

Nguyen Hoang (1525–1613), brother-in-law of Trinh Kiem, requested a posting as military commander in the frontier region. He went south in 1558, accompanied by a substantial entourage. Initially they settled at Ai Tu (Quang Tri Province), but subsequently changed location many times, finally settling in Phu Xuan (Hue) in Thua Thien Hue Province, on the bank of the Huong (Perfume) River. The Nguyen entourage, removed from both the security and constraints of their traditional environment, which was dominated by a Confucianist mindset, now lived in alien terrain among alien peoples. In such circumstances, innovation was necessary, and innovation would precede change. This would later be evident in their different approach to trade. In time, the immigrants referred to their new region as Dang Trong (Inner Region) and to their northern homeland as Dang Ngoai (Outer Region). Foreigners referred to Dang Trong as Cochinchina and to Dang Ngoai as Tongking [Tonkin]. By 1600, Nguyen Hoang (reigned 1558–1613) no longer deferred to the northern court, though he still paid taxes. Thus two power bases emerged, with the capital of the Nguyen lords in Cochinchina rivaling that of the Trinh in Thang Long.<sup>11</sup>

In 1636, Nguyen Phuoc Lan (reigned 1635–48) designated Thanh Ha on the left bank of the Huong River to serve the Nguyen capital, which at that time was in Kim Long. Thanh Ha was served by a deep port protected from winds and approximately five kilometers from the sea; it had previously served a small local trading community.<sup>12</sup> In its new role, Thanh Ha facilitated the flow of goods between Hoi An and the capital, an arrangement that could generate considerable profit for traders. In the eighteenth century, Le Quy Don remarked on the hundreds and thousands of bronze kettles and trays brought into Hoi An by Western ships, purchased by Chinese merchants, then resold in Thanh Ha for a healthy profit. Thanh Ha flourished, especially after 1658, when the Nguyen allowed Ming Chinese refugee settlers (Minh Huong) to purchase land.

The Minh Huong were well looked after, with favorable taxes and permission to establish a long-term settlement. In Hoi An, they dealt directly with foreigners and collected taxes from them. For security reasons, it was mandatory for European traders to register and stay in Hoi An, unless on official business.<sup>13</sup> Apart from goods imported for the mundane needs of the local population, the flow of trade through Thanh Ha reflected the well-being of the state; times of conflict saw heavy trade in arms, and in peace, luxury goods. Its trade became difficult in the latter half of the eighteenth century with the occupation of Phu Xuan (Hue) (1775–86) by the Trinh, then would flourish again in the united Viet Nam under Quang Trung, better known as Nguyen Hue (reigned 1788–1792).<sup>14</sup>

When European traders entered Dang Trong, they added another dimension to an already rich and vibrant landscape. In 1513, Tome Pires, a factor of the Portuguese trading fleet in Malacca, wrote the first European account of Champa and Cochinchina; he lists traders from both places visiting Malacca.<sup>15</sup> The earliest reported Portuguese visit to the Champa-Dai Viet coast came by chance when Fernao Peres de Andrade, sailing from Malacca with a fleet of gunboats, was caught in a storm and sought shelter and fresh water off the coast of Champa. The first official contact, in the sense that the Portuguese king sent an order to follow up reports of abundant trade in “Cochinchina Bay,” came in 1523 with Duarte Coelho’s brief visit.<sup>16</sup> The point farthest north touched by the Portuguese was Nam Dinh in the Red River delta, but because of the turbulent state of Dai Viet, with ongoing conflict between the Le, Trinh, and Mac, contact of any substance was highly unlikely. All subsequent contacts up until 1626 led to