The first of the five phases was by far the longest, lasting roughly three and a half centuries. This was a period of unprecedented growth in western Europe's formal power and informal influence overseas. Expansion did not proceed evenly throughout phase 1 but rather in spurts, the most notable being the early sixteenth century in the Indian Ocean basin, 1520s through 1650s in the New World, and 1700s–1760s on the Indian subcontinent.

As noted in chapter 1, the phase began with the Portuguese capture of Ceuta, followed two decades later by Gil Eannes's voyage past Cape Bojador. An event marking the phase's end was the British Parliament's Regulating Act of 1773. This was a response to the substantial increase in administrative responsibilities assumed by the royally chartered English East India Company following the victory of its troops over a local ruler's forces at Plassey (Bengal) in 1757. The Regulating Act broke new ground by asserting some parliamentary authority over company employees. In authorizing appointment of the first governor-general of the company's possessions, the act showed greater metropolitan commitment to political control in an important Old World region.

The century and a half following Eannes's voyage was a period of recorded maritime exploration unequaled before or since. Fifteenth-century explorers sailing south so as to sail east—among them Eannes, Diogo Cão, Bartolomeu Dias, and Vasco da Gama—produced maps outlining the shape of Africa and the western Indian Ocean. These explorers also charted the direction of winds and currents. While sailing the Atlantic they had to rely on their experience. In the Indian Ocean they could rely on others: Da Gama drew upon Arab knowledge of winds and currents to make the final Mombasa–Calicut leg of his voyage to India in 1497–98. Knowledge the early explorers accumulated was passed on to fellow Europeans, making it vastly easier for later generations to make long-distance voyages.

An alternative route to the east—by sailing westward—was first attempted by
Christopher Columbus and shortly afterward by John Cabot. Both men believed they had reached Asia. Successors like Amerigo Vespucci, Giovanni da Verrazzano, Juan Díaz de Solís, Sebastian Cabot, Jacques Cartier, Martin Frobisher, and Henry Hudson realized that a "new world" intervened between Europe and Asia. These men combined in varying degrees the original European search for a sea passage to Asia with the search for greater knowledge of the Americas, whose minerals, lands, and plants were increasingly valued for their own sake. The first circumnavigation of the globe by Ferdinand Magellan and Juan Sebastián de Elcano (1519–22) and the subsequent globe-circling expedition led by Sir Francis Drake (1577–80) gave Europeans a relatively accurate sense of the westward edge of the Americas, the vastness of the Pacific, and island chains off the southeast Asian mainland.

An ambitious new phase of maritime exploration was launched in 1768, at the very end of phase 1, with the first of Capt. James Cook's three voyages to locate what was believed to be a large continent (Terra Australis) in the Pacific's far southern reaches.

With new knowledge came new power. The early explorers' reports stimulated initiatives to gain military and commercial supremacy on the high seas. West European dominance was never contested in the Atlantic, Caribbean, and Pacific. The Indian Ocean and waters off the eastern and southeastern Asian coast, however, were different. The Portuguese quickly became the single most important maritime power in this huge region with their victory over a much larger Egyptian-Gujaratari flotilla off Dia (1509), seizure of the strategically key ports of Malacca (1511) and Hormuz (1515), and establishment of trading enclaves in the Spice Islands. But neither the Portuguese nor agents of other European trading states arriving later could stamp out competition from Asian merchants along the lucrative routes linking East Africa, the Arabian peninsula, India, the southeast Asian islands, and the China coast.

Exploration of continental interiors was uneven during phase 1, most of it taking place in the New World. Spaniards and others searching for gold and silver mapped much of present-day Mexico, the southern United States, Colombia, Venezuela, Peru, and Bolivia within fifty years of Hernán Cortés's arrival (1519) on the American mainland. Further to the north for trappers, traders, and missionaries, mostly of French origin, penetrated deep into what is now the Canadian and midwest U.S. hinterland by the seventeenth century. Of enormous help to early explorers of North America was ready waterborne access to inland areas. The Gulf of Mexico, Hudson's Bay, the St. Lawrence and Mississippi rivers, and the Great Lakes facilitated travel to the interior. The absence of Old World equivalents to these features of North American geography contributed to a very different outcome in Asia and Africa: there, Europeans were virtually confined to coastal zones.

The geographic distribution of territorial claims paralleled that of inland exploration established under the first act of discovery. More to have been added to what was, after all, a vast, hill country. Added to this, explorers had only an imperfect knowledge of the regions right to the heart of the New World and beyond.

If claims were to take hold, Europeans had to only the two closest to Mexico were brought from further to the north.
exploration. From the start of Europe’s relationship with the Americas a pattern was established by which newly found lands were quickly (and unilaterally) declared under the authority of the monarch sponsoring an explorer’s voyage. Columbus’s first action after landing on the island of Guanahani on October 12, 1492, was to claim it for Queen Isabella and King Ferdinand. Three days later he wrote in his journal, “It was . . . my wish not to pass any island without taking possession of it,” adding the comforting thought that “when one had been annexed, all might be said to have been.” The royal standard Columbus planted on Guanahani was only the first of a series of flags thrust boldly into the soil by explorers and conquerors in the Americas.

Europeans had a special sense of possessiveness about the New World. Their characterization of the hemisphere as new suggests they considered it untouched land whose destiny went unfulfilled until Europeans reached it and transformed a vast, hitherto unowned territory into productive, commercially valuable property. A corollary to this view was that the New World’s indigenous inhabitants were interlopers on land they occupied. Such people could have no claim to control their own labor, much less a right to the land sustaining them, that might take precedence over Europeans’ economic interests. This possessive attitude is shown by the explorers’ propensity from Columbus onward to name New World towns and administrative regions after European places and prominent rulers. Europeans never doubted their right to assign names they chose to places they claimed. To call a territory New Spain or New Amsterdam conveyed conflicting messages. On the one hand, replication of Europe overseas was desirable and possible; fortunately, the New World was sufficiently malleable to be made over to resemble the Old. On the other hand, an Old World in need of improvement was being given a chance at revitalization in an unfamiliar setting. Here was a marvelous, divinely offered opportunity to compile a better record the second time around.

Initially, of course, the new arrivals could not match their grandiose political claims with comparably effective action on the ground. Still, it is striking how rapidly European power was projected over large areas of the New World. In 1519 Cortés and his men marched two hundred miles from the tropical lowlands of Vera Cruz over lofty mountain passes to the Aztec capital at Tenochtitlán, in the heart of what is now Mexico. Francisco Pizarro and his men set out in 1531 from Panama on a venture that took them hundreds of miles along the spine of the Andes to the mountain fastness of Cuzco, capital of the Inca Empire. The remarkably swift conquest of these two extensive, populous, land-based empires, coupled with an ongoing search for sources of the mineral wealth so abundantly evident in Tenochtitlán and Cuzco, brought large numbers of Spanish fortune seekers deep into the interior of Central and South America within a few decades of Cortés’s landing at Vera Cruz. An
estimated quarter million Europeans emigrated to Spain's American possessions between 1493 and 1579. Once arrived, they moved off in many directions, establishing not one but several frontiers depending on their primary activity. Alistair Hennessy refers to the gold, silver, cattle, agricultural, political/administrative, and mission frontiers of colonial Latin America.

Occupation of the North American interior did not occur to any substantial degree until the end of phase 1. Still, from the early sixteenth century indigenous peoples could not ignore the presence of European traders, missionaries, and soldiers on or near the continent's major waterways.

In the Old World, Europeans exerted influence and some degree of territorial control back of the coastline: the Spanish in Luzon Island (Philippines), the Dutch around Batavia in Java (Dutch East Indies), Portuguese prazeros in the Zambesi Valley (Mozambique), farmers and herders descended from Dutch and French Huguenot settlers who migrated inland from Cape Town (South Africa), and agents of the English East India Company who controlled tax collection in Bengal by the 1760s. But the far more common pattern was small coastal enclaves whose principal purpose was commerce with peoples living outside the enclaves' borders. Trading ports in Africa included St. Louis, Gorée, Elmina, São Tomé, Luanda, Sofala, Mombasa, and Malindi. Asian examples included Hormuz, Diu, Goa, Colombo, Pondicherry, Madras, Calcutta, Malacca, Macao, and Deshima Island in Nagasaki harbor. In contrast to the New World pattern, Europeans did not typically claim large swaths of inland territory when they arrived. Indeed, in many cases they did not even pretend to rule enclaves where their traders were active. For it was clear, at least at the outset, that many ports were governed by local rulers and that Europeans were there by permission.

In North Africa and in South and East Asia Europeans encountered highly organized polities which they were unable to conquer. Perhaps the most dramatic setback occurred in 1578, when King Sebastian of Portugal led a large army into the Moroccan interior in a holy war against the infidels. The ensuing Battle of El Ksar-el-Kabir was a disaster for Portugal. Eight thousand soldiers were killed, including the king, and another fifteen thousand captured. The part of Africa closest to an expanding European power was to remain off limits—aside from Ceuta and a few other coastal ports—for another three centuries. The Moors' victory had far-reaching effects on Iberian politics. Portugal was so weakened that Spain's Habsburg monarch Philip II was able to occupy its vacant throne (1581). For the next eighty years Portugal and its overseas possessions were incorporated into the Habsburgs' domains.

Japan's rulers imposed severe limits on European activities. The strong reaction against missionaries, traders, and diplomats that informed official policy in the early seventeenth century was to remain in effect, self-consciously isolating Japan from the West. The Chinese converts in Nagasaki Bay were beligerent threats, Morocco was an ally, and the New World was contact and a region of the Old World; Old World sin throughs gave...
from the West, for almost 250 years. Catholic missionaries were expelled and Japanese converts persecuted. European traders were confined to a small, artificial island in Nagasaki Bay. Among Europeans the Japanese preferred to deal with the Dutch, who were believed incapable of mounting a military threat. Holland posed no religious threat either, as its Protestants, unlike Catholic missionaries from Spain and Portugal, were not active proselytizers.

Morocco and Japan are extreme examples. But many other Old World polities were able and willing to rebuff European advances during phase 1. Whereas in the New World only a few months or years typically elapsed between initial culture contact and a decisive display of the invader’s military superiority, in many parts of the Old World these two events were separated by centuries. Large portions of the Old World succumbed only after the Industrial Revolution’s technological breakthroughs gave outsiders a new power edge.

**COMPETITION AMONG WEST EUROPEAN STATES**

One cannot understand western Europe’s expansionist drives without seeing the region as a system of separate political units interacting intensively and competitively with each other (see chapter 2). Phase 1 was the great era of European state building. Because polities constructing empires overseas were simultaneously becoming more cohesive and centralized at home, it is reasonable to assume that the two processes were intertwined. Mutual reinforcement was most evident in the reigns of Ferdinand and Isabella and the early monarchs of centralizing dynasties: Aziz in Portugal, Tudor in England, Bourbon in France. The fact that not one but several empires were constructed during phase 1 strongly suggests that competition among west European states encouraged many of them to reduce their insecurity within the region by advancing ambitious claims outside it.

Five states embarked upon serious empire building during phase 1, shifts in their relative power occurring over time. The Portuguese attained prominence in the century following victory at Ceuta, the Spanish made their greatest advances in the sixteenth century, while the Netherlands reached its height as a mercantile power in the seventeenth. The English, resolutely challenged by the Spanish and then by the Dutch and French, gradually rose to become the world’s most powerful and economically dynamic state by the mid—eighteenth century. England’s dominance was reinforced by the successful outcome of its worldwide struggle with France during the Seven Years’ War (1756–63).

Portugal’s principal possessions were widely dispersed across three continents, from Brazil to enclaves along the southern African coast to Goa in India and Macao in China. The empire of Spain (or more accurately of the Castilian monarchy) was concentrated in the Caribbean and Central and South America, with a distant
Major phase 1 maritime exploration routes and Old World maritime trading enclaves.
complement in the Philippine Islands. Each Iberian power concentrated on the hemisphere allotted to it by Pope Alexander VI following news of Columbus’s first voyage. This conveniently dual division of earthly spoils was confirmed in revised form by the Spanish-Portuguese Treaty of Tordesillas (1494). Neither the papal bull nor the treaty was considered binding by other contestants for overseas territory. The Dutch controlled small settlements in North America, South America, and South Africa. But their principal interest was the islands off southeast Asia’s mainland that became known as the Dutch East Indies. The English and French concentrated on North America and the Indian subcontinent.

People living in the metropoles were generally uninformed about and uninterested in overseas expansion during this phase. Important decisions were made by leaders of sectoral institutions: monarchs, officials in the royal court, directors of government-chartered companies, heads of Roman Catholic missionary orders. Decisions were also made by agents of sectoral institutions in far-off regions, men who had to rely on their own resources and judgment as to what was appropriate under a given set of circumstances. Monarchs, merchants, and missionaries were not pressed by metropolitan public opinion to act in certain ways abroad. Neither, in a prepopulist era, did sectoral leaders attempt systematically to mobilize and shape public opinion to support imperial ventures.

Rivalry among metropoles frequently took a violent turn. Some of the wars that took place during phase 1 involved coalitions of states. Thus, England and Holland were allied against Spain and France in the War of the Spanish Succession (1701–14). Many wars pitted two metropoles against each other. Examples include Portugal against Spain (1581–85; 1641–44); the protracted Dutch struggle for independence from Spain (1568–1648); Spain against France (1547–49; 1648–59); England against Spain (1587–1604; 1655–59; 1739–42); Holland against England (intermittently between 1652 and 1678); and England against France (1688–92; intermittently between 1542 and 1560, 1627–28, 1756–63). Conflict was particularly intense when nationality differences were reinforced by differences of official religious preference. Thus, Protestant England and Holland were often locked in bitter struggle with Catholic Spain or France or both.

In some cases, such as the War of Spanish Succession, violent struggles commencing in the European theater set off conflict in colonial peripheries. In other cases, conflict in the periphery triggered warfare in Europe. The skirmish between English and French colonial troops and their respective Amerindian allies over Fort Duquesne (present-day Pittsburgh) in 1754–55 helped precipitate the Seven Years’ War. This conflict eventually became globalized as battles between the two metropoles and their allies were waged on the European mainland, in Canada, the Caribbean, Senegambia (West Africa), and India’s Carnatic (southeastern) coast. In other instances...
instances violent competition was largely confined to non-European regions. Examples include Portuguese-Spanish conflicts over Ternate in the Moluccas (1550–88); the murder of English and Portuguese traders in 1623 by Dutch East India Company officials on the East Indian island of Amboina: Portuguese versus Dutch in West Africa (1620–55), Brazil (1624–29; 1640–54), and Malacca (1640–41); and England versus France in India (Carnatic Wars of 1744–48 and 1749–54) and North America (King George's War, 1744–48). In the Caribbean basin, where the Spanish, English, French, and Dutch all held territories, raids by privateers loosely aligned with one metropole against a rival's ships or major towns were so frequent as to become virtually a way of life.

**DEMOGRAPHIC AND SOCIAL DIMENSIONS OF EXPANSION**

The New World's indigenous (Amerindian) inhabitants were extremely vulnerable to European diseases and hence suffered catastrophic losses, above all in the century following Columbus's arrival. Ralph Davis estimates that the indigenous population of the Americas equaled Europe's in 1500 but was probably under one-tenth of it by 1600. The greatest devastation occurred in the Caribbean. The estimated three to four million Amerindians who inhabited Hispaniola as of 1492 numbered about fifteen thousand by 1518 and essentially disappeared by 1570. The heaviest preconquest concentration of population, an estimated twenty-five million, lay in the heartland of what became known as New Spain. By 1548 the area's Amerindians had declined to about a quarter of this figure. Subsequent smallpox and influenza epidemics further reduced it to a little over a million by century's end. "Spain's principal gift to the Americas," writes Davis, "was the destruction of its people." Lyle McAlister concludes that "a demographic disaster of continental proportions occurred in the New World in the sixteenth century. . . . The quantitative and qualitative devastation of the indigenous population far exceeded anything accomplished by the Black Death in Europe."*"3

Disease had the opposite effect along the African coastline. Malaria and other tropical illnesses to which Africans had developed some immunity gave the West African coast a well-deserved reputation as "the white man's grave" until Europeans learned of quinine's prophylactic powers in the nineteenth century.2 Ghana's first president, Kwame Nkrumah, only half-jokingly proposed erecting a monument to the anopheles mosquito to acknowledge its contribution in keeping settlers out of his country. Tropical diseases performed a similar deflective role in many parts of Asia.

The result is that European settlers in phase 1 were concentrated overwhelmingly in the New World, the hemisphere in which disease was their ally rather than their foe.

The Americas were demographically rearranged in phase 1, the implosion of
indigenous population being accompanied by an explosion of newcomers who constituted racially distinct groups. Millions of Europeans arrived as settlers, drawn by many lures: hopes for vast and easily accessible mineral wealth, plentiful and bountiful land, adventure, power, prospects (for men) of sex with non-European women, higher social status, and avoidance of religious persecution. A much larger number came involuntarily as slaves from Africa, responding not to their aspirations but to the demands of European settlers for accessible, low-cost labor in agriculture, mining, and domestic service. In another category were the offspring of sexual unions across racial lines. To use the Spanish terms, unions between Europeans and Amerindians produced mestizos; between Europeans and Africans, mulattoes; between Amerindians and Africans, zamboes. The literal embodiment of racial pluralism, these people added further to the complex layering of castelike structures in which status was allocated largely along lines of continental origin and skin color.

Despite their severe early losses, Amerindians remained the largest single racial category in the population of many New World colonies throughout phase 1. By one estimate, in 1570 they made up 96 percent and 94 percent of the population in Spain's and Portugal's New World empires, respectively. Comparable figures for 1650 were 81 percent and 74 percent. Some 60 percent of Peru's population as of 1795 was Amerindian. A quite dissimilar distribution emerged in the British North American (BNA) colonies that eventually formed the nucleus of the United States. Along the coastal zone east of the Appalachians settlers quickly became numerically dominant because of initially small and dispersed indigenous population, the effects of disease and settler attacks upon Amerindians, their withdrawal to lands back of the settler frontier, and a steady stream of new immigrants from the British Isles. By 1700 a quarter million white settlers lived in the thirteen BNA colonies, a figure roughly equaling the indigenous population east of the Mississippi at that time. By 1776 settlers constituted three-quarters of the BNA colonies' population of two and a half million, Amerindians about 4 percent. Black slaves accounted for the remaining 20 percent.

On Caribbean islands and along coastal zones from the southern BNA colonies to Brazil, the influx of forcibly transplanted Africans that began early in the 1500s continued unabated through the rest of phase 1. Indeed, more Africans made the dreaded Middle Passage in the 1700s than in either of the preceding centuries. The transatlantic slave trade profoundly affected the racial demographics of Africans' destination points. By 1650 the black slave population outnumbered whites in Brazil and was five times greater than whites in the Spanish Antilles. The British West Indies' black population rose from 25 percent of the total in 1650 to 83 percent in 1710 and 90 percent in 1770. For the same years it rose from 3 percent to 24 percent to 39 percent in the southern BNA colonies.

In many New World colonies the percentage of the population that was racially mixed

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mixed race steadily over time. And time there was, considering that from the sixteenth century onward, in the Caribbean region and outlying coastal zones, substantial numbers from the Americas, Europe, and Africa lived in close proximity. That the colonial era began so much earlier and lasted so much longer in the Americas than in virtually all parts of the Old World accounts for the growing numerical and social influence of racial categories that were literally new under the sun. By one estimate mestizos composed 3 percent of the Spanish American and 5 percent of the Brazilian population in 1650, with somewhat smaller percentages for mulattoes. In the eighteenth century the mestizo proportion rose rapidly in Brazil and in the principal Spanish territories, New Spain and Peru. By the 1790s mestizos accounted for 22 percent of Peru’s population and perhaps 40–50 percent of New Spain’s. Mulattoes formed a small but socially influential intermediary group in France’s most economically important New World colony, Saint Domingue (Haiti).

In the Old World the major demographic effect of Europe’s presence was the removal of tens of millions of Africans from their continent of birth. This process, lasting for more than four centuries, was both cause and consequence of slave-raiding activities among Africans that severely disrupted sub-Saharan economies and social relations. But the transatlantic slave trade did little to change the racial composition of Africa’s inhabitants. Apart from southern Africa’s Khoikhoi and San peoples there was no African equivalent of the decimation of New World populations from disease. Neither did millions of people come from other continents as permanent settlers. In only a few places, such as Cape Town and Luanda, did a mixed-race population of any size arise.

In Asia the demographic impact of Europe’s presence was even less significant. Some people were taken from the Dutch East Indies and the Malay peninsula to South Africa as slaves. On Java and in trading enclaves like Goa, Colombo, and Macao a small mixed-race group emerged. But otherwise little change from precontact days took place, in striking contrast to the Americas.

**TYPES OF COLONIES**

D. K. Fieldhouse has proposed a helpful classification of European colonies based on the numbers, population ratios, and economic functions of groups not indigenous to a given territory. His five types, slightly modified for purposes of my analysis, are as follows:

1. Pure settlement colonies, in which European immigrants and their descendants became a substantial majority of the population. These colonies began as small, compact territories and gradually but steadily expanded along a frontier separating lands occupied by settlers from lands occupied by indigenous peoples. Settlers wanted land but did not need indigenous labor to work it. Labor was supplied by the settlers
themselves or by imported slaves. Colonial boundaries generally marked a racial and cultural “frontier of exclusion” between settlers and indigenous people. As boundaries pushed steadily back from coast to interior, the area's original inhabitants experienced land dispossession and massive psychological as well as physical dislocation.

2. Mixed colonies, in which a substantial number of settlers lived in the same territory as a larger indigenous population. Settler well-being depended upon ready access to—and a high degree of control over—indigenous labor. Physical proximity of the two groups meant that a mixed colony featured a “frontier of inclusion.” Over time the colony became mixed in a second sense, as the sexual unions of settlers and indigenous peoples produced a group classified as racially hybrid.

3. Plantation colonies, in which a small settler minority owned and managed plantations producing agricultural commodities for export. Labor on the plantation and in the settler household was performed by slaves. The first slave generation was imported from another area and was unfamiliar with the colony's terrain, hence amenable to close control by slaveholders. Over time a separate racial category emerged from the sexual unions of settlers and slaves.

4. Colonies of occupation, in which few if any settlers were present. The vast majority of the population was indigenous to the territory. The most visible European presence was that of military personnel and civilian administrators sent out by the metropole; a few traders and missionaries might also be present. These individuals were only temporarily stationed in the colony and eventually returned to the metropole, which they considered their homeland.

5. Trading settlements or naval bases comprising tiny parcels of coastal or riverine land. Few Europeans lived in these enclaves. Those who did were typically temporary residents whose main function was to foster commercial relations with people living outside the settlements.

The European presence in the New World quickly became a settler presence. Hence the most economically viable and strategically important colonies in the Americas were of the first three types: pure (settlement), New Spain and Peru (mixed), Brazil and islands in the Caribbean (plantation). The more peripheral mainland colonies of Spain could be classified as colonies of occupation. Settlements that began as trading enclaves or naval bases rapidly evolved into the other types.

In phase 1 Old World colonies, in sharp contrast, nonindigenous groups played a minimal role. The coastal enclaves dotting African and Asian coastlines are examples of Fieldhouse's fifth type. Areas of more extensive inland influence like Luzon and the Zambezi valley come closest to mixed colonies. But even these are better classified as colonies of occupation.

The sole Old World candidate for any of Fieldhouse's first three types was South Africa. There the Dutch East India Company and French Huguenot immi-
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grants and their Boer ("farmer") descendants exterminated or enslaved the indigenous Khoikhoi and San peoples and imported slaves from Madagascar and the East Indies. Accompanied by their slaves, they migrated inland to pursue farming and herding activities. By the eighteenth century Boers were pushing eastward into an increasingly contested frontier on the other side of which were Bantu-speaking Africans, whose large numbers and ability to resist European diseases made extermination impossible. South Africa resembled a pure settlement colony with respect to the settlers' behavior toward Khoikhoi and San, their efforts to extend an inland frontier, and their obsessive concern with maintaining racial purity. In areas controlled by settlers could be found elements of a mixed colony, in that whites constituted a minority of the total population and a mixed-blood, or "colored," community soon emerged. Traces of a plantation colony could also be found, to the extent that settlers relied heavily upon slaves to perform manual labor and domestic service. South Africa's historical path thus parallels settler-dominated societies in the New World. South African settlers set the stage for interracial conflict on a grand scale by attempting to apply the methods and worldviews of New World settlers to an Old World land whose demographic and epidemiological features were quite different.

ECONOMIC DIMENSIONS OF EXPANSION

Hope of economic gain was the principal motivator behind exploration and the formation of overseas enclaves and settlements. Profits could be realized by obtaining, at minimal production or purchase cost, commodities highly valued in Europe that mostly were available only outside it. European ships unwound off their sterns, as it were, the lengthy threads of commerce that for the first time stitched together the world's continents. Production and trade patterns originating in phase 1 profoundly shaped economic development prospects of metropoles and colonies alike in subsequent phases.

Oceanic trade developed along two axes, the first linking metropoles vertically with their colonies, the second linking non-European areas laterally with each other. Trade of the first kind brought commodities a metropole's consumers valued. These included raw and semiprocessed primary products: gold, silver, and precious stones; spices, dyewoods, sugar, tobacco, indigo, beaver furs, and cattle hides. Also shipped to Europe were such handcrafted luxury goods from Asia and the Near East as silk brocades, cotton cloth and piece goods, porcelains and chinaware, lacquerware, fine-tempered steel, and ivory and wood carvings. Early contacts with the New World generated vertical trade of another sort that Alfred Crosby has called "the Columbian exchange." An astonishing variety of flora and fauna moved in both directions across the Atlantic, in many instances becoming commercially valuable in their new environments. Europe sent to the Americas sugar, citrus fruits, horses, cows, and pigs.
while importing maize and potatoes. Successful propagation of these plants and animals in their new settings enabled both hemispheres to become more nutritionally self-sufficient.

The doctrine of mercantilism, which originated during phase 1 and became the dominant way of thinking about imperial economic relations, stressed vertical trade. In the ideal mercantilist system a metropole maximized gain by ensuring that its colonies imported goods only from itself, that colonial exports were sent only to its ports, and that all transactions occurred on ships flying the metropole's flag.

Yet the most significant trade patterns in phase 1 violated the mercantilist ideal by being lateral, not vertical. In the course of creating what Wallerstein termed the first genuine "world-economy," Europeans found they could profit by connecting non-European regions with each other. Africa was linked to the Americas through the transatlantic slave trade. Slave ships also transferred staple crops (notably cassava and maize) from the New World to Africa, and peanuts and bananas in the reverse direction. The staple crops, initially planted to feed Africans held in coastal "factories" pending the ocean voyage, spread inland and probably increased population densities in areas heavily hit by slave raiding. East Asia and the New World were connected by "Manila galleons" that exchanged bullion from the mines of New Spain and Peru for silks, tea, chinaware, and other Asian luxury goods. Coffee, initially grown in the Middle East, became a commercial tree crop in the Dutch East Indies and the Americas. Indian textiles and Indian Ocean cowries were exchanged for slaves along the West African coast. Indeed, Indian textiles were for a considerable time the most important and expensive category of European trade with Africa. In the eastern Indian Ocean, among the Moluccas and other Spice Islands, and along the Chinese and Japanese coasts chartered companies amassed trade goods and profits by exchanging raw materials and manufactured goods. Bengal cloth, for example, was traded for Amboina spices, which were then sold for Chinese teas and silks. Opium from India, whose production was strongly encouraged by the English East India Company, bought access to the Chinese market. European merchants sometimes purchased Asian commodities with gold from southern Africa.

Paradoxically, the dominant theory of intercontinental trade in phase 1 emphasized the vertical, north-south component. But the dominant practice was a complex series of lateral, south-south links.

The volume of transactions in phase 1, whether vertical or horizontal, was limited by the technology of maritime transport. Obvious constraints were the size, speed, and safety of wooden ships utterly dependent on ocean winds and currents. These limits affected the composition of trade, which consisted principally of commodities with high ratios of value to bulk. Most trade goods were destined for consumption.
Existing production technologies set another constraint. What western Europe exported during phase 1 it produced in modest amounts, at least in comparison with its performance in later centuries. The astounding advances marking the early Industrial Revolution—notably the substitution of inanimate for human energy and economies of scale from factory production—had yet to take place. Europe enjoyed no decided technological edge over many of the societies its explorers encountered. If anything, it lagged behind some trading partners in certain respects, including the production of silk, cotton cloth, and tempered steel.

Moreover, the first round of the Industrial Revolution may be said to have occurred not in Europe but in New World plantation colonies, with greater effects on the composition of Europe's imports than of its exports. Sugar plantations were in effect huge outdoor factories. They employed advanced techniques of mass production and processing, involved a landless labor force whose work patterns were monitored and controlled, and enabled plantation owners to amass great fortunes. C. L. R. James writes of the slaves in Saint Domingue, "Working and living together in gangs of hundreds on the huge sugar-factories that covered the North Plain, they were closer to a modern proletariat than any group of workers at the time."

Limits on the volume of exports were sometimes set by indigenous elites. When Vasco da Gama reached India in 1498 after sailing thousands of miles to reach this land of fabled wealth, the first ruler he met was the Zamorin of Calicut. After a ritual exchange of greetings the Zamorin ordered the Portuguese to land their merchandise and offer it for sale. J. H. Parry writes, "The goods were duly landed; they were shoddy and unsuitable, and no one would buy them. . . . When reminded that usage demanded a diplomatic gift for the Zamorin, [da Gama] produced the usual collection of hats, basins, and pieces of trade cloth; and when the officials refused to deliver a gift they thought derisory, and the Zamorin himself complained of a show of disrespect, da Gama virtually forced his way into the [ruler's] presence in order to make lame and lying excuses."

A few years later the Portuguese started to trade in Sofala (Mozambique). They "awaited the arrival of quantities of gold bullion [from the interior], but found that their offers of woolen caps, table cloths, and brass chamber pots attracted few African traders."

Writing of the English East India Company, chartered in 1600, the Indian historian and diplomat K. M. Panikkar notes that during the first few years "the company's affairs did not progress very satisfactorily, for nothing was available in England to sell in exchange" for the spices and gems English merchants desired. Not until the company carved out a share of the inter-Asian carrying trade did it start...
to earn sizable profits. Until well into the nineteenth century the Chinese imperial court actively discouraged trade with Europeans. The famous edict in 1793 of the Ch'ien-lung emperor to Britain's King George III noted that of material goods “there is nothing we lack, as your principal envoy and others have themselves observed. We have never set much store on strange or ingenious objects, nor do we need any more of your country's manufactures.”  

What rulers of the great Asian polities wanted more than Europe's luxury goods were gold and silver from the Americas and Africa that foreign traders had on board.

In the Americas and along Africa's west coast, where material culture was generally not as technologically advanced as in Asia, European trade goods found a decidedly more favorable reception. “Weapons were of paramount importance to the feudal native polities of North America,” writes James Axtell, “but metal objects of any kind, cloth goods, and cleverly designed or sizable wooden objects also drew their admiration.”  

Even here, however, the impact of foreign commodities on indigenous economies was limited. (The effect of guns on political life was another matter.) Many societies remained self-sufficient, minimally altering familiar production patterns to gain access to the new goods. Frequently, however, indigenous people became more aggressive outside their community boundaries, searching for resources to exchange for metal goods, cloth, alcohol, and the like. Slave raiding was hugely disruptive in many parts of Africa. In North America a vast increase in trapping visibly impacted the physical environment that beavers had done so much to shape.

Europeans in phase 1 had a long list of raw materials and manufactured goods they wanted from other parts of the world. But in general they were unable or unwilling to provide goods from their home economies to purchase what they wanted in free market settings. The simplest way to get something without exchanging it for what others are prepared to offer is to use force. A striking feature of phase 1 was the extensive European reliance upon coercion to satisfy economic demands. This was most evident in the New World. The Spanish colonial state used a variety of mechanisms—encomienda and corregimiento, mita (Peru) and repartimiento (New Spain)—to force Amerindians to work at minimal expense on large agricultural and mining operations.  

The profitability of New World plantation economies depended upon efficient, coercion-intensive exploitation of black slaves, who had to work long hours in exchange for derisory material comforts and little or no acknowledgment of their humanity. Plantation owners had no compunctions about using torture and terror to put down the slave revolts that repeatedly erupted in the Caribbean basin. Europeans routinely employed force to extract profits from Old World trading enclaves. Weapons supplied to indigenous agents to mount slave raids
or collect spices imposed heavy burdens upon people living far from the coastal zones where these operations were planned.

**EUROPEAN SECTORAL INSTITUTIONS: ROLES AND INTERACTIONS**

When Europeans emigrated to the New World in phase 1 they were typically motivated by a desire to generate economic gains over and above subsistence. They wanted consumer and luxury goods from Europe and were prepared to devote some or all of their labor to producing export commodities whose sale paid for imported goods. In these respects the original settlers and their descendants comprised a transplanted private profit sector. To the extent that the basic unit of economic activity was the family, settlers were a noninstitutionalized component of a colony's private profit sector. But settlers also founded, managed, and owned their own profit-oriented institutions. Examples were large-scale haciendas and ranches, plantations, and—most notably in the Iberian colonies—a wide range of small-scale manufacturing, commercial, and shipping enterprises.

Even in pure settlement, mixed, and plantation colonies, however, metropole-based private profit institutions played major roles. Whether operating on their own or in conjunction with the metropolitan state, European companies controlled trade between a metropole and its colonies. They were particularly well positioned to reap handsome profits if they monopolized trade with colonies exporting highly valued commodities like spices and sugar. Banking houses extended credit to overseas ventures. European companies handled the vast bulk of the transatlantic slave trade. Many plantation owners lived lavishly in the metropole thanks to profits from their outdoor factories.

A recurring pattern in phase 1 was the formalization of cooperative arrangements between a metropole's public and private profit sectors. A common Iberian pattern was for a monarch to authorize a ship's captain to trade on condition that a fifth of the proceeds was handed over to the royal exchequer. A mechanism popular in seventeenth- and eighteenth-century England, Holland, and France was the chartered company, a corporate body authorized by royal or legislative charter to operate overseas for profit and to carry out quasi-governmental functions in territories assigned to it. Nonreinvested gains from a chartered company's activities were frequently divided between government officials and agencies, on the one hand, and private investors on the other. Prominent actors in both sectors thus had a shared interest in the venture's success. Some enterprises, such as the Virginia Company and Dutch West India Company, sponsored initial rounds of settlement in new colonies and laid out the basic policies of colonial governance. Others were primarily trading operations, formally authorized to use force as need be to ensure access to desired
commodities, keep purchase prices low, and protect company property and personnel. Among the best known trading ventures were the English East India Company (1600); the Dutch East India Company (1602); the French East India Company (1664); and the Hudson's Bay Company (1670).22

Christian missionary activity was most evident in the New World colonies of Catholic countries. Among Catholic orders sending priests to Iberian colonies to observe, convert, and teach indigenous peoples were the Dominicans, Franciscans, Augustinians, Mercedarians, and Jesuits. More than a hundred houses and mission centers belonging to various orders were at work in Spanish America by 1600. The leading religious congregations in French North America were the Jesuits, Recollects, Capuchins, and Sulpicians. Missionaries often operated far outside areas effectively controlled by a colonial administration. In Japan and China they worked in lands never taken over. In effect they created their own religious and cultural frontiers.

Cooperative links between public and religious sectors were most evident in the Spanish and Portuguese empires. Papal bulls authorizing these countries' monarchs to claim overseas possessions made it clear that propagation of the Catholic faith was a precondition and principal purpose of the entire operation. From the start close ties were maintained between secular governing structures and the Roman Catholic hierarchy. Even when monarchs exercised veto power over the hierarchy's choice of personnel to be sent abroad, the state never completely controlled the church's work at home or in the colonies. Neither was there a fusion of sectoral institutions at home or abroad. Rather, each found it in its own interest to form an ongoing coalition with the other. The colonial state's coercive and financial resources supported the work of religious conversion. The church in turn preached that indigenous peoples and settlers should obey constituted authority.

A different pattern obtained in England and Holland after Catholicism ceased to be the official religion. Protestant denominations, whether accorded official status or not, showed little interest in converting indigenous people to Christianity. Not until phase 3 did Protestants become seriously involved in missionary work. Rather, phase 1 Protestantism was the more or less exclusive possession of settler communities. Indeed, it was precisely the "heathen" character of non-Europeans that enabled settlers to justify exterminating them and taking their land. To the extent that a church-state alliance obtained in English and Dutch settler colonies, the decentralized nature of Protestant denominational governance gave settlers a degree of control over the religious sector that was not possible in officially Catholic colonies.

The kinds of cross-sector coalitions forged in the metropoles affected the ways in which overseas empires were governed. The nature of these coalitions and the degree to which decision-making authority in each sector was retained in metropolitan hands influenced the degree of leverage settler communities could exert on
sectoral institutions at the point when political leaders in the colonies considered breaking with the metropole. But such observations run well ahead of the story. The point here is that during phase 1 Europeans experimented with a variety of ways in which public sector institutions could collaborate with institutions from other metropolitan sectors to advance their interests overseas.