Estudos de Economia, vol. VI, n.º 2, Jan.-Mar., 1986

SPECULATIONS ON THE GROWTH OF THE PORTUGUESE DOMESTIC MARKET IN THE 19th CENTURY: GOVERNMENT POLICY, DEPENDENCE AND AVAILABILITY OF RESOURCES. AN AGENDA FOR RESEARCH. (*)

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I

The domestic market of Portugal only became a significant component of the Portuguese socio-economic structure after the middle of the 19th century. The discoveries and the subsequent colonial expansion in the 15th and 16th centuries, and the diversion of the economy to maritime and transcontinental trade produced far-reaching long term consequences in a small country with a population of no more than one million. Between the 15th and 18th centuries the core of the economy shifted from European Portugal to India in the 16th century and then to Brazil in the 17th, 18th and early 19th centuries. This structural change shifted the attention of the Crown and the savings of aristocrats, merchants and, but to a lesser extent, common people to overseas. The domestic market of Portugal either stagnated throughout these centuries or, if it showed any signs of development, it was not sufficient to alter the new balance.

In the first half of the 19th century Portugal experienced a series of dramatic events, the results of which would dictate the shape of the economy and society for the rest of the century. The French invasions in the first decade of the century, apart from the physical destruction of the country, produced serious political changes which, in turn, altered the course of the Portuguese economy and gave birth to successive re-arrangements among rival political factions. The Brazilian market, which had acted as the main support of Portugal's economic and financial structure, was lost in 1810 and, further, Brazil became independent in 1822. Thereafter, Portugal was compelled to organise a new economic and financial framewok for its fragile economy, although the opposing goals of different pressure groups made it a long, painful process. By 1890 Portugal had somehow built 2,000 kilometres of railways, of which less than

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(*) For the Seville Conference on the Economic History of Italy, Spain and Portugal, October, 1984.

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40 per cent was operatd by the state. It appears, however, that the overall impact of the system upon the economy was very modest and neither people nor output benefited to a large extent from the railway services. The domestic market, therefore, grew but it did not modernise and the transformation of a pre-industrial into a modern economy in Portugal had hardly begun by the end of the 19th century.

The object of this paper is to discuss the parametres within which government policy made its contribution for the potential growth of the Portuguese domestic market. Particular attention will be paid to the integration of Portugal in the world economy and the availability of resources. The combination of these two factors appears to have been a major obstacle to the sustained growth of the economy and the domestic market suffered accordingly.

II

The heavy expenditures caused by the French invasions (1807-1811), followed by the opening of the Brazilian ports to foreign nations in 1808 with the subsequent new Anglo-Portuguese commercial treaty signed two years after, the independence of Brazil in 1822, and, last but no means least, the ruinous cost of the Civil War of 1832-1834, inflicted a severe blow on the financial and economic situation of Portugal. The combination of these political events caused a substancial decrease in the amount of foreign trade in the first decade of the century, stagnation in the following decade and yet another decrease thereafter. Further, all these events created a large public debt from which the Government, deprived of Brazil, had no hope of recovery. In the 1850's the trade deficit was estimated at £1.30 million (annual average), Great Britain controlled over one third of Portugal's imports and no less than 52 per cent of its exports. The state accounts, too, showed a deficit of nearly £0,5 million, and the public credit of Portugal was very poor with a funded debt (internal and external) of over £20 million nominal. Moreover, both the London Stock Exchange and the Paris Bourse denied admission to quotation of the Portuguese bonds. The credit situation was particularly bad in England where Portuguese bondholders had experienced a cash loss, exclusive of compound interest, of £6.2 million on a total debt of £10.0 million (1).

Economic stagnation, coupled with wars and a diversion of savings into state debt, produced successive years in which food was scarce which, in turn, caused a decline in population. (Between 1807 and 1835 the population of Portugal fell by no less than 138,136, or 4,933 per year.) One result of the social upheaval and political confusion of the first half of the last century was that very little financial resources were available for either the improvement of trans-

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(1) Christopher Platt, «Domestic and Foreign Finance in Portugal, 1815-1869», paper for private circulation, St. Antony's College (Oxford, 1982), p. 5, quoted by courtesy of the author.

port or the introduction of new means of communication. Modernisation necessitated, of course, the modification of many traditional values, particulary the fatalistic acceptance of the world as it existed and the consequent attitude of the inability to alter the basic features of the Portuguese economic structure. Further, the insecure exercise of power and authority and the rigid class structure proved to be insurmountable obstacles for the development of the domestic market and, consequently, the breaking away from traditional forms of transport. No matter how desired, the improvement of transport and the development of new technology, namely the application of the steam machine to maritime but above all to inland transport, seemed to be beyond the reach of the Portuguese society during the first half of the 19th century.

The absence of an articulated transport system delayed the formation of a national market, with various staples having only a local or regional economic significance. The quality and frequency of transport decreased from the coastal areas to those of the interior, and by the end of the 1840's the former relied largely on coastal shipping with the exception of a few roads to adjacent areas. River navigation, rather than road transport, maintained the insecure and erratic communications with the interior and shipping was largely confined to barge traffic on the longest navigable river course. Where river navigation was not feasible, the transport of both people and goods was forced to rely on more traditional forms of conveyance.

In his massive study of southern Portugal at the turn of the 18th century the French historian Albert Silbert showed not only the inadequacy of road transport and the intimate connections within the traditional forms of transport, but also the high proportion of freight in the total cost of agricultural produce ([2]). Not surprisingly, the British Minister at Lisbon reported to London in May, 1849, on the conditions of grain transport: «The exportations of corn would be likely even this year to be very considerable if any facilities existed for communication between the interior and the coast. As it is I have heard it stated by one of the corn dealers of Lisbon that he finds more advantage in importing grain from the Black Sea than causing it to be sent over the Tagus from the Alentejo.» ([3]) For pre-industrial economies Jean Meuvret noticed that traditional means of transport were an obstacle preventing the enlargement of local markets and their subsequent integration into the national market ([4]). Our case study fits well within this framework; in the first half of the last century, and probably until as late the 1870's, when a considerable mileage of the railway system was already in operation, Portugal was not one market but an aggre-

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([2]) Albert Silbert, in *Le Portugal Méditerranéen à la fin de l'Ancien Régime*, second edition (Lisbon, 1978), vol. II, pp. 533-540.

([3]) Public Record Office, Foreign Office 63/704/171, Seymour to Palmerston, 8 May 1849.

([4]) Jean Meuvret, «La géographie des prix des céréales et les anciennes économies européennes: prix méditerranéens, prix continentaux, prix atlantiques à la fin du XVII siècle», in *Revista de Economia*, vol. IV (Lisbon, 1951), p. 63.

gation of markets of different integration according to their own produce and the existing transport facilities. Schemes for railways were put forward in the mid-1840's but the unstable political situation, which culminated in a Civil War in 1847, delayed the commencement of railway services until 1856. Roads were scarce, unreliable and dangerous, and not passable over a longer part of the year, with the circulation of people and goods suffering accordingly. Further, the cost of building and maintaining roads was not justified by any conceivable weight of traffic. Prices varied widely from province to province and patterns of consumption were determined by local output with a very modest interregional flux of commodities. It is possible neither to estimate patterns of consumption nor to quantify per capita output or consumption. However, it seems reasonable to assume that the proportion of the population living in the two major cities (Lisbon and Oporto, which accounted for no more than seven per cent of the total population), partly because it had access to foreign imports of commodities and luxuries, partly because it gathered people with a higher purchasing power than those living in the rural areas, partly because both cities represented more than 3/4 of total industrial output, was likely to show higher patterns of comsumption. Within the rural areas discrepancies should not have been very striking and agricultural output tended to respond to local demand. Rural communities, which accounted for 70 per cent of the total population, relied on their own produce with additional supplies from other areas likely to be as erratic as expensive.

III

Once the long catalogue of revolutions had come to an end with the Duke of Saldanha's Government in 1851 it appeared that conditions had been created for the overall development of the economy and the welfare of the nation. Once the rump of the Empire had gone with the independence of Brazil, comtemporaries directed their attention to a different course for the economy. It took a considerable period of time for the country as a whole to adapt to the new internal situation and to adjust to a new world where industrialization was setting the pace. Overall, the economy was far from stagnant in the second half of the 19th century. However, the volume of both internal and external trade and, consequently, the volume and technological development of both agricultural and industrial output was restrained by a modest level of internal demand, by the costs of transport which, in turn, were the result of the structure of the railway system, and by Portugal's dependent peripheral position. It is difficult to ascertain which sector of the economy was the driving force of growth during the half-century mentioned above. Certainly, industry was not and before the first world war manufacturing was still far less important within the economy than agriculture (5). As Jaime Reis wrote recently, «although manufactur-

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(5) As late as 1938 the contribution of industry to gross national product was only 29 %, while agriculture took 33 % and services 38 %.

ing expanded at a reasonable pace for several decades, this was still too little to either secure an improvement in the economy's rate of growth, given the drag represented by the other sectors, or to change the structure of the economy to any significant degree [. . .] industry's role was positive but not positive enough» (6). Recent theories on the contribution of agriculture to economic growth have demonstrated that its impact was exhausted by the late 1880's, that is, only after 20 years the original spurt had occurred (7). Bearing in mind that the driving economic forces of Portugal had relied on its colonial possessions since the 15th century, and on Brazil from the early 17th century, it is clear that the core of the Portuguese economic structure and its financial resources remained in Brazil until the colony became independent in 1822. Thereafter, Brazil was no longer a Portuguese colony in formal terms but remained a source of financial support which, in turn, was the result of an increasing flow of migration from Portugal. Thus, it seems that the sluggish condition of the Portuguese domestic economy, during the second half of the 19th century, was in a way counterbalanced by the flow of migration to Brazil. The application of the Brazilian remittances accross a wide spectrum of investment areas, together with their serving as a means of payment for Portugal's foreign loans, gives rise to the suspicion that much of the investment in the domestic market and the consequent accumulation of capital was derived from remittances from Brazil. It is not within the scope of this paper to measure the impact of the Brazilian money upon the productive, and non-productive, sectors of the Portuguese economy. However, it seems reasonable to assume that a country which relied on exogenous and erratic factors with wich to set up the prerequisites for modernisation and economic growth displayed a weak economic structure.

The liberal policies which were adopted after the middle of the 19th century tended to increase imports faster than exports because the domestic economy was unable to increase production. This led to an increase in the propensity not merely to import but also to consume, which, in turn, led to a maldistribution of income and further slowed down economic growth. By favouring state-induced investment in commerce rather than in industry the various cabinets drove the country into increasing financial difficulties with national and foreing creditors and perpetuated Portugal's peripheral position in Europe. The policy which was pursued in the second half of the 19th century aimed at the development of the transport network (namely railways) in the hope that this would set up the necessary conditions for the overall development of the economy. This relationship between the coming of the railway and the quickening of economic growth, in the case of Portugal, has to be considered in terms

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(6) Jaime Reis, «Portuguese industry, 1870-1913», unpublished paper (Lisbon, 1984), p. 7, quoted by courtesy of the author.

(7) See Miriam Halpern Pereira, *Assimetrias de Crescimento e Dependência Externa* (Lisbon, 1974).

of the economic policy of a dependent peripheral state. In a country which was an economic satellite of the world's leading power, which had subsequently accepted the free-trade policy and adopted the gold-standard, the abundance of foreign loans only maintained its dependent economic strucutre and further aggravated its financial situation. By maintaining its economic dependence and so further aggravating its financial prospects, capital accumulation in areas other than the export sector hardly existed.

The advent of this «policy of circulation» in the mid-19th century, based on foreign capital to construct new means of communication both within the country and to link it with the rest of Europe, did not produce any major alteration in the Portuguese economy. After all, such policy was merely destined to facilitate the mobility of merchandise and the commercialization of the country, but in no way did it attempt to increase national output, or to push industrial or agricultural production forward. The «policy of circulation» relied to a very large extent on the export of agricultural surplus. Accordingly, it is not very difficult to accept the reasons why its application did not bring about structural alterations in the economy. First, it affected mainly the suburbs of only three great cities (Lisbon, Setubal and Oporto), which were also the export ports of the produce connected with the agricultural spurt. Second, the increase in agricultural output was basically the product of foreign demand because pressure from internal demand was very modest — the population of Portugal grew below European standards throughout the 19th century, from 3,2 million in 1807 to 5,5 million in 1911. Third, these commodities suffered from serious competition in the European markets, and in the English market in particular. The competition was further aggravated by the fact that other export countries had both a larger productive capacity and higher productive levels. Such was the case of Spain (wine and oranges), Australia and Argentina with live-stock. Within this framework it seems interesting to notice that, contrary to the European trend, commodity prices did not fall for the period between the 1850's and the eve of the first world war; on the contrary, they stagnated and showed even a slight increase towards the end of the century, which again reflects the very low level of agricultural productivity. Fourth, the range of the Portuguese exports was largely concentrated in one consuming market (England) and this further reinforced Portugal's submission to the prices stipulated by English importers ad to the freight costs charged by English-owned shiping companies. Portuguese agricultural exports soon lost their competitiveness in the foreign markets before making any major alteration in the domestic market: port wine as early as 1860-1865, oranges and olive oil after 1874-1877, cattle by 1885-1886, table wine after 1889 (8). Consequently the domestic market did not suffer any major impact, although the economy had the potential for growth.

The development of Portugal's railways during the second half of the 19th century was partly financed by foreign capital. The context within which this

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(8) *Ibid.*, p. 24.

financial practice developed was derived from Portugal's dependence on foreign money markets — a direct dependence from both the creation of enterprises and their indirect financing through the public debt. It was a very specific type of dependence which was sustained by prevailing Portuguese Government economic policy, which was particularly concerned with the financing, construction and operation of the railways. The resort to credit obtained in foreign money markets became a major component of the development of the Portuguese railways. Spurred by monetary difficulties Portugal established a policy of generous reward for those willing to invest in state bonds. The high rates of interest on Portuguese state bonds negotiated abroad raised interest rates in Portugal. Consequently, the capital market of Portugal, already small, lost its specific function of assisting local productive forces and was largely diverted into purely speculative investments. This financial policy did not help to modernise the domestic market, which further suffered the effects of defficiently-planned routes, slow construction and financial problems harrasing the railway companies once the service had started.

IV

Portugal was part of the Southern European periphery in the 19th century. Being a peripheral country, it was dependent upon the dominant core economy which consequently had a strong influence, economically, financially and politicaly, upon the economy and society of Portugal. It apears, however, that Portugal was not *sufficiently dependent on,* and *sufficiently integrated in,* the dynamic world-market of the 19th century to benefit from the challenge of the industrialised core to modernise its economy.

This was due to the fact that Portugal was, at the begining of the 19th century, just still a colonial metropolitan country, perhaps a core economy dependent on its own periphery (Brazil). Throughout the 19th century, however, particulary after the loss of the Brazilian market, Portugal became part of the European periphery and the turbulent first half of the century may well have been a consequence of Portuguese society attempting to adjust and adapt to its new position in Europe.

With neither a strong business community, nor an adequate rate of savings, and with large sectors of the economy unresponsive to the market, the Portuguese state had to embark on the «perilous waters» of raising capital, by means of foreign loans negotiated in European money markets. Although foreign capital was important for economic change, this does not necessarily mean that the import of capital was *always* and *in itself* a positive factor, or component, for the borrowing economy's development. The positive effects of foreign investment depended upon the structure of the host economy. Portugal did not have many of these necessary complementary factors, while a large amount of imported capital was diverted away from the nascent modern sectors of the economy, such as transport and communications, where it was badly needed.

For example, for the period 1855-80 *Fenn on the Funds* reported that the Portuguese Government had invested about £14 million in roads and railways, while the total public debt increased from under £20 million to about £100 million (9). This disparity can be explained by a substantial portion of imported capital being required to pay the interest on previous loans and to redeem short-term advances made to the Treasury. The high rates of interest paid on state bonds led to the limited Portuguese capitalist class subscribing for state bonds issued in foreign money markets, and the London Stock Exchange in particular. Therefore, they did not occupy a dominant place in the establishment of the capital-intensive sectors of the economy. This, in turn, contributed to the slow growth of the domestic market and the overall modest size of Portugal's development in the 19th century. Whatever the amount of capital required for development, it was the state that had to create the conditions for raising the funds on European money markets. The overall prevailling poverty of the country made state intervention a basic component for growth because the domestic market alone did not possess sufficient resources to develop.

But state intervention did not necessarily mean that the conditions for sustained growth were established. To faster growth the Portuguese state had to increase the public revenue by raising taxation, by increasing the public debt, or by some combination of the two, in order to establish a pattern of finnance for investment leading to higher levels of growth. However, a balanced budget strategy implied strict limits to expenditure which, in turn, reduced the pace of state-induced development. Further, loans contracted by the state during the second half of the 19th century were, to a large extent, obtained at heavy discount. Loans negotiated at a discount, that is, at high rates of interest, resulted in lower inflows of capital for development. In this sense it its sufficient to point out that the market value of the £49.71 million nominal negotiated abroad between 1862 and 1890 amounted to no more than £20.61 million.

An alternative policy to state foreign indebtness was to expand taxation among the rural community which could have led, in the medium term, to peasant agriculture becoming more responsive to the market. However, the burden of any such taxation in Portugal would have fallen upon the rural plutocracy, particularly in the south, who were in fact the government's main suport. Consequently, in this politic-economic situation the only recourse was foreign loans with the atractive possibility of future generations benefiting from development and, therefore, being able to carry the burden of foreign debt servicing. However, the conditions within which foreign capital was invested did not permit future generations to reap the benefits. Portugal, then, could not exploit the advantages of capital imports and foreign demand to develop its domestic market. In the end, the economy's long-term loss was far more substantial than the Treasury's short-term gains.

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(9) *Fenn on the Funds* (1883), p. 130.

Portugal's ability to react to the challenge of the industrialised core was, to a very large extent and despite the potential of foreign capital to animate local trade and industry, the product of government policy. This is not to say, however, that government policy was *the only* factor which explains the failure of Portugal's modernisation in the 19th century. Bairoch, however, has not hesitated to point out that Portugal's economic backwardness «est dû largement à l'échèc d'une politique de complémentarité avec une économie développée» ([10]). His statement may be misleading because it focuses the issue of Portugal's backwardness upon the policy pursued by a peripheral dependent country, the parameters of which were largely dictated by the dominant core economy. The «imperialism of free trade», stemming from the adoption of economic liberalism by those countries which were part of Britain's «informal empire» was the cause explaining backwardness. However, such a conclusion, although necessary to establish at least a first approach to the issue, is too narrow for an understanding of Portugal's failure to modernise its economy. It has been said that Portugal was not sufficiently dependent and this might have been one of the reasons why its economy did not benefit totally from its economic links with, and the transfer of technology from, its dominant trading partner. Furthermore, and with instances of protectionism as early as the late 1830's, it is now clear that government policy from the mid-1850's was not typically free trade. The tariff of 1852, for example, had even higher duty rates than that of the protectionist regime of 1837 ([11]), while in 1875 Gerardo Péry categorically maintained that Portugal was a protectionist country ([12]).

Neither free trade nor protectionism worked out properly and the lack of an effective policy might have been one of the reasons which explains Portugal's failure to modernise. Philosophical dogma, in the second half of the 19th century, was set aside by the need to service foreign debt which led to increases in customs duties. Despite corrupt government officials, the absence of a strong middle-class, the loss caused by foreign speculators, the state's submission to Britain, it is likely, however, that Portugal could have advanced further along the path of modernisation. If one of the two policies would have been adopted rigorously, the attitudes of both government officials and private entrepreneurs may have been different. Moreover, Portugal's peculiar free trade policy with the high degree of protectionism that it actually involved also contributed to the lack of the economy's full integration into the European core-periphery relationship. Ironically, it may have assisted the near stagnation of the Portuguese economy by sheltering inefficient producers and thereby retard-

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([10]) Paul Bairoch, *Commerce éxterieur et développement économique de l'Europe au XIX Siécle* (Paris, 1976), p. 269.

([11]) Duties levied on coarse and stamped cottons increased by 10 and 21 per cent, respectively, while duties on raw and dyed cottons rose by 12.3 and 15.3 per cent, respectively.

([12]) Gerardo Péry, *Geografia e Estatística Geral de Portugal e Colónias com Um Atlas* (Lisbon, 1875), p. 182.

ing technological change. The combination of free trade and protectionism did not produce serious structural changes upon the economy.

It should be added, now, that Portugal appears to have been a typical example in which the nature of its backwardness was the result of factors other than the economic policy pursued by the various Governments. Actually, neither economic liberalism nor protectionism could have significantly accelerated the pace of economic development.

Portugal's backwardness could not be ameliorated, substantially, by the application of doctrine, as it was also the result of the *availability of resources.* Resources are considered here in their broadest sense, comprising natural as well as social factors, and standards of education, patterns of culture and political institutions amongst the latter should by no means be disregarded. Carlo Cipolla has pointed to the significance of the social factors in the process of industrialisation when he wrote: «An Industrial Revolution is above all a socio-cultural fact, coal by itself does not create and does not move machines.» ([13]) No matter what general economic policy was adopted, Portugal had little to offer to the increasingly dynamic and sophisticated markets of the industrialised core, so that the outcome of this or that policy would not have produced structural alterations in the economy and society as a whole. Not surprisingly, *The Economist* commented in 1868: «Compared with our total foreign trade, any increase in our exports to Portugal is likely to be infinitesimal; and we are not excessively anxious to get cheaper wines of the kind that Portugal supplies.» ([14])

Briefly, Portuguese government policy pursued during the second half of the 19th century was responsible for the poor performance of the economy, and the slow growth of internal demand, but only to a certain extent and in particular terms. The nature of Portugal's peripheral condition, therefore, was not only dictated by its dependence on Britain and domestic government policy, but also by the *scarcity of resources.* The initial obstacles to Portuguese economic development were formidable. The country lacked skilled labour and whenever it was imported its financial costs were tremendous — and the financing and building of the early railways provides a striking example of both the initial scarcity of railway expertise and the pernicious effects on the construction and operation of the first lines. The poor quality of the soil, coupled with an unbalanced structure of property and a low level of education of the peasantry, made agriculture the more backward sector of the economy ([15]), with the

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([13]) Carlo Cippola, «Introduction», in *The Fontana Economic History of Europe,* no. 3 (1976), p. 12.

([14]) *The Economist* (21 March 1868), p. 321.

([15]) The percentage of working population employed in the primary sector was 62.3 per cent in 1890 and still 58.0 per cent 20 years later, in 1910. For the same years rural population accounted for no less than 78.0 and 72.6 per cent, respectively; António Lopes Vieira, «Noções operatórias sobre cidade, população rural e população urbana», in *Revista de História Económica e Social,* no. 1 (January-June 1978), pp. 126-127.

result that increasing imports of foodstuffs, even with a low rate of population growth, were required (16).

Portugal also suffered from an endemic shortage of industrial fuels: domestic coal had a very poor burning quality and was scarce in workable quantities, which resulted in substantial imports (17).

Other exploitable domestic raw materials were practically non-existent. Consequently, the opportunities for industrial development were very restrict and the domestic market came to rely largely on imports.

The combination of all these factors appears to establish a new and strong argument explaining the slow growth of Portugal's domestic market in the 19th century. This was the result of an internally inconsistent government policy which led to only a partial integration of the economy within the European core-periphery relations. Yet, a further irony is that Portugal's poor resource endowment led to a high propensity to import food, raw materials and manufactures, once a taste for industrial products had developed.

This, coupled with the very slow growth of exports, produced a widening visible trade gap which required compensating inflows of capital which, in part, were serviced by high import duties, so that Portuguese consumers thereby carried a part of the burden of the debt service. This is to say that Portugal obtained all the negative advantages of the core-periphery relationship, but, except in the area of infra-structure development, appeared to be unable to respond positively to the challenge of the industrialisation of the core.

As *The Statist* put it in the late 1870's, «Portugal is *known* to English investors as a poor country which is susceptible of much development, which has a large debt and a small trade, a population like the soil — developing, but still backward and uncultivated» (18).

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(16) Cereals (wheat, corn and flour) represented 13.7 per cent of total imports for the period 1875-1884 and, despite the creation of a strong tariff after 1890, still accounted for 11.8 per cent for the period 1885-1894; *Relatório, Propostas de Lei e Documentos Apresentados na Câmara dos Senhores Deputados da Nação Portuguesa na Sessão de 3 de Julho de 1908 pelo Ministro e Secretário de Estado dos Negócios da Fazenda Manuel Afonso de Espregueira,* parte II, «Documentos» (Lisbon, 1908), pp. 212, 214, 216 and 228. «Portugal is becoming more and more dependent for her chief staple of food on foreign sources of supply»; *Foreign Office Consular Reports* (1885), «Report by Consul Brackenbury on the Trade and Commerce of Lisbon for the Year 1884», p. 1427.

(17) Coal imports came from Great Britain and showed the well-known pattern: an increase of value from £146,000 in 1866 to £316,666 in 1882; Sandro Sideri, *Trade and Power, Informal Colonialism in Anglo-Portuguese Relations* (Rotterdam, 1971), p. 156.

(18) *The Statist* (27 September 1879), p. 96.

VIEIRA, António Lopes — **Especulações sobre o crescimento do mercado interno português no século XIX: política governamental, dependência e disponibilidade de recursos. Notas para investigação.**

Durante o século passado o crescimento do mercado interno em Portugal não foi suficiente para estabelecer as condições necessárias à modernização da economia. O atraso económico português tem sido habitualmente atribuído às peculiares relações luso-britânicas, particularmente no respeitante à dependência financeira de Portugal. A condição de economia periférica no século passado, porém, pode ser explicada por outras razões e tanto a política governamental como a escassez de recursos surgem como contribuições a ter em conta. A conjugação destes três factores coloca o problema do atraso numa nova perspectiva e parece ter constituído um obstáculo de vulto ao crescimento sustentado da economia portuguesa no século XIX. O presente artigo tem como objectivo analisar as condições em que esses factores ocorreram e consequentemente propor novos caminhos para a investigação.

VIEIRA, António Lopes — **Speculations on the growth of the Portuguese domestic market in the 19th century: government policy, dependence and availability of resources. An agenda for research.**

The portuguese domestic market in the 19th century grew but it did not modernise and Portugal's modern economic growth had hardly begun by the end of that century. Traditionally, Portugal's backwardness has been attributed to the unequal partnership with England and its financial dependence on its «oldest ally». The nature of Portugal's peripheral condition, however, was not only dictated by its dependence on Britain but also by its domestic government policy and the scarcity of resources. The combination of these three factors appears to have been a major obstacle to the sustained growth of the economy. To explain this and set out an agenda for further research is the aim of the present article.