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Neutral shipping and the Portuguese economic relations with the Atlantic World (1793-1814)

INTRODUCTION

This study addresses the role played by neutral shipping in the development of Portugal’s foreign trade, during the Revolutionary and Napoleonic Wars. Despite our familiarity with the structural changes endured by the Portuguese economy at the end of the Ancien Régime, from its growth to its collapse, we know almost nothing about the involvement of neutral shipping (including that of the Portuguese) in relation to Portugal’s commercial connections with Europe or with America. We certainly failed to put the issue in our historiographical agenda. Apparently, we tend to think, probably due to our unfamiliarity with the issue of neutral shipping, that it had no overall significance as far as the Portuguese international economic relations were concerned. If that was the case, it was certainly a very unusual phenomenon in that time frame.

We know that, only one month after the declaration of war in February 1793, France and Great Britain resumed their old policies of economic warfare. The Convention immediately prohibited the import of large classes of what were perceived as British goods (textiles, metals and earthenware), and, in October of 1793, it actually banned all British manufactured goods. In the meantime, London adopted a policy of blockading the coast of France.

1 Among others, see Jorge Pedreira, “From Growth to Collapse: Portugal, Brazil, and the Breakdown of the old Colonial System (1760-1830),” Hispanic American Historical Review, vol. 80, no. 4, 2000, pp. 940-964.

2 For the full length of the political package adopted by the British and by the French, see E. Heckscher, The Continental System: An Economic Interpretation.
To ensure compliance with these initial measures, British and French alike tried to restrict the neutral shipping which transported enemy goods. In the French case, this clearly put an end to a softer approach regarding neutral trade that had emerged during the 18th century, related to an increasing awareness of their relative maritime weakness. Conversely and unsurprisingly, no such restraint ever gained ground in the general framework of Britain’s international policy, before or after the French Revolution. According to the well-known ‘Nivose Law’ (1798), the Directory dictated that the nationality of a vessel should be determined by the origin and destination of the cargo and not by its flag colors. This means that any ship bound to England or clearing a British port (including colonial ones) could justifiably be seized regardless of the ownership of the vessel or the cargo itself.

Nonetheless, as several historians have shown, the restrictions placed on neutral ship-owners, merchants and skippers, though deemed outrageous (in 1794 and 1800 they even triggered the formation of new Leagues of Armed Neutrality between the Northern countries, reviving the 1780s project), were also arbitrarily applied; they were certainly subject to periodical modifications that changed their rigidity.


5/ Eli Heckscher and François Crouzet, two major authorities on the subject, with must-read works, differ in their assessment of the measures effectiveness. Heckscher, on the one hand, stressed the importance of smuggling and bribery which inevitably undermined Napoleon’s efforts to undermine British commerce. Crouzet, on the other hand, argues that the Napoleon initiatives did in fact, even for just a while, damage commercial intercourse between continental Europe and British Isles, undermining the growth of British industry. E. Heckscher, The Continental System, op. cit, François Crouzet, L’Economie Britannique et Le Blocus Continental, 1806-1813, Bordeaux, Hambourg, Livorno, Paris, Presses Universitaires du Septentrion, 1999.

We might say that the Anglo-French resolve was repeatedly imperiled by corruption, even at the highest levels of administration (as recently shown by Katherine Aaested), or by more pressing economic needs, often related to ongoing mercantilist concerns (such as crippling the enemy’s economy by cutting off its exports). There was never a fully-fledged blockade on French ports designed to engender starvation. In any case it should be remembered that the mercantile communities were quite able to bypass the British and the French commercial restrictions, as is shown by Silvia Marzagalli’s study on the port cities of Hamburg, Bordeaux and Livorno. In this respect, it was clear that the world was then moving to a new stage of unstoppable integration, experiencing the “Modern Globalization”, to use the words of Christopher Bayly.

Neutral shipping was certainly a pivotal aspect as far as international trade was concerned; deserving careful consideration by all historical agents, as sources clearly shows. Despite the controversy that surrounded the neutrality main propositions (‘free ships made free goods’ or ‘the flag covers the cargo’), it was only natural that in the aftermath of the failure of Amiens (1802), cities like Barcelona saw the bulk of their maritime trade, including colonial trade, being carried by neutral vessels. It is hard to imagine that neutral shipping did not have a similar weight in Portugal’s key ports, like Lisbon, Porto and Setúbal. We should remember that, despite the rather undesired intervention in the war between 1793 and 1801, there was no interruption on the Portuguese
international trade. In fact, this period was essentially marked by the diversification of trading partners\(^1\). It is precisely within the wider canvas of Portugal’s political and economic relations with the Atlantic World that I will try to unveil the role played by the neutral shipping.

This study uses a chronological structure: best suited to examine the specific changes that came with every shift in Portugal’s international position. First, in addition to mapping the Atlantic neutrality, I will try to frame the statistical data of the neutral shipping in Lisbon, conducted mainly by Scandinavians and north-Americans, between 1793 and 1801. In particular I will focus on the trading strategies used to bypass the maritime restrictions and to deceive the privateers. Second, I will investigate the reactions of Portuguese authorities and perceptions about neutral shipping, examining to what extent these intermediaries were protected in the Conselho do Almirantado (Admiralty), the higher court of appeal for naval arrests. Third, I will focus on the 1802-1807 period, which was marked by the universal recognition of Portugal’s neutrality. I intend find if the Portuguese shipping exploited this favorable situation; for example, if they responded to the request made by other merchant communities which were unable to carry out their own international trade. In this regard, it is important to trace the reaction of the Portuguese skippers and ship-owners, and try to establish if they broke away with their almost exclusive commitment to colonial trade, even only to a small degree. Lastly, I will address the role of the neutral shipping in times of colonial deregulation in the Portuguese Empire especially with regards to those of North America.

**PUTTING NEUTRAL SHIPPING ON THE MAP. SCANDINAVIANS AND NORTH-AMERICANS CARRYING TRADE IN LISBON (1793-1801)**

From the onset, Portugal’s entry in the war against Revolutionary France, in 1793, did not seriously damage the health of the country’s external and colonial trade. Contrary to what happened in other countries, for example in France, the Portuguese colonial system remained aloof from major vicissitudes up until 1808. In fact, the war was more of a blessing. Indeed, the European market grew for such products as sugar, cotton, leather and tobacco; Brazilian goods accounted regularly for more than 60% of all Portuguese exports. The colonial system remained essentially efficient, despite the pervasive smuggling issues\(^2\). As Valeim Alexandre has clearly shown, there was no economic crisis in the Empire before 1808, in no small part due to the acute awareness of the Portuguese government regarding the vital role of the colonies. As may be expected, the adhesion to the 1st Coalition was only formalized when the protection of Brazil was duly assured by its key partners, Madrid and London.

It was, however, only natural that the war eventually disrupted commercial circuits. All those who maintained trading connections with continental Europe could easily fall prey to French privateering which was deployed from 1793 onwards, mainly in the vicinities of the Iberian Peninsula but also in South America and in India. More than 40 naval clashes between French privateers and Portuguese vessels have been identified. But the captures were not limited to Portuguese vessels; several neutral ships sailing along Portuguese shores were also seized, even when they were not trading directly with Portugal. In this regard the idea that the flag covered the cargo was not recognized anymore by Paris. Sources show that the French privateers also seized vessels flying colors from Ragusa, Sweden and United States, especially after the ratification of the treaty of Basel, a decisive international event of great consequence as far as privateering activities in Iberia were concerned. From July 1795 onwards the privateers found Spanish harbors a safe haven.

Those neutral ships sailing in the vicinity of the Portuguese coast were chased down, under the suspicion of carrying enemy goods, and carefully inspected. It should be pointed out that the colors of their flags carried almost no significance as deterrent. Almost every single vessel held several flags to protect themselves against hostile shipping and hoisted different colors as deemed appropriate. As we know, such practice was condemned throughout Europe, generally leading to the arrest of the ship. Apparently, the Portuguese authorities had a nuanced

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\(^{3}\) Valeim Alexandre, Sentidos do Império—questões nacionais e questões coloniais no crise do antigo regime português, Porto, Alfontamento, 1993.
was belligerent Marim part, the both in issue they it in the approach stated Portuguese that the He the Portuguese goods, once. The capture of a Portuguese shallop off the coast of Viana, near Galicia, in June 1798, confirms the Spanish approach. Bound for England, the ship was captured by a privateer armed by a Galician named José Fernandes Marim, under suspicion of carrying British goods. Despite the failure of Marim’s initiative – the shallop being recovered by a Portuguese warship – the terms of the seizure were discussed in Lisbon, where the appeal of the Galician entrepreneur was submitted. Although Marim was not interested in the vessel he wanted the restitution of the goods, claiming that papers were quite clear about their ownership. He was sure they belonged to British merchants but his petition was unsuccessful. The Conselho do Almirantado (Admiralty Board) declared that the majority of the goods in fact belonged to subjects of the Portuguese queen. Furthermore, the Board deemed the capture illegal, being carried out under irregular circumstances. The counselors added that the Galician captors “should be considered malicious pirates”, since they even used a Portuguese flag to hide the results of their predatory activity and to deceive the warship that chased them.

It should be noted that the ownership verification did not always save the ship from arrest. When the papers stated the destination was an enemy port, the ship could also be seized. This was certainly the case of the Ragusan vessel Santa Catalina, captured by the French privateer Gicau in June 1797 while carrying Genovese goods to Lisbon. Both the vessel and the goods ownership were cleared, but not its port of destination.

The obstacles faced by the neutral shipping did not prevent success stories. Once largely controlled by the British, Portuguese international trade with the north-Atlantic was gradually falling in the hands of captains and ship-owners from Sweden, Denmark and United States. There were others that took commercial advantage from the international turmoil. For example the Venetians and the Ragusans had a strong presence in Lisbon (between 1789 and 1799, 137 Ragusans vessels anchored in Lisbon), although never an overwhelming one.

The Scandinavians and the north-Americans were not complete strangers to Lisbon’s international trade. Their position had slowly been strengthened since Pombal’s attempt to nationalize the Portuguese economy, in a much discussed effort to curtail the British influence.

In his account on Portugal (1766), Charles Dumouriez, a French secret

15/ Letter and petition from Manuel José Brás Pereira, Portuguese consul in Canary Islands (annexed to the Consulta of Junta do Comércio, July 30th, 1800), ANTT, MNE, Cx. 243 “Consulado de Portugal em Almeria, Canárias e Cartagena”, Maço “Consulado de Portugal nas Canárias, 1810”.
18/ M.D. Cruz, “The diversification of Portugal’s commercial relations”, op. cit.
See also Jorge Borges de Macedo, Problemas de historia da indústria portuguesa no século XVIII, Lisbon, AIP, 1963. With few exceptions, the detractors of the British massive role wanted, above all, to rectify the negative effects of a very unbalanced trading relationship. The scholar Domingos Vendelli (he was also deputy in the Junta do Comércio) was probably the most notorious exception, displaying some surprising hints of an almost anti-British radicalism. M.D. Cruz, “The diversification of Portugal’s commercial relations”, op. cit., p. 43. See also Domingos Vendelli, (1994), Aristocracia política, economia e finanças, 1770-1809, J.V. Serôdio (ed.), Lisbon, Banco de Portugal, 1994 (several memoirs).
Scandinavian and north-American neutral shipping were particularly efficient in connecting Portugal and France, which were formally at war until 1801. Naturally, the prevailing warfare made life extremely difficult for Portuguese and French skippers, and thus enhanced the success of those neutral vessels, although there was never a safe haven. The threats never ceased to exist. In this regard it has already been noted that any ship could be seized on other grounds: ownership of the cargo and the origin or the destination of the voyage. For example, in 1798, seventeen Danish ships were convoyed to Lisbon by their British captors under the suspicion of trading with the enemy. According to the accounts given to the Portuguese authorities, the majority of the Danish captains were heading to or clearing Spanish ports. It was this kind of incident that led to the constitution of the Armed Neutrality in 1800.

As the war devastated the previous important share of French vessels in Tagus24, the role of neutral shipping in the trade between Lisbon and French ports naturally increased. This French desertion is all the more significant that it appears to have interrupted the steady climb of the 1780's; if between 1787 and 1791 anchored in Lisbon 503 vessels, in the following 8 years only 19 French vessels were registered in the Portuguese capital, and 7 of those were taken in by their British or Portuguese captors25.

Scandinavian and north-American neutral shipping were not only successful in trading between Portugal and France. The map below reconstitutes what we can call the 'geography of neutral shipping' in the Atlantic World through a statistical survey of Lisbon trade, in 1798, and

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23/ Inácio Palyst, Portuguese consul in United States (undated). ANTT, MNE, Cx. 273 “Consulado de Portugal nos EUA”, Mapo 1791. 
25/ Almanach de Lisboa para o anno... (1788, 1789, 1790, 1791, 1792, 1793, 1796, 1797, 1799, 1800); BCM-AH, Cxs. 240 and 241, mapo 1795, 1798.
clearly shows that those skippers went much further. They played a key role in other important maritime routes, carrying, for example, Brazilian sugar to Hamburg and Baltic grain to Lisbon26.

This hegemonic role of the Scandinavians and north-Americans, whose neutrality was internationally recognized, naturally did not mean that there were no skippers and ship-owners from belligerent countries also involved in the Lisbon trade. In fact, they only needed to obtain the right flag and the right papers. In this regard, we have already established how open the skippers were to keep more than one flag, hoisting the most convenient one. As far as the use of passes was concerned, some sources suggest that there was an international demand for such documents. And, as we will see below, at least in the Portuguese case, during 1801-1812, there was a steady supply. Those papers were openly sold despite the diplomatic disapproval.

There were other scams being used in order to deceive the privateers. Given their critical importance in the fate of the carried goods, even in neutral ships, it was quite possible that the ownership papers were forged; otherwise they certainly would have been seized. In this respect we must bear in mind the general terms of the Portuguese trade with other territories in the Baltic, as well as with the United States, which was basically the commission merchandising system (one of the principal institutions of the Atlantic trade developed from the second half of the 17th century onwards27).

According to diplomatic sources, in the majority of the cases it was the Portuguese merchants that assumed the risk of the business transactions28. Their foreign partners, acting solely as merchant-agents, would buy and send the goods already as Portuguese property. But, during the 1790's this would be very risky. So in order to avoid a probable detention, these shipments, at least in some situations, must have been subjected to some kind of 'neutralization'. The ownership of the goods could easily be forged to make them less liable to detention, and there are no shortages of coeval accounts on this practice, put forward by both sides of the argument, comparing it to "prostitution" and labeling "The neutralizers […] [as] the lowest and most worthless description of men"29.

**Dealing with neutral rights: the Portuguese reaction (1795-1807)**

Arguably, the best way to interpret the perceptions of the Portuguese authorities regarding the neutral trade and neutral shipping is through the sentences and resolutions of the Almirantado (Admiralty). Notwithstanding the significant powers granted to local magistrates, it was in this Court of Final Appeal that the rightfulness of the captures

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26/ M.D. Cruz, "The diversification of Portugal's commercial relations", op. cit., p. 50.


29/ John Brown, The Mysteries of Neutralization, or, the British Navy Vindicated from charges of injustice and Oppression towards Neutral Flags, London, Jordan and Maxwell, 1806, pp. 1, 6.
and recaptures was ultimately judged. It was also in this supreme Court, whose president was no other than the secretary of State for Navy and Colonial Affairs, that the constant disregard for Portuguese maritime jurisdiction (a safety line, four leagues away from land) was often under discussion.

Although we can trace back the references that stressed the need for a court of such nature to 1665, the Portuguese Admiralty was only established in 1795, significantly during the Revolutionary Wars. For the most part, its counselors – military with naval background and judges recruited within the State judicial system – had to rule on complex cases, usually set off by some kind of retaliation. Generally three interested parties were involved: the seized merchant ship, the privateer that made the capture and the recovery warship (that could also be a privateer). Besides judging the legality of the initial capture, the Court had to determine the fairness of the ensuing recapture. Naturally, those victims that were immediately and successfully taken in convoy by French privateers to France were not able to make their case before Conselho do Almirantado, such complaints had to be submitted to the French authorities.

There was a tendency for the Council to favor the neutral shipping whenever it was possible, but some of the trials were overly charged with political considerations. As their counterparts in Great Britain, counselors often showed a firm grasp for the diplomatic repercussions of their rulings. In this respect, the lack of restraint displayed by some Portuguese warships while in pursuit of Spanish privateers around the coast of Portugal certainly did cause some nail-biting moments.

The Almirantado’s predicaments can be fully appreciated over the ruling passed on the recapture of the north-American schooner Caroline. The schooner was seized in Porto by a Spanish privateer that ignored the gunfire ordered by the commanding officer at the Castle of São João da Foa; by doing so, warning that the Caroline was within the security limits of Portugal’s jurisdiction and therefore should not be harassed. When the case reached the Almirantado, the counselors criticized the Spanish insolence and called for subsequent measures. According to them, “every capture made by our allies against vessels of other allies on sight and under the protection of our fortresses should be reclaimed and deemed illegitimate”. However, as far as the naval retaliation was concerned, the Almirantado did show greater caution. The Court clearly disapproved of the initiative of the Portuguese navy that chased down the Spanish privateer and its prey to the vicinities of La Guardia, a Galician harbor north of Portugal.

There were limits that should be respected. According to the same judgment, the capture of the schooner, although illegally made “in our shores”, did not entitle a Portuguese ship to “reclaim it back […] when he [the Spanish privateer] was already far from them [shores], and was calmly taking the prey in convoy”. Stressing their concerns over the predictable diplomatic implications, the counselors added that “an assault launched against a vessel that does not respect ours seas and shores, to make it give-up on the insult, is an act of self-defense; […] but an assault and retaliation carried out away from our shores and offended fortresses, and long after the abuse had taken place […] is an act of War, which can only be determined by the Sovereign, after due consideration over the nature of the insult, and if denied the proper compensation”.

As would be expected, the rather anarchic use of several flags also caught the attention of the Almirantado. After all, the maritime trade was facing the hazards of war and the possibility to deceive the enemy through a cunning use of flags surely looked tempting. The practice met

30/ “Alvará de Regimento acerca das preças feitas por Embarcações de Guerra e Armadçores Portugueses (December 7th, 1796)”. António Delgado da Silva, Coleção de Legislação Portuguesa - Legislação de 1791 a 1803, Lisbon, Tipografia Maiymense, 1828, pp. 335-339.
31/ In February 5th, 1665, during the war between Portugal and the Netherlands, the Conselho Ultramarino (Overseas Council) analyzed the proposal for a Justica do Almirantado, where the many maritime disputes would be judge. This institutional solution was discouraged, certainly for fear of more institutional competition, and rejected by the king. AFU, Consultas Mixtas do Conselho Ultramarino, código 15, fls. 147v. Throughout the next 87 years, apparently, no court had exclusive powers over privateering and piracy. The administrative centralization was put forward in 1753, when the Crown decree that such matters should forwarded to the Conselho de Fazenda (Treasu-ray). In 1753, this Council, through one of its major departments (Repartição dos Armazéns), managed almost all the affairs of the Navy. Royal decree, January 8th, 1753. A.D. Silve, Coleção de Legislação Portuguesa - Legislação de 1750 a 1762, Lisbon, Tipografia Luiz Correia da Cunha, 1942, p. 150.

the counselors' approval, for as they once said, it cannot be "considered a crime [so use] any disguise allowed to escape the enemy, especially when using a flag and a passport from a friend and allied nation." The counselors were not so open-minded when the shifting of flying colors was undertaken by foreigners. Though not overzealous, they certainly displayed a more conservative approach, which can be traced back to the *Dicionário do comércio*. In this manuscript adaptation of the well-known *Dictionnaire universel de commerce* (1723-1730) from Jacques Savary des Bruslons, the author, Alberto Jacquei de Sales, criticized a practice that allowed neutral States to "unjustifiably secure goods they carried [...] in times of war between two or more Nations." Thus, it is hardly surprising that the ensuing proposal, submitted to the prince in 1804 called for a new policy regarding the use of flags. The *Amirantado* suggested the adoption of a unique flag for all Portuguese merchant ships, identical to that already being used in the Portuguese warships. At the heart of the proposal was the difficulty in identifying "to which Nation" the vessels calling at the Portuguese ports belonged.

Another particularly unsettling situation for the Admiralty occurred when two vessels of warring states (both allies of Portugal) clashed in Portuguese waters, where every ship was, according to the general understanding (at least since Grotius), supposedly protected. The privateering raids that English and Spanish organized against each other caused the most tension and inevitable diplomatic consequences. We should bear in mind that the counselors dealt with a legislation that had very hazy definitions. At sea it was understandably difficult to enforce an imaginary safety line, four leagues removed from land, capable of providing a maritime shelter zone. To make matters even harder, both privateers and merchantmen provided comprehensively different testimonies regarding the exact spot of the capture.

The *Amirantado* quickly became aware how feeble its rulings were when engulfed by the bigger picture of international politics and diplomatic bullying. The warlike behavior of Chambers Reed, a British privateer sailing from Liverpool, around the Portuguese Atlantic isles (Azores and Madeira), during a few days in August of 1803, confirmed the British disrespect towards the Portuguese jurisdictions. Furthermore, we must underline the importance of the Peace of Amiens as a turning point concerning the Portuguese diplomacy. The new Lisbon government took a more balanced approach, carefully avoiding misunderstandings with Napoleon.

Chambers Reed who had harassed several Portuguese ships and one that was flying Hamburg colors also made an important capture on a Spanish vessel from Caracas. On the following month, things got even worse; the Spanish colonial trade was struck again in the same waters. The vessel *La Fraternidad*, coming from Havana loaded with sugar, was seized by another British privateer, the *Dragon*. Unsurprisingly, the combination of these incidents provoked the wrath of the Spanish ambassador, who denounced the governor of São Miguel, accusing him of condemning the English privateers. Irrespective of the truthfulness of these allegations, it is quite clear that the governor failed to fulfill his duty. According to the legal dispositions, enacted in 1789, he should have secured the safety of the sailing Spanish vessel by holding up the *Dragon in port*.

In the ensuing years the Spanish and British continued their maritime operations along the Portuguese shores, which became a place for many clashes that frequently ended up on sandy beaches, as it happened in Esposende to the dismay of the local magistrate. In the meantime, the Portuguese foreign minister, aware that the situation could only get worse (in the beginning of 1807 he received news that the British were making really small ships, suitable for chasing down Spanish privateers even in narrow bays), attempted to enforce a diplomatic settlement, tolerable to both the British and the Spanish.

38/ Consultas, November 23^a, 1803, and July 28^a, 1804. BCM-AH, núcleo 913, n° 8 "Livro de registro de consultas e oficios aos Ministros de Estado", fl. 8v.
39/ Letter from count of Campo Alange, October 6^o, 1803. ANTT, MNE, Cx. 432 (unnumbered).
40/ Aviso, August 2^o, 1789. A.D. SILVA, Coleção da Legislação Portuauzese - Suplemento à Legislação de 1750 a 1762, Lisbon, Tipografia Luiz Correia da Cunha, 1844, p. 627.
41/ António de Araújo de Azevedo to D. Domingos de Sousa Coutinho, June 17^o, 1806. ANTT, MNE, Livro 565, fls. 182-183.
42/ António de Araújo de Azevedo to D. Domingos de Sousa Coutinho, April 22^a, 1807. ANTT, MNE, Livro 510, fls. 115.
In his letter to the Portuguese ambassador in London, he conceived a plan based on the placement of artillery in all "sites that could harbor privateers" (in this period they were almost exclusively Spanish), thus protecting them from the Royal Navy retaliations. However, the promised security would only be enforced for a limited period of time, i.e. the Spanish privateers could not rely indefinitely on the Portuguese protection.

António Araújo de Azevedo, the foreign minister, was evidently testing British receptivity to that initiative. He failed completely. Saint James did not even bother to answer him and the Portuguese ambassador, his well-known adversary, Domingos de Sousa Coutinho, seized the opportunity to criticize the policies of the ministry.43

SEIZING THE OPPORTUNITY:
PORTUGUESE NEUTRAL SHIPPING AND THE MARITIME SIEGE ON CONTINENTAL EUROPE (1801-1807)

From 1801 onwards, mainly after the Amiens ratification (March 1802), the international situation started to favor Portugal, who managed to avoid hostilities (reigned in May 1803) until November 1807. This period was especially good for the Portuguese shipping (until then almost exclusively devoted to colonial trade), at least as far as the engagement in international circuits was concerned. Unlike the period of 1793-1801, when Portuguese ships were immediately targeted by French (and later by Spanish) privateers, the early years of the 19th century made these same ships secure vehicles for international trade, bilateral and multilateral alike (though the Portuguese shipping never did resolve the issue of the use of neutral flags).

The graph below shows in a very persuasive way the new role of the Portuguese navigation. It correlates the evolution of the number of French ships in Lisbon with the number of Portuguese ships that anchored in Tagus after clearing a French port. It is quite clear that the return of the French to the Portuguese capital was short lived, thereafter replaced by Portuguese vessels that began to guarantee maritime connections between the two countries.

43/ D. Domingos de Sousa Coutinho to António de Araújo de Azevedo, April 28th, 1807. ANTT; MNE; CX. 720.

The Luso-Dutch trade was also marked by a similar pattern. The political alliance between the Batavian Republic and Paris, ratified in 1803, hindered the activity of Dutch privateers that naturally fall prey to the British privateers. It is hardly surprising the major decline endured by vessels flying Dutch colors in Tagus: 45 vessels in 1802, 37 in 1803, 1 in 1804, and none in 1805, 1806, and 1807. By the same token, the number of Portuguese ships that anchored in Lisbon coming from a Dutch port began to climb from 1802 onwards.44

The benefits of neutrality were not confined to the replacement of French and Dutch skippers and ship-owners regarding their bilateral trade with Portugal. In fact, the geography of the Portuguese neutral shipping was much wider. Wherever Portuguese trade had some significance, its vessels became increasingly numerous. This certainly occurred in the Baltic, where 110 of the 141 vessels that cross the Sound between 1797 and 1806 had done so in the last five years.45

Despite the risks, they even began to provide a camouflage service to transport goods from belligerent countries. This was undoubtedly a major change in the role traditionally played by the Portuguese skippers and ship-owners. During the 18th century, almost all Portuguese exports, Brazilian and metropolitan goods alike, were shipped by foreigners.

45/ M.D. Cruz, "The diversification of Portugal's commercial relations", op. cit., p. 56.
namely British and later by Scandinavians or north-Americans. In some cases, the new circumstances allowed the vessels flying Portuguese colors to take over an intermediary role, which, in due course, would contribute to the development of the Portuguese shipping sector; an ever prevailing mercantilist concern which was particularly acute in the late 18th century economic writings of Rodrigo de Sousa Coutinho⁴⁶ or Manuel Joaquim Rebelo⁴⁷ (among many others).

During my research on the movements of the port of Lisbon it became quite clear that some ships were also engaged in the Spanish colonial trade. For example, in November 13th 1802, even before the renewal of the hostilities, a Portuguese ketch docked in Lisbon, carrying colonial goods from Montevideo to Cádiz. Less than a month later, in December 4th, the ketch Brilhante Aurora, coming from La Plata and also bound to Cádiz, was forced to cast anchor in Lisbon. A few days later, in December 23rd, another Portuguese ship arrived in Lisbon while it was heading to Bilbao from Spanish America⁴⁸. Some of these skippers and ship-owners even tried to establish themselves as suppliers of slaves to Spanish America, taking advantage of their expertise in that important branch of the south Atlantic economic world. I found several petitions, submitted to the Junta do Comércio, requesting permission to engage in this inter-imperial trade⁴⁹.

This profitable intermediary role had its setbacks. This was certainly true during the Swedish political crisis (1804-1805). The Swedish economic hardships that resulted from its political alliance with the 3rd Coalition were rapidly denounced by the Portuguese chargé d'affaires. He reported that "the Swedish Majesty will eventually get into a crisis that may be fatal to him and to his country"⁵⁰. Though sympathetic with the economic situation of the Swedes, the Portuguese envoy wasted little time in drawing attention to the ensuing business opportunities. Joaquim Lobo da Silveira, in his letter to Lisbon, warned that the Swedish government, pressed by its merchant community, had expressed the desire "to see Portuguese ships sailing to this Kingdom". According to this envoy, Portugal had the extraordinary opportunity to become the main cog in the trade between the south and north of Europe: "It is equally as the ones that, with great ease, and with great profit, can provide this country all the Spanish goods, and all the goods from the Mediterranean, much needed here, [but] presently out of their reach"⁵¹.

In the next few weeks Stockholm formally requested the assistance of the Portuguese skippers in the redistribution of its iron and tar through southern Europe⁵². The Swedish government was essentially following the footsteps of its business men that had already written to the Portuguese correspondents, promising them return cargos⁵³. However, in Lisbon, and despite the notification sent to the Junta Comércio about "such favorable situation"⁵⁴, the reaction of the mercantile community was weak. In any case, it did not move fast enough to exploit the Scandinavian opportunity. We must remember that Portugal fortune was also going to change in late 1807, due to the Franco-Spanish invasion.

This relative failure should not overshadow the bigger picture of what were the brief heydays of Portuguese navigation, times when the Portuguese skippers could take full advantage of Lisbon's neutrality. Around 1804 the Portuguese skippers, colluding with Spanish merchants, started to use Lisbon as a safe haven for the redistribution of grain throughout southern Spain. The paramount idea was to deceive British maritime surveillance. There were two general ways of doing this. The first was that the goods should be sent inland if possible without

⁴⁶ For this leading political figure, proponent of several political and economic measures, who openly advocated the transfer of the Portuguese capital to Brazil, see Silva, Andréia Mamoy-Dois, Portrait d'un homme d'Etat. D. Rodrigo de Sousa Coutinho, 2 vols., Paris, Centre Cultural Calouste Gulbenkian/CCDP, 2003-2006.
⁴⁷ Manuel Joaquim Rebelo was a prominent Lisbon businessman particularly concerned with the development of the navigation sector. M.J.R. [Manuel Joaquim Rebelo], Economia Política feita em 1795, Lisbon, Banco de Portugal, 1992, pp. 127-135.
⁴⁸ BCM: AI, Ca. 241, maio 1802.
⁴⁹ AHMOP, MR 03, Livro 11, fl. 108. This Court tended to authorize these petitions, as long as the slave traders promise to purchase the slaves in free ports of African, such as Senegal or Cabinda.

⁵⁰ José Anselmo Correia Henriques to António de Araújo de Azevedo, July 5th, 1805 (document nº 246). ANTT, MNE, Cx. 880.
⁵¹ Joaquim Lobo da Silveira to António de Araújo de Azevedo, January 15th, 1807 (document nº 49). ANTT, MNE, Cx. 880.
⁵² Joaquim Lobo da Silveira to António de Araújo de Azevedo, February 26th, 1807 (document nº 54). ANTT, MNE, Cx. 880.
⁵³ Joaquim Lobo da Silveira to António de Araújo de Azevedo, February 19th, 1807 (document nº 53). ANTT, MNE, Cx. 880.
⁵⁴ Aviso from António de Araújo de Azevedo, June 4th, 1806, ANTT, MNE, Livro 417, fl. 24. Ver também AHMOP, MR 03, Livro 11, fl. 129.
paying any taxes or fees. The second was that the goods should be reshipped by sea to Cadiz or Seville after being cautiously 'neutralized'. According to the request that reached the Ministry of Foreign Affairs, this second system required the involvement of Portuguese traders that would need to assume the formal ownership of the cargoes; without that consivance, the British consul (that should be kept in the dark about the general terms of the operation) would not give the necessary approval, rendering impossible any attempt to bypass the maritime blockades of southern Spain.

These kind of strategies show the worthlessness of the national approaches when studying neutrality behavior. The national boundaries were swiftly trampled by the fluidity of the international interconnections; operating networks that, in this case, successfully grasped the attention of the Spanish ambassador, count of Campo Alange. It was the count that tried to persuade a very skeptical Portuguese foreign minister about the benefits of such ventures55.

Campo Alange's request was to be expected. It is almost needless to emphasize how much safer the Portuguese ships were in comparison to the Spanish. In fact, as I mentioned above, there was a steady demand for Portuguese passes and the Portuguese ship-owners were more than willing to sell them. Apparently this was feasible because those papers identified the ship type and name, and the origin and destination, making no reference to its size or its tonnage. According to the Portuguese consul in the Canary Islands, any ship-owner or skipper, after completing its voyage to a foreign port, could sell the "passaporte" they had just used. This was possible because the return leg was not really feared, since the Portuguese authorities were lenient in these matters, making no particular effort to check the ship's papers56.

In the same report, the consul Manuel José Brás Pereira identified yet another way to profit from the widely recognized security of the Portuguese shipping. It was seemingly possible for a foreigner to acquire Portuguese passes through the fictional sale of his ship to a "malicious Portuguese" (in the disappointing words of Brás Pereira). He also expressed that all those strategies led to frequent captures, mainly by British privateers. In a way, the skepticism of the Portuguese foreign minister that I mentioned above was quite justified. During this period, he had to deal, on a daily basis, with capture of Portuguese vessels. Despite being safer, the Portuguese shipping was not immune to the aggressive British surveillance, always suspicious of illegal trade and paper irregularities.

It is true that the Portuguese government could have hardly alleged ignorance regarding the swings of the British maritime policy. According to diplomatic sources, Lisbon was kept in the loop about the extent of the blockades that London tried to impose57, but this knowledge did not prevent frequent captures. These naval incidents led to vivid political reactions, at times surprisingly virulent bearing in mind the friendly diplomatic ties of both countries. As an example, in 1803, the viscount Balsemão, minister of Foreign Affairs, confronted with the capture of two ships coming from Bahia, denounced "the scandalous acts [of] the English privateers" who repeatedly "insult our flag"58. A few years later the already mentioned António de Araújo de Azevedo (frequently accused of Francophilia) threatened to sink the Richmond, a British privateer that had assaulted a Portuguese vessel bound to Bilbao59.

Azevedo's rant, unleashed in a middle of a heated discussion with the British envoy, helps us to understand the shortcomings of what was indeed a unique period for the Portuguese shipping. Perhaps, for the first and only time in their history, the trade between Lisbon and other European ports was carried, to a large extent, by ships flying Portuguese colors (which did not mean that they were all necessarily owned by Portuguese nationals).

**The American neutrality and the Lisbon trade: The New World reshapes Old Europe (1808-1814)**

The failure to appease Napoleon, who demanded the Portuguese compliance with the terms of the continental blockade, led to the departure of the royal family to Brazil. This geopolitical option, thoroughly examined since the early years of the 19th century, changed everything. It was probably one of the most important events in the country's long history. It is directly related to the introduction of the

55/ Count of Campo Alange, October 18th, 1804. ANTT, MNE, Cx. 433.
56/ Information collected in a letter from Manuel José Brás Pereira, enclosed in the Consulta from Junta do Comércio (July, 30th, 1810). ANTT, MNE, Cx. 243, Maço "Consulado de Portugal nas Canárias, 1810".
57/ António de Araújo de Azevedo to D. Domingos de Sousa Coutinho, February 6th, 1807. ANTT, MNE, Livro 516, fl. 13.
58/ Letter from viscount of Balsemão, October 14th, 1803. ANTT, MNE, Livro 565, fls. 71-72.
59/ António de Araújo de Azevedo to D. Domingos de Sousa Coutinho, July 5th, 1806. ANTT, MNE, Livro 565, fls. 179-180.
liberal regime and to the development of national ideals on both sides of the hemisphere. It certainly triggered the end of the Portuguese Atlantic Empire. To some extent, these changes had their starting point with the deregulation of colonial trade, ordered by the Crown in the ensuing aftermath of its voyage to the New World.

In January 1808, even before his arrival in Rio de Janeiro (future capital of the Portuguese monarchy), the Prince Regent ordered the opening of the ports of Brazil to foreign trade. It is true that this royal ruling was essentially a way of coping with the political circumstances faced by the old metropolis, occupied by the French armies, and therefore incapable of fulfilling its traditional re-exporting role. Yet, at the same time, it is obvious that the deregulation of colonial trade met the expectations of the Brazilian enlightened elite keen on the liberal principles expressed by Smith in his Wealth of Nation60.

That legislation had a universal purpose, challenging all friendly countries to bring their business to Brazil. Naturally, the trade liberalization entailed a promise of riches that did not escape the watchful eye of some European mercantile communities. As I tried to show in another work, this was certainly the case of the Swedes, who quickly voiced their intention to the Portuguese ambassador about trading directly with Brazil61. However, the Swedish commercial initiatives were certainly hindered by the prevailing economic warfare in Europe. Of course, this does not mean that some Swedish skippers or ship-owners were not in fact engaging in the newly opened Brazilian trade through the use of Portuguese papers; apparently a rather frequent strategy of deception.

As showed by Alan Manchester, more than eighty years ago, the colonial deregulation of Brazilian trade was mainly exploited by the

British62, principal allies of the Portuguese Crown in the fight that broke out in the old metropolis.

This leverage was confirmed with the ratification of the 1810 treaty, which formally assured preferential treatment for the British. This agreement was a subtle economic capitulation to London. The Portuguese government chose to reward the British military effort in the Peninsular War, sacrificing in the process a true commitment to free trade ideals. The broad spectrum of the 1808 legal dispositions, solely stating that British goods (as any others) would pay a 24% customs duty, except if they were transported in a Portuguese ship, when the levy was lowered to 16% (thus protecting navigation sector), was discarded. The new legal frame stated that the British goods, including cotton fabrics, would only pay a 15% duty, which was less than was levied on the Portuguese goods – the customs duty remained at 16%. There was also no adjustment on the duty imposed on goods proceeding from other countries (24%). As would be expected, the ensuing rationalization of the treaty, designed to appease the restless Portuguese mercantile communities, was made by the man who signed it, the well-known D. Rodrigo de Sousa Coutinho. It was also the same man that tried to bypass the foreseeable economic damages63.

In this lopsided fiscal environment, the official trade and shipping of the United States (the major remaining neutral power) could hardly flourish, despite their reasonable familiarity with the Brazilian shores – we know there was some significant smuggling between the United States and Brazil before 1808. Furthermore, the diplomatic assurances of tax parity given to the north-American consul, in 1808, by which the American merchants would have the privileges of the *"most favored nation"*, were completely frustrated.

The Jefferson embargo act, enforced in December 1807 with the intention to persuade Britain and France to abandon their policies of seizing neutral American vessels, made everything more difficult for the United States international trade and shipping. Furthermore, the news about the opening of the Brazilian ports did not meet a speedy public

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dissemination. Apparently, the information was firstly published on February 11th, 1809, by the Salem Register. However, we should underline that despite the Jeffersonian restrictions there were American ships in Brazilian ports before the end of the embargo (March 1809). In part, they only needed to keep exploiting their old contraband connections.

During this period, the official figures show the role played by the north-Americans in the Brazilian trade remained modest, particularly when compared with its highly successful endeavors in Spanish America. Despite their reliability issues (they certainly were far less sensitive to 'underground trade'), the State Papers – Commerce and Navigation are very clear in that respect: the north-American exports to Brazil, between October 1813 and September 1814, worth 86,006 dollars, a mere 1/20 of their total exports to the Spanish West Indies and American colonies.


The role of the north-American neutrality was much more significant to other 'geographies' and in this regard we must emphasize the part played by their shipping on carrying the New World grain to Europe. Although not exactly a novelty, this trade certainly grew during 1808-1812. In Lisbon, disconnected from other traditional suppliers, the north-Americans unloaded tons of grain produced predominantly in New York, Pennsylvania, Virginia or Maryland. The map below, which refers to the tons of goods unloaded at the port of Lisbon in 1812, leaves no doubts about the new economic importance achieved by the major ports in the United States.

In 1812, as far as the tonnage of goods unloaded in Lisbon was concerned, the old colonial towns like Salvador da Bahia, Recife or Rio de Janeiro had been surpassed by New York, Philadelphia and Baltimore. With the notable exception of some Portuguese vessels, the grain trade was almost exclusively assured by the north-American skipper and ship-owners, whose numbers increased in line with the demands of Wellington's army: 104 in 1809; 208 in 1810; 507 in 1811; and 343 in 1812.

69/ G.E. WATSON, "The United States and the Peninsular War, 1808-1812", op. cit., p. 865.

As we might expect, the interruption of this financial circuit was a major source of concern for Wellington, who, at least while in Portugal, feared the starvation of an army fighting in a purposely scorched land.

nearby 200 American ships proceeding from Great Britain anchored in Lisbon. However, we should underline that the vessels flying American colors did not seem to be heavily involved in multilateral trade. In fact, especially after the non-importation act that became law in April 1806 the American ships were no longer able to call in British ports and buy British goods on their way back from Portugal. At least from 1793 the north-American trading profits in Europe were normally remitted to London where they were used to purchase merchandise.
In a way, it is quite reasonable to say that the American neutrality, its shipping and its grain production, reshaped Europe. At the peak of the Peninsular War, Spain and Portugal absorbed ¾ of all American exports of grain. If we consider this dragging conflict as one of the most determinant factors in the final defeat of Napoleon – and the British government certainly believed the Peninsula was a suitable place to beat the French army⁷⁰ – we might say that the American neutrality, through the Lisbon trade, made a major contribution to the political reordering of Europe. For his part, Lord Wellesley, British foreign secretary and Wellington’s brother, was absolutely convinced that the war effort could not be sustained without the cooperation of the American shipping. Hence his plan to grant protection to 50 American vessels that supposedly would take New World grain to Lisbon⁷¹. When the American contribution was finally interrupted by the United States Congress, in July 1813, due to the 1812-1814 War, “Wellington was well on the road to victory across the Pyrenees”⁷².

CONCLUSION

As we unexpectedly found out, the absence of references to neutral shipping in the studies devoted the Portugal’s international trade between 1793 and 1812 was mainly a product of historiographical neglect. The role played by neutral shipping on Portugal’s economy, or even on ensuing political and military developments, was never truly singled out as a research subject. It never deserved due consideration from the Portuguese academy, which obviously explains some misunderstandings that should be reassessed. First and foremost we must reemphasize that the neutral shipping issue, at least from a juridical viewpoint, did not exclusively revolve around the highly appealing proposition that the flag covered the cargo. There were other aspects (other technicalities) to it that make the study of neutral shipping much more complex. For example, destination and origin of a ship, its ownership as well as the propriety of the carried goods and due compliance with the maritime surveillance were all subject to considerations in the international sphere when dealing with neutral rights. In the Portuguese case, as I have tried to show, dealing with the issue of neutral shipping also meant a juggling exercise between the lawfulness of the above mentioned juridical considerations and political perceptions.

Despite the limitations of this initial approach, we can certainly say that the neutral shipping played a major role in the developments of Portugal’s external trade during the period under analysis, regardless of the diplomatic shifts undertaken by Lisbon. The subsistence of the city of Lisbon was ensured by vessels hoisting neutral colors that anchored in the Portuguese capital carrying the much needed Prussian or north-American grain. In the north–American case, given its importance for the sustenance of Wellington’s army during the Peninsular campaigns, we can surely say that it had sound repercussions at political level as well. In some way, the grain from the New World, mainly carried by north-American vessels, reshaped the politics of Old Europe, contributing for the final defeat of Napoleon. Few events testify the world’s Atlanticization with such clarity.

Neutrality was also instrumental in sustaining the commercial links between Portugal and France at times of war. Though hindered by economic policies and privateering, the trade between the two countries was not interrupted, in no small part due to the role played by Scandinavians and north-Americans ship-owners and skippers. Those skippers and ship-owners, notably the Danes, already had a strong presence in the Portuguese harbors, some of them since Pombal’s ministry; and they surely made their best of the new political turmoil, at least in the first years of the war. Apparently they were not so successful in exploiting the end of the privileged relationship between Portugal and its main colony (i.e. Brazil), in 1808. The opening of the Brazilian ports, though partially molded in liberal principles (as in other Empires), quickly lost its universal scope. The war and the British influence in the Portuguese Court made the newly open market a British affair. The circumstances of the Portuguese colonial deregulation did not leave much room for neutral trade or neutral shipping, at least when carried under official colors.

As expected, the foreign skippers and ship-owners that carried Portuguese goods, certainly providing camouflage services, often received protection from the Portuguese authorities. Every neutral ship retrieved by the Portuguese navy from French privateers was ordered to be returned to its original owners. But that was not the most common source of concern in the proceedings of the Conselho do Almirantado. First and foremost, the counselors worried about the political ramifications

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⁷¹/ G.E. Watson, “The United States and the Peninsular War, 1808-1812”, op. cit., pp. 872.
⁷²/ G.E. Watson, “The United States and the Peninsular War, 1808-1812”, op. cit., p. 870.
of the many small naval clashes that took place in the vicinities of Portuguese ports, i.e. within the kingdom's jurisdictions. It was of the utmost importance to cunningly manage the persistent confrontations between the overaggressive Royal Navy and the audacious Spanish privateers, particularly after 1795.

Regarding the 1802-1807 period, the international recognition of Portugal neutrality changed, probably for the first and only time, the role played by the Portuguese shipping within the framework of European economic relations. For example, after Amiens the Portuguese skippers and ship-owners took the place of their French counterparts in the Lisbon trade, connecting the Portuguese capital with several French ports. If only for a brief conjuncture, a very favorable one indeed, they participated in the exportation of the Brazilian goods throughout Europe, which was traditionally out of their hands. Moreover, they even engaged in Spanish colonial trade, acting as intermediaries in imperial circuits similar to those they knew very well. In this regard, and rather unsurprisingly, all Portuguese ships that I identified sailing from the New World to Spanish ports had started their voyage in La Plata basin, a region known for its inter-imperial smuggling practices. Clearly there was a geographical relation between contraband trade in peacetime and the circulation of neutrals in wartime.

Those were certainly the heydays of vessels flying Portuguese colors, despite the failure to exploit other favorable scenarios that presented themselves, particularly with Sweden, which was suddenly engulfed in mayhem by the 3rd Coalition. We can confirm the favorable position of the Portuguese shipping in historical sources, which is testified by the demand for Portuguese papers (the flag itself did not hold that much restraining power). Though not foolproof, the Portuguese passed offered some degree of security.

Like the aforementioned and more familiar neutralization of the cargos, used for example to supply grain to southern Spain via Lisbon, the sale of those papers constituted another way of deceiving maritime surveillance. The fictitious sale of vessels to Portuguese agents was yet another method to obtain the desirable passes signed by members of the Portuguese government, which certainly proves the fluidity of neutral behavior in international trade. Indeed, as far as commerce was concerned, the national boundaries of the early 19th century hold little significance.


