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Decay or defeat ? : an inquiry into the Portuguese decline in Asia 1580-1645

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CHAPTER I

THE PORTUGUESE EMPIRE

The boundaries

Until well into the seventeenth century, as far as the Iberians were concerned, the way the world was divided and the role they were to play therein as champions of the church was clear-cut and straightforward. Already in the fifteenth century the rights of the Portuguese monarchs on the *portus, insulas, terras et maria* still to be conquered had been confirmed by Papal edicts. They bestowed the privilege to intrude into the countries of the Saracenes and heathens, to take them prisoner, take all their possessions and reduce them to eternal slavery. Derived from this right of conquest were the rights of legislation, jurisdiction and tribute and the monopolies of navigation, trade and fishing. Besides, the kings were allowed to build churches, cloisters and other holy places and to send clergy and other volunteers, to spread the true religion, to receive confessions and to give absolutions. Excommunication or interdiction were the penalties for Christians who violated these royal monopolies.¹

As the Castilians were just as keen on the collection of slaves and gold and the overseas expansion of the mission, a clash of interests was inevitable.² In 1479, the Castilians used the opportunity of king Afonso V's defeat, after he attempted to acquire the Castilian throne, to establish their rights on the Canary islands. In exchange the Portuguese kept their rights on Madeira, the Azores, the Cape Verdian islands, on 'the land and seas of Guinea' and 'along the Southern coast until the Indies'.³

When the Castilians discovered their 'Indies' in 1492 the controversy raised its head again, but two years later the Tordesillas agreement⁴ resolved the problems around the Atlantic. With consent of Pope Alexander VIII, the Castilian and Portuguese spheres of interest were divided by drawing a line from pole to pole, 370 *léguas* west of the Cape Verdian islands. Apart from the fact that the Portuguese *léguas* and Spanish *leguas* were slightly different⁵ and that the negotiators had forgotten to define which of the islands would serve as a starting point for the measurement, it was at that time also technically not possible to establish the correct position of the demarcation. A first expedition to attempt a measurement took place in 1512.⁶

In the meantime, in 1500, Cabral had set foot in Brazil, where a few months earlier Castilians had landed and had formally taken

¹Papal bulls *Romanus pontifex* of Nicolas V (1455) and *Inter cetera* of Calixtus III (1456) [F.G. Davenport, *European treaties bearing on the history of the United States and its dependencies to 1648* (Washington D.C. 1917) 9-26].

²João Martins da Silva Marques, *Descobrimentos Portugueses* (Lisbon 1988) Vol. III no. 121, 161-163, no. 377, 630-631, nos. 379 and 380, 633-635.

³Treaty of Alcáçovas, see Da Silva Marques 1988: Vol. III, nos. 142 and 143, 181-211.

⁴Da Silva Marques 1988: Vol. III nos. 291-293, 430-446; no. 295, 453-455; no. 298, 457-458.

⁵The Portuguese *légua* = 5920 meters, the Spanish *legua* = 5572 meters.

⁶Davenport 1917: 101.

possession of their new discovery. Shortly after he had received the news, the Portuguese king Manuel sent new expeditions which confirmed the vast extent of the coast line. In 1506, just to make sure, he requested and obtained a reconfirmation of the treaty of Tordesillas by Pope Julius II.⁷

In modern geographic terms the demarcation line would have been at 47 degrees west of Greenwich, near present-day São Paulo. This gave the Portuguese, without a shadow of a doubt, the right to establish themselves along the whole coast of Brazil.

Far more complicated became the situation on the other side of the globe, where the Portuguese empire was allowed to reach to 133 degrees east of Greenwich. Consequently, from an Iberian point of view, in South East Asia, the Philippines and the Moluccan spice islands should have been within the Portuguese sphere instead of in the Spanish one. The Portuguese, who conquered Goa in 1510 and Malacca in 1511, were already in 1512 fully aware of this problem. Rumor had it that the Moluccas and maybe even Malacca, lay within the Spanish demarcation. Just to reassure themselves, the Portuguese convinced the Pope to issue an edict that gave them the right to conquer eastern lands from the infidels, even if these lands were situated more than half-way around the globe.⁸ To support the Castilian and Portuguese legal positions, the cartographers at home used the maps and descriptions made by the pilots but not surprisingly, the end result was, at least on paper, a smaller world. In 1598 the famous cartographer Plancius reached the conclusion that the distances on the Portuguese maps of the areas around Malacca appeared shorter than they really were.⁹

To the dismay of the Portuguese, it was Magalhães, after he had walked over to the Castilian side, who was the first to 'discover' the Philippines and who in 1521 set foot on the Moluccas where the local princes declared themselves vassals of the king of Spain.¹⁰ This time nobody thought of asking the pope for advice, but in 1529, with the treaty of Saragossa, Charles V sold his rights in the Moluccas to the king of Portugal for 350,000 ducats¹¹ and a demarcation line was established 17 degrees east of the Moluccas. In 1605, when the Dutch took over, they occupied the fort of Amboina but left the natives of the North Moluccan islands of Tidore, Makian and the Portuguese part of Ternate on their own. The next year the Castilians filled this European power vacuum again and stayed there until 1663.¹² As will be shown later,¹³ this rather small Spanish presence became one of the major arguments for the Dutch *Verenigde Oostindische*

⁷*Bull Ea Quae*. Davenport 1917: 107-109.

⁸*Bull Praecelsae Devotionis*. Davenport 1917: 112-113.

⁹In 1598 Plancius commented that the Portuguese made the distances south and east of Malacca smaller than they were, so that Banda, Moluco, Gilolo and Japan would appear to be in their hemisphere. [G.P. Rouffaer, J.W. IJzerman, *De Eerste schipvaart der Nederlanders naar Oost-Indië onder Cornelis de Houtman 1595-1597* (The Hague 1915) Vol. I, 223-225.]

¹⁰It is noteworthy that the value of the spices on board of the only ship that finally returned to Europe made the whole expedition around the world profitable!

¹¹Equivalent to 1.2 tons of silver.

¹²D.A. Sloos, *De Nederlanders in de Filippijnse wateren vóór 1626* (Amsterdam 1898) 13-17, R. Laarhoven, *Triumph of Moro diplomacy. The Maguindanao sultanate in the 17th century* (Quezon 1989) 15.

¹³See chapter 7.

Compagnie (VOC) to obtain the necessary funds from the States-General to build up a strong fleet in the East Indies.

The Philippines remained in Castilian hands and Manila was to become the Spanish gateway for the imports from China and Japan and for the export of South American silver to Asia, but the possession of these islands remained a bone of contention between the Spanish and Portuguese until 1750.¹⁴

Following the same Iberian reasoning, the Portuguese establishment in Nagasaki, where they appeared first in 1543, was justified, but the major part of the island of Honshu was territory where the Castilian missionaries should have entry. In the course of time this situation led to a competitive struggle between the Portuguese Jesuits and the Castilian Franciscans, which, as Charles Boxer wrote, was to become 'one of the prime causes of the ruin of their missions'.¹⁵

The establishment of the boundaries of their almost worldwide empire had of course to be confirmed by the emigration of Portuguese from their homeland, a process that went on for centuries. The obvious questions are: how many people went, where did they go and why, and what, in the end, was in it for Portugal? For the period under consideration, the answers will be given hereafter, in that sequence.

The demography

A few years ago Engerman and Das Neves summarized the numbers presently available on the Portuguese living overseas.¹⁶ These figures will be used to answer the first two questions, with some remarks that may be appropriate.

In the first place, the notion of 'a Portuguese' in the historical demography is not very well defined. Very few Portuguese women emigrated to Asia and most of the men staying there married native women. If their marriage was recognized by the church their children would have Portuguese names and be baptized. For the Portuguese at that time it was socially important to distinguish between the offspring from 'pure' Portuguese, the *castiços*, and from mixed marriages, the *mestiços* in Asia or the *mamelucos* in Brazil.¹⁷ For the historian it is now almost impossible to trace those differences. One can therefore only assume that the people who used the Portuguese language in their daily life or were members of the church, were counted as Portuguese.

By the end of the 16th century, the total population of Portugal was about 1.4 million, with 120,000 people living in Lisbon. The next largest city was Oporto with not more than 14,000 inhabitants. Notwithstanding an emigration of 5,000 to 6,000 people per year

¹⁴Davenport 1917: 170-171.

¹⁵C.R. Boxer, *The Christian Century in Japan 1549-1650* (Berkeley and Los Angeles 1967) 160-171, 231-247.

¹⁶Stanley L. Engerman, João César das Neves, 'The bricks of an Empire 1415-1999: 585 years of Portuguese emigration' in *The journal of European Economic History* 26 (1997) 471-510. Their data for the end of the 16th century and earlier are largely taken from Vitorino Magalhães Godinho, 'Sociedade Portuguesa' in J. Serrão (ed.) *Dicionário de História de Portugal* (Porto 1981) Vol. VI, 20-50.

¹⁷C.R. Boxer, *Salvador de Sá and the struggle for Brazil and Angola 1602-1686* (London 1952) 23. The *mamelucos* were the mixed luso-indian offspring of the South Brazilian slave raiders.

during 1580-1640 and 2,000 during 1640-1700, the Portuguese population grew relatively faster than that of e.g. Spain or France.¹⁸ The year 1620 was apparently a top year for emigration with 8,000 Portuguese leaving the country.¹⁹ The Portuguese emigrants came mainly from Minho, Douro, Lisbon and in a later stage from Madeira and the Azores.

Madeira counted at the end of the 16th century about 30,000 Portuguese speaking people, of whom 3,000 were slaves. Their main occupation was the culture of sugar cane and refining. The sugar trade was in the hands of Portuguese, Flemish and Italians and around 1580 was still at its zenith. By the end of the 17th century Madeira would have 50,000 inhabitants, but Brazil had then completely taken over its prime role in the production of sugar.

The Azores offered a very modest living to a surprising number of more than 50,000 Portuguese. Agriculture (wheat) was the main source of income. Besides, the islands were used as a refreshment station for the East India fleet and for the voyages to and from Brazil and from the coast of Guinea. As a result, the Azores were one of the nodes in the worldtrade network, where sugar could be exchanged against products from the East or slaves from West Africa, which thus bypassed the control and taxation by the Portuguese *alfândega*. By the end of the 17th century all the islands together had about 90,000 inhabitants. They were then already a main source of emigrants to destinations like Brazil and the Spanish Americas.

The number of Portuguese-speaking in Cabo Verde and Guinea amounted probably to something like 10-15,000, with the annotation that most of the one hundred 'white' Portuguese were descendants of the original Portuguese slave traders. Their main occupation was still in that same business and in the official or unofficial trade of gold.

On the African islands of S.Tomé and Príncipe there were 8,000-9,000 Portuguese, including the 'pacified' or Christianized blacks. The two islands were also important producers of sugar and refreshment stations for the slaves from Congo and Angola. In S. Paulo de Luanda in Angola there were a little more than 700 Portuguese. Its development was closely related to that of Brazil. In the 1660's the whole of Angola would have counted only 326 'white households' (whatever that may mean).²⁰

In 1583-1584 Brazil already had more than 20,000 Portuguese living there. The cutting and transport of brazil wood was well on its way and the first *engenhos* had begun their operation in the 1540's. Both activities became real growth industries after 1580, when more and more African slaves were introduced. Already by the

¹⁸In the 16th century Portugal had 1.4, the Spanish countries 7, France 14 and England 3 million inhabitants. In the 18th century the Portuguese population had stabilized at 2.1 million, whereas Spain had 7½ - 8, France 19 and England 6 million people. According to Magalhães Godinho the Portuguese population growth was enhanced by the sugar, the salt of Setúbal, the *revolução do milho maiz* and the *bacalhau*. [Magalhães Godinho 1981: 20-26, 28].

¹⁹Magalhães Godinho 1981: 27. Engerman, *Das Neves*:1997, 485 quote 5,000-8,000 in the years 1620-1640. For comparison: from Spain, with a population of 7 million, less than 1,000 people left every year. [C.R. Boxer, *The Portuguese Seaborne Empire 1415-1825* (London 1969) 66].

²⁰A.J.R. Russell-Wood, *The Portuguese Empire, 1415-1808. A world on the move* (Baltimore/London 1998). Again, this would be a matter of definition.

end of the 16th century Brazil began to replace Madeira on the sugar-market. In 1600 there were 30,000 Portuguese and 120,000 Indians, *mestiços* and slaves and in 1612 the number of Portuguese settlers had increased to 50,000²¹ with the same number of slaves. By the end of the 17th century the population was estimated at 500,000, of which 1/5 came from Portugal,²² and each year 2,000 new immigrants joined them.²³

Compared to the figures quoted above, the total number of Portuguese in the Orient was relatively small. From Hormuz to Macao there were about 16,000, of which 10,000 male adults. By the end of the 17th century there were not much more than 12,000.²⁴

This demonstrates quite clearly that most of the Portuguese emigrants were attracted by the possibility to become settlers, to acquire land and to earn a living in agriculture, production, or other related activities, as was the case in the Azores, Madeira, S. Tomé, Príncipe and Brazil. The Portuguese who went to the East were far less in number and most of them went there as servants of the king, as soldiers and officials. Their ultimate purpose was to get rich and return home quickly. Many of them turned into merchants or escaped the royal regime altogether in the monasteries or far away, where the *Estado* had no control.²⁵

The numbers disarm the theory that the loss of the Asian empire was due to an outspoken preference of the Habsburgs for South America. The social and economic structure of Portuguese society was one of the most important circumstantial factors in the Portuguese expansion, its later development and decline. Maybe not the Portuguese monarchy, but certainly the Portuguese themselves had already made that choice before 1580.

The reasons are quite obvious: the East India carracks took six to nine months to get to Goa and often arrived there with the loss of half their passengers and crew. Normally, only soldiers and single men embarked for India. Going West, the voyage to Brazil took only a few weeks and was made in smaller and less crowded ships, so that the mortality rate was low and allowed whole families and single women to emigrate. Many of these families came from the overpopulated islands of Madeira and the Azores and from Viana do Castelo and Aveiro in northern Portugal.²⁶ As far as the merchant traders were concerned, apart from the shorter distance to Europe, Brazil had another advantage: until the 1570s the trade with India had been a monopoly of the king, whereafter it was contracted out; the slave trade from Africa had always been under contract, but Brazil was open to all Portuguese subjects, provided they paid the duties.²⁷

²¹Magalhães Godinho 1981: 28.

²²Engerman 1997: 493.

²³Russell-Wood 1998: 61.

²⁴Magalhães Godinho 1981: 29.

²⁵See also George D. Winus, 'The "Shadow Empire" of Goa in the Bay of Bengal' in *Itinerario* 7 (1983-2) 83-101.

²⁶Boxer 1952: 16, Sanjay Subrahmanyam, *The Portuguese empire in Asia 1500-1700. A political and economic history* ((Harlow 1993) 52-53. According to António M. Hespanha, Fernando Jesús Bouza Alvarez (transl.), *Vísperas del Leviatán. Instituciones y poder político (Portugal, siglo XVII)* (Madrid 1989) 121-125 these were also the areas with the lowest per capita sales tax revenues.

²⁷Frédéric Mauro, *Le Portugal, le Brésil et l'Atlantique au XVIIe siècle (1570-1670)*.

The Portuguese ideology

For the next question to be answered: why did they go? a distinction should be made between the Portuguese *élite*, the merchants and other members of the 'middle classes' and, what no doubt was the majority, the unemployed, the 'rascals and vagabonds'.²⁸ Each of these groups had its own common motives which will be discussed in more detail under this and the next two headings.

In the first place, just as would be the case with the Dutch later on, in Portuguese thinking they had more right than other Europeans to travel and trade in 'their' hemisphere. The worldly and ecclesiastic powers had been divided over two halves of the globe and for the Castilians and the Portuguese until the 1630s there was hardly any reason to doubt that this was the way God, or at least the Pope, had intended it to be.

As late as 1625, in his reaction against the anonymous edition of *Mare Liberum* by Grotius,²⁹ brother Serafim de Freitas explained the Portuguese rights of navigation and trade along the following lines. The existence of the Indies had already been known from antiquity, and therefore, they were not a new discovery. But it had been the Portuguese who had come for the first time from the West over the big ocean from *arctico* to *antarctico* and for that reason the Pope had given them the right of navigation and trade on this route.³⁰

This did not mean that he had given them the monopoly: his main objective was the Christianization of the Indies, whereas navigation and trade were only worldly matters. However for the mission in hand, ships, money, people and weapons were required for their own maintenance and therefore the Pope's 'envoys' had been given the rights of navigation and trade, whereas at the same time, to avoid confusion, he had prohibited others from involvement in these matters. In the Indies only the eastern princes could give foreigners the right to navigate, trade or settle. The Portuguese had been admitted via treaties of friendship and taking away these rights would require well-founded reasons. On the other hand the princes had the right, without giving any reason, of refusing admittance to newcomers. Therefore, the Portuguese wars in the Indies were justified: the newcomers were trying to oust them by cheating, dirty tricks and threats, and the Portuguese could not but revenge themselves for the offences, the treason and the plundering they had suffered.³¹

Etude économique (Paris 1983) 507.

²⁸Vitório Magalhães Godinho, *Ensaio* (Lisbon 1968) Vol. II, 258-259, writing about the second half of the sixteenth century: 'frankly, the condition of the popular masses deteriorates with the instability of employment, the poverty, the begging and the wandering - we enter a world of rascals and vagabonds', also quoted by Sanjay Subrahmanyam, Luís Filipe F.R. Thomaz, 'Evolution of empire: The Portuguese in the Indian Ocean during the sixteenth century' in James D. Tracy (ed.) *The political economy of merchant empires. State power and world trade 1350-1750* (Cambridge 1991) 298-331.

²⁹Frei Serafim de Freitas, Miguel Pinto de Meneres (ed.), *Do justo império asiático dos Portugueses* (Lisbon 1983) 2 vols. Volume I contains the Portuguese translation of the original Latin text in Volume II. References are made to volume I. See also chapter 7.

³⁰Summary of Freitas 1983: Chapter 3.

³¹Freitas 1983: 216-217.

The reaction of De Freitas obviously came from the seventeenth century pulpit, emphasizing Christianization as the prime objective, but also taking a stance for the business side of the Portuguese enterprise. Not much had changed over the past two hundred years if we look at the letter of *Infante Dom Henrique*, the so-called Navigator, written in 1436 to his brother Duarte, the king of Portugal. He gave his views on the purposes of life as follows: to save one's soul, to uphold the honour of oneself, one's name, lineage and nation, to enjoy the physical pleasures and finally to acquire the worldly gains that were necessary to achieve these objectives. The saving of the soul could be achieved through good works, such as building churches and alms giving, the liberation of Christians that were taken prisoner and by waging war against the infidels, where war against the 'Moors' was to be considered a matter of honour.³²

The above arguments and motives for the Portuguese expansion have been repeated by many historians. In reality, after a chivalrous start in North Africa, reminiscent of the early European crusades described by Bartlett,³³ worldly gains were the prime movers of the Portuguese expansion, sometimes in mutual support, but more often in conflict with the religious orders. Whereas the landed aristocracy and the people connected to them were left with North Africa as their playground, where they returned from time to time and were often defeated, the lower nobility and merchants, licenced by the king, took the initiative for further progress along the African coast and finally towards Asia and Brazil. They were the ones who created a considerable part of the funds that were necessary to maintain mediaeval Portuguese society as it continued to be until late in the seventeenth century.

The Portuguese ruling class

During the sixteenth and seventeenth centuries the structure of Portuguese society and administration were very similar to that in Henrique's time. As almost everywhere else, the upper echelon of Portuguese society was a network of personal relations, of the *patronus* with his *clientes*, formalized by the ceremony of *homenagem*³⁴ and reinforced by favours from the king. The king, in a sociological sense, was not one person, but an institution, where various individuals and power groups, such as court nobles, confidants and confessors, as members of the *Casa del Rei*, tried to influence decisions.³⁵ They or their families, were rewarded for their support and good services with pensions and allowances or with gifts and dowries which sometimes consisted of the rights on revenues from

³²Da Silva Marques 1988: Vol.I no 287, 360-363.

³³Robert Bartlett, *The making of Europe. Conquest, colonization and cultural change 950-1350* (Harmondsworth 1994).

³⁴The ceremony of *homenagem*, the promise of chivalrous fidelity and subservience, was taken very seriously. In 1609 a special arrangement had to be made because an earlier departure of the *Carreira* fleet from Portugal made it impossible for the captains and other officials to make *homenagem* in the hands of the viceroy of Portugal. The viceroy of India was therefore requested to give them this opportunity after their arrival, on presentation of their letters, 'as if they had done it in the hands of the king himself'. [DR: III, 102.]

³⁵António Manuel Hespanha, *História das Instituições. Epocas medieval e moderna* (Coimbra 1982) 303-304.

land and towns and appointments (sometimes for life and including descendants) but more frequently of knighthoods or memberships of the military orders.

The Portuguese kings had always been lavish spenders and even the father of Henrique, João I of Avis, who reigned from 1385 to 1433, was already struggling with the problem of how to pay for the weaponry and expensive textiles which he needed to keep his *clientes* happy, whilst the Portuguese produce, such as salt, wine, olive oil and fruit, met with competition from Spain or France. After the secrets of the West African gold trade had been discovered, however, the members of the upper class had become real 'conspicuous consumers',³⁶ spending a large part of their money on the imports from Flanders, in exchange for the gold from Africa.³⁷

It is from the same king's 'inner circle' that the viceroys, governors and captains were chosen to govern the overseas administrations and fortresses. On the one hand he needed people whom he could trust, on the other hand they were the people who merited a financial award. As will be shown later, their own motives were also mixed: either making a career with the emoluments belonging to it, or making a quick profit for which their positions offered them plenty of opportunities.

The rewards from overseas assignments were obviously not sufficient to keep the whole nobility happy and during the sixteenth century the costs of the royal 'obligations' grew steadily: in the years 1522-1543 the total expenditure on e.g. the so-called *casamentos* amounted to 1,555,000 *cruzados* (an annual average equivalent to 2.1 tons of silver) and in the years 1580-1588 (see appendix 1.1 under expenditures) the Portuguese *Estado* had to spend on average more than 400 million *réis* per year (31 tons of silver) on pensions and allowances, i.e. fifty percent of the total budget. The Habsburg regime, with its seat in Madrid, put the brakes on these types of expenditure: in 1607 they were reduced to 356 million *réis* (27 tons of silver) or thirty-four percent of the revenue budget. The reduction went mainly at the expense of the *cavaleiros* and *fidalgos*,³⁸ who must have become very disappointed with the new regime: they were losing their privileges and their access to jobs.

The povo

The financiers of the Portuguese *élite* economy were the bankers, merchants, ship owners and other entrepreneurs and adventurers. In the fifteenth and early part of the sixteenth century there were many Italians amongst them, mainly Genoese and Florentines, but the larger part was certainly Portuguese. They were the executors of the Portuguese expansion: the slave traders in Africa, the *senhores de engenho* in Madeira and Brazil, the gold seekers in Mozambique, the traders of textiles, spices and sandalwood in south and southeast Asia and of gold and silver between China and Japan. They ensured the supply of luxurious merchandise, paid the duties and taxes if they could not avoid them and contributed to the donations to the

³⁶See Thorstein Veblen, *The theory of the leisure class* (New York 1979) 68-101.

³⁷Manuel Nunes Dias, *O capitalismo monárquico Português (1415-1549). Contribuição para o estudo das origens do capitalismo moderno* (Coimbra 1963) Vol. I, 575-610.

³⁸Vitório Magalhães Godinho, 'Finanças públicas e estrutura do Estado' in Joel Serrão (ed.) *Dicionário de História de Portugal* (Porto 1981) Vol.III 36, 39.

crown if a war was planned or lost. However, in the eyes of the Portuguese *élite* they still belonged to the *povo*. Once they had returned to Portugal, the acquisition of a knighthood, land or the garment of one of the religious orders was therefore often their main objective.

The word *povo* could have different meanings. In general terms, as used above, it would mean the lower classes. In the meetings of the three estates, the *cortes*, it would be the name for the representatives (*procuradores*) of a selected number of municipal councils, mainly the larger ones. The question whether there existed a Portuguese *burguesia*,³⁹ similar to the Dutch *burgerij* of the sixteenth, seventeenth and eighteenth centuries, is debatable. The Dutch urban middle class, besides their normal business, took an active part in the administration of the towns, guilds and other social organisations, whilst some of them became powerful representatives in the States-General. This link was of a mutual benefit and explains the interwoven interests of 'state' and commerce in the Netherlands.

Such was not the case in Portugal. Already in the 14th century the important positions of the larger cities, like that of *vereador* (judge), *procurador* and council member, which was a position for life, were in the hands of the local nobility, and required confirmation by the king. In a later stage new candidates for the councils were shortlisted and elected or co-opted by the sitting council members and the king's approval became almost automatic. Before 1580 the relationship between the king and the three estates would be reinforced in the *cortes*, which took place from time to time and which could be attended by invitation of the king. The *cortes* would acclaim a new king and, during his reign, agree on the lump-sums of money (*pedidos*) or other forms of support which he might require for extra-ordinary expenses or his war campaigns. This in exchange for privileges, new legislation or other protective measures against developments that threatened the position of the estates. The Habsburgs kings insisted on being fully involved again in the selection and approval of the candidates for the municipal councils,⁴⁰ but during their reign the *cortes* only met twice: in 1581 and 1619. As will be shown in chapter 2, this would have its consequences in 1640.

The *povo* also included what are now called the 'middle class' people: medical doctors, merchants and shopkeepers, bankers, money lenders, tax collectors and last but not least, the artisans. It was in these activities that many New Christians earned a living. They were the descendants of Jewish people who at the end of the 15th century, in order to be allowed to stay in Portugal, had converted to Christianity. In Portugal, at the end of the 17th century, they were still distinguished from the 'Old Christians' as *cristãos novos* or *gente da nação* and they were looked upon with great distrust. From the time of their conversion the 'Old Christians' in the municipalities, but also the clergy, continued to object against them taking up official positions in the administration or the courts of justice. The above professions were their way out and they were often very

³⁹Frédéric Mauro, 'La bourgeoisie portugaise au XVIIe siècle' in *XVIIe siècle* 40 (1958) 235-257.

⁴⁰Hespanha 1982: 246-249, 256-257, António M. Hespanha, Fernando Jesús Bouza Alvarez (transl.), *Vísperas del Leviatán. Instituciones y poder político (Portugal, siglo XVII)* (Madrid 1989) 282-297.

successful.

Still, one would never know whether they were convinced Catholics, so-called Catholics, convinced Jews, so-called Jews or just people who were in doubt.⁴¹ Because of this, any attempt to estimate their total number must be regarded with scepticism. As far as the merchants were concerned, according to the latest studies, of the two hundred merchants in Lisbon, at any one time, perhaps two thirds were New Christian. David Grant Smith's genealogical studies have shown that in the period 1620-1690 many of the Portuguese merchants were 'Old Christian' and that some of them belonged to that part of the nobility that had even proven its purity of blood to the Inquisition.⁴²

Cardinal Dom Henrique, the *rei inquisitador*, represented the ideas of the 'Old Christians' better than anybody else.⁴³ Due to his efforts, the Portuguese Inquisition, which had started its work in 1536 with the approval of João III, became sufficiently effective to take action against suspects of heresy and the New Christians formed an easy and attractive target.⁴⁴ Suspected persons were brought to the attention of the Inquisition by anonymous denunciations,⁴⁵ and suspicion was enough to give them the right to confiscate capital and properties of the accused. Obviously, those who felt threatened by possible denunciation by their neighbours, relatives or enemies, attempted to escape from Portugal,⁴⁶ and sought their fortune somewhere else in the empire, or in the market places of Europe: Antwerp, Rouen, La Rochelle, Amsterdam and Hamburg.

The prosecution of the Jews or New Christians became one of the collateral forces behind the Portuguese expansion. The unification of the two crowns in 1580 was a great opportunity for the Portuguese businessmen, whether they were Old Christian, New Christian or Jewish. Here, the Jews or New Christians had however an advantage: their common experiences and endogamous family relationships were important factors in creating the kind of mutual trust that was essential for building up an almost worldwide international network of trade and finance.

The royal monopolies

For the Portuguese royal treasury, besides taxes and duties, the royal monopolies became a significant source of income. Monopolies

⁴¹Hans Pohl, *Die Portugiesen in Antwerpen (1567-1648). Zur Geschichte einer Minderkeit* (Wiebaden 1977) 23-28. A similar situation existed in 15th century Spain [Henry Kamen, *The Spanish Inquisition. An historical revision* (London 1998) 38-39].

⁴²Stuart B. Schwartz, 'The voyage of the vassals: royal power, noble obligations and merchant capital before the Portuguese Restoration of Independence, 1624-1640' in *The American Historical Review* 96 (1991) 754. David Grant Smith, 'Old christian merchants and the foundation of the Brazil Company, 1649' in *The Hispanic American Historical Review* 54 (1974) 233-259. For a more extensive discussion of literature on this subject see Maurits A. Ebben, *Zilver, brood en kogels voor de koning. Kredietverlening door Portugese bankiers aan de Spaanse kroon 1621-1665* (Leiden 1996) 110-111.

⁴³J. Lucio d'Azevedo, *História dos christãos novos Portugueses* (Lisbon 1921) 132.

⁴⁴Jonathan I. Israel, *European Jewry in the age of mercantilism 1550-1750* (Oxford 1989) 24.

⁴⁵António Baião, 'A inquisição em Portugal e no Brasil' in *Arquivo Histórico Português* 4-10 (1906-1910, 1914, 1916).

⁴⁶Henry Kamen, *Philip of Spain* (New Haven/London 1998) 175-176.

could be given away or contracted out in exchange for 'services' or a lump-sum, in- or excluding the duties or taxes to be paid. The man who acquired the use of such a monopoly could make the effort himself to earn his money back, or in turn, allow a limited number of people to make use of the monopoly in exchange for a percentage of the value of the products or the merchandise.

This method of earning money without making a real effort was already practiced by *Infante Dom Henrique*, who received from his father, and after his death from his brother Duarte, monopolies for bi-annual markets in Tomar, fishing on the river Tejo, the manufacture and sales of soap, tunny fishing in the Algarve, privateering along the West coast of Africa and the revenues from Madeira.⁴⁷ He was very keen on defending his rights on the first four privileges, but he allowed quite a number of his *clientes* to use the privateering monopoly to catch slaves, from which he would select his *quinto*. Two of his *clientes* received *capitanias* of Madeira for themselves and their firstborn descendants, for ever, which gave them 10% of the total revenues and the exclusive rights on the use of the mills and the bread ovens and on the sales of salt.⁴⁸

Affonso V took the monopolies on the gold trade of Arguim, and the trade in pepper, precious stones, civet cats, ivory and unicorns (*sic*) in West Africa.⁴⁹ His son João II obtained the monopoly of fishing and trade along the African coast, which he quickly contracted out again, and that of the gold trade in La Mina which he kept for himself.⁵⁰ After the 'discovery' of India the Portuguese monarchs reserved for themselves the monopolies of certain royal voyages and of the trade in pepper and spices.

Defending these monopolies at the source of supply could be a costly affair. In Asia treaties and contracts with local kings or princes could often only be concluded in exchange for Portuguese military assistance against other claimants to their position, but sometimes force had to be used to remind the local princes of their obligations. In Congo, Christianization of the local king and his sons was a convenient inroad into the slave trade. In Angola and Brazil it was left to the contractors to defend the monopolies they had bought from the king. Because it was impossible to keep control of everything, the king's monopolies could easily be undermined by his own factor or by the officials of the *Estado*.

In Europe the royal monopolies were threatened by changes in the economic or financial structures in the marketplace. A case in point was the trading activities of king Manuel who, through his factor, in exchange for his gold from Arguim and La Mina, bought Flemish textiles and German silver and brassware in Antwerp. The silver was used in the pepper trade in India. The brass chamberpots, shaving-bowls and bracelets and the textiles were exchanged against gold in São Jorge da Mina and slaves from Congo and Angola, who in turn could also be exchanged for gold. The private trade in slaves was obviously already a weak point in his gold monopoly, but in 1549 João III had to close the royal factory of Antwerp because

⁴⁷António Joaquim Dias Dinis (ed.) *Monumenta Henricina* (Coimbra 1960-1973) Vol.II 385-387; Vol.III 1-2, 12-14; Vol.IV 263-265, 271-272. *Da Silva Marques* 1988: Vol.I nos. 255 and 256, 271-272; Supplement Vol.I no. 759, 485.

⁴⁸*Da Silva Marques* 1988: Vol.I no.318, 403-405 and no. 385, 483-485.

⁴⁹*Da Silva Marques* 1988: Vol.III no. 60, 85.

⁵⁰*Da Silva Marques* 1988: Vol.III no. 115, 155-156.

the German silver was replaced by the silver from Spain, which followed a different route. As a consequence, the distribution of pepper and spices in northwestern Europe became a private enterprise and twenty years later the acquisition and transport of these products were also contracted out, just as were most of the other monopolies.

Originally the duties on the overseas merchandise were preferably levied in Lisbon, rather than overseas and even the collection of the duties for the production of sugar in Brazil was farmed out in Lisbon. Direct transport of products from the country of acquisition to the final destination was prohibited. Officially, sugar from Madeira or Brazil, the slaves from São Tomé or Angola or the pepper, spices and textiles from Asia had to be brought to Lisbon first, before they could proceed to northwestern Europe, the Mediterranean, other Portuguese settlements or the Spanish Americas. However, although the penalties were high, the chances of being caught were small. In the seventeenth century products from the Indies could easily be off-loaded in Luanda or the Azores, to be shipped together with the slaves, directly to Brazil, Rio de la Plata and the Spanish West Indies in exchange for silver and, in the Far East, it was quite normal to see Spanish ships in Macao or Portuguese ships in the Philippines.

The Portuguese treasury

Until 1580 it was almost impossible to distinguish between the Portuguese royal treasury and that of the *Estado*. Revenues were collected in name of the king and his *casamentos* were paid out of the same 'box' as the public expenses.⁵¹ The income required to cover these costs came from inland taxes, import and other special duties and the sales of 'colonial' products and the monopolies described above.

It has often been suggested that the Portuguese monarchs, or at least some of them, were entrepreneurs. In fact, more often they were keen tax collectors. Reading the Portuguese administrative documents one cannot be but impressed by the sheer obsession with which the royal rights on the *dízima*, the *quinto* and in particular the *sisá*⁵² were defended. Their collection was indeed no easy task and difficult to control. To obtain quicker access to these sources of income it was far more convenient to farm their collection out or to use them as a security against a lump sum loan. In many locations the cumbersome collection of the *sisá* was replaced by a mutually agreed annual payment.⁵³ In Lisbon, Setúbal and Algarve the *sisá* on the first sale of imported goods was added to the *dízima*. As

⁵¹Magalhães Godinho 1981: 35-36.

⁵²The *dízima* was the 10% duty on imports and exports of merchandise within Europe, the *quinto* the 20% import duty on booty from privateering and other merchandise acquired overseas. Some of the monarchs were quite prepared to give these rights away or to lower them in exchange for 'services', but were very keen on the *sisá*, an inland sales tax of 10% to be paid for certain merchandise. There were many other taxes and duties levied on commercial activities and they varied from time to time. The private merchants of the *Carreira da Índia* paid 30% *ad valorem* on the import and export of their merchandise from the Indies. [Francisco de Salles Lencastre, *Tratado das alfândegas em Portugal* (Lisbon 1886) Vol.I 139].

⁵³The policy on these *encabezamientos* changed frequently and differed from place to place [Hespanha 1989: 104, 106].

a result the tax and duties paid on imported goods amounted to twenty percent.⁵⁴ In 1593, on request of the merchants, the *consulado* was introduced, an additional three percent on the value of the merchandise entering or leaving the ports, in order to pay for the protection of the Portuguese shipping near the coast.⁵⁵

As from 1580, when the Habsburgs took over, a sharp distinction should be made between the treasury of the Spanish crown and that of the Portuguese *Estado* and its institutions. They did not work like two communicating vessels, there was no substantial transfer of money between them and Portugal kept its own coinage.

An analysis of the Portuguese royal revenues and some of the expenditures, for the years 1580-1588 and 1607, produced by Magalhães Godinho,⁵⁶ has been summarized in appendix 1.1. The inland revenues remained more or less constant, most probably because very little was done to adapt the *encabezamientos* and the tax farming contracts to the rising expenditures.⁵⁷ The total revenues of the *Estado* increased however by twenty-seven percent. Besides a new tax on salt, this was mainly due to the fees that were received for the collection of the *consulado* levied on the maritime trade and a higher income from the private trade of the *Carreira da Índia*. The relative growth of the Atlantic empire will be discussed in more detail hereafter, whereas the *Carreira da Índia* will be discussed in chapter 3.

Apparently, the rise in revenues from taxes, duties and overseas monopolies was not sufficient to cover the increasing costs and the gap was financed in the easiest way: *juros* (see appendix 1.1).

Nevertheless, according to Mauro, in contrast with Spain, until 1640 'Portugal enjoyed almost total monetary stability and the quantities of gold and silver that arrived in the *Casa da Moeda* may precisely reflect economic life'.⁵⁸ His data show, albeit with ups and downs, a rise in the quantities of bullion brought to the mint from 1600 to 1618, with a tremendous dip in 1621 and 1622, from there a recovery to record heights in 1627 and 1628, to dive very deeply into another trough in the 1630s.⁵⁹ It is indeed remarkable how his data coincide with the events that will be discussed in the forthcoming chapters.

Imperialism as a business

The nature of the Portuguese Asian empire differed considerably from the settler areas where the economy and trade depended on newly developed mining or agriculture. In Asia Portuguese possession of land for agricultural purposes was rare and in particular Goa and Malacca were dependent on the food supplies shipped in from elsewhere. Right from the beginning, to acquire food and merchandise, the Portuguese followed the existing patterns of the Asian trade. They

⁵⁴ Hespanha 1989: 108.

⁵⁵ Hespanha 1989: 107.

⁵⁶ Godinho's data do not take into account the costs born by the *Casa da Índia* and it is not always clear which of his numbers are 'actuals' or estimates by the treasury or by himself.

⁵⁷ Hespanha 1989: 114 creates the impression that in a period of twenty years it was almost impossible to increase the fees.

⁵⁸ Mauro 1983: 483, CIX. During 1641 the value of the *real* was reduced by 17%, in 1643 by another 15%.

⁵⁹ Mauro 1983: 503, 607.

exchanged the same products, followed the same routes and used the same ports as the local traders.⁶⁰

Continuation of these supplies could only be guaranteed as long as the *Estado da Índia* could maintain a maritime monopoly of power on the Asian seas whereas at the same time it offered protection to the native merchant ships, which had to pay for that protection via the *cartaz* system.⁶¹

The formal culture of the military and the officials of the *Estado* was particularly represented around the western part of the Indian ocean. The Portuguese towns and settlements in East Africa, the Middle East and along the West coast of India formed a chain of fortifications which served as points of support for the fleet and for contacts with the local economies in order to buy merchandise and food and to collect the taxes and duties. In the East only Malacca and the Moluccas had fortifications, where those on the Moluccas were mainly directed against the Spanish.⁶² Until the 1630s Macao was even an open town, without walls and without means of defence;⁶³ its population was mainly involved in mission and trade.

The costs of maintaining an official presence in Asia were high and could easily become a financial liability. As will be discussed in chapter 4, these costs had to be covered with the revenues of the *Estado da Índia*, which consisted of the income from the *cartazes*, the import and export duties from the inter-Asia trade and sometimes by the import of silver from Europe.

On the other hand, the treasury in Portugal received the royal benefits from the *Carreira da Índia*, the gold of São Jorge da Mina, the slaves from Angola and Cabo Verde, the sugar from Madeira and São Tomé, the wheat from the Azores and the wood and sugar from Brazil.

Appendix 1.2 illustrates the relative importance and trends of these revenues during the first thirty years of Habsburg rule.

⁶⁰L.F.F.R. Thomaz, 'Les Portugais dans les mers de l'Archipel au XVI^e siècle' in *Archipel* 18 (1979) 105-125. From early on, the Asiatic trade was based on the exchange of vegetable products from equatorial and tropical Asia against manufactures and minerals from the more temperate zones. From the Moluccas came the spices, from Sumatra and Southern India pepper, from Western India and Bengal the cotton textiles, from Japan silver, copper and rice and from China the 'manufactures' such as porcelain, silk materials, lacquered ware and woodwork, furniture, musk oil, jewelry and gold. Because of the limited seaworthiness and manoeuvrability of the ships and the seasonality of the monsoons, it was not always possible to cover the long distances between producers and consumers in one single voyage. As a consequence, there were many locations that served as a get together and staple-market where the seafaring merchants could exchange their merchandise and where the ships could wait until the monsoon allowed them to undertake their return voyage.

⁶¹*Cartazes* were passes, in particular issued in the Portuguese fortresses of Bassein, Daman and Diu (Gujarat), which offered safe-conduct against attacks by Portuguese ships. J.F.J. Biker, *Coleção de tratados e concertos de pazes que o Estado da Índia Portuguesa fez com os reis e senhores com quem teve relações nas partes de Asia e Africa oriental desde on princípio da conquista até ao fim do século XVIII* (Lisbon 1881-1887) IV, 182-189 gives a few examples from 1613. For an excellent discussion of the *cartaz* system see Luís Filipe F.R. Thomaz, 'Portuguese control over the Arabian Sea and the Bay of Bengal: a comparative study' in Om Prakash, Denys Lombard (eds.), *Commerce and culture in the Bay of Bengal, 1500-1800* (New Delhi 1999) 115-162.

⁶²Subrahmanyam 1993: 62-74.

⁶³*Década* XIII, 103-106.

It gives the average annual income from overseas activities and trade in terms of royal rights, import duties and monopolies that were contracted out, received through farming out or directly, which all ended up in the treasury of the Portuguese *Estado* during the years 1580-1588 and about twenty years later. For easy comparison they have all been converted into tons of silver per year.

In the early 1580s the *Careira da Índia* was still the most important individual source of revenue originating from the overseas business, but as will be discussed in chapter 3, the pepper trade had already started its decline. At that time, the gold supplies from Arguim had dwindled to a small drip. São Jorge da Mina made a 'come back' during the first five years of the 1580s but in the 1600s also that flow of gold diminished to almost a quarter of what it had been. The African gold was the only independent direct source of supply of bullion for the Portuguese treasury and, to buy the pepper in India, in the 1570s the *Casa da Índia* had already been obliged to engage in contracts with private merchants for the supply of pepper to Europe. The diminishing returns on the pepper trade could partly be compensated by the duties and taxes on the private merchandise brought back from India, but the costs of the fleet, born by the *Estado*, the payments on debts and the bad fleet performance became killing.

As already demonstrated by Mauro,⁶⁴ the Atlantic basin, with its Brazilian wood and sugar and the African slavetrade as a *conditio sine qua non*, took over. Its total revenue increased by one third in say, twenty years. Important here is that the take-off took place at such an early stage; earlier than Mauro has dared to conclude. The increase in tax revenues demonstrates that the high number of Portuguese that left for Brazil at the end of the sixteenth and in the first decade of the seventeenth centuries were hard workers and keen producers.

In his time, the chronicler Diogo do Couto expressed great pessimism about the welfare of the *Estado da Índia*. As far as the revenues from the pepper trade were concerned, he was certainly right.⁶⁵ In contrast, the revenues from the Brazil business very soon exceeded the expenditures on royal administration and defence⁶⁶ and sugar from Brazil was going to be the milch-cow for the Portuguese treasury.⁶⁷

For sake of comparison, the average annual quantity of royal silver from Mexico, Peru and Bolivia brought into the *Casa de Contratación* of Sevilla around 1580 has also been given in appendix 1.2. During the 1580s it almost equalled the total revenues of the Portuguese *Estado* and it was more than four times the gross revenue of the Portuguese *Casa da Índia*. The Portuguese East Indies can therefore hardly have been a first priority in the minds of the Habsburg monarchs.

Summary

The purpose of this chapter has been to give a broad outline of

⁶⁴Frédéric Mauro, *Le Portugal, le Brésil et l'Atlantique au XVII^e siècle (1570-1670)* (Paris 1983).

⁶⁵See chapter 2, note 32.

⁶⁶Boxer 1952: 17.

⁶⁷Mauro 1983: 258-265.

the motives behind the Portuguese expansion and its limitations in terms of geography, numbers of people and royal revenues. The motivations of the crown are probably best described as a mixture of religious zeal, political ambitions, an overwhelming sensitivity for losing *reputación*, the need to keep the aristocracy satisfied in terms of honour and material rewards and a keen interest in defending the royal revenues, which were necessary to achieve those objectives.

The church and the religious orders had of course missionary motivations to maintain a presence in Asia and South America. From time to time a conflict between the Iberian brothers could not be avoided and also their commercial and financial interests should not be overlooked.

The aristocracy, limited in number, were given the higher positions in overseas officialdom. This was a continuation of medieval practices, where the vassals promised assistance and advice in exchange for a reward for previous services. Some of them made a long career in overseas' services, and saw their station changed from India to Brazil, or *vice-versa*. Many of them had their own private business on the side and used the opportunity to send their acquisitions back home on the ships of the *Carreira*.

The motivations of the Portuguese *povo* to spread itself over three continents were varied: many were exiled, others tried to escape the stagnant society and poverty of Portugal, some of them were escaping prosecution by the Inquisition and others had commercial interests. In all these situations material and social improvement were strong driving forces.

The Portuguese emigrants could choose between two directions: either West or East. Those who wanted to acquire land or to be involved in production chose in the first place the Atlantic islands. From there, or directly from Portugal, Brazil became their preferred destination. Brazil became a settlers country and in 1580 there were already 20,000 Portuguese living there, which was more than in the whole of Asia. In 1600 their number had grown to 30,000.

Those who saw their destiny in services: officialdom, the military or trade, would prefer Asia. They had no intention of staying and their main objective, fulfilled or not, was to get rich quickly, so that they could return home in a better financial or social position.

In 1580 the Portuguese royal revenues became revenues of the Portuguese *Estado* and were paid into the Portuguese treasury. They consisted of taxes, duties on imports and exports of overseas products and the income from monopolies which were contracted out. In order to avoid evasion of taxes or duties to the two Iberian treasuries, the crown was opposed to direct trade between Asia, Africa or Brazil, and in particular to that between the Spanish and Portuguese spheres of interest. In the early 1580s about fifty percent of the total Portuguese revenues were still spent on ongoing commitments in the form of pensions and allowances to the former members and officials of the former Portuguese *Casa del Rei*.

In the 1580s the Portuguese business interests in the Atlantic basin produced almost twenty percent of all Portuguese tax revenues. In the first decade of the seventeenth century its contribution to the Portuguese treasury increased by more than thirty percent, but it was still the time of take-off for the Brazilian sugar industry. In the meantime the pepper trade of the *Carreira* lost its importance.

Comparing the Portuguese and Castillian shipping routes to their Indies, in 1580 the gross revenues from the Portuguese *Carreira da India* were less than one quarter of the Spanish royal flow of silver and in 1600 it had risen to about thirty percent, as will be discussed later, due to the revenues from the private trade. Apart from underlining the relatively small size of the royal Portuguese business, these figures also suggest that, for the Habsburg crown, the defence of the Portuguese empire in Asia was never an economic or financial priority, but rather a matter of *reputación*.