

# Portuguese Contraband and the Closure of the Iberian Markets, 1621-1640. The Economic Roots of an Anti-Habsburg Feeling.<sup>1</sup>

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## Abstract

This article aims at exploring the extent of smuggled goods apprehended in Portuguese ports between 1621 and 1640, both in an economic and political perspective. Contraband is thus seen as the response of local authorities and merchants to neutralize the losses they suffered due to the decrease in legal trade caused by Philip IV's foreign policy. The paper also includes some evidence which shows how the problems of the Portuguese economy became a key element in arousing the anti-Spanish feelings that ultimately led to the 1640 uprising.

## Keywords

Contraband, Portugal, Spain, Seventeenth Century, Foreign trade

## Resumo

*Este artigo pretende estudar a dimensão e o impacto do contrabando apreendido nos portos portugueses entre 1621 e 1640, numa perspectiva económica e política. Esta actividade ilegal era vista como uma resposta das autoridades locais e dos comerciantes que procuravam neutralizar os prejuízos recebidos pela diminuição da actividade comercial regular prejudicada pela política externa de Filipe IV. Considera-se ainda a importância da situação económica Portuguesa como elemento explicativo essencial para a consolidação do sentimento anti-Espanhol que conduziria ao 1 de Dezembro de 1640.*

## Palavras-chave

*Contrabando, Portugal, Espanha, Século XVII, Comércio Externo*

## I. Philip IV's foreign policy and its impact on the Portuguese economy

The beginning of the reign of Philip IV witnessed a profound change in Spanish commercial policy towards the *Northern Countries*.<sup>\*</sup> Planners and economists close to the new government discovered that the freedom of trade enjoyed by Dutch and English merchants during the first two decades of the seventeenth century was highly beneficial for their nations but quite detrimental for Spain. The fear of a negative balance of payments, which meant that the deficit recorded in the accounts would have to be paid off in silver, provoked a shift towards a more protectionist policy. This change began at the end of the twelve-year truce signed with the United Provinces in 1621, which officially closed all trade with the rebels, and it was followed by the *Proclamation for Reformation*<sup>\*</sup> of 1623, which in its Chapters 12 and 13 established strict limitations on the importation of

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<sup>1</sup>The research for this paper was funded by the Spanish Ministry of Education and Science, Project I+D HUM2006-06413/HIST.

<sup>\*</sup> The "Northern Countries" (Países de Septentrión in Spanish) included England, the Low Countries, Denmark, the Hanseatic League, the Baltic area, as well as other countries in the region.

<sup>\*</sup> Pragmática de Reformation.

French and English manufactures into the Iberian Peninsula. Finally, the *Admiralty of the Northern Countries*\* and its Court, founded respectively in 1624 and 1625, consolidated the mercantilist project (Israel 1997, Brightwell 1974, Grice-Hutchinson 1978, Larraz 2000, Hamilton 1948, Colmeiro 1963, Carrera Pujal 1945).

The Peninsular and colonial dependence on certain resources and manufactures transported mostly by Dutch and English merchants weakened the hermetic closure of the Iberian ports pursued by the government of the Hispanic Monarchy, as contraband and illicit trade gradually began to play a major role. The demand for products such as wheat from the Baltic area, timber, ammunitions, pitch, rigging, copper from the Scandinavian countries, and fish and textiles from England and Holland, not only encouraged illicit trade but was further stimulated by the implementation of a regulated system of special licenses to introduce banned merchandise—supposedly goods of prime necessity—into Spain and Portugal (Alloza 2006: 109-148, and Alloza and Cárceles de Gea 2009: 129-152).

For the Portuguese authorities, the new policy issuing from Madrid and tending towards the closure of the Iberian ports to the enemies represented a particular set of problems. The ban on trade with the Dutch, and later on with both the English and the French, caused serious damage to the Portuguese economy, which depended upon the trade in salt and colonial products, such as sugar, pepper and brazilwood. Nevertheless, such damage was not a new thing in 1621: under the Habsburg rule between 1580 and 1640, Portugal had become involved in all the Hispanic Monarchy's wars against the United Provinces, England and France. This means that not only did the Portuguese suffer continuous attacks on their colonies and navigation routes by the Dutch and the English, but they also had to cease trading with these nations whenever they became enemies of Spain (Boxer 1965, Valladares 2001, Freire Costa 2002, Cathia Antunes 2008). The combined effects of this situation were seriously detrimental to the Portuguese economy. First, wars prevented any commercial activity, and second the Portuguese government had to increase expenditure on defense, which brought greater fiscal pressures. From the outset, these problems were a source of conflict between Madrid and Lisbon, and despite their being presented as a jurisdictional dispute, they were, to some extent, one of the factors precipitating the rebellion of 1640.<sup>2</sup>

The Hispanic Monarchy's strategy of *economic warfare*, developed during the second half of the sixteenth century, recommenced in 1621, at the end of the 'Twelve Years' Truce with the United Provinces. The new cycle of hostilities against the rebels, designed to suffocate their trade, targeted any use made of their means of transport in all the Habsburg domains, including the kingdom of Portugal and its colonies. The Board of Trade,\* founded in 1623, was created to act as an advisory body to Philip IV in the task of organizing trade with Northern Europe, without involving Dutch and English traders.<sup>3</sup> The same year a decree was also published, prohibiting almost all British merchandise that promoted the interests and trade of British nationals.<sup>4</sup> The export of precious metals from Spain was likewise banned.

The degree of success of the measures taken against Dutch and English merchants was to depend greatly on the commercial relationships established with allied or neutral traders, in particular the Flemish and the Germans. To further secure these aims, the *Admiralty of the Northern Countries*\* was created in October 1624. This institution was a form of trading company which incorporated a fleet of 24 warships to protect trade with the Northern states such as the Hanseatic ports, the Low Countries and Denmark, which had been gravely

\* Almirantazgo de los Países Septentrionales.

<sup>2</sup> The economic roots of this anti-Habsburg feeling are not a new finding. As stated by Antonio Manuel Hespanha, it was after the appearance of Jaime Cortesão's book *A economia da Restauração* (1940) that a number of publications began to lessen the importance of the nationalistic perspective in determining the causes of the 1640 rebellion (in which the constitutionalist aspects were predominant) and to analyze instead the social and economic contexts which, to some extent, had determined both the union and the restoration. See Serrão (1950), Hespanha (1990), Rooney (1994). A recent study concerning the relationship between the war state and the increase in fiscal expenditure in Portuguese Brazil is to be found in Lenk (2007).

\* "Junta de Comércio."

<sup>3</sup> Plans and other documents drawn up from 1619 to 1623 by experts and experienced merchants, such as Francisco de Retama, Ortuño de Urizar, Duarte Gómez Solís, Anthony Sherley, Alberto Struzzi, Coronel Semple, and others, were discussed at the Board of Trade. This body was created in the spring of 1623, chaired by the Marquis of Montesclaros (president of the Council of the Exchequer) and composed of Mendo da Mota, Juan de Pedroso, Ortuño de Urizar, Gabriel de Roy, and others. In brief, their conclusions tended to support the closure of the Iberian markets to the enemies (particularly the Dutch, and eventually the English and French) and to look to their friends and allies (Hansa, Denmark, Poland...) to obtain the necessary supplies. For more information about this Board and the papers seen and discussed there, see Molas Ribalta (1987), Elliott (1986), Stradling (1992), and Alcalá Zamora (1975: 162-190).

<sup>4</sup> Pragmática de Reformatión, Chapters 12 and 13 and some interesting comments on them, Archivo Histórico Nacional (hereafter AHN), Consejos, legajo 51,443 (4).

\* "Almirantazgo de los Países Septentrionales," also known as "Almirantazgo de Sevilla," as it was established in Seville.

weakened since the end of the 'Twelve Years' Truce. In addition to providing this security instrument, the *Admiralty* introduced additional measures to guarantee the legality of trade, a system of deposits and certifications to register and control the origins and destinations of the merchandise to be transported, and a board of inspectors (*veedores*) formed to police contraband trade. From 1625 onwards, their work in the Iberian Peninsula's major ports proved an efficient measure for the enforcement of Habsburg policy (Alloza 2006, Alloza and Cárceles de Gea 2009).

It may be argued that, rather than its being the failure of the negotiations designed to bring about the marriage of the Prince of Wales to Philip IV's sister, it was the measures taken to exclude English and Dutch merchants from all trade with the Iberian Peninsula and the Mediterranean that prompted the Anglo-Dutch expedition against Cádiz in 1625 that led to the banning of Anglo-Spanish trade until 1630. In response to the offensive launched by Charles I, Philip IV introduced reprisals against English merchants operating in his dominions. The same year, the Duke of Guisa provoked another conflict with the Spanish king when his guards seized 160,000 ducats\* belonging to Genoese merchants being shipped along the coast of Marseille. Reprisals were thus also taken against French merchants living in and trading with Iberian ports, an issue that is returned to later on.

The closure of the Hispanic Monarchy's ports to products manufactured in England and the United Provinces, as well as to shipping equipment and products such as wheat or copper, transported by Dutch and English merchants from the Baltic region, provoked shortages and other problems. It was undeniably detrimental to Spain and Portugal's economies, as was clearly stated in the bitter denunciations made by customs' officers and foreign merchants, as well as by prominent planners and pamphleteers. This policy also led to shortages of certain key foodstuffs in different regions, such as wheat, fish or salt. Finally, the reduction in port activity led to decreases in fiscal incomes, and this scarcity of net revenues caused problems for the interest payments on the national debt securities that had been issued on the basis of the expected yields in terms of customs duties, such as those of the *Almojarifazgo Mayor* and *Almojarifazgo of Indias* in Seville (Echevarría 1987, Pulido 1993).

But for the kingdom of Portugal these problems were even more serious, because its economy—much more so than Spain's—was based primarily on maritime activities and colonial trade. Study of the kingdom's royal revenues reveals the negative impact of Spain's foreign policy on Portugal. According to Thomas Rooney, the revenues of Habsburg Portugal may be grouped according to six tax sources: 1) *Almoxarifados*: revenues derived from internal trade, local taxes, a municipal tax on food, and the use of legal documents; 2) revenues derived from the fishing and salt industries, located mainly in Setúbal and the Algarve; 3) customs duties generated in the *alfândegas* [customs houses mainly in Lisbon] from the maritime trade with Brazil; 4) local revenues, from Brazil and different islands off the western coast of Africa, derived principally from the slave and sugar trades; 5) the trade with the Orient, via the Cape of Good Hope, which enjoyed a monopoly over pepper as its principal source of income; 6) and finally the revenues derived from the Portuguese colonies to the east of the Cape of Good Hope, known as the *Estado da Índia* (State of India) (Rooney 1994: 545-62).

In 1588, these revenues amounted to 2,908,183 *crúzados*. By 1607, after the wars and conflicts with England and France in the late sixteenth century, and following the creation of the *East Indian Company* in 1599 and the *Vereenigde Oostindische Compagnie* (VOC) in 1602, the revenues had risen to 3,597,695 *crúzados*. That same year, there was a decrease in the tax on pepper, but this was compensated for by the dramatic increase in the slave trade. Although the reign of Philip IV provided a period of stability, Rooney's reconstruction of Portugal's revenues clearly shows that the period of fiscal growth was reversed from 1621 onwards, as a direct result of Philip IV's policy of trade bans, particularly with the Dutch (Rooney 1994: 546-555).

To complete this perspective, data from Mauro's *Portugal et l'Atlantique* are equally conclusive. Indeed, Frédéric Mauro has shown that brazilwood and sugar prices stagnated in Lisbon and Brazil during the 1620s, while in Amsterdam they increased dramatically. This author has also established that there was a downward trend in Portuguese salt exports: in 1621, two hundred ships with Portuguese salt were registered as passing through the Sound of Denmark, while, in 1632, the number of such ships only amounted to ten (Mauro 1960: 515-518).

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\* Note on exchange rates of currency:

1 Pound Sterling = 4 Ducats

1 Ducat = 11 Reales

1 Real = 34 Maravedís

10 Reales = 1 Cruzado

1 Cruzado = 400 Reis.

The 1630 Dutch invasion of Pernambuco constituted a serious blow to Portuguese trade and revenues. Between 1630 and 1639, the quantity of sugar the Dutch transported to Holland directly from America increased from 3,000 *arrobas* a year to 130,000. Moreover, its price in Bahia doubled in those ten years, while in Lisbon it decreased by about 20 percent, thus drastically reducing Portuguese merchants' profits. The same thing happened with brazilwood: direct exports to Holland rose from zero to 500,000 *arrobas* a year between 1630 and 1638, while its price in Lisbon fell by 50 percent. The decline in Portuguese trade led to an immediate fall in fiscal income, thus imposing the need to renegotiate contracts signed with tax farmers for the collection of the duties for slaves and pepper, as well as for the *Consulado* tax (Rooney: 1994: 559-562, Mauro 1960: 140, 229).

It is a commonplace for historians that the ban on Dutch trade throughout the Habsburg Monarchy's territories spurred the rebels "to look elsewhere for what had previously been obtained here," just as in another context the Duke of Medina Sidonia had insightfully commented during a debate about the participation of foreign merchants in Spain's foreign trade (Alloza 2006: 44-51). The same idea can be applied to the Portuguese subjects who, having lived, prior to 1621, from activities related to trade, insisted on continuing their business even when—according to Spanish law—it had become illicit.

As stated earlier, Portuguese subjects opposed the policy dictated by Madrid, clothing their arguments in legal terms, trying to slow down what they considered to be the *Castilians'* interference in Portuguese business. On many occasions, Portuguese officers did not heed the demands made by the government of Madrid unless these arrived with the stamp and signature of the Council of Portugal. On other occasions, the Portuguese authorities simply did not recognize the authority of the *Castilian* commissioned by Madrid. Indeed, this view extended even to the members of the Council of Portugal (*Consejo de Portugal*), for whom the contraband trade carried out by the Dutch and English merchants in partnership with Portuguese correspondents was a result of the limitations of the Portuguese government, "which was more concerned about the damages suffered by their nationals as a result of the prohibition of trade with Holland and occasionally with England, than about the benefits that could be gained for Christianity and the Hispanic Monarchy, circumstances from which all the jurisdictional disputes began."<sup>5</sup>

## II. Contraband in Portugal

The creation of the Court of Admiralty in January 1625 and the commissioning of inspectors (*veedores*) to police contraband in major ports of the Iberian peninsula, not only points to the considerable extent of the illegal trade existing in the ports, but also to its significant impact on Philip IV's commercial policy towards the *Northern Countries*. However, the problem of contraband was by no means new in the 1620s, nor was it restricted to the illicit trading of merchandise and foodstuffs. It also concerned the export of silver currency, a capital offence, and the introduction of false coinage (Carrasco 1997, Belinchón 2001). The claims raised by Portuguese officials in favor of their supposedly legal rights to defend and maintain commercial activity against the strategy devised in Madrid, were nothing new in the 1620s. For these reasons, in order to better understand the changes occurring after 1621 in matters related to illegal trade and the emergence of an anti-Habsburg feeling, it seems of paramount interest to summarize here some of the results obtained from research into contraband in Portugal in the early years of the seventeenth century, together with the responses of the Portuguese authorities to the Habsburgs' attempts to close the markets to enemies or to increase taxes on foreign trade in those years.

At the end of 1603, the Court in Lisbon conducted a review of the trials for contraband and smuggling and other related offences that had occurred in that port since the year of 1600. During that control, it was noted that the value of the twenty-two prosecutions had amounted to the sum of 101,416 *reales*. The amount was particularly significant because most of the prosecutions for contraband trade were based only on the amount paid to the Royal Exchequer, that is to say, only a third of the full value.<sup>6</sup> [Table 1]

However, these calculations of the real recorded values need to be viewed in relation to the fact that, in 1598 and 1602, further embargoes were imposed on Dutch ships trading with Spain and Portugal, as it was evident that Dutch merchants had not ceased their trade with the Iberian Peninsula and America despite the existing prohibitions; as a matter of fact, it has been estimated that from 1587 to 1602 more than a thousand

<sup>5</sup> Quoted from extracts of the Council of Portugal discussed in the Council of State in 1627. Archivo General de Simancas (hereafter AGS), Estado, Legajo 2,646.

<sup>6</sup>AGS, Contaduría Mayor de Cuentas, tercera época, legajo 3,042. The figures are meager when compared to those obtained from the English and Dutch captures of Portuguese ships in Asian seas. Gentil da Silva shows how, in March 1601, English corsairs captured a galleon coming from the East Indies worth 600,000 cruzados. See J. Gentil da Silva (1956: 68). Two years earlier, Francis Drake had captured a Portuguese ship in the Azores named *San Felipe*, whose cargo of pepper, cinnamon, cloves, grain, ivory, gold and silver was valued at 114,000 pounds sterling. See Garrett Mattingly (1959: 134).

ships set sail from Amsterdam to America in search of salt. The efficacy of the 1598 embargo and its impact on Portugal is noted by the records of a total of 191 ships seized, many of which were large ships and armed with artillery; 24 of them were seized in Porto, 41 in Lisbon and Setúbal, and nine in the Algarve.<sup>7</sup>

On that occasion, aiming to undermine the 1598 embargo by way of creating problems of jurisdiction, Portuguese officers staged one of their first confrontations with Madrid. Francisco Bermúdez, the Spanish inspector commissioned in Viana, conscious of the jurisdictional conflicts that had arisen, recommended an exhaustive review of confiscations, because, according to his estimates, the value of the ships and merchandise apprehended in Porto and Viana alone could amount to as much as 400,000 ducats. Moreover, the crews of the ships seized in Porto were put in jail before being transferred to Lisbon. However, the seafarers started a prison riot and set the building on fire, and many of them managed to escape with the help of Portuguese officers. Don Juan de Carvajal, the *Castilian* in charge of the embargo in Porto, wrote to Madrid informing the government of this event and complaining that nobody had helped him, not even the representatives of Portuguese Justice. From Viana, Francisco Bermúdez informed Madrid of the embargo carried out in that place, and the arrest of the Dutch merchant Enrique Baldovinos (Alloza 2006: 31-34, Gómez-Centurión 1988: 329-335).

After these embargoes of 1598 and 1602, a new and important decree known as the *Decreto de Gauna* was enacted in 1603 with the aim of increasing the efficiency of the control of Dutch, English and French contraband trade. According to the decree, all merchandise available to be exported from or imported to Spain and Portugal was subject to a 30 percent charge *ad valorem* (upon its value). In practice, the implementation of this decree constituted one of the first measures of seventeenth-century *commercial warfare*. To avoid any fraud, the decree also introduced the payment of deposits to guarantee that merchandise would be unloaded only in authorized ports. The new duty aroused international opposition, and it also provoked complaints from domestic tax farmers, due to the expected decrease in revenue as a result of an eventual fall in mercantile activity. The decree was not to be applied to goods exported to Mediterranean ports, nor to products such as iron and steel exported to France, via the Basque Country. Goods being exported to the obedient Low Countries were also exempt from the 30% duty (Echevarría, 1986).

The *Decreto de Gauna* had a very short life, at least as far as the trade with England, Holland, France, Denmark, and the Hanseatic towns was concerned. Nonetheless, during the brief period that it remained in force, it produced significant financial results in Spain: in Seville, Sanlúcar, Puerto de Santa María, Ayamonte, and other parts of Andalusia, 13,138,854 *maravedís* were raised; in Málaga, 9,659,094 *maravedís*; in Vizcaya, Guipúzcoa, and Cuatro Villas 4,866,977 *maravedís*; in Cartagena 187,272; and in Galicia 86,250 *maravedís*. In addition to these sums, 37,071,779 *maravedís* were registered as deposits for goods being exported to the Low Countries, and 28,508,366 as deposits for those being exported to Mediterranean ports.<sup>8</sup>

Contrary to what had happened in Spain, in the kingdom of Portugal it was practically impossible to enforce the decree despite the fact that commissioners were sent there from Madrid, and despite the clear instructions given to them to implement it. The Portuguese authorities proved to be highly resistant to its application. No money at all was collected. There are several reports about the obstacles raised by Portuguese officials. In one of them, Domingo de Végil, the commissioner of trade in Aveiro, reported to Madrid that since the decree had been published in that dock in November 1603, many ships had arrived with goods and departed with salt and sugar without paying the 30% duty, and, even worse, without any request being made by the Portuguese authorities for them to pay it. Besides this, when Domingo de Végil himself tried to visit the ships that had arrived in port and to demand the payment of the new tax, Portuguese officials prevented him from doing so. Other Commissioners sent from Castile were Alonso de Castro Macedo to Lisbon and Cascais; Captain Antonio de Escobar to Setúbal, Sesimbra and Tróia; Hernando de Espina was sent to Porto and Viana; Francisco de Aduna to the island of Terceira, and Captain Manuel de Escobar to the island of São Miguel.<sup>9</sup> The difficulties in enforcing the decree in Portugal, together with the special permissions given for the import of goods urgently needed by the merchant navy, rendered it ineffective.

Despite the Portuguese officials' reluctance to apply the *Decreto de Gauna*, it still hindered the regular trade of goods, and this circumstance served to provide even greater encouragement for both the English and the Dutch to organize expeditions to the East and West Indies. A report written in 1605 about the ships sent by the Dutch "against the Indies of Castile and Portugal," offers a remarkable insight into the implications of the Spanish trading policy towards the *Northern Countries*. The report by the Dutch captain Cornelius Guillermo

<sup>7</sup>AGS, Guerra Antigua, legajos 561 and 562. The number of ships apprehended in the Canary Islands, Asturias and Málaga is not known, because their officers had not reported on all the captures made at the time when the final report of the embargo was compiled.

<sup>8</sup> AGS, Consejo y Juntas de Hacienda, Legajos 432 (6) and 447.

<sup>9</sup> AGS, Estado, legajos 435 and 2,847.

shows that between the summer of 1604 and May 1605 fourteen ships, ranging from six to eight hundred tons in weight, set sail from Holland. All of them were equipped with artillery, horses and materials for the building of forts. They had 3,600 men aboard, representing a force that intended to capture either Goa or the Moluccas. The fleet was commanded by General Corneiles Medelief and Admiral Guillermo de la Haya. The convoy was chartered by private merchants together with the *Vereenigde Oostindische Compagnie*. Cornelius Guillermo also pointed out that, in recent months, 34 ships had departed from Holland and Zeeland to Santo Domingo, Cumana, Trinidad and Margarita in the West Indies. In addition to these, there were another 20 Dutch ships trafficking in Guinea and the 'mine of Portugal', from where they bought gold, elephant tusks and drugs. It should be noted that at the very beginning of 1605 some 150 ships had set sail for Punta de Araya (Brazil) to purchase salt.<sup>10</sup>

The English followed a similar course of action. Records for January 1604 show that among the ships prepared for departure from London to the Portuguese Indies, chartered by the *Merchant Adventurers*, there were five 800-ton ships, each equipped with 48 guns, and with a crew of 563 sailors. The English also sent to America another five 800-ton ships and four pinnaces, which were armed with 150 guns and carried 748 men.<sup>11</sup> According to Jonathan Israel, after the outbreak of hostilities in 1570, the difficulties encountered by Dutch merchants in trading with ports in the Iberian Peninsula and the Mediterranean encouraged them to expand their activities eastwards, where they founded new colonies and opened new and prosperous markets (Israel 1990 and 1997). The expansion of the English trade followed a similar pattern; as Robert Brenner has explained, the English merchants "were motivated to expand English commercial horizons by the desire to emulate and, ultimately, to displace the Spanish and Portuguese in their trades of gold, spices, and other commodities. What actually drove them to initiate the new trades were the serious disruptions of their Iberian and Antwerp entrepôts and the consequent need to acquire on their own the goods that they formerly obtained from middlemen" trading in the Iberian Peninsula and the Mediterranean (Brenner 1993).

The period of peace heralded by the signing of the Twelve Years' Truce in 1609 meant that, while it lasted, trade with the Iberian Peninsula flourished, in terms of both imports (naval equipment, Scandinavian wood, Swedish copper and wheat from Poland and the Baltic area) and exports (salt, sugar, wine, oil, grapes, and agricultural produce). Furthermore, as Jonathan Israel has demonstrated, the return of Dutch merchants to Setúbal and Aveiro transformed the European salt trade. Israel cited the case of the trader Andrés Lopez Pinto, who alone sent more than two hundred ships with salt to the Low Countries, Scandinavia, and Poland between 1615 and 1618. According to this author, the salt trade generated no less than 13 million ducats a year (Israel 1990).

In this peaceful period, there is no doubt that trade did increase greatly, but it does not mean that all business dealings were transparent. Before the end of the Twelve Years' Truce in 1621, the Spanish government's informers in Holland relayed information about Dutch merchants' fraudulent negotiations in their trade dealings with Brazil during the period of peace. In 1618, one of these informers confirmed that in previous years ten ships had set sail from Holland each year to the Azores, each laden with merchandise worth 50,000 ducats. In the Azores, the merchandise was unloaded and transferred to *navios de registro* (authorized ships) to then be transported to Brazil. Before returning to Holland, these ten ships were loaded with sugar, brazilwood, and other products. However, duties were not paid in Portuguese ports, which thus defrauded the Spanish Crown of at least 80,000 ducats each year.<sup>12</sup> Informers also reported on the smuggling of false currency (*vellón*) into the Peninsula by *marranos* (Portuguese Jews) living in Holland, and the subsequent drain on gold, silver, and diamonds, which they then exported back to Holland.<sup>13</sup>

Whatever illicit activities had occurred during the truce, when it finished in April 1621, the contraband trade increased again. The authorities soon noted that the rebels continued their trade with the Iberian Peninsula and the Mediterranean ports. In response, in 1623, they ordered an embargo in which 160 purportedly neutral ships were seized in Andalusia and Portugal; Dutch merchandise was found aboard most of them. In addition to the embargo, from August 1622 until September 1623, 42 prosecutions for cases of contraband were registered at the Court in Lisbon against captains and ships coming from Holland and Zeeland, as well as against some of their Portuguese counterparts. Table 2 shows the value of the confiscations resulting from these prosecutions, which reached at least 30,000 ducats, although not all the figures were recorded.<sup>14</sup> [Table 2]

<sup>10</sup> Biblioteca Nacional de Madrid (hereafter BNM) Mss. 2,347 (264).

<sup>11</sup> AGS, Estado, legajo 435.

<sup>12</sup> AGS, Estado, legajo 2,305.

<sup>13</sup> AGS, Estado, legajo 2,309.

<sup>14</sup> AGS, Guerra Antigua, legajo 898. Legal proceedings were initiated against Portuguese merchants as they did not stop trading with their Dutch correspondents. There were also a number of prosecutions brought against rebel ships carrying

In 1623, with the aim of eliminating all rebel trade in Portugal, Philip IV ordered Diego López de Haro to move to Lisbon and to execute his orders strictly. The king also established a system of inspections in Lisbon and Setúbal. As a result of these measures, the trading activity at these docks underwent a crisis, which provoked considerable discontent among local traders and customs officials, as the fall in customs duties meant that Lisbon's *alfândega* (main customs house) lost half a million ducats a year. López de Haro's ability to keep control of this situation was demonstrated in May 1623: despite having to regretfully report to Madrid the escape of a Dutch boat laden with wheat and hemp being delivered to a German named Jan Ryter and to a Dutchman named Isaac Banas, he was able to declare that he had confiscated goods, money and incriminating letters detailing the Dutch business contacts of these two merchants. The money confiscated from these two traders' houses amounted to 30,000 ducats.<sup>15</sup>

Some days earlier, by order of the Marquis of Cropani (who had been placed in charge of the general embargo of 1623), López de Haro went to Setúbal to inspect two ships suspected of being Dutch. On that occasion, he received 5,880 *reales*\* from the captains of those ships. Once in Setúbal, he visited five more ships. The Mayor of Setúbal requested from López de Haro the order signed by the Council of Portugal giving him permission to inspect boats in that port; as he ignored the request, the Mayor forbade him from carrying on with the inspections, arguing that he lacked the jurisdiction to do so. In these circumstances, the Marquis of Cropani intervened by ordering Madrid to send signed orders on behalf of the Council of Portugal. In his letters, Cropani informed the authorities that four of the cases he had recently prosecuted had produced 8,000 ducats for the Royal Exchequer, and that he had another 11 cases to work on, two of them being of great importance. However, despite such efforts being made in Lisbon and Setúbal, the situation was very different in Porto, Viana, Aveiro, the Azores, Madeira, and the North of Portugal, where illicit trade continued practically unchecked.

In addition to resorting to fraud and contraband trade, one of the key methods the Portuguese subjects used in order to be able to maintain their commercial dealings with Dutch merchants was—as was said earlier—to encourage the development of legal conflicts over jurisdiction with the Spanish authorities, so that trade could continue while the dispute rumbled on. There were plenty of motives for hindering the normal functioning of the Council of Portugal based in Madrid, and disobeying the Spanish authorities. It should be noted that almost as many jurisdictional conflicts were registered in Castilian ports as in Portugal: in some cases, these disputes were between the local authorities, the Inquisition, and the inspectors of the Court of Admiralty; in other cases, they were between the Council of War or the Royal Exchequer and the different kingdoms that together formed the Iberian Peninsula.

Even so, the jurisdictional conflict in Portugal had a more oppressive side. It should be remembered that while the *Decreto de Gauna* was in force during the period 1603-1606, some *Castilian* commissioners were issued with death threats, others were jailed, and many were maltreated. The same also happened to inspectors belonging to the *Court of Admiralty* commissioned in Portugal from 1625 onwards.<sup>16</sup> For these reasons, it is difficult to share the conclusion arrived at by Jean Frédéric Schaub, in particular when he stated that the lack of obedience shown by Portuguese officials to the inspectors of the *Court of Admiralty* was due to the military jurisdiction under which this institution came. It is true that, in Spain, during the 16th and 17th centuries, matters relating to contraband came under the jurisdiction of the Council of War, but this does not mean that the inspectors commissioned by that Court (*veedores*) were themselves under military jurisdiction. Most of them were experts in foreign trade, and people like Francisco de Retama, Ortuño de Urizar or Gabriel de Roy proved their expertise through the reports that they sent to the *Board of Trade*, founded in 1623. They had nothing to do with the military world. In any case, what seems very clear is that the disobedience demonstrated by the Portuguese officials had already existed long before the foundation of the Admiralty in 1624. Last, but not least, the *Admiralty* cannot be classified as a Castilian institution, in the way that Schaub does so, because it was created by

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wheat and different goods to Portugal. Such was the situation with the case involving Jarish Banderley in 1602, who, four years later, would once again be condemned for the same type of smuggling operation. There also were ships condemned in Setúbal for buying salt destined for Holland.

<sup>15</sup>AGS, Estado, legajo 2,847 and Israel (1990: 376).

\* There were *pesos* worth eight *reales* and others worth four *reales*. We do not know how many of these were worth eight *reales* and how many were worth four.

<sup>16</sup> By way of example, those threatened with death in 1606 included Captain Diego de Obregón of *Isla de la Madera*, while, in 1629, the inspector of the Court of Admiralty in *Faro*, Pedro de la Barreda, was the target of an attempted murder. These cases can be found in AGS, Estado, Legajo 435; and AGS, Guerra Antigua, Legajo 3,153.

Philip IV in 1624 to operate in all of his dominions, except America and the Mediterranean, as it actually did, from the Low Countries to the Canary Islands, from Lisbon to Valencia.<sup>17</sup>

The following episode from the Spanish war on contraband in Portugal serves to illustrate, in some detail, the conflicts and difficulties that the Spanish authorities faced in that kingdom. In early 1627, the Hispanic Monarchy's informers in Holland raised the alarm about two ships that had been chartered to travel to Faro, in the South of Portugal. Don Fernando de Toledo, the Spanish military commander in Portugal, was ordered to capture them. The Archbishop of Lisbon, the Governor of the Kingdom of Portugal, was also ordered to assist with the confiscation of the ships' goods. However, instead of helping the operation to succeed, the Archbishop did his best to impede it. Not being entirely happy with his performance, the Archbishop ordered the imprisonment of the public prosecutor responsible for cases of contraband, Cristóbal de Abreo, to whom Fernando de Toledo had assigned this case.<sup>18</sup> Nonetheless, on their arrival in Faro, the ships were seized and their cargoes confiscated.

The Council of State in Madrid was immediately informed of these events. Indignant, its members began a heated discussion on the "problem of contraband in Portugal." The Marquis of Montesclaros, a leading member of the Council of the Exchequer, explained that the great effort that had been made to seal off most of the Peninsular ports in order to frustrate the rebels' efforts, would be meaningless without the compliance of the Portuguese ports with these measures. In his opinion, the only solution to this longstanding problem was the appointment of a qualified and experienced Viceroy, with military jurisdiction, able to implement immediate orders without waiting for the responses of Madrid to the number of questions raised by the Portuguese authorities with the sole purpose of gaining time for loading and unloading ships. In addition, Montesclaros considered the Archbishop's actions in the aforementioned case to have been very serious, and he demanded an urgent investigation in order to ascertain the truth and punish the culprits. The Council unanimously agreed with Montesclaros.

An exchange of reports between the commissioners working in Portugal and the Spanish authorities in Madrid was provoked by this particularly flagrant case of opposition to the control of illicit trade, which is also a further piece of evidence pointing to the continuation of contraband activities and the challenge that they posed to the authorities. In this aforementioned correspondence, Fernando de Toledo confirmed that in the Algarve and the ports between the Douro and the Minho rivers, trade with Dutch and English merchants continued just as it had done during the Twelve Years' Truce: "ships arrive and the mariners unload the merchandise, and it is then taken to privileged places (*quintas*) where the *hidalgos* distribute it without any problems, because the inspectors of contraband activities are not allowed to enter there."<sup>19</sup>

At that time, it was also reported that merchants in Porto and Setúbal were trading freely with the Dutch. In Setúbal, for example, the Irish merchant Alexander Quin headed a network of salt traders. No merchant bought salt without his permission. He was arrested in Lisbon, together with two of his partners, but he was so powerful that no one dared put him in jail; instead, he was not allowed to leave Lisbon. However, the two partners arrested with him, probably under duress from the Spanish officials, denounced Quin for selling salt to Dutch merchants and buying merchandise from them. As usual, by the time the officials tried to re-arrest him, Quin had already escaped from Lisbon.

The authorities in those places were also aware of important quantities of codfish arriving from Newfoundland in French boats, but this had been bought from English mariners, and custom duties had been paid to the king of England. There was no way to stop such trade, however, not even by means of officials placed in Calais and Hamburg, who monitored the merchandise sent from English ports.<sup>20</sup>

Furious and hopeless, in January 1627, the members of the Council of State reached the conclusion that there was no other solution "to the problem of Portugal" than to reconsider the effectiveness of the bans on trade. The Council's advisers agreed that it was fruitless to stop the collection of taxes, to stop the production of salt, or to paralyze foreign trade, if it was impossible to prevent illicit trade, such as that displayed by the Dutch merchants loading salt in Setúbal. Despite the issues raised during the debate, the only measure actually adopted was the dispatch of 90 soldiers to assist in the control of the contraband trade. The inefficacy of this measure became clear when, in November 1627, Fernando de Toledo reported to Madrid that a large quantity of merchandise from England and Holland had arrived in Porto, which included the 800 pieces of English cloth safely delivered to a merchant named Francisco de Cáceres.<sup>21</sup>

<sup>17</sup> See Jean-Frédéric Schaub, *Le Portugal au temps du Comte-Duc d'Olivares*. op. cit., 289-311.

<sup>18</sup> AGS, Estado, legajo 2,646.

<sup>19</sup> Ibid.

<sup>20</sup> Ibid.

<sup>21</sup> AGS, Estado, legajo 2,646.



Although it seems to contradict the frequent reports of contraband activities and the desperation expressed by the members of the Council of State, the Council of Portugal and the Council of War in Madrid (notably Duarte de Portugal, Juan de Villela, Diego de Mejía, Montesclaros, Conde de Monterrey, and Mendo da Mota), it was at this time that the fight against contraband was at its most intense. In January 1628, the attorney of the Council of War, Juan Palafox, reported that the value of merchandise confiscated from German merchants awaiting sentencing amounted to 26,000 ducats. Another case related to the seizure of several pieces of cloth worth 200,000 ducats. Around that time, an English ship headed for Madeira and Tenerife was seized with a cargo of French *ruanes* (fine cloths made in Rouen). The Spanish authorities tried to confiscate that boat, but it managed to escape.<sup>22</sup> In addition to these examples, shown in Table 3, which detail the money sent to the *Court of Admiralty* in Madrid by its inspectors in Portugal, the same table also reveals that these officials continued the war on contraband in the Peninsula.<sup>23</sup>

Furthermore, the repetition of the threats endured in the Portuguese ports by the Spanish inspectors proves that they worked hard to repress contraband and illicit trade. The exact results and consequences of the fight against this activity are difficult to apprehend. But no doubt this fight had two effects: on the one hand, to some extent it dissuaded merchants from trading directly in Portugal, as demonstrated by Mauro's data quoted earlier; on the other hand, it aroused great anger among the Portuguese officials, traders and intermediaries, as can be deduced from the jurisdictional disputes raised by them.

There was one key element showing how English and Dutch merchants were dissuaded from doing business in Portugal: this was the establishment of a special system of licenses for the importation of contraband goods. To obtain one of these licenses, 10 or 15 percent of the total value of the goods to be imported had to be paid in advance. The establishment of this system indicates that the closure of the ports, despite the continuation of illegal trade, had resulted in a shortage of certain key products, which the introduction of the special licenses was intended to alleviate. During the strictest years of the embargo, a number of licenses were given to import wheat and naval equipment, amongst other products. For example, in May 1629, a license was issued to the merchant Adrian Paez to import 2,500 pieces of cloth to Portugal, for which he paid 4,000 ducats in advance. A few months earlier, another license had been issued to Pablo Carondelet to import 5,000 pieces of English cloth. He paid 31,000 ducats for the license. Other established Portuguese merchants, such as Pedro Fernández Pato, Domingo López, Antonio Martínez Peña, Fernando Montesinos, Rodríguez Gordillo and Diego Rodríguez de Morais, were also granted licenses to introduce different merchandise and products such as cloth, tobacco, and spices.<sup>24</sup>

Between 1630 and 1640, the illicit trade and the efforts to repress it continued in keeping with the pattern outlined thus far, as shown in Table 3. Another insight into the trade in contraband in this decade is offered by Juan de Zufre's records. Zufre was responsible for paying the Spanish army salaries in Portugal during the 1630s. His records document the receipt of money from the capture of contraband merchandise. According to his accounts in 1631, from the first of March to the end of December, he received 3,800 *reales* from the French consul in Aveiro, 1,692 *reales* from the official receiver of contraband goods, Alonso de Alarcón, 5,000 *reales* from the Portuguese merchant Martin Pedro (Lisbon), and various different amounts from Flemish, German and French merchants. Together, these sums amounted to a total of 30,529 *reales*.<sup>25</sup> Zufre's accounts may be complemented by other indirect sources: for example, in April 1639, the *veedor* Diego de la Rocha prosecuted a Dutch ship laden with iron, and although the crew and the cargo were acquitted, the ship and freight were confiscated and valued at 24,000 *reales*.<sup>26</sup> [Table 3]

Special licenses played an important role in maintaining a constant supply of foodstuffs and other important goods, but the shortage of many other products and raw materials provoked complaints and conflicts from port authorities and officials. In October 1636, the Lisbon City Council declared a bread shortage, as that year's crop was going to be insufficient. The City Council thus sought permission to purchase wheat transported

<sup>22</sup> AGS, Guerra Antigua, legajo 3,152. These last prosecutions were directed against Jacques Jacques and the codfish that he took to Lisbon from England before the outbreak of the war (109,692 *reales*), Cornelius Juan el Viejo from Danzig (1,000 *reales*), Enrique Crumel and Enrique Barresten from Lübeck and Strampson with coal from England (7,490 *reales*), as well as Federico Pedro from Hamburg with English cloths (151,306 *reales*).

<sup>23</sup> The figures in Table 3 are quite significant, since they reflect only the part of the value confiscated that belonged to the Royal Exchequer, usually one third of the total confiscations. However, on many occasions, this share was actually much smaller, as explained in Alloza (2006: 122-133).

<sup>24</sup> AGS, Guerra Antigua, legajo 3,153.

<sup>25</sup> AGS, Contaduría Mayor de Cuentas, tercera época, legajo 3,051 (5).

<sup>26</sup> AGS, Guerra Antigua, legajo 1,297.

by Dutch merchants, no matter if their boats were larger than 300 tons and were armed to repel Berber pirates. The City Council also requested permission for the French to import wheat, something that was absolutely forbidden following the outbreak of war with them in 1635. The Council argued that the French merchants not only supplied wheat but also bought salt and paid the necessary duties without hesitation. The Council of the Exchequer approved the request knowing that that year's wheat crop was going to be even worse than the Portuguese claimed – that year the price of an *alqueire* of wheat rose from 5 *reales* to 9.5 *reales*. Furthermore, the City Council's advisors stated that it was not good to have the Dutch as the sole suppliers, as that would allow them to manipulate prices in their favor.<sup>27</sup>

From the evidence that has been examined so far, it is clear that the Hispanic Monarchy's policy of closing off the ports did not benefit Portugal at all. On the contrary, it was harmful for the economy of that kingdom. The closure also created economic problems for all the ports throughout the Peninsula: trading activity with the *Northern Countries* was drastically reduced for long periods. In any case, there were significant differences between Spain and Portugal. In this sense, although Philip IV's government stated to the Portuguese authorities and the Council of Portugal that the suffering was the same in all the regions, the Portuguese replied with none too conciliatory arguments. By way of example, in 1611, the Council of Portugal requested that spices from the East Indies should be denied entry to Castile unless they were registered at Lisbon's *alfândega*, as a measure designed to stifle the Dutch spice trade. The Dutch transported numerous quantities of cloves, cinnamon and pepper into Navarre via Saint Jean de Luz and Bayonne, and, from Navarre, these spices then made their way into Castile. This trade was obviously detrimental to the Portuguese. On that occasion, the Council of the Indies was in favor of the petition, although the Council of State, led by the Cardinal of Toledo, rejected the request.<sup>28</sup>

It was not until the autumn of 1617 that the importation of cloves from the East Indies to Castile, which went unregistered at Lisbon's *Alfândega*, was prohibited. In 1621, the Courts of Navarre and the Viceroy Count of Castrillo appealed against this provision with the argument, also a jurisdictional argument, that this type of general ruling could only be approved by the General Courts. The authorities at the Court of Madrid replied that the ruling only concerned spices that were not registered at Lisbon's *alfândega*, but the officials of the Courts of Navarre concluded that the ruling did not apply to them. The truth of the matter is that the conflict had an economic character, as the deputies of the Courts of Navarre clearly expressed: "economic damages suffered due to the closing of their trade with France: they estimate that the revenue from '*las tablas reales*' (a kind of Royal customs duty) brought the King 8,000 ducats a year (only from the trade in goods from France to Aragón via Navarre)." After the prohibition of 1617, the losses amounted to 10,000 ducats. In addition, Navarre officials stated that the real beneficiary of such prohibition was Béarn (in France), not Lisbon, since Béarn had increased its trade with Aragón by the amount of 100,000 ducats, of which 20,000 ducats were net revenue for the King of France.

Finally, this rule was abolished, thus diminishing the Portuguese trade (and the corresponding fiscal revenue it produced) and increasing the Dutch one. The increase in Dutch trade is noted in the records kept by the commissioner for contraband, Pedro Fernández de Castroverde. He found it recorded that, in the 15 months between August 1621 and November 1622, during which the Portuguese Jew Juan Núñez Vega had worked as a tax farmer for the domestic customs (*puertos secos altos*), 30 ships had arrived in Saint Jean de Luz and Bayonne, with merchandise and spices worth 800,000 ducats, coming from Amsterdam and Rotterdam and heading for Castile.<sup>29</sup>

As has been shown, the Portuguese authorities' resistance to the ban on trade after 1621 had serious economic and political consequences. The tension increased as the bans on trade were extended to both English merchants (1625-1630) and French merchants (1625-1626, and then again from 1635 onwards), because the control of contraband was further compounded with the pressure of general embargoes that resulted from reprisals against the three enemy nations (The United Provinces, Great Britain and France). The confiscations that resulted from these measures, in Castile and in Portugal, are highly indicative of the extent of the interdependence of foreign trade in the Iberian Peninsula, and thus of the damage caused by the closure of the markets.

The Anglo-Dutch fleet's attack on Cádiz in 1625 produced an immediate ban on trade with English merchants that continued until 1630, and an embargo on the property, goods, ships, and money of the English trade in the Habsburg dominions. In Portugal, Fernando Alvia de Castro ordered the seizure of different ships laden with English cloth, some of which had come from Hamburg. Despite the obstacles created by the

<sup>27</sup> AGS, Estado, legajo 2,614.

<sup>28</sup> AGS, Estado, legajos 436 and 2,847.

<sup>29</sup> AGS, Estado, legajo 2,847.

Portuguese authorities, the value of the sale of 2,400 pieces of confiscated cloth amounted to 165,000 ducats. To this sum was added 164,511 *reales* collected from those found guilty of contraband activities through the authority of Fernando de Toledo. The results of these first confiscations demonstrate the authorities' diligence, including that of the *vededores* of the *Court of Admiralty*: in less than a year and a half, a sum of 250,000 ducats had been collected, and the blockade was effectively maintained (Alloza 2006: 69-75).

In April 1625, Spanish boats carrying money from Barcelona to Genoa were seized near Marseille by order of the Duke of Guisa. This worried Madrid to such an extent that the government reacted immediately by ordering reprisals against French merchants living or operating in all of the Habsburg dominions, so as to recover the money captured by Guisa. Louis XIII's response was to ban trade with the Spanish, and to confiscate the ships, goods and money of Spaniards living or working in France. In reply, Philip IV ordered a general embargo on French merchants. In the course of a few months, nearly 700,000 ducats belonging to French traders were confiscated in the Iberian Peninsula. In Lisbon, the total amount of confiscations reached 409,801 *reales*, as well as 12 ships, although 82,594 *reales* of this sum belonged to Portuguese merchants. The Treaty of Monzón, signed in 1626, brought an end to this conflict, and prescribed the restitution of the seized property to their original owners.<sup>30</sup>

A new and much more serious conflict with France began in 1635, which lasted until 1659. Major reprisals were then taken against the French, from whom 1,500,000 ducats were seized. Taking into account the fact that French merchants had an annual turnover of four to five million ducats, the value of this seizure was considerable. In Portugal, although a significant sum was captured, the officials failed to collect the full amount of the money due to their resentment for "the Castilians" (explicitly expressed) and their favorable attitude towards foreign merchants. Thus, of the 920,000 *reales* that were presumably collected in Portugal, only 312,000 were actually included in the final report of the reprisal.<sup>31</sup> [Table 4]

### III. Conclusion

On the basis of the evidence examined in the course of this essay, the policy of commercial warfare pursued by the Hispanic Monarchy had direct and negative effects on the Portuguese economy, in particular for the period starting in 1621. Despite the scarcity of sources of information related to contraband, and of studies on the effects of blockades during the first half of the seventeenth century, the enormity of the phenomenon is apparent. The measures and tactics used to combat illicit trade, as well as the fragmentary archival data, show the scale of the fight against contraband during this period.

In spite of the fact that a complete and hermetic closure of the ports was not achieved, the capacity of dissuasion displayed by the inspectors of the *Court of Admiralty* was of great importance, as it led to a reduction in the level of trading activity in the ports of Portugal. One sign of this decrease was the need to reduce the annuity or annual payment for tax farmers responsible for the collection of the taxes on pepper and slaves. The same situation occurred with the *Consulado* tax; in 1632, it was contracted out for 75 million *reis*, but in 1649 for only 50 millions.

The reduction of the Kingdom of Portugal's tax base after 1630 automatically increased the fiscal pressure and led to the introduction of new taxes, such as the *media annata*, which was a levy upon office-holders and members of the nobility. They paid a tax of 50 percent on the salaries and favors (*Mervedes*) received from the Crown. This new tax had considerable repercussions, since the taxes levied by Philip IV's Exchequer on the favors (*Mervedes*) granted to Portuguese subjects between 1632 and 1634 alone amounted to 433,189 ducats in silver.<sup>32</sup> Other taxes were introduced later, in 1635, such as the *sizas* (duties on sales) and *real d'água*, a tax on the consumption of meat and wine. Finally, it was ordered that 25 percent of annual income was to be paid by those with *comendas* (benefices) granted by the military orders, or by those who benefited from royal properties. Measures such as these increased the hostility felt towards Castile, and above all towards the Count-Duke of Olivares.

<sup>30</sup> *Ibid.*, 57-67.

<sup>31</sup> *Ibid.*, 78-108.

<sup>32</sup> *Mervedes*, such as the one provided to Manuel de Vasconcelos, who was given the Señorío and jurisdiction of Villanueva de Fascoa for the price of 80,000 *reales* of double silver. But, in reality, most of them derived from the sale of offices and the licenses to transfer (to sell) these offices. The whole process: "Relación jurada y firmada por Diego Suárez, del Consejo y Contaduría Mayor de Hacienda de Su Majestad, y su secretario de estado de Portugal, de los maravedís que entraron en su poder procedidos de expedientes del reino de Portugal que él y otros ministros beneficiaron en virtud de órdenes de Su Majestad," in AGS, Contaduría Mayor de Cuentas, tercera época, legajo 2,294 (3).

According to Thomas Rooney, in order to understand the political repercussions of the policy adopted by Madrid in its dealings with Lisbon, it is fundamental to comprehend that during most of the period of Habsburg rule in Portugal, Madrid had pursued an essentially conservative economic policy. However, the rapid growth of the Atlantic economy at the end of the sixteenth century had enabled the Portuguese authorities to expand their tax base, but from 1630 onwards the crisis that overtook the Hispanic Monarchy led to an increase in the fiscal pressure exerted on Portugal, and in particular on the privileged classes. It was this that eroded the relationship between the Portuguese and the government of Madrid, and led to the emergence of an anti-Habsburg feeling which, together with several other factors, incited the 1640 rebellion.

The efforts to control the contraband trade and to enforce general embargoes resulted in a partial success for Madrid: notably, a reduction in trade with the Hispanic Monarchy's enemies, which, in part, supports Thomas Rooney's conclusions. However, it should be noted that Portugal's dissatisfaction with the Castilian foreign policy was expressed not only during the 1630s, but also long before this. Indeed, the Courts of Lisbon set up in 1619 reproached Philip III for his hegemonic policy, which provoked wars with detrimental repercussions for Portugal (Fernández Albaladejo 2009: 179-192). Subsequently, as Rafael Valladares has shown, Philip IV's regulation of Portuguese foreign trade at the end of the Twelve Years' Truce brought with it an additional disruptive pressure, which was further aggravated by the Dutch attacks on the Portuguese colonies (Valladares 1998 and 2001, Oliveira 1991 and 2002). It may therefore be concluded that if the contraband trade in Portugal hampered Philip IV's strategy, it was because this strategy was itself already causing so much damage to the Portuguese economy.

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Table 1: Prosecutions for contraband in Lisbon, 1600-1603.

| Port    | Year | Captain/trader       | Confiscations                                     |                         |
|---------|------|----------------------|---|-------------------------|
|         |      |                      | Ships   | Money ( <i>reales</i> ) |
| Lisbon  | 1600 |                      | San Pedro   | 42,932                  |
| Lisbon  | 1600 | Lucas Simon          | Molino Rojo                                       | 1,894                   |
| Lisbon  | 1601 | Jacques Ans          | El Cazador  | 300                     |
| Lisbon  | 1601 | Alberto Ans          | Águila Dorada                                     | 300                     |
| Lisbon  | 1601 | Juan Bretón          | El Ángel  | 1,176                   |
| Lisbon  | 1601 |                      | Lobo Marino                                       | 2,553                   |
| Lisbon  | 1601 | Guillermo Arrien     | El Jonás  | 162                     |
| Lisbon  | 1601 | Cornelis Juan        | León Rojo   | 666                     |
| Lisbon  | 1601 | Giraldo Pedro        | Racton  | 2,708                   |
| Lisbon  | 1601 | Juan Bois            | Sansón  | 4,173                   |
| Lisbon  | 1602 | Juan Rodríguez       | Ancesdey  | 1,444                   |
| Lisbon  | 1602 | Alberto Bernardo     | Aguilaparda                                       | 1,444                   |
| Lisbon  | 1602 | Juan Nicolás         | Galgo blanco                                      | 1,445                   |
| Lisbon  | 1602 | Eliquel Vives        | El Rodaballo                                      | 2,000                   |
| Setúbal | 1602 |                      | Campo Verde, Águila, Vaca Pintada                 | 4,570                   |
| Lisbon  | 1602 | E. Credar y F. Aites | Paloma blanca y Esperanza                         | 7,333                   |
| Viana   | 1602 | Daniel Federico      | Urca Coche  | 21,493                  |
| Lisbon  | 1602 |                      | Águila Dorada                                     | 4,700                   |
| Lisbon  | 1602 | Lamberto Pedro       |   | 150                     |
| Lisbon  | 1603 | Manuel Rodríguez     |   | 700                     |
| Lisbon  | 1603 | Gilberto Decreton    |   | 690                     |
| Lisbon  | 1603 | Bernardo Pedro       | Molino Rojo                                       | 826                     |
| Lisbon  | 1603 | Iberte Adrian        | Falcón Blanco                                     | 4,000                   |
| Lisbon  | 1603 |                      | Flor de Lis                                       | 3,333                   |
| Lisbon  | 1603 |                      | M <sup>a</sup> Magdalena, Falcón Pardo, Avestruz, |                         |
| Lisbon  | 1603 |                      | Tierra de Promisión                               | 6,600                   |
| Viana   | 1603 |                      | San Pedro   | 4,340                   |

Source: Archivo General de Simancas, Contaduría Mayor de Cuentas, tercera época, legajo 3,042.

Table 2: Prosecutions for contraband in Lisbon between August 1622 and May 1623

| Date    | Captain/trader             | Place of origin of the accused | Sentence                                     | Course of Process |
|---------|----------------------------|--------------------------------|--|-------------------|
| 8/1622  | Pedro Bons                 | Holland                        | Free   |                   |
| 10/1622 | Jorge Rodríguez de Acosta  | Lisbon                         |  | in progress       |
| 10/1622 | Ruiz López Manis           | Lisbon and Porto               |  | in progress       |
| 10/1622 | Francisco Márquez Enríquez | Lisbon and Porto               |  | in progress       |
| 10/1622 | Enrique de Paz Silvera     | Lisbon and Porto               |  | in progress       |
| 10/1622 | Pedro Méndez Florez        | Lisbon and Porto               |  | in progress       |
| 10/1622 | Francisco Moreli           | Lisbon and Porto               |  | in progress       |
| 10/1622 | Nuño Montero               | Lisbon and Porto               |  | in progress       |
| 10/1622 | Pedro Leariz               | Lisbon and Porto               |  | in progress       |
| 10/1622 | Jerónimo Gozen             | Lisbon and Porto               |  | in progress       |
| 10/1622 | Duarte Pérez Solís         | Lisbon and Porto               |  | in progress       |
| 10/1622 | Antonio López Dalega       | Lisbon and Porto               |  | in progress       |
| 10/1622 | Martín Alfonso de la Palma | Lisbon and Porto               |  | in progress       |
| 10/1622 | Juan Amelín                | Lisbon and Porto               |  | in progress       |
| 10/1622 | Lucas Estrevega            | Lisbon and Porto               |  | in progress       |
| 10/1622 | Matían Balon               | Porto                          |  | in progress       |
| 10/1622 | Jacques de Sater           | Viana                          |  | in progress       |
| 10/1622 | Juan de Guardamaciel       | Viana                          |  | in progress       |
| 11/1622 | Guillermo Prin             | Holland                        | 5,000 <i>reales</i>                          | appeal            |
| 11/1622 | Jacques Boquete            | Lisbon                         | Confiscation                                 | appeal            |
| 11/1622 | Esteban Farin              | Porto                          | Confiscation                                 | appeal            |
| 11/1622 | Juan Juanes                | Lisbon                         | 17,564 <i>reales</i><br>54,000 <i>reales</i> | appeal            |
| 12/1622 | Jarish Banderley           | Holland                        | (cargo of wheat)                             | appeal (1)        |
| 1/1623  | Cornelis Pedro             | Holland                        | Free   |                   |
| 1/1623  | Justo Cornel               |                                | Free   |                   |
| 1/1623  | Adam Guillermo             | Holland                        | 20,000 <i>reales</i>                         |                   |
| 2/1623  | Alberto Jacques            | Holland                        | 10,500 <i>reales</i> (ship)                  | appeal            |
| 2/1623  | Alberto Giraldo            | Setúbal                        | 5,000 <i>reales</i>                          |                   |
| 2/1623  | Urban Compostel            |                                | Free   |                   |
| 2/1623  | Mauricio Livermen          |                                | 58,400 <i>reis</i><br>(merchandise)          |                   |
| 2/1623  | Rodrigo Comepari           |                                | 95,400 <i>reis</i><br>(merchandise)          |                   |
| 2/1623  | Juan Reyter                | Germany                        | 6,000 <i>reales</i>                          |                   |
| 3/1623  | Roberto Estra...           |                                | 4,000 <i>reis</i>                            |                   |
| 3/1623  | Rodrigo Juan               |                                | 4,000 <i>reis</i>                            |                   |
| 4/1623  | Nicolas Bunier             | Holland                        | 10,598 <i>reales</i> (ship)                  |                   |

|        |                     |                 |  |
|--------|---------------------|-----------------|--|
| 4/1623 | Enrique Lucas       | Setúbal         | 8,135 <i>reales</i><br>(cargo of salt)           |
| 4/1623 | Alberto de Amberque | Setúbal         | 8,270 <i>reales</i><br>(ship and<br>merchandise) |
| 4/1623 |                     | Holland         | 7,492 <i>reales</i><br>(ship and<br>merchandise) |
| 4/1623 | Alberto Barbanes    | Holland         | Free   |
| 5/1623 |                     | Setúbal/Holland | 15,534 <i>reales</i> (ship and merchandise)      |
| 5/1623 | Jacques Jacques     | Viana/Holland   | 50,000 <i>reis</i>                               |
| 5/1623 | Pedro Amon          |                 | 50,000 <i>reis</i>                               |
| 5/1623 | Juan Adrian         |                 | 7,828 <i>reales</i>                              |
| 6/1623 | Guillermo Straton   |                 | Free   |
| 6/1623 | Arman Conop         |                 | 20,000 <i>reales</i>                             |
| 6/1623 | Jacob Juan          | Holland         | 9,825 <i>reales</i> (ship and merchandise)       |
| 7/1623 | Jacques Gobeas      |                 | Free   |
| 8/1623 | Nicolás Pedro       | Setúbal         | Condemned  |
| 8/1623 | Miguel Martínez     |                 | in progress                                      |
| 8/1623 | Lamberto Juan,      |                 | in progress                                      |
| 8/1623 | Nicolas Giraldo     |                 | in progress                                      |
| 8/1623 | Juan Eberca         |                 | in progress                                      |
| 8/1623 | Jacques Francisco   |                 | 500 <i>reales</i>                                |
| 9/1623 | Tomás Matías        | Setúbal         | in progress                                      |

Source: Archivo General de Simancas, Guerra Antigua, Legajo 898.

(1) Sentence is paid by Juan Sinel.



Table 3: Money confiscated in Portugal by *Junta del Almirantazgo*, 1631-1639 (*maravedís*)\*

| Veedor                    | Port                      | 1631      | 1632      | 1633      | 1634    | 1635    | 1636    | 1637    | 1638/39   |
|---------------------------|---------------------------|-----------|-----------|-----------|---------|---------|---------|---------|-----------|
| Diego Masso de Andrade    | Algarve                   | 339,456   | .         | 232,150   | .       | .       | .       | .       | .         |
| Luis Fernández de Olivera | Isla de la Madera         | 834,394   | -         | 396,950   | .       | 10,9016 | 170,000 | 387,600 | .         |
| Diego Fajardo             | Isla Tercera              | .         | 1,305,872 | 1,487,816 | .       | .       | 352,370 | .       | .         |
| Fernando Albia de Castro  | Lisbon                    | 1,326,000 | .         | 61,880    | 278,442 | 223,220 | 145,874 | .       | 1,020,000 |
|                           | Lisbon and Canary islands | .         | .         | .         | .       | .       | 780,402 | .       | .         |
|                           | Porto                     | .         | .         | .         | 113,764 | .       | .       | .       | .         |
|                           | Viana                     | -         | .         | -         | 217,014 | 347,114 | 260,558 | .       | .         |

Source: Archivo General de Simancas, Contaduría del sueldo, segunda serie, legajo162.

\*These amounts represent only one third of the total money confiscated from merchants and traders

Table 4: Money confiscated from French merchants in Portugal during the 1635 embargo (in *reis*)

| <b>Merchant</b>           | <b>Confiscation</b> | <b>Merchant</b>      | <b>Confiscation</b> |
|---------------------------|---------------------|----------------------|---------------------|
| Francisco Marean          | 561,333             | Damián Ramírez       | 16,000              |
| Nicolás de Mola           | 500,000             | Honorano Infante     | 50,000              |
| Pedro Salón               | 50,000              | Telmo Manente        | 250,000             |
| Juan de San Pe            | 2,000,000           | Joseph Francisco     | 82,000              |
| Pedro de Oliveros         | 40,000              | Antonio Benedicto    | 32,000              |
| Reinel Peletier           | 700,000             | Jacques Buquet       | 200,000             |
| Gisalberto Fontana        | 30,000              | Juan Farmo           | 24,000              |
| Gil de Nicola             | 800,000             | Juan Bodín           | 15,000              |
| Jorge Broarte             | 400,000             | Julio Boquel         | 100,000             |
| Juan Tolosan y D. Furnier | 6,400,000           | Andrés Lamberto      | 8,000               |
| Juan Orí                  | 120,000             | Salvador Arnaut      | 8,000               |
| Gabriel Bonet             | 80,000              | Jacques de Gaumont   | 150,000             |
| Pedro Francés             | 30,000              | Tomas Roxfort        | 30,000              |
| Guillelme de la Gara      | 60,000              | Antonio Routier      | 20,000              |
| Bernardo Francés          | 50,000              | Juan de la Predra    | 200,000             |
| Isaac de Fuentes          | 50,000              | Francisco Violeta    | 20,000              |
| Juan de Espinosa          | 195,000             | (...)                | 1,400,000           |
| Juan de la Fuente         | 27,000              | Gaspar de la Rocha   | 32,000              |
| Antonio Quirín            | 200,000             | Juan Bautista Moreli | 4,000               |
| Guillelme de Vargas       | 6,000               | Juan Barberá         | 30,000              |
| Bernabé de ...            | 120,000             | Mateo Rigao          | 800,000             |

Source: Archivo General de Simancas, Contaduría del sueldo, segunda serie, legajo 151.

(400 *reis* = 1 *cruzado* = 10 *reales*)