

# Portuguese Emigrant Transport to Brazil: Conditions and Factors of Vulnerability in Portugal's Operation of this Business During the Military Dictatorship

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## Abstract

This article seeks to contribute to knowledge about the bilateral relations between Portugal and Brazil and the role played by Portuguese emigration in maintaining these relations during the Military Dictatorship. By analyzing the maritime transport of emigrants between the two countries—a business monopolized by foreign companies from northern Europe—we seek to identify the measures adopted by Portuguese shipping companies in response to this foreign competition and to explain the reasons for their failure.

## Keywords

Maritime History, History of Portugal, Portugal-Brazil Relations, Migration, Shipping Companies

## Resumo

Este artigo pretende contribuir para o conhecimento das relações bilaterais entre Portugal e o Brasil e do papel desempenhado pela emigração portuguesa para a manutenção dessas relações no período da Ditadura Militar. A partir da análise do projeto de exploração do transporte marítimo de emigrantes na rota entre os dois países—negócio que era monopolizado pelas companhias estrangeiras da Europa do norte—procura-se identificar os meios adotados pelas companhias portuguesas de navegação para enfrentar a concorrência estrangeira e explicar as razões do falhanço nacional.

## Palavras-chave

História Marítima, História de Portugal, Relações Portugal-Brasil, Migração, Companhias de Navegação

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This article investigates whether the establishment of the dictatorial regime and the consequent position adopted by the State disrupted or continued the role played by the previous regime in relation to emigration, within the context of the State *dirigisme* that gradually became embedded in the economic sphere. This process began with the military coup of May 28, 1926 (Rosas 2000: 253; Garoupa and Rossi 2005: 429-435)<sup>2</sup> and was later enshrined in the 1933 Constitution. We seek to ascertain to what extent the claim that the State was the only entity capable of ensuring that the national interest would be respected (Meneses 2010: 115; Baganha 2003: 2-3) is confirmed by the data relating to the number of departures of the Portuguese population and, in particular, to the maritime emigrant transport business.

By analyzing the process of negotiation that led to the signing of a contract between the State and Portuguese shipping companies to operate the Portugal-Brazil route, beginning in 1928, we identify both the extent of the State's intervention in this project and the reasons behind it, as well as the strategies adopted by the companies. We will also explore the conditions under which the emigrant transport business was operated, in addition to the first steps taken during the Military Dictatorship and their subsequent failure in a context of profound instability and both national and international political, economic, and migratory reconfigurations. I will also discuss the business strategies of the shipping companies operating on the South American route (Miller 2012: 251-258; Butel 2012: 463-497; Zolberg 2006)<sup>3</sup>.

### **The Impasses in Operating the Portugal-Brazil Route**

When characterizing corporatist organization in the 1930s, the historian Fernando Rosas demonstrated the incoherent nature of State intervention. According to Rosas, State intervention was justified by the need to act in situations of crisis, but it was above all dependent on the “negotiating power of the partners present” (Rosas and Garrido 2012: 35), which precluded any efforts to search for a balance between the forces involved. This position formed part of the general attempt to redefine the economic principles and policies that were to guide Portugal's new policy of national economic self-sufficiency, and it naturally included the country's merchant navy sector. Guaranteeing Portugal's presence

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<sup>2</sup> See also how the 1911, 1933, and 1976 Constitutions and the subsequent revisions of 1982, 1989, and 1997 progressively incorporated the economic constitution, with the 1933 Constitution being particularly important in this regard.

<sup>3</sup> On American immigration policy during the 1920s, see, for instance, the book by Aristide Zolberg.

on major international maritime routes was therefore one of the interests of the shipping companies and the Portuguese State. This resulted in much greater prominence being given to commercial relations with the colonies, so that Portugal's relationship with Brazil was relegated to second place.

The desire to maintain ties with Brazil, an echo from the days of the Monarchy (Leone 1902; Marques 1991:161-162), was not therefore something new on the part of the Military Dictatorship. The economic and financial advantages that emigration to Brazil brought Portugal, notably in terms of its balance of payments (Martins 1994; Pereira 1981; Baganha 1988; Lains 2003: 156-166), coupled with the presence of a large Portuguese community in that country, justified maintaining and developing political, economic, commercial, and cultural ties, as well as the maritime route between the two countries. Various attempts were thus made to strengthen these ties, fed by an ideology and a political discourse that considered emigration to be a factor that could bolster relations (Leal 2009). The efforts made, however, were sporadic and did not always achieve any concrete result, which in turn affected the maintenance of the maritime route between the two countries.

In fact, strong foreign competition from England, France and Germany (Light 2013; Keeling 2012: 61-107) together with Portugal's inability to adopt new technological standards in shipbuilding, the shortage of coal in Portugal, and the lack of any significant investment in the renewal of the national maritime fleet had all led the national shipping companies to move away from the emigrant transport business after the 1870s (Leite 1991; Alves 1994: 236-245). Instead, they committed themselves to short cabotage services and long-distance transport between Portugal and its colonies, despite the fact that the country still continued to register a significant number of departures (Serrão 1977: 33).<sup>4</sup> Nor should Portugal's dependence on England be forgotten. With its hegemonic power, England was the national economy's main supplier, buyer, creditor, and investor, and had a monopoly on the transportation of goods (Rosas 1996: 75).

After the end of the First World War, Portugal maintained one State-owned transport company, the *Transportes Marítimos do Estado* (TME), in activity (Pires 2011: 272-282),<sup>5</sup> which guaranteed that the maritime route to Brazil still remained operational. This was one more initiative that proved to be short-lived, since, in 1921/1922, proposals were made for the closure of both the line and the company itself due to several factors:

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<sup>4</sup> On the number of departures, see Joel Serrão.

<sup>5</sup> Arquivo Histórico da Marinha (AHM), Marinha Mercante, 1918-1940, cx. 1389: Report from the Board of Directors to the Minister for the Navy about the activities of TME, February 20, 1922. On the creation of TME and the activities that it developed during the war, see Ana Paula Pires.

disagreement with the Portuguese community in Brazil about the company's operational strategy;<sup>6</sup> the poor condition of the ships; the difficulty in obtaining supplies of fuel (which was now scarce and expensive); and especially the strong foreign competition along with the pressure exerted by the Portuguese maritime lobby to privatize this transport sector (Madureira 1998: 779).<sup>7</sup>

With the enactment of Law Nr. 1346, of September 9, 1922,<sup>8</sup> which initiated the process by which national companies could buy and sell ships and reformulated the development plan for the national navy, a new step was taken in terms of flag discrimination in the face of economic and commercial instability (Sturmei 2009: 83-115). This involved pledging that the national merchant fleet would be owned by Portuguese shipping companies and would be duly afforded State protection provided they committed themselves to operating the maritime routes considered to be of national interest. The political will to retain the Portugal-Brazil route was not, however, consensual.<sup>9</sup> Its profitability and sustainability, both of which were dependent on the indispensable protection of the State, were called into question. Already in 1919,<sup>10</sup> the form of this protection had been debated in Parliament, and the suggestion of a regime that granted national companies exclusive rights to emigrant transport was defended. It had been proposed at that time to “nationalize” emigration, so as to guarantee TME a monopoly on this business, to the detriment of foreign companies. This idea was, in the meantime, placed to one side during the First Republic, for fear of triggering an adverse international reaction.

The operation of the Portugal-Brazil maritime route was finally enshrined in Law Nr. 1346 as being of national interest. This was due to three key factors: firstly, the attempts at a new political rapprochement between the two countries, marked by the negotiation of a trade agreement during Bernardino Machado's presidential visit to Brazil in 1922;<sup>11</sup> secondly, economic and commercial pressure from both Portugal and Brazil regarding the operation of the line; and thirdly, the pretensions of some private individuals

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<sup>6</sup> Arquivo Histórico Diplomático/Ministério dos Negócios Estrangeiros (AHD/MNE), S13.1.E12.P2/82599: Letter from *Transportes Marítimos do Estado* to the Directorate-General for Political and Diplomatic Affairs/Ministry for Foreign Affairs, September 13, 1921.

<sup>7</sup> On the influence of employers and owners on the closure of public companies as from 1922, see Luís Nuno Madureira.

<sup>8</sup> Law Nr. 1346. In *Diário do Governo* (DG), 1st Series, Nr. 187, September 9, 1922.

<sup>9</sup> Law Nr. 1577, which set out the conditions for selling the TME fleet and reinforced the preference to make these ships available to commercial colonial traffic. In *DG*, 1st Series, April 10, 1924.

<sup>10</sup> Senator Gaspar de Lemos. In *Diário do Senado*, Session Nr. 7, June 19, 1919.

<sup>11</sup> For the negotiations that led to this agreement, see AHD/MNE, S13.E25.P4/84479.

connected to the Port Wine trade to set up a shipping company dedicated to this route (*Linha de Navegação Portugal-Brasil*) if Portuguese and Brazilian capital, political support, and a State subsidy were made available.<sup>12</sup>

At the same time as the future of the Portuguese merchant fleet was being decided, measures were being adopted to protect the Portuguese ships for the transport of Portuguese emigrants, along with other measures deemed necessary to finance projects for the improvement of port infrastructures and to increase the State's revenue. Such measures consisted of granting State subsidies and privileges in order to incentivize the transport of goods and passengers on Portuguese ships. In contrast, foreign naval fleets were swamped with taxes and tariffs, creating tensions with foreign companies and their representatives in Portugal. This tension was to last throughout the Military Dictatorship. Ships were subjected to increased control and inspections in order to check that the proper conditions for transporting emigrants were being met, and this, together with the pursuit of a firmer commitment from shipping companies to repatriate the poor and needy, made it more difficult to put into effect the legislation that regulated Portuguese emigration and set out the principles governing the new regime concerning emigration.<sup>13</sup> This led to conflicts with the foreign companies.<sup>14</sup>

### **The Military Dictatorship and the Compromise between National and Foreign Interests**

Although the military coup of 1926 had put an end to the First Republic, the Military Dictatorship continued the work of reconfiguring the maritime development policy begun under the previous regime by strengthening the protection offered to national shipping companies. These companies continued to concentrate their activity on the transport of goods and passengers between the colonies and the metropolis, with the colonies gaining greater importance on the national and international political scene (Castelo 2007: 61-98; Proença 2010; Ferreira 2015: 163-168). However, the world was entering a period in which the market in international trade was beginning to shrink; a

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<sup>12</sup> Letter from José Aparício dos Santos, Viscount of Povoença, to Bernardino Machado, December 10, 1924. *Correspondência*. Fundo DBG—Documentos Bernardino Machado, Pasta: 08044.103, Fundação Mário Soares.

<sup>13</sup> Decree Nr. 5624. In DG, 1st Series, 6th Supplement, Nr. 98, May 10, 1919. Decree Nr. 5886. In DG, 1st Series, Nr. 117, June 19, 1919.

<sup>14</sup> AHD/MNE, S12.1.E25.P2/76445. Folder: “Serviços Clínicos a bordo de navios estrangeiros que transportem emigrantes portugueses.” Letter from Veiga Simões to the Minister of the Interior, Nr. 390/21, Lisbon, December 5, 1921.

period that was further characterized by a greater number of ships—both old and new—in circulation, and a general increase in their overall tonnage (Miller 2012: 246-251). In the passenger transport sector, the transportation of emigrants was no longer considered by foreign shipping companies to be such a profitable business since the restrictions imposed by America on the entry of foreigners led them to rethink their operational strategies in this sector. A move was therefore made to prioritize and to commit more resources to the business of transporting tourists and businessmen on the North American route (Miller 2012: 252-254; Butel 2012: 480-481). On the other hand, the emigrant transport business on the South American route, together with the transport of tourists and refugees, still proved to be attractive, and even allowed old ships to be used.

The Portuguese economic sectors linked directly to external trade also found themselves weakened as a result of the international trade conjuncture and the national measures taken in the 1920s to increase taxes. This led medium-sized and large companies with economic interests in Portuguese industry, commerce, and agriculture to support the military coup (Telo 1980). In the area of passenger transport, the measures restricting migratory movements imposed by the receiving countries did not directly affect the Portuguese shipping companies since their traffic was almost exclusively centered on the Portugal-colonies route, which was partly subsidized by the State (Castelo 2007: 80-83). Consequently, Portuguese companies had only had a sporadic presence in the North and South American routes since 1922.

The dictatorial state's intervention in regulating national maritime activity, more specifically in establishing the principles governing the business strategies of Portuguese shipping companies, was generally accepted by these companies at that time, on the condition that the protection of the Portuguese ships was guaranteed.<sup>15</sup> It was thus up to the State to reinforce this protection and to determine which sovereign lines and commercial routes should be nationalized.<sup>16</sup> The progressive 'surrender' of these companies to the State, in its capacity as the regulator of economic interest, was not restricted to the case of Portugal, since similar situations were found in Italy, Germany, and Greece (Giulianelli 2016; Russell 2016; Manitakis 2007: 63-74). This shows the difficulty that these economic groups faced when confronted with the economic and commercial

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<sup>15</sup> Letter from the Association of Shipowners and Shipping Agents of the Port of Lisbon (Associação dos Armadores de Navios e Agentes de Navegação do Porto de Lisboa), Lisbon, August 5, 1926. In AHM, Companhia Nacional de Navegação, 1918-1949, cx. 1358-12.

<sup>16</sup> Letter from the 1st Tax Office of the Companhia Nacional de Navegação—Directorate-General of Public Accounts/Ministry of Finance to the Minister of Finance, May 16, 1928. In Arquivo Nacional da Torre do Tombo (ANTT), Arquivo Oliveira Salazar (AOS), MA-3, cx. 349, pt. 1. Primeira subdivisão, 1928, maio 16.

reality at both the national and the international level. According to the historians António José Telo and Fernando Rosas, it was during this period that Salazar himself managed the needs of each economic interests. He took a series of economic measures aimed at reconciling contradictory interests, which were affected not only by the national and international scenario, but also by the budgetary and financial policy adopted by the head of government and linked to the austerity program and the program designed to stabilize the *escudo* (Telo 1980: 111-126).

The origins of the maritime sector's demands regarding emigrant transport are to be found in the Republican period when several (and at times contradictory) demands had been made by both foreign and national companies. These demands mostly centered around a request to reduce taxes in general, including those that were levied on passengers. On one hand, foreign shipping companies demanded an end to discrimination in favor of the Portuguese shipping companies, which they considered unfair and a barrier to the freedom of international trade as enshrined in the Geneva Convention of October 31, 1922.<sup>17</sup> On the other hand, the national merchant navy demanded an increase in State protection and a reduction in the taxes that it paid.

State protection involved the traditional concession of subsidies, granted from November 1926 onwards to the three main Portuguese shipping companies—the *Companhia Nacional de Navegação* (CNN),<sup>18</sup> the *Companhia Colonial de Navegação* (CCN),<sup>19</sup> and the *Companhia de Navegação dos Carregadores Açorianos*<sup>20</sup>—in order to regularize each company's financial situation and to help towards repairing the old TME ships that they had purchased.<sup>21</sup>

In exchange, Decree Laws Nrs. 14646 and 14647, of December 3, 1927, satisfied the foreign companies by allowing a reduction in their fiscal charges for certain shipping routes—Northern Europe, the Mediterranean, the Canary Isles, and the west coast of Morocco—and a fifty percent reduction in the stamp duty levied on the price of maritime

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<sup>17</sup> See the letter from Bettencourt Rodrigues to the Minister of Trade, s.d. In AHM, Pasta 5—Informações prestadas pelo Sr. Vasques de X. Fundo 27—Conselho Superior da Marinha Mercante. Imposições Marítimas Gerais—Lv 288, 1922 a 1928, cota 3-XVI-7-1.

<sup>18</sup> Decree Nr. 12605. DG, 1st Series, Nr. 248, November 5, 1926.

<sup>19</sup> Decree Nr. 13101. DG, 1st Series, Nr. 24, January 29, 1927.

<sup>20</sup> Decree Nr. 14623. DG, 1st Series, Nr. 261, November 25, 1927.

<sup>21</sup> Access to the subsidy was subject to the following condition: a six percent interest rate to be amortized in 40 six-monthly payments. In addition, the companies were obliged to have a State auditor on the Board of Management of each company whose job it was to control the use of this subsidy.

passages. They did not, however, reduce the charges on the routes between Portugal and South America.<sup>22</sup>

The regulations governing maritime emigrant transport continued to require the compulsory presence of a team of Portuguese doctors and nurses, although the complaints submitted by foreign companies always highlighted the pointlessness of this service, which was considered to be too expensive.<sup>23</sup> In November, 1930, as part of the administrative reform of emigration services, a new step was taken. The State strengthened its grip on all shipping companies (both national and foreign) by imposing certain controls on the conditions under which Portuguese emigrants could be transported by sea. It made such transport conditional to the presence of Portuguese medical and other support staff, to the requirement for foreign and national companies, to repatriate indigents and Portuguese emigrants with no means of subsistence and no work in Brazil.<sup>24</sup>

### **The Portugal-Brazil Line: From Negotiation to National Withdrawal**

With the redefinition of maritime policy in 1928, the operation of the Portugal-Brazil line by Portuguese companies once again became a matter of much discussion. The discourse about giving more value to relations with Brazil called for a joint effort by the State and the national private sector to maintain the operation of the line. Thus, although previous attempts at granting national companies the monopoly of Portuguese emigrant transport—a business dominated by foreigners at the time—had not been successful, doing so in a context of great commercial instability was seen as necessary in order to guarantee the links between the two countries and as a profitable sideline to the transportation of goods.

The legislation that allowed national companies already set up or to be established with foreign capital<sup>25</sup> to have access to State protection enabled the *Sociedade Linha de Navegação Portugal-Brasil*<sup>26</sup> to present the government of Ivens Ferraz with an already

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<sup>22</sup> Decree-Laws Nr. 14646 and 14647. DG, 1st Series, Nr. 267, December 3, 1927.

<sup>23</sup> Decree-Law Nr. 13213. DG, 1st Series, Nr. 44, March 4, 1927.

<sup>24</sup> Decree-Law Nr. 19029. DG, 1st Series, Nr. 265, November 13, 1930. This decree also refers to the conditions governing emigrant transportation, the hiring of medical and support staff, and disciplinary actions.

<sup>25</sup> This decree-law annulled Law Nr. 1787, of June 25, 1925, which had permitted the acquisition and purchase of TME's ships only by incorporated companies with 49% foreign capital. Law Nr. 1787. DG, 1st Series, Nr. 139, June 25, 1925. Decree-Law Nr. 15360. DG, 1st Series, Nr. 85, April 14, 1928.

<sup>26</sup> The representatives of the company were António Centeno, José Aparício dos Santos (Viscount of Povoação), Lieutenant-Captain José Francisco Monteiro, Jorge de Povoação and Francisco Dias Lemos.

existing project, dating from 1924, to operate the Portugal-Brazil line. This time, the operation was primarily based on transporting emigrants using ships belonging to the company, purchased with their own capital and capable of competing with foreign ships without requiring any State subsidy.<sup>27</sup> In this way, the two main lines that traditionally covered Brazil—one to the north and one to the south—would be guaranteed. In exchange, and to ensure the lines' profitability, they demanded that a decree-law be passed, granting the company the exclusive right to transport two thirds of Portuguese emigrants for a period of fifteen years.

Faced with this proposal, CNN and CCN also competed for the award of the contract and lobbied the government. CNN promised to make ships available to sail to the ports of Santos and Rio de Janeiro, provided certain demands were met: national and international advertising that would highlight the company's initiative; greater care in selecting the agents who would represent the company in Brazil; and the monopoly operation of the route for a period of ten years.<sup>28</sup> In return, CCN operated a monthly voyage, demanding the State's protection to cover any vulnerabilities (such as the age of their ships compared to foreign ones) and shortfalls associated with the route's operation, particularly on the return journey. The State would have to provide a subsidy and a minimum five-year contract that would guarantee CCN's monopoly of the route. CCN also suggested that an extra tax be collected from emigrants who chose to travel with foreign companies.<sup>29</sup>

From these three proposals, the one put forward by CNN was chosen to operate the route. The decision would seem to be related to the opinion written by the Minister for the Navy, Luís Magalhães Correia, who had taken a cautious stance right from the start about the opportunity to operate the Portugal-Brazil line, on account of the lack of studies about the route's operating conditions.<sup>30</sup> The Minister nevertheless considered that the

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<sup>27</sup> To be specific, the following services would be made available: two boats of 10/15000 tons, for transporting cargo and first to third class passengers; three sister ships of 8250 tons each, built in 1924; four ships of 7-8000 tons each to carry coal and goods; routes established to Brazil, the Portuguese colonies and the north of Europe; regulation of maritime credit. 1928/1937. In ANTT, AOS - MA-3A, cx. 350, pt. 1-1<sup>a</sup> Subdivisão—1928, June 14.

<sup>28</sup> "Navegação para o Brasil" [Shipping to Brazil]. Report to be presented to the meeting of the Board of Directors of the Companhia Nacional de Navegação, of October 18, 1929, by the Director, José Augusto Cardoso Leitão. October 18, 1929. In ANTT-AOS, MA-3, cx. 349, pt. 7. 1<sup>a</sup> Subdivisão - 5<sup>a</sup>: 1929, October 20-29.

<sup>29</sup> Letter from the Companhia Colonial de Navegação to the Minister for the Navy, September 5, 1929. In ANTT-AOS, MA-3A, cx. 350, pt. 1. 1<sup>a</sup> Subdivisão - 4<sup>o</sup>.

<sup>30</sup> On this subject, see also Theodoro da Costa to Francisco Ribeiro Salgado, Lisbon, September 9, 1929, Nr. 31 (13) 5-165. In AHM, Book 307, 1929-1930, 3-XVI-7-4. Pasta Processo da carreira de navegação para o Brasil—Correspondência—1929.

time was right to launch this initiative, given the indispensable protection of the State, the increased number of emigrants, and the continuous protests from the export trade sector (which had great hopes for Salazar's economic program and his promises of aid). The proposal of the *Sociedade Linha de Navegação Portugal-Brasil* was excluded since, although its representatives were well-known within the Portuguese financial and commercial community, Magalhães Correia doubted that the company had the capacity to make sufficient financial capital available to purchase the ships. He felt that the responsibility for operating the Portugal-Brazil route should be given to one of the two main Portuguese companies chosen by public tender, without imposing the requirement to transport a certain percentage of emigrants, so as to avoid conflict with the foreign companies, and as an alternative, requiring the emigrant to pay a variable fee as a way of financing the State's support and the protection of the Portuguese ships.

In January, 1930, CNN inaugurated its first voyages with the steamships *Nyassa* and *Lourenço Marques*. Both Portuguese and Brazilian newspapers launched an intensive publicity campaign designed to inform people of this patriotic initiative and to appeal to the Portuguese emigrants' national sentiment, insofar as this would direct their choice towards national carriers rather than foreign ones (Silva and Santos 2014: 76-77). In the first year of operation, the outcome proved positive, although losses occurred on some voyages, namely those of the *Lourenço Marques*. In comparison with other maritime routes, the Portugal-Brazil line remained an important part of the company's business, being ranked second after the African routes (Angola and Mozambique).<sup>31</sup> In turn, CNN managed to make a profit from the emigrant transport business, achieving a better result in 1930 than it did from its charter operations. Thus, a balance was finally assured between the outward and return journeys for passenger transport in all three classes, but the profitability of this business was primarily due to the emigrants travelling third class.<sup>32</sup>

Although it had reported a slight profit, the company very quickly found itself in difficulties, which led it to demand further guarantees and greater State protection. Foreign competition was generally considered the main problem. Organized in a cartel through a 'shipping conference,' the foreign companies divided the international maritime routes among themselves and established the operational rules, particularly each company's operational percentage and the expected compensations, the fares for each passage, and the commissions to be paid to the intermediary agents responsible for soliciting and organizing

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<sup>31</sup> "Mapa Comparativo." In AHM, Correspondência, Actas, Processos, cx. 244, 1926-1951, 3-XVI-5-7.

<sup>32</sup> "Carreira do Brasil," Companhia Nacional de Navegação, Lisbon, October 7, 1930. In ANTT – AOS, MA-3, cx. 349, pt. 2. 15ª subdivisão – 193?

passages (Deakin and Seward 1973; Yui 1980). CNN had several problems trying to keep pace with the foreign requirements for operating the route decided upon by the shipping conference, thereby exposing its weakness in defending its own interests during the negotiating process.<sup>33</sup> As a result, in October, 1930, CNN demanded that the Ministry for the Navy—which turned down the request<sup>34</sup>—reserve a share of the emigrants for its two ships (800 for the *Nyassa* and 500 for the *Lourenço Marques*) to offset the financial losses caused by the rise in agents' commissions decided upon by the 1930 conference. This amount increased from 150\$00 to 500\$00-700\$00 per third-class passage.

In addition to the problems associated with international competition, and although this fact is not mentioned in the sources consulted, the increasingly unstable international economic and migratory context led to a significant fall in the number of departures between 1929 and 1931, which further contributed to making the line unprofitable. The 1929 economic crisis, the political and economic instability caused by the 1930 Brazilian revolution, and Brazil's decision of December 19, 1930 to drastically limit the entry of migrants travelling third class and to restrict access by foreigners to the national labor market (Mendes 2011: 247-248; Geraldo 2009: 175-207)<sup>35</sup> were all prejudicial to the emigrant transport business, decreasing its profitability and increasing the number of people needing to be repatriated (Oliveira 2007: 845-847). The national companies' obligation to guarantee transport was in fact the target of criticism from CNN, which considered itself to be overburdened with this responsibility, given the loss of profit in its emigrant transport business.<sup>36</sup>

Faced with these difficulties, in 1932, CNN asked the government for permission to cease its operation of the route. However, a commission from the Higher Council of the Merchant Navy still tried to assess its viability by studying internal documents and evaluating the accounts of the company's last activities. The length of time that this evaluation took, the complaints received from the Portuguese community in Brazil (from the Chambers of Commerce of Pará and of Rio de Janeiro, among others) demanding that

<sup>33</sup> Letter from the directors of the Companhia Nacional de Navegação to the government auditor at the Companhia Nacional de Navegação, Lisbon, October 8, 1930. In ANTT—AOS, MA-3A, cx. 350, pt. 1.

<sup>34</sup> Letter Nr. 141/5-3-1931 to CNN. In AHM, Direção Geral da Marinha – Conselho Superior da Marinha Mercante – Proc. Nr. 322(13) 5-1, *Carreiras de Navegação para o Brasil, 1930-1931 ficha 1 a 7*.

<sup>35</sup> Only in 1936 did Brazil agree to make the entry of the Portuguese into the country more flexible. Until then, the decree of December 19, 1930, was followed by the 1934 “quota law.” On the Decree of December 19, 1930, see José Saccheta Ramos Mendes, and, on the quota law, see Endrica Geraldo.

<sup>36</sup> Letter 714/22-7-1932 from the Directorate-General for Commercial Business (DGNC)/Ministry of Foreign Affairs (MNE) to the Inspectorate-General of Emigration Services (IGSE). In AHM, Direção Geral da Marinha (DGM) – Conselho Superior da Marinha Mercante – Proc. Nr. 322(13) 5-1, *Carreiras de Navegação para o Brasil, 1930-1931 ficha 1 a 7*.

the line be started again,<sup>37</sup> and the diplomatic attempts to bring Salazar and Brazil closer together once more in order to overcome these commercial weaknesses and reaffirm Portugal's international position (Santos s.d.: 560-567; 2004: 177-209) led to the decision to provide a subsidy of one million escudos for four voyages between Portugal and Brazil with a 45-day interval between them.<sup>38</sup> This measure was not, however, considered sufficient to overcome the difficulties, and so CNN reiterated its request that a share of emigrants be reserved especially for its operations. This request was supported by the Merchant Navy's board of management and sent to both the Ministry of the Interior and the prime minister, Salazar. The company further proposed that emigrants pay a 500\$00 surcharge if they opted to travel on foreign ships.<sup>39</sup> In September, 1932, owing to CNN's deficit situation,<sup>40</sup> another request was made for an increase in the subsidy for undertaking the voyage to Brazil (rising from 250,000\$00 to 500,000\$00), but the company ended up abandoning the route and did not even make this last subsidized voyage.<sup>41</sup>

The initiative taken to operate the Portugal-Brazil route between 1930 and 1932 once again showed evidence of Portugal's incapacity to keep the line both active and profitable. Although part of the justification for its failure can be found in the weight of the foreign competition and the unstable international migratory and economic context, the lack of preparation of the Portuguese parties involved also remains a crucial factor.

It can therefore be seen how State protection was insufficient for ensuring the route's profitability and that the government's response corresponded to the conjunctural satisfaction of national economic interests. The literature that has analyzed the business strategies of foreign shipping companies has shown the importance of carefully undertaken market studies, the discovery and use of new contacts, the consolidation of knowledge networks, and the commitment of the partners to ensuring the viability and success of any maritime project (Miller 2012: 69-213; Keeling 2012: 33-51). CNN knew how to prepare

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<sup>37</sup> Telegram from the President of the Portuguese Chamber of Commerce in Rio de Janeiro to the DGNC/MNE, February 6, 1932; Letter from the Portuguese Chamber of Commerce in Pará to the Ministry of Trade, February 15, 1932. In AHM, DGM – Conselho Superior da Marinha Mercante – Proc Nr. 322(13) 5-1, *Carreiras de Navegação para o Brasil, 1930-1931 ficha 1 a 7*.

<sup>38</sup> Decree-Law Nr. 21186. DG, 1st Series, Nr. 102, April 30, 1932.

<sup>39</sup> Letter 615/1-7-1932 from the Government Commissioner at CNN to the Minister of Finance. In AHM, DGM – Conselho Superior da Marinha Mercante – Proc. Nr. 322(13) 5-1, *Carreiras de Navegação para o Brasil, 1930-1931 ficha 1 a 7*.

<sup>40</sup> Letter from the Government Commissioner at CNN to the Higher Council of the Merchant Navy. In AHM, Direção Geral da Marinha – Conselho Superior da Marinha Mercante – Proc Nr. 322(13) 5-1, *Carreiras de Navegação para o Brasil, 1930-1931 ficha 1 a 7*.

<sup>41</sup> Note 829/29-7-1933 to the 6th Division of the Directorate-General of Public Accounts/Ministry of Finance. In AHM, DGM – Conselho Superior da Marinha Mercante – Proc Nr. 322 (13) 5-1, *Carreiras de Navegação para o Brasil, 1930-1931 ficha 1 a 7*.

itself to some extent, but it was only supported by the enthusiasm of the Portuguese community in Brazil, publicity, the commitment and loyalty of the intermediary agents, and, above all, the protection that the State provided in order to ensure the route's profitability.

CNN's partially unsuccessful experience paved the way for a phased commercial and economic withdrawal from the colonies, although it still underlined the urgent need to continue with the reconfiguration of the government's maritime development policy. This culminated in the creation of the *Junta Nacional da Marinha Mercante* [National Board for the Merchant Navy] in 1939. This corporative body dealt with the centralized State management of national maritime activities. Portuguese emigration, which had declined in numbers in the 1930s, temporarily ceased to be a national political priority and there were no new attempts made by Portuguese shipping companies to operate the Portugal-Brazil line during this decade. One exception to this was the transportation of refugees by CCN and CNN during the Second World War (Pimentel and Heinrich 2006: 175-188). The departure of people would again become a national political and economic issue with the start of the international migratory movements after the war. In such a favorable context, Portuguese emigration policy was redefined, culminating in the creation of the *Junta Nacional de Emigração* [JNE-National Board for Emigration] in 1947, for which management of the maritime transport of emigrants became a central issue (Santos 2014: 127-136). With this new initiative, we confirm a break with the practices followed previously. The strategy adopted during the Military Dictatorship for the operation of the Portugal-Brazil line had not been a break with previous experiences, however, as the operational problems and the responses from both government and business still remained in place.

Although the nationalization of Portuguese emigration, which had been demanded since 1919, did not happen, the creation of the JNE went some way towards finally satisfying the Portuguese shipping companies, which, once again, had to respond to the political interest of the State in guaranteeing a Portuguese presence on the Portugal-Brazil route. A subsidy and a share of emigrant transportation was reserved for CCN as a condition for their operating the line, but the traditional participation of foreign shipping companies was not excluded from this business. Helped by the favorable context of international migrations and the progressive lack of interest displayed by foreign companies from the north of Europe (England, Germany, and France) in this type of business, which became obsolete from then on, and which primarily interested companies that sought to profit from it while it lasted (such as the Italians and the Portuguese), the Portuguese State

thus gained a stronger negotiating position with the companies to impose its new emigration policy.

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