Teluk Beran & Tk. Bintuni) was not the hoped-for strait, he was approached by Nuku, the claimant to the Sultanate of Tidore, who was then living on the island of Ceram. Nuku was looking for support, and McCluer suggested that the East India Company should exploit Nuku's approach by getting him to agree to the establishment of a settlement, either on the island of Bantanta, alongside Pitt's Strait, or on the island of Gebe, between Gilolo and the island of Waigeo, off the northwestern coast of New Guinea.²¹

When McCluer had finished his survey, he took the unprecedented step of handing over his ship, and the leadership of the expedition to John Wedgeborough, his second-in-command, on 20 January 1793, so that he himself might remain in the Palaus. Wedgeborough was familiar with this area, having been a midshipman on the *Antelope* when she was wrecked in the Palaus in 1783. The fact that McCluer himself now wished to stay in the islands for an extended period is worth some attention. When McCluer had first visited the Palaus before commencing his survey, he had

19. Alan Frost, *Convicts and Empire: A Naval Question* (Melbourne, 1980), p. 146.

20. *Bombay Despatches*, vol. 2., March 1790, pp. 23-35, pars. 18-49, India Office Library.

21. For the story of McCluer's survey, see H.T. Fry, "Alexander Dalrymple and New Guinea," *Journal of Pacific History* 4 (1969): 83-104.

gone on to Canton for supplies, where he had met Captain Blankett. Captain Blankett had then remarked that though McCluer had as yet made no discovery of consequence in the Islands, and had reported that the harbour was "so surrounded with reef that I much doubt its general utility," yet they deserved further investigation. They "may indeed serve to give wood and water to a cruizer in case any should be in those Seas to interrupt the trade of Acapulco and Manila," he remarked. And in addition to this potential naval role, he foresaw commercial possibilities. "Keep in mind," he advised, "the advantage that might arise from an extended trade to China and the adjacent Countries, as I am convinced of the necessity of making this trial."²² To further the idea, Blankett despatched H.M.S. *Thames* to survey the Palau Islands. In view of his conversation with Blankett, there is little doubt that McCluer wished to follow up some of these ideas. He himself had suggested that by a settlement on the island of Gebe a "very grand Commercial field might be opened, for not only the produce of the Moluccas but of the Sooloo Seas and the Philippines in the same voyage."²³ It does not seem fanciful to suggest that he was now intent on investigating whether the Palaus could be brought into this general scheme. However this may be, while he was in the midst of his stay on the Palaus, John Hayes, a fellow officer in the Bombay Marine, arrived at Dorey harbour, in the northwest corner of Geelvink's Bay in New Guinea, not far from Pitt's Strait and here he set about establishing his short-lived settlement.²⁴ The territorial pretensions of this new colony were very large indeed, embracing virtually the entire northern coast of New Guinea. The passage of D'Entrecasteaux's expedition along this coast a very short while before may have inspired this claim, in order to keep the French away from this sensitive area.²⁵

22. Blankett to Dundas (unsigned copy), H.M.S. *Leopard* at Sea, 8 April 1791, Melville Papers, MS 1069, p. 71, National Library of Scotland.

23. McCluer to Dalrymple, 16 May 1795, *ibid.*, MS 1068, f. 86.

24. Ida Lee, *Commodore Sir John Hayes: His Voyages and Life* (London, etc., 1912). See also Nicholas Tarling, *Anglo-Dutch Rivalry in the Malay Archipelago* (Cambridge, 1962), pp. 59-60.

25. On its second sweep along the north coast of New Guinea, this French expedition anchored off the island of Waigeo from 16-28 August 1793. Hayes reached Geelvink's Bay on 18 September 1793, by the same track. It is highly probable that he picked up news of the French expedition on the way.

THE SPANISH RESPONSE

The Spaniards had been gravely alarmed for the security of their position in the Pacific since the British occupation of Manila, and in 1765, in the immediate aftermath of that traumatic experience, Francisco Leandro de Viana, Fiscal of Manila, had suggested in his prescient memorial what he believed to be the most appropriate Spanish response to the challenge of the times. He urged his fellow countrymen to develop the natural resources of the Philippine Islands, "the most fertile, abundant, . . . rich, and . . . the most delightful in all India," and to exploit their unique potentialities to become the center of a flourishing commerce. If Spain followed the negative policy of abandoning the Islands, which was advocated by some who decried their costliness, the English would step in and take over, and would then use them as a base from which to carry on an illicit trade with Spanish America. In addition they would follow this up by establishing themselves in California, closely linked to the Philippines as the landfall of the eastward-bound galleons. From a Californian base they would not only be able to penetrate Spanish markets on the continent more easily, but would be in an excellent position from which to search for a northwest passage. Viana, by way of contrast, advocated the positive policy of developing the Islands' resources, and encouraging their commercial expansion through the establishment of Spain's own East India Company, the Royal Philippine Company, whose ships would sail from Spain to India and the Philippines by way of the Cape of Good Hope.

The alacrity with which Viana's ideas were taken up demonstrated their affinity with the economic thinking of Charles III and his advisers. They intended to open new trade routes between Spain and her colonies, and to open up the whole empire to a commerce in which all Spanish subjects could have a share. It was in this context that the Spanish frigate, the *Buen Consejo*, was sent from Cadiz to Manila by way of the Cape of Good Hope in 1766, with a cargo of European goods to be exchanged for merchandise from Asia. Fourteen similar voyages were to follow on an almost annual basis. This was followed by a similar voyage by the *Buen Fin* from Manila to San Blas, which was also the harbinger of similar later voyages, and of the end of Acapulco's monopoly of the Latin

American Trade.²⁶ Viana had written this memorial at the very time when French and British settlements were being planted in the Falkland Islands, and in 1766 the Spaniards responded to these moves by establishing their own settlement on the island of Juan Fernandez, which Anson suggested as an alternative base from which to launch Pacific voyages. By 1770 Spain, after exerting great diplomatic pressure, had succeeded in getting rid of the Falkland Islands settlements, though not of the British claims thereto. The Falkland Islands crisis had nearly brought on war with Britain, and the immediate result was the appointment of Simon de Anda, the hero of the British occupation of Manila, as the new Governor of the Philippines.

THE DEFENSE OF THE PHILIPPINES

Upon his arrival in the Islands, Anda immediately set to work to increase the Islands' capacity for self-defense and attempted, unsuccessfully, to bring Moro piracy under control. He also took steps to promote local industries and to expand trading contacts with neighbouring countries, foreshadowing the policies that would soon be pursued on a more ambitious scale by his successor. In addition, he took an important initiative regarding the Galleon Trade by sending an expedition to reconnoitre a new route up the western shores of Luzon and around Capes Bojeador and Engano. This initiative had, in the past, been attributed solely to the navigational hazards of the Bernardino Strait,²⁷ but in view of the increasing use by English East Indiamen of the Eastern Passage, it seems likely that another consideration may also have been in Anda's mind. The use of the route up the western coast of Luzon would remove the danger of these galleons being intercepted, in time of war, as they negotiated this dangerous strait, or, as they emerged from the strait, from being caught on a lee shore by East Indiamen and their escorts using the Eastern Passage, or by Eng-

26. Ferdinand E. Marcos, *Tadhana*, vol. 2, Pt. 3 (Manila, 1979), p. 176.

27. S. Escoto, *The Administration of Simon de Anda y Salazar, Governor-General of the Philippines, 1770-1776* (Ph.D. dissertation, Loyola University, 1973), p. 206. As part of the tightening up of the Islands' defenses, the Ministry of the Navy in Spain was expanded in 1774 to include an executive Ministry to direct matters relating to war, navigation, commerce and finance in the Indies. See O.D. Corpuz, *The Bureaucracy in the Philippines* (Manila: Institute of Public Admin., Univ. of the Phil., 1957), p. 129.

lish vessels using the Palaus or other nearby islands or coasts as a temporary base.

Meanwhile, Spain was also tightening up her Pacific defenses elsewhere. Firstly, Viana's warning about California did not go unheeded, and Spanish settlements were established there, at Monterey in 1769 and then at San Francisco in 1776. Furthermore, the Spanish Government had been kept well informed as to British plans in the Falklands and in the Pacific by its ambassador in London, Prince Fieschi de Masserano. At first the Spanish authorities misinterpreted the evidence and supposed that the British objective was to establish trading posts in Patagonia as a first step towards infiltrating the South American market. Later, however, they came to realize that the Pacific was the main focus of attention. They saw how, after Wallis' discovery of Tahiti, Cook had spent several weeks there before sailing to survey the coasts of New Zealand and the eastern seaboard of Australia. Meanwhile, Bougainville's circumnavigation had been followed by the voyage of de Surville. It was the arrival of the latter's ship *St. Jean Baptiste* off the Peruvian coast at Callao in April 1770 which alerted the Spaniards to the fact that de Surville's intention had been to locate and occupy Easter Island as a first step towards forestalling the British in the Pacific Ocean.²⁸ It was now clear beyond all doubt that Britain and France were engaged in a race to establish commercial empires in the South Pacific. The Spaniards promptly reacted to this development by dispatching their own vessels to reconnoiter and lay claim to both Easter Island and Tahiti.²⁹ Furthermore, when Captain Cook set out on his third and last voyage in 1776, the Spaniards were quite certain that it was not solely a voyage for the advancement of science, and Blankett's evidence shows that their suspicions had substance. The Spanish Minister for the Marine and for the Indies therefore instructed the Viceroy of Mexico and Peru to arrest Cook and to charge him with infringing the Spanish Laws of the Indies, if he should touch at any Spanish port in the Pacific.³⁰

In June 1779 Spain hesitantly decided to take advantage of the American War of Independence to declare war against Britain. In

28. Harlow, *The Founding of the Second British Empire*, I, pp. 49-53.

29. Ibid., and B.G. Corney, *The Quest and Occupation of Tahiti*, vol. 1 (Hakluyt Society, London, 1913-15), pp. 87-90.

30. King, "The Territorial Boundaries of New South Wales," p. 73.

the Philippines José Basco y Vargas had just been appointed the new Governor, and it was appropriate that he and his immediate successor were both naval men, for the major hazards now facing the Spanish regime in these Islands were essentially naval in character.³¹ And since the direct communication between Spain and the Philippines by way of Cape of Good Hope would now be liable to interception, it was desirable to examine past records to see what light these would throw upon the practicability of opening up a direct trans-Pacific line of communication. The eminent historian Juan Bautista Muñoz was therefore consulted by the Council of the Indies, and in October 1779 he produced his study of this subject.³² For the return route from the Philippines, he advocated sailing by way of either the north or south coasts of New Guinea, and the New Hebrides, to New Zealand and thence back across the Pacific before the prevailing westerlies. In November 1780 Francisco Antonio Maurelle was ordered to take some urgent dispatches to San Blas, and since it was the wrong time of the year for a passage by the ordinary North Pacific route, he tried to reach the Americas through the South Pacific. He was, consciously or not, following Muñoz's suggested track at the start of his voyage, but whereas Muñoz had recommended the New Hebrides as a possible site for a Spanish port of shelter and refreshment for trans-Pacific voyages, Maurelle suggested his discovery of Vava'u in the Tongan group for this purpose.³³

The great challenge facing Basco upon his arrival in 1778 was to create the conditions which would enable the Philippines to survive the isolation which was the likely consequence of an Anglo-Spanish war, and at the same time to increase the Islands' capacity for self-defense. To ensure survival in case of isolation, it was essential to promote the vigorous development of the insular agriculture and industry, and to lessen economic dependence upon Mexico by an expansion and diversification of the Philippines' commerce. Accordingly, he worked hard to develop

31. It is noteworthy that in 1803 the Naval Bureau was set up precisely because the Captain-General was usually a military officer, without the necessary training to deal with this situation.

32. J.B. Muñoz, "Discurso sobre la navegacion al oceano Pacifico i particularmente a las Islas Filipinas, por los transitos descubiertos al medio-dia dela America," October 1779.

33. Ernest S. Dodge, *Beyond the Capes* (London, 1971), p. 29. Andrew Sharp, *The Discovery of the Pacific Islands* (Oxford, 1960); pp. 147-151.

the Islands' resources under the aegis of the Sociedad Economica de Manila.³⁴ The establishment of the Royal Philippine Company in 1785, the same year that saw the revival of the French East India Company, was a part of this process, being designed, at one and the same time, to stimulate agriculture and industry within the Islands, as well as to diversify and expand their overseas commerce. In both respects the Company was to have considerable success in its early years. There followed an easing of restrictions in order to stimulate trade when the port of Manila was progressively opened to foreign trade between the years 1785 and 1789.

In order to improve the Islands' defense capabilities, two immediate problems had to be dealt with – the Moro raids, and the increasing tendency of well-armed English East Indiamen to encompass and penetrate the Philippine archipelago. Basco dealt with the Moro problem in two ways. Firstly, he met the strictly naval problem by creating the 'light navy' of shallow-draught vessels to patrol the 300,000 square miles of water affected by the Moro raids, and secondly he encouraged the new Sultan of Sulu's quest for a treaty of friendship and commerce with Manila.³⁵ Then as a means of countering the growing use by the English vessels of the waters of the Philippine archipelago itself and of the Bashi Channel to its north, on their way to and from China, Basco turned his attention to the islands lying between the northern coast of Luzon and the Bashi Channel. Alexander Dalrymple in the *Cuddalore* had made a four-month survey of this whole region in the year 1759.³⁶ Basco, realizing that navigational hazards might lead to foreign occupation of these hitherto unclaimed islands, moved to forestall the British by undertaking, in 1783, the occupation and garrisoning of the Babuyan and Batanes Islands. The fact that Basco was made 'Count of the Conquest of the Batanes' after his return to Spain suggests the seriousness with which the Spaniards treated this English intrusion into Philippine waters and the adjacent ocean.

34. For details of Spanish policy in the Philippines in this period, see the articles by M.L. Diaz-Trechuelo in *Philippines Studies* 11, 12, 14.

35. Warren *The Sulu Zone, 1768-1898*, pp. 54, 172.

36. H.T. Fry, *Alexander Dalrymple and the Expansion of British Trade*, p. 26. The English referred to the 'Bashee Islands.'

THE CHALLENGE OF BOTANY BAY

The Spaniards saw the establishment of a British settlement at Botany Bay in 1788 as a direct challenge to themselves. On 20 September 1788 Francisco Muñoz y San Clemente, who had just completed a voyage to the Philippines and back as the captain of a frigate, explained the dangers which the new colony posed for Spain. It offered Britain, he believed, almost limitless opportunities for development and its establishment could not be ascribed to mere chance, but was the outcome of deep thought. Its location on the eastern seaboard of Australia made it evident that it was aimed at an extension of British Trade, with Latin America and the Philippines as its main (illicit) targets. Its source of supply of merchandise would be India, and because it would be selling Asiatic rather than European goods, it would automatically have an advantage in price, so that its merchants would always be able to undersell their Spanish competitors in these markets. This advantage would be accentuated by the heavy taxes, freight rates and defense costs which the Spanish merchants had to endure. Because of the long coastline of Latin America, it would never be possible to stop the smuggling trade. Furthermore, in time of war the colony would pose an even greater threat since it would provide the British with a base from which to sever the sea lanes between the Philippines and Latin America, and from which to stir up and aid revolutionary activities in the latter.³⁷

In the following year Alessandro Malaspina set out on a voyage that has been described as "perhaps the most important from a scientific point of view that ever left the shores of Spain,"³⁸ and some of his comments upon British purposes in the region are of interest. Like Francisco Muñoz, he believed that the establishment of the new colony was for the purpose of expanding British trade, and for providing a base from which to launch attacks on Latin America. He also believed that the new colony's location would give it a commanding position from which to exploit the commerce and fisheries of the Pacific Ocean.³⁹ In view of the whalers'

37. Francisco Muñoz y San Clemente, "Reflexiones sobre el establecimiento Ingles de la Nueva-Holanda," British Library, Add. MS 19, 264.

38. Edward Heawood, *Geographical Discovery in the Seventeenth and Eighteenth Centuries* (New York: Octagon Books, 1965), pp. 282-84.

39. King, "The Territorial Boundaries of New South Wales," pp. 78-83.

penetration into the eastern Pacific, the latter was a perceptive comment. But all that Malaspina could do in a positive way was to take formal possession of Maurelle's discovery of Vava'u.

The suspicion with which the Spaniards had regarded Cook's last voyage was justified. Cook did not discover a northwest passage, but his voyage was to result in the opening of the fur-trade with the northwest coast of America and the Nootka Sound crisis which nearly led to war. Eventually, however, the controversy was resolved through diplomacy, and under the terms of the Anglo-Spanish Convention of 1790 Spain finally abandoned her claim to the exclusive right of navigation in the Pacific Ocean.

CONCLUSION

The death of Charles III and the signing of the Anglo-Spanish Convention marked the end of an era. Charles III's reign had been an age of transition. His economic policies had foreshadowed the age of Liberalism which was to follow, without fully embracing the new economic thinking on an international scale. There was more emphasis upon removing trade barriers within the Spanish Empire itself than those with the world at large. Hence the fight by other nations to gain access to the Latin American market continued. Nevertheless, in the case of the Philippines sufficient concessions had been made to lessen the temptation for commercial powers like Britain and France to contemplate a resort to force as a means of breaking down the barriers to their trade. The new economic thinking of the age stressed, as a matter of principle, the need to remove all obstacles to trade. In the Philippines the struggle to survive led to the same conclusion. With powerful English East Indiamen, for the first time in history, regularly sailing around all the coasts of the Philippines, and even through the very centre of the Philippine archipelago itself, the Islands were in constant danger of being isolated or subjected to attack, not only from India, but also from bases close at hand. If the Philippines was to survive as a Spanish colony, it was necessary for Spain to diversify her channels of communication with the Islands. It was also essential that she should stimulate their agriculture, industry and commerce, so that they could become self-reliant, more defensible, more able to provide their inhabitants with prosperity and security from a whole variety of occu-

pations, so that instant disaster would not overtake many through the loss of a single galleon, as in the past. Charles III and his ministers had the wisdom to see this; Basco had the ability to see their policies through to success. The fact that the Spanish Philippines, unlike the Netherlands East Indies survived this era of revolutionary crisis without being invaded or attacked or overwhelmed by economic woes was the justification of these policies. Such a result could have been ensured in no other way.