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The Dutch and the Portuguese in West Africa : empire building and Atlantic system (1580-1674)

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CONCLUSION: NEW INSIGHTS ON DUTCH-PORTUGUESE RIVALRIES IN THE ATLANTIC

In the final pages of this study, we would like to place the research findings presented in the previous chapters in the context of the Dutch-Portuguese rivalries in the Atlantic World.

During the past fifty years the scholarship on Imperial and Colonial History and more recently on Atlantic History has strongly defended the thesis that the Dutch Atlantic enterprise mainly had a commercial character. The Dutch empire was based on a network of nodal points linking the key spots of their trading circuits. In contrast, the Portuguese created a territorial empire not only based on trade but also on agriculture production, especially of cash-crops to meet the consumption needs of the European markets. Land-ownership, land-exploitation and slave trade were important components of the Portuguese Atlantic. This historiography has also claimed that the arrival of the Dutch in the Southern Atlantic with superior commercial expertise and naval power was the main cause of the collapse of the Portuguese Atlantic economy in the mid-17th century. The analysis of the institutions, the people, the societies and the economies developed in the Dutch and the Portuguese possessions in West Africa will offer new insights on this subject.

The formation of these two Atlantic Empires involved a wide set of actors, such as the States, the State-sponsored companies, the entrepreneurs and businessmen, the royal servants and Company employees, the commercial agents and the settlers. Each of these groups had their own specific goals and strategies. They were determinant in the shaping and the course of events in the Dutch and the Portuguese Atlantic.

This study has shown that the Portuguese Crown and the States General both aimed to build and maintain territorial and commercial Atlantic empires in the Early Modern Period and both wished to hold a monopoly over such an empire. However, the strategies and the reasons behind the scramble for the Atlantic Empires were different.

The States General sponsored the formation of an monopolistic company for three main reasons: i) to plunder the Habsburg Empire and deprived the Spanish Crown from its major sources of income: the precious metals from the Spanish American colonies; ii) to

promote the image of a powerful young Republic, able to rebel against the Spanish rule and attack the core of the Habsburg Empire; and iii) to improve its reputation in the eyes of other European States also engaged in the political conflicts of the time.

However, this design met with great opposition by many powerful entrepreneurs and businessmen in the Republic. Since the late 16th century, these men had been engaged in the development of commercial activities between the Republic, Brazil, Venezuela, the Wild Coast and North America without any support or intervention of the States General. On the one hand, since the late 1580s, Dutch merchants as well as Flemish and Sephardim businessmen who had immigrated from Antwerp and other cities of the Southern Netherlands engaged in new trade circuits linking the Baltic, the Dutch Republic to Brazil via Portugal, Madeira or the Canary Islands. On the other hand, from the 15th century onwards, the Dutch traders acquired a key position in the redistribution of Portuguese commodities and colonial goods from the various Portuguese possessions to the Northern European consumption markets, including the Baltic, Scandinavia, the German States, the Southern Netherlands, among other regions.

The growing availability of these colonial goods in the Dutch port-cities and the increasing demand for the associated end-products in the markets mentioned earlier, together with the redistribution role of Dutch businessmen stimulated the creation of several industrial branches highly dependent on the imports of colonial goods. Therefore, a monopolist company with a military character to attack the Iberian overseas possessions where these entrepreneurs and businessmen had multiple interests was not welcome in the commercial circles.

In contrast, the commerce between the Republic and the African continent had to be initially fostered by the States General. Due to the limited knowledge of the merchants from the Republic about the West African trade until the late 16th century, the States General granted temporary fiscal exemptions to merchants and skippers conducting businesses in these trading circuits and financed the construction of fort Nassau at Mouri in 1612. However, among the merchants from the Republic involved in the West African trade, the States General also found strong opponents to the establishment of a chartered company. Many of these traders had commercial activities in the Portuguese settlements in West Africa, such as Cape Verde, São Tomé and Angola. From their point of view, a monopolistic and military company would disrupt the trade in these areas. In contrast, the traders with

business on the Gold Coast saw in the establishment of the Company as a possible solution against the attacks of the Portuguese based at the Mina, Axim and Shama fortresses.

To claim that the establishment of the WIC would be for the benefit of the commercial interests of the merchants from the Republic in various Atlantic areas, the States General and the Board of Directors of the Company promoted and financed military campaigns to achieve control over the major area of sugar production at the time. This strategy gave the WIC and the States General the argument that they were safeguarding the interests of certain industries in the Republic strictly linked to the imports of colonial goods, such as sugar refinery. At the same time, by attacking the Portuguese posts in the Gold Coast, they could argue that they were protecting the interests of the merchants operating in the West African trade.

The Portuguese Crown, on its part, claimed political jurisdiction over an extensive area of the Atlantic, as early as the 15th century, to guarantee a powerful position towards Spain. In addition, the Portuguese Crown viewed the establishment of an Atlantic Empire as an opportunity to obtain precious metals, mostly gold, and to collect fiscal revenues from the Atlantic trade. Nevertheless, until the mid-17th century, the Portuguese Crown did not invest in the establishment of a State-sponsored company with military and naval power. Rather, the Crown opted to establish monopolies over the most profitable branches of the Atlantic trade and to grant their management to private entrepreneurs and businessmen. These measures released the Crown from massive expenses with the payment of royal servants, the military defence of the overseas territories and with the naval protection of the trade circuits.

In spite of these organisational differences, the goals of the Dutch and the Portuguese States were not totally different. They simply adopted diverse strategies in the transferring of institutions and people, in the administration and maintenance of posts and settlements, the formation of colonial societies and the overall Dutch and Portuguese Atlantic economies.

The institutional frameworks transferred from the European home countries to the overseas territories played a key role in the governance of the overseas territories. In the Dutch case, the administrative, military, judicial and commercial governance of the possessions was usually in the hand of councils, and, decisions had to meet with the approval

of the different parties before being implemented. The Portuguese, on their part, transferred two distinct types of institutions with a complementary and balancing character. On the one hand, the administration, military defence, exercise of justice as well as management of the royal treasury on the local level were granted to the high royal officials directly appointed by the King and with sovereign power. In most cases the decision-making process was controlled by a single person, except in emergency situations. On the other hand, the Crown promoted the establishment of municipal councils in the various overseas urban centres. These were controlled by the local settlers and used to defend their interests against the abuses of the royal officials and sometimes also against the policies of the Crown, whenever these opposed the aims of the colonists.

Despite the clear differences between these two institutional frameworks, the two empires suffered from identical problems. In both cases, there were conflicts on a local and an international level. Locally, there were disputes between the representatives of the European States, between the employees of the State and of the State-sponsored companies, and between the aforementioned groups and the settlers. While in the Dutch case, there were mainly disagreements between the Company employees and the various councils of government and justice in the different posts and settlements, in the Portuguese case, the royal servants strongly opposed the members of the municipal councils. On an international level, there were problems regarding the relationship between these representatives overseas and the central institutions and authorities in the Republic and Portugal, such as the States General, the Board of Directors of the WIC, the Chambers of the Company or the Portuguese King and the central institutions of the Crown, like the Treasury Council, among others.

Notwithstanding the identical problems, these institutional settings had different outcomes in the Dutch and the Portuguese Atlantic. In general, the collegial setting of the Dutch institutions and the split leadership and rivalries between civilian and military personnel proved to be inefficient to govern possessions where the administration of land, economic activities, and settlers had to be harmonised, such as in Angola, São Tomé and Brazil. The almost completely dependency of the Dutch local governments on the approval of decisions by the Board of Directors and the Chambers of the Company in the Republic also disrupted the administration of the Company posts and settlements.

In contrast, in the Portuguese settlements, the existence of local royal governments and municipal councils controlled by local elites of settlers turned out to be advantageous in situations of emergency like attacks by pirates or the occupation or siege by other European sea powers, including the Dutch. The members of these local elites were able to organize the resistance against the intruders or new foreign rulers and to guarantee the local defence of the territories.

From a naval and military point of view, the Dutch were clearly better organized and prepared than the Portuguese. These differences were due to the inequality of the financial resources at the disposal of the Republic, the WIC and the Portuguese Kingdom. However, the disputes between the military commands and the civilian commands of the Dutch Company fuelled numerous problems with regard to the defence of the territories taken over from the Portuguese, especially Angola, São Tomé and Brazil. In addition, the clashes between the different Chambers of the WIC, the Board of Directors, the Dutch Central Government of Brazil and the States General concerning political, administrative and military matters sparked a whole set of contradictory measures. These disputes, mainly related to jurisdictions and obligations, caused difficulties with supply of personnel, provisions, ammunitions and weaponry, with severe costs on a military level.

In the Portuguese case, the deficiency of the military defence provided by the Crown forced the settlers of the possessions to organize their own protection. The weak point of the Portuguese Atlantic would be come its main advantage.

The Portuguese colonists were an essential factor for the victory in the military conflicts between Dutch and Portuguese in the Atlantic. The local elites that truly controlled the Portuguese settlements took all possible measures to safeguard the interest of their territories. In critical moments such as the Dutch takeover of São Tomé, Angola and the north-eastern captaincies of Brazil – the resistance against the Company was, mainly, organized from within the settlements by the powerful settlers in control of the land, the main economic activities and the municipal councils, as mentioned earlier. These men had, naturally, the support of the high royal servants on the ground. However, without the help and support of the colonists, the royal servants of the settlements alone would not have been able to organize a coordinated resistance against the Dutch WIC.

This evidence shows that different policies of settlement and economic development promoted by the Dutch and the Portuguese States and State-sponsored companies in their Atlantic possessions determined the course of events in these overseas areas as well as the structure of colonial societies and economies.

By relying exclusively on the temporary recruitment of civilian and military personnel, and by not promoting permanent settlement and development of economic activities in the West African posts and settlements, the WIC possessions were much more dependent on the supplies of labour force from the Republic than the Portuguese territories. The deficient supply as well as the lack of rotation of the personnel at the end of their terms and the delays in the payment of their wages stimulated general discontentment among the Company staff, desertion and engagement in commercial activities, classified as illegal by the WIC. The strong point of the Dutch Atlantic in the first half of the 17th century, its naval and military power, became its weakest point in the course of time.

In the Portuguese case, the State sponsored permanent settlements and the development of agriculture and other economic activities. In the long-run, these policies constituted an advantage for the auto-sufficiency and maintenance of the settlements, in providing supply foodstuff for daily consumption and for the ships operating in the coastal and long-distance circuits. The Portuguese model of expansion also guaranteed the local recruitment of personnel for the administration of the possessions and especially for their military defence. This option had a great advantage: the local people knew the territories better than any newly arrived military or civilian official from the Kingdom. Moreover, they were acquainted with the tropical environment and the indigenous people.

Thus, the military collapse of the Dutch in the South Atlantic in the mid-17th century was to a great extent caused by internal malfunctioning problems within the WIC. In contrast, the recovery of Portuguese Southern Atlantic possessions relied more on the effort of the local settlers and the royal officials on the ground, than on the naval and military aid offered by the Portuguese Kingdom. That explains how the Portuguese local authorities in Angola, São Tomé and Brazil were able to organize their resistance against the WIC, how they were able to succeed, and why the Dutch Company was not successful in guarantying its rule over these territories.

From a commercial point of view, the Dutch and the Portuguese States and State-sponsored companies as well as the private entrepreneurs and businessmen from the Republic and Portugal had identical purposes regarding the Atlantic inter-continental trade: keeping their monopolies, safeguarding their economic activities and trying to make a reasonable profit.

However, the Dutch and the Portuguese attitudes towards intra-continental trade contrasted. On the one hand, while the Dutch regarded the West African coastal routes mainly as a way to obtain African goods for the international markets, the Portuguese established and used them for the supply of their settlements. The limited interests of the Dutch in the coastal routes and the low percentage of inter-racial marriage prevented them from penetrating the hinterland markets. Therefore, Dutch and Portuguese were in a completely different position regarding the access to the West African supply markets. On the other hand, while the Dutch relied heavily on African middlemen to guarantee the supply of African goods to their coastal posts, the Portuguese via their wide clientele of Eurafricans had a more efficient access to the supply markets in the hinterland. Hence, from an economic point of view, the latter were in a better position than the Dutch. That difference had an impact on the inter-continental trade. In contrast, the strategies followed in regard to the long-distance trade were rather identical, though distancing from each other almost one century in time.

In the historiography, the distinct characteristics of the Portuguese royal monopolies over some of the branches of the Atlantic trade and the semi-private character of the Dutch joint-stock company (WIC) have been identified as one of the main differences between the Dutch and the Portuguese Atlantic economies and empires. This argument has also been used to justify the success of the Dutch and the failure of the Portuguese in the Atlantic in the course of the 17th century. This study challenges this premise.

During the period under analysis, while the Dutch shifted from private trade to Company monopoly, the Portuguese Crown moved from State-monopoly to monopolies leased out and operated by private entrepreneurs and businessmen. In the Dutch case, the transition from private to monopoly trade under the auspices of the WIC was not an economic decision. This transition was mainly State sponsored and defended by a group of merchants from the Republic with commercial interests in areas where they had to face forceful opposition from both the Portuguese and the Spanish Crowns. The majority of the

merchants of the Republic were reluctant to invest in this Company. In fact, to gather the capital required the States General had to invest a considerable amount. However, by promoting the attacks on the Portuguese possessions in the Southern Atlantic, especially the sugar production regions in the North-eastern Brazilian captaincies, the States General, Count Maurits Nassau and the Board of Directors of the Company tried to obtain the support of the private businessmen and entrepreneurs of the Republic with commercial interests in the sugar trade and the sugar refinery industry, as mentioned earlier.

Like the States General had granted a monopoly in the Atlantic trade to the WIC, the Portuguese Crown also tried to manage the monopolies over the Atlantic and especially the West African trade until the mid-16th century. However, due to the growing expenditure, the Portuguese Crown had an increasing need for additional sources of revenue. Simultaneously, the Crown had difficulties in controlling the activities of the royal servants in charge of overseeing the commerce and collecting the taxes. Furthermore, in regard of the vast areas encompassed by the monopolies and the lack of means (especially military) to enforce the authority of the Portuguese Crown, the supervising tasks of the royal servants were almost impossible to accomplish.

As a consequence, by the mid-16th century, the Portuguese kings opted for another strategy: holding on to the monopolies over the West African trade and the tax collection over the Atlantic trade, but at the same time, leasing out the management of these monopolies to private businessmen with permission to sell commercial licenses to third parties, and farming out the collection of taxes in the various *alfândegas*, *almoxarifados* and *feitorias* in the West Coast of Africa and other Atlantic ports. By leasing out both the management of the monopolies and the tax collection the Crown hoped to obtain a permanent flow of revenue since the contracts signed between the Crown and the private businessmen determined the payment ahead of fixed amounts of money, regularly.

A similar phenomenon occurred with the WIC monopoly over the Atlantic trade. Like the Portuguese Crown, the Company also gradually opened certain branches of the Atlantic trade to private entrepreneurs in the hope of obtaining a fixed income by imposing a flat tax over the commodities traded by the private businessmen operating within the monopoly areas. These measures were taken because of the financial difficulties of the WIC in paying for the administration of the possessions, their defence as well as safeguarding the trade connections between all their posts and settlements.

The Company monopoly proved to be a complete failure. The Chambers and the Gentlemen Nineteen were unable to provide the posts and the settlements with exchange commodities on time and in adequate quantities. Moreover, the Board and the Chambers were incompetent in organizing the regular relief of civilian personnel with severe consequences for the commercial success of the enterprise. The Company employees sent to the posts in West Africa and other Atlantic possessions also showed a limited knowledge of the commercial practices, the production and the consumption patterns on local, regional, and international levels. This lack of familiarity with the West African and the Southern Atlantic commercial environment had serious effects on the profitability of the trading activities of the Company in the Atlantic.

In contrast, the monopoly of the Portuguese Crown over the West African trade was not as commercially inefficient as portrayed in the literature of the past fifty years. The Portuguese and foreigner *contratadores* of the royal monopolies for the West African trade, on their part, set in place a fairly efficient commercial and financial network, which kept functioning reasonably until the 1630s. Their business activities were far better organized than those of the WIC. In fact, these private businessmen operated in the West African circuits and the Atlantic routes in general following commercial practices identical to the ones used by the successful businessmen of the Dutch Republic.

The commercial expertise and activities of the Portuguese and the Sephardim merchants in control of the management of the royal monopolies and of the long-distance trade and networks in the Atlantic were identical to the ones of the private entrepreneurs in the Dutch Republic. Sometimes, members of both groups were associated with one another. These private businessmen were often clearly more effective and efficient than the State-sponsored companies.

Both the monopolies of the WIC and the Portuguese Crown, on their part, suffered from identical problems: smuggling and interlopers. In the Portuguese case, the leasing out of the monopolies and the tax collection to the same businessmen made the problem even more acute. The *contratadores* had not only the possibility to smuggle and to allow the parties involved in the business (the *avençadores*) to do the same, but also the chance to avoid the payment of royal taxes. Due to the high value of the taxes imposed on the products traded in the Atlantic, tax evasion and smuggling were the only two weapons to control prices in the consumption markets and to guarantee a certain level of profit.

In contrast with the traditional historiography, we also have demonstrated in this study that the collapse of the Portuguese in the Atlantic after 1630s was not caused by the arrival of the Dutch in the Southern Atlantic. Both external and internal factors need to be taking into account in order to explain the crisis of the Portuguese Atlantic economy during the mid-17th century.

On the one hand, the Dutch takeover of the Gold Coast forts and the Brazilian sugar production areas was not the single or not even the major cause for the collapse of the Portuguese Atlantic Empire. Albeit that the takeover of Luanda was extremely damaging to the Portuguese Atlantic trade, the Portuguese Restoration in 1640 and the subsequent loss of the Spanish *asiento* in the same year was equally damaging to the Portuguese position in the Atlantic.

Yet, the collapse of the Portuguese commercial organization was not due to the old-fashioned character of the commercial practices of the Portuguese monopoly, nor to the superior commercial efficiency of the Dutch Company. On the one hand, the collapse of the Portuguese commercial organization (controlled by private entrepreneurs) was partly due to the deficient military and naval protection offered by the Portuguese Crown to safeguard the interests of these men and their commercial activities at sea and in land. On the other hand, the Habsburg Kings deliberately allowed for the systematic persecution against the businessmen in control of the monopolies and the long-distance trade in the Iberian Atlantic from the 1630s onwards.

This study also diverges from the traditional scholarship concerning the reasons behind the success of the Dutch in the mid-17th century Atlantic. The evidence presented here shows that the Dutch success in the Atlantic in the first half of the 17th century was mainly due to their naval and military power. However, the commercial success of the Dutch was not based on the takeover of the Portuguese fortresses in the Gold Coast nor on that of the North-eastern Brazilian captaincies, but on the conquest of the strategic harbour of Curaçao and of the plantations in Guiana from the 1650s onwards. Thus, the commercial success of the Dutch in the Atlantic was determined by the trading expertise of the private entrepreneurs and businessmen from the Republic and not on the commercial superiority of the WIC and its employees. Hence, the myths of the inefficiency of the Portuguese royal

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monopolies and of the commercial modernity of the Dutch Company are two other important points that have been clarified by this case study.