## Chapter 4

# Iberian trade monopolies and their impact on non-metropole ports and their hinterlands

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## Introduction

On the 14th of February 1503, Charles V launched a monopoly as the leading element in a political economy designed to exploit the resources of the New World for the sole benefit of the Spanish crown and certain classes on the Iberian Peninsula and elsewhere. Monopolies were, of course, well-tried devices for establishing and maintaining exclusive trading privileges for certain commodities, or a blanket commercial embargo for the extraction of resources from a specific territory or colony and their assignment to one individual, company or state. Indeed, in 1434 a royal monopoly on Portuguese trade with Africa was adopted by Alphonso V which served as a model for the Spanish. It is almost certain that neither monarch considered at all what the implications these decisions would have on the urban and port hierarchies of their countries, port-hinterland relations, regional development, the transport of merchandise or different merchant constituencies. They most likely perceived the monopoly as a device for sustaining the economic position of their crowns in uncertain conditions. But the implementation of these policies was to have profound and long-lasting implications across the Atlantic and on both sides of this vast ocean. On the Peninsula, it supported the emergence and consolidation of 'artificial' port and urban hierarchies. It was 'artificial' in the sense that if free trading conditions had prevailed, the hierarchy in both countries would have been radically different. Initially, it endowed undue commercial advantage to Lisbon and to Seville together with the greater Andalusian region. What then was the fate of other ports, their hinterlands and regions on the Peninsula that were embargoed from exploiting direct commercial relations with Africa, Asia and the 'New World'? How did they respond to this situation? What differences existed in the implementation and impact of trade monopolies between Portugal and Spain?

This chapter attempts to identify the long-term consequences of the monopoly policies of both Portugal and Spain for the ports of Atlantic Iberia, their hinterlands, regions and societies. This 'second tier' of ports (including Porto, Corunna and Santander), in contrast to the metropoles, the port complexes centred on Seville, Cadiz and Lisbon, were deliberately excluded, at least officially, from participating in the most profitable trades of the period. It places the royal monopolies in both kingdoms in their historic context and analyse their impact in both Spain and Portugal, specifically on other port-towns. Finally, a comparative analysis of the two Iberian cases assesses the extent to which the response of ports excluded from monopoly privileges reflected a shared or a distinctive response to a common problem. It focuses on the role of persistent transport difficulties in determining the trading profile of individual ports and the nature of their port-hinterland relations and the impact of trade monopolies, as opposed, to other factors, in accounting for their changing ranking in the urban hierarchy. It builds on existing research in this field and demonstrates the importance of retaining a comparative framework for analysing the dynamics of national port systems.

**Iberia: its pre- and early monopoly context and urban hierarchy**

Various publications provide a useful summary of the long-term evolution on the Iberian peninsula's specific urban types and their functionality between the sixteenth and twentieth centuries. Only recently have port cities and towns, given their prominence as a discrete urban category, begun to attract the attention they deserve. Particular attention has been given to the factors which influenced the economic and cultural development of Atlantic port-towns, the complex reciprocal relationship between metropolitan ports and the periphery; the existence of 'complex adaptive systems', specifically in the post-1880 period; and zones of cultural encounter in a littoral context.[1] But further research is necessary if we are to understand the wider role of individual ports and port-systems in the long-run development of both Portugal and Spain. If different classifications of the Peninsula's urban hierarchy between the sixteenth and twentieth centuries are analysed, all but one of the top six centres were port cities. At the start of the sixteenth century, the urban and regional fabric of the Peninsula was very different from that of today. Andalusia remained the richest region on the Peninsula, despite profound adjustments which had been made following its re-conquest some two centuries earlier. It was the most urbanised and commercialised region with the largest concentration of towns and cities and a sustained surplus of agricultural production. It also had the densest network of internal communications, in addition to the services of several major ports.

The urban fabric of northern Atlantic Spain presented an entirely different picture. It had few substantial towns and no cities; inter-regional road communications were poor and often disrupted~~;~~ while population densities were low. Most ports only maintained commercial connections of little more than regional significance. What later emerged as the two Castiles were characterised by similarly weak infrastructures with a limited distribution of towns and villages and trading links which were confined to the north, to the Bay of Biscay and to the east. The network of small towns was largely dependent on the wool trade which oiled the wheels of three sets of urban settlement. First, the international fairs of Medina del Campo (1404-1594) and Medina de Rioseco acted as major centres. The former benefitted from the importance of the wool trade, the marketing of textiles and banking operations while the latter

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[1] M. Guàrdia, F. Javier Monclús and J. L. Oyó~~o~~n (eds.), *Atlas histórico de ciudades europeas, Vol. I La Pení~~si~~nsula Ibérica* (Barcelona, 1994), pp. 6-29; Manuel-Reyes García Hurtado and Ofelia~~s~~ Rey Castelao (eds.), *Fronteras de agua: Las ciudades portuarias y su universo cu~~e~~ltural (siglos XIV – XXI)* (Santiago de Compostela, 2016); Pedro Navascués Palacio and Bernardo Revuelta Pol (eds.), *Una mirada ilustrada: Los puertos españoles de Mariano Sánchez* (Madrid, 2014); Amélia Polónia, 'Seaports as Centres of Economic Growth', in Richard W. Un~~d~~ger (ed.), *Shipping and Economic Growth 1350-1850* (Leiden, 2011), pp. 379-410; Miguel Suárez Bosa (ed.), *Atlantic Ports and the First Globalisation c.1850-1930* (Basingstoke, 2014); Amélia Polónia, Ana Sofia Ribeiro and Daniel Lange, 'Connected oceans: New pathways in maritime history', *International Journal of Maritime History*, 29, 1 (2017), pp. 90-95; Daniel Castillo and Jesús M. Valdaliso, 'Path dependence and change in the Spanish port system in the long run (1880-2014)', *International Journal of Maritime History*, 29, 3 (2017), pp. 569-96~~;~~ .

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became a global trading hub for silver arriving from the Indies through the port of Seville.[2] Second, locations such as Burgos (with its own *Consulado*) and, to a lesser extent, Palencia and Salamanca acted as distribution, financial and wholesale centres. Finally, ports such as Bilbao and Santander functioned as leading export hubs connecting Castile to the Low Countries, France and indirectly to England. The overland transportation of wool also extended to the Ebro Valley and onwards to Barcelona for export. It was essentially a trade in raw wool, but it helped to provide some degree of regional integration.[3]

Age old distinctions were also evident in Portugal. Lisbon was a long-established metropolitan settlement linked to a series of adjacent, mainly rural regions such as Estremadura and Ribatejo, which enjoyed relative prosperity. The ports of Barcelona, Valencia and Malaga and their extensive hinterlands had been involved for centuries in cross-Mediterranean trading, legacies which are still visible in their rich and varied medieval urban morphologies. Their commercial relations had also extended into the 'Mediterranean Atlantic', through their connections with sub-Saharan Africa. With the imposition of the Crown's trade monopoly they were suddenly excluded from trans-Atlantic mercantile relations at a time when Mediterranean trade was in decline, a conjuncture which was reflected in the contrast between their later medieval and early modern townscapes.[4]

## 1. Spain

### The growth of Madrid and its impact on the urban fabric

The urban architecture of Castile during the sixteenth century was radically altered by the designation of Madrid as capital of the Spanish state in 1561. Moreover, Castile was characterised by high volatility as its economic structure was insufficiently embedded in the region. Towns and villages of the region benefited significantly from the accumulation of wealth derived from the profits of the wool trade and its limited manufacturing base, the profitability of colonial commerce and the increased demand for regionally based raw materials. As a result, many of them experienced meteoric growth which enabled some of the

2 The initial privilege to hold a fair was granted by Juan II and a further fair was added by Enrique IV. It is clear from the available evidence that both fairs attracted large numbers of visitors, including bankers who invariably did good business by holding money deposited by vendors and charging a fee for its subsequent withdrawal. See, Hilario Casado Alonso, 'Poor colors, rich colors: Spanish clothes in the early sixteenth century', in Yuen-Gen Liang and Jurbel Rodríguez (eds.), *Authority and Spectacle in Medieval and Early Modern Spain Essays in Honor of Te~~éo~~ófilo F. Ruiz* (London and New York, 2017), pp. 176-7; Michael Thomas D'Emic, *Justice in the Market Place in Early Modern Spain Saravia, Villaló~~e~~n and the Religious Origins of Economic Analysis* (Lanham, Boulder, New York, Toronto, Plymouth UK, 2014), p. 224.

3 J. E. Gelabert, 'Cities, towns and small towns in Castile, 1500-1800', in Peter Clark (ed.), *Small Towns in Early Modern Europe* (Leicester, 1995), pp. 270-94; Martín F. Ruiz, and A. García Sanz (eds.), *Mesta, trashumancia y lana en la España moderna* (Barcelona, 1998); P. J. Hiltpold, *Burgos in the Reign of Philip II: The Ayuntamiento, Economic Crisis and Social Control* (Austin, 1980); Francisco José González Prieto, *La ~~C~~ciudad menguada: población y economía en Burgos SS. XVI y XVII* (Santander, 2014); A. Zabala Uriarte, *Historia de la economía mar~~i~~ítima del País Vasco en el siglo XVIII* (Donostia, 1983).

4 Paul Butel, *The Atlantic (Seas in History)* (London, 1999).

region's residents to enjoy a 'golden age'. Even at a time when the opportunities of the 'New World' encouraged Castilian migrants to cross the Atlantic, Castile registered a growth in population, particularly in the towns. Despite growing rates of transatlantic emigration, population expansion remained an urban phenomenon during the earlier part of the century.[5]

Due to a series of complex reasons, a set of interacting processes led to the unravelling of prosperity in Castile during the second half of the sixteenth century. Without prioritising them or attempting to quantify their impact, the main issues can be set out as follows. There had been extraordinary growth in the number of sheep put out to graze on the land. While the wool trade brought prosperity for many, it damaged the economic interests of those involved in arable cultivation, including ploughmen, dairy farming (specifically cowmen), and several urban classes with different economic interests. Many of these constituencies contested the growing hegemony of the *Mesta*, a powerful association of sheep ranchers and its allies, but they were powerless to reign it in. Growing competition between Santander and Bilbao in the export of wool aggravated the situation. By the close of the sixteenth century, the wool trade was in decline and exports continued to fall which seriously undermined the region's commercial vitality, specifically that of its urban communities and port-towns.[6]

Other factors which led to regional decline included the damaging effects of overgrazing, the seizure of common land for grazing purposes and a downward cycle of soil degradation which reduced productive capacity. High death rates from plague and other infectious diseases compounded the problems faced by urban centres, but in some cases the acute crisis in the primary sector led to increased rates of urban in-migration from impoverished rural communities. The earlier process of regional specialisation had largely depended on the profitability of the wool trade, but Castile's economy was insufficiently diversified to withstand the impact of its rapid decline.

Finally, it is difficult to quantify the implications of the embargo on direct commerce with the 'New World' for the northern Atlantic ports located in the two Castiles, although a detailed analysis of its repercussions on two of the leading ports in the two territories, namely Seville and Cadiz, follows. In the sixteenth century, bullion and 'emigrants' remittances' often arrived in large quantities. Most of the wealth was invested in lavish residences, expensive furniture and sumptuous ornamentation, or in civic buildings, churches and charities. Counterfactually, the following points can be made. If direct trade between the northern ports and the Americas had been permitted, it would have stimulated urban growth, consolidated the functional operation of the urban system, encouraged commercial arable cultivation and supported the development of local manufacturing.

The choice of Madrid as the capital further subverted the existing urban structure of the region. Madrid became the seat of both the 'court' and government, which fuelled an unprecedented increase in population to approximately 180,000 residents by the early 1600s and significant urban expansion. Up to the last quarter of the sixteenth century, the economic fulcrum of Old Castile revolved around the spatial nexus of the wool trade represented by two

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5 David Ringrose*, Madrid and the Spanish Economy, 1580-1850* (Los Angeles, 1983); David E. Vassberg, *Land and Society in Golden Age Castile* (Cambridge Iberian and Latin American Studies) (Cambridge, 1984).

6 Carla Rahn Phillips and William D. Phillips, *Spain's Golden Fleece. Wool Production and the Wool Trade from the Middle Ages to the Nineteenth Century* (Baltimore,1997).

necklaces of towns linked to specific ports. Prior to 1561 there were several urban networks and most towns were integrated within their localities, hinterlands, regions and provinces. There were only two major inter-regional urban systems, both of which were linked with maritime trade. The Guadalquivir valley, with Seville as its hub, was the premier one. It was sealed off from the rest of the Peninsula by very poor overland communications which nevertheless offered some trading links with northern parts of the Peninsula. The second system has already been described above.

Madrid's designation as the capital did not 'disturb' the Andalusian system: it was too distant and too resilient. However, it had enormous effects on the northern urban hierarchy. The decline of the wool trade was a key factor in determining the fall in population in the principal wool towns. Other processes also weakened the region's urban fabric. Madrid's elevated status has been cited as a key precipitator of the in-migration of many of Castile's urban residents as they sought better opportunities. According to Ringrose, Madrid's growth meant that it became a parasitic settlement: it attracted much of the wealth of the central Meseta region; undermined the prosperity of the northern ports by deflecting supplies of raw materials and rents away from the coast to satisfy its own needs; and absorbed almost 70 per cent of the country's professional carriers in fulfilling its demand for imported grain. But it could also be argued that the failure of Castile to sustain its prosperity owed more to the failure of the wool trade than to monopoly embargoes.[7]

**Monopoly and its implications**

The previous sections have set out a brief interpretation of Spain's economic and political development from the period before the imposition of the trade monopoly with the Americas until the end of the sixteenth century. They serve as an introduction to one of the focal points of the chapter, namely the impact of the 1503 decree on the development of a string of ports on the Atlantic coast of Iberia, including Huelva, Vigo, Corunna, Avilés, Gijón, Santander and Bilbao, as well as the ports of the Atlantic archipelagos.

In addition, three other ports will be included in the analysis. First, Seville which held a dominant position in trade with the Americas for almost two centuries following the foundation in 1503 of the *Casa de Contratación* (The House of Trade). In 1674, however, its metropolitan status was transferred to Cadiz because sand bars on the Guadalquivir river had led to navigational problems and disrupted local trading connections. As a result, it suffered economic decline from the late seventeenth century onward. Second, Cadiz, a port which had also benefitted from the seizure of colonies in the Americas, became the home port of the Spanish treasure fleet. Its acquisition of metropolitan status led to another 'golden age', reinforced by the presence of trading communities from many countries (including Ireland). In order to analyse the impact of the trade monopoly of 1503 on the selected port-towns and their hinterlands they will be subdivided into different categories: the Atlantic archipelagos; Cadiz and Seville; and a group of leading Atlantic port-towns, including Santander.

7 Ringrose, *Madrid*, pp. 314-6.

**The Atlantic archipelagos: port life at the margins.**

The Atlantic archipelagos, such as the Canary Islands, were generally regarded as problematic locations. Some contemporaries regarded the islands as out-ports of Seville, but the dominant view was that they operated as independent ports outside and beyond the reach of the trading monopoly. There were brief periods, principally during the sixteenth century, when some of the islands and their leading ports briefly shared some monopoly-linked prosperity, but this was the exception rather than the rule. They usually functioned as victualling stations for outward-bound ships. But some of their physical resources, notably wood, were simply pillaged by visiting sailors, which led to a long-term loss of biodiversity. Their maritime frontier status did not assist them. Chronic and persistent failures in governance, both at the central and local levels, promoted enormous inter-island rivalry which led to a highly unstable port hierarchy. This may well have been the covert policy of the *Consejo de Indias*, the supreme organ of state responsible for implementing the monopoly. As a result, economic growth during the period under consideration was highly unstable and progress remained limited. Despite such a negative background, some foreign merchant families settled on the archipelagos and prospered during the eighteenth century through a significant involvement in the wine trade. By contrast, the Portuguese archipelagos remained uninhabited for a considerable time and it was only in the sixteenth century that they shared similar growth cycle patterns as the Canaries. However, geopolitical considerations and changes in shipping technology soon condemned them to being economic backwaters: the islands were an anomalous space – distant, difficult to administer, populated by refugees, and dependent on contraband as a living. [8]

**Cadiz and Seville: monopoly privileges, but diverse fates**

Second, the port-towns of Cadiz and Seville which shared several key characteristics. They were both expanding urban centres before they were designated metropoles, but this new status enabled them to enjoy vigorous urban growth, economic diversification and physical expansion, largely as a result of higher rates of in-migration. They ultimately lost their metropolitan privileges, in 1674-1717 and 1774 respectively although for different reasons, but in both cases the consequences for the two ports and for their hinterland relations were significant.

Towards the end of the fifteenth century Cadiz had already emerged as an entrepôt trading mainly with North Africa. It enjoyed considerable prosperity, with many substantial buildings, as revealed in a map of 1513. However, residential population data ('tallies') reveal a decline

[8] Felipe Fernández-Armesto, *The Canary Islands after the Conquest. The Making of a Colonial Society in the Early-Sixteenth Century* (Oxford, 1982); F. Morales Padrón, *Sevilla, Canarias y América* (Las Palmas, 1970); A. Guimerá Ravina, *Burguesía extranjera y comercio a~~A~~tlántico. La empresa comercial irlandesa en Canarias (1703-1771)* (Santa Cruz de Tenerife, 1985); Carlos Cologan Soriano, *Los Cologan de Irlanda y Tenerife* (Santa Cruz de Tenerife, 2010); *Tenerife wine: historias del comercio de vinos, siglo XVIII (1760-1798)* (Santa Cruz de Tenerife, 2011); Patrick O'Flanagan, Mediterranean and Atlantic settler colonialism from the late fourteenth to the early seventeenth centuries, in E. Cavanagh and L. Veracini (eds.), *The Routledge Handbook of the History of Settler Colonialism* (Abingdon and New York, 2017),~~,~~ pp. 42-3.

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as the century progressed, primarily because of the loss of its nascent trans-Atlantic commerce, but also because of a simultaneous reduction in its North African trade. A brief respite in the mid-fifteenth century was provided by a partial relaxation of trading controls with the New World and the failure of the state to enforce some elements of its monopoly policy. This short window of opportunity, however, soon came to an end and the English sacking of the port in 1596 caused substantial physical damage and accelerated the downward spiral. During the next century, the volume of cargoes landed at Cadiz rose; there was a gradual increase in in-migration; and evidence of both physical and functional expansion. By 1674, Cadiz was discharging the *de facto* role of a metropole, which was confirmed *de jure* in 1717 at a time when it met most of the criteria for a national metropole. In one respect Cadiz was different to all the other metropoles on the peninsula: it remained a classic entrepôt and its relationship with its hinterlands was extremely limited. Cadiz was built on a series of islands, which were only later connected to the mainland, and its role as an early growth centre only had a limited impact in mobilising regional development prior to the mid-nineteenth century.[9]

Cadiz's career as a metropole abruptly ended with the formal abolition of the monopoly in 1774. Suddenly, it faced the task of re-establishing itself as a peninsular port having lost its premier trading position with the Latin American colonies. By the early nineteenth century, it was experiencing significant losses: a reduction in the size of its merchant community, especially foreign traders; a considerable decline in port activities and in the handling of merchandise; increased outmigration; and a halt to physical expansion. Within the space of two decades, Cadiz effectively possessed only a peninsular foreland. It handled trade with the Canary Islands and functioned as a re-distribution centre for produce from the Islands and North Africa which was dispatched to other peninsular ports. There was growing competition from other ports in the Bay of Cadiz, such as El Puerto de Santa Maria, which had expanded due to increased sherry production and the profitability of the sherry trade. The rapid fall in the number of ships recorded in Cadiz's port registers provides irrefutable evidence of its decay. Only with the arrival of the railway and the subsequent improvement in internal communications did the economic position of Cadiz begin to improve. But it never really lost its historic role as an entrepôt for the Peninsula, while its geographical location and the legacy of poor communications prevented it from acting as a regional growth centre for settlements in its hinterlands.[10]

In many respects Seville's trajectory was the reverse to that of Cadiz. From 1503, it dominated trade with the Ibero-American colonies, but its metropolitan status was withdrawn

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[9] A. Rumeu de Armas, *Cádiz: Metrópoli de comercio con Africa, en los siglos XV y XVI* (Cadiz, 1976); Patrick O'Flanagan, *Port Cities of Atlantic Iberia, c.1500-1900* (Aldershot, 2008); Patrick O'Flanagan, 'Port cities: engines of growth in an emerging Atlantic system', in Carola Hein (ed.), *Port Cities, Dynamic Landscapes and Global Networks* (London, 2011), pp. 27-42; M. P. Ruiz Nieto-Guerrero, *Historia urbana de Cádiz: Génesis y formación de una ciudad moderna* (San Fernando, 1999).

[10] G. J. Walker, *Política española y comercio colonial, 1700-1789* (Barcelona, 1979); Patrick O'Flanagan and Julian Walton, 'The Irish Community of Cadiz during the eighteenth century', in Howard Clarke, Jacinta Prunty and Mark Hennessy (eds), *Surveying Ireland's Past: Multidisciplinary Essays in Honour of Anngret Simms* (Dublin, 2004), pp. 89-119; J. Maldonado Rosso, *La formación del capitalismo en el marco del Jerez. De la vitivinicultura tradicional a la agroindustria vinatera moderna (siglos XVIII-XIX)* (Madrid, 1999).

in 1674, despite opposition from its merchant community, and transferred to Cadiz. The decision was made because sand bars on the Guadalquivir river had led to navigational problems and disrupted local trading networks. Because of Seville's dependency on trade generated by the exploitation of Spain's overseas colonies, the loss of its monopoly position had serious consequences. The lack of local manufacturing and the limited extent of trading activities with its hinterlands meant that Seville suffered an extended period of decline in the seventeenth century. Admittedly, the decline of trans-Atlantic trade in the early decades of the seventeenth century had already led to a noticeable reduction in the handling of goods and commodities, but the downstream effects– of this downward trend in port activity was accompanied by a decline in support services, especially fleet victualling, while shipbuilding was badly affected by difficulties in securing good quality wood and the transfer of state-sponsored naval outfitting to Havana. The outbreak of a major plague in 1649 had a devastating impact on the port-town with a sudden and significant increase in mortality rates. The proposed transfer of metropole privileges had been vigorously contested by Seville's mercantile community, but the battle was ultimately in vain: in 1717, the legal transfer to Cadiz was finally confirmed. Already in the 1660s, accounts of visitors to Seville highlighted the dilapidated condition of many of its districts, which was confirmed by population data. By the early 1700s, the urban population had fallen to c.65,000 from a possible peak of 150,000 a few decades earlier. Although it later rose to c.85,000, there was no further population growth for the next 200 years.[11]

However, our purpose is not to identity the precise causes of Seville's decline, but to explore the implications for its hinterland relationships. We can learn much from the magnificent map produced in 1778 by Tómas López. It confirms that the city was still hemmed in by its ancient walls and that Triana was the only significant extra-mural suburb, traditionally the residence of 'sea-people'. As part of a wider concern of many European states to promote self-sufficiency and to create additional employment, 18 Royal 'manufacturies' (or 'proto-factories') were established by the Spanish authorities throughout the Peninsula. They were intended to produce goods for captive colonial constituencies with the objective of eliminating or reducing imports from other European competitors, but they were also intended to spread some of the benefits of Spain's trading monopoly throughout the kingdom. Seville benefited from the official decision to locate one of the 'manufactures' in the port-town, a textile factory known as *La Real Compañía de San Fernando*. A further attempt to re-invigorate a flagging monopoly was the construction of the vast Royal Tobacco Factory. From the beginning of the seventeenth century onwards, all Spanish tobacco production was officially located in Seville based on a centralised manufacturing system, but the new factory was on a completely different scale. Construction started in 1728 and was completed three decades later: the number of workers rose to approximately 1,000 and they were well placed to capitalise on the changing tastes in tobacco, as snuff gave way to rolled tobacco. A Royal Timber Warehouse was also built in 1735. Private sector initiatives also contributed to the gradual return of some prosperity as Seville became an important redistributive port for Andalusia, while major civic construction projects, including a bull ring (1760), a modern artillery foundry (1760) and a new mint (1790),

[11] H. and P. Chaunu, *Seville et l'Atlantique, 1504-1650, 11 volumes (Paris, 1955-60)*; A. Girard, *La rivalité commerciale et maritime entre Séville et Cadix, jusqu' á la fin du XVIII siècle* (Paris, 1932).

also served as evidence of a moderate improvement in the port's fortune. But throughout the second half of the eighteenth century, state and local finances were constrained, Seville's economic growth remained sluggish and there was a significant fall in agricultural exports from the port to the 'New World'.[12]

To date, little research has been undertaken on the repercussions of the decline in trans-Atlantic trade during the eighteenth century, either for Seville itself or its hinterlands. It is possible that alternative markets were found for the agricultural produce and processed goods from its immediate hinterland, but evidence is still lacking. But the underlying problem for the port's agricultural hinterlands was that it was still structured along seigneurial lines. Most of any profit was taken by aristocratic landlords, by those who rented the land and finally by the Church, with virtually no reinvestment in the management of the land at all. The downward spiral in terms of output and productivity meant that those who worked the land, whether peasants or labourers, suffered impoverishment and starvation. Madoz, when writing about Seville in the late 1840s, found little positive to report: there was no up-to-date financial infrastructure; few, if any, large-scale merchants; and the port's trade was largely local. The negative consequences of Seville's loss of monopoly privileges were still visible, despite the foundation in 1837 of the Cartuja de Sevilla Factory, founded by Charles Pickman Jones and his Spanish brother-in-law for producing high quality glassware and ceramics, initially using English designs.[13]

**Transatlantic opportunities and the consequences of the trading monopoly for ports and their hinterlands**

A group of at least four leading Atlantic port-towns, together with several smaller ones, reveal the disadvantages of having been excluded by the monopoly regulations of 1503 from participating in the transatlantic trade: they are Corunna, Vigo, Santander and Bilbao, as well

[12] J. Cortés José, M. J. García Jaén and F. Zoido Naranjo, Planos de Sevilla, Colección histórica (1771-1918) (Seville, 1992); Javier Echávarri Otero et al., 'Royal Manufactures Promoted by the Spanish Crown during the 18th and 19th Centuries: An Approach to European Industrialisation', in Teaun Koetsier and Marco Ceccarelli (eds.), *Explorations in the History of Machines and Mechanisms Proceedings of HMM2012* (Dordrecht, Heidelberg, New York, London, 2012), pp. 64-5; Emilio Bautista Paz, Marco Ceccarelli, Javier Echávarri Otero and José Luis Muñoz Sanz, *A Brief History of Machines and Mechanisms* (History of Mechanism and Machine Science, Book 10) (Berlin and Heidelberg, 2010), in particular Chapter 7; Lina G~~é~~álvez Muñoz, 'Gender, Cigar and Cigarettes, Technical Change and National Patterns', XIV International Economic History Congress, Helsinki, 21-25th August, 2006.

[13] P. Madoz, *Diccionario geográfico-estad~~i~~ístico-hist~~o~~órico de España y sus ~~P~~posesiones de ultramar, 1845-1850* (with an introduction by J. Ortega Valcarcel) (Santander, 1995); Manuel Bustos Rodríguez, *Cádiz en el sistema Atlántico: la ciudad, sus comerciantes y la actividad* mercantil~~e~~ (Madrid, 2005); José Miguel de Mayoralgo y Lodo, 'La familia Pickman y la Cartuja de Sevilla', *Hidal~~q~~guía*, 182 (1984), pp. 641-673. Charles Pickman was the son of Richard Pickman (1763-1838), a successful Staffordshire pottery manufacturer with offices in London and Liverpool. His elder brother, William, had been sent to Cadiz in 1810 to expand trade, but with only limited success prior to his premature death in 1822. In the same year Charles arrived in Seville, initially setting up a shop in the Calle Gallegos, but subsequently renting (and then purchasing) the confiscated monastery at La Cartuja (1837-40). Its products attracted international recognition; a flourishing trade with Latin America developed; and in 1873 the firm became a supplier to the Spanish Royal House.

the minor ports of Avilés and Gijón. For most of the monopoly period they suffered from relative economic stagnation and an inability to sustain continuous population growth. In some cases, there was a marked fall in population levels and their settlement areas diminished, despite the construction by the state of complex and costly defence installations. By way of contrast with Seville and Cadiz, many of these ports acted as *de facto* capitals of their region. Yet the degree of integration varied considerably. The key constraint on the development of trade networks was the almost total absence of reliable road communications. Accessibility to the 'capital' within each region was one matter: connectivity between the capital and other urban centres and between regions was poor and acted as a restraint on economic growth and port expansion. The port-town of Santander will serve as an example of the type of problems which faced all the ports affected by the 1503 trading embargo.

Santander's geographical position was advantageous in terms of the development of trading activities. Tucked in behind a neck of land, its site and harbour offered both protection and shelter for maritime activities and urban growth. Within this context, it emerged during the sixteenth century as a centre for wool exports and became as a significant rival to Bilbao in Atlantic trade. It became the largest port on Iberia's Atlantic coast after Lisbon. Its potential hinterland covered a vast area to the south and west. Despite its ideal location, it was embargoed from maintaining direct trading links with the colonies and became an inner-Atlantic port. It became overly dependent on wool exports and its development was determined primarily by cyclical changes in demand (both national and international), which accounted for the port's expansion and decline. In the mid-sixteenth century a period of growth was reflected by improvements in the port infrastructure with the construction of new docks and cranes, while between 1637 and 1652 wool exports were again buoyant with visible benefits for the port-town.[14]

After that date, the port experienced a period of severe economic decline, population loss, and dereliction in some sections of the town. The explanation is relatively simple. The wool exported through the port came from Castile, a region that was relatively distant from Santander, but, nevertheless, was viewed as part of its hinterland. The export market lay in northern Europe and Santander did not play any role of note in the colonial trade. But the overgrazing of land in Castile (discussed above) was followed by a reduction in supply and a shortage of raw wool exports. Unlike Bilbao, the merchants of Santander were not able to locate or exploit a substitute raw material for the export trade. In 1660, a visitor to the port noted that there were only six or seven buildings that had the size of (stone) houses visible in other major seaports.[15]

In response to this situation, important steps were taken to improve hinterland connectivity and inland trading networks. The local commercial lobby, well represented on the institutions of civic administration, realised that no matter what investments were made in port facilities and goods handling technology, the key to the port's future prosperity depended on improving connectivity with the inland areas of the Meseta and Castile. It could be argued that the logic

[14] T. Martínez Vara, *Santander, de villa a ciudad* (Santander, 1983); Autoridad Portuaria de Santander (ed.), *La memoria del territorio. Atlas histórico de Santander y su puerto* (Santander, 1998).
[15] Autoridad Portuaria, *La memoria*.

of strengthening hinterland connectivity would have gained currency irrespective of whether the port was included in or excluded from colonial trade. But the embargo made it doubly necessary to expand links with the port's hinterland, which, in turn, sustained the rapid growth in the export of Castilian wheat and enabled Santander to ship enormous volumes of colonial-sourced sugar to Spain's interior.

This objective was achieved by the construction of a road across the Cantabrian Mountains which linked the Meseta to the Atlantic coast crossing the mountains via the town of Reinosa. It was an ambitious and daunting task of civil engineering and highly contested politically by various factions and vested interests. The main opposition came from merchants and commercial groups involved with the *Consulado* at Burgos who realised that their privileged position would come to an end on completion of this enterprise. They were quickly proved right. The conclusion of the road project in 1749 signalled a victory for a series of power blocks, including the landowners, grain producers, carriers, millers, and brewers of Castile, as well as the merchants and shippers of Santander; it emboldened wheat producers to emerge as a powerful political lobby; and enabled the wine producers of the Duero Valley, and those of La Rioja and Navarre, to export their produce once again to northern Europe via Santander. The net effect was to loosen and then to break the stranglehold that Burgos had exercised for centuries on Cantabria and its chief port, Santander.[16]

The improvement in communications with its hinterland, enabled Santander to plough increasingly a more independent furrow, at least within a regional framework. In 1754 it became a separate diocese; in 1755 it was officially declared a 'city'; and in 1787 the merchant community celebrated the establishment of Santander's own *Consulado*. Even though the colonial embargo was partially lifted in the early 1760s, the long-term impact of trade restrictions and years of decline and stagnation were reflected in the extremely slow rate of population growth over the next four decades. Between c.1760 and 1800 only some 600 families were added to the total, representing, at most, approximately 2,000 people. Over the next half century, more sustained growth and trade expansion contributed to the port's prosperity and its population grew threefold to reach a total of some 20,000 by the early 1850s.[17]

The lifting of the monopoly embargo on Santander ushered in over the next century three discrete phases of trade growth, urban expansion and improved hinterland connections. It began with a low intensity phase of increased inter-regional trade and redistribution, which was followed by a period during which both inward and outward international trade became increasingly significant. The final phase saw a consolidation of these trends with a general expansion in trade to local and regional ports, more frequent European exchanges, and increased international seaborne commerce. The export of wheat from the Spanish interior and the import of sugar from Ibero-America were the key ingredients behind the revival of the port's international trade. Wheat was mainly exported to the Antilles, although the volume of trade was subject periodically to enormous variations. In return, sugar was imported in growing quantities from the same region and from Veracruz. Much of the incoming sugar was redirected to other peninsular ports. During the early nineteenth century, other colonial produce, such as

16 A. Huetz de Lemps, *Vignobles et vins du nord-ouest de l'Espagne* (Bordeaux, 1967).
17 Martínez Vara, *Santander*.

cocoa, arrived in increasing volumes. In addition, the wool trade witnessed a moderate revival from the late eighteenth century onwards with an increase in exports to northern Europe.[18]

However, there were several contradictions in the composition of Santander's trade, particularly relating to its hinterlands. Specific merchant interest groups, known as *la harinocracia*, from northern Old Castile benefited enormously from the boom in wheat exports as the region became part of Santander's hinterland. The construction of the long-sought-after highway underpinned these developments. Paradoxically, La Montaña (Cantabria), the immediate traditional hinterland of Santander, did not share to the same extent in the prosperity generated by the port. The main explanation can be found in the rural conditions in Cantabria in the early nineteenth century which were not unlike those in much of neighbouring Galicia.[19] Farms were minute, most were held by tenants without capital who were forced to combine farming with other employment, such as working as carriers and porters, the local aristocracy (*hidalgos*) which owned most of the land was not interested in agriculture, and the region boasted of few marketable raw materials. To this extent, the ability of Santander's immediate hinterland (the lowlands and sierras of Cantabria) to benefit from its prolonged period of trade expansion was constrained by poor physical endowment: most of the rural residents were barely self-sufficient; they had no capital to invest in the growing sectors of the local and regional economy; and if Santander benefited from higher rates of in-migration, the loss of active age groups from its Cantabrian hinterland reinforced its relative deprivation.

A series of detailed maps and plans drawn up towards the end of the eighteenth century reveal the extent to which Santander underwent gradual demographic expansion. They illustrate the construction of a new and attractively planned quarter to the west of the urban core known as *La Nueva Población*. It housed many merchants and some skilled artisans who had prospered from the growth of the port's activities. The urban rentier class, made up until then by members of the church and nobility, had now expanded to include at least a score of wealthy merchants. External factors enabled Santander to break free from the smothering effects of the monopoly; to develop as a vibrant trading hub for the export and import of raw materials; and to extend is role as a regional distribution centre. But its range of commercial activities remained insufficiently diverse to shield it from the negative economic consequences of the decline and failure of the wheat export trade in the later nineteenth century.[20]

## 2. Portugal

The first attempt to enforce a monopoly of royal trading rights was in 1434 with the creation of the Casa de Ceuta (later the Casa da India) in Lisbon and similar regulatory bodies were established to strengthen control of the African trade by Prince Henry the Navigator. Following the return of Vasco da Gama and Pedro Álvares Cabral from their expedition to India and official recognition of the immense wealth that the new trades would generate, the *Casa da*

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[18] R. Maruri Villanueva, *La burguesía mercantil~~e~~ santanderina, 1700-1850. Cambio social y mentalidad* (Santander, 1990).

[19] J. Ortega Valcárcel, *Cantabria, 1886-1986. Formación y desarrollo de una economía moderna* (Santander, 1986); Sharif Gemie, *Galicia: A Concise History* (Cardiff, 2006), pp. 34-37; Patrick O'Flanagan, *Xeografía Histórica de Galicia* (Edicións Xerais de Galicia) (Vigo, 1996).

[20] Maruri Villanueva, *La burguesía mercantil~~e~~ santanderina*.

*India e Guiné* was founded in 1443 to manage all aspects of the country's overseas trade with India and Africa, including the trade in African slaves (which was dealt with by a separate agency, the *Casa dos Escravos*, created in 1486). There is an extensive literature on the development and significance of the exercise of the Portuguese monopoly, primarily in relation to its changing agency structure, its operational problems, the theoretical justification of crown privileges and the gradual rise of career bureaucrats (*letrados*) in the mid-seventeenth century.[21] What is clear is that the crown, having declared in 1510 a royal monopoly on spices, drugs, sealing wax, dyes, indigo and benzoin, was constantly forced to re-evaluate the means by which it could safeguard its claims, by carrying out experiments to find an 'optimal strategy', whether that included financing fleets by Italian commercial houses, working with a German merchant, Konrad Roth of Augsburg, to implement a new Asian contract system (from 1575), or creating in 1629 a Portuguese East India Company along the lines developed by the English and Dutch in 1600 and 1602 respectively.[22]

Many elements of the Portuguese early trading monopoly were subsequently adopted by Spain. During the period of Habsburg rule between 1580 and 1640, new mechanisms were introduced to manage Portugal's colonial empire and the monopoly trading system that underpinned it. But the creation of the *Conselho da Fazenda* in 1591, designed to integrate several agencies under a new council, was not an external imposition: it also reflected the desire for organisational change on the part of the Portuguese. However, there were still inter-agency conflicts and policy instructions were often unclear. A further round of reforms was initiated in 1736, imitating the contemporary French system, but the net effect was to reduce further the role of the overseas council.[23] In reality, the Portuguese never had sufficient men or ships to implement its monopoly claims effectively; despite a display of ostentatious wealth, the crown never had enough capital to manage overseas trade as it intended; and the increasing incursions of the English and the Dutch in Asia reduced significantly the financial returns to Lisbon. But little attention has been paid to two aspects of the trading monopoly. First, the extent to which it was ever implemented effectively and, second, its impact on the growth of other Portuguese ports and their hinterlands, specifically in the case of Porto.

Porto is an instructive case because evidence suggests that the state (and its local officials) was sometimes too weak to enforce many of the monopoly regulations, particularly in the

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[21] See, for example, Malyn Newitt, *A History of Portuguese Overseas Expansion 1400-1668* (London and New York, 2001); Sanjay Subrahmayam, *The Portuguese Empire in Asia 1500-1700* (London, 1993); Sanjay Subrahmanyam and Luís Filipe Thomaz, 'Evolution of Empire: The Portuguese in the Indian Ocean during the 16th century', in James D. Tracy, (ed.), *The Political Economy of Merchant Empires: State Power and World Trade, 1350-1750* (Cambridge, 1993), pp. 298-331; K. S. Mathew, 'Portuguese Trade with India and the Theory of Royal Monopoly in the Sixteenth Century', *Proceedings of the Indian History Congress*, 40 (1979), pp. 389-98.

[22] Om Prakash, *The New Cambridge History of India, Vol. II, 5 European Commercial Enterprise in Pre-Colonial India* (Cambridge, 1998); *idem*, 'International Consortiums, Merchant Networks and Portuguese Trade with Asia in the Early Modern Period', paper presented to the XIV International Economic History Congress, Helsinki 2006; A. R. Disney, 'The First Portuguese India Company 1628-33', *Economic History Review*, 30, 2 (1977), pp. 242-58; Chandra Richard de Silva, 'The Portuguese East Indian Company 1628-1633', *Luso-Brazilian Review*, 11, 2 (1974), pp. 152-205. The Portuguese East India Company ceased operating in 1633.

[23] Teddy Y. H. Sim, *Portuguese Enterprise in the East. Survival in the Years 1707-1757* (Leiden, 2011), pp. 56-66.

seventeenth century. Indeed, it was only after the enthronement of José I in 1750 that the Marquis of Pombal, who held the position of Secretary of State for Internal Affairs (1750-1777), was able to initiate major reforms both in Brazil and in Portugal itself, including the expulsion and expropriation of the Jesuits and their properties (1757), improvements in the state's administrative apparatus and a more effective implementation of monopoly regulations in the country's ports, including Porto.[24]

**Porto: Lisbon's metropolitan status, the trade monopoly and hinterland relations**

Unlike in Spain, Lisbon was designated Portugal's capital and de facto metropole at an early date (1255). It continued to discharge this role even during the period of the Dual Monarchy (1580-1640) when the country was under Habsburg rule. Indeed, it was only with the Treaty of Lisbon (1668) that Portugal's full independence was finally regained. Lisbon's primacy remained unchallenged, apart from a brief period following the catastrophic earthquake of 1755 when the loss of approximately 20 per cent of its population and the destruction of up to 85 per cent of its buildings meant that Porto briefly took over the role. In fact, there was underlying tension and trade competition between Lisbon and Porto until the end of the nineteenth century: they represented two non-integrated regions, but whereas Porto was relatively dynamic until the 1850s, Lisbon and its hinterland had become economically dominant by 1900.[25]

By the early sixteenth century, Lisbon was already well established as the dominant metropole in Portugal. It had seen rapid demographic and physical expansion, the in-migration of many foreign merchants, and a diversification of its functional basis, primarily as a result of the wide range of activities associated with its role as capital, metropole and trading hub. Despite Lisbon's dominant position in Portugal, Porto, as the former capital and the leading northern port-town, still found the space to develop a significant trading function.[26] Recent research confirms that it had considerable involvement in the Brazil trade, especially in gold, as confirmed by ships' manifests. There was marked increase in the number of ships entering the port from 34 vessels in 1657 to 2,523 by 1698, an increase of 700 per cent, which reflected Porto's emergence as a major inner-Atlantic port-town. The growth of the export trade in port wine, population growth and urban physical expansion were all testimony to the enormous increase in port activity, while the construction of new roads reinforced connectivity with its immediate and more distant hinterlands. Porto also benefited, at least in the short-term from Pombal's attempts to break free from some of the elements of the Methuen Treaty of 1703 by adopting a new trading monopoly. This provided an opportunity to challenge some of the

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24 K. Maxwell, *Pombal: Paradox of the Enlightenment* (Cambridge, 1995).

25 Maria Eugénia Mata, 'Lisbon/Oporto Rivalry in the 19th and 20th centuries'; and Ana Bela Nunes, 'Portuguese Urban System: 1890-1991', in Pedro Telhado Pereira and Maria Eugénia Mata (eds.), *Urban Dominance and Labour Market Differentiation of a European Capital City Lisbon 1890-1990* (New York, 1996), pp. 7-48 and pp. 123-150 (respectively).

26 A. J. Morais Barros, 'Merchants, ports and hinterlands. The building of sea-port structures in early modern Porto', História, III series, 9 (2005), pp. 89-112; A. Barros Cardoso, 'Portugal ea Inglaterra nos tempos modernos', *História*, 4 (2003), pp. 37-58; see also, Chapter 3, above.

treaty’s trade restrictions as well as Lisbon’s primacy. However, the two ports still registered significant differences in the composition of their import and export trades.[27]

**Lisbon and Porto: foreland differences**

According to Guichard (1992), improved trading conditions facilitated the expansion of Porto’s trading foreland towards the close of the nineteenth century. Its primary focus was increasingly on northern Europe, with London acting as its principal source and destination for goods. Amsterdam, Hamburg, and various Baltic ports followed in that order; the Brazil trade was another important component; while inner-Atlantic and Mediterranean ports were a final element in Porto’s trading profile. By way of contrast, Lisbon’s foreland was more focused: England (London), France, and Brazil were its key components, followed by Spain. By the mid-nineteenth century, Lisbon and Porto accounted for 98 per cent of all Portugal’s imports. However, Lisbon’s growing pre-eminence is evident in shipping data: in 1855, Lisbon and Porto accounted for 44 and 29 per cent respectively of all shipping movements, but towards the end of the nineteenth century the increasing pre-eminence of Lisbon was all too evident when the share of the two ports was 86 per cent and nine per cent respectively.[28]

Again, as was the case in Spain, the development of a national railway system from the mid-1850s onwards played an important role in determining Porto’s trading function and growth trajectory. Although the state tried to shape the development of the country’s transport infrastructure, public funds were insufficient and investors from Britain and France played a critical role. A general plan set out a framework for the improvement of communications and the first railway was opened in October 1856 between Lisbon and Carregado. As early as 1852 a decree authorised the government to build a railway line between Porto and a main line from Lisbon to the Spanish border, but the overriding strategy was to reinforce the role of the capital. By 1864, the government’s development priorities were clear, namely the prioritisation of Lisbon’s railway connections with Porto, Spain and the southern areas of the country. The net result was to reinforce the commercial and economic importance of Lisbon at the cost of Porto and other trading centres. Moreover, railway development allowed Lisbon to extend its own hinterland northwards to include Coimbra, thereby incorporating the southern section of Porto’s traditional hinterland. For example, the wines of Bairrada, which had previously been sent to Brazil from Porto, were now shipped increasingly from Lisbon. But if the way in which

[27] Anthony John R. Russell-Wood, ‘Brazilian Gold and the Commercial Sector in Oporto’, in E. Ribeiro da Silva (ed.), *Estudos en Homenagem a Luis Antonio de Oliveira Ramos* (Porto, 2004), pp. 933-40; V. Rau, ‘O movimiento da barra do Douro durante o século XVIII’, Boletim Cultural da Cámara Municipal do Porto, vol. XXI (1958), pp. 5-27. The Methuen Treaty, from a Portuguese perspective, involved ‘over-coercion, over-taxation, over-administration’ and excessive law-making. See, K.~~-~~R. Maxwell, ‘Portuguese America’, *The International History Review*, 6, 4 (1984), p. 534.

[28] François Guichard, *Porto: la ville dans sa region. Contribution a l’étude de l’organisation de l’espace dans le Portugal du Nord*, 2 volumes (Lisbon, 1992); O’Flanagan, *Port Cities*, p. 168; Amélia Pólonia, ‘Dinâmicas e inte~~t~~ra~~e~~ções sociais: os portos de Lisboa e Porto nos séculos XVII e XVIII’, in José Ignacio Fortea Pérez and Juan E. Gelabert Gon~~a~~zález (eds), *La ciudad portuaria atlántica en la Histo~~e~~ria: Siglos XVI-XIX* (Santander, 2006), pp. 243-80; *idem*, ‘Les gens de mer et les communautés littorales: approaches pour un synthèses de l’historiographie portugaise’, *Revue d’Historir~~i~~e Maritime*: *La Recherche Internationale en Histoir~~i~~e Maritime – essai d’évaluation*, 11-12, 2010, pp. 175-194; J. B. Bebiano, *O Porto de Lisboa. Estudo de histó~~o~~ria econ~~o~~ômica* (Lisbon, 1960).

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the railway system developed had negative consequences for Porto's trading position and its hinterland relations, other factors contributed to its relative decline. There were extended delays in the construction of a new port at Leixões; with the increase in the size of ships there were access problems across the bar to Porto's docks; and Lisbon's emergence as a national railway hub provided it with even greater commercial opportunities, thereby reinforcing its position as Portugal's chief port city.[29]

## Conclusion

The 'Age of Discovery', by establishing trading links with Africa, Asia and the Americas, offered the prospect of enormous wealth to the rulers of Portugal and Spain and the higher echelons of their societies, namely the aristocracy, financiers, and wealthy merchants. Monopolies had been used well before the fifteenth and sixteenth centuries to secure royal control of assets so it is not surprising that the kings of the two Iberian states chose this approach to guarantee that they would benefit considerably from the unparalleled riches of Africa, Asian and the 'New World'. The private sector, although willing to cooperate with the Crown, did not have the resources to implement and maintain trade monopolies. When a Portuguese East India Company was created in 1629, it only lasted for four years, and Spain itself never felt impelled to follow suite. The consequences of implementing and enforcing trade monopolies in ports that were to be excluded from participation were never taken into consideration, nor was the secondary impact on their respective hinterlands deemed to be of importance. The example of Seville provides an instructive lesson on assessing the damage which resulted from exclusion from monopoly trades, when its privileged status was terminated and transferred to Cadiz (1674-1717). But the analysis of the Iberian ports selected for this study provides a basis for assessing the negative impact of exclusion from the trading monopolies, as well as the wider consequences for their respective hinterlands. Four points deserve to be emphasised.

(i). **Shared or distinctive responses to a common dilemma**

Civic bodies at non-metropole ports, both in Portugal and Spain, shared a set of similar problems during the period when the royal trade monopolies were 'enforced'. Each port set out to intensify commercial interactions with 'New World' ports, but none achieved this until the national monopolies were abolished. The alternatives were to intensify either inter-European trade or commercial contacts with the metropole. Ports attempted to break free from the restrictions of the trading monopoly by employing different ruses and strategies. Realising this

[29] Magda Pinheira, 'Le Role de l'Etat dans la Construction des Chemins de fers du Portugal aux XIXe Siècle', *Histoire, É~~E~~conomie et Société*, 11, 1 (1992), pp. 173-184;Eugénia Mata, 'The Role of Implicit Contracts – Building Public Works in the 1840s in Portugal', *Business History Review*, 50, 2 (2008), pp. 147-162; Luis Espinha da Silveira, Daniel Alves, Nuno Miguel Lima, Ana Alcântara and Josep Puig, 'Population and Railways in Portugal, 1801-1930', *Journal of Interdisciplinary History*, XLII, I (2011), pp. 29-52.; M. Alegria, 'A organização dos transportes en Portugal (1850-1910): As vias e o tráfego', *Memórias do Centro de Estudos Geográficos*, 12 (1990); D. Justino, *A formação do espaço económico nacional. Portugal, 1810-1913,* Vol. 2 (Lisbon, 1989). It should be noted that a final plan for Portugal's railway network was only agreed in 1877.

was impossible, they all survived as functioning ports often handling a dwindling number of ships, even recording losses of population and ~~the~~ shrinkage of built fabric. Excluded ports did not react in concert because their commercial constituencies did not share a common purpose. The nature of opposition of Seville's merchants to the transfer of monopoly status to Cadiz is a testament to their seclusion. Isolated from each other by distance and weak trading interactions, their commercial fraternities were incapable of working in unison.

All non-monopoly ports acted as staging nodes for raw materials usually produced in their 'home' regions or hinterlands for transfer to their respective metropole. Most of these goods were either forwarded for sale to overseas communities or used for packaging and exporting by metropolitan agents and merchants, as was the case with large supplies of timber that were initially sent to Santander. Merchandise imported from foreign countries was also redirected to larger urban centres within both Portugal and Spain, including a wide range of goods from northern Europe. Despite the general decline in trading activity, non-monopoly ports continued to function as recruiting centres for vessels registered elsewhere, specifically from metropolitan port-cities. There was a growing demand from ports which benefited from the trading monopoly for sailors involved in transatlantic transport and ratings discharged from naval escort vessels. This, in turn, depleted local labour markets of skilled mariners and fishermen, although it is difficult to quantify the overall loss in labour capital or its cumulative impact on economic development and hinterland vitality.

**(ii). Monopolies and their enforcement.**

Trade monopolies were difficult to enforce. This remained a continuing problem for the kings of Portugal and Spain even during the period of Hapsburg role of both kingdoms between 1580 and 1660). For example, the Spanish attempt to impose a closed sea policy (*mare clausum*) in the Caribbean failed. Settlers were willing to trade with Portuguese, French, English and Dutch privateers for slaves and other produce because Spain could not meet their demands; French privateers used the Atlantic ports in Portugal to shelter between raids on Spanish shipping; and the Portuguese excelled in illegal trading.[30] Licences were easily forged, naval personnel, including seamen, had permission to trade on their own account 'in many items', and throughout this period frequent conflicts between the Iberian kingdoms and other western European powers undermined the monopoly system. With Spain embroiled in costly wars, whether in Europe or overseas, it was unable to administer or police its trading monopolies, as some of the case studies discussed in this chapter have revealed, while Portugal lacked both finance and manpower to implement its trade policies effectively. Despite the negative impact of trade monopolies on Iberia's Atlantic ports, local merchants and seafarers were still able to exploit, to some extent, trading opportunities with the colonies from which they were officially excluded.

[30] It is estimated that at least two-thirds of the trade in with 'New Spain' was illegal, despite Spanish policy. See, Carlos D. Malamud, 'España, Francia y el "comercio directo" con el espacio peruano (1695-1730): Cádiz y Saint Malo', in Josep Fontana (ed.), *La economía española al final del Antiguo Régimen, III. Comercio y Colonias* (Madrid, 1982), p. 5.

## (iii). Transport deficiencies and port-hinterland relations.

It is clear from the earlier discussion that the growth of Iberian ports and the consolidation and extension of their hinterland were constrained by inland transport problems. The Spanish government drew a distinction between 'royal' roads, for which it retained responsibility, and other roads which were to be maintained by provincial and local authorities. At the end of the eighteenth century they were few in number and badly built: Spain's difficult topography made road construction expensive and financially risky and despite a noticeable increase in road building between 1800 and 1814 (to some extent reflecting military requirements during the Napoleonic Wars) and again in the late the 1830s, the overall provision remained poor. By 1840, Spain had 0.6 kilometres of roads ('royal') per 1,000 population, in comparison with 2.5 kilometres in England and Wales (turnpike and local). The reports of English travellers were highly critical. There were some 'superb' roads, but sections between Madrid and Valencia were 'scarcely carriageable', an insufficient number of diligence companies had been established for passenger traffic and transport remained costly, highly seasonal, and unresponsive to cyclical changes in demand. The situation in Portugal was similar, if not worse.[31]

But it would be premature to conclude that the development of port-hinterland relations was a casualty of persistent transport deficiencies and that the eventual construction of railways was ultimately responsible for connecting and creating markets which helped to consolidate the trading position of the Atlantic ports. First, price data reveal a process of convergence which preceded the onset of railway construction both in Portugal and Spain. Inevitably, commodity prices from the late eighteenth and early nineteenth centuries reflected the trading profile of individual ports and the geographical location of centres of agricultural production and manufacturing, but there is clear evidence of cumulative improvements in market efficiency. Second, recent work has suggested that the benefits of railway development on the Iberian Peninsula have been overstated and the net contribution to market convergence was less significant. The pioneering work of Gómez Mendoza suggested that the social savings as a share of Spanish GDP generated by railway construction was as high as eleven per cent, whereas more recent work indicates that it was far lower, at 3.9 per cent. It did stimulate higher rates of temporary migration and its share in national income rose over time, but the major gains in total factor productivity were only registered prior to 1914. A similar picture emerges in the case of Portugal: railway development, despite its problems, encouraged population mobility by facilitating in-migration to Lisbon and some of the Atlantic ports, but the benefits for Portuguese consumers were only evident after the start of the twentieth century.[32]

[31] Antonio Gó~~o~~mez Mendoza, 'Railways and Spanish Economic Growth in the late 19th century', D. Phil., Oxford University (1981); Dan Bogart, Mauricio Drelichman, Oscar Gelderbloom, and Jean-Laurent Rosenthal, 'State and private institutions', in Stephen Broadberry and Kevin H. O'Rourke (eds.), *The Cambridge Economic History of Europe*, Volume 1 (Cambridge, 2010), pp. 88-9 and Table 3.3; Richard Ford, *A Hand-book for Travellers in Spain, and Readers at Home,* Vol. II (London, 1845), pp. 648,717, 857. For background information on Ford, see E.~~-~~W. Gilbert, 'Richard Ford and His Handbook for Travellers in Spain', *The Geographical Journal*, 106, 3, 4 (1945), pp. 144-151.

[32] Vitorino Magalhães Godinho, *Prix et Monnaies au Portugal 1750-1850* (Paris, 1955), pp. 7-8; Rafael Barquis, 'Analysis of Spanish regional wheat process (1765-1815)', *Histoire & Mesure*, XXVI, 2 (2011), pp. 77-104; Antonio Gómez Mendoza, 'Spain', in Patrick O'Brien (ed.), *Railways and the*

There can be little doubt that the development of an efficient transport network on the Iberian Peninsula was hindered by various factors, including a difficult topography, extreme climatic conditions, inadequate planning mechanisms, local rivalry, and a chronic shortage of state funds for essential public works. The undermining of imperial power from the early sixteenth century onwards simply compounded the underlying problems. However, there is evidence of improved market efficiency, both during the second half of the eighteenth century and after 1800, which suggests ways were found to compensate for underdevelopment in the transport sector. And there can be little doubt that the Iberian ports (excluding the Portuguese and Spanish archipelagos) and their merchants played a role in this process.

**(iv). A new hierarchy emerges.**

As well before the 1760s, the trade monopolies of Portugal and Spain had suffered from insurmountable operational problems, their abolition in 1778 came as no surprise. It did not precipitate a sudden re-ordering of Iberia's urban hierarchy, because considerable trade continued between the two kingdoms and their colonies in the New World. This did not end until their formal independence in the early 1820s and even afterwards family links and long-standing merchant networks ensured that the historic pattern of trade was retained, albeit on a much reduced scale.

The trade monopolies adopted by the two Iberian states had a re-distributional impact on their ports, favouring some but disadvantaging most of the Atlantic ports. The available evidence suggests that they suffered significantly, particularly over time, although the inadequate implementation of administrative controls at the local level sometimes allowed merchants and shipowners to maintain links with overseas colonies or to explore the viability of alternative trading networks. The relative decline of Atlantic ports excluded from the state monopolies also affected their hinterland relations. They continued to attract some migrants from their surrounding areas and from further afield, but they no longer functioned as focal points for economic growth and trade expansion. To this extent, trading monopolies as established by the kings of Portugal and Spain prevented the consolidation of relations between the Atlantic ports and their hinterlands.

Other forces, both internal and external, were also at work in determining their relative position within the urban hierarchy, including the growing economic strength of Catalonia (in particular Barcelona) and Valencia; the revival and intensification of Mediterranean trade; the loss of the New World colonies as a result of independence; and the rise of the United States of America as a critical, transatlantic trade competitor. Those ports which benefitted from the exercise of trade monopolies, such as Cadiz, continued to register considerable growth until the late-eighteenth century. Its abandonment was followed by a period of decline: the attempt

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*Economic Growth of Western Europe* (London, 1983), pp. 148-169; Alfonso Herranz-Loncán, 'Railroad Impact in Backward Economies: Spain', *Journal of Economic History*, 66, 4 (2006), pp. 853-881; Silvestre Rodríguez, 'Temporary Internal Migration in Spain, 1860-1930), *Social Science History*, XXXI (2007), p. 540; L. Espinha da Silveira et al., 'Population and Railway in Portugal (1801-1930)' *Journal of Interdisciplinary History*, 42, 1 (2011), pp. 29-52; Maria Eugénia Mata and Lara Tavara, 'The Value of Portuguese Railways for Consumers on the Eve of the First World War, *TST: Transportes, Servicios y Telecomunicaciones*, 7 (2004), pp. 81-100.

to bestow free-port status in 1829 only lasted for four years because of increased smuggling; and foreign trade was undermined by 'oppressive duties and restrictions'. Despite this, Cadiz still enjoyed a higher share of trade with Cuba, Puerto Rico and Manila than other Iberian ports.[33] Prior to 1800, Cadiz was at least sixth in the Peninsula's urban hierarchy: by the 1850s it was no longer in the top ten. By 1860 Seville was ranked fourth and Porto sixth, while Corunna, Santander and Bilbao entered the top 20 in the following decades after a period of sustained growth and expansion. Porto, despite its secondary status to Lisbon, registered increased rates of population growth and an expansion of its metropolitan area from the late-eighteenth century onwards, but Lisbon's revival in the 1860s only served to widen the gap between the two ports. By the end of the nineteenth century, the Atlantic ports of Iberia, except Bilbao and Lisbon, had surrendered prominence to those of the Mediterranean while a new port and urban hierarchy began to emerge.

Royal trading monopolies were often difficult to enforce even when they developed an extensive market structure with a network of agents and a continuity of involvement by principal merchant houses. They represented a well-established strategy to control trade and to maximise royal revenue. From 1434 and 1503 respectively they dominated the trading policies of Portugal and Spain until the late eighteenth century. The consequences for Atlantic ports excluded from participating in the trade monopolies were serious in terms of their access to developing markets in the 'New World', their foreland connections, and overall prosperity. This, in turn, had negative repercussions on hinterland connectivity at a time when local authorities had responsibility for most road construction projects. The marked decline of Spain and Portugal between the early sixteenth century and the mid eighteenth century simply aggravated these underlying problems. But the trading profile and prosperity of the Atlantic ports, as well as the further development of hinterland relations, were influenced increasingly by other factors, even before the formal termination of monopoly trading rights and their future was to depend on how they reacted to new challenges and opportunities.

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[33] John Ramsey McCulloch, *A Dictionary, Geographical, Statistical and Historical of the various countries, places and principal natural objects in the world* (New York, 1847) (2nd edn.), p. 444.