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A contractor empire : public-private partnerships and overseas expansion in Habsburg Portugal (1580-1640)

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Chapter 5: Contracting a colonial monopoly in Habsburg Brazil. The royal Brazilwood farm

In his 1618 *Diálogos das Grandezas do Brazil*, the New-Christian sugar planter Ambrósio Fernandes Brandão commented upon the buoyancy of the colonial society in Brazil and the breath of its natural resources and economic riches. The book, as the titles gives away, consists of a series of dialogues between two fictional characters, “Brandonio”, a long-time resident in the colony, and “Alviano”, a parvenu recently arrived from Portugal. In the book’s third dialogue the most important sources of wealth available in Brazil are discussed. Amongst these, the red dyewood that the Portuguese kings had claimed as their monopoly since the early stages of colonization and after which the territory was named takes centre stage.

“Alviano: Tell me now, how do the settlers in this Brazil make money on the wood, and how much does it bring His Majesty’s Treasury?”

Brandonio: Brazilwood is His Majesty’s own drug and, as such, is protected so that no one may deal in it except the king himself or those who have received his license under contract. A long time ago, anyone was permitted to trade in it, paying His Majesty’s exchequer one cruzado on every quintal he cut. But since the feeling was that there were many abuses under that system, the order establishing it was revoked so that the trade should be handled only under contract, as is the case today. About forty thousand cruzados are paid to his Majesty’s Treasury for a contract, which is let in the kingdom. It is specified that in any one year, the contractors may not take out from this state, especially from the three captaincies I have mentioned, more than ten thousand quintals of the wood, although if they cut less in one year, they may make it up in the next.

*Alviano: I had no idea that brazilwood was the source of so much revenue for the Exchequer without His Majesty’s having to spend a single real for it, whereas he must spend so many cruzados in India to purchase other drugs”.*⁴⁶⁰

In the sixteenth and seventeenth centuries, brazilwood (*Paubrasilia echinata*) could be found across a vast coastal strip, ranging from the present day Brazilian states of Rio de Janeiro and Rio Grande do Norte, but it was especially abundant in the surroundings of Cape Frio, around Porto Seguro (Southern Bahia), and the Northeast. There were also copious amounts of these trees to be found in the captaincy of Ilhéus, along the river Sergipe and Alagoas. Commentators, contractors and consumers all agreed that the species from the Northeastern regions of Pernambuco, Itamaracá and Paraíba outshined its southern counterparts in terms of quality.⁴⁶¹ The fact that these trees could be found at short distance from the coast explains why they were quickly spotted upon Pedro Álvares Cabral’s arrival in 1500 and swiftly claimed as patrimonial right of the king of Portugal. As result, the economic exploitation of this natural resource became the sole privilege of the Crown.⁴⁶²

⁴⁶⁰ Quoted from Ambrósio Fernandes Brandão, *Dialogues on the Great Things of Brazil*, translated and annotated by Frederick Holden Hall, William F. Harrison, and Dorothy Winters Welker, in Stuart B. Schwartz, ed., *Early Brazil. A Documentary Collection to 1700* (Cambridge: Cambridge University Press, 2012), 223.

⁴⁶¹ A report drafted by personnel of the Castilian administration at the start of seventeenth century singled out the Southern district (captaincy) of Rio de Janeiro as having the simultaneously the scarcest and worst quality brazilwood trees in the entire colony. AGS, Cámara de Castilla (CCA), lib. 2794, tomo 6, descargos del licenciado Ramirez Vazquez. fl. 101.

⁴⁶² Max Justo Guedes, ‘As Primeiras Expedições de Reconhecimento Da Costa Brasileira’, in *História Naval Brasileira*, vol. 1 (Rio de Janeiro: Serviço de Documentação Geral da Marinha, 1975), 226–39.

The wood was prized for the red-dye it yielded. This dye was obtained when tree logs were scrapped and turned into dust, which was then mixed with water. The proto-textile industries of Northern France, the Low Countries, Italy and England employed it to give a strong and enduring scarlet colour to the cloths they manufactured.⁴⁶³ This high-value luxury good was not unknown to Western Europeans, who imported it from Asia for more than a millennia, but the ravishing forests of Brazil seemed to be a never ending and cheaper source for this tropical good, especially since the semi-nomadic and subsistence-based Amerindian societies initially saw no value in those trees.⁴⁶⁴

In order for the wood to reach Europe it first had to be cut, transported to the coast and loaded onto a ship, and each of these tasks took a physical toll on those who performed them. For a start, the hardness of the wood and its many spikes made the chopping of the tree an uncomfortable and vexing activity. Then the gathering of thicker branches and of logs was complicated by the fact that the trees were scattered across the tropical forest, rather than concentrated in continuous swaths.⁴⁶⁵ Although it did not require long distances to be covered, transportation from the forests to the shoreline could be extenuating if packing animals were not available and moving the logs depended on sheer human strength.⁴⁶⁶ To cut and remove the outer layers of the tree, separating the bark and smaller branches that were not used to synthesize the dye, as well as to transport and load the wood on the coast, colonists first relied on the good will and cooperation of the Amerindians. In this initial stage the wood was bartered against relatively cheap goods manufactured in Europe, such as linen and wool cloths, hats and simple tools like scissors, knives or combs. But it did not take long before these transactions on a more or less equal footing gave way to bluntly coercive arrangements. The previously cooperating indigenous lumberjacks now refused to barter with the Portuguese, preferring instead to run inland to escape being captured and put out to work. In the very early stages of settlement, the Portuguese persuaded or forced the Amerindians to chop logs of 10 to 15 metres in length. An estimate for 1511 points to a daily average of 333 logs (about eight tons of wood) carried from the cutting zones to the coast.⁴⁶⁷

The difficulties to tap into and control a source of labour were only solved when the Portuguese settlers began employing enslaved Africans. Brought to Portuguese America to work primarily on the painfully laborious cultivation and processing of sugar, sub-Saharan captives were also put to work as wood-cutters. Although the enslaved population was also used as carriers, with the introduction of livestock in the colony, the wood was taken for coastal embarkation in oxen carts, which eased the physical strains of manual carriage and speeded up the inland-coastal flows of the commodity.

But just as the work force and transportation constraints were solved, then came a new problem: deforestation. It did not take long before the thirst for the export-wood threatened to deplete the tree stocks located closer to the coast, causing lumberjacks to go further inland in search of fresh and untapped sources of wood. A third drawback was the clandestine extraction of wood by foreign interlopers and even subjects of the Crown, at

⁴⁶³ Cameron J. G. Dodge, 'A Forgotten Century of Brazilwood: The Brazilwood Trade from the Mid-Sixteenth to Mid-Seventeenth Century', *E-Journal of Portuguese History* 16, no. 1 (June 2018): 18–19; Filipe Nunes de Carvalho, 'Do Descobrimento à União Ibérica', in *O Império Luso-Brasileiro. 1500-1620*, ed. Harold Johnson and Maria Beatriz Nizza da Silva, vol. 6, Nova História Da Expansão Portuguesa (Lisbon: Editorial Estampa, 1992), 209–11.

⁴⁶⁴ Sing Chew, 'The Southeast Asian Connection in the First Eurasian World Economy, 200 BCE-CE 500', in *Trade, Circulation, and Flow in the Indian Ocean World*, ed. Michael N. Pearson (Basingstoke, New York: Palgrave Macmillan, 2015), 42, 49.

⁴⁶⁵ Stuart B. Schwartz, *Sugar Plantations in the Formation of Brazilian Society Bahia, 1550-1835*, Cambridge Latin American Studies ; 52 (Cambridge: Cambridge University Press, 1985), 33.

⁴⁶⁶ Stuart B. Schwartz, 'Colonial Brazil. Plantations and Peripheries, c. 1580 – c. 1750', in *The Cambridge History of Latin America*, ed. Leslie Bethell, vol. 2 (Cambridge: Cambridge University Press, 1987), 69–70.

⁴⁶⁷ Alexander Marchant, *From Barter to Slavery: The Economic Relations of Portuguese and Indians in the Settlement of Brazil, 1500-1580* (Baltimore: The Johns Hopkins University Press, 1942), 22–23.

times in collusion with foreigners.⁴⁶⁸ Taking advantage of the many natural ports and large tracks of uninhabited coast, interlopers easily found creeks or coves from where they could discretely launch their incursions into the mainland and load the wood logs into standing-by ships.⁴⁶⁹ In addition, the rivers that allowed for logs and other chopped bits of wood to be syphoned to the sea-front were simply too many for the authorities to patrol and monitor, making it fairly easy to collect and transport brazilwood outside official supervision.⁴⁷⁰ Furthermore, as time went on and the Portuguese settlements grew and multiplied, the more influential and affluent inhabitants of the colony even persuaded the authorities to turn a blind eye to their schemes or to take part in their illegal activities.⁴⁷¹ There are indications that the *capitães donatários* were themselves involved in the illegal exports of the dyewood, often in collusion with foreign interlopers. For instance, in 1618, contractor André Lopes Pinto complained to the authorities in Lisbon and urged them to take action against the captain of Cabo Frio, Estevão Gomes, who impinged on the contractor's imports exclusive by allegedly selling dyewood to foreign skippers who called at his captaincy.⁴⁷²

The extraction and commerce of brazilwood lasted longer than these formative decades of Portuguese settlement and colonization in Brazil. It remained an attractive prospect for public authorities and private investors alike beyond the 1500s, although it started being outshined mid-century by the spectacular growth of sugar cane cultivation and trade.⁴⁷³

This chapter provides an overview of the legal contours of the king's brazilwood monopoly, fleshing out the rules and regulations surrounding the private administration of the royal exclusive. Subsequently, the focus is shifted from the legal framework to the way contractors structured their operations and to the networks that linked the "production" outlets in the colony to Portugal and the international outlets where the dyewood was finally synthesized. I demonstrate how networks of contractors transported brazilwood from Latin America into Europe, how it changed hands from Luso-Brasílian wood cutters to skippers and wholesalers, and finally to customers and manufacturers of synthesised dye. In the process the wood crossed geographic boundaries, political allegiances, revealing a deeply trans-imperial and cross-cultural business underneath a state monopoly.

⁴⁶⁸ In 1607 the monarch wrote the governor-general of Brazil, Diogo Botelho, informing him that the Monarchy's spies in the Dutch Republic had heard that a four vessel expedition had set sail from Texel bound for the the captaincy of Ilhéus, where none other than the local financial comptroller (*provedor da fazenda*), Bernardo Ribeiro, would be standing by with a batch of brazilwood. The liaison between those who had fitted-out this expedition in Holland and Ribeiro was a certain Alberto Scheraem Brabante, a Flemish merchant who had been expelled from Brazil a few years prior in accordance to the 1605 act of expulsion from all overseas offshoots for non-Portuguese naturals. Maria Isabel de Siqueira, 'O Regimento Do Pau-Brasil Durante o Período Filipino No Brasil: Continuidade Ou Inovação Legislativa?', *Revista Do IHGB*, no. 466 (March 2005): 98. It turns out that Diogo Botelho and other top-colonial officials were involved in smuggling themselves, using their authority to coerce skippers to ship the dyewood and sugar to Venice. Koen, "Notarial Records," *Studia Rosenthaliana*, III, no. 2 (July 1969: (deed nr. 158).

⁴⁶⁹ Antunes, Post, and Salvado, 'Het omzeilen van monopoliehandel', 29.

⁴⁷⁰ As Stuart Schwartz recalls, the highest concentration of dyewood forest was to be found in peripheral captaincies such Porto Seguro, Ilhéus and Espírito Santo, where the reach of the colonial government struggled was smaller when compared to other, more central, areas. This made matters worse when it came to real-in the clandestine imports. Schwartz, 'Colonial Brazil. Plantations and Peripheries, c. 1580 – c. 1750', 98.

⁴⁷¹ Guida Marques, 'O Estado do Brasil na União Ibérica: dinâmicas políticas no Brasil no tempo de Filipe II de Portugal', *Penélope: revista de história e ciências sociais*, no. 27 (2002): 9–10.

⁴⁷² AHU, CU, cod. 32, fl.73.

⁴⁷³ Dodge, 'A Forgotten Century of Brazilwood'; Dias, 'O negócio do pau-brasil, a sociedade mercantil Purry, Mellish and Devisme e o mercado global de corantes'.

5.1 The origins and formative years of the royal farm

In the absence of glaring sources of wealth in the newly discovered territories and with public and private attentions focused on the Asian enterprise, the Crown opted to put a private business consortium in charge of exploring whatever resources might be found in Brazil. The consortium was headed by Fernão de Noronha, a citizen of Lisbon and holder of offices in the king's household,⁴⁷⁴ who was backed by Italian capital and logistical means, courtesy of the Marchionni merchant-house.⁴⁷⁵

The first government contracts involving brazilwood were, hence, adjudicated shortly after Cabral's expedition and followed the template set by government concessions involving the West African coast during the fifteenth century. Like the pioneering overseas contracts ratified with the famous private entrepreneur Fernão Gomes in the 1460s and 1470s, the concession entrusted Noronha and his associates with the tasks of charting the newly-found territory, establishing the contours and limits of its coast.⁴⁷⁶ The private concessionaires were expected to report on the topography, flora and fauna of the territory, and gather intelligence on the local populations and their socio-political structures. The syndicate was also required to identify the existing natural resources and sources of wealth and inform the Crown about its economic utility.⁴⁷⁷

As shown by these early public private partnerships, in Brazil, as elsewhere in the Portuguese Atlantic, the Crown relied on private investors to assess the economic potential of unexplored regions. From the monarch's point of view, temporary concessions over trade and prospection of uncharted territories enabled the Crown to focus its attention and resources where they were most needed, while leaving the door open for a reassessment of its role in the exploitation of these territories once the contracts expired. By having the contracting consortia carry out the ground work of amassing information and setting up the first permanent factories (*feitorias*), the monarch bought itself time to decide how the administration and economic exploitation of the new colony would be carried out in the long run.⁴⁷⁸

Noronha and associates were required by their contract to dispatch six ships to Brazil yearly to explore and claim 300 leagues of uncharted coast and build forts to protect the first settlers against other Europeans. The consortium was also expected to spearhead the trade between the new settlements and the kingdom, shipping to Lisbon all commodities they considered to be of some value. This trade should, according to the contract, prioritize peaceful commercial transactions with the autochthonous populations, unless it became clear that violence was the best way to further the interests of the king of Portugal.⁴⁷⁹ The contract ran for a triennium (1502-1505) and required the consortium to pay a flat sum of 4,000 *cruzados* annually, plus a varying share over the yearly returns it generated: nothing in the first year, one sixth in the second and one third in the last year. After these three years, the contract was discontinued and a new farm was leased out to Jorge Lopes Bixordia in 1506, for a period of ten years. Some degree of continuity was ensured between the two royal concessions. Bixordia was a longstanding associate of Noronha, who despite no longer

⁴⁷⁴ Carvalho, 'Do Descobrimento à União Ibérica', 80–95; Bernardino José de Sousa, *O Pau Brasil Na História Nacional*, Brasiliense. Biblioteca Pedagógica Brasileira (São Paulo: Companhia Editora Nacional, 1939), 106–12.

⁴⁷⁵ Francesco Guidi Bruscoli, *Bartolomeo Marchionni, 'Homem de Grossa Fazenda' (ca. 1450 –1530): Un Mercante Fiorentino a Lisbona e l'Impero Portoghese* (Florence: Leo S. Olschki, 2014).

⁴⁷⁶ Ivana Elbl, 'The Portuguese Trade with West Africa, 1440-1521' (Unpublished PhD Dissertation, Toronto, University of Toronto, 1986).

⁴⁷⁷ Jorge Couto, *A construção do Brasil: ameríndios, portugueses e africanos, do início do povoamento a finais de quinhentos* (Edições Cosmos, 1995), 193–94.

⁴⁷⁸ Couto, 194–96; Carvalho, 'Do Descobrimento à União Ibérica', 211, 214, 217–19.

⁴⁷⁹ Metcalf, *Go-Betweens and the Colonization of Brazil*, 57–58, 159–60.

having his name on the contract remained involved in the new lease as a silent investor.⁴⁸⁰ This brand new enterprise had to pay to the Crown the same 4,000 ducats every year for the right to import 20,000 *quintais* of wood.⁴⁸¹ During this period, the contracts' main profits were the result of the expansion of the dyewood trade, and it is therefore unsurprising that midway through the second decade of the sixteenth century the exploitation of the royal exclusive over the *Pau-brasil echinata* was separated from the tasks of territorial exploration and settlement.⁴⁸²

It is important to note that at the start of the 1500s, the Crown formally prohibited other red-dyewoods, such as sappanwood from Asia, from being imported into Portugal via the *Carreira da Índia*.⁴⁸³ This measure prevented dyes from *Estado da Índia* from competing with dyewood from Brazil and, hence, avoiding a decrease in the commodity's prices in the European markets.⁴⁸⁴ Besides wanting to keep prices artificially high in the international markets, the Crown feared that the competition from the *Estado da Índia* would cool-off the interest of private investors, especially of foreign capital, in the prospection of Brazil. The Brazil contractors were thus protected from a rival source of supply, and, through the Portuguese royal factory in Antwerp, they were able to reach the Northern European consumer.

Despite the Portuguese Crown's intervention, the brazilwood contractors did not monopolize the Western European market, as they still faced competition from the dyewoods coming from Asia via the Levant route, and from French interlopers who visited the coasts of Brazil. Moreover, other alternative supply sources would soon be open in the New World with the entry of dyewoods from Spanish America in the European markets later in the century.⁴⁸⁵

Eager to establish a tighter grip on the profits of brazilwood, the Crown decided to take over the administration of the brazilwood business in 1516, handing it over to the its central overseas administrative agency, the House of India.⁴⁸⁶ The main reason behind the king's decision to oversee the monopoly directly was the conviction that the Crown could better ensure that prices were kept low in the extraction outlets. The shift towards direct administration was meant to combat the rampant interloping in the brazilwood trade, which had resulted in a surge in the European exports used for bartering for the dyewood. The illegal exports of European wares had led to the depreciation of those products and thus in a higher demand (in quantity) by the Amerindians whenever the Crown sought to obtain the wood.⁴⁸⁷ Apparently the Crown did not trust that private consortia could keep interlopers at bay, while at the same it thought it was possible to raise more revenue by running the

⁴⁸⁰ The Crown rewarded Noronha for his active role in the establishment of the Portuguese in Brazil with a hereditary grant over the island named after him. The island of Fernão de Noronha, part of an archipelago of twenty-one small islands and islets located some 350 km offshore the Northeastern Brazilian coast, first came to the attention of the Portuguese when the first voyage launched by his consortium (1502-1503) called there on its way to the mainland. Couto, *A construção do Brasil*, 193.

⁴⁸¹ Harold Johnson, 'Desenvolvimento e Expansão Da Economia Brasileira', in *O Império Luso-Brasileiro. 1500-1620*, ed. Harold Johnson and Maria Beatriz Nizza da Silva, vol. 6, Nova História Da Expansão Portuguesa (Lisbon: Editorial Estampa, 1992), 217-19; Godinho, *Os Descobrimentos e a Economia Mundial*, 3:197.

⁴⁸² Sousa, *O Pau Brasil Na História Nacional*, 110-11, 117.

⁴⁸³ George Bryan de Souza, 'Dyeing Red. Asian Sappanwood in the Seventeenth and Eighteenth Centuries/Tingendo Do Vermelho. O Sapão Do Sudeste Asiático Nos Séculos XVII e XVIII', *O Oriente* 8 (2004): 40-58.

⁴⁸⁴ Dodge, 'A Forgotten Century of Brazilwood'.

⁴⁸⁵ Carlos Marichal, 'Mexican Cochineal and European Demand for a Luxury Dye, 1550-1850', in *Global Goods and the Spanish Empire, 1492-1824. Circulation, Resistance and Diversity*, ed. Bartolomé Yun-Casalilla and Bethany Aram (Basingstoke: Palgrave Macmillan, 2014), 197-215.

⁴⁸⁶ It is not entirely clear what approached was followed to exploit the monopoly after the contract of Loronha and Bixórdia came to an end. Couto suggest that licensing by the government alternated with the lease contracts. Couto, *A construção do Brasil*, 57-59.

⁴⁸⁷ Sousa, *O Pau Brasil Na História Nacional*, 114.

monopoly through its administrative apparatus. As this chapter will show, almost a century later the Crown saw things very differently, adopting the exact opposite approach.

The direct administration over the brazilwood trade did not, however, mean that the Crown was ready to take over the settlement and colonization of the territory. Following the initial state contracts with business syndicates, where territorial exploration was inseparable from the extraction and shipment of brazilwood, the state turned to a different form of engagement with private entities, putting forward the system of donatary captaincies in 1534.⁴⁸⁸ In order to stimulate the settlement, defence and economic exploitation of the coast and the close interior, the Crown granted fifteen different hereditary land endowments. Unlike contracts with business firms that involved primarily economic prerogatives and some minor fiscal privileges, the *capitanias-donatarias* were bestowed upon individuals of noble extraction and involved jurisdictional, political and economic rights and privileges.⁴⁸⁹

Despite the breath and scope of the seigneurial grants, brazilwood, along with other ecological species and natural resources, remained appanage of the Crown. The hereditary grants stipulated that the wood shipped off to Lisbon had to be delivered to the House of India to be weighted, inspected and taxed. Only after that could the wood be sold on the market. The Crown did, however, put the taxes levied on the cutting and shipping of the wood at the disposal of the grantees, starting with the *vintena*, a twenty per cent fee on the profits made from the import of the commodity. Behind this otherwise generous concession was the intent to get the captains directly interested in the fight against reckless cutting, contraband and tax-evasion.⁴⁹⁰ Although the captains were allowed to receive the royal duties levied in Brazil, the actual trade fell outside their grants and they were banned from exporting the wood under penalty of banishment to the island of São Tomé.⁴⁹¹

The restrictions imposed by the royal exclusive on private initiatives could be lifted in some particular instances, if the Crown so wished. A case in point was whenever the king wished to reward the captains by allowing them to ship a certain amount of wood to Portugal free of charge or to pass on the privilege to someone else. By the same token, permissions to bring brazilwood into Portugal outside of the ordinary normative template could also be extended to loyal and deserving subjects by a monarchy who was committed to the cause of redistributive justice.⁴⁹² This rationale explains why the privilege was often extended to Castilian grandees during the Union of the Crowns.⁴⁹³

⁴⁸⁸ By 1522 Noronha and Bixórdia had not yet met the outstanding financial obligations from the concessions, which reached as much as 7,500,344 *réis*. Their contract had come to an end 1516. Godinho, *Os Descobrimentos e a Economia Mundial*, 3:197.

⁴⁸⁹ Mickaël Augeron and Laurent Vidal, 'Creating Colonial Brazil: The First Donatary Captaincies, Or The System Of Private Exclusivity (1534–1549)', in *Constructing Early Modern Empires. Proprietary Ventures in the Atlantic World, 1500-1750*, ed. Louis Roper and Bertrand Ruymbeke (Leiden, Boston: Brill, 2007), 21–54; António Vasconcelos de Saldanha, *As capitanias do Brasil: antecedentes, desenvolvimento e extinção de um fenómeno atlântico* (Lisboa: Comissão Nacional para as Comemorações dos Descobrimentos Portugueses, 2001).

⁴⁹⁰ Maria Isabel de Siqueira, *O Direito e o Estado no Brasil Filipino: Inovação ou continuidade legislativa: História* (Paco Editorial, 2011), 89–91.

⁴⁹¹ Sousa, *O Pau Brasil Na História Nacional*, 134–35.

⁴⁹² The legitimacy for granting a privilege, which, as we will see, stood at odds with the terms of a government contracts, stemmed from the kings' portrayal as both a grand *pater familias*, who provided for and took care of his subjects, and as a supreme magistrate. In that capacity, he was allowed to dispense with the abstract ordinary law and be a more emphatic and personable purveyor of justice. In the case of these brazilwood export permits, the king was not selling an official license, as part of the direct administration of the monopoly, but distributing a share of his own economic resources to a deserving vassal.

⁴⁹³ A century later, in 1626, the Crown granted to the Marquis of Eliche, non-other than Don Gazpar de Guzmán, the Count Duke of Olivares, the privilege of importing 6,000 *quintais* of brazilwood on his own account over a four-year period. A decade prior, Don Rodrigo Calderón, count la Oliva de Plasencia, was awarded the prerogative to ship 8,000 *quintais* from 1613 to 1616, but he should not dispatch more than 2,000 per year. Mauro, *Portugal, o Brasil e o Atlântico, 1570-1670*, 1:178.

With the exception of the collection of the *vintena* and other local taxes, the House of India, the central commercial and logistical agency for Portuguese overseas affairs, was responsible for overseeing the royal monopoly over the dyewood. In Brazil, treasury controllers started being appointed to each of the captaincies to, among other things, supervise the logging and embarkation of the brazilwood.⁴⁹⁴

The acquisition and shipment of the prized commodity was primarily ensured through the issuing of licenses to private merchants, which, along with the levying of tariffs, was how the Crown derived revenue from the dyewood trade. This government licensing of the trade still provided the legal framing for this business by the time a general government was introduced in the colony in 1548, and would remain in effect until the end of the century. Meanwhile, in 1544-1546, in Pernambuco alone, an average of six to seven ships legally carried the dyewood to Portugal every year, deploying an average of 10,000 *quintais*, an amount which would become the standard quota for the years to come. Contraband by subjects of the Portuguese king and foreign interloping meant that the total volume of exports was higher, with some authors claiming that contraband represented at least fifty per cent of the volume of the legal trade.⁴⁹⁵ Pressured into acting due to the relentless chopping of brazilwood trees to satisfy the demand of the export markets and to make room for the expanding sugar cane cultivation, the Crown was forced to reduce the legal threshold of exports by half. This official cap did not account for the volume of the commodity that was smuggled, which remained, in all likelihood, high.

This state run licensing system was abandoned with the advent of the Dual Monarchy. With the Habsburgs coming to power the adjudication of exclusivist contracts that defined the first ten years of Portuguese presence in Brazil was reintroduced, albeit no longer as a trade-off for the private exploration and settlement. From 1588 and 1592, a private investor, André Soares, received the exclusive right to import 10,000 *quintais* in exchanged for a flat annual sum of 13,600,000 *réis*. This concession was followed by a two-year long follow up.⁴⁹⁶ It is interesting to note that the consolidation of the contracting solution occurred around the time the Habsburg administrative reforms focusing on Brazil were being introduced. The Union of the Crowns, especially between 1598 and 1621, has been reappraised by historians over the past decades and is now seen as a period of modernization and expansion of the state's bureaucratic machine in Brazil.⁴⁹⁷ There were few areas of governance where the Crown's desire for a better organized administration was more evident than there,⁴⁹⁸ and since brazilwood was one of the Crown's main sources of income in the colony, the monopoly over the its import into the kingdom was not left untouched.⁴⁹⁹

⁴⁹⁴ Antunes, Post, and Salvado, 'Het omzeilen van monopoliehandel', 26-27; Sousa, *O Pau Brasil Na História Nacional*.

⁴⁹⁵ Johnson, 'Desenvolvimento e Expansão Da Economia Brasileira'.

⁴⁹⁶ Jesús Carrasco Vázquez, 'La Minoría Judeoconversa En La Época Del Conde Duque de Olivares. Auge y Ocaso de Juan Núñez Saravia (1585-1639)' (Universidad de Alcalá, 2004); Carvalho, 'Do Descobrimento à União Ibérica', 221-22.; AGS, AGS, CCA, lib. 2794.

⁴⁹⁷ Rooney, 'Habsburg Fiscal Policies in Portugal. 1580-1640'; Hespanha, 'O Governo dos Áustrias e a "Modernização" da Constituição Política Portuguesa.'

⁴⁹⁸ Guida Marques, 'L'Invention Du Brésil Entre Deux Monarchies. Gouvernement et Pratiques Politiques de l'Amérique Portugaise Dans l'union Ibérique (1580-1640)' (Unpublished PhD Dissertation, Ecole des Hautes Etudes en Sciences Sociales, 2009); Marques, 'O Estado do Brasil na União Ibérica'; Stuart B. Schwartz, *Sovereignty and Society in Colonial Brazil: The High Court of Bahia and Its Judges, 1609-1751* (Los Angeles, London: University of California Press, 1973).

⁴⁹⁹ The financial prospects of the dyewood monopoly were not the only reason why the Habsburg administration had a keen interest in administrative reform in Brazil. For one, the territories of the Portuguese Crown in South America were seen by the Catholic monarchy as a first line of defense for Spanish America, especially the mineral riches of the Viceroyalty of Peru. To prevent any encroachment of foreign powers in the American mainland, the Phillip III promoted the settlement of the Northern territories of Brazil, Maranhão, out of fear that French or Dutch might beat the Monarchy to it and establish a permanent basis from which to attack Spanish America. On the other hand, while Brazil served as a shield, it was also acknowledged by the

A sign of the Crown's interest in the monopoly was its determination to acquaint itself with the business, ascertaining what were its costs and returns. The attempts to amass reliable information were, unfortunately for the Crown, met with resistance by the local authorities in the colony, who were either poorly equipped to provide it or did not find it in their best interest to have Lisbon and Madrid meddling in what was happening on the ground.

Fearful of the exhaustion of the tree stocks (which was already forcing lumberjacks to penetrate further inland in their quest for brazilwood trees) and attempting to contain the rampant smuggling that had partially caused it, as well as to fight embezzlement and mismanagement by the authorities in Brazil, the Crown issued a set of general instructions (*Regimento do Pau-brasil*) on December 12, 1605.⁵⁰⁰ With these by-laws the Crown hoped to cover loopholes and grey areas in the existing normative template and regulate the different stages of the brazilwood business, from the licensing and cutting, to transportation, embarkation and offloading in Portugal. The main objective behind the general instructions was to guard the monopoly against interlopers and the rapaciousness of civil servants and colonists, as well as to increase the receipts it yielded the royal exchequer.

The *regimento* reiterated that it was forbidden to cut wood without permission of the chief treasury comptroller (*provedor mor da fazenda*) of the captaincy in question or the local agents of the contractor. The person in charge of selling the licenses, be it the contractor's correspondent or the exchequer's senior official, were required to register all licenses issued for cutting and embarking wood. After the licenses had been agreed with and issued by the contractor or his subordinates, the *provedor mor* was responsible for monitoring all transactions from local suppliers to the contractor's agents, and should record them in his books. The information he compiled was then compared and contrasted with the records of license sales, which the agents of the contractor kept and sent to Lisbon, as well as with the accounts that the contractors were expected to present to the authorities every year. The Crown hoped that by cross-checking these different accounts, the amount of wood being smuggled and tax evasion in Lisbon would decrease.

The *regimento* acknowledged the colonists' rights to earn a living from the trade in brazilwood, and therefore required either the *provedor da fazenda* or the factors of the contractors to cater to the needs and requests of the local subjects. Colonists should not, however, surpass the cap set by the Crown, who was well aware of the considerable pressure that the forest was subject to and wished to prevent exhaustion, and who was equally keen on keeping prices high in the consumption markets. On the other hand, the officials of the exchequer should remain alert for speculative manoeuvres, such as piling up wood in order to sell it on a later occasion for a better price. As far as the speculative practices in the cutting and hauling of the dyestuff was concerned, the provisions of the general instructions singled out the contractors. They were especially worried with a longstanding practice that was considered very detrimental to the royal purse and the economic viability of the wood trade. The practice in question was the contractors' refusal to accept anything but the most robust and sizeable trunks from the wood cutters. Although smaller branches could also be used to synthesise the dye, they were discarded and thrown to waste due to the capriciousness of the

authorities in Madrid that it was from the Southern captaincies of Portuguese America that contraband with the River Plate, the territory in Spanish America that was more exposed to illicit trade, ran virtually unopposed. Buenos Aires was the terminus of an intra-American slaving circuit, through which slaves first brought to Rio de Janeiro were then smuggled to Buenos Aires and exchanged against silver Syphoned from the Peruvian mines to the River Plate, via Tucuman. On the strategic importance of Maranhão, Marques, 'L'Invention Du Bresil Entre Deux Monarchies. Gouvernement et Pratiques Politiques de l'Amérique Portugaise Dans l'union Ibérique (1580-1640)'. Chapter 6. For references on the illicit connections between the South Atlantic and the River plate see footnote 757.

⁵⁰⁰ Siqueira, 'O Regimento Do Pau-Brasil Durante o Período Filipino No Brasil: Continuidade Ou Inovação Legislativa?', 94–104; Sousa, *O Pau Brasil Na História Nacional*, 146–50.

contractors and of those who supplied them. The reservations of contractors to accept these less attractive pieces and their focus on the bulkiest logs is explained by them not wanting to waste their import quotas with wood materials for which buyers would pay less money. To counter the waste of useable resources, the state demanded that contractors accepted all good quality wood that was given to them, and from which the red colour could be extracted, regardless how unimpressive it might seem.

Every year, quotas for the maximum amount of wood that could be cut in each captaincy were assigned by the chief treasury controller (*provedor mor da fazenda*) and by the municipal authorities. The apparatus based at the administrative seat of the colony and the local city councils were responsible for assessing the availability of the tree stocks and ensure that the sanctioned cuttings did not go beyond the import limits.⁵⁰¹ The municipalities thus functioned as an intermediary between the colony's government and local suppliers in the sorting-out of a general price for each captaincy. At the same time, the brokerage of the different municipalities could become something of a problem, since the local elites had vested interests on the trade. For instance, in 1624, the general controller criticised the price agreed between the municipality of Porto Seguro, accusing its members of being in concert with the lumberjacks and the interior-coast carriers.⁵⁰² Municipal councils were also known to grant authorizations to "harvest" and market the dyewood as means to secure credit from local money lenders, notwithstanding this practice constituting a blatant violation of the Crown's and, when the monopoly was rented-out, of the contractor's exclusivist prerogatives.⁵⁰³

The general instructions also stipulated the penalties set aside for those who breached the law. Stockpiling, for instance, was punished by having the hoarded batches apprehended by the authorities, followed by the payment of a fine and, potentially, depending on the gravity of the felony, in physical punishment and more. If the wood collected exceeded more than 10 *quintais*, the penalty was the payment of a 100 *réis* fine. If, in turn, the unauthorized amount surpassed 50 *quintais*, the person was subject to whipping and to ten years' banishment to Angola. If the 100 *quintais* maximum was surpassed, the death penalty would be served. The Crown also introduced a compulsory annual inspection (*devassa*) on the logging of the dyewood, which would make it easier to detect wrongdoings by civil servants, agents of the contractors and the settlers in general.

A few years after the issuing of the general instructions, the Crown reverted once more to direct administration of the monopoly. For five years, between 1612 and 1617, the brazilwood exclusive was not farmed out and was instead operated by the royal bureaucracy in Lisbon and in Brazil. During this period, the chief treasury comptroller in Brazil oversaw that the 10,000 *quintais* of wood were gathered at the designated ports and shipped to the kingdom, while interested suppliers approached the treasury officials in the colony.⁵⁰⁴ This new experiment with direct administration was not meant to last, and following this five year hiatus, the leasing of the royal monopoly resumed.

⁵⁰¹ Brazil's municipal elites during the period under study are tackled in Thiago Krause, 'A Formação de Uma Nobreza Ultramarina. Coroa e Elites Locais Na Bahia Seiscentista' (Unpublished PhD Dissertation, Rio de Janeiro, Universidade Federal do Rio de Janeiro, 2015); Schwartz, *Sugar Plantations*, 264–67.

⁵⁰² AHU_CU_005 (Bahia-LF), cx 3, doc. 307.

⁵⁰³ AHU_CU_015 (Brasil-Pernambuco), cx. 2, doc. 116.

⁵⁰⁴ João Paulo Salvado and Susana Münch Miranda, eds., *Cartas Para Álvaro de Sousa e Gaspar de Sousa: 1540-1627* (Lisbon: Comissão Nacional para as Comemorações dos Descobrimentos Portugueses, 2001), 101.

5.2 Rules and regulations, prerogatives and obligations of the Brazilwood contract

Contracts normally ran between six to ten years and they singled out Northeastern Brazil, namely the captaincies of Pernambuco, Itamaracá and Paraíba, as the prime supplying areas and, concomitantly, as the main embarkation point for the shipments bound to Portugal.⁵⁰⁵ This is hardly surprising, considering how the wood harvested in these parts was considered to be of higher quality. The fact that these areas were still being given pride of place in the contracts leased out after the WIC occupation after 1630 does, hence, raise questions. The documentation produced shortly after 1630 echoes the expectations that the Dutch would be quickly jettisoned, as had been the case in São Salvador da Bahia six years prior, and the contract made with Luís Vaz de Resende and Álvaro de Azevedo in 1631 includes an adjustment clause in case it proved impossible to meet the import quotas because of the ongoing war.⁵⁰⁶

The main catch of the royal contracts was the exclusivity over the import of the dyewood into Portugal, even though this right of exclusivity did not cover the rewards monarchs bestowed upon a select few subjects and members of the aristocracy. As it can be imagined, contractors were not particularly fond of these rewards because, although the volume of imports they entailed were small, they constituted a legally-sanctioned form of competition to their business. Another form of competition stemmed from the governor-general and some town councils trying to service local debt by allowing creditors to cut and ship brazilwood from the colony into Europe. To prevent local moneyed-men and institutions which lent credit from finding legal footing to trade in the wood, the leaseholders pressured the Crown to include in their contracts clauses banning the municipal and colonial authorities from continuing that practice. One bidder went as far as to suggest that the members of the municipal councils who settled their own debts or authorized the debts of other individuals or institutions to be settle with permissions to chop and ship the dyewood should be fined 500,000 réis.⁵⁰⁷

The royal exclusive comprised three different activities: chopping the wood, the transatlantic shipping from Brazil to Portugal, and finally its sale, after cargoes were discharged by the authorities in Lisbon. Chopping was done by means of licenses issued by the contractor and anyone interested in cutting and hauling brazilwood and supply the contractor could approach the contractor's factor and request permission to do so. This exclusive over the issuing of permits was, therefore, tantamount to a *de jure* monopsony of the contractor.

The division of labor underpinning the operation of the brazilwood contract, only inhabitants of the colony (*moradores*) were allowed to dismantle the trees and transport them to the embarkation points along the coast, although they needed a license from one of the factors of the contractor. They were required to sell all the wood to the contractor's factors, at fixed prices for each captaincy. The inhabitants of the colony were allowed to chop the wood, but they were forbidden to trade it from one captaincy to the other, except with

⁵⁰⁵ The clauses of Brazil wood contracts can be found in *Contrato do Pao Brasil que o Capitam Luiz Vaz de Rezende fidalgo da casa del Rey nosso senhor fez com a fazenda de sua magestade*, Lisboa, por Pedro Crasbeeke, 1631; AHU_CU_017-01 (Brasil-Rio de Janeiro-CA), cx. 1, doc. 156. At the start of the contract it is stated that the provisions therein were identical to those of the previous lease made with Fernão Lopes Lopes. See also the bid made by Nuno Álvares Viseu in 1625, which followed closely the template of the previous contract, that of André Lopes Pinto, (1617-1625); AHU_CU_015 (Brasil-Pernambuco), cx. 2, doc. 116.

⁵⁰⁶ On the introduction of adjustment clauses to the tax and monopoly farms; Costa, 'State Monopoly or Corporate Business'. 235

⁵⁰⁷ Clause 17 of Nuno Álvares Viseu's bid AHU_CU_015 (Brasil-Pernambuco), cx. 2, doc. 116.

authorization of the contractor.⁵⁰⁸ The contractor, in association with the *provedor da fazenda*, should look into the person who requested the permission, and if the individual in question was found to be an honourable businessman and an abiding subject of the king, the permit should be issued, unless the annual shipment quotas had already been met. As the *regimento* specified and the contracts reiterated, the *provedores* of the various captaincies would also keep an inventory of the cutting licenses granted throughout the year, which was compared with the wood that was loaded into the transatlantic ships and inspected in Lisbon. The lumberjacks were required to hand over all the harvested wood to the factor of the contractor in the captaincy where the cuttings took place. Since the lease was temporary, it was feared that concessionaires would chop as much wood as possible without paying much consideration for the long term sustainability of the trees or for the state of the business by the time new contractors took over the monopoly.

Aside from what was laid down in the contracts, not many details have surfaced on how the dyewood changed hands from suppliers to the entourage of the contractors. A purchase contract from 1629 shows that those transactions were also negotiated in Lisbon, between the contractors and merchants with contacts in Brazil or representing *moradores* (local settlers). Fernão Lopes Lopes and Lopo Pereira, who had leased the monopoly from 1626 to 1631, and a certain Luís Rodrigues, a resident in Lisbon acting on behalf of people who lived in Bahia, agreed that 1,000 *quintais* of prime wood from the forests of Porto Seguro would be delivered by Rodrigues correspondents to the contractors' factor in Bahia every year until the end of the contract.⁵⁰⁹ This transaction alone ensured that one tenth of the annual import amounts set by the contract was ready for embarkation. The seller would cover the costs of transporting the wood to the coast and of loading into the ships, while payment would be done in Lisbon, after the factors of the contractors sent an invoice signalling that the transaction had been concluded and the consignment was on-board a ship bound for Portugal. From the arrival of the invoices, the contracts vouched to pay Luís Rodrigues within two months.⁵¹⁰ This one example is not enough to clarify whether it was more common for the monopoly holders to purchase logs in the kingdom, or if it was left to their representatives in Brazil, who had better and first-hand information about the supply market, to strike deals with local residents. It is also unclear, whether the pattern of supplies from the wood cutters involved, as in the case above, large amounts of logs and wood being purchased from a select few suppliers, or a multitude of small transactions with large number of suppliers. Out of convenience alone and because of economies of scale, the former option was probably preferred.

The Crown's determination to prevent leaseholders from abusing their contracts resulted in additional checks and balances over how they provisioned themselves in Brazil. The most extreme solution was put in place in the captaincy of Espírito Santo, where the Crown granted exclusive rights to the Society of Jesus to chop brazilwood and hence become the sole supplier of the contractors. Although this measure was short lived, because of the negative responses it sparked among various groups in Luso-Brazilian society and mercantile interests in the kingdom, it demonstrates that the Crown attempted to reel-in the influence of the contractors by bringing into the sector a powerful stakeholder.⁵¹¹ Contractors opposed the decision because they knew they could not negotiate on the same terms with local suppliers as with the powerful religious order. The donatarial-captain, in turn, protested

⁵⁰⁸ Sousa, *O Pau Brasil Na História Nacional*, 180–88.

⁵⁰⁹ According to the contract, the deliveries would be made in two annual instalments. The first 500 *quintais* were due at the end of November 1629 and the second by mid June of the following year, so on and so forth until April 1632, when the last delivery was scheduled. The price was set at 640 *réis quintal*, in accordance with the prices identified by Frédéric Mauro for the same period.

⁵¹⁰ ANTT, ADL, 15º Cartório Notarial, caixa 50, livro no. 233, fl. 44-46.

⁵¹¹ Mauro, *Portugal, o Brasil e o Atlântico, 1570-1670*, 1:172–73; Dauril Alden, *The Making of an Enterprise: The Society of Jesus in Portugal, Its Empire, and Beyond, 1540-1750* (Stanford, California: Stanford University Press, 1996), 531.

against the idea for fear that the *vintena* would no longer be earmarked to him and would eventually end up in the hands of the Society of Jesus. Local colonists were apprehensive, fearing they would be deprived of an important source of income, as they expected the Jesuits to use their tutelage over the Amerindians to get enough cheap labour for the chopping.⁵¹²

The contracts stipulated restrictions regarding where the harvesting should be done. Wood could only be cut from trees located at least five leagues from the coast. Anyone caught chopping wood closer, would lose the logs and would be arrested, while the seized wood was divided between the Crown and the contractor in equal parts. After hauling the trees and handing them over the contractor's factor, the logs were branded with the contract's mark, so that it would be clear that they belonged to the government contract. Moreover, any logs found less than in the aforementioned five leagues away from the coast without the leaseholder's mark were considered to have been illegally chopped and were hence liable for confiscation.⁵¹³ Upon arriving on the coast, the wood should be stored in a building kept by the suppliers, while the local *provedor da fazenda* and the factor of the contractor were expected to guarantee that the wood was not secretly taken out of the depot and smuggled off the coast.

The contracts also went into great detail about the paperwork that had to be produced upon the embarkation of the wood in Brazil. This comes as no surprise as only by comparing and contrasting records produced by officials in the colony and agents of the contractor it was possible to detect discrepancies. The wood dispatched from Brazil had to be recorded in the books of the royal factory or the customs house of the port of departure and those records should keep track of the weight, the name of the ship and of its skipper, as well as the date of departure. Crown officials and the contractor's factor signed the books and issued a certificate to the skipper, which he would present to the House of India in Lisbon. If upon arrival in Portugal it was discovered that there was less dyewood in the ship than what was certified, the skipper and the crew would be questioned, and unless they could prove that the shortage had been caused by losses at sea, they would all be arrested for questioning. In case they argued that part of the cargo was lost due to bad weather or a sailing accident during the crossing of the Atlantic, it was the *procurador da fazenda's* task to appraise the truth of these claims, and inquire the contractor before deciding whether to take judicial action or not. In turn, if the ship carried more wood than what was certified in Brazil, the excess was immediately seized by the royal officials, and depending on how much there was in excess, the Crown could take action against the contractor or the crew. In addition to the certificates issued for every ship leaving Brazil, the *provedores da fazenda* of the different captaincies had to send every year the lists of all ships that had been chartered by the leaseholder, detailing the amount of wood they transported, the names of the ships and skipper. These lists were crosschecked with the discharge certificates received by the skippers and later presented at House of India.⁵¹⁴

As stated before, Lisbon was the compulsory destination for all the shipments of wood leaving Brazil meaning that, at least in principle, other ports in the realm and destinations abroad were excluded. The Crown sometimes accepted the requests of contractors that in emergency situations, such as bad weather and the threat of plunder at sea, ships might change course to other ports in Portugal. But if it was found that the contractor was moving the dyewood to a port other than Lisbon without the Crown's prior consent, the cargo would be confiscated, with two thirds reverting to the state and the other

⁵¹² For the involvement of members of the order in the illegal commerce of the dyewood; Antunes, Post, and Salgado, 'Het omzeilen van monopoliehandel', 40.

⁵¹³ See clause 8 of Nuno Álvares Viseu bid from 1626, AHU_CU_015 (Brasil-Pernambuco), cx. 2, doc. 116.

⁵¹⁴ This documentation was forever lost with the destruction of the records of Lisbon's customs and of the House of India caused by 1755 Lisbon earthquake. For a rare exemplary of one such lists, composed in São Salvador da Baía, see AHU_CU_005 (Bahia-LF), cx. 2, doc. 186-187.

third to whomever had reported on the illegal shipment. The procedures to follow in case the skipper was forced to call at other Portuguese ports, because of bad weather or enemy attacks at sea were the following: The skipper had to report the emergency call to the custom officials of the harbour he called at, and inform them of how much wood he was carrying, making proof by presenting the license from the treasury officials in Brazil. If the ship was fit to sail, it should make its way to Lisbon, where the skipper should report to the authorities in no less than thirty days. If the skipper failed to report the emergency call at other Portuguese ports, or if he failed to head to Lisbon after leaving the previous port, the wood would be seized by the Crown without the leaseholder being owed any compensation.⁵¹⁵ An example of a shipment that bypassed Lisbon was the voyage undertaken by Jan Schrooder, skipper from Hamburg, who arrived in the spring of 1609 to Amsterdam a cargo of Brazilian sugar and dyewood bought in the port of Viana. This cargo was commissioned by Carsten Langeweel, Tiele Bierman and Zeger Raetmans, merchants in Hamburg, and Frans Wolfertsen, a businessman from Amsterdam. This brazilwood shipment was in all likelihood smuggled in and out of Viana, since the contract drafted in Amsterdam specified that all shipments of the tropical wood had to come to Lisbon and there is no evidence that a permission to use another Portuguese port was requested by the contractor.⁵¹⁶

As stated above, there was a limit to the amount of brazilwood that contractors were allowed to import from Brazil into Portugal every year, and during the period under study this ceiling was set at 10,000 *quintais*. However, the contract only stipulated the amount of wood that could be shipped from Brazil, and not the quantity that was delivered in Lisbon or other Portuguese ports. This was more than a matter of linguistic nuance as this difference opened the door for contractors to chop new logs and ship them anew if earlier shipments fell into the hands of corsairs or privateers while en route to Portugal.⁵¹⁷ Excess or losses when it came to meet the 10,000 *quintais* limit could be compensated in the following years, meaning that if less wood was brought in a given year more could be carried in the following year. The reverse situation also applied, as long as the total of 60,000 or 100,000 *quintais* threshold, depending on the length of the contract, was met by the end of the concession. The Crown did, however, accommodate a marginal excess up to 3-4% by the expiration date of the lease, which the contractors could keep to themselves free of charge. The state was, on the other hand, adamant that once the lease was over, there could not be further imports, even if the aggregate cap had not been met. Regardless whether or not the contractors were able to import as much wood as they were allowed, their financial obligations towards the Crown, namely the payment of the lease, would have to be fully met by that point, except in the extraordinary circumstances of war.⁵¹⁸

⁵¹⁵ See the petition made by André Lopes Pinto, who requested permission for the small merchant vessels he had freighted to be allowed to head directly for northern Portuguese ports of Porto and Viana, which maintained a regular seafaring connections with Brazil because of the sugar trade. AHU_CU_005 (Brasil-Bahia-LF), cx. 2, doc. 170; AGS, SSP, lib. 1516, fl. 51, 51v. The same request was made in 1635 by Luís Vaz de Resende in an attempt to counter the losses inflicted by Dutch raiders in the middle passage. The contractor struggled to find enough skippers who dared venturing to Brazil and to Lisbon on the outward-bound voyage at affordable rates and asked that the wood was brought to Northern Portuguese ports. AHU_CU_017-1 (Brasil-Rio de Janeiro-CA), cx. 1, doc. 156. On the two seaports as re-export centres for Brazilian goods into Northern Europe. Costa, *Império e grupos mercantis*, 47; Manuel A. Fernandes Moreira, *Os Mercadores de Viana e o Comércio Do Açúcar Brasileiro No Século XVII* (Viana do Castelo: Câmara Municipal de Viana do Castelo, 1990).

⁵¹⁶ Cátia Antunes, 'International Positioning of Portuguese Seaports, 1580-1640: The Economic Link to Western Europe', in *Seaports in the First Global Age. Portuguese Agents, Networks and Interactions (1500-1800)*, ed. Amélia Polónia and Cátia Antunes (Oporto: U. Porto Edições, 2016), 99.

⁵¹⁷ Clauses 10 and 13 of Luís Vaz de Resende contract, AHU_CU_017-01 (Brasil-Rio de Janeiro-CA), cx. 1, doc. 156.

⁵¹⁸ See clause 3 of Nuno Álvares Viseu bid, AHU_CU_015 (Brasil-Pernambuco), cx. 2, doc. 116.

5.3 Operationalizing a Monopoly Farm and International Connections

The leaseholders were allowed to appoint up to five agents to run the contracts' operations in Brazil. These agents' most important task was to take possession of the best quality brazilwood available in the captaincy where they resided at the lowest possible price, and dispatch it to Portugal. These agents were also expected to ensure a detailed and up to date account keeping of the contract's business, which would require them to record the delivery dates of cargo dispatched from Portugal and the prices and amounts involved in any sale transactions involving those cargoes.⁵¹⁹ The contractors would draw bills of exchange on their correspondents to complete the payments to the wood choppers when the earnings from the sale of metropolitan or European exports were not enough to cover what was owed them for the logs. The concessions also required the agents to compile an inventory of all the bills of exchange that were underwritten, the amounts acquired and dispatched, the ships into which they had been loaded, and the identity of its skippers. The representatives of the contractors were also charged with approaching the authorities, such as the *provedor mor da fazenda* in Brazil and the local justices, to settle any legal disputes related to the affairs of the contract.⁵²⁰ The contractor's representatives in Brazil were either factors, that is salaried employees, or agents who or received a commission for every transaction they brokered.⁵²¹ For instance, for his services as the contract's factor in Bahia in the mid to late 1620s, Francisco de Torres was paid 20,000 *réis* annually.⁵²²

Table 20. Factors of Lopes Lopes and Pereira's Brazilwood contract (1626-1631)

Location	Name
Bahia	Domingos Pereira
Bahia	Gonçalo Pinto de Freitas
Bahia	Francisco de Torres
Paraíba	Belchior Vasques
Paraíba	Jerónimo Cadena
Canary islands	Captain and <i>alguacil</i> Luís Lourenço
Madeira	Manuel Fernandes Fontes
Antwerp	Francisco Lopes Franco, Bento Rodrigues de Lisboa

Sources: ANTT, ADL, 15° Cartório Notarial, cx. 48, Livro de notas no. 219, fl. 94, 94v; Ibid., cx. 48, Livro de notas no. 222, fl. 77-77v; Ibid., cx. 49, Livro de notas no. 225, fl. 19v-20, 22-22v, 54-54v, 78-79; 122-123; *ibid.*, Livro de notas no. 227, fl. 95-96v.

⁵¹⁹ Clause 20 of Luís Vaz de Resende contract. AHU_CU_017-01 (Brasil-Rio de Janeiro-CA), cx. 1, doc. 156.

⁵²⁰ For a paradigmatic example of the duties of a factor for the factor, see the power of attorney that appointed Francisco de Torres as contractor of Fernão Lopes Lopes and Lopo Pereira. ANTT, ADL, 15° Cartório Notaria, cx. 49, Livro de notas 227, fl. 95-96v.

⁵²¹ Daniel Strum, *The Sugar Trade: Brazil, Portugal and the Netherlands (1595-1630)* (Stanford, California, Rio de Janeiro: Stanford University Press-Versal Editores, 2013), 438–39; Trivellato, *The Familiarity of Strangers*, 132.

⁵²² ANTT, ADL, 15° Cartório Notaria, cx. 49, Livro de notas no. 227, fl. 96.

In order to fulfil their importation quotas and ensure the transportation of the logs from the colony to the kingdom, contractors relied on skippers to ship the wood from Brazil to Portugal. The monopoly-leaseholders normally preferred to freight several smaller vessels to transport the commodity rather than relying on less ships of higher tonnage.⁵²³ According to Cameron Dodge, the small tonnage ships that the contractors freighted to transport brazilwood carried on average between 85 and 100 *quintais* of this merchandise,⁵²⁴ alongside other products, namely sugar, the most in-demand Brazilian export staple.⁵²⁵ The advantage of these lighter vessels laid in their manoeuvrability and speed, which allowed them to flee the Barbary corsairs that assaulted the incoming vessels en route from the kingdom's overseas dependencies, and, after the end of the 'Twelve Years' Truce, from Dutch privateers too.⁵²⁶ One way to avoid these pitfalls was to split up the brazilwood across several vessels, for even if a one or more fell on enemy's hands, the resulting losses would be smaller than if a large cruiser containing a larger shipment was raided.⁵²⁷ Resorting to such a cheap risk management solution was common in Lisbon and other Portuguese port-towns, owing to the fact that local merchants normally did not undersign insurance policies, not locally at least. When Portuguese merchants wanted to insure cargoes, they normally did so in Amsterdam, where this activity was significantly more developed and its costs more competitive.

An elucidating example of one such voyage involved three caravels, all of which chartered from skippers of Peniche, a seafaring harbour in the central region of Portugal located some 100 km to the North from Lisbon. The ships in question were the *Conceição* of Domingos Martins Cara de Anjo, the *Santo António* of Duarte Franco and the *São Bernardino* of Domingos Viana.⁵²⁸ In 1627, these three vessels were freighted in quick succession by the contractors Fernão Lopes and Lopo Pereira to undergo voyages from Lisbon to Pernambuco and back. It was common for the freighted ships to leave from the Portuguese capital in March or April along with the annual armada bound for India, and after parting ways with the Cape Route fleet, they would either head directly to Brazil or to an intermediary port. For example, during the outward bound voyage the *Conceição* called at Santa Cruz (Canary Islands), where an agent of the leaseholders was standing by with a consignment of local wine to be taken to Brazil for the benefit of the contractors. Aside from the money that contractors could make by marketing export staples, in this case wine, these merchandises allowed for the funds necessary to run the contract's operations in Brazil to be transferred from Portugal. Moreover, the proceeds of the sale of these in-demand export-goods were also used to pay the salaries of the factors in Brazil, or the commissions charged by their correspondents were deducted from them. These receipts were, hence, partially meant to pay

⁵²³ AHU_CU_005 ((Brasil-Bahia-LF), cx. 2, doc. 170. "por vir nas caravellas e outros navios mais pequenos q vao em direitura a cidade do Porto e villa de viana foz do lima [...], porque em outra man(eira) vindo em naos grandes fica elle supp(licante) arriscando m(uito) [...], e sobretudo navios pequenos com mais facilidade escapao aos cossarios e em caso que alguns se tomem he a perda de menos consideracao".

⁵²⁴ These calculations refer to the period of Luís Vaz de Resende contract (1631-1636). It is unclear whether or not these shipping patterns represented a departure from previous years. Dodge, 'A Forgotten Century of Brazilwood', 16-17.

⁵²⁵ The average tonnage of the ships chartered for the sugar trade was 180-300 tons, but they could reach as high as 350 and as low as 35. There was, therefore, available cargo space to accommodate the contract's dyewood shipments. Strum, *The Sugar Trade*, 304-6; Leonor Freire Costa, *O transporte no Atlântico e a Companhia Geral do Comércio do Brasil, 1580-1663* (Lisbon: Comissão Nacional para as Comemorações dos Descobrimentos Portugueses, 2002), 180-86.

⁵²⁶ Stuart B. Schwartz, "'A Commonwealth within Itself'. The Early Brazilian Sugar Industry, 1550-1670', *Revista de Indias* LXV, no. 233 (2005): 93.

⁵²⁷ Christopher Ebert, *Between Empires: Brazilian Sugar in the Early Atlantic Economy, 1550-1630* (Leiden-Boston: Brill, 2008), 90-92; Costa, *O transporte no Atlântico*, 191-201, 605-7.

⁵²⁸ ANTT, ADL, 15º Cartório Notarial, cx. 48, livro de notas no. 221, fl. 103-104v; *ibid.*, cx. 49 livro de notas no. 226, fl. 77v-78; 1484-149.

the suppliers who had cut and transported the logs from the forests to the ports of embarkation and the agency costs of running the monopoly. The averages (*avarias*)⁵²⁹ for shipping the wine in Santa Cruz were paid by the attorney/factor and were valued at 500 réis per cask.⁵³⁰

Following the ship's arrival in Brazil, the skipper should not, in principle, have to wait for more than one month before the return cargo of brazilwood was placed on board, after which he should head back to Portugal as soon as the weather allowed and the coast was clear of enemies. As customary with freighting contracts, when the wait for the cargo surpassed the thirty-day deadline, the contractors would reimburse the skipper for all the expenses with the maintenance of crew after that date, paying him 1,000 réis for each extra day the ship stayed at the embarkation port. Prior to setting sail for the kingdom, the skipper still had to receive the legal certificates and the paperwork testifying that the cargo of dyewood had been placed on board, which he would later present to both the contractors and the authorities in Lisbon. Finally, the freight contract stipulated that the skipper and his crew would be remunerated fifteen days after the wood was offloaded and discharged by the officials at the House of India. These payments included the remuneration in specie for the way transported to Brazil on the outward-bound trip, which was set at 5,000 réis per each ton carried in his vessel.

The responsibilities entrusted to the skipper, as well as the way the risks and potential liabilities were split between him and the contractors, were different in the outward and inward-bound voyage. On the outward-bound voyage, the contractors were liable for any losses involving the cargo they remitted to Brazil, while the skipper was put in charge of selling those goods in the colony. The subsequent proceeds would be split 40% for the contractors and 60% for the factor.⁵³¹ According to this arrangement, it was not the factor who sold the merchandise brought from Lisbon or the Atlantic islands, who was, hence, only expected to receive the wood from the suppliers and ensure that it was properly loaded onto the ships freighted by the contractors. In the returning voyage the skippers were liable for any losses or damages to the cargo from the moment of embarkation in Brazil until the dyestuff was presented at the House of India. They were also expected to cover all the ancillary expenses, such as the costs with personnel. For his services involving the transportation of the monopolized commodity, the skipper would be paid at a rate of 750 réis per each *quintal* of dyewood that reached Lisbon. Although the contractors ensured that the commodity was shipped to Portugal primarily by means of freighting contracts, there is also evidence that the contractors employed their own ships. For instance, Fernão Lopes Lopes and Lopo Pereira bought an eighty tons ship, the *São Pedro*, from a Vizcaino captain, Pedro Lourenço Carrus, for 370,000 réis, including all the sailing and defensive equipment.⁵³²

Having arranged for the wood to be shipped from Brazil to Portugal, and after going through all the bureaucratic procedures at the House of India, the next step was selling the merchandise. Some batches of wood were sold to fellow Lisbon businessmen, some of whom had backed the contractors financially. Such transactions were a way for the contractors to provide their passive investors with their cut of the venture or were the outcome of an order previously made by a customer. This was the case with the Fernão Lopes Lopes and Lopo Pereira's frequent associate, Francisco Dias Mendes de Brito.⁵³³ On

⁵²⁹ The term *avarias* had different meanings, but it mainly consisted of a series of additional costs that voyages incurred with tolls and passage duties. Ebert, *Between Empires*, 44, 95; Costa, *O transporte no Atlântico*, 372–73.

⁵³⁰ ANTT, ADL, 15º Cartório Notarial, cx. 48, livro de notas nº 221, fl. 103-104v.

⁵³¹ This was the case with Jerónimo Cadena, who was the factor of Fernão Lopes Lopes and Lopo Pereira in Paraíba. ANTT, ADL, 15º Cartório Notarial, cx. 49, livro de notas nº 225, fl. 78-79.

⁵³² ANTT, ADL, 15º Cartório Notarial, cx. 48, livro de notas nº 222, fl. 87v-88v.

⁵³³ For background information on Francisco Dias Mendes de Brito, see his Inquisition trial. ANTT, Santo Ofício, Inquisição de Lisboa, processo 07703. The close business relation between the Mendes de Brito and the dyewood monopolists can be inferred from the numerous occasions when Mendes de Brito appeared as

13 January 1627, the contractors appeared before a public notary to report they had agreed to sell 762 *quintais* of wood, each valued at 5,800 *réis*, meaning that Mendes de Brito would pay a total of 4,419,600 *réis* for this order. This was a sizeable transaction involving a buyer able to command above average financial resources and who had a network of customers enabling him to resell the merchandise at different ports. The practicalities of this sale went as follows: the 762 *quintais* were not handed in their totality to the customer, but rather in different instalments, each taking place at a different location. The first 62 *quintais* would be delivered at Figueira da Foz (the port-town located at the mouth of the river Mondego), followed by 250 *quintais* in Lisbon, 200 *quintais* in Viana do Castelo and the remaining in Porto. The deed of sale stipulated that until the cargo had been offloaded at the delivery points, weighted and its quality acknowledged by the buyer, all risks involving the wood consignments fell on the contractors, including anything that might happen to the cargoes while they sailed across the Atlantic.⁵³⁴ It is worth pointing out that the location of the deliveries was subordinate to the contract's requirement that brazilwood had to be brought to Lisbon. As a result, either Lopes Lopes or Pereira transferred the agreed-upon amounts to the other ports after the batches from Brazil had been offloaded at the House of India, or alternatively they obtained permission to ship the wood directly to the ports in question. The latter option was obviously preferable, as it spared the contractors from having to arrange the transportation of the cargoes from the capital to the other ports. Unfortunately for the contractors, the Crown did not always accept the contractors' requests to import brazilwood directly to the kingdom's outports, as it was thought there were greater opportunities for fraud in the smaller ports.

In addition to the fellow wholesale merchants who at times bought consignments of brazilwood, the trade in this commodity brought the monopoly-holders in contact with the aristocracy, albeit not in a buyer-seller capacity. The extant sources suggest that the members of the upper nobility who were rewarded with licenses to import the red dyestuff preferred to transfer the privilege to someone else and pocket the ensuing proceeds upfront. Such a decision by the recipient of a royal grant pleased the contractors greatly, who, in one fell swoop, added more volume to their contracts, sometimes significantly so, and neutralized an authorized competitor to their presumptive monopoly. An example of this type of transaction involved Ramiro Perez de Guzman, the Duke of Medina de las Torres and the king's *summellier de corps*, who decided to transfer to Lopes Lopes and Pereira, the right to ship 6,000 *quintais* of wood for 1,200,000 *réis* (510,000 *maravedis*), a sum that Lopes Lopes would pay in two instalments, starting in September 1626 and ending in June of the following year.⁵³⁵

Notwithstanding the demand by the aristocracy, the small size the Portuguese market and the absence of a textile manufacturing sector of significance, the overwhelming majority of the dyestuff taken out of Brazil was meant to be (re)exported outside the Iberian Peninsula.⁵³⁶ Contractors had two options; they either sold the dyewood in Lisbon to a

witness in the notarial deeds ratified by the contractors, or from the fact that some of those deeds were signed at his house.

⁵³⁴ ANTT, ADL, 15º Cartório Notarial, cx. 48, Livro de notas 220, fl. 27v-28; *ibid.*, cx. 49, Livro de notas 227, fl. 12-13.

⁵³⁵ ANTT, ADL, 15º Cartório Notarial, livro de notas 222, fl. 41-43. The interest of the Castilian aristocracy' in the commodity, either as a commercial investment or for self-consumption, is also revealed by the royal import permits granted to some of its members. A case in point is Don Rodrigo Calderón, Count of la Oliva de Plasencia, who was awarded a license to ship 8,000 *quintais* into the realm throughout the course of four years. The count was only allowed to take out of Brazil up to 2,000 *quintais* every year and he would still have to pay taxes to the Portuguese treasury (only 500 of the 2,000 *quintais* were duty and tax free). Antunes, Post, and Salgado, 'Het omzeilen van monopoliehandel', 27.

⁵³⁶ Not much is known about the trade of brazilwood in Spain. In his old studies on Catalan textile production during the early modern period, Pierre Vilar refers to an intra-Iberian commodity chain involving the export of Catalan soap to Lisbon in exchange for brazilwood. The dyewood was one of the main sources of the red

myriad of retailers who marketed the commodity abroad, or they did it themselves, dictating the price in the international outlets. Despite the challenges posed by wholesale re-exporting, such as the costs with freighting, storage, insurance, acquiring information about distant markets, and the fluctuations of demand, marketing the logged wood abroad was the option preferred by contractors. This option generated much higher yields because of the high mark-ups between production areas, the Portuguese ports where the commodity was supposed to make its first entrance in Europe and the consumption markets beyond the Pyrenees.⁵³⁷ There is no doubt that the re-export oriented nature of the brazilwood contract came on the heels of a century-long tradition of marketing the dyewood in Northern Europe via Antwerp, first through the Portuguese royal factory and, after it was closed down in the late 1540s, through the city's Portuguese Nation.⁵³⁸ As a result, at the start of the seventeenth century, the Portuguese merchant elite, both in the country and in the commercial gateways of Northern Europe, had plenty of experience in the international wholesale of this commodity.

Despite the economic decline of Antwerp following the city's capture by the troops of Farnese in 1585 and the blockade of the Scheldt, it remained involved in the international flows of colonial goods, such as brazilwood, at the start of the seventeenth century, albeit not as prominently as before.⁵³⁹ With the city being past its prime as an international trade emporium, the local Portuguese Nation continued to invest in the contract and in shipping the commodity to the Northern sea area, except it was being marketed primarily through another gateway, Amsterdam.

An example of how brazilwood was (re)exported to the Low Countries involves the consortium that exploited the royal monopoly during the first decade of the seventeenth century. The consortium was headed by João Nunes Correia, a Portuguese businessmen who secured numerous contracts to provision the armies and navy in Portugal and Spain,⁵⁴⁰ and by Tomás and André Ximenes de Aragão, members of one of the wealthiest merchant-banking families of the time. They aligned their interests with members of the Portuguese Nation of Antwerp and with foreign investors in Lisbon to ensure the dyewood found its way to the manufacturing centres and consumption markets of Northern Europe. Some of these investors backed the Nunes Correia and Ximenes contract financially and a few of them were even brought in as partners,⁵⁴¹ like the Antwerp merchants Rodrigo de Andrade

colour for Barcelona's manufactures. The reference to Vilar's work comes from: Bartolomé Yun-Casalilla, *Marte Contra Minerva. El Precio Del Imperio Español, c. 1450-1600* (Barcelona: Crítica, 2004), 160.

⁵³⁷ The Crown, because of its own experience in exploiting the monopoly directly, recognized that selling the shipments of dyewood in Portugal to a myriad of small retailers made for a less than adequate solution. Lacking the necessary capital to purchase the wood upfront, these small time buyers required payment to be split in several instalments, depriving the royal treasuries of immediate income inflows. On the other hand, splitting the supply of brazilwood across a myriad of traders devalued the price of the merchandise, which would lead to a decrease the concession fees the next time the Crown tried to farm out the monopoly. "by selling the twenty thousand *quintales* that had been embargoed in Portugal from Juan Nunez [the contractor João Nunes Correia] and spreading them between different hands it is clear that the contract would generate losses for many years to come" ("*y si sobre este se vendiesen los veinte mill quintales que estavan embargados en potugal a juan nunez (the contractor João Nunes Correia) y se rrepartiesen por diferentes manos es cosa clara que se perderia el contrato por muchos anos adelante*"). AGS, CCA, lib. 2794, fl. 107.

⁵³⁸ Goris, *Etude Sur Les Colonies Marchandes Méridionales (Portugais, Espagnols, Italiens) à Anvers de 1488 à 1567*, 195, 237, 239, 244, 255, 264, 303.

⁵³⁹ Oscar Gelderblom, *Cities of Commerce: The Institutional Foundations of International Trade in the Low Countries, 1250-1650* (Princeton University Press, 2013), 37–38, 162–63, 223–24; Jonathan Israel, *Dutch Primacy in World Trade, 1585-1740* (Oxford: Clarendon Press, 1989), 38–42; Herman van der Wee, *The Growth of the Antwerp Market and the European Economy: (Fourteenth-Sixteenth Centuries)* (Nijhoff, 1963), 278, 282.

⁵⁴⁰ A. A. Marques de Almeida, *Dicionário Histórico Dos Sefarditas Portugueses. Mercadores e Gente Do Trato* (Lisbon: Campo da Comunicação, 2009), 185–87; Carrasco Vázquez, 'La Minoría Judeoconversa En La Época Del Conde Duque de Olivares. Auge y Ocaso de Juan Núñez Saravia (1585-1639)'.

⁵⁴¹ Felix Archief (FA), Notariaat (Antwerpen, 1480-1810), N#3606, fl. 87-88; Eddy Stols, 'Lisboa: Um Portal Do Mundo Para a Nação Flamenga', in *Lisboa Em 1514. O Relato de Jan Taccoen van Zillebeke*, ed. Eddy Stols, Jorge Fonseca, and Stijn Manhaeghe (Famalicão: Edições Húmus, 2014), 37.

and Luís Martins da Veiga, and in Lisbon Julien de la Court.⁵⁴² The consortium brought together investors based in the Portuguese realm and in the Low Countries, all of whom had for long been involved in capital and commodities' flows between these two markets and Portugal's overseas offshoots. Both Andrade⁵⁴³ and the Ximenes de Aragão⁵⁴⁴ had well established branches in Antwerp, whereas the holder of a 4/22 share in the contract, the Walloon Julien de la Court, had resided in Lisbon for some time before relocating to the Southern Low Countries and later in his life to Middleburg.⁵⁴⁵ Men like de la Court were dispatched to Portugal by principals from the Southern and Northern Netherlands to represent their business interests or, in case they were junior merchants, to serve as apprentices in a distant outpost under the guidance of a local correspondent. The most skilled apprentices could become savvy businessmen in their own right, emancipating themselves from their former principals or demanding partnerships in the business of the main comptoir.⁵⁴⁶ While some of these expatriate merchants returned to their country of origin, others remained in the port where they learned their trade and embarked on a career in wholesale import-export and government contracting. These individuals were known by the authorities, and were acquainted with the intricacies of trading in Portuguese ports and with its overseas dependencies.

To oversee the contract operations outside the Peninsula, the leaseholders based in Portugal (and in the case of Nunes Correia in Spain) relied on the partners who resided in the Low Countries or the correspondents they maintained there. In Antwerp the task of representing the contract's principal shareholders and undersigned fell upon the Faleiro brothers until 1610,⁵⁴⁷ and afterwards upon João da Paz, a renowned member of the Portuguese Nation and a frequent correspondent of Iberian financiers and wholesalers.⁵⁴⁸ Firmly established in the city's business milieu, these representatives assessed the evolution of demand in the consumption markets, secured the transportation of the logged wood from Lisbon (or other ports) to Antwerp and arranged for it to be stored and sold. Afterwards, they were responsible for remitting the proceeds to the contractors in Portugal or Castile.

An example of the contractors marketing the dyewood in Antwerp comes from 1603, when a sale was agreed with a company formed by Simão Rodrigues de Évora, the notorious Baron of Rhodes, Bonaventura Michelli, merchant in Antwerp, Henrik van Lemmens, Jan de Bod, and the Ximenes from Antwerp. This company acquired 792 *quintais* of wood in a transacted brokered by the Faleiro brothers, factors of the contractors. Skipper Hans Mae was hired to transport it in the ship *De Swarte Rave* from Pernambuco to Lisbon and then to

⁵⁴² Eddy Stols, 'The Southern Netherlands and the Foundation of the Dutch East and West India Companies', *Acta Historiae Neerlandicae: Studies on the History of the Netherlands* IX (1976): 34.

⁵⁴³ Stols, *De Spaanse Brabanders*, 229, 235.

⁵⁴⁴ The estate of the Ximenes of Antwerp is currently being studied by the research project led by Sven Dupré and Christine Göttler. For an introduction to the project and some its current outputs: *Reading the Inventory: The Possessions of the Portuguese Merchant-Banker Emmanuel Ximenez (1564-1632) in Antwerp*. <http://ximenez.unibe.ch/project/>, accessed 16 October, 2018; Frade, 'As Relações Económicas e Sociais Das Comunidades Sefarditas Portuguesas. O Trato e a Família', 270–76.

⁵⁴⁵ Hermann Kellenbenz, 'Relações Económicas Entre Antuérpia e o Brasil No Século XVII', *Revista de História* 37 (December 1968): 298–99, 303, 310–13.

⁵⁴⁶ Cátia Antunes, 'Failing Institutions: The Dutch in Portugal and the Tale of a Sixteenth-Century Firm', ed. Benedetta Crivelli and Gaetano Sabatini, *Reti Finanziarie e Reti Commerciali. Operatori Economici Stranieri in Portogallo (XVI-XVII Secolo)*, *Storia Economica* XVIII (2015): 331–47; Stols, 'Lisboa: Um Portal Do Mundo Para a Nação Flamenga', 44–50; Tielhof, *The Mother of All Trades*, 28–29, 171.

⁵⁴⁷ Felix Archief (FA), Notariaat (Antwerpen, 1480-1810), N#3606, fl. 371-371v; *ibid.*, N#3585, fl. 223-223v. Moreover, the powers of attorney were normally reciprocated. For example, in an attempt to obtain reparation from a certain Thomas Alabastro, merchant from London to whom the Faleiro brothers had sold Pernambucan wood, they appointed Nunes Correia, who was at the time living in Seville. The contractor should seize the Englishmen's estate in Andalusia if necessary. Felix Archief (FA), Notariaat (Antwerpen, 1480-1810), N#3585, fl. 219-221.

⁵⁴⁸ Felix Archief (FA), Notariaat (Antwerpen, 1480-1810), N#3606, fl. 371v-374v.

Antwerp, while part of the cargo was insured by a certain Govaert Govaertsen. It is unclear whether Govaertsen was himself an Antwerp businessman or if he was operating in Holland, since it was common for Southern Netherlands-based merchants trading to Brazil to underwrite policies in the Dutch Republic.⁵⁴⁹ Regardless where the insurer was based, Govaertsen was required to pay the policy to the contractors when the ship was apprehended along with its cargo by Dutch privateers just off the coast of Pernambuco. Upon requesting the payment of the insurance, the company informed that the batches in question had already been sold to buyers in Antwerp for 3,091 Flemish pounds.⁵⁵⁰ This case not only demonstrates that Antwerp remained involved in the re-export trade of brazilwood, but it also hints at Amsterdam's growing centrality in this commerce at the turn of the sixteenth century. Antwerp's ongoing involvement in the financing of the contract and in the re-exporting of brazilwood in the early 1600s indicates that Amsterdam did not become Europe's leading entrepôt in the trade of brazilwood overnight, after 1585, even if the events of that year paved the way for its undisputed prominence some time later. While Antwerp was, alongside Hamburg, the legally sanctioned international emporium for the dyewood re-exported from Lisbon, Amsterdam became *de facto* redistribution centre, especially since most of the illegally traded wood made its way there. Moreover, when Amsterdam was not the gateway through which the dyewood entered the Northern European markets, it often served as centre for insuring and shipping.

At this point, it is important to clarify the contractors' stance vis à vis illegal trade, which included both contraband and tax evasion. This is a thorny issue since, as Antunes, Salvado and Post have acknowledged, "the contractors of the brazilwood monopoly, for their part, played a difficult game between legality and illegality".⁵⁵¹ Among the Crown's reasons for farming-out the monopoly, was its desire to get the contractors and their operational infrastructure involved in the fight against illegal trade. The legal framework defined by the contract made it in the contractor's best interest to do all he could to prevent interlopers from trespassing his monopoly, either by coming unannounced to Brazil and acquire the dyewood and especially from selling it in the European markets. At the same time, however, the contract failed to create positive incentives to keep the contractors themselves from dabbling in export contraband and tax evasion.

While the leaseholders could certainly operate in strict accordance to the clauses of their contracts, shipping no more than the 10,000 annual *quintais* of brazilwood to Lisbon, they could also extract more wood than they were allowed to and dispatch it to Northern Europe directly. By doing so contractors were defrauding the royal purse in two ways. Firstly, by diverting the dyewood away from Lisbon, they deprived the Crown of the revenues of the averages (*avarias*) and the tariffs levied on both the incoming and the outgoing (re-exported) brazilwood. Secondly, by reducing the price mark ups in the years that followed. For the state it was imperative to keep the price differentials between the supplying areas and the international outlets high, so that the commodity could be cheaply acquired in Brazil, where supply was institutionally curtailed through the monopoly and the annual import cap, but remained pricy for retailers and the final consumer in Europe. Although the Crown was not involved in the marketing of the dyewood, keeping prices artificially high still mattered, as this was the only way to ensure the highest possible bidding price in subsequent contract auctions. Moreover, administered prices were needed to guarantee that the commodity maintained its value as a hard currency for payments to state creditors and suppliers.

⁵⁴⁹ Ebert, *Between Empires*, 121; Pohl, *Die Portugiesen in Antwerpen (1567 - 1648)*, 267–70.

⁵⁵⁰ Felix Archief (FA), Notariaat (Antwerpen, 1480-1810), N#3608, fl. 191v; Kellenbenz, 'Relações Econômicas Entre Antuérpia e o Brasil No Século XVII', 301.

⁵⁵¹ Translation from the original, in Dutch; "De contractanten in het brazielhoutmonopolie laveerden op een ingewikkelde manier tussen legaliteit en illegaliteit". Antunes, Post, and Salvado, 'Het omzeilen van monopoliehandel', 30.

Not content in operating the monopoly within the legal boundaries of the contract, leaseholders could derive great benefits from defrauding the Crown, provided their wrongdoings did not come to light, which would result in the removal of the concession and judicial prosecution. In fact, to fully exploit the monopoly's potential, contractors were bound to act outside the law. This logic was the corollary of the high mark-ups between Brazil, Lisbon and Amsterdam, which made it suboptimal to operate in scrupulous accordance to the contract, since the sale prices on the Amsterdam market could be twice to five times higher than in Lisbon.⁵⁵² By avoiding the compulsory stopover in Portugal, the time that the merchandise was in transit was reduced, and hence the turnover was accelerated. While contractors had much to gain from defrauding the Crown, they too could be hurt by interlopers and local inhabitants dispatching wood off the coast of Brazil and flooding the consumption markets with dyewood. Moreover, they could also be defrauded by opportunistic factors in Northern Europe, who, much better informed about the local conditions of sale, freightage and insurance, had plenty of opportunities to breach the presumptive monopoly of contractors without them realizing. The conclusion that can be drawn from this equilibrium is that smuggling the wood in excess and bypassing Lisbon would always be a worthwhile prospect for contractors, as long as it was the contractors conducting. In turn, if it were others doing it, then the ability to honour their commitments to the royal exchequer and still derive a handsome profit from the contract could be seriously called into question.

An illustrative example of the sort of smuggling and tax evasion ventures undertaken by both contractors and interlopers was described by Luís Vaz Pimentel, a Portuguese 'whistle-blower' from Rotterdam, who in the late 1610s informed the Habsburg authorities in Brussels that Dutch transatlantic voyages bypassed the ports of the Portuguese kingdom and sailed directly to Madeira or Azores (and potentially also to the Canary Islands, where ships hailing from Portugal often stopped to load wine). On these ports of call the skippers waited for the arrival of the ships sailing from the Portuguese ports, placed the cargoes brought from the Republic on-board these vessels and waited for their return from Brazil. After loading the goods that were smuggled out of Brazil, the skippers who had been patiently waiting in the Atlantic archipelagos could headed back to the Republic or other ports in the Northern Sea area. Thanks to these illicit voyages, merchants from ports of the Northern Sea were able to acquire brazilwood and sugar unencumbered by the taxes that were paid in Lisbon.⁵⁵³

To oversee the contractors' sales in Amsterdam, which were outlawed by the Spanish Monarchy in 1605 and resumed during the 'Twelve Years' Truce, they relied on their correspondents and factors. The 1603-1612 leaseholders appointed at least three factors: Nicholas du Gardin,⁵⁵⁴ Samuel Godines, and Cornelis Snellinck, who had already served as the representative of João Nunes Correia in his previous monopoly farm.⁵⁵⁵ Snellinck made several freight contracts with Holland based skippers to bring shipments of brazilwood to the Dutch Republic on behalf of João Nunes Correia going back to the turn of the sixteenth

⁵⁵² Antunes, Post, and Salvado, 29–30.

⁵⁵³ Israel, 'Spain and the Dutch Sephardim, 1609-1660', 363.

⁵⁵⁴ Koen, "Notarial Records," *Studia Rosenthaliana*, vol. X, no. 1, January 1976: 102.

⁵⁵⁵ Originally from Antwerp, Snellinck built his career in the Scheldt emporium, where he married a woman from the city's Portuguese Nation. The marital alliance with the Portuguese expatriate community gives further indication of his role as a bridgehead between the South Atlantic, Portugal and the Low Countries, particularly, Amsterdam, where he established himself at the turn of the sixteenth century. Aside from his involvement in the trade of brazilwood, Snellinck imported sugar from Portuguese America and bartered for slaves in West Africa, which he then exported to Latin America. He is a good example of the consummate well-rounded trader of the Amsterdam staple market, who freighted ships to transport his cargoes across the North and South Atlantic, but equally part ship-owner, insurer and bill specialist. Antunes, Post, and Salvado, 'Het omzeilen van monopoliehandel'; Roitman, *The Same but Different?*; Ebert, *Between Empires*, 80–81, 121, 137.

century. For instance, in 1601 he freighted the ship of Peter Jan Sijvertsz to transport some thirty barrels of dyewood to Lisbon and then to Amsterdam. The price per *quintal* of wood was estimated at 320 *réis*, whereas the freight rate was 1,600 *réis* per barrel.⁵⁵⁶

The division of a cargo brought from Brazil in 1611, which is summarized in table 21, reveals the investment structure behind the shipment of dyewood to Amsterdam. A series of investors based in Lisbon, among which was one of the recipients of the contract (André Ximenes), pooled their resources together and fitted-out a voyage to bring the prized commodity into Europe. It is possible, very likely even, that some of these men were just acting as proxies for relatives or business acquaintances who, although putting forward the capital, could not have their participation disclosed because they resided in an enemy jurisdiction. Another possibility that can be entertained is that, with the exception of André Ximenes, these foreign merchants in Lisbon partnered with the contractors in an illicit shipment to Amsterdam but had no shares in the actual government contract.

Table 21. Investors in a shipment of brazilwood to the Low Countries (1611)

Investors	Place of Residence	Shares due to the Investors	Sellers of the Wood and Remitters of the Proceeds
Jean Le Mercier	Lisbon	4/22	Pieter Hustaert
Henrique Bernaldo	Lisbon	3/22	Pieter Hustaert
Lambrecht Hustaert	Lisbon	3/22	Pieter Hustaert
Julien de la Court's heirs	Lisbon	4/22	Samuel Godin
André Ximenes	Lisbon	8/22	Nicholas du Gardin

Source: SAA, NA, 374, fl. 145-147v; Koen, "Amsterdam Notarial Deeds pertaining to the Portuguese Jews in Amsterdam up to 1639", numerous entries.

The entire batch of brazilwood was to be handed over to Nicholas du Gardin, acting as factor of the contractor André Ximenes, who subsequently stored it in a depot to which only he had access. Moreover, he alone was responsible for selling the cargo and distribute the earnings amongst the partners, proportionally to their respective investments.

The coexistence between the contract shareholders and their correspondents was not always harmonious, as the outcome of that very same 1611 shipment of brazilwood reveals. Displeased that only du Gardin held the keys to the depot where the goods were kept, Pieter Hustaert, another correspondent or the contractors or a silent investor in the shipments, demanded that all investors were given access and became privy to the sale terms of the dyewood. Hustaert's protest should be understood as a reaction to the disproportionate access that the investors represented by du Gardin enjoyed, while the others were, perhaps conveniently, kept at bay. It can also be speculated that Gardin was acting opportunistically *vis à vis* the individuals whose interests he was supposed to further, although the reputational backlash against him in the Amsterdam staple market could probably constitute a powerful disincentive for him act on his own volition against other merchants. Whatever the case might have been, Hustaert was bothered by his lack of information about the sales and demanded to know to whom and for how much the wood was sold. He was certainly fearful that du Gardin, alone or in collusion with the other investors, could take advantage of him and the people he represented by reporting an inferior sale price and pocketing the difference.

The relationship between Hustaert and the rest of the partners, agents and customers of the brazilwood contractors was prone to conflict. In June 1615, another disagreement pushed the partnership to a breaking point. Cornelis Snellinck had promised to sell 75,000

⁵⁵⁶ Koen, "Notarial Records," *Studia Rosenthaliana* vol. 2, no. 2, June 1967, no. 91: 259.

pounds of brazilwood to two buyers, Michiel Faes and Daniel Mits and the two parties were apparently so happy with how the transaction went that they agreed that the same amount would be bought in five months' time.⁵⁵⁷ Hustaert, however, opposed these plans, claiming he had never been consulted about the sale of such a large batch of wood and announcing his intention to set aside a portion of the wood for himself. Moreover, he also complained about being frequently excluded from their business decisions, echoing again the feelings behind his protest in 1611. He referred to another occasion of untrustworthy behaviour, when twelve boxes of sugar he owned together with some of these very same partners had been sold behind his back and he was confronted with the consummated fact when they presented him with his share of the proceeds. The sale he was not privy to had been carried out for a price that was allegedly lower than what he had negotiated with another buyer.

Du Gardin's reputation was further called into question by Hustaert, who accused him of having stolen a diamond from a consignment of precious stones he had sold in Germany along with other associates. As retaliation, he announced he would not relinquish the share of the wood that was in his care, and tried to block the sale arranged by Snellinck. Defiantly, Hustaert proposed to buy out the other partners shares and acquire the entire shipment of the dyewood, but offered less money than Faes and Mits.⁵⁵⁸ By this point it seems clear that relationship between Hustaert, Snellinck and Du Gardin was damaged beyond repair. Hustaert received a notice banning him from seizing and moving any portion of the batch from the warehouse or trying to sell it under threat of being taken to court by all the other partners. He replied to this warning saying he would not object to the sale if he was allowed to keep 90,000 pounds worth of wood, since he had a sale already lined up with some other buyers. This request was tantamount to blocking the transaction agreed with Faes and Mits, and must have been perceived as a very aggressive move.⁵⁵⁹ The Antwerp partners, Francisco Godines and Tomás Lopes Ulhoa tried to mediate the dispute. They pleaded with the disgruntled Hustaert not to obstruct the sale of 75,000 pounds that Snellinck had brokered. If he truly intended to embargo the sale, the Antwerp partners warned him they would seek reparation from Henrique Bernaldes and Pieter's brother in Lisbon, Lambert Hustaert. At the same time, Godines and Ulhoa's tried to accommodate some of Hustaert's wishes, and offered to sell him a consignment of 414 *quintais* of wood that was on its way to the Low Countries.⁵⁶⁰ The mediation by Godines and Ulhoa seems to have failed, since it was reported that Hustaert was prepared to take the matter to the courts, even if some of the partners had not yet give up on an extra-judicial settlement.⁵⁶¹

If the contract ratified with the Ximenes and Nunes Correia throws some light on the international and trans-imperial ramifications of the brazilwood business, placing the accent on the role of the Low Countries in the legal re-exporting and illegal direct exports, two latter contractors, Fernão Lopes Lopes and his nephew Lopo Pereira, show how contractors looked for new consumption markets following the capture of Northeastern Brazil by the Dutch West India Company in 1630. As far as the brazilwood trade was concerned, the loss of Pernambuco and the adjacent captaincies inflicted a double blow to the Portuguese Crown and its contractors. In one fell swoop they lost one of the main extraction outlets of the wood and saw the leading European distribution outlet for the commodity, Amsterdam, close its doors to them. With the creation of the colony of Dutch Brazil, the United Provinces found their own direct stream of supply of cash crops and

⁵⁵⁷ Koen, "Notarial Records," *Studia Rosenthaliana*, vol. 10, no. 1, Jan. 1976: 95-96.

⁵⁵⁸ Koen, "Notarial Records," *Studia Rosenthaliana*, X, no. 1, (January 1976), 96-97.

⁵⁵⁹ Koen, "Notarial Records," *Studia Rosenthaliana*, X, no. 1, (January 1976), 98.

⁵⁶⁰ Koen, "Notarial Records," *Studia Rosenthaliana*, X, no. 1, (January 1976), 99.

⁵⁶¹ Koen, "Notarial Records," *Studia Rosenthaliana*, X, no. 1, (January 1976), 103.

tropical products, and no longer depended upon re-exports from Lisbon or upon contraband inflows from the areas under Portuguese control.⁵⁶²

Re-exports were, as previously stated, absolutely crucial to the contractors' sales strategy, considering that they commanded the highest prizes. In the wake of the losses in Brazil contractors rose to the challenge of finding alternative markets beyond Amsterdam. A case for which there is evidence of market re-orientation involves Italy, where the red dyes were also much in demand. For centuries, Italian cities had been supplied with Asian red dyewoods through the Levantine routes. This was the very same redwood whose import the Portuguese Crown forbade early in the sixteenth century, out of fear that it would compete with its Brazilian counterpart.

Notwithstanding the appearance of a new source of supply coming from the New World, dye plants from Asia continued finding their way westwards into the Italian Peninsula via the Mediterranean. It was only when the English and Dutch chartered companies entered the Cape Route trade that the Red Sea-Levantine circuits, which had experienced something of a revival by the last quarter of the 1500s, were eclipsed.⁵⁶³ In order to obtain the source of the red-dye in this new phase of intercontinental trade, Italian towns and textile manufacturing sites could either purchase the Asian products they were familiarized with from new suppliers, the Dutch and other Northern European traders, or, import the wood from Brazil.⁵⁶⁴ While this shift in world trade certainly cost the contractors of the Portuguese Crown some traditional outlets, losses could be reduced by considering alternative consumption markets. Although Italy was not new to the brazilwood trade, owing to the investments of Florentine capitalists in the Portuguese royal monopoly in the decades following the discovery of Brazil, by 1630 there was room to increase exports into that market. Moreover, Italian ports could also function as redistribution points for the wood to be traded with the Levant and the Ottoman empire, notwithstanding the fact that these regions enjoyed access to sappanwood and other dyewoods from the East.⁵⁶⁵

It was with the Italian market in mind that, on June 2 1627, a six years long partnership was constituted between the contractors, Fernão Lopes Lopes and Lopo Pereira, and Luís Gomes and brothers, from Rome, represented in Lisbon by Francesco Morelli.⁵⁶⁶ According to the terms of the partnership, the contractors were required to ship from Lisbon to Livorno and Venice, 2,700 *quintais* of brazilwood every year, which the Gomes brothers would then sell. The profits and losses from the sale of the wood in Italy were divided as follows: 3/5 for the contractors, 2/5 for Luís Gomes and his brothers. Of the annual 2,700 *quintais*, 1,200 would be sent over to Livorno, on consignment to the merchant Brás de França and to the heirs of Jorge da Veiga Pinto, while 1,500 *quintais* would be sent to Venice

⁵⁶² Wim Klooster, *The Dutch Moment: War, Trade, and Settlement in the Seventeenth-Century Atlantic World* (Cornell University Press, 2016), 33–53; Cátia Antunes, Erik Odegard, and Joris van den Tol, 'The Networks of Dutch Brazil: Rise, Entanglement and Fall of a Colonial Dream', in *Exploring the Dutch Empire. Agents, Networks and Institutions, 1600-2000*, ed. Cátia Antunes and Jos Gommans (London: Bloomsbury, 2015), 77–94.

⁵⁶³ C. H. H. Wake, 'The Changing Pattern of Europe's Pepper and Spice Imports, ca 1400-1700', *The Journal of European Economic History* 8, no. 2 (1979); Steensgaard, *The Asian Trade Revolution*.

⁵⁶⁴ For an overview on Italy's textile sector during the early modern period, Andrea Caracausi, 'Textiles Manufacturing, Product Innovations and Transfers of Technology in Padua and Venice between the Sixteenth and Eighteenth Centuries', in *Innovation and Creativity in Late Medieval and Early Modern European Cities*, ed. Karel Davids and Bert de Munck (Aldershot: Routledge, 2014), 131–60; Maxine Berg, 'Manufacturing the Orient. Asian Commodities and European Industry. 1500-1800', in *Prodotti e Tecniche d'Oltremare Nelle Economie Europee. Sec. XIII-XVIII*, ed. Simonetta Cavaciocchi (Florence: Mondadori Education, 1998), 1–30.

⁵⁶⁵ Trivellato, *The Familiarity of Strangers*, 105.

⁵⁶⁶ Nunziatella Alessandrini, 'Vida, História e Negócios Dos Mercadores Italianos No Portugal Dos Filipes', in *Portugal Na Monarquia Hispânica. Dinâmicas de Integração e de Conflito*, ed. Pedro Cardim, Leonor Freire Costa, and Mafalda Soares da Cunha (Lisbon: Cham-CIDEHUS-GHES-Red Columnaria, 2013), 125–26. The will of Francesco Morelli, deceased in 1629, can be found in Arquivo Nossa de Senhora do Loreto (ANSI), caixa XV, doc. 16.

and entrusted to Luís Gomes himself or to António Ramiro. These individuals were the correspondents of Luís Gomes, whom he had entrusted with the responsibility to sell the cargoes for the best possible price. Furthermore, once a year, the commission agents (*comissarios*) of the Italy-based partners would forward a copy of the partnership accounts to Lisbon to Lopes Lopes and Lopo Pereira, along with their share of the profits by means of bills of exchange. The contractors, for their turn, were not allowed to send any brazilwood to the Italian Peninsula to anyone else. This partnership therefore conceded exclusive rights over the brazilwood trade in Italy to the Gomes brothers, while at the same time giving Fernão Lopes Lopes and his nephew a trustworthy partner who was able to place the merchandise efficiently in a market the contractors did not know well. Finally, Morelli was liable before Fernão Lopes Lopes and Lopo Pereira for the all the money that was owed to them by Luís Gomes and brothers.⁵⁶⁷

Although contractors were looking for alternative markets after the 1620s, they did not completely disregard the consumption centres of Northern Europe. After all, the partnership with the Rome merchants only covered about 30% of the annual 10,000 *quintais* they were allowed to take out from Brazil. Antwerp, for one, still played a role in the contract's operations, no longer as the redistribution hub but as the place where agents were appointed to claim money from debtors in Northern sea ports and to litigate in local courts. Coincidentally, Fernão Lopes Lopes and Lopo Pereira gave powers of attorney to Francisco Lopes Franco and Bento Rodrigues de Lisboa, members of the Portuguese Nation of Antwerp to claim the returns from the sale of 50 *quintais* of wood from some buyers in Rouen.⁵⁶⁸

Evidence also shows that the German port-cities continued to receive shipments of brazilwood all throughout the period under study. Hamburg in particular was a gateway into the German markets. During the contract of João Nunes Correia, Snellinck and Rodrigues Vega in Amsterdam dispatched wood for Dominicus van Uffeln, an emigrée merchant based in Hamburg.⁵⁶⁹ Although Hamburg was one of the commodity's redistribution centres for Northern and central Europe, it seems that prior to 1600 the contractors did not employ members of Hamburg's Portuguese community as their factors or commission agents there. Instead, they relied primarily on autochthonous merchants, and on Dutch businessmen who lived in the city.⁵⁷⁰ It was only at start of the seventeenth century that Portuguese immigrants started becoming the contractors' correspondents in Hamburg. This development comes as no surprise, since the Portuguese only started to establish residence in Hamburg in large numbers around the turn of the century.⁵⁷¹ According to Jorun Poettering, while the members of the Portuguese Nation of Hamburg and Amsterdam controlled the tropical wood imports during the first half of the century, for a brief period, during the 1630s and early 1640s, the autochthonous merchants of Hamburg excelled in the import of colonial dyestuffs, including the scarlet wood from Portuguese America, to supply the textile proto-industries of Northern Europe. Their predominance in this trade was, however short-lived, as they were displaced by the city's Portuguese Nation by the turn of the 1640s and saw the turnovers from this business dropped from 17% to a mere 4%.⁵⁷²

⁵⁶⁷ ANTT, ADL, 15º cartório Notarial de Lisboa, Livro de notas no. 222, fl. 91, 97-100v. This type of contract was regulated in the *Ordenações*, which reserved special provisions for the general partnerships involving government concessions/royal tax-farming contracts. *Ordenações Filipinas*, livro 4, título 44, "Do contrato da Sociedade e Companhia". For a general overview on the partnership contracts for early modern southern Europe (i.e. Italy) see Trivellato, *The Familiarity of Strangers*, 140-43.

⁵⁶⁸ ANTT, ADL, 15º Cartório Notarial, cx. 49, livro de notas nº 225, fl. 122v-123.

⁵⁶⁹ Born in the Southern Low Countries in the 1540s, van Uffeln left Antwerp after Farnese's troops took over the city in 1585. He would later settle in Hamburg. Poettering, *Migrating Merchants*, 49.

⁵⁷⁰ Poettering, 74-75.

⁵⁷¹ A. H. de Oliveira Marques, *Hansa e Portugal Na Idade Média* (Lisbon: Editorial Presença, 1992).

⁵⁷² Poettering, *Migrating Merchants*, 160.

5.4 Concluding Remarks

This chapter looked into the legal contours of the brazilwood monopoly. While focusing on the rules and regulations surrounding the private administration of this royal exclusive, it did neglect the operationalization of the trade by the leaseholders. Unlike the public private partnerships tackled in the previous chapters, this chapter looked at a revenue-farming contract, more specifically the monopoly over the trade of a tropical commodity.

The Crown's rationale for leasing this potentially lucrative patrimonial asset was about the same as with any other revenue-farming lease. By outsourcing the monopoly the royal administration sought to secure relatively stable and upfront yields (through periodical lump sums),⁵⁷³ without exposing itself too much to the vagaries of the transatlantic trade and the uncertainties surrounding the export of colonial products. Central to the Crown's strategy was also the need to artificially inflate the price by keeping private traders from freely acquiring the wood as they pleased.

The adjudication of the royal monopoly granted the concessionaires a *de jure* monopsony in Brazil and a monopoly over the imports into Portugal, while at the same time leaving the door wide open for the wholesale re-exports to the European markets where the largest profits could be made. Except for the select few who were granted a special privilege to trade in the dyewood, contractors were the only people entitled by law to bring the commodity into Lisbon, the city that the contract made the staple port of the royal monopoly. As a result, the inhabitants of Brazil were banned from selling the wood they cut and hauled to anyone but the contractor and were forbidden from dispatching it themselves to Europe. Once the commodity had been unloaded, inspected and discharged by the officials of the House of India, it was ready to be sold to the Iberian aristocracy or to some retailers, but the lion share was re-exported in bulk, given that Portugal was too small a market to absorb the authorized imports of 10,000 *quintais* a year, let alone the shipments of the holders of special permits and contraband.

The Crown welcomed the prospect of sharing the burden of monitoring contraband with the contractors, who, as private colonial traders, could otherwise feel tempted to take part in the illegal trade. By farming-out the monopoly, the royal apparatus expected to get private investors involved in the fight against the illicit shipment of the luxury dyewood to European ports other than Lisbon, ensuring in the process that custom duties and other taxes were always paid upon arrival of the merchant fleets. While the contracts made it in the interests of the leaseholders to prevent anyone but them from shipping the dyewood off the coast of Brazil, they did not dissuade them from exporting more than the limit of 10,000 *quintais* per year and bypass Lisbon as the compulsory port of arrival of the wood in Europe. The incentives and constraints put forward by the contracts made it difficult for the recipients not to be tempted to go beyond the annual quotas, at least as long as the international markets were not saturated and sale prices declining. Considering the larger price mark-ups in Northern Europe, contractors (as well as all sorts of interlopers who breached the royal monopoly), had strong incentives to avoid Lisbon and export as much as possible directly to the commercial gateways along the Northern seaboard, especially to the Amsterdam staple market. In light of these factors, it is, therefore, hardly surprising that contractors were themselves major movers in illegal trade and tax-evasion. At the same time, contractors were still bound to the annual import quotas they had to fulfil in Lisbon. For

⁵⁷³ It must be said tax-farming contracts were not necessarily synonymous with stable lease payments. There was ample room for variations in the value of the instalments, and adjustment clauses were included. These clauses allowed for the value of the lease to be adjusted to the performance of the farm or to unforeseen political events, such as the outbreak of wars. Still, it was thought that in most contexts, royal farms still provided greater stability than direct administration. Johnson, 'Banking on the King', 964–65.

contractors at least, the imposition of a staple port for dyewood imports was the main deterrent to tax evasion in the metropole, as well as to deflation in the international market resulting, since it increased transaction costs and slowed-down the turnover time.

I analysed how contractors, like João Nunes Correia and the Ximenes brothers, as well as Fernão Lopes Lopes, organized the operations of their royal farms. It was demonstrated how they became embroiled in networks linking the “production” outlets in the tropical forests of Brazil to the transshipment points in the Portuguese metropole (when these were not bypassed) and ultimately to the international markets where the red dye was synthesized. The impression one gets from reading the sources is that contractors had no problems finding people willing to supply them with wood in Brazil and could easily ensure its transportation to Portugal, even if re-exports were harder due the kingdom’s lack of competitive shipping for the Northern Sea. Both this issue and the problem of lack of reliable, up to date information about the Amsterdam staple market were solved in similar way to the problems besetting the imports of grain, timber and manufactured goods analyzed in previous chapters. The solution involved the appointment of agents on commission and factors, who, on behalf of the contractors, found buyers, chartered maritime transportation, insured ships and cargoes, made claimances from debtors and tried to settle conflicts both judicially and extra-judicially. Contractors and the networks that supported them were responsible for articulating different trading circuits and integrate markets across the Atlantic that included, aside from Portugal and Brazil, the Atlantic islands, where basic exports sold in Brazil were often acquired, and Northern Europe, where the manufactured goods that were exchanged for brazilwood came from and constituted the prime consumption markets for the dyewood. However, the contractor’s role as connectors was manipulative, since they attempted to keep prices artificially high to expand their profit as margin as much as they could. What also transpires from the analysis of the contractors’ operations, is their ability to react and adapt to sudden shifts in the dynamics of trade in the Atlantic. The search for new markets after the Dutch conquest of Pernambuco barred the contractors from Amsterdam, and the choice of Italy as an alternative, shows how contractors attempted to cope with an ever changing and ever more uncertain international context.

In the course of the Union of the Crowns, this sector of colonial trade underwent a few major changes. These changes were related to the Dutch commercial and military inroads into the Portuguese Atlantic, which enabled the WIC to control the main ‘production’ areas of brazilwood extraction and replace the Portuguese contractors as the legally certified providers of the Northern European markets. The study of the brazilwood contract during Habsburg rule reveals how underneath a government monopoly, which attempted to introduce entry barriers to private Portuguese merchants and foreign interlopers, laid a deeply trans-imperial business. This becomes apparent from the involvement of the contractors in contraband and the appointment of factors in enemy states, like the Dutch Republic. Why, therefore, did the Crown farm-out the monopoly, since contractors were prone to defraud the royal exchequer? As the next chapters will stress further, the exploitation of these resources cannot be seen in isolation from the administrative, financial and military challenges faced by the Crown, and from its need to be able to sustain a working relation with contractors. The limited means at the disposal of the Crown, and its inability to coordinate governance tasks in a scattered empire, led it to grant commercial opportunities and temporary rights to run monopolies in exchange for up-front revenues, the procurement of goods and the handling of logistics. The exchanges between these different resources, which often pertained to very different places in the empire, are best seen by looking at the portfolio of a contractor that participated regularly in public-private partnerships. The next three chapters will provide this perspective, as they provide a diachronic perspective on the career of a portfolio-capitalist, rather than considering specific contracts in isolation.