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## A Mercantilist Brand: The British East India Company and Madeira Wine, 1756-1834

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Abstract:	This study analyses the long-term power of mercantilist brands, contrasting reputation building and protection strategies in the Madeira and Port wine industries in the eighteenth and early nineteenth century. The Portuguese crown created a collective brand for Port in 1756, but Madeira wine only received similar protection in the late twentieth century. This study argues that the Madeira wine industry relied, instead, upon a different type of mercantilist brand, a diffuse and multi-faceted "global" umbrella brand, that of the British East India Company, which more than rivalled the power of the Portuguese state as a product certifier and endorser.

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**A Mercantilist Brand:  
The British East India Company and Madeira Wine, 1756-1834\***

Benedita Câmara, Teresa da Silva Lopes, and Robert Fredona

**Abstract**

This study analyses the long-term power of mercantilist firms and brands in industries characterised by high uncertainty and asset specificity. It contrasts the reputation building and protection strategies employed in two similar industries in Portugal in the eighteenth and early nineteenth century, namely those of Madeira and Port wine. The Portuguese crown created a collective brand for Port in 1756, the first regional appellation in the world. Madeira wine only received similar protection in the late twentieth century. This study argues that the Madeira wine industry relied, instead, upon a different type of mercantilist proto-brand, a diffuse and multi-faceted “global” umbrella brand, that of the British East India Company, which during its heyday more than rivalled the power of the Portuguese state as a product certifier and endorser.

Keywords: mercantilism, mercantilist brands, proto-brands, merchants, East India Company, Madeira wine, Port wine

In late-eighteenth and early-nineteenth-century Europe, mercantilism remained a dominant economic rationality in Europe’s global trade, even as liberal and “free trade”

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\* Research for this paper was conducted at the British Library and National Archives (London), the Arquivo Nacional da Torre do Tombo (Lisbon), Arquivo Regional da Madeira (Funchal), and Baker Library at Harvard Business School (Boston). We thank the directors and staffs of those institutions, and especially thank Laura Linard, Melissa Murphy, and Christine Riggle at Baker Library for their continuing and generous support. Early drafts of this paper were presented at the World Congress in Business History (online, 2021) and the Business History Conference (Mexico City, 2022). The authors wish to thank those who chaired, attended, and commented for their critical engagement, especially Patrick Fridenson, Manuel Llorca-Jaña, Mary Yeager, and Takeshi Yuzawa. This paper could not have been written without the support of the Centre for Evolution of Global Business and Institutions at the University of York, the Fundação para a Ciência e Tecnologia in Lisbon (sabbatical scholarship FCT SFRH/BSAB/150381/2019), and the European Union’s Horizon 2020 research and innovation programme (Marie Skłodowska-Curie grant agreement No. 793583). Matthew Johnson provided expert assistance with data and network analysis. Matthew Norris, Vice President, Enterprise Software and Analytics, Art Institute of Chicago, provided the visualization of merchants in figure 1 and other expert assistance with the display of archival data. Isabelle Lewis drew the map of Madeira wine routes and the British and Portuguese empires. Finally, the authors extend their thanks to *Business History Review*’s editors and anonymous referees, and to Gaspar Martins Pereira and Sophus Reinert.

discourses were becoming more widespread.<sup>1</sup> As the label "mercantilism" suggests, it was the capacity of merchants to generate national wealth that lay at the core of mercantilist practices and policies, which encouraged trade by employing a diverse set of protective and projective measures, including the exploitation of colonies, the creation of monopolies and cartels, and the use of tariffs and other *dirigiste* measures. This study analyses the impact of two mercantilist companies and their brands on the international trade in two similar Portuguese wines: the British East India Company (EIC) in the Madeira wine trade, and the Portuguese crown's *Companhia Geral das Vinhas do Alto Douro (Companhia)* in the Port wine trade.

In this era the Port and Madeira value chains had many obvious similarities. Both wines were produced in Portugal, both were fortified, and both were "born global", targeting almost exclusively foreign markets. Additionally, both Port and Madeira were industries characterised by high asset specificity as their products could only be produced in very particular geographic regions with unique characteristics of soil and climate.<sup>2</sup> There were nonetheless important differences between the two value chains, especially in term of branding strategies, which impacted the long-term fates of the two industries, fates inexorably tied to international reputation in a period marked by rampant imitation, fraud, and smuggling.<sup>3</sup>

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<sup>1</sup> On these overlapping ideologies, see Rolf Petter Amdam, Robert Fredona, and Sophus Reinert, "Breaking Even: Political Economy and Private Enterprise in the Norwegian Glass Industry, 1739-1803", *Business History Review* 93, no.2 (2019), 275-317, 316.

<sup>2</sup> For Port wine, see Teresa da Silva Lopes, *Internacionalização e Concentração no Vinho do Porto: Uma Abordagem de Custos de Transacção* (Porto, 1990); and Conceição Andrade Martins, *Memória do Vinho do Porto* (Lisboa, 1990). For Madeira wine, see David Hancock, *Oceans of Wine: Madeira and the Emergence of American Trade and Taste* (New Haven, 2009).

<sup>3</sup> Paul Duguid and Teresa da Silva Lopes, "The Company you Keep: The Port Trade in the Declining Years of the Wine Company, 1812-1840," in *Os Vinhos Licorosos e a História*, ed., Alberto Vieira (Funchal, 1998), 285-309; Paul Duguid, "Developing the Brand: The Case of Alcohol, 1800-1880," *Enterprise & Society* 4, no.3 (2003), 405-441.

This study compares two strategies: on the one hand, geographical certification (delimitation, denomination of origin, controlled appellation), as practiced in the production of Port wine by the Portuguese *Companhia*; on the other, the multi-faceted branding strategy employed by the EIC in the trade of Madeira wine, especially in Asia following the loss of much of the North American market. Both companies gradually perished in the nineteenth century amid liberal agitation and trade liberalization. Yet though both strategies find their origins and rationales in mercantilism, geographic certification has comfortably persisted to this day. Since certification and the Port wine industry have been comparatively well studied, our focus here is ultimately more on Madeira and on the EIC as a powerful and never absent alternative to certification. This focus allows us to shed new light on the idealized distinction, far messier in historical practice than in the platitudes of liberal sloganeers and neoclassical economists, between state capitalism and the free market. And as state capitalism becomes an increasingly attractive alternative to the "free market" consensus of the late twentieth century, we may now re-examine historically-successful and long-lived firms and brand strategies without once-fashionable ideological blinders.

Port is a fortified wine that is high in alcohol content and sweet to the taste.<sup>4</sup> Although fortified wines produced in imitation of Port are widely available, true Port, currently protected by EU law, is produced in the Douro Valley of northern Portugal and takes its name from the city of Porto (or Oporto) on the Atlantic coast near the mouth of the Douro River, from which it has been shipped for centuries, most famously by British merchants.<sup>5</sup> The importance of Port for

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<sup>4</sup> Richard Mayson, *Port and the Douro* (London, 1999), and *The Wines and Vineyards of Portugal* (London, 2003); Sarah Bradford, *The Englishman's Wine: The Story of Port* (London, 1969).

<sup>5</sup> For one example, see Norman Bennett, "Port wine Merchants: Sandeman in Porto, 1813–1831," *Journal of European Economic History* 24, no.2 (1995), 239–69.

these traders was solidified as a result of the Anglo-French wars of the late seventeenth and early eighteenth centuries, such as the War of the Spanish Succession (1701-1715). The flow of French wines successively stopped by bans, punitive tariffs, and war, British traders looked to Portugal.<sup>6</sup> Although it did not inaugurate the rise of Port, nor was it the decisive factor in Portuguese dependency on the British, the so-called Methuen Treaty of 1703 established a preferential tariff regime for Portuguese wine in Britain in exchange for lifting all protective duties against the sale of British woollen textiles in Portugal.<sup>7</sup>

Madeira is, like Port, a fortified Portuguese wine and still renowned as one of the world's most robust. It is named for the island (and archipelago) of Madeira, a possession of Portugal about 625 miles from the mainland and 466 miles from the northwestern coast of Africa. Navigators in the service of the Portuguese *infante* Henry the Navigator (d. 1460) claimed the island in 1419 and it was soon settled by their countrymen, who numbered in the thousands there by the end of the sixteenth century.<sup>8</sup> Blessed with favourable winds and ocean currents, it was an important stopover for merchant vessels heading from Europe to the Caribbean, with its capital

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<sup>6</sup> John V. C. Nye, *War, Wine, and Taxes: The Political Economy of Anglo-French Trade, 1689-1900* (Princeton: 2007), 32-67; Elizabeth B. Schumpeter, *English Overseas Trade Statistics, 1697-1808* (Oxford: 1960/1961), Table 16; Charles Ludington, *The Politics of Wine in Britain: A New Cultural History* (Houndmills, 2013), 121-182.

<sup>7</sup> Alan David Francis, *The Methuen and Portugal 1691-1709* (Cambridge, 1966), 184-218; Paul Duguid, "The Making of Methuen: The Commercial Treaty in the English Imagination," *História* 3, no.4 (2003): 9-36. This exchange served David Ricardo as a primary *exemplum* for his theory of comparative advantage, at the core of classical economics; for a powerful critique of which, see James K. Galbraith, *The Predator State: How Conservatives Abandoned the Free Market and Why Liberals Should Too* (New York, 2008), 70. The revisionism of José Luis Cardoso, "The Anglo-Portuguese Methuen Treaty of 1703: Opportunities and Constraints of Economic Development," in *The Politics of Commercial Treaties in the Eighteenth Century: Balance of Power, Balance of Trade*, eds., Antonella Alimento and Koen Stapelbroek (Cham, 2017), 105-24, is important.

<sup>8</sup> Luís de Albuquerque and Alberto Vieira, *The Archipelago of Madeira in the XV-Century*, trans. Martin A. Kayman and M. Filomena Mesquita (Madeira, 1988).

at Funchal serving as an essential port of call. Beginning in the seventeenth century British ships to be loaded with wine became fixtures of Madeira's ports and British merchants came to control the trade in that wine, most of it fortified for export. Ships departing from Funchal were often loaded with casks, called *pipas* or "pipes", of this fortified Madeira wine. These pipes were commonly destined to sail across the globe in the ships' holds, producing the so-called *vinho da roda* (rolled wine), which pitched and rolled about as it made a trip to the warm climes of the Tropics and back, giving it a better and much-sought-after flavour.<sup>9</sup> **INSERT MAP**

**SOMEWHERE NEAR HERE** The presence of the English in Madeira transformed it and, by the late nineteenth century, the island was "anglicized"—as a Madeira journalist and historian wrote in 1873—"in race, costume, ownership of land, as well as in its trade and money".<sup>10</sup> This was the case despite the fact that the British exercised *de facto* political control over Madeira for

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<sup>9</sup> An early account of this in [William Bolton], *The Bolton Letters: The Letters of an English Merchant in Madeira, vol. 2, 1701-1714* (Funchal, 1960), 45. More generally, see James Simpson, *Creating Wine. The Emergence of a World Industry, 1840-1914* (Princeton, 2011), 24-7, 131-36. See also Thomas Bentley Duncan, *Atlantic Islands: Madeira, the Azores, and the Cape Verdes in Seventeenth-Century Commerce and Navigation* (Chicago, 1972), 38-9. The use of heating stoves as a shortcut in this process began in the 1790s and, already in 1804, was blamed for diminishing the wine's reputation by the representative (*Juiz do Povo*) of craftsmen in Funchal. The Governor of Madeira nonetheless attested, on the authority of merchants and large landowners, that both exports and tax receipts had increased between 1790 and 1803. "Letter of the Governor of Madeira to the Viscount of Anadia," 14 February 1804, document 1428; "Petitions of Landowners and Merchants," documents 1428-1431; and "Certifications of Exports," document 1432. Lisboa, Arquivo Histórico Ultramarino [AHU], Conselho Ultramarino-CA [CU-CA]

<sup>10</sup> Álvaro Rodrigues de Azevedo, quoted in Desmond Gregory, *The Beneficent Usurpers: A History of the British in Madeira* (Teaneck, NJ, 1988), 23. Rose Macaulay, *They Went to Portugal Too* (London, 1946) remains a lively sketch (historical and otherwise) of British Madeira.

less than a decade (1801-02, 1807-14) during the Napoleonic Wars, garrisoning troops there, and *de iure* control for less than a year.<sup>11</sup>

The second Navigation Act, promulgated in 1660, which was, like the earlier Act of 1651, a key part of English mercantilist policy-making in the era of Anglo-Dutch conflict over trade supremacy, included a loophole that classified Madeira as outside Europe and allowed Madeira wine to travel directly to the American colonies without first passing through British ports, which stimulated the creation of transport facilities and routes dedicated to this commerce, further lowering the cost for American consumers.<sup>12</sup> At first Madeira became popular in America because it was less expensive than Port or Sherry, but—refined over time—it ultimately emerged as an important signifier of taste and status.<sup>13</sup> While both beverages had historically been sold in diverse parts of the world, Port was known as a drink of the British, and Madeira, before the cascading effects of 1776 and the independence of the United States, was known as a drink of the North American colonies.

### **British and Portuguese Mercantilism**

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<sup>11</sup> Desmond Gregory, *The Beneficent Usurpers – A History of the British in Madeira* (London, 1988), 33-50. For the wider context, see Roger Knight, *Britain Against Napoleon: The Organization of Victory, 1793-1815* (New York, 2013).

<sup>12</sup> Timothy Walker, "Atlantic Dimensions of the American Revolution: Imperial Priorities and the Portuguese Reaction to the North American Bid for Independence (1775-83)," *Journal of Early American History* 2 (2012): 247-85, 253-254; Hancock, *Oceans*, 107-108, 111-119. On the relationship between empire and economic growth in Portugal, see Leonor Freire Costa, Nuno Palma, and Jaime Reis, "The Great Escape? The Contribution of the Empire to Portugal's Economic Growth, 1500-1800", *European Review of Economic History* 19.1 (2015): 1-22.

<sup>13</sup> Hancock, *Oceans of Wine*.



The antipathy to mercantilism that emerged during the Enlightenment lies at the very origins of the traditions of classical and neo-classical economics.<sup>14</sup> In *The Wealth of Nations* Adam Smith laid siege to what he called “the mercantile system”, presenting a monolithic straw-man version of an economic system captured by conspiratorial merchant interests and based upon a fundamental confusion between wealth and bullion. The policy hallmark of this system, for Smith, was the maintenance of a positive balance of trade (a greater inflow than outgo of precious metals) by means of cartels and trade protectionism.<sup>15</sup> Under Smith’s shadow, mercantilism came to stand in as a foil for liberal economic thought: a policy of rent-seeking inspired by special interests aligned with a mistaken conception of national wealth and a backwards view of trade as a zero-sum game.<sup>16</sup> In the aftermath of the global financial crisis, historians have rethought mercantilism, producing a rich literature over the last decade that has placed it squarely at the center of debates about national rivalry, early modern state formation, cultures of knowledge, the Atlantic and colonial economies, and public law and administration.<sup>17</sup>

It remains an open question whether mercantilism—reductively conceptualized with great success by its enemies—was, in fact, a theory or system at all.<sup>18</sup> The golden age of

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<sup>14</sup> Joel Mokyr, “Mercantilism, the Enlightenment, and the Industrial Revolution,” in *Eli Heckscher, International Trade, and Economic History*, eds., Ronald Findlay et al. (Cambridge, MA, 2006), 269-303.

<sup>15</sup> Adam Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations*, ed., Edwin Cannan (Chicago, 1976 [original 1776]), Book IV, vol. 1, 447-524, and vol. 2, 4-182.

<sup>16</sup> Robert B. Ekelund and Robert D. Tollison, *Mercantilism as a Rent-Seeking Society: Economic Regulation in Historical Perspective* (College Station, 1981).

<sup>17</sup> See the essays in “Forum: Rethinking Mercantilism,” *William and Mary Quarterly* 69, no.1 (2012), 3-70, in *Mercantilism Reimagined: Political Economy in Early Modern Britain and its Empire*, eds., Philip Stern and Carl Wennerlind (Oxford, 2013); idem, in *Mercantilismus: Wiederaufnahme einer Debatte*, ed., Moritz Isenmann (Stuttgart, 2014); and in *Economic Growth and the Origins of Modern Political Economy: Economic Reasons of State, 1500-2000*, ed., Philipp Robinson Rössner (New York, 2016).

<sup>18</sup> D. C. Coleman, *Revisions in Mercantilism* (London, 1969).

“mercantilist” writing in England, chiefly composed by merchants and government functionaries rather than moral philosophers like Smith, covers roughly the century and a half between Thomas Mun (*A Discourse of Trade*, 1621; *England’s Treasure by Forraign Trade*, 1663, but penned in the late 20s) and James Steuart (*Principles of Political Oeconomy*, 1767). Although it ultimately took on a more synthetic character, this literature ranged over a whole host of complex practical issues related to commerce, from herring fisheries to interest rates to the regulation of trading companies, taking no single position on any given issue. Yet, as Lars Magnusson has persuasively argued, this heterogenous literature was marked by a shared vocabulary and common topology. At the core of this conceptual discourse, inflected by debates from other fields and long practice by merchants and governments, was the equation of national power and national plenty.<sup>19</sup> Although reacting to local circumstance, the English pamphleteers and merchant-consultants were not unique. Instead their works may represent a subset of a wider web of European intellectual and policy phenomena, possibly descending from the Italian *ragion di stato* tradition and including also French Colbertism and *economique politique* and German Cameralism, one that equates national greatness with national wealth and relies on skilful administration, and sometimes crucially force and violence, rather than the supposedly “free” and uncoordinated markets later called into being.<sup>20</sup>

This paper is not an intervention directly in the now increasingly rich literature on mercantilism as a tradition in politico-economic thought, rather it tries to shift the focus to

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<sup>19</sup> Lars Magnusson, *Mercantilism: The Shaping of an Economic Language* (London, 1994).

<sup>20</sup> Sophus A. Reinert, *Translating Empire: Emulation and the Origins of Political Economy* (Cambridge, MA, 2011); Jacob Soll, *Free Market: The History of an Idea* (New York, 2022). For an alternative view of the genealogy of these practices, see Emily Erikson, *Trade and Nation: How Companies and Politics Reshaped Economic Thought* (New York, 2021).

mercantilist strategies at the company and even brand levels.<sup>21</sup> Thinking about and with the mercantilist tradition, however, allows us to think more clearly about those things that, as Thomas McCraw noted trenchantly, Adam Smith either hated or ignored, namely “nationalism, technology, organization, and power”.<sup>22</sup> Perhaps more than any other factor it has been the meteoric rise of China as a global state-capitalist power that has given mercantilism a revivifying jolt.<sup>23</sup> And though parallels across three centuries are difficult to draw, we suggest that the business practices of a Chinese “state-company” like Huawei might be illuminated by studying those of a quintessential “company-state” like the EIC.<sup>24</sup>

Along with other similar companies (the Dutch VOC, the Hudson Bay Company, the Royal Africa Companies), the EIC has been viewed as a progenitor variously of the modern corporation, the multinational corporation, and the “too big to fail” firm, even the start-up and the modern private military contractor.<sup>25</sup> Contemporary comparisons abound, from Unilever and Monsanto to Walmart and even Google. Although it is tempting to think of the EIC as Google

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<sup>21</sup> Robert Fredona and Sophus A. Reinert, “Political Economy and the Medici,” *Business History Review* 94, no.1 (2020), 125-177, 128, have argued that a history of politico-economic thought remains incomplete if not placed in a business historical context.

<sup>22</sup> Thomas K. McCraw, “The Trouble with Adam Smith,” *The American Scholar* 3 (1992), 353–73, 373.

<sup>23</sup> John Williamson, “Is the ‘Beijing Consensus’ Now Dominant?,” *Asia Policy*, no.13 (2012), 1–16; Dominique de Rambures, *The China Development Model: Between the State and the Market* (London, 2015), especially 197; Stefan A. Halper, *The Beijing Consensus: How China’s Authoritarian Model Will Dominate the Twenty-First Century* (New York, 2010); Weitseng Chen, *The Beijing Consensus?: How China Has Changed Western Ideas of Law and Economic Development* (Cambridge, 2017).

<sup>24</sup> Report HC 201 of the Defence Committee of the House of Commons, “The Security of 5G,” online at [committees.parliament.uk/publications/2877/documents/27899/](https://committees.parliament.uk/publications/2877/documents/27899/), especially 44-60; Philip J. Stern, *The Company-State: Corporate Sovereignty and the Early Modern Foundations of the British Empire in India* (Oxford, 2011).

<sup>25</sup> Philip J. Stern, “English East India Company-State and The Modern Corporation: The Google of its Time?,” in *The Oxford Handbook of the Corporation*, eds., Thomas Clarke et al. (Oxford, 2019), 75-92.

with an army, it was instead representative of the corporate organization, trade patterns, and political economy of its time.<sup>26</sup> Although not all mercantilist writers of the seventeenth century saw the EIC as advantageous to English wealth and power, there is no doubt that, in the broader sense, it was a mercantilist company.<sup>27</sup>

The Company was officially formed on New Year's Eve in 1600, with the express goal of directly exploiting the trade of the Moluccas. Unlike the more common regulated companies of the era, run by manager-investors, the EIC was a joint stock company, in which capital was raised from shareholder-investors not themselves necessarily engaged in the management of the company or even the Asian trade. At first organized around single ventures rather than a permanent stock, the EIC would grow by steady accretion of *de iure* privileges and immunities and *de facto* wealth and power, finally becoming a permanent company in the 1670s, one that ultimately wielded state-like powers to run courts, engage in diplomacy, coin money, and govern colonial territory.<sup>28</sup> By the 1620s, having met with fierce Dutch resistance, the Company abandoned the Spice Islands and set its sights on India, creating by century's end a vast territorial trading empire there with fortress ports at Madras, Bombay, and Calcutta, while fighting off

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<sup>26</sup> Andrew Orlowski, "Google's Dream City Isn't a New Idea: Smart Lab for Pesky Human Experiments? You're not the First, Mr Alphabet," *The Register*, 6 April 2016.

<sup>27</sup> Emily Erikson, *Between Monopoly and Free Trade: The English East India Company, 1600–1757* (Princeton, 2014), 31–50; Lars Magnusson, *The Political Economy of Mercantilism* (London, 2015), especially 179–83; Philp J. Stern and Carl Wennerlind, "Introduction," in *Mercantilism Reimagined*, 3–22; Douglas A. Irwin, "Mercantilism as Strategic Trade Policy: The Anglo-Dutch Rivalry for the East India trade," *Journal of Political Economy* 99, no.6 (1991): 1296–314.

<sup>28</sup> K.N Chaudhuri, *The English East India Company: The Study of an Early Joint-Stock Company 1600–1640* (London, 1965); *The Trading World of Asia and the English East India Company 1660–1760* (Cambridge, 1978); and *The English East India Company in the 17th and 18th Centuries: A Pre-Modern Multinational Organization* (Leiden, 1981).

increasing competition from the French East India Company.<sup>29</sup> The British EIC fell under direct Parliamentary regulation in the 1770s-80s, lost its commercial monopoly in 1833, and, as a quasi-department of the British state, survived until 1857 when it was finally abolished.<sup>30</sup> Over the course of its long tenure, the Company reshaped the global trade and conditioned or laid the framework for later Western commerce in Asia, and became a model for commercial empire around the world.<sup>31</sup>

Although influenced powerfully by outside ideas, most notably Italian, Spanish, and French, mercantilist thought in Portugal reflected always the unique circumstances of its imperial history and ambitions and its far-flung maritime empire.<sup>32</sup> Similar circumstances and pressures would ultimately come to inflect the reception of Enlightenment political economy, and even its anti-mercantilist trends, in Lisbon and among Luso-Brazilian elites.<sup>33</sup> In a fine turn of phrase, Franco Venturi has spoken accurately of the “traditional and closed fortress of Portuguese

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<sup>29</sup> Peter James Marshall, “The British in Asia: Trade to Dominion, 1700-1765,” in *The Oxford History of the British Empire*, vol. 2: *The Eighteenth Century*, eds., Peter James Marshall and Alaine M. Low (Oxford, 1998), 487-507. The literature on the company is enormous and diverse: Philip J. Stern, “History and Historiography of the English East India Company: Past, Present, and Future,” *History Compass* 7, no.4 (2009): 1146-80, provides an excellent survey.

<sup>30</sup> H. V. Bowen, *Revenue and Reform: The Indian Problem in British Politics 1757–1773* (Cambridge, 1991); and *The Business of Empire: The East India Company and Imperial Britain, 1756–1833* (Cambridge, 2005); Anthony Webster, *The Twilight of the East India Company: The Evolution of Anglo-Asian Commerce and Politics, 1790-1860* (Suffolk, 2009).

<sup>31</sup> Niels Steensgaard, *The Asian Trade Revolution: The East India Companies and the Decline of the Caravan Trade* (Chicago, 1973); Geoffrey Jones, *Merchants to Multinationals: British Trading Companies in the Nineteenth and Twentieth Centuries* (Oxford, 2000), especially 20-32; Philip J. Stern, “The ideology of the Imperial Corporation: ‘Informal’ Empire Revisited,” in *Chartering Capitalism: Organizing Markets, States, and Publics*, ed., Emily Erikson (Bingley, 2015), 15-43.

<sup>32</sup> Jorge Borges de Macedo, entry “Mercantilismo”, in *Dicionário de História de Portugal*, vol. 3 ed., Joel Serrão (Lisboa, 1966), 35-39.

<sup>33</sup> António Almodovar and José Luís Cardoso, *A History of Portuguese Economic Thought* (London, 1998), 14-35, Ana Rosa Cloquet da Silva, *Inventando a Nação: Intelectuais Ilustrados e Estadistas Luso-Brasileiros na Crise do Antigo Regime Português, 1750-1822* (São Paulo, 2006).

mercantilism erected on the great memories of discoveries and conquests of the past”, an edifice that only began to erode in the last decades of the eighteenth century.<sup>34</sup>

Mercantilist theory is most commonly associated with English writers of the seventeenth century, and Britain’s commercial empire was ascendant into the nineteenth century, but the Portuguese pioneered and mastered state-mercantile practices on a global scale much earlier, setting the stage for rivalrous imitation. With its vast network of trading posts, fusion of state and commercial interests, and claims to sovereignty over the sea, Portugal laid the framework for the commercial empires that would ultimately gradually surpass it, first and most explicitly the Dutch. Scholars have variously cast these practices, underway already in the 1480s and presaging Portugal’s rapidly-approaching “Golden Age” of exploration, as “monarchical capitalism” or “royal mercantilism”, highlighting both the royal and commercial elements at their heart.<sup>35</sup>

"Monarchical capitalism" bequeathed to the tiny country an integrated but culturally heterogenous inter-oceanic and bi-hemispheric empire, vast in scope, which incorporated Goa and Macau in Asia, Angola and Mozambique in Africa, and Brazil and a host of Atlantic Islands, including Madeira, stretching across the Southern Atlantic. Although its Afro-Asian components endured much longer, only lost in the twentieth century’s wave of decolonization, in the period of this study Portugal’s ultramarine possessions were aligned especially along the axis from

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<sup>34</sup> Quoting Franco Venturi, *The End of the Old Regime in Europe, 1776-1789, Part I: The Great States of the West*, trans. R. Burr Litchfield (= *Settecento Riformatore*, III) (Princeton, 1991), 233.

<sup>35</sup> Manuel Nunes Dias, *O Capitalismo Monárquico Português, 1415-1549: Contribuição para o Estudo das Origens do Capitalismo Moderno*, 2 vols. (Coimbra, 1963-64); Sanjay Subrahmanyam, *The Portuguese Empire in Asia, 1500-1700: A Political and Economic History* (New York, 1993), 48-54.

Lisbon to Brazil and back, an Atlantic alignment (and feedback loop) that would outlast the mercantilist era.<sup>36</sup>

The second half of the eighteenth century in Portugal was deeply marked by the ideas and activities of Sebastião José de Carvalho e Mello, the first Marquis of Pombal, a favorite (*valido*) of King Dom José. Pombal consolidated power through his skilful administration in the aftermath of the Lisbon earthquake in 1755 and, a self-consciously Richelieu-like figure, became the king's semi-official prime minister, straddling the worlds of mercantilism and the Enlightenment.<sup>37</sup> Pombal could not jeopardize Portugal's military and diplomatic alliance with Britain but, in the sphere of economic policy, knew he had to circumvent the Navigation Acts and the baleful power of British merchants inside Portugal's trading empire. Pombal, explicitly invoking England's own seventeenth-century mercantilist geopolitics, did so by creating monopoly companies inside and outside Portugal and waging war on contraband coming into Brazilian ports.<sup>38</sup> Pombal's mercantilist companies and highly-regulated trade regime only partially outlasted his fall from power in the late 1770s, after which Portugal increasingly pursued a political economy in line with that of other Enlightened states and shaped internally by

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<sup>36</sup> A general overview to 1807 may be found in A. R. Disney, *A History of Portugal and the Portuguese Empire*, 2 vols, (Cambridge, 2009).

<sup>37</sup> Francisco José Calazans Falcon, *A Época Pombalina: Política Económica e Monarquia Ilustrada* (São Paulo, 1982); Kenneth Robert Maxwell, *Pombal, Paradox of the Enlightenment* (Cambridge, 1995); Nuno Gonçalo Monteiro, "Pombal's Government: Between Seventeenth-Century *Valido* and Enlightened Models", in *Enlightened Reform in Southern Europe and its Atlantic Colonies, c. 1750-183*, ed., Gabriel Paquette (Farnham and Burlington, 2009), 321-338; Rui Ramos, Bernardo Vasconcelos e Sousa, Nuno Gonçalo Monteiro, *História de Portugal*, 4<sup>th</sup> ed. (Lisboa, 2010), 374-75.

<sup>38</sup> Gabriel Paquette, "Political Economy, Local Knowledge and the Reform of the Portuguese Empire in the Enlightenment", in *L'Économie Politique et alSphere Publique dans le Débat des Lumières*, eds., Jesús Astigarraga and Javier Usoz Otal (Madrid, 2013), 245-57, 250; see also Paquette, "Views from the South: Images of Britain and its Empire in Portuguese and Spanish Political Economic Discourse, ca. 1740-1810", in *The Political Economy of Empire in the Early Modern World*, eds., Sophus A. Reinert and Pernille Røge (Houndmills, 2013), 76-104.

growing agrarianism and other anti-Pombaline ideas.<sup>39</sup> Calling Pombal “an enlightened Iberian economic nationalist”, Kenneth Maxwell has argued of Pombal’s policies, that their “objective was to use mercantilist techniques—mercantilist companies, regulation, taxation, and subsidies—to facilitate capital accumulation by individual Portuguese merchants,” including those in his family, but that they were also “part and parcel of a scheme to fortify the nation’s bargaining power within the Atlantic commercial system”.<sup>40</sup> Under Pombal, six mercantilist companies were created and organised as monopolies. These companies controlled different strategic industries and geographic regions of Portugal and its empire and provided guaranteed sources of revenue from exports.<sup>41</sup> One of these was the *Companhia Geral das Vinhas do Alto Douro*, established by royal charter in 1756, with the power to oversee and control every part of the Port wine value chain from the planting of vines to production and export.<sup>42</sup>

### Port Wine and Madeira Wine

During the period of our study, the supply chains of both Port and Madeira wine were organized and managed in what can be classified as five stages: (1) land ownership and the cultivation of vineyards; (2) the sale and transportation of grapes for production; (3) the

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<sup>39</sup> José Luís Cardoso, *O Pensamento Económico em Portugal no Fim do Século XVIII, 1780-1808*, (Lisboa, 1989), especially 67-74.

<sup>40</sup> Quoting Maxwell, *Pombal*, 67, but see also on these themes, e.g., 131-148, and 165.

<sup>41</sup> José Borges de Macedo, “Companhias de Comércio”, in *Dicionário de História de Portugal*, Vol. 2, ed., Joel Serrão (Porto, 1965), 122-130.

<sup>42</sup> *Instituição da Companhia Geral da Agricultura das Vinhas do Alto Douro* (Lisboa, 1756). The *Companhia* also had the monopoly for sale in taverns in Porto and around the city. Gaspar Martins Pereira, “1756: The Demarcation of the Port wine Region”, in *The Global History of Portugal: From Prehistory to the Modern World*, Carlos Fiolhais, eds. José Eduardo Franco, and José Pedro Paiva, (Brighton, 2022), 267-270, and the entry “Companhia Geral da Agricultura das Vinhas do Alto Douro”, forthcoming in *Dicionário crítico da Revolução Liberal Portuguesa, 1820-1834*, eds., Rui Ramos, José Luís Cardoso, Nuno Gonçalo Monteiro, and Isabel Corrêa da Silva (Lisboa, 2022), *in press*.



production, fortification, blending, and aging of the wine to ready it for export; (4) distribution and wholesaling; and (5) retail sale to consumers. These stages formed an enduring chain, linked both to one another and to specific geographies within the supply chain. Cultivation and harvesting was carried out by Portuguese farmers and, although there were some large and powerful landowners, the majority of producers owned small plots of land.<sup>43</sup> There was only rarely integration between landowning and the later stages of production.<sup>44</sup> Grapes were sold in an open market to the merchants who produced, blended, fortified, and aged the wine for export. In the case of port, this happened in Vila Nova de Gaia, near Porto on the south bank of the Douro's Atlantic estuary. Madeira and Port are produced in warm regions and grapes grown under such conditions develop a high sugar content but can be highly temperamental, making the wine unstable and likelier to turn into vinegar. The addition of brandy in the “fortification” process helped to stop fermentation and stabilize the wines for transport to foreign markets. The fortification of Port, an old monastic technique supposedly rediscovered by Liverpool wine traders in the late seventeenth century, pre-dated that of Madeira in the mid-eighteenth century.<sup>45</sup> Foreign and especially British merchants based in Funchal predominated in Madeira, buying grapes from independent farmers or from the *colonos* (tenant farmers) of large landowners and pressing them in presses usually on site at the vineyards.<sup>46</sup>

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<sup>43</sup> Gaspar Martins Pereira, *O Douro e o Vinho do Porto – De Pombal a João Franco* (Porto, 1991); Alberto Vieira, “A Cultura da Vinha na Madeira Séculos XVII-XVIII”, in *Os Vinhos Licorosos e a História*, ed., Alberto Vieira (Funchal, 1998), 99-119.

<sup>44</sup> Paul Duguid and Teresa da Silva Lopes, “Ambiguous Company: Institutions and Organizations in the Port wine Trade, 1814-1834,” *Scandinavian Journal of Economic History* 47, no.1 (1999): 84-102.

<sup>45</sup> The first contemporary reference to the active fortification of Madeira wine dates from 1752. Alain Huetz de Lempis “La Diversité des Vins Licoreux”, in *Os Vinhos Licorosos*, ed., Vieira, 19-47.

<sup>46</sup> Moreira, *O Governo de Baco*, 73-78; Benedita Câmara, “The Colonia Contract: Ambiguity between Sharecropping, Fixed Rent and Emphyteusis”, in *Agrarian Change and Imperfect*

These merchants acted as nodes in complex networks of shippers, wholesalers, and retailers around the world. Different markets sometimes required different relationships: Madeira merchants, for example, might engage in joint partnerships with other merchants in the British colonies of North America, rely on consignment contracts for the West Indies trade, and on trading companies like the EIC for the Asian market.<sup>47</sup> Some merchants were vertically integrated in distribution, others were diversified horizontally, producing and exporting wine for foreign markets, but also exporting and importing other goods. This followed well-established practices of merchant capitalism. Around the turn of the eighteenth century, for example, the wealthy London merchant, banker, and shipowner Robert Heysham employed the merchant William Bolton of Warwick as his agent in Madeira, trading in unfortified Madeira wine, grains, fabrics, butter, candles, beef, pork, and herring.<sup>48</sup> The importation of foodstuffs, especially cereals, to Madeira remained essential throughout the eighteenth century with foreign merchants acting largely as importers and wholesalers rather than retailers.<sup>49</sup> Joint ventures like this one between Samuel Pleasants of Philadelphia and James and Alexander Gordon, British merchants in Madeira, were not uncommon: In 1771, Pleasants chartered a ship in Virginia bound for Madeira laden with grains worth £900, and the Gordons would bear half the cost, paying two-

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*Property. Emphyteusis in Europe, 16th to 19th centuries*, Rosa Gongost and Pablo F. Luna, eds. (Turnhout, 2018), 263-286; Benedita Câmara and Rui Santos, "Taming the Platypus: Adaptations of the Colonia Tenancy Contract to a Changing Context in Nineteenth-Century Madeira", in *Property Rights in Land*, Rosa Congost, eds., Jorge Gelman, and Rui Santos (London, 2017), 91-110.

<sup>47</sup> Thomas Bentley Duncan, *Atlantic Islands: Madeira, the Azores, and the Cape Verdes in Seventeenth-Century Commerce and Navigation - Studies in the History of Discoveries* (Chicago, 1972): 69, 77, 273; André L. Simon, ed., *The Bolton Letters – The Letters of an English Merchant in Madeira 1695-1714*, vol. 1 (London, 1928), 5-7.

<sup>48</sup> Simon, *The Bolton Letters*, letter of 1 June 1698, 105.

<sup>49</sup> Fátima Freitas Gomes, "Amassarias, Fancarias, Tavernas no Funchal dos Finais do Século XVIII a 1820", *Atlântico* 7 (1986): 206-216.

thirds in Madeira wine and the rest in cash or bills. The Gordons, wholesalers who also operated their own retail shop, exported wine and imported an eclectic array of goods in addition to grain from all available sources, things like wooden staves from Hamburg, casks from England, herring from Gothenburg, raw flax from Riga, and from Ireland butter, beef, and candles.<sup>50</sup> Customs documents likewise detail a wide-range of consignment contracts: in January of 1787, for example, the English ship *Mentor* arrived in Madeira from Baltimore on consignment to Murdoch, Fearn & Co. bearing 700 barrels of flour, 1900 bushels of wheat, wax, and biscuits and returned to Baltimore laden with Madeira wine. Another English ship, *Esther*, came from London consigned to Phelps & Morrisey with 800 bags of wheat, 200 barrels of flour, and sailed on to Jamaica with 100 pipes of Madeira and assorted dry goods<sup>51</sup>. Other goods dominated the trade in Port wine, especially wool and cotton cloths sold on commission in Portugal, but each merchant pursued profit where he could. The firm of Hunt, Roope, & Co., to take one example, exported Port and salt to Newfoundland and imported codfish. Retailers were wine merchants, innkeepers, and hoteliers who would sell the fortified wine in barrels, bottles, or glasses to consumers, usually after performing blending of their own.<sup>52</sup>

Both industries, Port and Madeira, were “born global”, developing almost exclusively by selling in foreign markets.<sup>53</sup> The market for Port was concentrated in Britain, and this remained

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<sup>50</sup> Alistair Mutch, *Tiger Duff: India, Madeira and Empire in Eighteenth-Century Scotland* (Aberdeen, 2017), 79-81.

<sup>51</sup> Lisboa, Biblioteca Nacional, Reservados, ms. 219, no. 29, 1.

<sup>52</sup> Duguid and Lopes, "Ambiguous Company".

<sup>53</sup> Teresa da Silva Lopes, “Brands and the Dynamics of Industries”, in *Brands and Designations of Origin: History and Identity*, ed., Gaspar Martins Pereira (Porto, 2023), *in press*. See also Schneider, *O Marquês de Pombal*, 29-30; and Hancock, *Oceans of Wine*, 15-23. The phenomena of “born global” industries long pre-dates the internet age; compare Jean-François Hennart, “The Accidental Internationalists: A Theory of Born Globals”, *Entrepreneurship Theory and Practice* 38, no.1 (2014): 117-135, and Ivo Zander, Patricia McDougall-Covin, and Elizabeth L. Rose,

true until World War II.<sup>54</sup> In the period of this study, 10-15% of the Port wine imported by Britain was then re-exported, largely to British colonies. Between 1775 and 1834 on average 83% of Port wine exports went to Britain.<sup>55</sup> Port exports were always more significant for the Portuguese economy than Madeira exports. For instance, between 1808 and 1817 the average exports of Port were 3.38 times greater than the amount exported Madeira wine.<sup>56</sup>

During this period wine was, in fact, a major source of income for metropolitan Portugal and the island of Madeira.<sup>57</sup> Various phenomena contributed to significant fluctuations in exports, chief among them war. The Seven Years' War between Britain and France (from 1756), the Napoleonic Wars (1803-1815), and the Portuguese Civil War (1832-1834), which blocked Portuguese ports, had a profound impact on the Port trade. In the Napoleonic wars, the British market opened up because of deteriorating political and economic relations between Britain and France, which among other repercussions, restricted imports of wines from France. These wars did not significantly impact Madeira's wine industry, which was decisively altered by the War of Independence of the United States after 1776. America's separation from Britain and the closing of Portuguese ports to U.S. vessels from 1776 to 1783 permanently weakened Madeira wine's hold on the American market and brought to an end the economic integration of the island's

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“Born Globals and International Business: Evolution of a Field of Research”, *Journal of International Business Studies* 46, no.1 (2015), 27-35.

<sup>54</sup> Teresa da Silva Lopes, “A Transformação dos Mercados de Vinho do Porto”, in François Guichard, Philippe Roudié and Gaspar Martins Pereira, eds., *História do Douro e do Vinho do Porto no Século XX in Início do Século XXI* (Porto, 2019), 70-107.

<sup>55</sup> Calculations based on Conceição Andrade Martins, *Memória do Vinho do Porto* (Lisboa, 1990), 218-219.

<sup>56</sup> Port data in Martins, *Memória do Vinho do Porto*, 220, 224; Madeira figures (assuming a 418-liter pipe) based on monthly export figures in ANTT, Provedoria e Junta da Real Fazenda do Funchal, Contadoria Geral, Direitos por saída, volumes 309-331.

<sup>57</sup> Alberto Vieira, *A Vinha e o Vinho na História da Madeira, Séculos XV-XX* (Funchal, 2003), 99-101, 110.

economy into the British imperial trading system. While in 1780 the North American colonies accounted for 41.6 percent of Madeira wine exports, by 1786 those markets only corresponded to 6.6 percent of the trade (Appendix 1).<sup>58</sup> By this time, the American market had already reached maturity in terms of consumption of Madeira wine and, forced to look for wine from other sources, consumers there developed a heightened taste for continental wines. It was not until the ratification of the United States constitution and the establishment of a permanent government in the United States in 1789 that there was a return of prosperity with the lowering of prices of foreign goods. This enabled Madeira wine firms to slowly re-establish their trade into that market.<sup>59</sup>

As David Hancock has masterfully shown, the American rebellion represented a crisis in the marketing of Madeira. The war also forced British firms to find new consumers for Madeira, so they cultivated markets in India (Calcutta, Madras and Bengal) under EIC rule, Sumatra (Bencoolen), China (Canton, Macau and Limpao), and the Persian Gulf (Gombroon on the Straits of Hormuz, and Basra).<sup>60</sup> India was the most important alternative market, and increased demand there led merchants involved in the Madeira trade to try to better integrate India in their commercial networks, to increase production, and to develop a series of innovations in the internationalization of the product and their marketing strategies. These included the creation of more grades and types of Madeira wine, such as “India wine”, priced as third quality wine, not as

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<sup>58</sup> The uneven but increasingly precipitous decline of Madeira wine exports after the first decade of the nineteenth century was a by-product of changing tastes and especially changing British duties on imported wine, which after 1825 came strongly to favor the import of French and Spanish wines especially sherry; Ludington, *Politics*, 151-189 and especially 222-226.

<sup>59</sup> David Hancock “A Revolution in the Trade: Wine Distribution and the Development of the Infrastructure of the Atlantic Market Economy, 1703-1807,” in *The Early Modern Atlantic Economy*, eds. John J. McCluster and Kenneth Morgan (Cambridge, 2000), 118.

<sup>60</sup> Hancock, *Oceans of Wine*, 120-124.

good as the wine sent to ‘Particular’ knowing customers and to the London market, but better than the wine sent to North America. They also included changes or improvements of lower grade wines to respond to customers’ taste preferences in India. Exports to India continued to increase until 1815, when the popularity of Madeira declined, faced with the opening of the India trade and the emergence of other competing beverages like Sherry.<sup>61</sup>

Even if the wider Portuguese economy did not, the Port wine industry benefitted from Portugal’s privileged commercial relations with Britain through the Anglo-Portuguese commercial treaties of 1642, 1654, and 1661, culminating with the Methuen Treaty. Over the course of the eighteenth century, Port came to dominate both the Portuguese economy and the British wine market. In 1799 alone Portuguese wine exports represented more than 50 percent of all exports from mainland Portugal. And several years later, Portuguese wine (of which Port had the greatest share, followed by Madeira) accounted for almost 76 percent of British wine imports.<sup>62</sup> In the Madeira industry, it was the Navigation Acts of 1651, 1660, and 1663, which regulated commerce with and in the British Empire, that had the greatest impact.<sup>63</sup> Although not part of Britain’s formal empire, Madeira was indirectly part of the British trade empire, falling comfortably into the expansive and far-flung ambit of its mercantilist ambitions.

The creation of the *Companhia* in 1756 proved to be an inflection point in production and export of Port wine. The *Companhia* was established amid widespread concern about

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<sup>61</sup> John Bell, *A Comparative View of the External Commerce of Bengal* (Calcutta, 1834), 14-15.

<sup>62</sup> Calculations based on Martins, *A Memória do Vinho*, 238-239, 248-249, and Thomas George Shaw, *Wine, The Vine and the Cellar*, 2nd ed. (London, 1864), table 10.

<sup>63</sup> C. H. Firth and R. S. Rait, *Acts and Ordinances of the Interregnum, 1642-1660* (London, 1911), 559-562; John Raithby, ed., *Statutes of the Realm*, volume 5, 1628-80 (London, 1819), 246-250, and 449-452. See also Timothy Walker, “Atlantic Dimensions of the American Revolution: Imperial Priorities and the Portuguese Reaction to the North American Bid for Independence, 1775-83”, *Journal of Early American History* 2 (2012): 253-254; Hancock, *Oceans of Wine*: 107-108, 111-119; Mutch, *Tiger Duff*, 17n15.

adulteration and falling demand attributed to quality control problems.<sup>64</sup> Multiple stakeholders in the Port industry, including farmers and merchants, had been complaining about the organisation of the industry and asking for government intervention.<sup>65</sup> Consumers in Britain were also unsatisfied by the uncertainty caused by rampant falsification and adulteration, sometimes harmful to their health, and had called for Port wine producers to start branding their wines at the origin.<sup>66</sup> This situation had fully erupted in the aftermath of the Methuen Treaty, which caused Portuguese farmers to create new vineyard plantations. Before long, so-called "Port wine" was being produced in different regions of the country. By the early 1750s a significant proportion of exports was not of genuine Port.<sup>67</sup> Beset with competition, Douro farmers, facing misery and famine, blamed foreign wine merchants for exporting wines from other regions, adulterating the wines, and labelling them as Port.<sup>68</sup>

The *Companhia* defined the geographical area around the banks of the river Douro where vineyards producing the grapes used for authentic Port could be planted and subsequently certified that wine with a denomination of origin, providing a special stamp of certification.<sup>69</sup>

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<sup>64</sup> A contemporary account in John Croft, *A Treatise on the Wines of Portugal* (York, 1788), *passim*, but especially 10-16; see also Bradford, *Englishman's Wine*, 49-54, and A.D. Francis, *The Wine Trade* (New York, 1973), 207-224.

<sup>65</sup> "Novas Instruções da Feitoria Inglesa a Respeito dos Vinhos do Douro," and "Resposta dos Comissários Veteranos de Cima Douro" (Porto, 1754); Jorge Borges de Macedo, *A Situação Económica no Tempo de Pombal* (Porto, 1951), 73-80.

<sup>66</sup> Duguid, "Developing the Brand"; Paul Duguid "De Londres à Porto: Une Description du Marché International du Vin au XVIIIe Siècle," *Annales des Mines – Gérer et Comprendre* 119, no.1 (2015): 13-21, 20.

<sup>67</sup> Susan Schneider, *O Marquês de Pombal e o Vinho do Porto*, trad. Jorge Oliveira Marques (Lisboa, 1980), 41-44.

<sup>68</sup> Sousa Costa, *Figuras e Factos Alto-Durienses. I – Frei João de Mansilha e a Companhia Geral da Agricultura das Vinhas do Alto Douro* (Porto, 1953).

<sup>69</sup> The stamp included the initials CAODP "Companhia Alto Douro Porto" confirming the certification by the *Companhia*. "Laus do Anno de 1756," 5 Novembro 1756, Arquivo da Companhia Geral da Agricultura das Vinhas do Alto Douro, Museu do Douro.

The *Companhia* also judged each year's crop, deciding how much wine could be produced. It set the price at which merchant firms could buy grapes from farmers. It dictated the terms of payment (usually cash). It supervised transportation down the river Douro and the merchants' production, blending and ageing of Port in warehouses in Vila Nova de Gaia. And it had commercial interests of its own in Port wine through its monopoly over all the wine traded with Brazil.<sup>70</sup> Though focused on viticulture and wine production, the *Companhia* with the help of the Porto Customs House also exercised tight control over shipments and, thereby, even over the British market. The powers of the *Companhia* increased over time, always with the express aim of preserving the purity and reputation of the wine. For instance, in 1760 the *Companhia* was given legal powers to act against transgressors; in 1768 it was given powers to extend the geographical delimitation of the region in the Douro valley protected by denomination of origin; and in 1760 and 1773 it was given monopoly powers to first produce and subsequently also trade in the brandy used in the fortification of Port wine.<sup>71</sup>

During its more-than-century-long tenure the *Companhia* profoundly shaped the Port wine trade, ultimately producing a long-lasting aggrandizement of the reputation of Port wine in Great Britain and an increase in exports.<sup>72</sup> The *Companhia*'s operations were nonetheless very

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<sup>70</sup> Vital Moreira, *O Governo de Baco – A Organização Institucional do Vinho do Porto* (Porto: Afrontamento, 1998); Macedo, *A Situação Económica*, 65.

<sup>71</sup> "Alvará Régio," 16 December 1760, António Delgado da Silva, ed., *Colecção de Legislação Portuguesa. Legislação de 1750 a 1762* (Lisboa, 1830), 762-765; "Alvará Régio," 30 December 1760, Silva, *Colecção*, 766-767; "Alvará Régio," 16 January 1768, António Delgado da Silva, ed., *Colecção de Legislação Portuguesa. Legislação de 1763 a 1774* (Lisboa, 1829), 322-324; and "Alvará Régio," 10 April 1773, Silva, *Colecção* (Lisboa, 1829), 668-669.

<sup>72</sup> The *Companhia*'s privileges were abolished in 1834 following the liberal victory in the 1828-1834 Civil War but were re-established once more with a new charter for 20 years in 1838. The *Companhia* finally lost its regulatory powers in 1852. A new regulatory body, the *Comissão Reguladora da Agricultura e Comércio das Vinhas do Alto Douro*, was created in the same year and then ceased operations in 1865, when new legislation was approved in parliament which completely liberalized the market to free trade. Moreira, *O Governo de Baco*, 67-156; Pereira, *O*



controversial. Portuguese farmers blamed the *Companhia* for inhibiting a strong national wine sector by privileging English traders in Portugal, especially since there was no reciprocity for Portuguese traders in the English market.<sup>73</sup> British merchants also cast the *Companhia* as an enemy. "The Oporto Factory", a corporate body that acted on behalf of British merchants in Porto, complained about its lack of ability to conduct "free trade". Throughout the whole period of regulation by the *Companhia*, the English Factory made multiple complaints via different channels in Portugal and Great Britain, writing to consuls, industry trade associations, ministries of foreign affairs, ministers in Portugal and in Britain, and parliaments to argue for their concerns.<sup>74</sup> And yet the British merchants never seemed to have suffered from the activity of the *Companhia*, in fact they may ultimately have benefited from it.<sup>75</sup>

Notwithstanding the "draconian and capricious" rules of the *Companhia*, Paul Duguid has argued that it significantly contributed to the recovery of Port's reputation and its expansion on the British market, helping it secure an international supply chain.<sup>76</sup> At the consumer level, denominations of origin create an important source of reliability and assurance of quality. Indeed, soon after its introduction, this system became a mechanism preferred to other

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*Douro e o Vinho do Porto*; A. Guerra Tenreiro, *Douro. Esboços para a sua História Económica: Evolução do Vinho do Porto* (Porto, 1943); Macedo, *A Situação Económica*.

<sup>73</sup> Gaspar Martins Pereira, "Nos 250 Anos da Região Demarcada do Douro: Da Companhia Pombalina à Regulação Interprofissional", in *A Companhia e as Relações Económicas de Portugal com o Brasil: População e Sociedade*, ed., Fernando de Sousa (Porto, 2008), 175-185.

<sup>74</sup> J. A. Pinto Ferreira, *O Comércio do Vinho do Porto Através da Correspondência de John Whitehead, Cônsul Britânico da Mesma Cidade, Endereçada a Mr. Warre, 1793 a 1800* (Porto, 1960). On the Factory, see John Delaforce, *The Factory House at Oporto* (London, 1979).

<sup>75</sup> Paul Duguid, "O Render da Guarda. Firms Britânicas no Comércio do Vinho do Porto de 1777 a 1840", in *A História do Douro e do Vinho do Porto*, vol. 4, *Crise e Reconstrução. O Douro e o Vinho do Porto no Século XIX*, ed., Gaspar Martins Pereira (Porto, 2011), 218-68.

<sup>76</sup> Paul Duguid, "Brands in Chains", in *Trademarks, Brands and Competitiveness*, ed., Teresa da Silva Lopes and Duguid (London, 2012), 147.

alternatives for protecting against fraud and imitation.<sup>77</sup> Critics have nonetheless claimed that the express goals of the system created by Pombal, improving quality and reputation and protecting Douro farmers from being exploited by British merchants, were only a pretense and that the system was meant instead to provide dividends for shareholders and national income. While there is evidence of generous dividends distributed to the main shareholders, such as the crown, those dividends were not distributed in a similar way to all the shareholders. Pombal's policies tended to benefit large farmers, rather than stimulating viticulture across the board. As such, these mercantilist policies combined with a lack of investment in infrastructure may have increased the backwardness of Portugal in relation to the rest of Europe.<sup>78</sup>

All attempts to create a regulatory body for Madeira wine equivalent to the *Companhia* were met with resistance. Between 1766 and 1777, for example, Sá Pereira, the Governor of the island of Madeira, tried to regulate the production and defend the reputation of Madeira wine against adulteration, attempting to revive and enforce previous orders of the municipality of Funchal. He was accused of trying to create a *companhia* and, like his relative Pombal whose policies he largely followed, he earned the animosity of the local nobility.<sup>79</sup> Among the Portuguese merchants whose business flourished during this period was Pedro Jorge Monteiro, one of whose sons had Pereira as his *padrinho*, a Brazilian expatriate entrepreneur who came to Madeira as a local subcontractor for those who held the tobacco monopoly in Portugal and

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<sup>77</sup> James Simpson, *Creating Wine. The Emergence of a World Industry, 1840-1914* (Princeton, 2011), 165-166; Vital Moreira, *O Governo de Baco*, 68.

<sup>78</sup> Schneider, *O Marquês de Pombal*, 223- 251; Gaspar Martins Pereira, "A Companhia Contra os Lavradres do Douro I," and "A Companhia Contra os Lavradres do Douro II", *Douro Estudos e Documentos* 4, no.7 (1999): 137-152, 153-174.

<sup>79</sup> "Apologia e Defesa de João António de Sá Pereira", ANTT, Ministério dos Negócios Eclesiásticos e da Justiça (MNEJ), 200, cx.163, n.2, prenotando III, ff. 1033-1033v. See also Hancock, *Oceans*, 61.

whose name appears associated with a similar attempt a few years later.<sup>80</sup> In 1784 rumours were circulating that the queen intended to create a regulatory body, to be overseen by Monteiro, with exclusive rights to purchase all the wine produced in Madeira and to control its export.<sup>81</sup>

Monteiro appears as a leading exporter of Madeira wine through the 1780s, competing with the EIC by using private Portuguese ships. Monteiro's success contributed to a rivalry with British merchants, who also feared that a new institution headed by Monteiro would likely increase duties and the prices paid to farmers while diminishing their freedom to export.<sup>82</sup> A climate of contention emerged, and as a result several public notices were issued denying the rumours.<sup>83</sup>

Early in 1789 the municipal government in Funchal created the office of the *Marcador de pipas* to regulate wine measures and the uniform production of wine casks.<sup>84</sup> In 1796, in a measure intended to raise revenue to deal with mounting administrative expenses, it began to require that wine casks for export be marked, but the Funchal-based British Consul Charles Murray led a high-level effort on behalf of Madeira wine merchants to resist this enactment.

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<sup>80</sup> As a subcontractor, Monteiro enjoyed arbitrary power and sometimes oppressive privileges to deal with improper tobacco trading, see Maria Filomena Mónica, "Negócios e política: os tabacos (1800-1890)", *Análise Social* 22, nos. 116-17 (1992): 461-79, 462-463; "Consulta do Conselho Ultramarino ao Rei Dom José I sobre o requerimento de Pedro Jorge Monteiro", 21 February 1763, AHU, Pernambuco, box 99, document 77.

<sup>81</sup> "Edital do Governador D. Diogo Pereira Forjaz Coutinho", 30 April 1784, AHU, CU-Madeira-CA, box 5, copy 711; "Ofício do Governador D. Diogo Pereira Forjaz Coutinho para Martinho de Mello Castro, Secretário de Estado da Marinha e Ultramar," Funchal, 13 May 1784, AHU, CU-Madeira-CA, box 5, document 709, ff. 3-4.

<sup>82</sup> "Representação da Câmara Municipal do Funchal Protestando Contra o Monopólio do Comércio dos Vinhos," 18 May 1784, AHU, CU-Madeira-CA, box 5, documents 715-716.

<sup>83</sup> "Comunicação do Governador à Rainha," Funchal, 28 April 1784, AHU, CU-Madeira-CA, box 5, 710, number 1, documents 708-711; "O Comércio da Ilha da Plena Liberdade de que está Gozando - Representação da Câmara do Funchal Protestando Contra o Monopólio do Comércio dos Vinhos à Rainha", 18 May 1784, AHU, CU-Madeira-CA, box 5, documents 715-716.

<sup>84</sup> "Carta de Marcador de pipas", 26 January 1789, Madeira, Arquivo Regional da Madeira [ARM], Regimento Geral da Câmara Municipal do Funchal, [RGCMF], volume 12, ff. 256v-257v.

Murray argued that the measure would cause "great inconvenience to commerce" while not helping to combat fraud.<sup>85</sup> Murray's concern with fraud was by then long-lived. In 1791 he had accused merchants in Madeira and Tenerife of conspiring to fraudulently copy the casks and brands of top Madeira merchants in order to pass off other wines bound for India as Madeira.<sup>86</sup> In 1799 Domingos de Oliveira Junior, member of an important family of wine merchants whose physician brother had close ties to the Prince Regent, who was doing business in England, Madeira, and the Azores, applied for royal permission to export wine directly from Madeira to India in exchange for textiles and other goods from Asia, which was successively authorized and then annulled.<sup>87</sup> Two years later he asked for permission to unload wine from the Azores duty-free in Funchal.<sup>88</sup> Strong protests were launched both by the municipal government in Funchal and by Portuguese and foreign Madeira wine merchants against Oliveira's actions because

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<sup>85</sup> "Resposta que o senado da Câmara (Municipal do Funchal) deu a Sua Magestade sobre um requerimento efetuado por [Charles Murray] à mesma senhora a respeito de se não observar a postura relativa à marca das pipas cujo requerimento foi também em nome dos mais mercadores", 12 February 1796, ARM, RGCMF, volume 13, f. 50.

<sup>86</sup> Copy of the "Representação de Carlos Murray, dirigida em 1791 a Luís Pinto de Sousa Coutinho, Ministro e Secretário de Estado dos Negócios Estrangeiros", [1791], AHU, CU-Madeira-CA, box 7, annexed to document 1253, which additionally has as an appendix document 1254, containing a list of ships that transported wine to Tenerife.

<sup>87</sup> "Requerimento de Domingos de Oliveira Júnior, no qual solicita licença de exportação de vinhos da Madeira para a Índia a Sua Alteza Real", 16 November 1799, AHU, CU-Madeira-CA, box 4, doc 268. See also the important appended documents dated 19 October (granting permission), 16 November (annuling the earlier decree), and 18 November 1799 (explaining the annulment). The request was denied because the importing of textiles would have interfered with the exclusive monopoly of Lisbon merchants in the Asian trade.

<sup>88</sup> "Requerimento de Domingos de Oliveira Júnior, comerciante de vinhos na ilha da Madeira, Faial e Londres, pedindo a descarga no Funchal, livre de direitos de vinho do Faial", dated Funchal 4 August 1800, AHU, CU-Madeira-CA, box 7, document 1221; "Carta do Governador e Capitão-General da ilha da Madeira, Don José Manuel da Câmara, acerca da pretensão de Domingos de Oliveira Júnior", 27 May 1801, AHU, Madeira-CA, box 7, document 1218. For the senate of Funchal's negative reply and a certification of its decision, dated 1801, see AHU, CU-MADEIRA-CA, box 7, documents 1219-1221. See also AHU, CU-MADEIRA-CA, box 7, document 1203, 23 May 1801.

mixing wine of the Azores with that of Madeira would harm Madeira wine's reputation. In response, a law was promulgated three months later, with the Portuguese state requiring that all wine barrels leaving the islands of Madeira and the Azores be marked or branded with an indication of origin.<sup>89</sup> Once again Charles Murray led a campaign against the legislation, bringing together British and Portuguese merchants to lobby against the law.<sup>90</sup> Again they argued that the measure was ineffective in the fight against fraud, and that it would intolerably inconvenience both traders and the crown. They argued that a regional brand would not be effective means of avoiding fraud since merchants from other regions could still bring their wines to Madeira and the Azores and then have them re-exported with the mark from the island certifying its supposed origin. They also claimed that there was no risk of Madeira wine being sold cheaply like the wines of Tenerife since no Madeira wine merchants could afford to sell it below price.<sup>91</sup> The newly-introduced law was revoked in 1801.<sup>92</sup>

In the absence of state certification or a regional brand, Madeira merchants nonetheless adopted private brands to appeal to (and sometimes to exploit) Madeira's reputation. Explicitly benefitting from and reinforcing the "faith and credit" put in Madeira's wine, for example, the important shipping firm of the Madeira businesswoman Guiomar de Sá Vilhena branded each

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<sup>89</sup> "Certidão do Decreto Real de 22 de Dezembro de 1800", AHU, CU-Madeira 146-01, box 7, document 1252.

<sup>90</sup> "Representação ao Príncipe Regente de Carlos Murray, cônsul geral inglês, em nome dos comerciantes nacionais e estrangeiros da Ilha da Madeira, acerca das providências decretadas sobre as marcas de vasilhame para exportação dos vinhos, as quais não evitam fraudes", 1801, AHU, ARM, microfilm 888, document 1251, c-0244-0245.

<sup>91</sup> "Representação dos Homens de Negócio desta Praça sobre a Entrada de Vinho de Fora (Açores)," 29 September 1801, and "Acordão da Câmara Municipal do Funchal," 21 September 1801, ARM, RGCMF, volume 13, ff. 107-11. These documents also show the importance of cooperation between the Funchal senate and Madeira wine merchants both foreign and domestic.

<sup>92</sup> Royal Decree, 22 July 1801, in *Collecção de Legislação Portuguesa desde a Última Compilação das Ordenações*, ed., António Delgado da Silva, volume 4, 1791-1801 (Lisboa, 1828), 721-722.

cask sent to India with DG for "Dona Guiomar" and a letter signaling its quality like P for London Particular.<sup>93</sup> Unlike many foreign merchants of Madeira wine to India, Dona Guiomar was not in a partnership, nor was Domingos de Oliveira Junior, whose brand is also striking: when, in 1800, he asked local Madeira authorities to revoke a ban imposed on him that had forbade him to import wines from the Azores to Funchal for subsequent export to India, his argument was that the brand he used on the wine from the Azores, OLIVEIRA, "was very different from the other brand," D.O., that which he used for his Madeira wine, suggesting that Madeira authorities and merchants alike were keenly aware of the importance of protecting the aggregate "Madeira" brand by regulating private Madeira brands.<sup>94</sup>

Amid concerns about imitations from Fayal and the Canaries, the Municipality of Funchal in 1819 once again took up arguments that had previously been presented by Murray about the use of the consul's office in East India to protect the reputation of Madeira's wine. They also contemplated creating both an office of the *Conservador da companhia*, a functionary who would mark all exported Madeira wines on behalf of a proposed *companhia*, and a demarcated regional zone, measures very similar to those used in Douro for Port wine after 1756, but these proposals were not formally considered.<sup>95</sup>

### **An Alternative to Certification**

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<sup>93</sup> "Contrato assinado pelo Padre Manuel de Jesus (testamenteiro de Guiomar) e João Fergusson", 26 March 1791, AHU, CU-Madeira-CA, 146, box 4, document 193.

<sup>94</sup> "Requerimento endereçado através do procurador de Domingos de Oliveira Junior no Funchal Manuel Martins ao Desembargador, Corregedor e Governador interino", 1 June 1800, PT-ARM-AHU-microfilm 888-1269-001.

<sup>95</sup> "Representação da Câmara Municipal do Funchal à Junta de Melhoramento sobre as estufas", 2 August 1819, ARM, RGCMF, tomo 14, ff. 202-03; "As propostas foram do consul Charles Murray [1791] da Câmara do Funchal," 1801, ARM, RGCMF, tomo 13, ff. 107v and 111r.

Throughout the period studied, the domestic market for Madeira wine (including mainland Portugal) remained relatively unimportant, corresponding on average to around 1.2 percent per year during the period of analysis.<sup>96</sup> In continental Portugal, the wines consumed were generally cheaper than both Madeira and Port wine.<sup>97</sup> It was foreign export markets that mattered, like the British West Indies and Guiana (currently Suriname), briefly taken by the British from the Netherlands, which comprised 41 percent of total exports by 1800, even though this market was plagued by volatility related to credit crunches as a result of poor harvests, slave uprisings, and uncertainty about the price of sugar.<sup>98</sup>

While there is evidence of exports to India from the early eighteenth century, it was the battle of Plassey in 1757 which, for the first time, created a captive market for Madeira wine in India. The EIC seized control of Bengal, marking the start of their control of most of the Indian sub-continent. Exports of Madeira wine to this market increased sharply to supply the growing number of British military and other expatriates living in forts in India. Madeira wine firms responded to the increasing demand. They developed new production techniques, and new categories of wines, each one with its own price. One new category called 'India wine' was created as an intermediary type of wine, different from the fine and darker Madeira wines typically sent to Britain and the paler Madeira wines typically sent to the Americas. The EIC, which had left the trade to private wine firms, now became more actively involved in sending

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<sup>96</sup> See sources for Appendix 1.

<sup>97</sup> John Croft, *A Treatise on the Wines of Portugal* (York, 1787), 16; Schneider, *O Marquês de Pombal*, 262.

<sup>98</sup> Douglas J. Hamilton, *Scotland, the Caribbean and the Atlantic World 1750-1820* (Manchester, 2005), 96, 98, 101-106, 181.

correspondents or agents to be closer to what they considered increasingly strategic markets.<sup>99</sup>

While in 1780 India represented only 3.2% of the total exports of Madeira wine, by 1786 this market had become the main destination of Madeira wine, corresponding to 41.1% of all exports (Appendix 1).

Merchants of foreign origin, from Britain and to a lesser extent British North America, who often participated in short- and longer-term partnerships, played a predominant role in the Madeira's wine business. Local Portuguese merchants rarely engaged in similar partnerships.

**Figure 1** presents an idealized and necessarily schematic snapshot of the top 100 merchants and/or merchant partnerships in the Madeira wine trade during the period 1780-1834. These 100 represented between 52% and 85% of total annual exports. In the figure, node size reflects the average number of pipes traded per year, and the thickness of connecting lines represents the relative weakness or strength of partnerships over the studied period.

A core of powerful foreign merchant firms such as those of Gordon, Duff, Newton, and Murdoch exported to India through multiple, interconnected partnerships. These partnerships tended to be short lasting, as they were created every time a partner left or entered the business and perforce had a limited contractual duration. Portuguese Madeira merchants rarely participated in similar partnerships, yet several, such as Pedro Jorge Monteiro and Domingos de Oliveira Junior, were able to rival the largest foreign merchant partnerships in terms of exports. Needless to say, the schematic figure fails to capture the full richness of the mercantile relations

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<sup>99</sup> David Hancock, "An Undisclosed Ocean of Commerce Laid Open: India, Wine and the Emerging Atlantic Economy", in *The Worlds of the East India Company*, eds., H.V. Bowen, Margaret Lincoln and Nigel Rigby (Suffolk, 2002), 153-168, 155-156.



in the Madeira trade. Some Portugese merchants, like Oliveira and Correa de França, had offices in London and others worked with and as British agents.<sup>100</sup>

Madeira was distributed to the Indian sub-continent by both private and public trade. Private trade concerned wine distributed to captains of “East Indiamen” (sailing ships operating under charter or licence of the East India Companies of the European powers), officers, other crew members, and passengers aboard the ships. Meant to reduce parallel trading, smuggling, and corruption, this mode of private trade, also offered a heightened degree of personal gain that made the hazards of a career in the tropics worth overlooking. Public trade directly targeted forts and the military, and the vast community of British expatriates living in India. The forts ordered wine from the directors of the EIC in London, who in turn arranged for some of their ships to stop over at Madeira to purchase wine.<sup>101</sup>

The growing importance of the Indian market after the independence of the United States led the Directors of the EIC in London to discontinue the system of purchasing Madeira wine that had been in place for almost a century. The Directors had managed the purchase of wine through Madeira wine agents with whom they organized annual contracts. London partners of

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<sup>100</sup> Jose Sebastião de França was the London-based partner of Correa de França e Companhia, based in Funchal; Paulo Miguel Rodrigues, "A Junta da Fazenda da Madeira na Política na Política Externa Portuguesa (1801-1834)", *Anuário do Centro de Estudos de História do Atlântico* 1 (2009), 477-498, 481-83; Nêlio Pão, "O Âmbito de Intervenção Financeira da Junta da Real Fazenda do Funchal (1775- 1834): Uma Análise Global das Despesas", *Anuário 3, Centro de Estudos de História do Atlântico* (Funchal, 2011), 371-391, 378. Although born in Funchal, Oliveira kept offices and died in London. See, e.g., ARM, Registo de Batismos da Sé do Funchal (1764-1768), 26, f.19r; and London Metropolitan Archives, Royal and Sun Alliance, CLC/B/192, F/001/MS11936/457, policy dated 1 October 1818, for "Dominick Oliveira, Upper Seymour Street, Merchant". See also Fernando Augusto da Silva e Carlos Azevedo de Meneses, entries "Oliveira", "Dr. João Francisco de Oliveira", "Conde de Tojal", in *Elucidário Madeirense*, volume 3 (Funchal, 1978), 8, 11-12, 340-341.

<sup>101</sup> Hancock, "An Undisclosed Ocean", 157-158; and Hancock, "A Revolution in the Trade," 116.

Madeira firms competed, but the process of selection of suppliers by the EIC relied extensively on the informal networks established between its Directors and the Madeira wine merchants or their agents based in London.<sup>102</sup> In 1785 the EIC created an annual public auction system for which Madeira firms had to prepare formal written bids annually. Competition in the bidding process led to administrative and marketing innovations by Madeira firms, including offering credit for longer periods of time, lowering prices, forswearing of freight and related charges, and offering full insurance on transportation to India.<sup>103</sup>

A Charter Act in 1793 was passed by the British parliament establishing a trade monopoly by the EIC over the British territories in India. Among other privileges, which were extended for 20 years, it also stipulated that the EIC should be governed by a Governor General and a Board of Directors. The Act nonetheless also represented a limited but significant victory for non-EIC commercial interests. The requirement that the Company provide 3,000 tons of annual private cargo space on its ships' outward- and homeward-bound voyages at a charge but without going through the auction bidding process meant that Madeira wine merchants were for the first time able to sell directly in India. This concession was regarded by supporters of the EIC as a modest and pragmatic response to a growing clandestine trade.<sup>104</sup> While the total level of exports to India increased from 3.8 thousand pipes in 1790 to 6.2 thousand pipes in 1795, the significance of the EIC Indiamen in this trade had decreased from 46.3 percent to 26.7 percent. Despite the increase in trade and partial opening up of the market to non-EIC goods, the total number of firms exporting directly to India declined, indicating an increase in the market power of the top firms. These tended to be the firms that had been the first movers in entering the

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<sup>102</sup> *The World*, Issue 219 (Friday 14 September 1787).

<sup>103</sup> Hancock, "An Undisclosed Ocean," 158-162.

<sup>104</sup> Webster, *Twilight*, 39-63.

market, who had been able to secure their own networks early on, with some even having been able to establish their own agency houses. As a result, the top fifteen Madeira wine exporters into India in 1795 alone controlled 47 percent of the trade in a period when there were 169 named merchants.<sup>105</sup>

In 1799 trade to India opened further when the Governor-General of India Lord Mornington granted trade rights to businesses unconnected with the EIC, making it possible to use India as a route back to Europe.<sup>106</sup> This constituted a significant turn for commerce with the British territories in East India, creating new opportunities for Madeira wine merchants to export to Britain via India, and use the long routes as a process for ageing and improving the quality of the wine. 1813 proved an important turning point in the Madeira trade in India. Parliament ended the EIC's commercial monopoly on the Indian subcontinent with the East India Company Act of 1813.<sup>107</sup> This was a victory for the growing power of independent merchants and entrepreneurs in the early stages of the Industrial Revolution who, emboldened by new ideas like those of Adam Smith, led anti-monopoly campaigns for accessing the Asian markets in order to sell their produce and search for new sources of raw materials.<sup>108</sup> Soon the number of merchants exporting Madeira wine increased exponentially. While in 1811 the number of named merchants trading on the Indian market was 108, by 1820 this number had more than doubled to 266.<sup>109</sup> In 1833 a new Charter Act renewed the activity of the EIC for another twenty years creating for the first time a

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<sup>105</sup> ANTT, Alfândega do Funchal, Movimento do Porto, Livro do Feitor de Embarque, volume 245, 1789-96.

<sup>106</sup> Hancock, 159.

<sup>107</sup> The EIC kept its trade monopoly in tea and opium, and also on trade with China. Bowen, *Business of Empire*.

<sup>108</sup> Yukihisa Kumagai, *Breaking into the Monopoly: Provincial Merchants and Manufacturers' Campaigns for Access to the Asian Market, 1790-1833* (Leiden, 2013), 159-178.

<sup>109</sup> ANTT, Alfândega do Funchal, Mesa Grande, Cobrança de direitos, Direitos por saída, volume 394 and 399.

government with authority over the entire territorial area possessed by the British in India, but closed down all its commercial activities, which led once again to an increase in exports and the number of active merchants.

The EIC put mechanisms in place to guarantee its monopoly power over the Madeira trade, ensure quality, and to reduce the imitation, adulteration, and smuggling common in the wine trade at the time.<sup>110</sup> These procedures included studying and planning how much and what to sell in each market, and the procurement, shipping, and distribution of Madeira. This involved a constant dialogue with customers at Indian forts to ascertain their preferences and changing tastes, and to deal with possible complaints.<sup>111</sup> For procurement, the EIC also communicated regularly with the Madeira wine suppliers advising them about the quality and level of fermentation of the wine desired for their orders.<sup>112</sup> Documents were issued to accompany merchandise for shipping, and casks were branded with the EIC mark to endorse its genuine origin and quality.<sup>113</sup> For instance, in a contract with the firm of Newton, Gordon, and Johnston, the EIC made clear that any continuation of their commercial relations depended on the ability of the Madeira wine merchant to supply the “best quality” wine and to ship the wine in “casks with

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<sup>110</sup> Alexander Henderson, *The History of ancient and modern Wines* (London, 1824), 252; H. V. Bowen, "So Alarming An Evil: Smuggling, Pilfering and the English East India Company, 1750-1810", *International Journal of Maritime History*, 14.1 (2002): 1-31, 9, 31.

<sup>111</sup> "Letter from the Court of Directors in London to the Presidency and Council of Fort St George," December 1755, IOR/Z/E/4/34/M80 f. 495, BL, India Office Records and Private Papers, East India Company General Correspondence.

<sup>112</sup> "Letter from the Court of Directors in London to the Pres and Council Fort Williams in Bengal," 29 December 1756, IOR/E/4/616, f. 447, BL, India Office Records and Private Papers, East India Company General Correspondence.

<sup>113</sup> "Letter from the Court of Directors in London to the Pres and Council Fort Williams in Bengal," 29 December 1756, IOR/E/4/616, f. 447, BL, India Office Records and Private Papers, East India Company General Correspondence.

the Company's mark".<sup>114</sup> Each shipment of Madeira wine to forts in India included a series of documents: a letter; an account of marks, numbers, and contents; a bill of lading, and an invoice. The account of marks, numbers of pipes, and contents included the mark or brand of the EIC, the brand of the merchant, and the brand of the cooper (Appendix 2).<sup>115</sup>

All these procedures served as indirect endorsements for Madeira wine, whose reputation appeared closely connected with that of the EIC. The promotion of the reputation of the EIC was also achieved through a visual culture which ranged from paintings and prints to architecture and sculpture, and that was widely illustrated through popular and scholarly books, maps, medals, and virtually every other type of visual artefact produced in the eighteenth century.<sup>116</sup> It is, however, newspaper advertisements that provide an unparalleled glimpse into the operation of the EIC's precocious brand.

Five thousand miles away from London, advertisements for the sale of Madeira routinely appeared in the Anglo-Indian press, already from its very earliest days in the late 1770s, alongside regular news of the East India Company, her ships, their crews and cargoes.<sup>117</sup> The

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<sup>114</sup> "Letter with an Order from the Court of Directors of East India Company to Newton Gordon & Johnston," London, 30 April of 1789, Cossart, Gordon and Company: Business papers CLC/B/063/MS32992, 034, London Metropolitan Archives (LMA), City of London.

<sup>115</sup> Letters 149-155, "Chambers, Hiccox and Chambers in Madeira to the Court Regarding 127 Pipes of Wines having been shipped on the Grosvenor and Enclosing Bills of lading and Invoices for the Various Shipments Sent on the Clinton, Essex, and Grosvenor," 12 April 1762, IOR/E/1/44, ff. 300-309; "Madeira Chambers, Hiccox and Denyer sent to the Court of Directors," 12 March 1778, IOR/E/1/62 f. 62; and Letters 29-30, "Scott, Pringle and Co in Madeira to the Court relating the loading of wine onto East India Company ships", January 1782, IOR/E/1/70 ff 52-55v, BL, India Office Records and Private Papers, East India Company General Correspondence.

<sup>116</sup> Geoff Quilley, "Signs of Commerce: The East India Company and the Patronage of Eighteenth-Century British Art", in *The Worlds of the East India Company*, eds., H. V. Bown, Margarette Lincoln and Nigel Rigby (Suffolk, 2002), 183-199.

<sup>117</sup> One extract reads: "By Letters from Anjengo of the 13<sup>th</sup> Feb. we learn that the Resolution Indiaman which left Bombay in Oct. laden with Cotton and Madeira Wine was in at Point de Galle the end of Jan'y..." *Hicky's Bengal Gazette*, 7-14 April 1781, number 11, unpaginated but

Company and Madeira alike shaped the lives of British expatriates in India, who lived within a circumscribed world given its contours by the rhythms of ship arrivals and cargo sales.

A glimpse of this can be found in the pages of the first newspaper on the sub-continent, the short-lived *Hicky's Bengal Gazette*, suppressed by the Company in 1782, which served Calcutta's anglophone residents. "To be Sold At the Large Godowns [warehouse] opposite to the Portugese Church," ran one laconic advertisement, "A Quantity of the Company's Madeira Wine purchased at the Sales of last Year."<sup>118</sup> Another announced the availability of "20 Pipes of exceeding rich old Madeira price 400 Rupees per Pipe".<sup>119</sup> Very common—sometimes with a handful of such notices appearing per issue—were private sales, wholesale and retail offerings, and public auctions including, among other diverse goods, some quantity of "fine" or "very fine old Madeira in pipes and bottles", or of Madeira described by its age in years, like "Madeira Wine of 4 Years Old, in Pipes".<sup>120</sup> The locus of many Madeira sales was the auction room in Calcutta's Old Play House operated by the Company's "vendu master" George Williamson. To choose one from among many such listings, "Madeira Wine imported from Madras five years old" was put up for public auction there alongside everything from pearls and Japanese boxes to a refracting telescope in mid-April 1780.<sup>121</sup>

Madeira had a unique status in British India, since the "Honorable Company" itself arranged the supply of her forts with large quantities of the wine. The possessive "Company's" is

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1v. The large-scale sale of the Company's Madeira supply also made the local news. "We are informed that the COMPANY's Madeira Wine, sold last Wednesday, from 550 to 630 and was principally purchased by William Watts Esq on commission", *ibid.*, 3-10 June 1780, n.20, 1v.

<sup>118</sup> *Ibid.*

<sup>119</sup> *Ibid.*, 17-24 June 1780, n.22, 2v.

<sup>120</sup> E.g., *ibid.*, 22-29 July 1780, n.27, 2r; 12-19 August 1780, n. 30, 2v; 30 September-7 October 1780, n.37, 2r.

<sup>121</sup> *Ibid.*, 1-8 April 1780, n.11, 2r.

rarely used in the *Gazette* except to describe the East India Company's ships, personnel, or crucially its Madeira. The merchandise advertised for auction in Calcutta bore no "brands" in modern terms, except, in a certain sense, the East India Company's brand: joined to "Madeira wine" the descriptor "the Company's" added a dimension, of quality surely but also of Britishness abroad, not possessed by ordinary signifiers of origin-based reputation like French brandy, Rhenish wine, Dutch beer, or China satin. And just as "John Bull" still personifies England and Englishness around the globe, "John Company" once personified the omnipresent East India Company among the native population in British India.<sup>122</sup>

Similar branding dynamics were at play in London, as evidenced by advertisements in *The Times*. For consumers in the British home market and metropole, the quality of Madeira was powerfully signalled by its tropical itinerary, Atlantic or Pacific, through the West or East Indies, and thus we find Madeira wines offered in the early 1790s at Christie's in London "which have been round to Brasil... of the best quality, and perfectly unadulterated" as well as Madeira advertised as "purchased in Madeira in a voyage to India where it remained some time".<sup>123</sup> Readers unsurprisingly sought accurate news of shipping from England to India. *The Times* routinely printed and corrected schedules for the voyages of East India Company ships headed from the Downs (an important anchorage and roadstead on the Kent coast) to India by way of Madeira, which served as an important navigational stopover as well as a source for fortified wines. One 1789 timetable shows ships departing with consignments at "Madeira, Bombay, and China", "Madeira, Coast [the Bengal coast], and China", "Madeira and Bengal", and so on.<sup>124</sup>

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<sup>122</sup> Henry Yule and Arthur Coke Burnell, *Hobson-Jobson, being a Glossary of Anglo-Indian Colloquial Words and Phrases* (London: John Murray, 1886), s.v. "John Company", 352-53.

<sup>123</sup> *The Times*, 8 November, 1790, issue number 1721, page 4; 12 February 1791, n.1926, 4.

<sup>124</sup> *Ibid.*, 9 October 1789, n.1278, 3, under the heading "India Shipping".

The East India Company was, of course, not only a transporter of Madeira wine and readers of *The Times* similarly found news about the many facets of the Company's involvement, not least the price per pipe contracted by the Company for the use of its settlements in India.<sup>125</sup> "London Particular Madeira from the East Indies" was also sold directly from the Company's East India House in Leadenhall Street and stored in its cellars on site, as well as in Company vaults elsewhere in London. In September of 1790, for example, the Court of Directors of the Company issued a notice that 191 pipes would be made available at the East India House at the price of £55 per 110-gallon pipe. These "wines are of a choice quality," this advertisement adds, "being part of the Company's annual supply from Bengal".<sup>126</sup> In February of 1821 a notice appeared about "Madeira Wine, imported by the East India Company from Calcutta, and now lying in their cellars under East India House".<sup>127</sup> In the Company's own advertisements, that it had "been on a voyage to India" was an essential and explicit selling point for its Madeira.<sup>128</sup> The same was true of those of private dealers: "these wines," a Christie's notice from 1792 reads, "were lately brought by the Company's ships, after having laid in India four years, whereby it is agreeably mollified, and greatly improved by climate. Is unadulterated, and deposited in the India House".<sup>129</sup> Sometimes even the ship that transported the wine to India was named: in January of 1804, the noted London wine broker John Wild advertised the availability of "62 Pipes of East India Madeira Wine, of a very superior quality, imported from Bombay per the [East India Company ship] Scaleby Castle, which deserve the particular attention of the public".

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<sup>125</sup> E.g., *ibid.*, 14 September 1787, issue 849, 2.

<sup>126</sup> *Ibid.*, 13 September 1790, n.1673, 1.

<sup>127</sup> *Ibid.*, 16 February 1821, n.11172, 1. See also *ibid.*, 27 May 1820, n.10944, 1, "8 pipes of East India Madeira Wine, imported by the Company from Bengal, and now lying in their cellars under the East India House...".

<sup>128</sup> *Ibid.*, 24 April 1818, n. 10330, 2.

<sup>129</sup> *Ibid.*, 11 February 1792, n.2227, 4.



These wines could also be “tasted by permission in the Hon[orable] Company’s vaults in Lime Street” to prove their top quality.<sup>130</sup>

These advertisements shed some light on the East India Company’s role as a “national” brand, deeply associated with the British character and with Britain’s colonial experience. The “Company” brand served as a both a direct and indirect endorsement of Madeira wine, adding reputational value at the stages of shipping, storage, tasting, and sale. The Company’s wine had made the circuit to the Indies, improving and guaranteeing its flavor; it had been safely stored aboard ships of the state-company, at the Company’s Indian settlements, and in the Company’s London vaults, keeping it safe from adulteration; and was imbued with the mystique of the British imperial experience. The Madeira of the East Indies brought together center (the metropole London; England; Britain) and periphery (Madeira; the Company’s shipping routes and ports stretching from coastal England to coastal China; India) in a powerful way. This mystique remains, even to this day, as a sort of “imaginary” brand—one imbued, to be sure, with the stubborn vestiges of colonial nostalgia—in the Madeira industry, as evidenced by the use of “East India” and “Old East India” in contemporary labeling and marketing.

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<sup>130</sup> Ibid., 13 January 1804, n.5918, 4, under the heading “London Particular Madeira from the East Indies”, “...to be tasted by permission in the Hon: Company’s vaults in Lime Street...”. Wild served on the Committee of the “London Association of Merchants in the Wine and Spirit Trade”; see James Warre, *The Past, Present, & Probably the Future Wine Trade* (London, 1823). 201. See also *The Times*, 12 February 1789, n.1289, 4, “Five Pipes of Most Excellent Madeira, which has been in India a considerable time, and brought home in the Thetis, Atlas, and Rodney East Indiamen last year...”; advertisements also associate quality Madeira with consumers of refinement, *ibid.*, “the above wines are of a special excellence, and purchased for a man of fashion...”; *ibid.*, 22 August 1789, n.1237, 4, “the above wines are of first quality... favourable to those who are of the habit of drinking Madeira”.

## Conclusions

The EIC's direct and indirect endorsements in the Madeira industry can be compared and contrasted with the endorsement provided by *Companhia* certification for Port wine.<sup>131</sup> These endorsements both served as company-state guarantees of the genuine origin and quality of the wines for consumers. They were nonetheless not "modern brands".<sup>132</sup> Modern brands rely on two key characteristics to flourish—differentiation and legal protection of intellectual property—and on the symbiotic coupling between the two.<sup>133</sup> The EIC brand and the *Companhia* certification brand emerged in a period when these two characteristics were largely decoupled insofar as the latter existed in any meaningful sense. They may be considered "proto-brands" generally or "mercantilist brands" specifically. Such brands, emanating from states or from state-merchant cooperation rather than being developed by firms, nonetheless enhanced consumer information concerning quality and other characteristics of products like place origin, and helped reduce uncertainty in commercial transactions.<sup>134</sup> The EIC and the *Companhia* acted as third-party

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<sup>131</sup> About branding through third party endorsement, see Teresa da Silva Lopes, "Building Brand Reputation through Third Party Endorsement: Fair Trade in British Chocolate," *Business History Review*, 90.3 (2016): 457-482.

<sup>132</sup> Mira Wilkins, "The Neglected Intangible Asset: The Influence of the Trade Mark on the Rise of the Modern Corporation," *Business History* 34.1 (1992): 66-95.

<sup>133</sup> Kevin Keller, *Strategic Brand Management: Building, Measuring and Managing Brand Equity*, 2<sup>nd</sup> Ed. (Englewood Cliffs N.J., 2003), provides a basic overview of these dimensions in terms of marketing. For a case study on differentiation and legal protection, see Teresa da Silva Lopes, Bruna Dourado, and Elizabeth Santos de Souza, "Unbundling the Brand: Differentiation and the Law in the Brazilian South American Tea Industry," *Business History* (2022), DOI: 10.1080/00076791.2022.2036130. See also the essential article of Mira Wilkins, "The Neglected Intangible Asset: The Influence of the Trade Mark on the Rise of Modern Corporation," *Business History* 34 (1992): 66-99, and Deven R. Desai and Spencer Waller, "Brands, Competition and the Law," *BYU Law Review* 5 (2010): 1425-1500. The relationship among these two characteristics and reputation is complex but essential. On reputation, see Chris Kobrak, "The Concept of Reputation in Business History", *Business History Review* 87.4 (2013): 763-786.

<sup>134</sup> Nicholas Alexander and Anne Marie Doherty, "Overcoming Institutional Voids: Maisons Spéciales and the Internationalisation of Proto-Modern Brands," *Business History*, 63.7 (2021): 1079–1112; Lopes et al., "Unbundling the Brand".

endorsers of the quality, purity, and origin of Madeira and Port respectively. In both cases this endorsement was accomplished through the marking of casks and barrels before shipping and through a host of other procedures related to planning, procurement, shipping, warehousing, and sale of the wines. Because it was essentially attached to the product and not the merchant, this endorsement extended to all merchants granted the privilege to sell those wines and ultimately survived and radiated beyond those privileged merchants. While there are many similarities in the way the EIC brand and the *Companhia* brand were used, there are some clear differences, the most significant being that as for the case of Madeira wine, the EIC used the same mark and imagery in the international trade of other goods such as tea, opium and textiles, the *Companhia* essentially used its mark on one single product, Port wine.<sup>135</sup>

The Enlightenment critique of mercantilism, solidified and concretized in classical and neo-classical economic historiography, suggests that "mercantilist" and "modern" brands should operate in starkly different ways in radically different economic contexts, separated by the same foreboding chasm that divides economic irrationality from economic rationality. For modern brands prices vary and are determined by markets. For mercantilist brands prices are fixed and determined by the monopoly, the cartel, or through collusion. Modern brands operate in free markets under conditions of free competition and free consumer choices, in an idealized framework according to which trade is mutually beneficial for the parties involved and wealth creation and distribution is potentially infinite. Mercantilist brands operate in contexts which are

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<sup>135</sup> Carcavelos wine, which basically used grapes from the estate of Marques de Pombal, located near Lisbon, was also protected with denomination of origin and was shipped as high-quality port wine, produced in the North of Portugal. However, the amount produced was insignificant. Gaspar Martins Pereira, "A Companhia Geral da Agricultura das Vinhas do Alto Douro e os Vinhos de Carcavelos". Keynote speech at the VII Conference of the Marquês de Pombal Foundation (Carcavelos, 11 November 2004).

highly regulated, characterised by high tariffs and barriers to entry, where consumers have few choices. Mercantilist international trade is understood according to the principle that wealth is static, that one country's gain is another's loss. In terms of distribution, modern brands have a wide choice of channels and the use of violence as an economic service is not a possibility, while for mercantilist brands distribution is carried out through regulated channels and violence is used to open up markets, exclude competitors, and ensure that supplied markets are protected. The harsh reality however is that there is no such chasm and that mercantilist policies and frameworks have survived, that international trade produces winners and losers, that states and firms collude and conspire, and that violence continues to be employed as an economic service on behalf of national and multinational firms. For the modern brand, the ultimate aim is often to maximise owner or shareholder wealth by creating barriers to entry to competitors through the creation of monopoly power.<sup>136</sup> Mercantilist brands instead usually relied on pre-established or promised barriers to entry in home and in colonial markets. But then as now, merchants were explicitly or tacitly understood to indirectly serve state interests and to be served by state power.<sup>137</sup>

A simple yet meaningful question lies at the heart of this study. Port wine acquired legal protection of origin and state certification already in 1756, making it one of the earliest wine industries to receive such protection.<sup>138</sup> Why did Madeira wine, another Portuguese wine born in international trade, persist so long without similar protection? Although mercantilist trade

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<sup>136</sup> Joe S. Bain, *Barriers to Competition* (Cambridge MA, 1956).

<sup>137</sup> Patrick O'Brien, "The Political Economy of British Taxation, 1660-1815," *The Economic History Review* 41.3 (1988): 1-32, also suggests also how mercantilist firms directly served state interests by means of revenues from export duties, customs, and licensing fees.

<sup>138</sup> Gaspar Martins Pereira, "A Região do Vinho do Porto: Origem Evolução de uma Demarcação Pioneira," *Douro: Estudos & Documentos* 1.1 (1996): 177-194, 181; François Guichard and Philippe Roudié, *Vins, Vignerons et Cooperateurs de Bordeaux et Porto* (Paris, 1985).

regimes were everywhere collapsing and British merchants in Madeira often resisted certification on "free trade" grounds, we have argued that the EIC's "mercantilist brand", a proto-brand merging merchant interests and state capacity, acted as an alternative to state certification by directly and indirectly endorsing Madeira wine at various stages in the wine's global value chain. As the North American market for Madeira disappeared and the Indian market took its place, the EIC's activities in India and the aura of its reputation as a signifier of quality as much in India as in London represent a compelling case study of how such a mercantilist brand functioned at the very end of the era of mercantilism. Brands that developed before the second industrial revolution offered only limited possibilities for product differentiation, and consumers usually encountered them indirectly rather than directly, but mercantilist brands nonetheless leveraged state capacity to reach and exploit distant markets and could ably leverage national identity and national assets to protect product reputation in ways that persist still today.

### Affiliations

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**\*\*ISABELLE LEWIS HAS BEEN COMMISSIONED TO PRODUCE THE MAP BY  
THE END OF FEBRUARY 2023\*\***

**Total Exports of Madeira Wine by Region of Destination**

Year	1780		1786	
	Number of Pipes	%	Number of Pipes	%
<b>Asia</b>	<b>323.63</b>	<b>3.24</b>	<b>2,757.00</b>	<b>41.08</b>
Great Britain	305.75	3.06	47.25	0.70
North America Colonies, USA and Canada	4,156.38	41.58	443.63	6.61
West Indies	3,011.36	30.13	1,974.32	29.42
Portugal	110.25	1.10	27.50	0.41
Others	114.00	1.14	17.63	0.26
Unknown Destination	1,973.62	19.75	1,444.40	21.52
<b>TOTAL</b>	<b>9,994.98</b>	<b>100.00</b>	<b>6,711.72</b>	<b>100.00</b>

Source: Lisbon, ANTT, Provedoria e Junta Real da Fazenda do Funchal, Contadoria Geral, Renc

<b>1790</b>		<b>1795</b>		<b>1800</b>		<b>1805</b>	
Number of Pipes	%	Number of Pipes	%	Number of Pipes	%	Number of Pipes	%
<b>3,786.38</b>	<b>27.59</b>	<b>6,152.25</b>	<b>42.20</b>	<b>6,548.83</b>	<b>40.28</b>	<b>3,093.63</b>	<b>17.77</b>
250.25	1.82	354.25	2.43	212.38	1.31	425.00	2.44
2,833.88	20.65	3,511.23	24.08	2,358.00	14.50	2,422.75	13.91
6,546.35	47.70	4,213.38	28.90	6,637.28	40.82	8,515.63	48.90
8.50	0.06	33.00	0.23	0.50	0.00	0.00	0.00
293.50	2.14	296.00	2.03	295.75	1.82	801.75	4.60
4.25	0.03	20.00	0.14	207.00	1.27	2,154.50	12.37
<b>13,723.10</b>	<b>100.00</b>	<b>14,580.10</b>	<b>100.00</b>	<b>16,259.73</b>	<b>100.00</b>	<b>17,413.25</b>	<b>100.00</b>

dimento da Alfandega, Direitos por Saída, volumes 281, 292, and 357; Alfândega do Funchal, M

<b>1811</b>		<b>1816</b>		<b>1821</b>		<b>1825</b>	
Number of Pipes	%	Number of Pipes	%	Number of Pipes	%	Number of Pipes	%
<b>3,214.18</b>	<b>26.69</b>	<b>2,047.50</b>	<b>30.44</b>	<b>2,200.25</b>	<b>20.95</b>	<b>3,151.63</b>	<b>23.50</b>
859.25	7.13	211.75	3.15	1,299.88	12.38	2,367.81	17.65
2,090.75	17.36	1,484.55	22.07	747.30	7.12	1,433.60	10.69
3,589.88	29.81	2,183.63	32.47	3,283.80	31.27	4,156.20	30.99
504.68	4.19	121.50	1.81	150.63	1.43	247.28	1.84
696.50	5.78	569.63	8.47	2,417.85	23.03	1,492.70	11.13
1,088.73	9.04	107.50	1.60	400.50	3.81	563.73	4.20
<b>12,043.95</b>	<b>100.00</b>	<b>6,726.05</b>	<b>100.00</b>	<b>10,500.20</b>	<b>100.00</b>	<b>13,412.94</b>	<b>100.00</b>

lesa Grande, Cobrança de Direitos, Direitos por Saída, volumes 382, 388, 392; 394, 399, and 40



<b>1830</b>		<b>1834</b>	
Number of Pipes	%	Number of Pipes	%
<b>858.00</b>	<b>15.65</b>	<b>1,135.89</b>	<b>12.35</b>
1,166.43	21.28	1,953.20	21.23
802.15	14.63	2,717.78	29.55
1,775.65	32.40	1,146.67	12.47
80.08	1.46	182.75	1.99
747.45	13.64	1,942.14	21.11
51.38	0.94	119.89	1.30
<b>5,481.13</b>	<b>100.00</b>	<b>9,198.30</b>	<b>100.00</b>

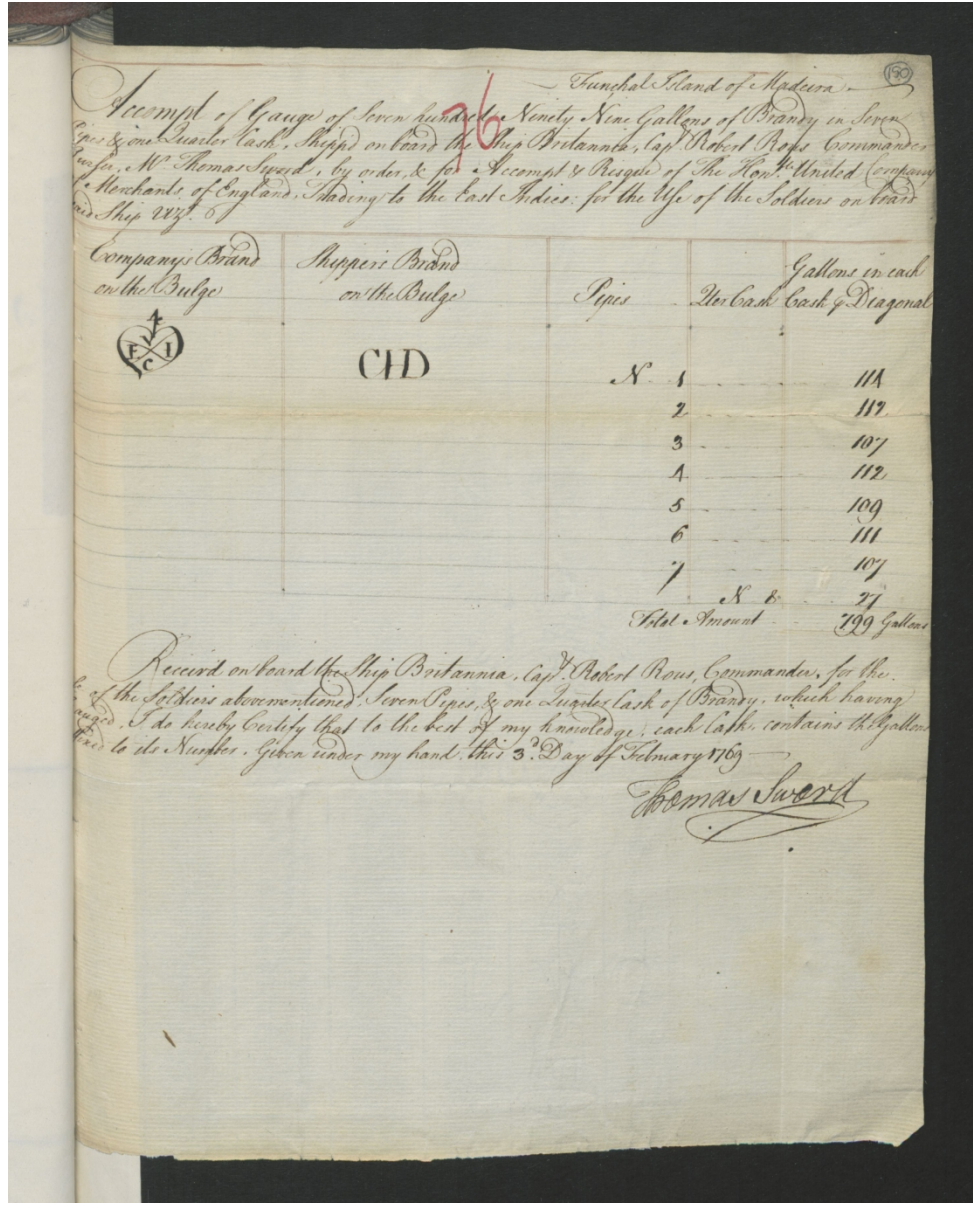
); Alfândega do Funchal, Movimento do Porto, Livro do Feitor de Embarque, volumes 245

5 and 255; Alfândega do Funchal, Mesa Grande, Cobrança de Direitos, Livro do Feitor do Contrato, v

For Peer Review

Volume 414.


For Peer Review



246x305mm (300 x 300 DPI)

Funchal Island of Madeira 150

Account of Gauge of seven hundred Ninety Nine Gallons of Brandy in Seven Pipes & one Quarter Cask, Shipped on board the Ship Britannia, Cap<sup>t</sup> Robert Ross, Commanded by Mr. Thomas Sweet, by order, & for Account & Resque of The Hon<sup>ble</sup> United Company of Merchants of England, Trading to the East Indies: for the Use of the Soldiers on board this Ship viz.

Company's Brand on the Bulge	Shippers Brand on the Bulge	Pipes	Gallons in each
			Her Cask Cask & Diagonal
	CHD	N <sup>o</sup> 1	118
		2	117
		3	107
		4	112
		5	109
		6	111
		7	107
		N <sup>o</sup> 8	27
		Total Amount	799 Gallons

Received on board the Ship Britannia, Cap<sup>t</sup> Robert Ross, Commanded, for the Use of the Soldiers above mentioned, Seven Pipes, & one Quarter Cask of Brandy, which having gauged, I do hereby Certify that to the best of my knowledge, each Cask, contains the Gallons due to its Number, Given under my hand, this 3<sup>d</sup> Day of February 1769

*Thomas Sweet*

London, British Library, IOR/E/1/52, f. 150r. Correspondence of the company of Chambers, Hiccox, and Denyer in Madeira with the Court of the East India Company, 13 February 1769, showing the marks of the company (UEIC, "United East India Company") and of the firm (CHD), both of which were placed on the bulge of Madeira wine casks.

SEE ATTACHED PERMISSION LETTER

**Figure 1**

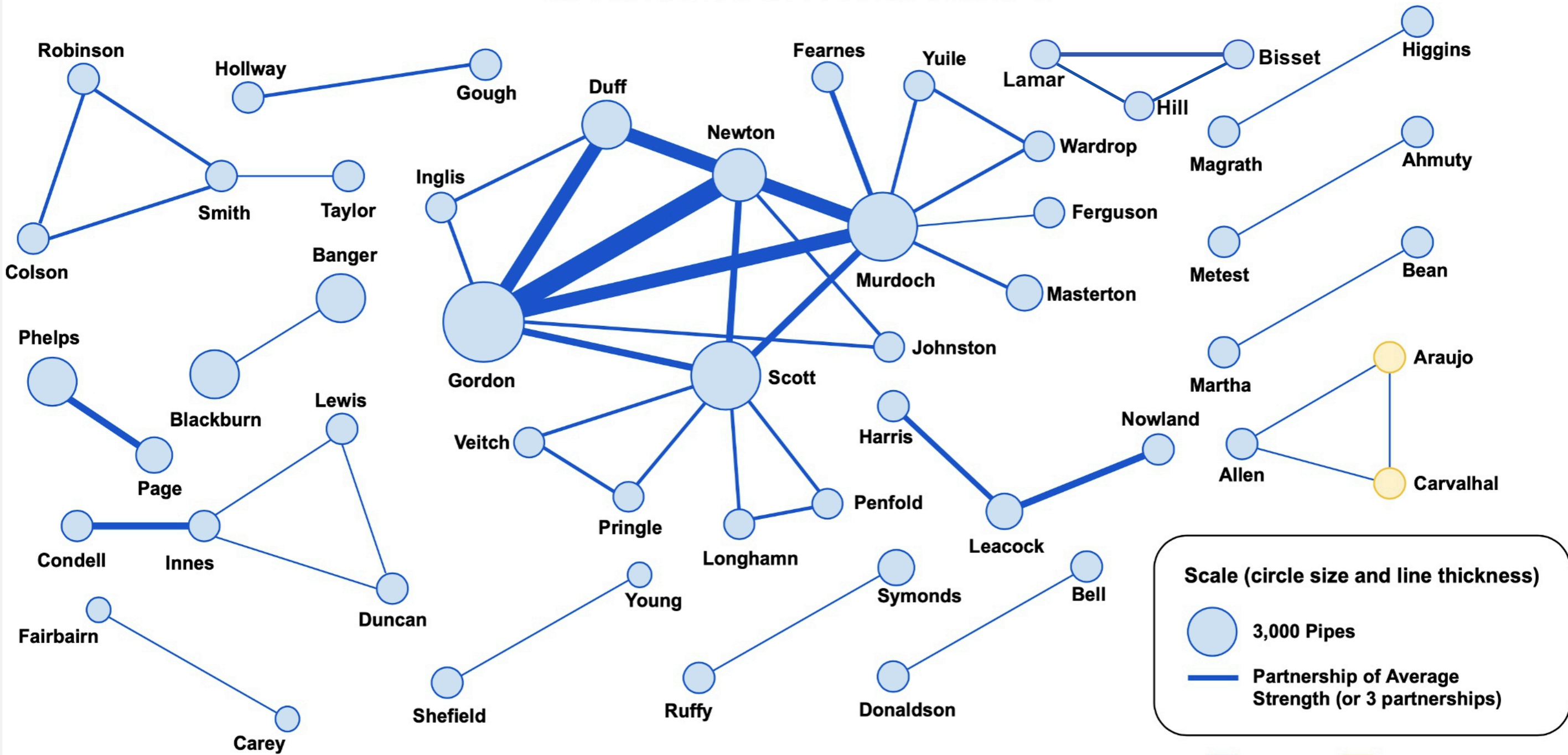
TITLE: The Top 100 Merchants in the Madeira Wine Trade and their Partnerships, 1780-1834

CAPTION: Schematic visualization created by Matthew W. Norris based on complete annual export data per merchant or merchant partnership for the years 1780, 1786, 1790, 1795, 1800, 1805, 1811, 1816, 1821, 1825, 1830, and 1834. The thickness of lines represents the number of times a merchant appears in partnership with one or more other merchants in the sampled years. The size of the circles represents the exact amount of exported wine for all the sampled years for individual merchants; for partnerships, the total exports were divided equally among the partners but clearly show the strength of the partnerships in the wine trade.

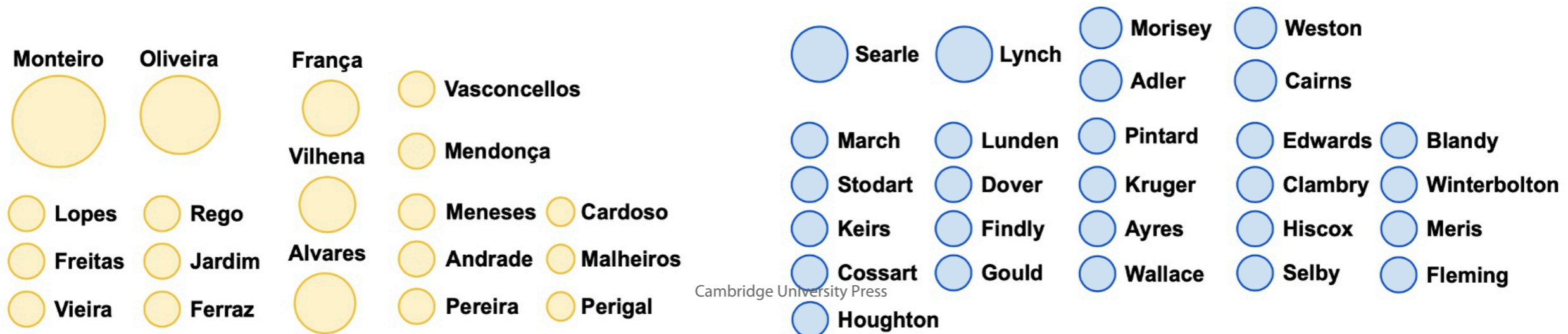
SOURCES: Lisbon, ANTT, Provedoria e Junta Real da Fazenda do Funchal, Contadoria Geral, Rendimento da Alfandega, Direitos por Saída, volumes 281, 292, and 357; Alfândega do Funchal, Mesa Grande, Cobrança de Direitos, Direitos por Saída, volumes 382, 388, 392; 394, 399, and 403; Alfândega do Funchal, Movimento do Porto, Livro do Feitor de Embarque, volumes 245 and 255; Alfândega do Funchal, Mesa Grande, Cobrança de Direitos, Livro do Feitor do Contrato, volume 414.

# MERCHANTS IN PARTNERSHIPS

Business History Review



# MERCHANTS NOT IN PARTNERSHIPS



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