State and warfare in Portuguese Brazil during the Dutch war, 1624-1654

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In 1624, the Dutch and their West Indies Company (WIC) successfully occupied Salvador, in the Bay of All Saints, capital of the Portuguese colony in the American continent. To halt Dutch interests in America, the Iberian Crowns immediately assembled an expeditionary force named “the Voyage of the Vassals”, “the finest organized by Spain since the great Armada”¹, with some fifty-six sails and twelve thousand men under the command of D. Fradique de Toledo. The fleet arrived in Bahia in March of 1625. The Dutch, already isolated by the local Portuguese militia, capitulated after thirty days of siege.

After the liberation of Salvador, D. Fradique had a meeting with the high command to decide on the size of the garrison they should leave stationed there before returning to Castile and Portugal. Until 1624, the garrison of Bahia had probably consisted of no more than three hundred men². D. Juan de Fajardo suggested a force of twelve hundred men among Portuguese, Spanish and Neapolitan soldiers. The Marquis of Cropani, leader of the Neapolitans, favored a number of twenty hundred men, all from Iberia. D. Fradique stated he should be cautious not to leave a garrison that would represent to the colony more of a burden than a relief – he then chose a garrison of ten Portuguese companies, totaling one

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1 Schwartz, “The Voyage of the Vassals”, p. 735.
2 That was the estimate of Pyrard de Laval, a Frenchman that passed through Bahia in 1610 (Pyrard, Viagem de Francisco Pyrard, de Laval., p. 15)
thousand men. Eventually, the commander of the Portuguese army group leaved a total of nine hundred men in Bahia.

Nevertheless, the impression of Bahia upon the garrison was one of scarcity – “a province, yet fertile in its fruits, sterile to the necessary for so many people". The Finance Council to the Portuguese Crown, in Lisbon, was warned of the situation by incoming correspondence from Salvador. There was a debate on how to adapt the royal treasury in Bahia to the threat posted by the WIC – a task entrusted to D. Diogo Luiz de Oliveira, as the new governor of Brazil.

Due to delays in the departure of the fleet, D. Diogo would arrive in Bahia as late as 1627. Until then, the local administration was already looking for solutions for the upkeep of the army. In December of 1625, governor D. Francisco de Moura ordered the money from the duty on Angolan slaves to be arrested from its collector, anticipating a recommendation from the Finance Council in Portugal. In March of 1626, Phillip IV ordered the extinction of the local court of justice (Relação da Bahia) and the consignation of the magistrates' earnings to the garrison. At the same time, a new duty on the commerce of sugar was created.

Meanwhile, the Municipal Council (Senado da Câmara) requested the reduction of the garrison to the king, complaining over the “collection of new duties, to which we had consented for only the year that will end in July”: meaning the four vintêns (80 reais) on the box of sugar, the one cruzado (400 reais) on the roll of tobacco and the four vintêns on the arroba of cotton. When August arrived, no one in the colony was clear on how to provide for the soldiers' pay. On the 22th the Municipal Council unsuccessfully tried a voluntary contribution (finta) from the local population of 600$000 (six hundred thousand

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3 Tamayo de Vargas, *Restauración de la ciudad del Salvador*, p. 128.
4 Eventually, the commander of the Portuguese army leaved a total of nine hundred men in Bahia. *(Documentos Históricos da Biblioteca Nacional do Rio de Janeiro* (henceforth, *DHBNRJ*), v. 14, pp. 477-8)
5 Tamayo de Vargas, *op. cit.*, p. 129.
6 *Anais do I Congresso de História de Salvador*, p. 35.
7 *DHBNRJ*, v. 15, pp. 3-5: 88-9.
reais), which equaled a two-month pay for the garrison\(^9\). On September 26\(^{th}\), the prices of wine were fixed “to the upkeep of the soldiers”\(^10\). At this point, the people in Bahia hoped that, along with the arrival of the new governor, significant financial support would come from the Crown.

However, December came and there was still no sign of either the governor or the money. On the 7\(^{th}\), a large number of locals gathered at the Council house to request the abolition of all recently created taxes until the governor came ashore. They had news of vessels that, being informed of these new duties, changed their course to other capitanias (provinces), to Rio de Janeiro in particular. The officials of the Council (vereadores) ordered the duty collectors to wait for the arrival of the governor before anything else; there was a strong commotion, “everybody shouting with great ado”, and the officials were forced to agree on the suspension of new duties\(^11\).

The animosities ended when D. Diogo took office, in January 27\(^{th}\). He immediately dispatched orders for the Treasury officers (provedores da Fazenda) of Espírito Santo, Rio de Janeiro and São Vicente to send to Bahia their money from the slave duties and “all that remaining of the Royal income, after ordinary wage expenses were paid”. With that, the governor was able to reform the garrison salaries according to military rank, assuring order in the garrison. Notwithstanding the money from the slave duties, in August the Municipal Council received order to extend the end of the new wine tax for another six months – referring to a 1$000 wholesale tax on the wine pipa (a cask somewhere between 20 and 60 liters) probably established at the beginning of his term. To protect the sales of imported wine, D. Diogo had also prohibited the production of “molasses wine”, a slightly alcoholic beverage made from the foam of the cooking of white sugar. In October the population complained that the wine trade was overwhelmed by speculators and middlemen, who fixed abusive prices and mixed the wine with molasses and sugarcane brandy\(^12\).

\(^10\) Id., ibid., p. 48-9.
\(^11\) Id., ibid., p. 53-4.
\(^12\) Id., ibid., p. 57-8.
With the Dutch occupation of Olinda and Recife, to the north of the colony, in early 1630, a large share of the Portuguese commerce therein had to be redirected to Bahia. In July, Salvador registered abundance of Portuguese wine and olive oil. Nevertheless, with the Dutch WIC in Recife, Brazil was again a stage for open conflict. The Iberian fleet of D. Antonio de Oquendo, passing by Bahia before charging the enemy, added some eight hundred Portuguese and two hundred Spanish soldiers to the garrison of Salvador. The governor immediately summoned the local colonists to explain his position: the North of the colony had fallen, the South received orders to provide for its own defenses, therefore Bahia alone would have to support the army stationed in Salvador. In order to achieve that, the Royal Treasury needed a total higher than eighty thousand cruzados per year – or else, “as necessity is not bound by law, and soldiers are free men by nature, insolences are certain to occur”\textsuperscript{14}.

Had that been either a threat or a warning, and if D. Diogo’s calculation was correct, the fiscal stance of the colonial State in Bahia would have double. The resources he said were available mounted some nine contos and five hundred thousand reais (9:000$000), mostly collected as tithes (by far the most important source of income to the State), plus the lease on the whale oil royal monopoly (estanco), taxes on the sale of wine and rights on Angolan slaves – not to mention loans from shipmasters and any other opportune means of seizing money, as the governor dramatically described. Based on these numbers, it was agreed upon a new tax of four vinténs (80 reais) on the can of wine, for a period of six months. If the money collected came eventually to be enough for the garrison, D. Diogo promised to abandon the tax, adding that he felt sorry for “serving this State in such an age of iron that I have found it, which makes so much difference to the morale of those who lived golden ages”. Notwithstanding the help sent by the Crown, in cloths, wine and victuals, by December 31\textsuperscript{15} the wine tax was extended for six more months

Soon the temporary solution became permanent: every six months the wine tax was renewed. And that was still not enough: the royal treasury continued to use extraordinary

\textsuperscript{14} DHAM: AC, v. 1, p. 108-171.
\textsuperscript{15} This time, with an exemption for clerical purchases of wine. (\textit{Id., ibid.}, p. 188-205; DHBNRJ, v. 16, p.436-455;
sources of financing: in 1632, the provedor started a special book for loans to the Crown. Later on that year, the government issued a royal estanco (monopoly) on the sale of salt – the first royal shipment of which arrived in 1633. In spite of the many complaints, the province of Bahia had still a good supply of flour and wine\textsuperscript{16}.

In 1634, the Dutch conquest of Fort Cabedelo, to the north, relieved the fleet from the defense of Recife, freeing its vessels to plunder Portuguese navigation in the South Atlantic. As a precaution, D. Diogo prohibited Portuguese ships and sugar from sailing out of Salvador. As a result, commerce in the province diminished. Again, the wine tax bore the adjustment in the State’s bills: the sales of “molasses-wine”, “which the people call caxasa”, was banned again and wine prices increased. In 1636, distilleries (alambiques) of sugarcane schnapps were closed, “given the damage they inflict on the sale of wine” – the resilience of the production of schnapps led the Municipal Council to lift the ban in 1640 and sell annual licenses for distilleries. However, the production of sugarcane schnapps was again prohibited between 1646 and 1654, which shows an extraordinary correspondence between periods of conflict or truce with prohibition or liberalization of schnapps production\textsuperscript{17}.

Matters further worsened for the Royal Treasury after 1636. In April, the new governor, Pedro da Silva, needed money not only for the garrison but also for the Portuguese fleet that had brought him and was to escort the sugar fleet back to Europe, while covering the retreat of Portuguese troops and population from Pernambuco. The Dutch were then on the offensive, and its corsairs threatened both the crossing of the Atlantic and the supply of victuals from São Vicente (currently the State of São Paulo) and Buenos Aires\textsuperscript{18}. From 1635, flour became scarce – in April 1636 began the supply of

\begin{itemize}
\item 17 The war between the Portuguese in Bahia and the Dutch in Pernambuco was fiercest in 1634-1640 and 1645-1649. Between 1640 and 1645 both sides agreed to a truce, since in Europe Portugal and the Dutch United Provinces were now allies against Spain. The Dutch in Pernambuco were only and finally conquered in 1654. About the sugar cane schnapps periods of prohibition, see DHAM: AC, v. 1, p. 281-296, v. 2, p. 47-8, 51, 312, 315-6, v. 3, p. 315-6; DHBNRJ, v. 16, p. 396-9, Ruy, História política e administrativa, p. 175-9; Smith, Mercantile class, p. 399.
\item 18 About commercial relations between Bahia and the Plata basin, at this period, see Taunay, Na Bahia colonial, p. 252; DHAM: CS, p. 61-63; Canabrava, O comércio português, p. 181.
\end{itemize}
manioc flour from the villages of Boipeba, Camamu and Cairu, in the south of the province. By the end of 1636, soap and meat were also missing\(^\text{19}\).

In December of 1637, the Count of Bagnuolo, leader of the Portuguese defenses in Pernambuco, arrived with his people in Bahia with the Dutchmen at his tail. There were now three “armies” (terços) in Salvador: the “old” terço left by D. Fradique in 1625, the “new” terço left by D. Oquendo and the “army” of Pernambuco. In Recife, the Count of Nassau (or Maurits, the Brazilian, as the Dutch call him – the german Count designated by the WIC to rule its American colony) was informed that Portuguese troops in Bahia were unpaid and at the brink of rebellion – which he thought to be his best opportunity to take the center of the Portuguese colony\(^\text{20}\).

Between April and May, 1638, the Dutch held Salvador under siege. As soon as the WIC’s sails were spotted, Crown and Municipal officers agreed that “it was necessary to rally the men of war with some money, to which the Royal Treasury was unable to assist” - they then resorted to the “public instrument of debt and obligation”: a loan of fifteen thousand cruzados (6:000$000) from the richest inhabitants of the colony, later to be repaid by the whole population. From the end of April, the garrison was receiving, every three days, a two-day flour ration and one day of sugar garapa (watered molasses). The Dutch failed to pass the town’s trenches, and returned to Recife in May 26th\(^\text{21}\).

Still, as soon as the Dutch were distant, the soldiers’ malcontent went loose. In June, the provedor of the Treasury suffered the harassment of “some captains and other officers that, with drawn swords, demand immediately their pay, making me many uncourtesies everyday”. By the 30\(^{\text{th}}\) of July, the Municipal Council feared that the soldiers “went about robbing the houses and the roads, as they were already doing”. The Treasury had a five-month stock of food supply for the troops, but nothing in hard currency – thus it was asking the Municipal Councils of Salvador and Boipeba a loan of fifty-seven thousand cruzados. In August, Lourenço de Brito Correa made a twenty thousand cruzados bid for the renting


\(^{20}\) Gaspar BARLEUS, História dos feitos..., p. 79. The total amount eventually reached seventeen thousand cruzados, which were spent in cattle and manioc flour from the southern villages.

of the wine taxes, to which the Council declined, unwilling to lose control of the tax collection. It nevertheless paid the Treasury's debts with Brito Correa, and that with the money collected from the same wine tax.

In September, the provedor Pedro Cadena de Vilhasanti summarized the situation: the Treasury was penniless, indebted in almost thirty thousand cruzados, soldiers were naked and unpaid, fortifications were under construction by slave labor – which undermined sugar production and the collection of royal tithes; there was much robbing and stealing of tools, gunpowder, weapons, wine and royal ammunition; December was coming and there was no prospect on how to provide for the State's yearly payroll\(^\text{22}\).

Above all, Pedro Cadena protested against the abundance of officers in the army of Pernambuco, under the Count of Bagnuolo. In the 24\(^\text{th}\), he had a meeting with the Count demanding that he restructured the army with fewer and larger companies and less officers, cavalries and unnecessary titles – either that, or he was resigning his post at the Treasury. The Count answered that “if the provedor broke against him and halted the supply of meat and flour he was asking, he would order its confiscation by force from the inhabitants and cause a civil war”. Pedro Cadena withdrew and complied with the Count's demands. An agreement was arranged with the cattle ranchers of the sertão (the countryside farther inland), with fixed prices and free retail in town, while the supply of manioc flour was opened to whoever was willing to bring it from Boipeba, “due to the great damage suffered by the inhabitants under its monopoly, and exclusive supply by a single person”\(^\text{23}\).

In 1639, the Bahian gross product adjusted itself better to the demands of war, in spite of the presence of the Iberian fleet under the Count da Torre – the fleet had brought a load of wheat flour, and the meat supply became regular. The Municipal Council also undertook a prohibition of tobacco cultivation, in favor of manioc production, which became obligatory for every slave owner by a system of production quotas. Nonetheless, the fiscal stances still needed tightening: new promises of financial help from Lisbon again never crossed the ocean, while the Count da Torre now requested a donation of sixty

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\(^\text{22}\) Id., ibid., p. 130.

\(^\text{23}\) Id., ibid., p. 138-143; DHAMC:AC, v.1 p. 376-84; DHBNRJ, v. 17, p. 132-3.
thousand cruzados to prepare the fleet for a blockade of Recife. Unable to avoid this other burden, the Municipal Council named its terms to collect the contribution; particularly, that the capitania of Rio de Janeiro also paid its fair share.

After the fleet had been soundly defeated by the Dutch, its ships scattered about the ocean, a Portuguese commander named Luis Barbalho, born in Pernambuco, requested that he and his men were brought ashore. The Count da Torre complied, and the group landed at the extreme north of the Brazilian east coast, the Cape of Sao Roque. Marching south through the countryside until they returned to Bahia, Luis Barbalho raided as many sugar plantations in Dutch territory as he could. As a retaliation, Admiral Lichthart and the WIC's fleet sailed into the Bahian reconcavo, a very large bay where a system of navigable rivers met the ocean, destroying twenty-seven sugar mills, a third of the capitania's production capacity approximately. The first few months of 1640 where of desolation for the Portuguese population in Salvador; many were then already blaming the Spanish Crown for their misfortune.

The last important act of the Habsburg Crown in Brazil was the elevation of its condition, and D. Jorge de Mascarenhas, Marquis of Montalvão, became the first viceroy of the land. Immediately after taking office, Montalvão started negotiations with the Count of Nassau in Recife – in October, they had agreed on ceasing the war from destroying sugar mills and plantations. Nevertheless, he ordered the completion of the fortification of Salvador and the construction of a small fleet to safeguard the reconcavo. However, the local population had become highly impatient with such requests of the royal authority.

In August, the Municipal Council refused to continue collecting the donation for the fleet, on the grounds that the ships had already left. Only fifteen of the total sixty thousand cruzados to prepare the fleet for a blockade of Recife. Unable to avoid this other burden, the Municipal Council named its terms to collect the contribution; particularly, that the capitania of Rio de Janeiro also paid its fair share.

The crossing of the ocean towards Bahia had seriously hindered the Iberian fleet, which was supposed to attack the Dutch from the northeast. A storm had divided the ships into two groups, and one of these suffered from an epidemic while resupplying in the Azores. When the fleet left Bahia northwards, the Dutch at Recife were warned and ready, with the wind gauge at their favor. The result was a sounding defeat for the Spaniards.

Boxer, The dutch in Brazil, p. 64-5, 80-8, 100-1; Vieira, Por Brasil e Portugal, 98, 110; Barleus, Historia dos feitos, p. 94.

Vieira, op. cit., p. 630; DHAM: AC, v. 1, 436-51;
cruzados had been raised. Montalvão reminded the Council that financial help from Europe was unlikely to come, and the upkeep of the war in Brazil had to come by their own means. If the Dutch tried another attack on Salvador, he said, there would be nowhere else to retreat, as the ones from Pernambuco had done. Not as threatening as D. Diogo a decade earlier, Montalvao appealed to the self-interest of the locals to support their defenses, in the manner they best saw fit.

Throughout the month of September they worked to reach an agreement. Eventually, the last quarter of the donation was not collected. A new tax on the sale of wine was imposed – the can would now cost $720, $240 of which in taxes, plus a $1000 right on the sale of the pipe. As a condition, the Municipal Council of Salvador demanded that these same terms were applied in Rio de Janeiro, so that the wine trade would not deviate in its favor. The lease contract on the collection was cancelled and the Council took the responsibility on itself. Fortifications were completed with the compulsory “lending” of slaves. Finally, they agreed on a letter to the King, emphatically asking for money.28

Despite the agreement, the Portuguese restoration of December 1640 opened a breech in the Royal government in the Colony. Since the Marquis of Montalvao had two sons in Spain, a local group used a precautionary order against him in a coup (in case the viceroy chose to remain loyal to Spain, as his wife did actually suggest, D. João IV had sent to Brazil a Jesuit with an order of his deposition). Although Montalvao had loyally conducted the acclamation of D. João IV as the new King of Portugal, he was arrested and replaced at the head of government by a triumvirate consisted of the local bishop Pedro da Silva, Luis Barbalho and Lourenço de Britto Correa. Its first measure was to abolish the wine taxes in the capitania. But the needs of the garrison still had to be met, and the triumvirate had no alternative other than restore the preceding fiscal stance.29

With the Dutch conquest of São Paulo de Luanda, in Angola, by August of 1641, the Royal treasury lost the collection of its right on the slave trade. The Municipal Council sought means to maximize its wine earnings. After a failed experience to control prices and

29 Tavares, History of Bahia, p. 146.
stimulate demand, they declared a monopoly on the retail commerce of wine. Council officials would be in charge of buying casks in the harbor and delivering to twelve licensed taverns. After a month, the Council realized that the wine monopoly still covered little more than half of its needs, and it was abandoned in August 1641.\footnote{DHAM: AC, v. 2, p. 54-103.}

Antonio Teles da Silva arrived in Bahia as the new governor-general of Brazil in early October, with another regiment of a thousand men in his fleet. According to calculations made by his provedor, the three thousand men garrison and the State's payroll mounted to a 57:387$000 yearly expenditure. Added together all of the revenues – the money from the tithes’ lease, whale fishing, the verde (tariffs for weights and balances supervision), the $320 harbor fee on every sugar box boarded, the salt monopoly and the taxes on wine and schnapps –, the Royal Treasury was still short of 18:980$000. Antonio Teles da Silva filled this gap through the collection of a vintena, a 5% tax on “fruits that the land bears, sales of goods and house rents” from which no one was exempted. Like the tithes, the lion share of the vintena collected came from sugar produced and boarded in the harbor – according to an estimate calculated in 1650, between 1642 and 1646 this tax raised 59:385$217 reais to the Treasury.\footnote{DHAM: AC, v.2, p. 112-144.}

At this time, Bahia also suffered from monetary stringencies owed to the restoration of Portuguese autonomy and the decline of Portuguese-Spanish trade in South America. In 1610, Pyrard de Laval described Salvador as the richest town in silver he had ever laid eyes upon – a result of economic ties with Buenos Aires and the Plata basin. During the 1630’s these ties were already loose, as indicated by shortages of soap and meat (goods traditionally imported from the Plata). In July 1641, the silver value of the real in Portugal was reduced by 30% – at this time a merchant in Salvador already complained that silver coins were being taken to Portugal. In 1643, the government in Salvador decided to reduce the silver value of the real by 50%, which indicates an appreciation of the silver (and a devaluation of the real) 13% higher in Brazil.
After a five year truce, hostilities restarted when the Portuguese population of Pernambuco, heavily indebted with the West India Company, rebelled against Dutch rule. Gaining support from sugar mill owners (senhores de engenho) in the countryside, the rebellion rapidly succeeded in isolating the Dutch in Recife, by August 1645. After the two battles of Guararapes, which consolidated the siege in mid 1646, the Dutch tried to alleviate Portuguese pressure with an attack against Bahia: the idea was to establish a base in the Bay of All Saints, at the island of Itaparica, and cut Portuguese navigation to Salvador, forcing a retreat from Pernambuco and Recife. The plan was carried out in February 1647, and the Dutch held a fort in Itaparica, a few miles in front of Salvador, until December that same year. Still, the force at Itaparica failed to affect Portuguese activity, and the siege of Recife was even strengthened with artillery pieces from Bahia. The last two of the Dutch raids to the reconcavo occurred in 1648 (again, with great damage to thirty sugar mills) and 1652 (with no significant consequences).

Nevertheless, Dutch corsairs operating from Recife did succeed in dismantling Portuguese transoceanic navigation between Portugal and Brazil during the whole of 1647 and 1648. Some 243 Portuguese vessels were captured during these years, and 130 of which had Salvador as its departure or destination. Sugar commerce was suffocated and the Treasury in Salvador was directly affected. In January 1648, the Crown ordered new tariffs at the boarding of goods in the harbor, with which the Municipal Council complied under its terms. From May 1648, the inhabitants of Bahia were forced to bear another donation, this time totaling two hundred thousand cruzados (80,000$000), to the victualling and maintenance of the fleet that had brought the new governor Antonio Teles de Menezes, Count of Vila-Pouca, in 1647 and was supposed to carry and escort the sugar harvest to Portugal. Such donation was collected in four shares: the first was paid in late 1648, the second in mid 1649.  

By August, the governor declared to the Municipal Council that the first two shares were already spent and that was still not enough to make ready the fleet. The Council suggested that the Treasury used the Crown’s money that rested secure on board of two

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galleons from the East Indies, to which the governor replied: His Majesty’s treasure on the galleons “is sacred”. The solution found was to draw money from the rich inventory of Bishop Pedro da Silva’s heritage, which was borrowed from the “treasurer of the dead” (tesoureiro dos defuntos). Later on the year, the Royal Treasury continued to borrow from the Bishop’s inventory, spending ahead of income the third and fourth shares of the Bahian donation. In December, the Count of Vila-Pouca demanded a different and smaller donation, to pay the garrison of Salvador for that month.\textsuperscript{33}

The suffocation of Portuguese transoceanic commerce needed direct intervention of the Crown. In September 1648, the crossing of the ocean was prohibited until proper escort could be arranged. In Portugal, D. João IV was laying the grounds of what would be the General Company to the Commerce of Brazil, a chartered company responsible for providing such escort at a fixed price, while in possession of monopolies on the commerce of metropolitan goods: wine, wheat flour, olive oil and codfish. The prices of those goods were exorbitantly fixed in Bahia in September 1649, to the outrage of local inhabitants. The first convoy of the General Company reached Bahia in the 14th of March, 1650 – from that day onwards, correspondence of the Municipal Council is filled with complaints against the Company’s prices and practices.\textsuperscript{34}

Along with the Company’s fleet came the Count of Castelo-Melhor, nominated governor of Brazil. His first act in command was the collection of the two remaining shares of Vila-Pouca’ donation, halted due to problems in the collection lists. The last quarter share was collected in September.\textsuperscript{35}

By August, however, the Municipal Council had raised against the \textit{vintena} of 5\% on all Bahian production. A large meeting of the Council resulted in a petition to the governor requesting the end of that tax, on the grounds that it prejudiced sugar production. The bulk of the \textit{vintena} was collected in kind, with sugar “of the worst species” that merchants were reluctant to accept. At this time, the Council also complained constantly that Portuguese

\textsuperscript{33} DHAM: AC, v. 3, p. 25-49; \\
\textsuperscript{34} DHAM: AC, v. 3, p. 65; DHAM: CS, v. 1-2; About the General Company to the Commerce of Brazil, see the recent work of Leonor Costa, \textit{O transporte no Atlântico}; \\
\textsuperscript{35} DHAM: AC, v. 3, p. 79-88.
commerce was flourishing in Rio de Janeiro with great detriment to Bahia. Exemptions by the clerical community were also denounced. As an alternative, the Council suggested a raise of $160 on the wine tax.\textsuperscript{36}

Castelo-Melhor called for a meeting with the Council in October 17th. The proposition was accepted by vast majority, only (and naturally) refused by the General Company’s representatives. The retail price of the wine can raised to $960, and the pipe was charged 55$600, 13$000 of it in taxes. At the same month, the governor charged the olive oil commerce with another tax, on the purpose of building new barracks. He also reformed the garrison, enlarging infantry companies and reducing the number of officers, with which the upkeep of the army dropped to little more than three thousand cruzados every month, excluding flour provisioning.\textsuperscript{37}

Despite the maneuver of the governor and the Municipal Council, in June 1651 two letters from El-Rey D. João IV arrived in Bahia ordering the \textit{vintena} to be reinstated and the new wine tax abandoned. Thus, the Crown came in defense of the chartered company, demanding that the Council in Salvador “inquired on those responsible for the unrest, to be pointed out by the administrators of the General Company, and inform me on them”. In reply, the Council refused to act accordingly on the grounds that “the execution of such orders would be of prejudice to the Royal Treasure”, arguing that the problem was the Company's neglect in providing enough wine to the \textit{capitania}, the supply of which having dropped from two hundred to twenty-two casks. It is unlikely that the Municipal Council was capable of taking such stance without the support of the governor, the Count of Castelo-Melhor, at this time a known enemy of the General Company. Until the end of the year, two other donations were collected; one for the construction of a flour warehouse and the other again to fill a gap in the soldiers' pay.\textsuperscript{38}

In 1652, the garrison’s upkeep was totally delegated to the Municipal Council – not only it would raise the resources, as it had been doing, but now it would also be responsible for paying out the salaries, relieving the provedor of the Royal Treasure. It is likely that the

\begin{footnotesize}
\begin{enumerate}
\item[36] Id., ibid., p. 88-94.
\item[37] Id., ibid., p. 98-138; DHAM: CS, v. 2, p. 27; Luiz Costa, \textit{Na Bahia Colonial}.
\end{enumerate}
\end{footnotesize}
governor had understood that such expenditures had to be constantly adequate to the economic activity of the province: the volume of imports (particularly wine) and sugar prices and production, mostly. With such measure, Castelo-Melhor protected the Royal Treasury from the uncertainties in tax collection. The Council had also its motives to accept the order, since it meant higher control on the resources collected by its own fiscal effort and on the garrison itself. Its opinion was that “hence will the people be harassed by the people, and they will have the freedom of speaking truthfully and respectfully and alleging its motives with or without reason, for it would be offending itself and not the Royal ministers”.  

Naturally, the Council named its terms: it requested the money from royal monopoly on the sale of salt, from the tariff on the boarding of sugar boxes and the renda do verde; it also requested control of all the manioc flour coming into Bahia by contract with the villages of Boipeba and Camamu, and “should there be any shortage Your Excellency [the governor] shall do us the good of obligating them into it as usual”; the collection of such taxes and the paying of the garrison were to be helped by sergeants and the Royal authority; only the regularly enlisted soldiers would be eligible for pay; as soon as the Royal finances were healed, it would pay its debt to the Council of twelve thousand patacas (a silver coin worth $480 by then; the total is 5,760,000). Castelo-Melhor agreed to all these terms. The Royal Treasury then became responsible for collecting (or leasing the collection of) the tithes and the whale oil tax, while it afforded for the State's payrolls, ecclesiastic and ordinary, for the clothing of the garrison, for the High-Court (that had been dismantled during the war but could well be reinstated) and for unspecified “extraordinary expenditure”. It should be noted that, at this point, the Dutch were held isolated in Recife, with little or no help from the Netherlands, hanging by the thread of protection offered by their remaining fleet – they represented little or no threat to Bahia anymore.  

Being thus responsible for the upkeep of the garrison, the Municipal Council of Salvador saw itself deeper in conflict with the General Company to the Commerce of

38 DHAM:AC, v. 3, p. 156-169; Leonor Costa, O transporte no Atlântico, p. 581;  
39 Id. ibid., p. 171-216; Figueiredo, Revoltas, fiscalidade e identidade colonial, p. 278-9.  
40 DHAM: AC, v. 3, 216-220; Leonor Costa, O transporte no Atlântico, p. 565;
Brazil. The scarcity of wine (from 1653 onwards the Company did not bring a single cask to that province) forced the vereadores of the Council to ask a loan to the population: 20$000 from every major sugar mill owner, 10$000 from owners of smaller sugar mills, planters and remaining inhabitants. By January 1654, the last of Dutch resistance in Recife was defeated by a convoy fleet of the General Company. In February, the Council resisted the new governor's attempt to execute the Royal orders of 1651 that reinstated the vintena of 5% on all production and exempted the wine tax in favor of the Company's trade – either because it had grown its own means of resistance or because it still relied on the support of the Count of Castelo-Melhor, still an enemy of the Company and at this time rising in Portuguese politics (he would later become the political condottiere behind D. João's successor in the throne, D. Afonso II).41

* * *

The economic impact of the defense of Salvador and the means by which the Portuguese authorities provided for it are reciprocally determined. As far as the historical evidence allows us, we shall attempt an interpretation of this relationship starting from the demographic and economic effects of the garrison to the urban life of Salvador, demand-side and supply-side. That will lead us to elaborate on the transformations over the supply of victuals to Bahia and, finally, on the dynamics of the means of finance to the State's activities and its repercussions into politics; particularly, trying to ascertain on the social groups which eventually were charged with the bill of the army's expenses.

It should not be easy to elaborate on the impact of the garrison on Salvador, either in demographic or in economic terms. Stuart Schwartz estimates the population of Salvador to be four thousand people in 1587 and fifteen thousand in 1681. Considering that the town was abandoned in 1624 and bombarded in 1638, one could draft an image of the garrison’s effect in such growth: nine hundred men were there stationed in 1625, plus a thousand and two hundred in 1631, an undetermined few hundred in 1637 and 1640, a thousand more in

41 DHAM: AC, v. 3, 266-7;
1643. Data on the number of casualties and departures remains unfound. Casualties are certain to be low, given that Salvador was only directly involved in the conflict in 1638. The Neapolitan and Spanish regiments left Salvador after the Portuguese Restoration of 1640, but no record of their numbers was found. There is also the military support from Bahia to the rebellion against the Dutch in Pernambuco. From the reform made by Count of Castelo-Melhor until the revolt of the terço velho (the old regiment of 1625) in 1688, the garrison consisted of little more than two thousand men.42

It is possible to draw an observation of the impact on economic activities from the collection lists of the donation called by the government junta in 1642. Unfortunately, Antonio Teles da Silva interrupted the collection when he took office, so the lists are incomplete. Nevertheless, it was possible to organize the frequency of registered occupations and their average contribution in the following table:

<table>
<thead>
<tr>
<th>Registered Occupation</th>
<th>Frequency</th>
<th>Average Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Merchant</td>
<td>44</td>
<td>$493</td>
</tr>
<tr>
<td>Smaller merchant (&quot;de loja&quot;)</td>
<td>5</td>
<td>$692</td>
</tr>
<tr>
<td>Retail merchant (vendeiro)</td>
<td>29</td>
<td>$481</td>
</tr>
<tr>
<td>Military officer</td>
<td>26</td>
<td>$947</td>
</tr>
<tr>
<td>Tailor</td>
<td>12</td>
<td>$357</td>
</tr>
<tr>
<td>Shoemaker</td>
<td>10</td>
<td>$316</td>
</tr>
<tr>
<td>Goldsmith</td>
<td>6</td>
<td>$737</td>
</tr>
<tr>
<td>Baker</td>
<td>6</td>
<td>$477</td>
</tr>
<tr>
<td>Barber</td>
<td>6</td>
<td>$387</td>
</tr>
<tr>
<td>Other</td>
<td>47</td>
<td>$691</td>
</tr>
<tr>
<td>Soldier with a registered occupation</td>
<td>11</td>
<td>$209</td>
</tr>
<tr>
<td>Gunner with a registered occupation</td>
<td>3</td>
<td>$353</td>
</tr>
<tr>
<td>Unregistered occupation</td>
<td>208</td>
<td>$976</td>
</tr>
</tbody>
</table>


From the table, one can acknowledge that, among 205 inhabitants with registered crafts, only 14 are soldiers. Within these are some of the few artillery officers that were stationed in the garrison. Although it is expectable that among the troops were a few artisans and skilled urban workers, the table seems to endorse the thesis that most of the garrison was recruited from the poor population of unqualified workers that at this time was

42 Schwartz, Sugar plantations, p. 80;
abandoning the countryside of Portugal to the larger towns. Being gifted or trained in some knowledge or talent, it is understandable that artillerymen from this period had an easier way in providing skilled work.43

More importantly, it stands the fact that the garrison of Salvador added more mouths than hands to the community – after all, given the social values inherited from the nobility, soldiers were “men free by nature”, as D. Diogo de Oliveira stated. Still, the garrison received under average salaries, compared to the usual Royal servant: while the soldier earned monthly 1$200 in money (besides flour rations), a vicar's salary mounted 73$920, and the General Governor's, 1:200$000. Therefore, the garrison represented to the Bahian economy a large and uniform demand of indispensable goods.

Nonetheless, also between 1620 and 1640 trade between Bahia and the Plata river had vanished, isolating the later from a stable supplier of meat, tallow and wheat flour. Therefore, a gap between new demand and disruptive supply had to be filled. That explains part of the economic development of Rio de Janeiro and São Vicente, southern provinces in Portuguese America, most of the development of the villages of Boipeba, Camamu and Cairu, manioc flour producers in the southern parts of Bahia, and the cattle march to the heart of the continent.44

Cattle ranchers had been already wandering the sertão45 between Bahia and Piaui in the late XVIth. Century. The first large cattle fair of Bahia, named the “Old Fair” (Feira velha) of Capuame, began in 1614 – the first Royal license to the mining of salt between the rivers Salitre and São Francisco was asked to the Crown in 1627 by Francisco Dias D’Ávila46. In Salvador, the supply of meat only became regular after the decade of 1630; shortages were reported in 1634 and 1636. The withdrawal of the Portuguese army from Pernambuco, pursued by Dutch forces along the way, consumed all the cattle closer to

43 Smith, Mercantile class, p. 22-3;
44 Canabrava, O comércio português no Rio da Prata; Alencastro, O trato dos viventes;
45 Derivated from desertão (large desert), the warm and dry lands that constitutes the core of Brazilian geography.
46 Salitre is the portuguese word for saltpeter. Dias D'Ávila is the name of the family that controlled cattle breeding throughout the XVI and XVII centuries. It should be remembered that mineral salt is an important resource to fatten the cattle, since it betters the animal's digestion.
Salvador (from the farm of the Dias D'Ávila only some sixteen thousand animals were slaughtered). Still, less than a year later the city was again fully supplied with meat. Agreements with the ranchers regularized the meat supply, with fixed prices and quantities (as usual in the Ancién Regime). Once and again the General Government or the Municipal Council sent requests of meat to the province of São Vicente, but that seems to have been complimentary to the supply offered by Bahian sertanistas. Trade with the southern provinces was much more intensive in flour (wheat and manioc), rice and beans – the General Government correspondence throughout the period is dominated by such requests.47

From the point of view of the local financing of the Bahian defenses, the incipiency of an internal market for the necessary goods and the consequences of war to the transoceanic colonial trade determined the State's viable alternatives.

First of all, as it has been observed, the defense of Salvador practically doubled the State's share in the Bahian economy. Through the taxation on production (the tithes, the vintena, compulsory donations and slave borrowing), the substance of the fiscal load weighted on the sugar economy, by far the single most important good produced. The taxation of commerce can by separated between taxation of imports and exports. Taxation of imports (mainly the wine tax) could be passed on to retail prices – since merchants had the choice of deviating their cargos to other markets, specially Rio de Janeiro – so that the fiscal burden again weighted on the local aggregated income. The same happened to taxation of exports (the tariff on the boarding of goods), since producers were unable to passed it on their prices – the war in the ocean and scarcity of available ships made that a certainty, should the structure of colonial trade itself be not enough. Invariably, the defense of Salvador weighted on the internal product of Bahia.

It's has been observed that taxation constituted the bulk of Royal revenues in Bahia: mostly the tithes, followed by the wine tax and the slave tax (except during the Dutch occupation of Angola), the vintena (temporarily collected), boarding tariffs and less significant taxes. “Donations” from the local inhabitants became a common ad hoc source

47 Boaventura, Fidalgos e vaqueiros; Barros, Margem histórica; DHAM: AC
of income when taxes were insufficient, usually at the end of the year – but only in emergency periods, such as during the Dutch attack of 1638 or the near blockade of 1634-6 and 1647-48, will one find loans from private households as a significant mean of financing the Royal Treasure. Neither did Montalvão’s attempt to increase the value of the lease contracts on tithes collection succeed – Bahia and Brazil were far from having a merchant community developed enough to offer a regular finance market to the State, and its colonial stance did not help such development. Compulsory lending of slaves to fortification works or manioc farming was also seldomly used, given the strong objection it raised among local inhabitants.

Nevertheless, it is the policies behind taxation, making it thrive on the overall economic activity, which calls to our attention. In other words, taxation would hardly suffice had the General Government not undertaken action to manipulate the market in its favor. First, by moving to push down the price of victuals necessary to the garrison. In February 1627, the Municipal Council prohibited the sale of victual goods from the province. The prohibition against big traders of flour (regatões) was republished in many occasions between 1625 and 1655, and against the black market of meat in 1634 (where prices were 60% higher). Sporadic donations were always paid in specie by cattle ranchers and manioc planters. In this sense, manioc flour provides us with the best example: unlike rice or meat (cattle, swine and fish) markets, which had their prices fixed, neither were flour prices fixed, nor was its trade chartered by a contractor, “given the great damage upon inhabitants from the existence of a monopoly and only one person going [south] to buy it”. Fixation of prices only worked when the Council appointed an official wholesale buyer of flour in town, centralizing trade in his hands, receiving all flour in the harbor and selling it “freely” from a warehouse owned by the Council. In fact, the flour trade quickly became an important source of revenue to the Municipal Council, from which it extracted a profit margin of 100%.

Not only did the General Government and the Municipal Council worked to lower its expenditures on goods for the garrison, but they also worked in such ways to increase

48 DHAM: AC, v. 1, p. 67, 244, 384, v. 3, p. 130-4, 197, 235-6, exempli gratia; Boxer, Portuguese Society, p. 104-4;
their revenues. The sale of wine became a Royal monopoly as early as 1628, and throughout the years the wine tax collection evolved to a Council monopsony in the docks and a monopoly to the taverns – Council appointees would have exclusive rights to buying the casks in the harbor, adding to the price the volume of taxes agreed before delivering them to the licensed taverns. Furthermore, as we have previously observed, periods of open war with the Dutch are highly correspondent to periods of sugar cane schnapps prohibition.

The sugar trade and its taxes, however, were not subject to such market schemes – and that begins to clarify the way by which war impacted on political relationships. Since market manipulation, through Royal or Municipal monopolies, prohibitions, restrictions and price fixation, became crucial in providing resources for the Bahian defenses, the question emerges on who benefits and who bears the army's burden. As we have already ascertained, the structure of colonial trade made it difficult to pass over any share of the fiscal load to the Atlantic trade. Still, when the wine tax predominated over sugar collections (such as the *vintena*), it were the suppliers and consumers of Portuguese, Azorean or Madeira wine who bore the expenses. Conversely, when Antônio Teles da Silva started collecting the *vintena* in 1642, the volume of taxes on the cask of wine was cut approximately in half, and sugar producers were hindered. By 1650, the support of Castelo-Melhor helped the Municipal Council of Salvador to retaliate against the monopoly chartered to the General Company to the Commerce of Brazil; which is an overall victory of the local denizens over metropolitan capital, despite the structure of colonial trade.

Outside the struggle between the “sugarocracy” of the Council of Salvador and the Portuguese merchants of the Atlantic, it is worth stating that some groups did not have the same strength in defending their interests. Flour suppliers from the villages to the south of Bahia constitute an interesting example. While initially they benefited from supplying to the garrison at Salvador, after 1652 and the final arrangement of the Council's exclusiveness in dealing with flour in town, the Councils of Boipeba, Camamu and Cairu immediately reacted saying that the former were gaining from the intermediation of flour. They further argued that the Bahian *reconcavo* was capable of producing all the manioc it
needed, clearly demonstrating that those villagers now had an eye on sugar production.\(^{49}\) It is also worth remembering that many among the sugar producing elite, specially the military-clerical orders, had been favored with tax exemptions, as a complement to their ennoblement. All in all, it is quite reasonable to believe that the gross of the army's upkeep, at the end, rested on the middle man's shoulders: the small sugar planters and slave-owners, small merchants and artisans. Not to mention the slaves themselves.

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\(^{49}\) DHAM: AC, v.3-4;


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