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13, Rua da Arriaga
1200 LISBON
Tel: 397 86 03

**THE BRITISH FACTORY AND THE CORN TRADE
IN EIGHTEENTH CENTURY PORTUGAL.**

by **L.M.E. Shaw.**

Introductory Note.

During the first half of the eighteenth century, commerce in Portugal was largely in the hands of foreign merchants, principally the British. Commercial privileges granted over several hundred years had been enshrined in the 1654 treaty between Great Britain and Portugal because Portugal needed both the trade and capital investment brought by the British as well as the protection provided by British sea power. The same privileges were also given to French, Dutch and Spanish merchants. However, with the passing of years the privileges granted in that treaty were gradually eroded. When Brazilian gold began to come into Portugal in quantity, it appeared to many that their wealth was falling into the hands of foreigners. This caused jealousy and resentment among the mass of the people and hastened the erosion of those ancient commercial privileges. They were not able to understand that the reasons for Portugal's reliance on foreign merchants lay within the organisation of their own society. (please see my article 'The Inquisition and the Portuguese Economy' in the Twentieth Report and Review (1993) of the British Historical Society of Portugal). Only with the advent of Sebastião José de Carvalho e Mello did Portugal find someone of the intellectual stature to recognise those problems and ruthless enough to enforce the necessary changes. Carvalho served as envoy in London from 1738-45 and then in Vienna. He returned to Portugal shortly before the death of John V in 1750, and was appointed Foreign Minister. John V was succeeded by his son Jose I, who was happy to leave affairs in the hands of his ministers. Carvalho gradually became the chief power in Portugal. He was created Conde de Oeiras in 1759 and Marquês de Pombal in 1770. This article illustrates how he dealt with British merchants in the corn trade. Today

he is generally known as Pombal and that name will be used throughout the article.

Since medieval days, Portugal had not been self-sufficient in corn. During the seventeenth century corn had been imported into Portugal from England when harvests in England were plentiful, but it was not until the eighteenth century that the importation of corn into Portugal from England and the American colonies became an important trade for the British merchants in Portugal. Many of the merchants specialised in the grain trade and imported corn from the north of Europe and the Mediterranean as well.

To understand the causes of the problems which arose in the eighteenth century, it must be borne in mind that British merchants were wholesalers, but they could also sell retail, *vide* a compilation of British privileges issued by the the Chancery of Portugal by order of John V, at the instance of the envoy, Lord Tyrawly. There was an *alvará* of 1400 which stated that the English could sell their goods retail, and another in 1433 which said that when selling retail a green cloth had to be hung at the door of their house/shop. Article 10 of the 1654 treaty specified that in connection with arms, corn, fish, and all other sorts of merchandize, they could sell at pleasure, either in parcels, or in bulk, to whatever chapmen, and for whatever price they could get, and should not be prohibited, circumscribed or restrained in so doing. When selling retail, the merchants maintained that they always observed the necessity of hanging out the green cloth.¹

Since early times in Portugal, to this day, food prices in markets have been strictly controlled by *almotaceis* who set the prices daily. There was, therefore, a fertile ground for disagreement so it is strange that the first recorded disagreement in the State Papers occurred in 1711, during the War of the Spanish Succession. In that year there was a scarcity of corn and the populace were turbulent. They threatened to pull down the house of an English contractor. The envoy, George Delaval, received a letter from the Portuguese secretary of state, in the king's name, asking him to gather the merchants together and persuade them to manifest the quantities of wheat, barley and oats which they had in store. This was done very readily and the merchants said they would be happy to sell it at a reasonable price, but they refused to send their wheat to the public market for sale, because it was against their privileges. Four months later,

¹ S.P. 89/68, f. 38, Lyttelton to Weymouth, Lisbon, 6 May 1769, enclosing the factory's rebuttal of an answer by the Portuguese of 7 July 1768 to their grievances of 22 April 1768.

the consul general, John Milner, reported to Erasmus Lewis that the price of corn had fallen by half in Lisbon because great quantities had arrived in the last convoy. However, the price in the provinces was still very high because the army contractors were in league with ministers to keep the price high. Doubtless this was because of the large numbers of troops in the field at the time.² Naturally, the merchants wished to obtain the highest prices possible for their corn and did not want to be tied to the lower prices of the town's market or *terreiro*.

On that occasion, the British merchants must have won their case, for in 1745 the envoy, Charles Compton, told Lord Harrington that for some years they had found it more advantageous to sell corn from their own houses than in the *terreiro* and that this was in accordance with Article 10 of the 1654 treaty. However, early in September 1745, the merchants had written to Compton reporting that their houses had been entered by men with only verbal orders from the Senate, their warehouses had been searched without control and they had been threatened with imprisonment. They were now being forced to take their corn to the *terreiro*. The consul had complained about this and Compton had seen Cardinal Motta, who at that time was in charge of affairs. Motta pointed out to him that whenever it was proved that sales of corn were effected by other than British merchants or by the Portuguese commissaries without the consent of the *almotacel*, the offender was punished. In reply, Compton reminded Motta that in accordance with John V's decree of 9 May 1742 which deprived foreigners of the powers of their conservators, power was now vested in the Senate and Chamber of Lisbon and authorised officers of justice. Because of that, the previous month the officers of justice subordinate to the Senate had gone to several merchant houses with no written order of the judge conservator of the British as provided for in Article 13 of the treaty. Motta said that he was surprised to hear that and to know that a fortnight earlier as many as sixty merchants had protested the matter to the consul general. Motta excused what had happened by saying that it was thought that the merchants had had gun powder in their stores. The merchants explained to Compton that they did not wish to be free of just laws, but in future any diligencies made by the Chamber or Senate should be by the authority and with the consent of their own conservator. Law suits should be remitted to his hands and he should be the man to sentence wrongdoers. As a result of this protest, the Senate was ordered to

² S.P. 89/21, f. 109, Delaval to Dartmouth, Lisbon 20 April 1711 N.S.; *Ibid.*, f. 300, Milner to Lewis, Lisbon, 26 August 1711 N.S.

revoke its decree which had led to the trouble originally and corn was to be allowed to be sold in accordance with Article 10 of the 1654 treaty and Article 11 of the 1642 treaty.³ These matters rested for eight years.

The next set of problems in the grain trade are extremely well documented and will be set out fully, because of the light they throw on how the Factory operated and the personal difficulties experienced by English merchants in Portugal.

In 1653 there was a drought in Spain. The Spanish government obtained a licence from the Portuguese government to convey 8,000 sacks of Sicilian wheat bought in Cadiz and shipped to Lisbon to be conveyed to Estremadura, which would save land cartage of sixty leagues. Shortly afterwards, the Spanish ambassador made an application for a licence to buy 60,000 measures of wheat in Lisbon at the current ruling price. The Portuguese court became alarmed because they had heard of large contracts made between two English houses and the Spanish agents. They feared that there would be insufficient corn for Portugal. An order was therefore given to officers of the Senate to forbid the sale of corn in large quantities for export by land or sea. They were asked to make a survey of all wheat, foreign or domestic lodged in public or private warehouses in the city. Forbidding the sale of corn in large quantities caused British merchants to ask Consul General George Crowle to protest because it would have been a severe prejudice to them. Wheat from Britain and northern Europe was softer than Mediterranean wheat, and if kept in ships' holds or in warehouses for too long, it deteriorated. Apart from the problem of rotting cargoes, there would be demurrage payable to masters of ships because of their charter parties. Secretary of State Pombal referred Crowle to the office of the Senate, but in spite of his request, he could not obtain permission to land the corn on those ships.

The envoy, Abraham Castres, therefore told Pombal that he could not despatch the packet boat until the embarrassments concerning the observance of the treaty were removed. Carvalho promised to send the requisite orders immediately, so the packet was despatched on 21 August. The necessary order to allow the unloading of the ships was promulgated on 23 August, but it contained conditions and restrictions prohibiting the corn from being sold from

³ *S.P.* 89/44, f. 165-6^r, Compton to Lord Harrington in Hanover, Lisbon 21 September 1745; *Ibid.*, ff. 168 and 171, British Factory in Lisbon to Compton, Lisbon, 2 September 1745; *S.P.* 89/71, Draft reply to the Court of Portugal, read by the king in Council, 23 October 1771.

warehouses without special leave of the judge of the market place, who forced the merchants to send their corn for sale to the public market to be sold by the women there, contrary to Article 10. Castres took two merchants with him to see Pombal at Belem. After three hours' conversation, it appeared that he had not intended to force the merchants to sell their corn in the public market, but to have the corn sent to their lodges and warehouses to prevent the monopolies operated by Portuguese commissaries employed by foreigners in the disposal of their corn.

It was clear from several things which Pombal said, however, that he had obtained his information from people who Castres and his companions knew had for ten years been pressing their private advantage and depriving other British merchants of their privilege to dispose of their corn. Castres said that there had been many battles in court when he had been consul and he had at last managed to obtain a formal sentence against them in the supreme court. Castres feared that a formal memorandum to Pombal might advertise the fact that some British subjects, especially one noted house dealing in corn, had been guilty of unwarrantable practices for some months past, even in connection with Portuguese-grown corn. Because of this fact, he judged that it would be better not to push the matter further. Nonetheless, the factory sent a petition to the Earl of Holderness in London, asking him to secure the removal of corn restrictions. Consul General Crowle refused to sign the petition.⁴

In September, Castres advised Amyand in London that the corn affair had been settled on the ancient footing, except that British merchants were not to sell large parcels from their ships or warehouses to any buyer without a permit from the Senate Town House or judge of the market place, so that there was a record of the quantities of corn held and where it was going. However, as the local millers were scared to apply for permits, the merchants were forced to sell in the market place after all. That problem, Castres said, he had left to the consul general.⁵

Unfortunately, Consul General Crowle was not able to deal with the problem. According to an abstract of resolutions in the factory minute book, at a meeting on 29 August 1753, it was resolved to ask the consul general to obtain answers to the questions of whether the British could sell wheat or grain from

⁴ *S.P.* 89/48, f. 171, Castres to Holderness, Lisbon, 6 September 1753.

⁵ *Ibid.*, f. 194, Castres to Amyand, Lisbon, 22 September 1753.

their ships; whether they would be allowed to land it and what warehouses could be used; whether they could employ their own servants for that work; could they move it from one warehouse to another at pleasure and could they sell the corn from their warehouses and cellars. On the following day, Crowle laid before the factory information which he had obtained from the *Desembargador*, Francisco Galvão de Fonseca:

a) They could sell corn from their ships through the judge of the corn market or the *vereador* of the corn factors, but the name of the buyer had to be known and the warehouse where it was to be stored.

b) They could unload and take the corn to their own or hired warehouses, but the unloading was to be done by waiters of the corn market, attended by officers who would declare what amount of corn was unloaded and where it was lodged, similar to the usage in the custom's house, where the porters moved the goods.

c) Englishmen would have to have a licence to sell their corn. Licences would not be denied big corn dealers.

All this was not in accordance with Article 10 of the treaty, so on 4 September 1653, the Factory resolved to send a remonstrance to the Earl of Holderness, the English Secretary of State, and to write to Mr. Benjamin Barons, who acted in the merchants' interests in London, asking him to present a memorial on their behalf. Crowle declined to sign these and did not attend the meeting of the factory on 6 September. The merchants decided to read his absence as a decision on his part to abandon the factory. Their memorial, dated 10 September 1753, complained that large quantities of corn were perishing on ships in the harbour and more corn was on the way from England. No free sales were allowed on board and by indirect methods the sale of the corn was being obstructed. The power of the conservator had been rendered useless by the decree of 1742. This memorial was forwarded by Castres as Crowle had refused to sign it.⁶

On 1 October 1753, Castres was asked by the factory to ensure that the consul attended meetings unless he was ill, or that he empowered the vice consul to attend in his stead, as this was necessary for the factory and the nation. A week later, Castres appointed a meeting for the following day (9 October) for a conference between the consul and representatives of the factory: Mr. Berthon,

⁶*S.P.* 89/49, ff. 131-4, Abstract of Resolutions of the British Factory in Lisbon's Minute Book, delivered by Mr. Barons to Holderness, 20 November 1753; *S.P.* 89/48 ff. 188-9 letter of 4 members of the Factory to Castres, Lisbon, 10 September 1753.

the treasurer, and three others. The consul did not appear, but Castres said that he would comply with the decisions of the factory. By this time, it must have been obvious to Castres that Crowle was unable to manage the factory.⁷

Crowle then attempted to obtain the factory minute book, presumably because he did not want criticisms of himself entered in the book. It was recorded that the consul had failed to attend a meeting held on 19 October, but had sent Mr. Lodwick, the vice consul instead. Mr. Berthon reported that six days prior to that meeting, Crowle had sent his secretary to him, requesting that Berthon hand over the minute book, which was customarily held by the consul, because he needed to make a list of the factory's pensioners. Berthon had replied that he could not hand over the book without the approval of the factory and pointed out that in any case Crowle only needed the old books to list the pensioners, and he already held those. It was therefore recorded that the foregoing were proofs of Crowle's disinclination to comply with the Duty of Office and the factory's undoubted Rights and, therefore, they would draw up a complaint about the consul as being a person either incapable or unwilling to discharge his functions of office and send it to Holderness. This was duly done and delivered by Mr. Barons to Holderness on 20 November 1753⁸. In this instance, the merchants did not attempt to send their complaints via the envoy, Castres, who reported to Amyand that unfortunately the ill-feeling between Crowle and the factory continued in spite of his own efforts at mediation. It is clear that Crowle took the view that it was more important to keep the peace with the Portuguese government than to fight for merchant privileges. Although he had written to Amyand in May 1753 that the corn was being imperilled by the great heat, he still maintained in the following October that the document of the complaints of the merchants sent to England and which he had refused to sign 'was an extravagant piece calculated to create sedition at home'. He said that some of the members of the factory had been rude in public concerning the king and his ministers. In November, he considered that the merchants in London were more to blame than the factors in Lisbon. He thought that some of the merchants were so heated and violent that they appeared to prefer that the corn

⁷ *S.P.* 89/49, f. 136, Abstract of Resolutions of the British Factory.

⁸ *Ibid.* ff. 137-8, Abstract of Resolutions of the British Factory; *Ibid.*, f. 166, Representation of Lisbon merchants against Crowle, delivered by Barons to Holderness, 20 November 1753. N.B., copies in English translation of relevant documents on the corn crisis, including Crowle's protests, and answers of Portuguese authorities had been delivered by Barons to Holderness on 31 October 1753, vide *S.P.* 89/49 f. 172.

should perish in ships rather than conform to regulations to prevent monopolies. There was in Lisbon, he said, a body of Portuguese men who had sprung up in the last few years who had made great fortunes. They were called *comissários*, or jobbers, who cornered cargoes of corn and managed in that way to govern the market and the price. Those men were defeated and angry.⁹

Crowle's attitude to the Portuguese government made him popular with Carvalho and the king, so that when he selected a Mr. William Shirley as the chief trouble maker, (a man who, he said, was an ex comedian at the theatre in Goodmass Fields), he requested and obtained an order banishing Shirley because he suspected him of being the author of articles in London newspapers which had inflamed merchant opinion. Castres applauded this decision and refused Shirley's request to seek asylum in the embassy.¹⁰

Castres thought that the matter was then over and he reported to Amyand that some members of the factory had admitted illegal practices and applied through Carvalho for pardon from the throne, which he hoped and expected they would receive. Early the next year, however, Castres discovered that the matter would not be allowed to rest there. The Portuguese minister in London tried to justify the action of his court in interfering with the British corn trade at Lisbon. George II wanted a full and exact narrative of the dispute. The Portuguese government had requested that Castres be recalled on account of some offensive expressions alleged to have been used in correspondence with Pombal, but the copy of the letter which d'Acunha, the Portuguese minister in London, showed to Holdernessee, was different from the copy of Castres' letter of 24 August 1653 sent to Amyand. Castres was asked by Holdernessee to explain his attitude in the whole affair.¹¹ Castres hotly denied that he had at any time countenanced and assisted cabals in opposition to Pombal. If complaints to that effect had been made about him in London, they were untrue. Although Pombal was universally disliked, he had personally always been very fair in judging Pombal's actions. Castres thought that his own personal friendship with the Spanish ambassador, Prelada, might have caused Pombal's jealousy. As far as the corn crisis was concerned, Castres prepared a questionnaire on the scope and extent of the

⁹ *S.P.* 89/49, f. 107, Crowle to Amyand, Lisbon, 7 March 1753; *Ibid.* ff. 157-8 and 164, Same to same, Lisbon, 23 September and 7 October 1753, respectively.

¹⁰ *S.P.* 89/48, f. 207, Castres to Amyand, Lisbon, 12 November 1753; *S.P.* 89/49, f. 187 Crowle to Amyand, Lisbon, 10 November 1753; *Ibid.*, f. 282, Castres to Robinson, Lisbon, 5 June 1754.

¹¹ *S.P.* 89/48, f. 211, Castres to Amyand, Lisbon, 26 de November 1753; *Ibid.* f. 388 and 390, both Holdernessee to Castres, London, 25 December 1753.

recent restrictions regarding corn which were imposed by the Portuguese government and sent it to the leading British corn merchants. He then sent a lengthy briefing to London concerning the dispute, listing the arguments on both sides. He said that the matter had been settled, but that what the factory now wanted was security from the court of Portugal against any encroachments of the like nature for the future. He had had long discussions with Pombal over that problem and the involvement in the affair of a Mr. Stubbs who had sued for a pardon.¹²

The change in tone in letters from London becomes clearer, when it is explained that, as the result of a letter dated 18 December 1753 from Mr. Barons, addressed to Messrs. Brome and Hake, to be communicated to the factory, a general meeting had been called for 7 January 1754, which Crowle did not attend but to which he sent the vice consul instead. The meeting had been called to find out who had written a certain letter to London stating that several members of the factory had transgressed the laws of Portugal in prosecuting their corn trade and had confessed as much to secretary of state Carvalho, hoping to obtain a pardon from the crown. There were fifty-six members present at that meeting and they all disavowed any culpability. Four members were out of town, another was not a businessman, and two more gave written avowals that they had never written to the Earl of Holdernessee. The Mr. John Stubbs, mentioned in Castres' letter of 4 February 1754, had written to Mr. Barons, with whom he was personally acquainted and allowed the factory to take a copy of his letter. In it, Mr. Stubbs said that he thought it behoved him to answer that part of Mr. Barons' letter which referred to several factors having waited on Pombal and asked his pardon for transgressing the laws of Portugal by supplying the Spaniards not only with foreign grain but had bought up and sent even Portuguese corn to Spain. He explained why he had been to see Pombal. He had always been a great opponent of the people of the corn market because the system was not consistent with merchants' rights under the treaty, so that he had many enemies among them. In a late *devassa* or enquiry into the proceedings of corn sellers, his enemies (he supposed) swore that he had sold corn contrary to the law. As *devassas* were carried on and witnesses heard in secret, the first public act being imprisonment of the party being investigated, he had made it his business to know if he was to be declared guilty. Having found that

¹² *S.P.* 89/48, ff. 234 and 241, both letters Castres to Holdernessee, Lisbon, 4 February 1654. *Ibid.* f. 239 for the questionnaire.

he was, he had tried to obtain a counter order from the British conservator. He had also discovered that two ministers were resolved to arrest anyone who made use of the counter orders and so he knew that he was to be the sacrifice. It was then, he said, that he had resolved to go directly to Secretary of State Pombal. He had told him of the great injustice of proceeding against a man in trade unheard, and the unreasonableness of doing so against himself, because he had such a large business in his hands and a family, which incapacitated him from flying from justice, no matter how dire a crime he was accused of even if it were proved true. Mr. Carvalho had heard those and other arguments with great attention, and said that they were just. He had told Mr. Stubbs to write a petition to the effect that he desired to be heard before any order of imprisonment was executed, alleging that it was his right as a British subject trading in Portugal. This Mr. Stubbs had done and delivered the paper the next day, saying to Pombal that he only asked for justice, although he would not refuse a favour from him. Furthermore, Stubbs said, he would be glad never to hear a word more of the affair as by that means he would avoid the trouble of proving the charge false. Shortly afterwards, an order had gone from the Secretary of State asking that details of Stubbs's alleged crime to be sent to him. Mr. Stubbs had heard nothing further about the matter, nor did he wish to do so.

John Stubbs went on to explain to Barons of what he had been accused. In July 1753, a ship had arrived from São Martinho with 94 moys/282 quarters of Portuguese wheat which had been consigned to him and which was all sold in the public market. The people in the market had sworn that the wheat was for his own account, whereas he had only been selling it on behalf of others. However, they also stated that they had heard that he had sent four other vessels from that port to Spain. That was altogether false and without foundation. He felt sure that the *comissários* who supplied the army with corn throughout Portugal had been behind the initiating of the *devassa*.

He went on to say that the corn factors and warehouse keepers were worse than they had ever been, and if sales could not be made on board, all corn had inevitably to go through their hands, everyone stealing what he could and giving the British their money when they pleased. That was an intolerable hardship, besides the problem of the danger of softer English wheat spoiling in the warehouse. As a merchant traded for profit, when that was not obtainable in one branch, he left it and went to another, so that if no remedy were possible regarding their grievances, what would become of so beneficial a trade to England as the corn export to Portugal? The consul, Stubbs maintained, had done the English and their trade more harm in Portugal than could possibly be imagined, by his ignorance and malice, both of which he enjoyed in the

superlative degree. By representing them in Portugal and in England as a set of discontented and disunited people, he had continued to behave in such a manner that at present Stubbs did not know one man able to inform the consul of what occurred who even spoke to him any more and Crowle had not attended the last five or six factory meetings, which were called to keep him informed on matters in the corn trade. At the last one Crowle had attended he had asked what impediments they had met with. Stubbs had informed him of a problem he had met with that very day, to which Crowle had been pleased to tell him indirectly that he lied by saying he knew the direct contrary to be the case. At that, Stubbs said that he had remained silent because he thought it was surprising that Crowle should expect people to hear him with good manners when he used none to them. Stubbs had kept quiet because the consul was president of the assembly, but poor Mr. Shirley, whose sufferings were greater, had not been able to do so and had said what everyone at the meeting thought. John Stubbs ended his letter by saying that he hoped he had said enough to persuade Barons that no-one had gone to Carvalho to ask pardon for their their crimes, and he begged Barons so to inform Holderness.¹³

A letter was sent to Mr. Barons by the factory on 9 January expressing the factory's pleasure and joy at having received his letters and to know thereby that the gentlemen in England were supporting their supplications to the secretary of state. They said that Mr. Stubbs had been the only man they could find who had been to see Carvalho and enclosed his letter with theirs. Of it, they said: '...you are well acquainted with the said gentleman and know his honesty and plain dealing, it is needless to say his letter carries (sic) a face of truth with it....' The factory were sorry to advise Barons that Joaquim Lopes, their chief solicitor in the corn affairs had died in prison a few days earlier, chiefly through affliction and without having been accused of any crime. It was being said that he had been put there in part at the instigation of Consul Crowle, for having shown an extraordinary diligence in the service of the factory. The factory feared that his example would deter any other proper person from assisting it on other occasions. They also reported the death of the conservator. When a new one was chosen, they said, the factory was always left with many enemies, because there were so many applicants for the job. (Presumably, it was known from experience that those judges not selected would bear malice in future towards the factory.) Finally, the letter stated that not only had the consul not

¹³ S.P. 89/49, ff. 217-8, John Stubbs to Benjamin Barons, Lisbon, 3 January 1754.

gone to the meeting on 7 January, but he had ordered the vice consul not to sign any resolution.¹⁴

It should be pointed out that the members of the factory who signed the resolution protesting against Crowle's behaviour and the failure of the Portuguese to observe Article 10, were not all corn merchants, but only members of the factory who wished to safeguard British interests in Portugal. They had a right to criticise the consul's failure to uphold their interests, because they paid the consul's salary. When the consul was a man who had not himself been a merchant, they frequently experienced such difficulties.

Following Mr. Barons' representations on receipt of the factory's letter of 9 January and Castres' two letters of 4 February 1754, mentioned above, London acted. Sir Thomas Robinson, the new secretary of state, told Castres that the king had revoked Crowle's commission and Edward Hay, consul in Cadiz, had been appointed to be consul general in Lisbon in his stead. Castres was ordered to protest to the Portuguese government about the banishment of Shirley and demand that he be allowed to return to Portugal immediately. He was also requested to remit to London details of any matters still in dispute.¹⁵ Shortly after receiving his dismissal, Crowle died of an apoplectic fit.¹⁶ Pombal expressed satisfaction to Castres at the news of Hay's appointment and a cancellation of Shirley's sentence of banishment was soon granted because his only offence had been to criticise Crowle and the Portuguese had only intervened in the dispute at the latter's request. The factory were also very happy with the news of Crowle's replacement by Hay, because he had previously been a merchant in Lisbon. However, they asked Barons to reiterate to the secretary of state that it was essential that the conservator's powers under the treaty should be in full force again. John V's decree of 1642 and subsequent ones had endangered them and made the office itself of little effect. Lately matters in the corn trade had improved, but the decree which caused all the trouble had still not been abrogated. so what was decided in any enquiry rested with the 'breast of the judge'¹⁷ It was an uncertain background in which to trade.

In September 1755, the king of Portugal had established a new board of trade (*junta de comércio*), the members of which were all Portuguese. It was

¹⁴ *Ibid.*, f. 218-9, British Factory, to Benjamin Barons, Lisbon, 9 January 1754.

¹⁵ *S.P.* 89/48, f. 399, Robinson to Castres, London, 14 May 1754.

¹⁶ *Ibid.*, f. 288, Castres Robinson, Lisbon, 29 June 1754.

¹⁷ *Ibid.*, f. 274, Castres to Robinson, Lisbon, 3 June 1754; *S.P.* 89/49, f. 253, Lisbon Factory to Barons, Lisbon, 1 June 1754.

governed by fixed statutes with exclusive privileges and a judge conservator to protect them, who had precedence over the British conservator. In January 1758, Hay told Pitt that the board continually made difficulties for foreign merchants.¹⁸ What was happening was that whereas for centuries in the past, previous Portuguese kings had given privileges to foreign merchants, in order to encourage them to trade in Portugal and help them to overcome the jealousy of local merchants and the intricacies of local *forais*, Pombal was deliberately discouraging foreign merchants in order to assist and encourage Portuguese merchants.

In 1761 the corn merchants were again experiencing trouble. The factory complained to the consul (Sir Harry Frankland) that the judge of the corn market had been insisting that merchants send him samples of their corn with an account of the prices they sold it for. This was something which had never before been demanded of importers, but only of very small local retailers. When the merchants protested the judge insisted that unless they complied, they would have to sign a paper waiving their privileges as British subjects. The merchants did not pretend or wish to be exempted from the jurisdiction of the town Senate where weights and measures were concerned. They only wanted licences to be granted in the same form as the king of Portugal had ordered in 1745 so as to comply with the terms of Articles 10 of 1654 and 11 of 1642. In 1761 a Mr. Taylor had had his warehouse closed for refusing to comply with the demand that he give up his rights as a British subject and was threatened with imprisonment.¹⁹

In 1764 there was scarcity of corn in Italy, which caused great demand in Spain and Portugal. All ships calling at Lisbon en route into the Mediterranean with corn were forced to unload, even though there was no shortage in Portugal. Hay pointed out to Pombal that if Portugal continued to do that kind of thing when there was no shortage of corn (and the price in Portugal was low), ships would cease to bring corn to Portugal in the future. Messrs. Fenwick and Blakestow made an official complaint about the forceful unloading of their ships, '*Charming Jenny*' and '*Mary*', asking that they be compensated by Portugal for the difference in price between what they were paid in Lisbon, and

¹⁸ *S.P.* 89/51, f. 70, Hay to Pitt, Lisbon 9 January 1758.

¹⁹ *S.P.* 89/54, f. 190, Frankland to Pitt, Lisbon, 19 July 1761; *Ibid.*, f. 192, Factory to Hay, Lisbon, (July). *Ibid.*, f. 193, E. Taylor to Frankland. N.D. enclosed in f. 192, together with ff. 196-8, Frankland to Oeiras (Pombal) N.D.

what they would have obtained at Leghorn. The difference in price after deduction of freight costs amounted to £1,795.13.8d. That was a considerable sum at the time. The right of *franquia* in the rules of the customs house was now being denied. Hay was told that Lisbon was not a free port.²⁰ Not being a free port did not, elsewhere, mean that there was no right to *franquia*. Ships normally had two days in which to decide whether they would go beyond the mark in the harbour and unload, or sail away again. It seems that the Portuguese had a great fear that the country would be short of grain and were prepared to break or bend their own laws in order to stockpile corn. In fact, the harvest in that year was plentiful.²¹ It was repeatedly asserted by the Portuguese authorities that they needed to know the quantity of corn in the capital at any given time, in order to avoid the danger of monopolies, but all cargoes of corn had long had to be registered with the Senate, so they must have always had that information.

A new market place had been built in 1765 to replace the old one which had been destroyed in the 1755 earthquake. In 1768 retail shops were closed and all corn was ordered to be taken there, but the corn was put into sacks and piled in small spaces which caused it to rot. Keepers were appointed by the senate at fixed annual salaries, in place of the former women of the market, who had in the past been paid in proportion to the sales they made. In the new *terreiro*, owners had to set the price at which they wished to sell their corn on arrival. That price could not be raised but only lowered, which did not enable merchants to take account of price variations because of supply and demand. Sales from the *terreiro* were always slower than from retail shops. The administration of the market was in the hands of one man who could organise everything as he wished, with every opportunity to 'gratify personal piques and national preferences'.

An *edital* of the City of Lisbon in 1769, stated to have been issued in order to provide licences for the purchase of flour and provisions, forbade the conclusion of any bargain in those commodities without the intervention of brokers appointed by that tribunal. The broker had to take a minute of the conditions of sale and deliver it into the City Chamber, signed by the buyer and seller. This meant that the chamber knew details of every transaction, which was against the spirit of commerce. The *edital* was against the provisions of

²⁰S.P. 89/59, f. 53, Hay to Halifax, Lisbon, 18 April, 1764; *Ibid.* f. 55, Halifax to Hay, London 11 May 1764, enclosing petition (f. 57) of Messrs Fenwick and Blakestow; *Ibid.*, f. 127, Hay to Halifax, Lisbon, 3 October 1764; S.P. 89/62, f. 149, Hay to Richmond, Lisbon, 28 June 1766.

²¹S.P. 89/59, f. 127, Hay to Halifax, Lisbon, 3 October, 1764.

Article 2 of the treaty, but the Portuguese maintained that it was justified by the clause in Article 2, 'saving nevertheless all the laws and statutes of each place'. It was also against Article 10 and an *alvara* of 27 January 1661 saying that the English should not pay brokerage unless the brokers were employed voluntarily. There were only twelve brokers who were all Portuguese and it was complained that they recommended business to Portuguese in preference to Englishmen. Commission or *vendagem* had to be paid on every sale, making it twice as costly as it had been in the old *terreiro*. Formerly it had been 600 Rs. per moy. Now it was 1\$200 Rs. or 6/9d. sterling on 24 bushells. This amounted to 5% commission on quality grain and 7-10% commission on inferior grain.²²

The case of Dennis Connel, a cashier of Messrs. Stert, Buller & Co., whilst it concerned butter and not corn, throws light on what it was like to be dealing with the brokers in the in the *terreiro*. On 4 August 1770, he was arrested on the authority of the *almotacel*, who was an inferior magistrate, and put into the common prison (the infamous Limoeiro). The British conservator's counter order was not obeyed, but he was moved into a better prison (the castle) and by 19 August, he was a prisoner-at-large. Connell had refused an order by an *almotacel* to sign that a certain sale of a parcel of Irish butter had been by broker. He refused because no broker had interposed in the deal. Further, at that time there was another case pending between the broker in question and other British merchants in the conservator's court. Connell would not sign until he knew the outcome of that case. The *almotacel* had refused to see Connell's patent and had declared in fury that the English were insolent, worthless, leaders of sedition and he could and would send Connel and the conservator to jail. As a prisoner-at-large, Connel had threats made to him and he was not allowed to work. The object of the *almotacel* and the brokers had been to obtain the brokerage from Messrs. Stert, Buller & Co., and to obtain a legal decision whether or not they were entitled to brokerage even in cases where the brokers had not interposed and the merchant had not signed.

In November 1771, Consul Hort informed Rochford that Connel's problems had not changed because the unconnected legal part of the case (in the conservator's court) had been stopped as the City's law officer had refused to send the papers to the tribunal. This matter had caused terror among the British

²²S.P. 89/66, ff. 136-8, Hort to Shelburne, Lisbon, 8 October 1788; S.P. 89/67, f. 122-8, Hort to Weymouth, Lisbon, 2 April 1769; S.P. 89/71, ff. 224-8, Draft reply to court of Portugal, London, 23 October 1771, read by king in Council.

subjects. Connel had been threatened with ruin if the case proceeded and wanted to know whether he should give in.²³

In his instructions to Robert Walpole, who had recently been appointed envoy, Rochford told him to press on Pombal the difficulties and inutility of the recent Portuguese laws regarding foreign corn and the inconveniences of the institution of the *terreiro* itself. He was to make use of the 1654 treaty only as a last resort, but to make the Portuguese sensible of the King of England's moderation and desire to accommodate all differences amicably. His Majesty of Great Britain was friendly to Portugal, but if grievances of the British remained unredressed too long, it would be necessary to take up in Parliament the advisability of doing away with the special favour shown to Portuguese wines.²⁴ Five months later, Walpole reported that the problems experienced in the *terreiro* had caused the British merchants to cease importing corn, and to import flour instead, as flour was not so likely to be damaged by wet and other accidents. This had taken trade from local millers, and he hoped that the Portuguese government would learn from this not to interfere in the interests of trade. Walpole considered that the real reason for the delay in coming to a decision in Connel's case was that Pombal's son was President of the Lisbon Senate.²⁵ Dennis Connel was only freed from his imprisonment-at-large in November 1772, but Hort reported that the court case concerning the brokers was still unfinished in 1776.²⁶ The matter of compensation for corn forcibly off-loaded in Lisbon from the 'Charming Jenny' and the 'Mary' instead of being allowed to be taken to Leghorn, was still outstanding eleven years later.

Secretary of state, Rochford asked Walpole to make representations about it again in January 1775 but no further record on this subject has been found.²⁷

Corn ceased to be a matter of constant contention once the merchants had switched to importing flour instead. Furthermore, on the death of King José I in 1777, Pombal's days of power were over.

²³ S.P. 89/70, ff. 99-100, Hort to Weymouth, Lisbon, 19 August 1770; *Ibid.*, f. 109, Hort to Weymouth, Lisbon, 13 September 1770; *Ibid.*, f. 164, Sworn affidavit of Dennis Connel to Hort, S.P. 89/71, Hort to Rochford, Lisbon, 9 November 1771.

²⁴ S.P. 89/71, f. 263, Rochford to Walpole, London, 27 December 1771.

²⁵ S.P. 89/72 f. 162, Walpole to Rochford, Lisbon, 18 May 1772; *Ibid.*, f. 223, same to same, Lisbon, 25 May 1772

²⁶ S.P. 89/73, f. 246, Walpole to Rochford, Lisbon, 23 November 1772; S.P. 89/81, f. 115, Hort to Weymouth, Lisbon, 9 March 1776.

²⁷ S.P. 89/79, f. 22, Rochford to Walpole, London, 31 January 1775.

From a *paracer* written by Pombal to the king in 1750 on the subject of a sentence recently passed by the *Desembargo do Paço*, it seems more than likely that most of the troubles experienced by the British merchants in the corn trade were deliberately engineered by Pombal. In the *paracer* Pombal said that he did not doubt that the prudent ministers of the tribunal had failed to give consideration to the wrongs about which the Lisbon Senate had advised him. They complained that the English had destroyed all the labour of the kingdom of Portugal and usurped it to England and its colonies in America. These recent abuses had occurred since the reform of the regulations of the Senate and the new laws of the *terreiro*, i. e., they had been permitted to open a multiplicity of warehouses. He considered that because of that the British had taken away approximately 1/5th of the labour from the people of the kingdom. The labourers in England enjoyed privileges, e.g., a total exemption from taxes. They also enjoyed assured sales of the fruits of the earth, and of what they manufactured. With their great wealth they gave themselves liberty to transport such fruits not just from one province to another, but also abroad. While the Portuguese lacked those fruits Pombal maintained it was necessary to bring more equality into the equation. The English paid less export tax on the corn shipped to Portugal than the Portuguese paid when they exported their corn. Further the Portuguese paid more imposts and taxes and could not enjoy the fruits of their labour at prices to compensate their expenses in cultivating their land, so they could not sell corn as cheaply as the British. The English labourer expected a profit of 10%. It was too much. The aggravation caused by the liberties the British arrogated to themselves gave extraordinary and intolerable injury to Portuguese labourers. The result would be:-

1) More and more warehouses would mean the importation of more and more corn, and so a lowering of the price of locally grown corn and, finally, no locally grown corn.

2) The Portuguese would be reduced to ultimate misery.

After referring to the British lack of religion, Pombal recommended:-

1) That it be arranged that the price of imported corn was always higher than that of Portuguese corn.

2) It was better to support local agriculture. The price of bread should cover enough to sustain the labourer and to cover the cost of baking.

He further suggested that the City Senate should fix prices, make special regulations and have a judge. It was essential that the terms of the 1654 treaty be derogated, otherwise it would become impossible to change it. Ministers in the *Desembargo do Paço* should be made aware of the general idea. In order to repel the 'violence' of the British to which he had referred, he maintained that

prudence and reasons of state had to be used in dealing with their complaints, in order to preserve the good relations between the two courts. It would do the British good and if the envoys wrote offices, it would not be difficult to reply.²⁸

From the foregoing, it is clear that Pombal had deliberately set out to make things difficult for English merchants. He carried out his own recommended policy to the letter. His speciousness in dealing with people sent to remonstrate, such as Tyrawly and Kinnoull always left them unable to gainsay him. Pombal (or, Carvalho, as he was at the time of writing the above *paracer*) was not given the usual present normally given to departing envoys when he left England. Castres maintained that that fact rankled with him greatly, and when Pombal became foreign minister he suggested that it would help to give a present of equal value to Carvalho's wife. That suggestion was never acted upon, so it is impossible to say whether it would or would not have saved the merchants many problems.²⁹ Nonetheless, because the tone of all his *paraceres* from London is very similar to the above, it is probable that he had long before formulated his plans.

In connection with the above-mentioned *paracer* it must be remembered that the reason that the Portuguese labourers paid so many taxes was that owing to the structure of Portuguese society, the *fidalgos* paid none. It is not likely that Pombal was really interested in the lot of the agricultural peasants. All his reforms were directed towards encouraging Portuguese manufactures and discouraging foreign merchants as much as possible in order to make Portuguese merchants as prosperous as they had been until the mid-sixteenth century. The difficulties experienced by British merchants regarding corn imports and sales would have applied equally to the Dutch and other foreign traders in Portugal, but they were also mirrored in all other branches of trade.

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Dr. LM Shaw. BA (Hons) London 1975; PhD London, 1986, is the author of *Trade, Inquisition and the English Nation in Portugal 1650-1690*, (Carcanet Press 1989). The material for this article forms part of a new book she is writing covering the affairs of the British merchants in Portugal from 1654-1810.

²⁸ Coleção Pombalina, 639, f. 38, Paracer dated 1750.

²⁹ S.P. 89/48, f. 149^v-152, Castres to Amyand, Lisbon, 26 June 1753.