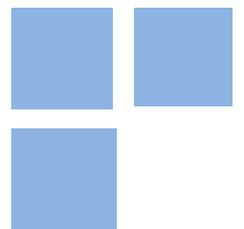


The Rise of the Cotton Trade in Brazil during the Industrial Revolution

THALES AUGUSTO ZAMBERLAN PEREIRA



The Rise of the Cotton Trade in Brazil during the Industrial Revolution

Thales Augusto Zamberlan Pereria (thaleszp@usp.br)

Abstract:

When and why did Brazilian cotton become important to the Industrial Revolution? After 1780, Brazil increased substantially its trade share relative to other cotton suppliers. Between 1791 and 1801, Brazilian cotton represented 40 percent of raw cotton imports in Liverpool, rivalling the West Indies. Using archival data between 1760 and 1808, this paper shows that Brazil benefited from increasing British demand for a new variety of cotton staple that emerged with mechanized textile production. Previous explanations for the rise of Brazilian cotton trade attributed it to the revolutions in the Caribbean in the 1790s, and the American Revolutionary War, which ended in 1783. Evidence, however, suggests that these explanations are incomplete or incorrect. The United States did not export cotton to Britain before 1790, and British imports from the West Indies did not fall after the revolutions. The increase in cotton trade between Brazil and Britain can be explained by four parallel stories: 1) how diplomatic conflicts between Portugal and Britain involving the wine trade increased Brazilian cotton importance in the Portuguese trade balance; 2) how cotton plantations in Brazil managed to respond to Britain's increasing demand after the 1780s; 3) why the West Indies were not a viable alternative to Brazilian cotton; 4) why the Brazilian cotton staple had natural advantages over initial alternatives for new textile machines in Britain.

Keywords: Cotton Trade, Colonial Brazil, Industrial Revolution.

.

JEL Codes: N56; N73; N76.

THE RISE OF THE COTTON TRADE IN BRAZIL DURING THE INDUSTRIAL REVOLUTION

Thales A Z Pereira¹

¹PhD Candidate, Department of Economics, University of São Paulo (FEA/USP)

May 2016

Abstract

When and why did Brazilian cotton become important to the Industrial Revolution? After 1780, Brazil increased substantially its trade share relative to other cotton suppliers. Between 1791 and 1801, Brazilian cotton represented 40 percent of raw cotton imports in Liverpool, rivaling the West Indies. Using archival data between 1760 and 1808, this paper shows that Brazil benefited from increasing British demand for a new variety of cotton staple that emerged with mechanized textile production. Previous explanations for the rise of Brazilian cotton trade attributed it to the revolutions in the Caribbean in the 1790s, and the American Revolutionary War, which ended in 1783. Evidence, however, suggests that these explanations are incomplete or incorrect. The United States did not export cotton to Britain before 1790, and British imports from the West Indies did not fall after the revolutions. The increase in cotton trade between Brazil and Britain can be explained by four parallel stories: 1) how diplomatic conflicts between Portugal and Britain involving the wine trade increased Brazilian cotton importance in the Portuguese trade balance; 2) how cotton plantations in Brazil managed to respond to Britain's increasing demand after the 1780s; 3) why the West Indies were not a viable alternative to Brazilian cotton; 4) why the Brazilian cotton staple had natural advantages over initial alternatives for new textile machines in Britain.

I'm indebted to the suggestions made by Renato Colistete, William Summerhill, Alejandra Irigoin, Robert Greenhill, Kara Dimitruk, and participants on seminars at USP, UCLA, and the Britain and Brazil conference at the University of London. The research was funded by FAPESP.

1 Introduction

When and why did Brazilian cotton become important to the Industrial Revolution? Between 1760 and 1815, British manufacturing progressively replaced sheep wool for raw cotton in its textile industry. In the last two decades of the eighteenth century cotton exports from Britain increased from a value of £355,060, in 1780, to £5,854,057 in 1800.¹ Higher raw cotton consumption after 1780 resulted from several technological improvements that increased productivity in textiles production.² Decline in costs allowed the production of finer quality fabrics and higher growth of British industrial exports.³ The British West Indies, and some Mediterranean regions, provided most of the raw cotton used in Britain throughout the eighteenth century, but the increase in demand for finer textiles led producers to look for new sources of raw material.

¹ Sven Beckert, *Empire of Cotton: A Global History*, First Edition edition (New York: Knopf, 2014).

² T. S. Ashton, *The Industrial Revolution 1760-1830*, Oxford Paperbacks University Series v.38 (Oxford: Oxford University Press, 1968), 60; Michael M. Edwards, *The Growth of the British Cotton Trade, 1780-1815* (Manchester University Press, 1967).

³ Jacob M. Price, "What Did Merchants Do? Reflections on British Overseas Trade, 1660-1790," *The Journal of Economic History* 49, no. 02 (June 1989): 267-84.

With demand for new suppliers, Brazil increased its relevance to the British cotton sector through Portuguese mediation. Between 1791 and 1801, Brazil represented 40 percent of raw cotton imports through the Liverpool port, rivaling the West Indies. By 1800, cotton accounted for 28 percent of the total value of Portugal's re-exports from Brazil, second to sugar, which faced high tariffs in British markets.⁴ The increased demand for Brazilian cotton predated the rise of the United States cotton exports to Britain. The United States had 10 percent of the market at that point and would only achieve its prominence in cotton trade as the most important supplier during the Industrial Revolution after the end of the Napoleonic Wars.⁵

The connection between Brazilian cotton and British textiles manufacturing is a known fact.⁶ Roberto Simonsen, in 1937, and Caio Prado Jr., in 1942, argued that the rise in cotton consumption by English factories favored the increase in Brazilian cotton exports after 1770. At the time, all Brazilian cotton came from Maranhão and Pernambuco, which in their older political divisions occupied areas from Ceará, Paraíba, and other northern regions. While cotton in Pernambuco achieved as much importance as sugar by the end of the eighteenth century, cotton in Maranhão was king, and it created a "golden age" that lasted until the first quarter of the nineteenth century.⁷ The increase in exports was part of Brazil's resurgence in agricultural production that helped reinvigorate Portugal's economy in the end of the eighteenth century. Through re-exports from Lisbon, Brazilian cotton went overwhelmingly to Britain and became the centerpiece in the reversal of the trade balance between the two countries, a desired economic outcome in a mercantilist age.⁸ Around 1790, it was already common to see sales advertisements for cotton from Maranhão, Pernambuco, or "Brazil" in Manchester newspapers.⁹

The historiography of the Brazilian cotton sector provides two main explanations for why Brazil increased its position as a cotton exporter. One explanation, still prevalent in the Brazilian historiography, argued that the United States' War of Independence, which ended in 1783, enabled the rise of Brazilian cotton.¹⁰ This argument is flawed because there were no exports of North American cotton to Britain before 1790.¹¹ The most important explanation, nevertheless, is related to the revolutions in the British and French Caribbean colonies in the last decade of the eighteenth century, combined with Portuguese neutrality on Europe's political upheavals.¹² The revolutions disrupted production of the islands and Brazil became the short term alternative to replace the Caribbean supply. Using newly collected archival data on British cotton trade, however, this paper shows that Britain managed to acquire important territories from the Netherlands during the 1790s, which allowed a continuous expansion of cotton supply from the West Indies.¹³ The Caribbean revolutions, therefore, were much less important for the rapid increase in cotton exports from Brazil than

⁴ Dauril Alden, "Late Colonial Brazil, 1750-1808," in *Colonial Brazil*, ed. Leslie Bethell (Cambridge; New York: Cambridge University Press, 1987), 322.

⁵ Henry Smithers, *Liverpool, Its Commerce, Statistics, and Institutions: With a History of the Cotton Trade* (T. Kaye, 1825); Alexey Krichtal, *Liverpool and the Raw Cotton Trade: A Study of the Port and Its Merchant Community, 1770-1815* (Victoria University of Wellington, 2013).

⁶ Alan Krebs Manchester, *British Preeminence in Brazil: Its Rise and Decline: A Study in European Expansion* (Octagon Books, 1964); D. C. M. Platt, *Latin America and British Trade, 1806-1914: The Merchant Adventurers* (Harper & Row, 1973).

⁷ Roberto Simonsen, *História Econômica Do Brasil (1500/1820)* (Rio de Janeiro: Brasiliense, 1967), 369-70.

⁸ A. R. Disney, *A History of Portugal and the Portuguese Empire: From Beginnings to 1807*, vol. 2 (Cambridge University Press, 2009), 283; Fernando A. Novais, *Portugal e Brasil na crise do antigo sistema colonial (1777-1808)* (Editora HUCITEC, 1979), 189.

⁹ "To Be Sold, by Action," *Manchester Mercury*, March 13, 1787, 1866 edition, 4; "Cotton Business," *Manchester Mercury*, December 28, 1790, 2064 edition, 1, *The British Newspaper Archive*.

¹⁰ André M. Silva, *Imperial Re-Organization, 1750-1808 in Colonial Brazil*, ed. Leslie Bethell (Cambridge; New York: Cambridge University Press, 1987), 270; Manuel Nunes Dias, *A Companhia Geral do Grão Pará e Maranhão (1755-1778)*. (Universidade de São Paulo, Faculdade de Filosofia, Letras e Ciências Humanas, 1971), 372; Charles Ralph Boxer, *The Portuguese Seaborne Empire, 1415-1825* (Hutchinson, 1969), 206. Evaldo Cabral de Mello, *A outra independência: o federalismo pernambucano de 1817 a 1824* (Editora 34, 2004), 58; Peter L. Eisenberg, *The Sugar Industry in Pernambuco: Modernization Without Change, 1840-1910* (University of California Press, 1974); José Jobson Andrade de Arruda, *O Algodão Brasileiro Na época Da Revolução Industrial, América Latina En La Historia Económica* 23, no. 2 (May 2, 2016): 167203.

¹¹ Beckert, *Empire of Cotton*; Sydney John Chapman, *The Lancashire Cotton Industry: A Study in Economic Development* (Manchester: University Press, 1904), 143; Thomas Ellison, *The Cotton Trade of Great Britain: Including a History of the Liverpool Cotton Market and of the Liverpool Cotton Brokers' Association* (London: Effingham Wilson, 1886), 81.

¹² Caio Prado Jr, *Formação do Brasil contemporâneo* (Editora Brasiliense, 1948), 125.

¹³ Trevor Burnard, *Planters, Merchants, and Slaves: Plantation Societies in British America, 1650-1820* (University of Chicago Press, 2015), 18.

previously stated.

The new argument presented in this paper is that, even with greater supply from the new conquered areas in the West Indies, the increased use of new machinery after 1780 to produce better textiles demanded a different variety of cotton than the one previously used by Britain. The quality of Brazilian cotton was the crucial aspect that gave it an initial advantage in British markets. Maranhão and Pernambuco managed to attend Britain's demand after 1780 because of previous incentives to develop cotton plantations in Brazil during the Pombal administration.

The evidence to assess these arguments comes from several archival sources, some of which deserve a discussion. The first is the British Ledgers of Imports and Exports, which has trade information between British ports and foreign countries until 1780.¹⁴ Second, the statistical tables from the Inspector General of Imports and Exports, presented in the States of Navigation, Commerce and Revenue, provide foreign trade information between 1772 and 1808.¹⁵ The information in the foreign trade books offers the quantity and the official value for different products, but only the information about quantities is useful, because official values represented fixed prices from 1696, not market prices.¹⁶ Also, several other documents are used to check for data consistency: Portuguese trade balances, reports from textile manufacturers in Manchester, documents from the British Board of Trade, the Colonial Office, and the Foreign Office.¹⁷

The following sections explain why Brazilian cotton became important to the British Industrial Revolution between 1760 and 1808 offering four parallel stories: 1) how diplomatic conflicts with Britain involving the wine trade increased cotton's importance in the Portuguese trade balance; 2) how cotton plantations in Brazil managed to respond to Britain's increasing demand after the 1780s; 3) why the West Indies were not a viable alternative to Brazilian cotton; 4) why the Brazilian cotton staple had initial physical advantages over alternatives for the new textile machines in Britain.

2 Early sources of supply of raw cotton to Britain

Who were the traditional suppliers to the British cotton market and what was the Brazilian share? For British textile production, the end of the eighteenth century marks an increased substitution of woolsens for cotton. Figure 1 shows that cotton was already being imported at the beginning of the eighteenth century, but quantities remained stable until the 1740s.¹⁸ After a steady rise in the following decades, the spread of new technology, such as spinning machines and the mule, enabled an increase in raw cotton consumption from 5 million in 1780 to 22 million in 1787.¹⁹ During the last two decades of the eighteenth century, cotton was the fastest growing sector in the British economy, while other textile industries, such as woolsens, stagnated.²⁰ Access to new suppliers and incentives to increase production in the West Indies enabled the continuous expansion of cotton consumption and contributed to a fall in prices after 1801.²¹

The growth in demand for British textiles during the late eighteenth century was both a result of high domestic wages and an increase in coarse cotton sales used by slaves in New World plantations.²² Around

¹⁴ "Ledgers of Imports and Exports" (volume(s), 1780 1697), CUST 3, The National Archives, Kew.

¹⁵ "States of Navigation, Commerce and Revenue" (volume(s), 1808 1772), CUST 17, The National Archives, Kew.

¹⁶ Albert H. Imlah, Real Values in British Foreign Trade, 1798-1853, *The Journal of Economic History* 8, no. 2 (November 1948): 133-152.

¹⁷ Data from the Custom House Accounts, from 1697 to 1780, has "notoriously unreliable character [and] makes them a highly unreliable guide" Alfred P. Wadsworth and Julia De Lacy Mann, *The Cotton Trade and Industrial Lancashire, 1600-1780* (Manchester University Press, 1965), 145.

¹⁸ Ellison, *The Cotton Trade of Great Britain*, 15.

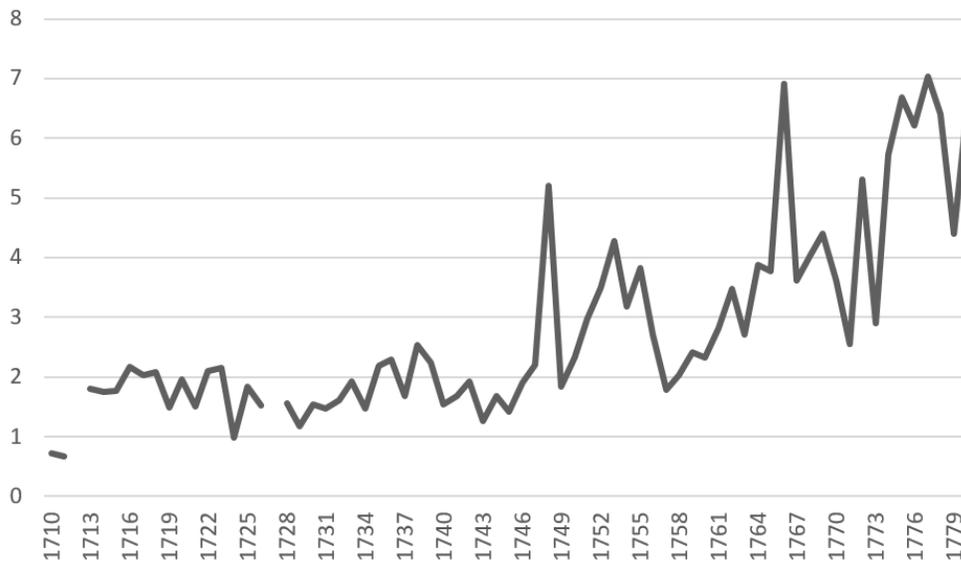
¹⁹ Wadsworth and Mann, *The Cotton Trade and Industrial Lancashire, 1600-1780*, 521.

²⁰ N. F. R. Crafts, *British Economic Growth during the Industrial Revolution* (Oxford: Clarendon, 1985); D. N. McCloskey, "The Industrial Revolution 1780-1860: A Survey," in *The Economic History of Britain Since 1700* (Cambridge: Cambridge University Press, 1981), 114.

²¹ Pat Hudson, *The Industrial Revolution, Reading History* (London; New York: New York, NY: E. Arnold; Distributed in the USA by Routledge, Chapman, and Hall, 1992); D. A. Farnie, *The English Cotton Industry and the World Market: 1815-1896* (Oxford University Press, 1979), 82.

²² Ralph Davis, "English Foreign Trade, 1700-1774," *The Economic History Review*, New Series, 15, no. 2 (1962): 291; Robert C. Allen, *The British Industrial Revolution in Global Perspective*, 1 edition (Cambridge; New York: Cambridge University Press, 2009), 34; Despite higher wages when compared to other countries, there was a reduction in real wages at the turn of nineteenth

Figure 1: Total Raw Cotton Imports in Britain 1710-1780 (million pounds)



Source: Wadsworth and Mann, *The Cotton Trade*, 521.

1790, foreign trade in cotton textiles was growing so fast that manufacturers were unable to meet overseas growing demand.²³ Even before the 1790s, increasing prices in the 1760s raised fears about cotton scarcity and alarmed the British textile industry.²⁴ As a way to mitigate possible shortages, the first change in legislation came in 1766 with the Free Port Act, which enabled trade with some French and Spanish colonies. The Act, renewed in 1774, also had a clause abolishing the duty of 4.5 percent on raw cotton imported.²⁵

Figure 1 presents information on raw cotton imports before the rapid productivity increase in cotton manufactures during the 1780s and 1790s. Despite the rise in imports after the Free Port Act, the British textile industry managed to increase its supply of raw cotton from foreign sources not primarily through cotton from French and Spanish colonies in the Caribbean, but through Smyrna cotton from Turkey. Between 1768 and 1777, the decade after the first Free Port Act, Turkey exported approximately 10 million pounds, accounting for 56 percent of total cotton imports from foreign nations.²⁶ Italy, which re-exported cotton from Levant (present day Syria and Lebanon), was the second supplier of Mediterranean cotton. Even with an increase in exports, French and Spanish islands in the Caribbean together represented only 6.6 percent of the cotton supply. Throughout the decade, the British West Indies continued to be the main supplier of raw cotton, exporting around 30 million pounds, with Dominica, Grenada and Jamaica accounting for 65.5 percent of production.²⁷

The growing necessity for new sources of cotton after 1780 came first as an acceptance that the British West Indies could not increase its exports at the rate demanded by the textile industry. In addition to supply restraints in the islands, the raw cotton from the Mediterranean did not provide the quality necessary for

century, see Gregory Clark, "The Condition of the Working Class in England, 12092004," *Journal of Political Economy* 113, no. 6 (2005): 1312.

²³ Joseph E. Inikori and Stanley L. Engerman, *The Atlantic Slave Trade: Effects on Economies, Societies and Peoples in Africa, the Americas, and Europe* (Duke University Press, 1992), 165.

²⁴ Wadsworth and Mann, *The Cotton Trade and Industrial Lancashire, 1600-1780*, 523.

²⁵ *Ibid.*, 191. Demands for raw cottons constituted one of several petitions regarding trade that led to the Free Port Acts. For a detailed discussion see Frances Armytage, *The Free Port System in the British West Indies: A Study in Commercial Policy, 1766-1822* (Longmans, Green and Co., 1953), 2832.

²⁶ "The National Archive of the UK T 64/275/143" February 1779, The National Archives, Kew.

²⁷ Quantity of cotton wool imported from British Colonies; from "The National Archive of the UK T 64/275/142" February 1779, The National Archives, Kew.

Table 1: Share of raw cotton re-exports from European Countries to England

	Portugal	Holland	France	Spain	Italy	Turkey
1768-1771	1.0	7.8	0.8	3.1	30.4	55.0
1772-1775	5.0	13.7	5.6	2.5	22.7	44.9
1776-1779	2.2	15.2	0.9	5.7	7.5	59.7
1780-1783	9.4	22.8	2.8	0.0	17.9	7.7
1784-1787	21.5	19.3	25.5	1.7	9.3	24.2
1788-1791	33.5	9.8	24.1	0.5	3.3	21.0
1792-1795	37.7	10.5	6.2	7.3	7.5	23.5
1796-1799	67.4	0.7	0.0	4.4	1.4	4.7
1800-1803	77.9	0.5	0.4	0.5	1.1	12.5
1804-1807	96.0	0.0	0.2	1.8	0.1	4.4

Sources: 1768-71: Custom House (BNA T 64/275/143); 1772-1807 State of Navigation, Commerce and Revenue (BNA CUST 17).

new fabrics, such as muslin and calicos. The demand of Smyrna cotton, used to produce fustians, began to decline during the end of the eighteenth century because its short staple and strength were not adequate for the increasing mechanical processing in textiles.²⁸ Levant cotton was also inferior to that of the West Indies, with its fibers considered a “physical objection” to produce anything but coarse goods.²⁹

Table 1, which presents the British raw cotton trade with European colonies, shows the decline in Turkey and Italy market share after 1780. Holland, with its continental colonies of Demerara and Surinam, was also an important supplier before the war with Britain in 1781. After 1780, two other important changes occurred: the sudden rise in French exports in the second half of the 1780s, through its West Indies colonies; and the continued growth of Portugal as a raw cotton supplier from Brazil.

2.1 Why Brazilian cotton became important to Portugal

The continuous warfare between France and Britain, which lasted from 1793 until 1815, had substantial effects on trade in Europe, through the Continental System, and the West Indies.³⁰ But, from the 1790s until Napoleon’s invasion of Portuguese territory in the end of 1807, cotton from Brazil continued to increase its presence in British markets. The conflict with France generated an agenda of concerns, one of which was trade with Brazil. In a motion on the state of public affairs with respect to the destination of fleets to protect British interests, at the House of Commons in 1805, Brazil was considered a key location. After Jamaica, Brazil was “the most probable” destination of the fleets, because it was “one every way of vast importance”. The importance was not restricted to Rio de Janeiro’s location as a military warehouse in the British India trade, but also because of the consequences on Brazilian trade resulting from a French attack on the Brazilian coast: if the enemy controlled the coast, it would deprive the textile sector of Brazilian cotton, “essential in our manufactures.”³¹

Between 1796 and 1806, products from Brazil represented 40 percent of Portuguese exports to England. Since the produce from within the Portuguese Kingdom accounted for 50 percent of trade with England, commerce from other parts of the Portuguese empire was marginal.³² Britain received considerable amounts

²⁸ Giorgio Riello, *Cotton: The Fabric That Made the Modern World* (Cambridge University Press, 2013).

²⁹ Wadsworth and Mann, *The Cotton Trade and Industrial Lancashire, 1600-1780*, 185; 189; Charles Mackenzie, *Facts, Relative to the Present State of the British Cotton Colonies: And to the Connection of Their Interests with Those of the Mother Country* (Edinburgh: T. Bryce & Co, 1811), 18.

³⁰ Kevin H O’Rourke, “The Worldwide Economic Impact of the French Revolutionary and Napoleonic Wars, 1793–1815,” *Journal of Global History* 1, no. 1 (2006): 123–149. Martin Robson, *Britain, Portugal and South America in the Napoleonic Wars: Alliances and Diplomacy in Economic Maritime Conflict* (London: I. B. Tauris, 2011).

³¹ “State of Public Affaire, Commons Sitting” (London, June 20, 1805), Hansard, <http://hansard.millbanksystems.com/>. Between 1796 and 1806, there were at least seven projects presented to the French government to attack Brazil with the objective to affect British trade, Mello, *A outra independência*, 26.

³² Jorge Borges de Macedo, *O bloqueio continental: economia e guerra peninsular* (Gradiva, 1990), 56.

Table 2: Trade between the port of Lisbon and Britain dominions

	Produce of Portugal	Produce of Brazil	Produce of Asia	Total Goods Exported to UK	Brazilian Cotton (%)
British Board of Trade (£)					
1786	169,533	213,054	292,289	679,286	26.6
1789	123,219	273,066	0	396,380	62.4
1790	155,045	357,930	5,638	518,618	65.5
1792	171,687	686,842	4,598	865,732	74.1
Portuguese Balance of Trade (£)					
1796-99	179,198	728,401	1,152	911,563	77.3
1800-02	134,347	845,051	768	982,712	80.9
1803-05	145,554	857,134	690	1,004,473	75.1
1806-09	208,313	441,189	1,804	660,442	54.5

Sources: Board of Trade, Portugal: Trade with Great Britain (BNA BT 6/63). Portugal Balance of Trade.

Exchange rate: Heitor Pinto de Moura Filho, "Câmbio de longo prazo do mil-réis: uma abordagem empírica referente às taxas contra a libra esterlina e o dólar (1795-1913)" *Cadernos de História* 11, no. 15 (2010): 934. * No data for 1798 and 1808.

of products from the city of Porto, but colonial products were overwhelmingly exported through the port of Lisbon. In 1786, while Lisbon exported 1,800,360 pounds of cotton to Britain, Porto exported 117,152 pounds, 6.5 percent of that amount. Table 2 shows that for the last years of the eighteenth century, cotton represented around three quarters of trade with Britain through the colonial port of Lisbon. The information from the Portuguese Balance of Trade shows that cotton represented more than ninety percent of the value in Brazilian exports that reached the United Kingdom in the 1790s.

Cotton trade between Brazil and Britain represented an important change in the trade pattern that prevailed during the eighteenth century. Before Brazilian cotton turned into Portugal's main export to Britain, wine was the most important one, accounting for almost three quarters of British wine consumption around 1760.³³ In 1772, exports from Portugal to Great Britain amounted to 671,318, from which 474,447 were from wines. Porto represented half of the wine trade, increasing to 60 percent in 1785.³⁴ The predominance of Porto wine in British markets came from the Methuen Treaty (1703), which established that duties from Portuguese wine could not amount to more than a third the duties charged for French wines.³⁵

The Methuen Treaty, nonetheless, largely benefited the British textile industry and the privileges brought increasing resentment in Portugal during the eighteenth century.³⁶ Beginning in the 1750s, the decline of gold and diamond production in Brazil set an economic environment in Portugal that imports, especially from Britain, had to be reduced.³⁷ This economic environment enabled the implementation of changes advocated by Pombal, the de facto ruler of Portugal between 1750s and 1770s. An important change in commercial relations with Britain came when he prohibited British merchants to negotiate directly with Brazilian producers with the creation of trade monopoly companies, a condition that lasted until 1808. Besides the Maranhão and Pernambuco trade companies for Brazil, another Royal decree that generated grievances with British merchants was the creation of the Douro Company in the 1760s, which limited British participation in the wine trade. The continuous growth of wine commerce, nevertheless, prevented the escalation of tensions between wine merchants from both countries.³⁸

³³ Harold E. S. Fisher, *The Portugal Trade: A Study of Anglo-Portuguese Commerce, 1700-1770* (London: Methuen, 1971).

³⁴ "The National Archive of the UK BT 6/63" 1791 1770, The National Archives, Kew.

³⁵ For a more detailed description of the treaty, see: Leonor Freire Costa, José Luís Cardoso, and Nuno Gonçalo Monteiro, *O Tratado de Methuen (1703) - Diplomacia, Guerra, Política e Economia*, ed. Livros Horizonte (Lisboa: Livros Horizonte, 2003).

³⁶ John Ehrman, *The British Government and Commercial Negotiations with Europe 1783-1793* (Cambridge University Press, 2013), 9.

³⁷ Boxer, *The Portuguese Seaborne Empire, 1415-1825*, 181.

³⁸ Alan David Francis, *Portugal 1715-1808: Joanine, Pombaline and Rococo Portugal as Seen by British Diplomats and Traders* (Tamesis, 1985), 173.

A known critic of Anglo-Portuguese commercial relations, Pombal created incentives for increasing textile production in Portugal. One of the impediments to develop a textile sector in Portugal was the Methuen treaty, which prevented the Portuguese crown to lift tariff barriers to favor local textile production. There was, however, a loophole that appeared with the increasing use of cotton to produce fabrics. Since the treaty with Britain was restricted to woolen textiles, it was possible to develop a cotton textile sector without direct diplomatic confrontation.³⁹ With the use of the Maranhão Company to channel resources to the manufacturing sector, cotton enterprises began to develop in Portugal during the 1770s.⁴⁰

The response of British merchants in Portugal was to rise against the destructive tendency of the exclusive companies. Francis Ibbetson, a merchant and the British Deputy Consul General at Lisbon, wrote a letter in 1767 to Britain's Secretary of State concerned about the impact of the companies on his compatriots who carried out businesses in Portugal. Ibbetson stated that the British trade in Portugal, especially the consumption of manufactures, had suffered a heavy toll from the Portuguese policy change.⁴¹ After an export value of 1.3 million during the 1750s, the following decades had a declining trend, stabilizing at 600,000 between 1765 and 1785.⁴² The textile conflict between the countries increased in 1781, when after "rumors that import duties would be raised unilaterally by Britain in a new book of rates, Portugal refused entry of British woollens in Lisbon".⁴³

Diplomatic conflicts continued with the end of Anglo-French wars in 1783, when the British government sought to strengthen ties with France through a commercial treaty. While negotiating the commercial treaty, France requested a most-favored-nation status for their wines, which would give them parity with Portuguese wines and, therefore, violate the Methuen Treaty.⁴⁴ The incentive to not terminate the treaty with Portugal was that woolen cloths could enter the country free of duty. As a way to compromise, the Treaty of Navigation and Commerce (Eden Treaty), signed at Paris, gave Britain the future possibility to lower duties on Portuguese wine in accordance to the Methuen Treaty.⁴⁵ London newspapers reported the conflict and, according to *The Times*, the "spirit of Methuen" had to be preserved, since Portugal was Britain's "best ally".⁴⁶ The newspaper also reported complains, from the Portuguese council in London, that the new treaty harmed merchants trading with Spain and Portugal.⁴⁷

The relation between the wine conflict and Brazilian cotton appeared in a debate at the House of Lords in February 28th, 1787. The Duke of Norfolk presented a motion, that he "thought [the House] could have no possible objection to", regarding the violation of the Methuen Treaty. Arguing that the treaty brought continuous benefits to Britain, he criticized a document containing trade information with Portugal presented by Lord Stormont. Stating that its sole objective was to depreciate commerce with Portugal, he criticized the document as "unsatisfactory in almost every article". The main objection regarded the information that the articles imported from Portugal were luxury items and, therefore, the Eden Treaty should be preserved. The Duke rejected the assertion, saying that Portugal's imports "so far being articles of luxury, we could not conveniently do without them". Leaving as an open debate the issue of wines being luxury items or not, he argued that "the very existence of the leading branch of our manufactures depended on the importation of the cotton wool of Brazil, which we could only have through the medium of Portugal, which our pretend friends at this very minute were endeavoring to deprive us of".⁴⁸

³⁹ For the relation between the treaty and the "wool interest", see Paul Duguid, *The Making of Methuen: The Commercial Treaty in the English Imagination*, *Revista Da Faculdade de Letras História*, III, 4 (2003): 28.

⁴⁰ Kenneth Maxwell, *Conflicts and Conspiracies: Brazil and Portugal, 1750-1808* (Routledge, 2004), 45. Pombal's relation with Maranhão also extended to family ties. His brother, Francisco Xavier de Mendonça Furtado, was the province governor during the 1750s.

⁴¹ "The Memorial of Francis Ibbetson," *The Caledonian Mercury*, September 23, 1767, 7048 edition, *The British Newspaper Archive*.

⁴² Portugal, Trade with Great Britain, "The National Archive of the UK BT 6/63."

⁴³ Ehrman, *The British Government and Commercial Negotiations with Europe 1783-1793*, 8.

⁴⁴ Charles Ludington, *The Politics of Wine in Britain: A New Cultural History* (Palgrave Macmillan, 2013), 167.

⁴⁵ "The Following Is an Authentic ABSTRACT of the TREATY of NAVIGATION and COMMERCE, Signed at Paris on the 26th Ult.," *The Times*, October 5, 1786, 547 edition, *The Times Digital Archive 1785-2006* (Gale).

⁴⁶ "Universal Register.," *The Times*, October 20, 1786, 560 edition, 2, *The Times Digital Archive 1785-2006* (Gale).

⁴⁷ "Mr. Eden Has Been More Negligent, and Less Informed, in the Affair of the Commercial Treaty.," *The Times*, December 7, 1786, 565 edition, *The Times Digital Archive 1785-2006* (Gale).

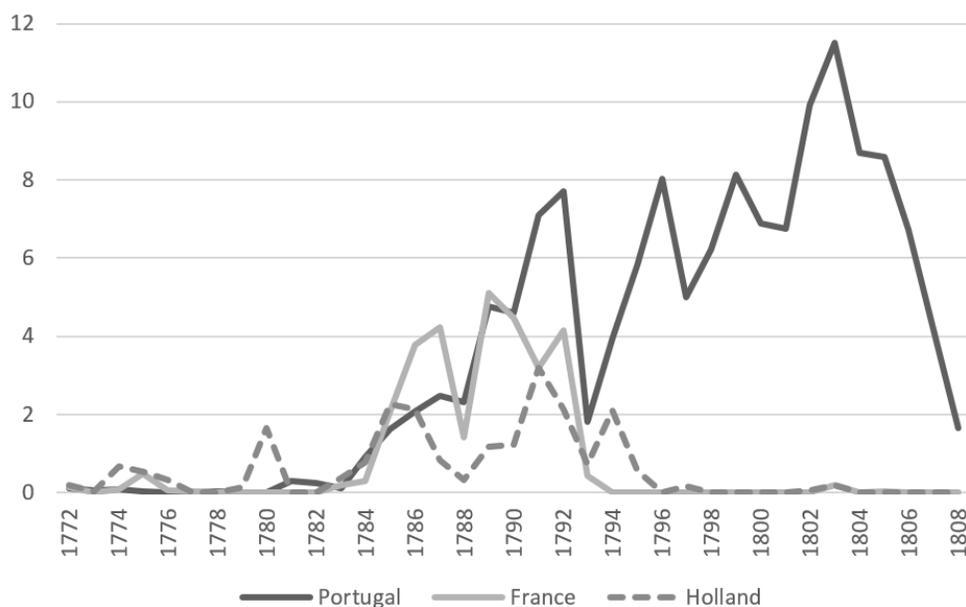
⁴⁸ "House of Lords.," *The Times*, March 1, 1787, 688 edition, 2, *The Times Digital Archive 1785-2006* (Gale).

The Duke of Norfolk's accusation was that France, the pretend friend, was trying to benefit from Portuguese resentment with the Eden treaty conditions. According to Walpole and Fawkener, British envoys in Lisbon, Portugal was inclined to accept a commercial agreement in 1786, in which France would buy all cotton crops from Brazil.⁴⁹ Despite arguments that the volume of cotton wool from Brazil, two million annually, was sufficient to show its importance to Britain, the House of Lords defeated the motion with 81 votes against 26.⁵⁰

Negotiations were intermittently postponed until September 1788, when the death of Dom José, Prince of the Brazils, was reported as a trade opportunity for England, because his successor, Dom João, was married to the Princess of Spain.⁵¹ According to *The Times*, "the best informed men dread the consequence of the event", because the future heir could have been a source of pernicious influence from Spain. The following excerpt from the article helps to clarify the problems in the trade relations between both countries:

We have authority to say that the Portuguese Government will make it a principal object of state policy to cement the most intimate alliance with this country, to ward off the consequences of that marriage in a manner that it may not preponderate in the active department of their own Government, at a future period. The death of Dom José happening at this crisis is favorable to England in this interesting particular, that it may induce the present Government to make some very advantageous allowance, in favor of the trade of this kingdom, and principally in the manufactured cotton, which are not at present allowed to be imported. [...] It is but a fair return, since the importation of Brazil cotton, and the wines of Portugal into Great Britain, constitute a very principal part of their commerce.⁵²

Figure 2: Raw Cotton Imports in England 1772-1808 (million pounds)



Source: 1772-1807 State of Navigation, Commerce and Revenue (BNA CUST 17)

⁴⁹ Ehrman, *The British Government and Commercial Negotiations with Europe 1783-1793*, 73.

⁵⁰ "House of Lords..." 2.

⁵¹ "Mr. Macklin Does Not Confine Himself to the Theatrical Stage, but Was, on Wednesday Night,..." *The Times*, May 11, 1787, 746 edition, 3, *The Times Digital Archive 1785-2006* (Gale); Ehrman, *The British Government and Commercial Negotiations with Europe 1783-1793*, 73.

⁵² "Portugal..." *The Times*, September 30, 1788, 1132 edition, 2, *The Times Digital Archive 1785-2006* (Gale).

The slow growth of Portuguese wine trade created an additional incentive to use raw cotton as a way to increase exports to Britain. While Portugal continued to postpone its commercial position with Britain, their balance of trade continued to meet the commercial pattern preferred by mercantilists and, in 1790, “for the first time in the century, bullion had to be exported to Lisbon”.⁵³ Change happened not only with a reduction in imports, but also because Brazilian cotton was important to create a more balanced commerce with Britain.⁵⁴ Much of this transformation occurred in the 1780s, when the value of Brazilian cotton imported in Britain increased almost sevenfold. Figure 2 shows that the period of political stability after the Treaty of Paris (1783) marks the rise of Brazilian cotton in trade relations with England. At first, higher demand for raw cotton benefited most European Empires that had possessions in the Americas. With declaration of war with France in 1793, however, an important supply from the Caribbean came to an end.

3 Cotton production in Brazil

How was Brazil able to increase its exports in a short time after 1780 and when was the first time that it exported cotton to Britain? Before 1780, the northeast region of Brazil already had a system of incentives to expand cotton production because of Portuguese attempts to promote its textile industry.⁵⁵ The Pombaline era marked the reestablishment of Portuguese trade monopoly with its colonies as a way to increase control over overseas produce and diminish British influence.⁵⁶ For Brazil, a large share of the monopoly came with two royal companies: The Company of Grão Para and Maranhão, established in 1755, and the Company of Pernambuco and Paraíba, founded a year later. The companies restricted trade of colonial commodities to Portuguese vessels, and began to develop the conditions for large scale cotton plantations.⁵⁷ In 1756, the new governor of Maranhão, Pombal’s brother, repealed a law from 1703 that prohibited cotton exports.⁵⁸ The end of prohibition enabled cotton to be a key part of the “agricultural renaissance” in Brazil during the last quarter of the eighteenth century.⁵⁹ When Britain increased its demand in the 1780s, Brazilian cotton plantations had already existed for two decades.

Britain first noticed Maranhão’s economic potential in 1753. The British consul in Lisbon, reporting the departure of ships to Rio de Janeiro and Maranhão, stated that the latter was a very improving colony abounding with coffee, cocoa, sugar, tobacco and cotton.⁶⁰ The initial interest in Maranhão, however, was its rice production, not cotton. After the British government requested its council in Lisbon to be acquainted with the state of commerce between that port and British dominions, W. H. Lyttleton presented a report, in January 14th, 1767, on the trade between Portugal and North America. The report from W. H. Lyttleton to Viscount Weymouth and to the Board of Trade, forecasted the potential for increased cotton imports from the region: “a considerable quantity of very good rice has lately been imported [in Lisbon] from Maranhão in Brazil, which it is probable may in a few years render unnecessary the cargo supplies which this kingdom now receives from South Carolina.”⁶¹

Cotton received scant attention from the British consul in Lisbon because it was not exported at the time. Despite some evidence that cotton from Maranhão was first exported in 1749, most accounts mark 1760 as the first year cotton was shipped to Portugal.⁶² From Pernambuco, exports of raw cotton to Portugal

⁵³ Ehrman, *The British Government and Commercial Negotiations with Europe 1783-1793*, 151.

⁵⁴ Maxwell, *Conflicts and Conspiracies*, 50.

⁵⁵ Jorge M. Pedreira, “From Growth to Collapse: Portugal, Brazil, and the Breakdown of the Old Colonial System (1760-1830),” *Hispanic American Historical Review* 80, no. 4 (November 1, 2000): 839-64; Dias, *A Companhia Geral do Grão Pará e Maranhão (1755-1778)*, 373.

⁵⁶ Kenneth Maxwell, *Pombal, Paradox of the Enlightenment* (CUP Archive, 1995), 60.

⁵⁷ Antonio Carreira, *A companhia geral do Grao-Para e Maranhão: o comercio monopolista, Portugal-Africa-Brasil na segunda metade do seculo XVIII*. (Companhia editora nacional, 1988).

⁵⁸ John Branner, *Cotton in the Empire of Brazil; the Antiquity, Methods and Extent of Its Cultivation, Together with Statistics of Exportation and Home Consumption* (U.S. Department of Agriculture, 1885), 17.

⁵⁹ Alden, “Late Colonial Brazil, 1750-1808,” 310. Luiz Felipe Alencastro, *O Trato dos Videntes* (São Paulo, Brazil: Companhia das Letras, 2000), 142.

⁶⁰ “The National Archive of the UK SP 89/49/54” June 10, 1753, fol. 109, The National Archives, Kew.

⁶¹ “The National Archive of the UK SP 89/67/7” January 14, 1769, The National Archives, Kew.

⁶² José Jobson de Andrade Arruda, *O Brasil no comrcio colonial* (Editora Atica, 1980), 615; Jerônimo de Viveiros, *Histria*

began in 1778, but the volume shipped was not significant until 1781.⁶³ Part of the raw cotton exported from Pernambuco came from Ceará and Paraíba, which were not independent provinces at the time.⁶⁴

Nineteenth-century writers studying the cotton trade, such as Smithers (1825), Baines (1835) and Branner (1885), dated Brazilian cotton's entry into England in 1781.⁶⁵ Smithers writes that it was very dirty cotton, from Maranhão.⁶⁶ Recent studies point out to an even earlier date, in 1767, when Britain imported approximately 6 from Brazil.⁶⁷ Lang argues that much of Maranhão's cotton production between 1768 and 1778 was destined for England.⁶⁸ Given the disparity of dates, three different sources are used to verify when Brazilian cotton entered British ports for the first time. The first one is a list of papers from 1774, sent by the British consul in Lisbon, Robert Walpole, about the Portuguese trade with Britain.⁶⁹ These documents reported trade for two previous years, and it was considered the best account that has ever been drawn out of the trade between the two nations because British consuls in Portugal up to that point did not organize annual trade statistics between the two countries. Walpole's report presents data for imports and exports from ports in Portugal and the island of Madeira. While in 1772 the only Brazilian product in the commerce with Britain was Brazilian wood, in 1773 the port of Lisbon registered 400 bags of cotton exported, representing two percent of total value for the exports from that port.

The other two documents come from the Custom House in London. From the annual ledgers of imports and exports recorded between 1697 and 1780, the first appearance of raw cotton from Portuguese precedence is in 1766.⁷⁰ Table 3 presents the information from the ledgers. It shows that in 1767 about 5 of cotton were imported from Portugal, similar to the figures presented by other authors.⁷¹ The other source that used information from the Custom House was a Treasury document called "an account of all cotton wool of foreign growth imported into England", dated February 9th, 1779.⁷² The first year that the document presents is 1768, which contained no cotton imports from Portugal, while in the following year there is a record of cotton coming from Portugal. The use of more than one source is important because Custom House data are not considered a consistent source.⁷³ Compatibility between these documents improves after 1773. With the information from Table 3, the available evidence shows that Brazilian cotton first entered Britain around the second half of the 1760s, probably 1766. But, until 1773, when it was also recorded by Mr. Walpole in Lisbon, its quantity was negligible and imports were not significant.

Given the probable inaccuracy of the data, how can we know that the cotton that appears on the trade records is from Brazil and not re-exports from other ports? Despite the fact that the Secretaries of State Papers from Portugal in the 1760s do not report any other Portuguese colony producing cotton, additional evidence also shows that cotton entering Portugal at that point was from Maranhão. Through British consuls' effort to organize Portuguese trade information with Britain, it is possible to compare products from different locations entering the port of Lisbon, the main colonial port. Table 4 presents data on the list of ships that entered the port of Lisbon, informed by two British consuls: W. H. Lyttleton in 1769, and Robert Walpole in 1774.

Despite Britain's predominance on trade, most Portuguese ships in the port of Lisbon came from Brazil.

do comércio do Maranhão, vol. 1 (Associação Comercial Maranhão, 1954); Cesar Augusto Marques, *Diccionario historico-geographico da provincia do Maranhão* (Maranhão: Typ. do Frias, 1870)

⁶³ Manuel Arruda da Camara, *Memoria Sobre a Cultura Dos Algodoeiros E Sobre O Methodo de O Escolher, E Ensacar* (Lisboa: Officina da Casa Litteraria, 1799), 7.

⁶⁴ Sebastião Ferreira Soares, "BRAZIL: Report. Cultivation of Cotton" July 23, 1861, 3, FO 881/1003, The National Archives, Kew; Louis-François Tollenare, *Notas dominicaes tomadas durante uma residencia em Portugal e no Brasil nos annos 1816, 1817 e 1818* (Imprensa do Jornal do Recife, 1905), 113.

⁶⁵ The information from Branner (1885) is from Joseph Lyman's book from 1868, "Cotton Culture with an Additional Chapter on Cotton Seed and its uses".

⁶⁶ Smithers, *Liverpool, Its Commerce, Statistics, and Institutions*, 155.

⁶⁷ Ehrman (2013, p. 11) reference a Board of Trade document regarding British trade with Portugal (BT 6/63). I did not manage to find this information in the document.

⁶⁸ James Lang, *Portuguese Brazil: The King's Plantation* (Academic Press, 1979), 163.

⁶⁹ "The National Archive of the UK SP 89/77/24" July 4, 1774, The National Archives, Kew.

⁷⁰ "Ledgers of Imports and Exports."

⁷¹ Ehrman, *The British Government and Commercial Negotiations with Europe 1783-1793*.

⁷² Ehrman, *The British Government and Commercial Negotiations with Europe 1783-1793*.

⁷³ Wadsworth and Mann, *The Cotton Trade and Industrial Lancashire, 1600-1780*.

Table 3: Portugal raw cotton re-exports to England, 1766-1780

	Port of London (1)		All Ports (2)	
	Bags	lbs.	Value (£)	Pounds Weight
1766	0	10,410	303	No data
1767	1	0	5	No data
1768	0	0	0	0
1769	4	0	319	47,677
1770	0	0	0	0
1771	0	0	0	0
1772	0	1,680	54	112,461
1773	6	63,700	2,095	64,900
1774	0	79,500	2,567	79,500
1775	0	41,360	1,206	41,360
1776	0	19,500	568	19,500
1777	5	20,000	615	21,000
1778	27	29,000	1,021	No data
1779	43	7,400	495	No data
1780	3	0	19	No data

Sources: (1) Ledgers of imports and exports - CUST 3; (2) Treasury, Trade Returns - T 64/275/143

From Table 4, there was no clear predominance of any Brazilian port, at least considering the number of ships destined for Lisbon. From the records, there is information for two years about the products transported from Brazilian ports. In 1766, all listed ports exported sugar. Coffee, cacao and cotton also came from Pará and Maranhão. The report is more precise in 1773 because it presents separate information for the captaincies previously associated with Pombal's companies. Ships from Rio de Janeiro carried sugar, leather, timber and oil. Tobacco, Brazil-wood, and leather came from Bahia. Pernambuco had nineteen ships with sugar, leather and timber. For the Northern captaincies, there were eleven ships from Pará, loaded with sugar, cacao, and timber; Maranhão had thirteen ships with rice, sugar, leather and cotton.⁷⁴ Only Maranhão exported cotton.⁷⁵

The maritime movement is considered evidence of the commercial reinvigoration brought to Maranhão by Pombal's company.⁷⁶ There are contemporary accounts, nonetheless, that contest the positive results brought by the Portuguese monopoly. In a text from the "Memorials of the British Consul and Factory at Lisbon", from December 1766, the British merchants in Portugal complained against "the prejudice" of Portuguese policies: "Before the erection of this company, the trade to Maranhão was in a most flourishing condition, annually employing at least fifteen or sixteen ships, which number is now reduced to three or four."⁷⁷ Since the British merchants were excluded from the Brazilian market, it would be expected that they would underestimate the economic effect of the companies. The limited evidence about size of trade at the time limits any conclusions about the real effect of Portuguese policies on British merchants.⁷⁸ Their trade description, nevertheless, offers an additional source about which products were commercialized at the time. In 1766, only cocoa is mentioned as an important product transported by the Maranhão and Gro Pará Company. Regarding the Pernambuco Company, the account shows that "trade and navigation to Pernambuco is much more considerable than to Maranhão, for the last fleet from thence consisted of 45

⁷⁴ 1772 had 92 ships from "Portuguese Colonies in America", but there is no further information on ports and products.

⁷⁵ Records from the Company of Maranhão and Pará used by Dias also show a similar quantity of departing vessels from Maranhão to Lisbon between 1765 and 1773. Dias, *A Companhia Geral do Gro Pará e Maranhão (1755-1778)*.

⁷⁶ Viveiros, *História do comércio do Maranhão*, 1:74.

⁷⁷ "Further Extract from Memorials of the British Consul and Factory at Lisbon," *The Caledonian Mercury*, December 13, 1766, 6927 edition, *The British Newspaper Archive*.

⁷⁸ Records published in London showed that it took the Portuguese government eight months to obtain news from the fleets that sailed for Maranhão. "Lisbon, February 5.," *The Gazette*, March 12, 1754, 9354 edition, 1, *The Gazette*. Official Public Record, <https://www.thegazette.co.uk/London/issue/9354/page/1>.

Table 4: Number of ships entered in the port of Lisbon, 1765-1768

	1765	1766	1767	1768	1772	1773
English	431	388	334	407	453	371
Portuguese	61	111	73	96	137	105
French	197	92	129	205	85	51
Dutch	115	84	72	85	76	49
Danes	61	65	47	64	47	45
Sweeds	49	47	36	44	47	45
Total	948	819	716	966	880	685
From Brazilian Ports						
Rio de Janeiro	5	29	15	17		12
Bahia	2	24	13	17		18
Pernambuco Paraíba	14	14	16	20		21
Maranhão*	8	7	8	9	13	16
Other Ports	16	16	8	14		30

Sources: Secretaries of State: State papers, Foreign, Portugal (BNA SP 89/67/38-41 and SP 89/77, p.79).

* From Manuel Nunes Dias, *A Companhia Geral do Grão Pará e Maranhão (1755-1778)*, 350.

ships fully laden with sugars, hides, red wood, some gold”.⁷⁹ Forty-five ships is a considerably larger number than the one presented by Lyttleton. It is doubtful that the information is correct, but the report provides evidence that, prior to 1770, raw cotton from Brazil was not a commodity worth mentioning on the British trade.

An additional concern with trade volume during the end of the eighteenth century is related to smuggling. Several authors argued that Portuguese trade monopoly with Brazil, in a period of increasing demand for raw cotton in international markets, produced an expansion of illicit trade by British merchants at the Brazilian coast.⁸⁰ Nevertheless, it is difficult to estimate the size of cotton smuggling and establish its importance for cotton trade, because even the British government provided contradictory information. A letter from a British civil servant in Portugal from 1787 stated that British merchants had no share of the Brazilian trade and he was not aware of any activity involving bypass of Portuguese authority.⁸¹ Despite the clear existence of contraband, such records also point to the possibility that some of the reports overestimated the volume of illicit commerce.⁸² Still, because smuggling was a widespread activity, it is fair to assume that it would not have created a significant bias in the Brazilian cotton statistics. Illegal trade between English and Dutch colonies in the Caribbean was also considered a frequent activity.⁸³ In Guadeloupe, in the West Indies, it was estimated that forty to fifty percent of the island’s trade in 1770 was through illegal means.⁸⁴ Illicit trade was also documented between the United States and the West Indies.⁸⁵

⁷⁹ “Further Extract from Memorials of the British Consul and Factory at Lisbon.”

⁸⁰ In 1776, Pombal issued an edict banning English colonies vessels from docking at Brazilian ports due to smuggling concerns. Novais, *Portugal e Brasil na crise do antigo sistema colonial (1777-1808)*, 177.

⁸¹ “The National Archive of the UK BT 6/63,” fol. 81.

⁸² Pedreira, “From Growth to Collapse,” 855; Ernst Pijning, “Controlling Contraband: Mentality, Economy and Society in Eighteenth-Century Rio de Janeiro” (Johns Hopkins University, 1997).

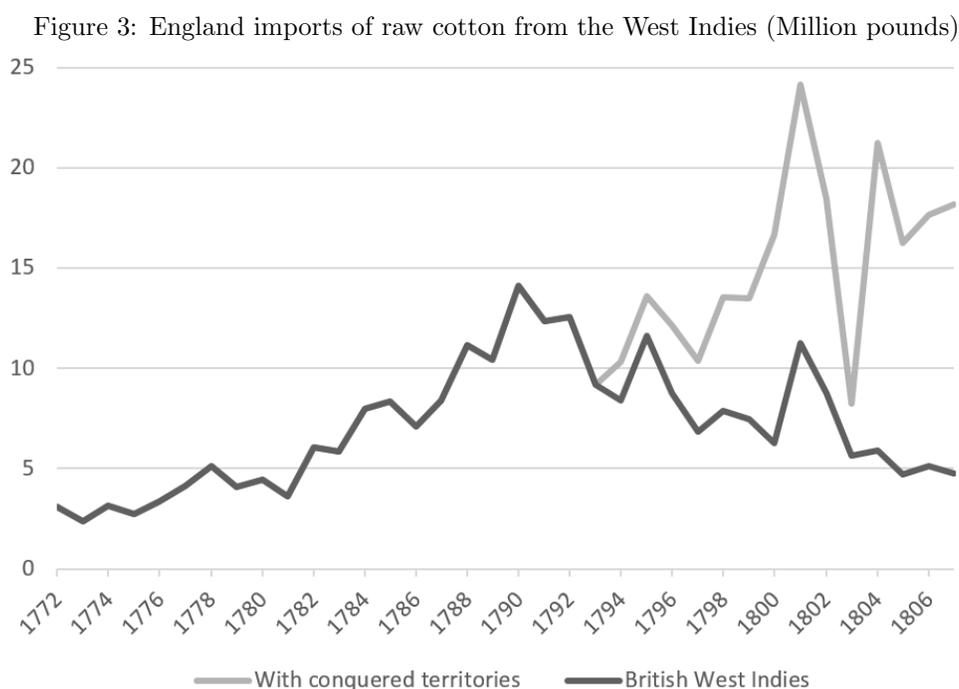
⁸³ There are also contemporary reports about contraband trade between the West Indies and Brazil: “The Island of Martinique,” *The Times*, May 2, 1794, 2978 edition, 3, *The Times Digital Archive 1785-2006* (Gale).

⁸⁴ Laurent Dubois, *A Colony of Citizens: Revolution & Slave Emancipation in the French Caribbean, 1787-1804*, 1 edition (Chapel Hill, N.C: The University of North Carolina Press, 2004), 48.

⁸⁵ John H. Coatsworth, “American Trade with European Colonies in the Caribbean and South America, 1790-1812,” *The William and Mary Quarterly* 24, no. 2 (April 1967): 243.

4 The West Indies Cotton

The decline of cotton exports in foreign possessions in the Caribbean during the 1790s is treated in the literature as the most important reason for why Brazil became an important cotton supplier to Britain in the late eighteenth century. The Saint Domingue revolt and the declarations of war terminated the trade with France and Holland, and the subsequent political instabilities in the British West Indies also affected negatively their cotton exports. This section, however, presents evidence that, even with a decline in cotton imports from the older possessions in the West Indies, new conquered territories allowed for the continued growth of cotton supply. Figure 3 show that political instabilities favored Britain’s interests in the region through a series of territorial conquests, especially from former Dutch colony of Demerara in South America. This section also explains why the importance of cotton from the West Indies waned after 1780, even before the revolutions took place, due to its limited quality to produce better quality textiles.



Source: 1772-1807 State of Navigation, Commerce and Revenue (BNA CUST 17)

Beginning in the 1760s the increase in raw cotton consumption from Britain demanded a “frontier expansion” of its West Indies, but British dominions shared two deterrents to increase cotton plantations. First, cotton had to compete for resources with sugar, the most profitable commodity in the West Indies: in 1770 cotton represented three percent of total value in West Indies exports, while sugar represented 52 percent.⁸⁶ In addition, the size of the islands was a concern, especially when compared to the frontier expansion possibilities available in areas both north and south of the American continent.

Table 5 shows that the increase in cotton exports in the Caribbean was directly related to territorial expansion. After the Seven Years’ War and through the 1763 Treaty, the former French islands of Dominica, Grenada, St. Vincent, and Tobago, became British possessions and quickly turned into important cotton exporters.⁸⁷ The missing information in Table 5 refers to periods during which the respective islands were not in British possession. The most important example happened between 1778 and 1782, when the French

⁸⁶ David Eltis, “The Slave Economies of the Caribbean: Structure, Performance, Evolution and Significance,” in *General History of the Caribbean*, by Franklin W. Knight (UNESCO, 1997), 114. Coffee and rum represented 18 percent each.

⁸⁷ Adrian J. Pearce, *British Trade with Spanish America, 1763-1808* (Liverpool University Press, 2007), 41.

Table 5: Share of raw cotton exports to England from the British West Indies

	Bahamas	Barbados	Dominica	Grenada	Jamaica	St. Vincent	Tortola
1768-71		4.6	25.4	27.0	19.1	2.1	10.5
1772-75	0.4	6.2	13.4	34.7	19.4	8.1	7.9
1776-79	0.2	7.7	4.3	24.7	17.4		
1780-83	0.2	10.9			19.1		
1784-87	1.0	19.5	10.1	19.1	22.6		
1788-91	5.1	14.1	7.4	24.1	26.9	8.7	2.9
1792-95	10.1	18.7	4.3	23.4	22.9	7.9	6.1
1796-99	12.6	28.0	1.4	15.3	24.4	5.4	5.7
1800-03	10.9	26.2	3.1	16.4	29.7	4.8	4.5
1804-07	11.5	31.5	1.2	24.0	11.6	5.8	10.0

Sources: 1768-71: British Custom House (BNA T 64/275/143); 1772-1807 State of Navigation, Commerce and Revenue (BNA CUST 17).

Observations: British West Indies omitted because they exported small quantities of cotton wool: Bermuda, Antigua, St. Kitts, Montserrat and Nevis.

seized Dominica, Grenada, and St. Vincent from Britain during the United States Revolutionary War.⁸⁸ These territories returned to Britain after the war ended in 1783 and exports returned to their previous trend. Despite the repossession, the war renewed concerns about the West Indies as a reliable raw cotton supplier. Furthermore, the Caribbean islands remained Britain's only American possession after the United States independence, and the islands became the focus of British foreign trade in the Atlantic economy.⁸⁹

After the conflicts ended, Britain renewed commercial ties with the French West Indies, especially because France had "the most valuable European possessions overseas".⁹⁰ Table 6 shows that France became an important supplier to British cotton mills around the second half of the 1780s. French possessions included the islands of Guadeloupe, Martinique and St. Domingue, the latter considered the richest of all European colonies in the 1770s and 1780s. The difference in the number of slaves on each island is a good measure to compare their economic importance. While Martinique had 83,000 in 1789, and Guadeloupe 90,134 in 1790, Saint Domingue had, in 1789, 465,000 slaves in a population of 30,000 whites. According to the 1790s census of Guadeloupe, from the 55,000 plantation slaves, half of them worked on sugar plantation while the other half was divided between cotton and coffee production.⁹¹

Table 6 shows that most raw cotton imports in 1787 came from possessions from other countries, something that raised concerns in the British government about foreign dependency, especially if imports were from France.⁹² In addition to its history of warfare with England, France's re-export duties were another source of dissatisfaction for British producers, as it increased the price of their raw material. From the 1780s, cotton manufacturers were an influential pressure group to "acquaint the planters and the British government with their requirements", and their concerns focused on reducing imports of raw cotton from foreign possessions.⁹³ While commercial negotiations with France were taking place in 1786, textile manufacturers presented a possible solution to reduce foreign dependency to the Board of Trade.

Lord Sydney, President of the Committee on Trade and Foreign Plantations, sent a letter to Whitehall on March 10th, 1786, regarding the "necessity of promoting in His Majesty West India possessions the cultivation of cotton of the best seeds of Tobago, Cayenne, San Domingo, Berbice, Surinam, Demerara, and

⁸⁸ Ibid.

⁸⁹ Michael Duffy, "The French Revolution and British Attitudes to the West Indian Colonies," in *A Turbulent Time: The French Revolution and the Greater Caribbean*, by David Barry Gaspar and David Patrick Geggus (Indiana University Press, 1997), 78101.

⁹⁰ Duffy, "The French Revolution and British Attitudes to the West Indian Colonies," 78. Dubois, *A Colony of Citizens*, 228.

⁹¹ Dubois, *A Colony of Citizens*, 50; 53

⁹² Ibid., 228.

⁹³ Edwards, *The Growth of the British Cotton Trade, 1780-1815*, 75.

Table 6: Cotton wool imported in Britain 1786 1787 (pounds)

Source		1786	1787 (pounds)	Total
British West Indies	Barbados	2,500,000		5,025,000
	Granada	1,250,000		
	St. Vicents	250,000		
	Dominica	250,000		
	Jamaica	250,000		
	Tortola	250,000		
	Bahamas	250,000		
	Others	50,000		
French possessions				3,375,000
Portuguese settlements of Brazils				2,500,000
Dutch				1,500,000
Spanish				1,338,805
East India				90,000
Smyrna				6,000,000
Total Imported in the United Kingdom				19,828,805

Sources: 4442 British Board of Trade Cotton (BNA BT 6/140)

Brazil [...]”.⁹⁴ None of these regions, however, was under British rule.⁹⁵ The letter was an answer to the request from Manchester manufacturers to expand the supply of finer raw cotton and it mentioned seeds with known higher prices on the Liverpool market. In 1780, while British West Indies prices ranged from 19 to 22 pence per lb; Berbice, Surinam, Demerara and Cayenne reached 24 pence.⁹⁶ A year later, in 1787, Sidney notified the British government that the governor of Dominica, a British possession, asked permission to grant land to persons “residing upon that island for the cultivation of cotton”.⁹⁷

Other colonies also benefited from the British government incentives for improvements in cotton growing and tried to raise their productivity. In 1788 a cotton gin was introduced in the Bahamas and proved to be an important break-through since it cleaned large amount of cotton more quickly and efficiently than the traditional methods.⁹⁸ Even islands which did not traditionally plant cotton, such as Bermuda, were receiving incentives to promote cotton culture. The Governor of Bermuda, William Browne, replied to Lord Sidney on February 5th, 1787, stating he would notify the inhabitants of the island his Majesty’s pleasure respecting the cultivation of cotton. Browne also provides a description about the problems of growing cotton on islands. While arguing that the experience from many planters proved that cotton could be grown with success, the violent winds that blew across Bermuda posed a threat to the crops. The winds destroyed the cotton plants during critical periods in the development of cotton plantations.⁹⁹

After two years, political events, and not geographical limitations, renewed British ambitions to expand its cotton plantations throughout the Caribbean. At the end of 1789, after the revolution in France, British colonial governors began to report “tumultuous reaction” in the French colonies. The political upheaval promoted the British government to think about how it could benefit from these political instabilities. The Governor of Dominica, in a report from December 1790, argued that, with the high probability of war in the region, England could try to seize the French islands. Also, in 1791, the British Ambassador in Paris raised the possibility of a British support to the separatist movement in Saint Domingue.¹⁰⁰

⁹⁴ The National Archive of the UK BT 6/140 1792 1787, fol. 17, The National Archives, Kew.

⁹⁵ Tobago Britain (until 1781), France (until 1814); Cayenne (France); San Domingo (France); Berbice, Surinam and Demerara (Netherlands).

⁹⁶ Wadsworth and Mann, *The Cotton Trade and Industrial Lancashire, 1600-1780*, 523.

⁹⁷ “The National Archive of the UK BT 6/140,” fol. 16.

⁹⁸ Edwards, *The Growth of the British Cotton Trade, 1780-1815*, 75; Gail Saunders, *Slavery in the Bahamas, 1648-1838* (D. Gail Saunders, 2000), 23.

⁹⁹ “The National Archive of the UK CO 37/40/21” February 5, 1787, The National Archives, Kew.

¹⁰⁰ Duffy, “The French Revolution and British Atitudes to the West Indian Colonies,” 7880.

The Saint Domingue revolution was the most remarkable event in a series of conflicts that swept the Caribbean during the 1790s. In the 1791 slave revolt, around 100,000 slaves destroyed several sugar, coffee, cotton and indigo plantations, and destabilized the French control of the West Indies. Guadeloupe and Martinique quickly followed in the slave insurrections. The disorder, nonetheless, benefited the British government and allowed it to implement a territorial expansion plan. Through a series of negotiations between the French and British governments, in 1793, an alliance was signed and former French islands became British colonies.¹⁰¹ The French possessions of Guadeloupe, Martinique, Saint Domingo, Saint Lucia and Tobago appear as conquered islands in 1795, representing almost two million pounds of new raw cotton exported to England. Trinidad, which despite being a Spanish colony had a large French influence, also appears on the 1797 list of conquered islands. The most important territorial conquest for cotton supply, nonetheless, came with the occupation of the former Dutch colonies of Demerara, in 1796, and Surinam, in 1799.¹⁰²

Charles Mackenzie, who wrote a book in 1811 about the British colonies, argued that the Dutch settlements on the coast of Guyana attracted interest from British cotton planters since the 1780s.¹⁰³ Table 7 shows that, with the acquisition, Demerara and Surinam became the most important new sources of raw cotton for Britain. For 1804, the peak year for exports in the conquered territories, from almost 15 million pounds of raw cotton, 14 million came from Demerara. The former Dutch colonies had three qualities valued by the British government. First, located outside the Caribbean archipelago, they had no restrictions regarding cultivation areas. Second, as mentioned before, cotton from the continent had higher quality than the ones grown at the islands. Third, Suriname and Demerara were outside the conflict zone established after the declaration of war between Britain and France, in 1793.

Table 7: Share of raw cotton exports to England from conquered territories in the West Indies

	Martinique	St Domingo	St Lucia	Tobago	Demerara	Trinidad	Surinam
1796-99	27.2	2.8	0.5	12.5	41.3	12.3	
1800-03	7.6		2.8	0.3	63.2	15.5	10.2
1804-07			4.1	0.2	81.3	4.0	10.5

Sources: 1772-1807 State of Navigation, Commerce and Revenue (BNA CUST 17)

After the 1789 revolution, the decrease in production on some Caribbean islands is usually seen as an important reason for geographical diversification of raw cotton that took place. As an example, in Guadeloupe, considered one of the most stable islands, many plantations were abandoned, and the area of cotton cultivated dropped 75 percent between 1790 and 1799. In addition, with French naval incursions and continuous insurrections, the British soon lost the islands of Grenada, Saint Vincent, Saint Lucia, and Saint Domingue, which suffered successive changes of imperial governments.¹⁰⁴ The maintenance of French possessions became a costly failure and was abandoned. This accounts, ignore that while Britain lost some territories, it conquered larger ones on continental areas, which allowed the increase of production.

In addition, competition with sugar for suitable land and labor in the West Indies islands was a concern for cotton growers since the beginning of the 1780s, and this led to interpretations that the fate of cotton was related to the competition for resources with sugar.¹⁰⁵ But, as will be demonstrated in the following section, the quality of the staple became a much more important component to decide where cotton would be produced. After 1790, cotton plantations moved to continental areas that produced better quality staple, such as Surinam and Demarara. The incorporation of former Dutch Colonies to the British Empire also helps to understand why the growth of Brazilian participation on the cotton trade was not a direct result of the Caribbean revolutions of the 1790s.

¹⁰¹ Dubois, *A Colony of Citizens*, 115.

¹⁰² Burnard, *Planters, Merchants, and Slaves*, 125.

¹⁰³ Mackenzie, *Facts, Relative to the Present State of the British Cotton Colonies*, 17.

¹⁰⁴ Dubois, *A Colony of Citizens*, 224. By the end of the 1790s, the British had lost an estimated sixty thousand soldiers to disease and battle in the Caribbean.

¹⁰⁵ Beckert, *Empire of Cotton*.

5 Cotton Quality

The revolutions in the Caribbean and the slow growth of the wine trade with Britain facilitated the development of the cotton trade in Brazil, but they cannot explain why Brazilian cotton achieved such a prominent position. Brazilian cotton quality is one factor explaining this change in the composition of British cotton imports. Specifically, Brazilian cotton was the highest quality raw material compared to other colonial varieties. Contemporary accounts provide qualitative evidence that British and French West Indies provided raw cotton used in low quality products, while other regions, such as the northern parts of South America, provided raw material for finer textiles during the last quarter of the eighteenth century.¹⁰⁶

Price data also shows that cotton quality became especially important for the growth of Brazilian production after the beginning of the Era of Invention when demand grew for a longer staple variety suitable to the new technology used in factories.¹⁰⁷ British production of calicos, previously imported from India, began only in 1773, and it affected the geographic demand of imports to the necessary cotton staple.¹⁰⁸ Smyrna cotton, previously the most consumed variety of cotton outside the West Indies, was not suited to the increasing mechanization of textile production. The quality of raw cotton from the West Indies, despite being superior to Smyrna, was also an increasing concern because it also had weak fiber resistance. Cotton from Jamaica, the largest exporter to Britain from 1750 to 1790, was considered of poor quality.¹⁰⁹

An important example of concerns with the quality of cotton from the West Indies was addressed on November 30th, 1787, by Manchester cotton manufacturers. In a document to the Lords Committee of Privy Council for Trade, a spokesman for cotton textile producers wrote that, while it was extremely desirous the government attention to promote the cultivation of cotton in British dominions “in order to prevent the great importations from other foreign powers”, islands did not usually provide the finest cottons. The strong winds affected cultivation along the coast and precluded growth of longer staples in small islands. The finest cottons cultivated in islands were Cayenne and Tobago, “the former is very near the continent of South America and the latter much inferior in quality to Siam or Brazil”.¹¹⁰

Multiple sources attest the quality of Brazilian cotton at the end of the eighteenth century. The Privy Council for Trade document classifies raw cotton according to their general estimation in the Manchester market. The cotton most esteemed was from Malacca and the Kingdom of Siam. The second kind was from Brazil, such as Pernambuco and Maranhão. The third was from Demerara, Surinam and Cayenne. The last kind regarded the production from the West Indies islands.¹¹¹ A different source from France in 1774 also graded raw cotton. West Indian cotton was classified in three grades: Cayenne, which had a small production, San Domingo and Guadeloupe. Despite Cayenne’s higher quality, the “superiority of Brazilian cotton over all others had been recognized” around the end of the 1770s.¹¹² In his book from 1799, “A memoir about the culture of cotton”, the Portuguese Manuel Câmara wrote that Maranhão cotton was regarded as a superior kind. Its tree was bigger than the ordinary cotton plant and it could produce 17 seeds per hood, while the ordinary cotton plant produced only seven.¹¹³ The most common cotton plant found in Maranhão was perceived as having a better quality, with a “stiffer and longer fiber”.¹¹⁴

Brazilian cotton maintained its position of prestige even after new suppliers entered the market, around the beginning of the nineteenth century. For the beginning of the nineteenth century, Butterworth attributed a lower commercial value to the three main types of cotton from the United States; Bowed Georgia, Tennessee

¹⁰⁶ Smithers, *Liverpool, Its Commerce, Statistics, and Institutions*, 123.

¹⁰⁷ Edwards, *The Growth of the British Cotton Trade, 1780-1815*, 83; Ellison, *The Cotton Trade of Great Britain*, 14.

¹⁰⁸ Ellison, *The Cotton Trade of Great Britain*, 22; Bryan Edwards, *The History, Civil and Commercial, of the British West Indies*, 5th ed., vol. 2 (London: G. and W.B. Whittaker, 1819), 316.

¹⁰⁹ Edwards, *The History, Civil and Commercial, of the British West Indies*, 2:317.

¹¹⁰ “The National Archive of the UK BT 6/140,” fol. 35.

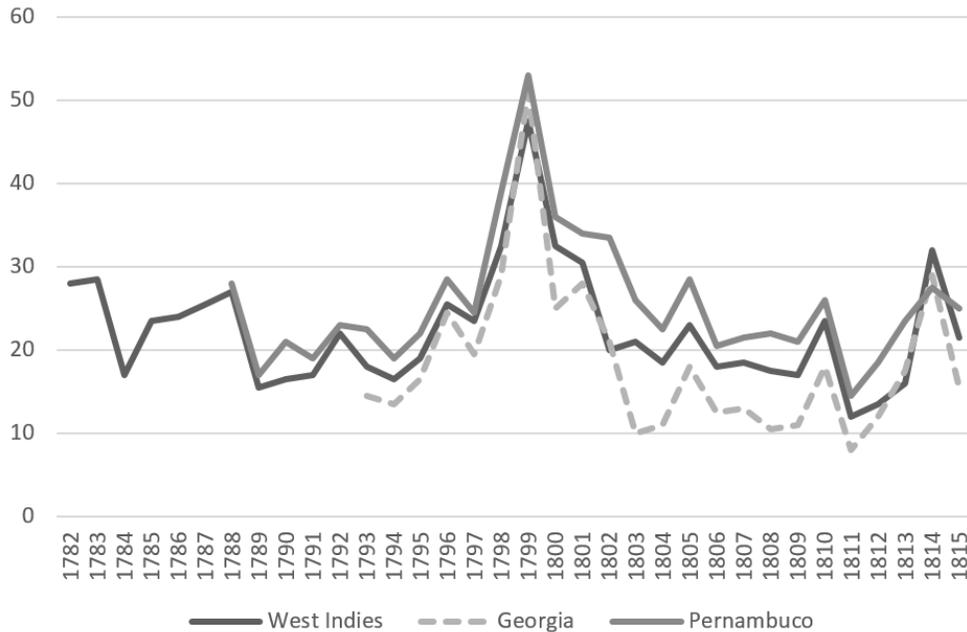
¹¹¹ *Ibid.*, fol. 34.

¹¹² Wadsworth and Mann, *The Cotton Trade and Industrial Lancashire, 1600-1780*, 185.

¹¹³ Camara, *Memoria Sobre a Cultura Dos Algodoeiros E Sobre O Methodo de O Escolher, E Ensacar*, 15. The cotton plant also yielded a higher ratio between wool cotton (3 arrobas – 1 arroba wool. Ordinary it was 4 arrobas to 1 wool).

¹¹⁴ Dias, *A Companhia Geral do Grão Pará e Maranhão (1755-1778)*, 372; Francisco de Assis Leal Mesquita, *Vida e morte da economia algodoeira do Maranhão: uma análise das relaes de produão na cultura do algodão, 1850/1890* (Universidade Federal do Maranhão, 1987).

Figure 4: Average prices of cotton in England, 1782-1815.



Source: Thomas Tooke and William Newmarch, *A History of Prices, and of the State of the Circulation, from 1793 to 1837*, vol. V (London: Longman, Orme, Brown, Green, and Longmans, 1838).

and New Orleans.¹¹⁵ According to the author, inferior textiles used these staples and they could not compete with the quality of cotton from Pernambuco. Among the 35 best known cotton suppliers, Butterworth listed the varieties with higher commercial value, in order: Sea Island Georgia, Bourbon (East Indies), Pernambuco, Cayenne (Suriname), Bahia and Maranhão. In 1822, Antônio Bernardino Pereira do Lago also stated that European markets preferred Pernambuco’s cotton to Maranhão, despite the latter being superior to the ones from Guadalupe and San Domingue.¹¹⁶

The quality of Pernambuco cotton is also mentioned in two documents from 1808. In a letter destined to England, a foreign merchant in Rio de Janeiro, Guilherme Warren, wrote that Pernambuco cotton was much esteemed in British markets, with quality similar to cotton produced in the United States. He wrote that other Brazilian regions could easily expand their production to meet the growing demand for cotton in Europe.¹¹⁷ The second document, by Roger Hunt, from London, stated that prior to 1800 Pernambuco cotton was estimated in Britain “chiefly for the fineness and silkiness of its staple”.¹¹⁸ Such qualitative evidence is consistent with price differentials in British markets. Figure 4 shows that cotton from Pernambuco had on average higher prices than the ones from the West Indies and Georgia.

Commercial values of cotton varied with differences in staples’ length and resistance. Spinning machines

¹¹⁵ James Butterworth, *A Complete History of the Cotton Trade* (Manchester: C.W. Leake, 1823), 51. Georgia was the most common as early as 1795, but its resulting fabric was considered “not wholly satisfactory”, G. W. Daniels, “American Cotton Trade with Liverpool Under the Embargo and Non-Intercourse Acts,” *The American Historical Review* 21, no. 2 (January 1, 1916): 276.

¹¹⁶ Antônio Bernardino Pereira do Lago, *Estatística histórico-geográfica da província do Maranhão* (Editora Siciliano, 1822), 42.

¹¹⁷ José Jobson de Andrade Arruda, *Uma colônia entre dois impérios: a abertura dos portos brasileiros 1800-1808* (Cátedra Jaime Cortesão, 2008), 157.

¹¹⁸ Roger Hunt, *Observations upon Brazil Cotton Wool ... with a View to Its Improvement* (London: Steel, Printer, 1808), 3. Gayoso, a cotton planter in Maranhão wrote a book about the culture in 1813, arguing that cotton from Pernambuco had better quality. Raimundo José de Souza Gayoso, *Compendio Historico-Politico Dos Principios Da Lavoura Do Maranhão* (Paris: Officina de P.-N. Rougeron, 1818).

required a resistant staple, which would not break up easily and halt production. Shorter fibers were also more difficult to spin and resulted in a harsher product.¹¹⁹ The way to measure textiles' quality was through mass density – spinning count classified fabrics' fineness – and the metric was the number of hanks of yarn spun from a pound of wool.¹²⁰ More rudimentary machinery, such as the water frame, had been employed in the manufacture of products with counts up to 60. Neither the spinning jennies or the water frame could produce high count yarns.¹²¹ The first technological improvement that significantly raised the sector's productivity was Crompton's mule in 1779, which combined elements from older spinning machines and the water frame. Apart from the possibility to produce finer yarns than those made on water frames, Crompton's invention reduced the cost of fabric production: compared to the manual production cost from three decades earlier, the Mule produced finer fabrics at one-twentieth of the price of 1749.¹²²

Table 8: Cotton spinning costs using Crompton's mule, 1779

Count (hanks)	Cost of spinning (a)	Raw Material, 18 ounces (b)	Total Market Value (c)	Profit [c-(a+b)]
40	14s. 0d.	3s. 3d.	20s. 9d.	3s. 6d.
60	25s. 0d.	3s. 3d.	34s. 0d.	5s. 9d.
80	42s. 0d.	3s. 3d.	54s. 3d.	9s. 0d.

Sources: James A. Mann, *The Cotton Trade of Great Britain: Its Rise, Progress and Present Extent*, 27

As table 8 shows, finer fabrics with higher counts also represented higher profits. After the Mule allowed production of higher counts with lower prices, the market for cotton textiles progressively moved away from coarser products. The significant decrease in production costs of high count cotton textiles allowed the British to compete with Indian production of muslins.¹²³ Allocation of different staples for different products appears in a detailed report on the British cotton industry from 1788, called *An Important Crisis in the Cotton Manufactory of Great Britain* explained. Manchester producers, who were trying to lobby the government for protection against foreign muslins, argued that the industry, which was at an early stage, already employed a considerable number of people and generated an income to the United Kingdom economy that was far superior to lower quality fabrics.¹²⁴

According to the report, from the 19,828,805 pounds of raw cotton imported in 1787, cotton manufacture used 18,670,000 pounds.¹²⁵ The raw material was divided in four large groups: 1) 1,500,000 pounds to the (illegible) branch. 2) 1,670,000 pounds to silk and linen mixtures. 3) 5,000,000 to the Fustian branch. 4) 10,500,000 to all branches of Muslins and Calicos (shawls, handkerchiefs, etc.). From this division, Table 9 shows the Manchester producers' division of different classes from the coarsest to the finest quality.

The economic importance from the manufacture of fine cottons is evident when its revenue is compared to the production of coarse fabrics. Even after reporting that prices of the finest wool had fallen 40 percent, the production of 1,090,000 pounds generated £756,187. Since the volume of East India cotton was 90,000 pounds, most high-quality staple came from Brazil. With almost five times the quantity, revenue from short staples such as Smyrna generated only £536,172. From the higher market value of finer cottons, manufacturers stated that Muslins had to be extensively promoted because they returned “more for the labor of the people than any other article in the cotton manufactory”.¹²⁶

The increase in Brazilian exports in the 1780s was associated with the growing Muslins and Calicos industry. Smyrna cotton, which used to be the most important staple produced outside British dominions,

¹¹⁹ Thomas Woodhouse, *Yarn Counts and Calculations* (H. Frowde and Hodder & Stoughton, 1921).

¹²⁰ C. P. Brooks, *Cotton Manufacturing*, 3rd ed. (London: Blackburn, 1892).

¹²¹ Allen, *The British Industrial Revolution in Global Perspective*, 184.

¹²² James A. Mann, *The Cotton Trade of Great Britain: Its Rise, Progress and Present Extent* (Simpkin, Marshall, 1860). With improving technology, it became possible with very fine cotton, such as Sea Island, to achieve a count of 300's with a machine Ibid., 26..

¹²³ Allen, *The British Industrial Revolution in Global Perspective*, 207.

¹²⁴ “The National Archive of the UK BT 6/140.”

¹²⁵ The difference was due to candle wick production.

¹²⁶ “The National Archive of the UK BT 6/140.”

Table 9: Cotton manufacture in the United Kingdom, 1788

Cotton	Quantity	Hanks in the pounds*
Smyrna; Coarse India; Inferior West India	5,330,000	8 to 16
British Islands**	3,700,000	17 to 20
Barbados, Tobago, St. Domingue	5,050,000	21 to 28
Inferior Dutch and Brazil	1,500,000	29 to 40
Very Good Dutch and Brazil	2,000,000	41 to 70
Finest Brazil and East India	1,090,000	71 to 150

Sources: “An Important Crisis in the Cotton Manufactory of Great Britain explained” (BNA BT 6/140)

Observations: *Each hank is 840 yarns long. **except Barbados, Guadalupe and Martinique

was only employed to produce fustians. Therefore, Turkey decrease in cotton exports was not a result of “better access to labor” in Brazil when compared to the Ottoman Empire, as Beckert argues.¹²⁷ In the late 1780s, the average count for cotton fabrics in British factories was 27, higher than the staple from Turkey and the British islands.¹²⁸ Market segmentation between different cotton staples explains why British sources would inevitably move away from the Caribbean, even in the absence of political conflicts that occurred in the 1790s. Cotton plantations were changing from islands to locations where cultivation of better staples was possible.

6 Conclusions

After 1780, when cotton textiles became a key sector in Britain’s Industrial Revolution, demand for cotton shifted to longer and more resistant staples. Plantations in Brazil were able to increase supply to attend Britain’s demand because of previous policies to encourage cotton production during the Pombal era. Brazil had abundant land to supply Manchester’s new muslin and calicos sector, and during the last decade of the eighteenth century, it already had a similar market share to the West Indies.

This paper present evidence of the rise of Brazilian cotton in British markets through four complementary arguments. 1) decrease in the wine trade due to diplomatic conflicts, and the use of cotton to replace it as the main export product to Britain; 2) Pombal’s policies that allowed the expansion of cotton plantations in Maranhão and Pernambuco before 1780; 3) the decline of the West Indies islands as an important supplier; 4) the staple from Brazil was initially more suitable than other suppliers to produce higher quality textiles.

The importance of Brazilian raw cotton to Britain was previously downplayed, especially in the Brazilian historiography, because its exports were “hidden” under Portugal in the ledgers of trade. Also, the literature argued that Brazil increase its exports because of political instabilities in traditional suppliers, which opened a momentary channel for trade. Wars and revolutions were part of the story, but the new demand for longer and stiffer staples provides the central explanation for the cotton boom in Brazil at the end of the nineteenth century.

¹²⁷ Beckert, *Empire of Cotton*.

¹²⁸ Allen, *The British Industrial Revolution in Global Perspective*, 187.