

ORDER AND PROGRESS OR ORDER VERSUS PROGRESS ? THE PORTUGUESE SOCIAL DILEMMA OF THE MID-19TH CENTURY

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1 — Disorder and stagnation: the Portuguese lot during the first third of the 19th century

It may be said that disorder and stagnation were the Portuguese lot during the first third of the 19th century. From a short term point of view everything started with the wars against France and Spain.

The wars against France and Spain

The wars against France and Spain began in 1793-1795 with the Portuguese participation in a fruitless campaign against the French province of Roussillon. There followed some years of peace, but in 1801 Spain invaded Portugal in the so-called Oranges War, which ended with the loss of the town of Olivença by Portugal. There followed again some years of peace, but the Portuguese refusal to participate in the so-called Continental Blockade against Britain led to the occupation of the mainland by France and Spain. In 1808 the Spanish army withdraw and the French army was expelled with British help, but war went on, with two further French invasions in 1809 and 1810-1811, defeated again with British help, and the Portuguese participation in the liberation of Spain from French occupation in 1811-1813 and in the so-called Campaign of France in 1814.

The wars against France and Spain brought destruction and plundering by the Spanish and French armies that occupied the mainland. However, it may be conjectured that such damage would have been overcome without much long term effects, if they were not accompanied by an increase of the British influence in Portuguese affairs, by the beginning of the process of independence of Brazil, and by economic stagnation and monetary disarray, all leading to bitter civil conflicts in the 1820's and 1830's.

The increase of British influence in Portuguese affairs

The increase of British influence in Portuguese affairs was partly a result of the role of the British help in the liberation of Portugal from French occupations, partly an affair of normal diplomatic pressure of the leading world power,

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and partly the effect of the commercial treaty of 1810. This treaty gave British commodities almost free access to the Portuguese and the Brazilian markets and was much blamed for the decay of Portuguese industry thereafter. It is fair to point out that it discriminated heavily against the foreign competitors of British goods, but it is also undoubted that the Portuguese industry was not discriminated and only lost protection. Anyway, as some degree of protection was perhaps needed to recover from the destructions and plunders of the war period, it is possible to argue that, if the free competition of the British products in the Portuguese and Brazilian markets did not ruin the Portuguese industry, at least prevented its recovery from the low point of the war period.

The independence of Brazil

The process that led to the independence of Brazil had four main steps: first, the end of the colonial pact in 1808 when the Portuguese government fleeing from the French occupation of the mainland was established for a while in Rio de Janeiro; second, the formal end of colonial status in 1815, with the proclamation of a United Kingdom of Portugal and Brazil; third, the proclamation of independence in 1822, as a reaction against the attempts of the Portuguese government to bring back Brazil to its old colonial status; fourth, the recognition of Brazilian independence by Portugal in 1825, as a consequence of British diplomatic pressure and of the practical impossibility to send troops to fight the rebellion because of the British control of the Atlantic Ocean.

The economic independence of Brazil, which was the result of the end of the colonial pact in 1808, had two far reaching consequences for Portugal: the loss of the intermediary position in Brazilian foreign trade, and the loss of a protected market for the export of Portuguese goods. The loss of the intermediary position in Brazilian foreign trade meant a significant reduction in the activity of the Portuguese merchant navy, of the Portuguese ports, and of the Portuguese dealers of Brazilian goods. The loss of the protection for the export of Portuguese goods to the Brazilian market meant a reduction of the Brazilian demand for Portuguese goods. Both contributed to the Portuguese economic problems of the first third of the 19th century.

Economic stagnation and monetary disarray

All the upheavals so far described led to economic stagnation and monetary disarray. After a severe slump during the wars against France and Spain, the Portuguese economy recovered, but was unable to start any take off process for many decades. At the same time, monetary expedients used to pay for the wars left a depreciated paper-money circulating side by side with metallic coins. Normalcy, that is to say an exclusive metallic circulation, was not reestablished until the mid and late 1830's.

The civil conflicts

The British interference in Portuguese affairs and the drive towards Brazilian autonomy paved the way for the 1820 revolution that combined an attempt to build a rather radical liberal and democratic political regime, with attempts to fight the British interference in Portuguese affairs and to bring back Brazil to a colonial situation. As could be expected, there was a complete failure in the Brazilian question and a failure in all but superficial aspects in the British question. This led to the fall of the liberal and democratic regime of the 1822 Constitution in 1823. It was replaced between 1823 and 1826 by an alliance of moderate absolutists and liberals. There followed attempts of a liberal conservative (1826-1828) and of a full-flaged absolutist (in 1828) regimes, leading to a civil war (1828-1832 in the Azores and 1832-1834 in the mainland) won by the supporters of a liberal conservative regime, according to the 1826 Constitutional Chart.

2 — The liberal blueprint: a new ideal of order and progress

The upheavals of the first third of the 19th century strengthened the feeling of decay that had already characterized the Portuguese society of the 18th century, and the call for a new programme to restore order and to foster progress. The parties that fought the 1828-1834 civil war had quite different blueprints to shape the Portuguese society.

The absolutist blueprint

The absolutist blueprint was based in the idea that the main problem of the Portuguese society was the disrespect for its traditional features, and proposed to reform the Portuguese society by restoring the basic framework of the «ancien régime» in its purity.

The social support to such a project came mainly from the aristocracy and other landowners. It had also the sympathy of most of the ecclesiastical order and of the majority of peasants and urban populace.

The liberal blueprint

By contrast, the liberal blueprint claimed that the Portuguese society needed something new. Besides changing the political regime, this meant a deep reform of most aspects of Portuguese life. Moreover, it meant to foster economic growth by increasing international economic relations and by creating a true national economy. To most people, this seemed to imply an effort to build modern transportation facilities, such as macadamized roads and railways, which were almost completely lacking in the country.

The social support to such a project came mainly from the bourgeoisie, that wanted to find in economic development an alternative to the reduced colonial trade. The bulk of the middle classes and intellectual strata not linked to the Catholic Church also supported the liberal blueprint. However, there were significant differences between the bourgeoisie and middle classes versions of the liberal blueprint, specially in political terms: while the bourgeoisie favoured a liberal conservative regime, along the British model, middle classes representatives were the supporters of a radical democratic liberalism, along the French Revolution model.

Cultural aspects of the liberal blueprint

The influence of the rising Romantic cultural movement and of the liberal (Classical) economic doctrines was decisive in shaping the cultural aspects of the liberal blueprint.

Romantic ideals brought a new interest about the past. Medieval times, during which Portugal was built by conquest over the Moslem states of the Iberian Peninsula, and the 15th and 16th centuries voyages of discovery were regarded as an apogee of the Portuguese society, followed by a decay linked to the corrupting effects of the wealth won with overseas expansion and to the influence of the reactionary outlook of post-Trento Catholic thought (of which the Inquisition was the hatred symbol). Thus, national recovery should be based on the development of the domestic potential and on a tolerant and liberal outlook.

Economic liberalism nicely fitted into this political liberal framework. Its Portuguese version did not exclude an active role of the government in fostering economic growth by means of building public works that corresponded to what may be called public goods with significant positive external effects, but relied of course on free private enterprise to implement and run productive undertakings. Free trade, however, was another matter: in spite of general agreement about internal liberalism, the discussions between supporters of free trade and of protectionism were as important in Portugal as in most European countries. It may be said that intellectual victory went to the free trade movement, but its ideas were far from fully implemented because tariff revenue was a very significant part of public revenue and there would not be a practical plan to replace it for many decades ahead.

Later on, Comtian positivism and its motto of «order and progress» also became a fundamental intellectual basis of the Portuguese attempt to drive into economic growth, we shall presently describe in further detail.

3 — Institutional reforms

The result of the 1828-1834 civil war allowed the first lasting attempt to implement the liberal blueprint, in spite of bitter conflicts between conservatives and progressists that remained until the mid-19th century.

The administrative and judicial reforms

The main aspects of the administrative and judicial reforms of the mid-1830's were the clear separation of judicial and strictly administrative functions, and a revision of the judicial and administrative division of the country, including the replacement of the old administrative and judicial districts [comarcas] by new separated judicial districts (also called comarcas) and administrative districts (usually simply called distritos), and the extinction of many small municipalities in a process that tried to give all municipalities a minimum size. In the early 1840's civil administration was extended to the level of the old ecclesiastical parishes. This completed the basic administrative framework that survived until nowadays.

The fiscal reforms

The most important aspect of the fiscal reforms of the mid-1830's was the abolition of Church and feudal taxes. Church activities depended thereafter from state financing (of course, far less abundant than the previous revenue from Church taxes), and feudal lords lost altogether their fiscal revenue.

In what concerns the state fiscal system, there were also important changes: the excise [sisa] on all transactions was abolished, export duties were reduced to very small levels, and a registration tax [contribuição de registro] on sales, gifts and inheritances (except those that benefited descendants, ascendants and spouses) of land and built property was created. There remained cedular taxes on the different types of income, collectively known as the royal tithe [décima].

In 1837, a tariff reform was implemented. Import duties were raised and special protectionist measures for cereal production taken in the early 1820's were reinforced. This went clearly against free trade ideas.

The property reform

The most important measure in the property field was the abolition of all religious orders, the confiscation of their property to the state and the selling of this property. This allowed a significant transfer of land and built property to new owners, though it is unlikely that such a reform improved the technology or the management methods in agriculture, because the majority of the land went on being cultivated by leaseholders, usually in small farms in the north of the country and in big latifundia in the south of the country.

The education reform

In the education field, there was an attempt to build a three stage network of schools. All municipalities and the most important parishes should have a primary school. All administrative districts should have secondary and techni-

cal schools. The University of Coimbra should form the third stage of the network. Of course, the real network of primary, secondary and technical schools was slow to fulfil the official plans, but some progress was gradually made during the following decades.

Further legislation reforms

It is also important to mention the promulgation of a Commercial Code as a background for economic activity in 1834.

Civil conflicts (continued)

The Constitutional Chart of 1826 that became the Portuguese fundamental law in 1834 was a quite conservative text. As a matter of fact, a House of Deputies [Câmara dos Deputados], elected by indirect and restricted suffrage, had to share the legislative power with a House of Peers [Câmara dos Pares], formed by the bishops and the heads of the main aristocratic families, and the king retained an unrestricted veto power on legislation and full formal control of the government. As a consequence, the 1822 Constitution, which gave full legislative power and much control over the government to a House of Deputies [Câmara dos Deputados], elected by indirect and restricted suffrage, became the banner of the progressist party. This was the starting point for several coups-d'état that characterized the Portuguese political life between 1834 and 1851.

The conservatives were in power between 1834 and 1836. Then, a progressist coup brought the 1822 Constitution, and two years later an attempt of compromise with the new 1838 Constitution, which replaced the House of Peers by an elected Senate [Senado] and increased the parliamentary control of the government. However, a conservative coup restored the 1826 Constitutional Chart in 1842. The progressists came to power again in 1846 (in May, after the Maria da Fonte riots to be considered in more detail below), but were unable to prevent a new conservative coup (in October). There followed a civil war (October 1846-June 1847) won by the conservatives. Anyway, in 1851 another coup (usually known as the regeneration [Regeneração]) brought a new progressist government and a stable compromise after the 1852 revision of the Constitutional Chart (the House of Deputies became elected by direct suffrage, and got increased control over the government).

4 — The first attempt to build public works

While the first part of the liberal blueprint — institutional reforms — was rather easy to promulgate and even to implement, the second part — public works — was not so easy to fulfil, because it implied public expenditure, and the state accounts showed already a systematic deficit.

A serious attempt to begin an important program of public works, including a macadamized road network covering the whole country, an artificial harbour in Oporto, and a railroad between Lisbon and the Spanish frontier, was, however, undertaken between 1844 and 1846. As the state had no financial capacity to increase public expenditure on public works, a limited liability company, the Companhia das Obras Públicas de Portugal (literally «Portugal public works company») was formed to build and manage these public works. The company should build the works with its own capitals. Its receipts should come not only from the payments received from those who would use the roads, port and railway, but also from a new road tax [imposto de estradas] created to finance public works and from the gradual reimbursement from the government, that should become full proprietor of the implements after that payment.

The agreement between the government and the financial group of seven capitalist entrepreneurs of Lisbon that created the Companhia das Obras Públicas de Portugal was only part of a wider financial expedient, which included the concession of the monopoly of the production and trade of tobacco to the same group, and a huge public loan (equivalent to nearly half the usual yearly public revenue) to be provided by the same group.

In 1845, a conversion of public debt was attempted to reduce public expenditure, and a fiscal reform implying significant increases in direct taxation was promulgated to afford the public revenue needed to go on with the whole scheme.

5 — The 1846-1847 social explosion: anti-reforms or anti-fiscal movement?

The attempts made in the mid-1840's of a full implementation of the liberal blueprint failed, because in April 1846 popular riots broke out in the province of Minho in the north of the country, starting a period of social turmoil.

The 1846 Minho popular riots are usually known as the Maria da Fonte, from the name of a peasant woman reported as the leader of the first rising in the parish of Fonte Arcada of the municipality of Póvoa de Lanhoso. Its explicit target was a law forbidding burials in the interior of churches in order to protect public health. It is, however, clear that the increase in taxes resulting from the fiscal reform of the previous year was one of the main triggers of the revolt. Thus, it is possible to say that the Maria da Fonte was a revolt of a class of small peasants, that felt that political liberalism had not improved their situation and was hurting their traditional habits.

Of course, the progressist political leaders, that had their main support among the urban middle classes of the north of the country tried to exploit the popular riots for their political goals. There followed the fall of the conservative government in May, the repeal of the health and fiscal laws that had provoked the rebellion by the new progressist government, a conservative coup in October that restored a conservative government in Lisbon, but was unable to control the whole country, and a civil war between a conservative government settled in Lisbon and a progressist government settled in Oporto (October 1846-

-June 1847) won by the conservative government with British and Spanish help. In spite of its triumph, the conservative government did not dare to implement again its 1844-1846 programme of fiscal reforms and public works.

Meanwhile the Companhia das Obras Públicas de Portugal had ceased all works, leaving only a few roads built in the region of Minho and around Lisbon. From a financial point of view it was a complete disaster. However, the tobacco business compensated its owners, and the conservative government tried even to go further, creating a special fund to repay the public debt to the company (and to other creditors) and giving their owners a share in the capital of the Banco de Lisboa (literally «Bank of Lisbon») which was the main issuing bank of the country. This last attempt, which led to the formation of the Banco de Portugal (literally «Bank of Portugal») that would become the Portuguese central bank, together with the schemes used to finance the civil war, put the Portuguese monetary system in complete chaos, only to be overcome in the early 1850's.

6 — Building public works between the 1850's and the 1880's

The first phase (1850's and 1860's)

It was the progressist government that resulted from the 1851 coup already mentioned above that tried to take up again the programme of public works of the mid-1840's. This time, the government decided to undertake the programme of road and port building directly and to negotiate with private companies only the building of railroads.

From a financial point of view, the scheme had one main difference when compared to the plans of the mid-1840's: in order to avoid too much fiscal pressure in the short run, the bulk of the fresh money needed to build public works was to come from public borrowing. This disrespect of the classical standards of public finance was seen as temporary: the increase in the national income resulting from the very building of public works, should bring about an increase in public revenue sufficient not only to reestablish a balanced budget, but also to cover the servicing of the incurred debt.

The building of railroads was certainly the most important part of the program of public works.

In 1853, the Companhia Central Peninsular dos Caminhos de Ferro de Portugal (or «Portugal Central Peninsular Railway Company») was formed to build and run the Portuguese section of a Lisboa-Madrid line. Until 1857, 68 km between Lisbon and Santarém were built and open to traffic. Then the company failed, and the government had to buy the line.

In the same year, a new contract with Sir Morton Peto was signed to build a line between Lisbon and Oporto beginning in the Lisbon-Santarém section, but no track was built.

In 1860, the Spanish entrepreneur José de Salamanca formed the Real Companhia dos Caminhos-de-Ferro Portugueses (or «Royal Portuguese Railway Company»), bought the Lisbon-Santarém line and began to build the East (from Lisbon to the Spanish frontier) and North (from Lisbon to Gaia, in the

left bank of the Douro, opposite to Oporto) lines (with a common section from Lisbon to Entroncamento — a new town formed in the middle of the Ribatejo as a railway centre). 438 km were built and open to traffic until 1864. The central part of the country had at last its main railway lines, later linked to Madrid in 1866.

Meanwhile, the first line in the the southern part of the country had also been built. In 1854, the Companhia Nacional dos Caminhos-de-Ferro do Sul do Tejo (literally «South of the Tejo National Railway Company») was formed to build a railroad from the left bank of the Tejo opposite of Lisbon to the Alentejo and the Algarve. Until 1861, 70 km between Barreiro and Setúbal and between Barreiro and Vendas Novas, with a small common section between Barreiro and Pinhal Novo, were built and open to traffic. Then the company failed and the government had to buy the line.

In 1864 a new Companhia dos Caminhos-de-Ferro do Sueste de Portugal (or «South Eastern Portugal Railway Company») was formed. It bought the Barreiro-Setúbal and Barreiro-Vendas Novas lines and built 150 km between Vendas Novas and Beja, which were open to traffic. In 1866, the company failed and the government had to buy the line. The rest of the line until the Algarve (225 km) was built directly by the government.

The road network was another concern of the Portuguese governments of the period under consideration, mainly as a connection of the bulk of the country with the railway network. They were all built by the government and no turn-pike system was implemented.

Also during the 1850's, telegraph made its appearance in Portugal. The main network of the mainland was ready during the 1860's.

It is also worth noticing that some further institutional reforms were implemented during the 1850's and 1860's.

First of all, there was a general reform of direct taxation. The old military tithe was replaced by a set of new taxes: the land tax [contribuição predial] on land and built property in 1852; the industrial tax [contribuição industrial] on profits and the earnings of liberal professions in 1860, and the interest tax [contribuição de juros] on interests in 1870. In the 1850's, there was also a tariff reform which reduced the import duties, specially those on foreign cereals. Though far from full flagged free trade, the country was to live until 1889 without overwhelming import duties, specially in what concerned agricultural goods. In what concerns indirect taxation there was also the introduction of a personal tax [contribuição pessoal], including a section on house rents [contribuição de rendas de casa] and a section on conspicuous luxury consumptions [contribuição sumptuária] in 1860. Moreover, the registration tax was extended to inheritances to ascendants and spouses in 1870.

In 1863, the old institution of entailments was abolished. In the same year, a new law about corporation firms was enacted. This law replaced the rule of government authorization for the legal existence of a corporation, by a complete freedom of foundation of such firms: their legal existence became only dependent on a registration procedure. Four years later, the first Portuguese Civil Code [Código Civil] introduced many restrictions to all schemes of division of property rights, and compelled equal division among heirs of at least half of the inherited property.

The 1850's also witnessed the complete normalization of the Portuguese monetary system which was in complete disarray after the awkward measures of 1846 and 1847. In 1854, gold-standard was adopted. Such a solution was unusual at the epoch (only Great Britain among the main economic powers had adopted such a regime) and arose much suspicion in the country. However, it worked well and was, of course, reinforced when the international monetary system moved towards it.

Another important institutional reform was the adoption of the metric system in 1853. Portuguese governments had tried to implement the unification of the weights and measures standards in vain between the 16th and the 19th centuries. At last, after the unavoidable transition due to the slow abandoning of old habits, the metric system became the basis for such an unification all over the country.

During the second half of the 1860's the smooth function of the scheme to finance public works was disturbed by problems in external payments resulting from the reduction of emigrants remittances from Brazil due to the Paraguay War. The Paraguay War was fought by a coalition formed by Brazil, Argentina and Uruguay against Paraguay between 1864 and 1870, and its early impact coincided with the impact of the British and international crisis of the mid-1860's, linked with the aftermath of the American Civil War. Between 1865 and 1869, there was an economic slump, which meant smaller amounts of public fiscal receipts. A fiscal reform in the late 1867 tried to increase taxes in order to support the financial efforts needed to go on with public works. The result was the outbreak of urban riots against the fiscal reform almost simultaneously in Lisbon and Oporto in January 1868. This popular revolt, usually known as Janeirinha, was, in a certain sense, an urban version of the 1846 rural turmoils of Maria da Fonte. Its consequences were, however, less disturbing: there followed some political instability, and even a military coup d'état, but no civil war; by 1871, economic prosperity and political stability were coming back, and the public works program was resumed.

The second phase (1870's and 1880's)

Railroads remained the main concern of the public works programme during the 1870's and 1880's.

A new company, the Companhia dos Caminhos-de-Ferro da Beira Alta (or «Beira Alta Railway Company») was formed to build a line between Figueira da Foz and Vilar Formoso; the line crossed the North line at Pampilhosa, and was linked to the Spanish network (and indirectly to the French and European network) in 1882. The Real Companhia dos Caminhos-de-Ferro Portugueses built two new lines: the Beira Baixa line between Abrantes (on the East line) and Guarda (on the Beira Alta line), and the West line between Lisbon and Figueira da Foz. Moreover, a bridge over the Douro (planned by the famous French engineer Gustave Eiffel) linked the North line with the city of Oporto in 1877, and a shortcut in the Lisbon-Madrid line was ready in 1880. The government built also two new lines: the Minho line between Oporto and Valença,

linked with the Spanish network in 1886, and the Douro line between Oporto and Barca de Alva, linked with the Spanish network in 1887. Several regional lines were also added to these main trunk lines.

Leixões, Figueira da Foz and Lisbon in the mainland and Ponta Delgada in the Azores were the most important Portuguese ports where modern passenger and cargo facilities were built, mainly during the 1880's. This was a natural complement to railway building, because, together with the international links of the railroad network, sea ports were the main physical link of the Portuguese economy with the international economy.

The development of sea ports was, however, impossible without the complement of lighthouses. During the 1880's and 1890's a network of modern lighthouses covered the Portuguese coast putting an end to its notoriety as a dark and dangerous place.

International and overseas links by submarine cable came during the following decades: in 1870 with Great Britain, in 1873 with Madeira, Brazil and America, in 1893 with the Azores, during the 1890's with the main Portuguese colonies. The administration of the telegraph network was given to the post administration.

Telephones began to operate in Lisbon in 1882 and soon spread, first to Oporto, then to the whole country. A British firm, the Anglo-Portuguese Telephones obtained the administration of the Lisbon and Oporto networks. In the rest of the country it was the post and telegraph administration that was charged with the development of the telephone network.

Institutional reforms did not play an important role in the 1870's and 1880's.

In the fiscal field, there was an attempt in 1880, to complete the system of direct taxation with a general income tax [imposto de rendimento] devised according to the British model, but in 1882 most of the tax was repealed and there only remained its sections on bond interests and salaries of civil servants.

Besides this small fiscal change, the main fact to be mentioned was the promulgation of a new Commercial Code in 1888.

By the late 1880's, financial problems quite similar of those of the late 1860's arising from the Brazilian problems linked with the end of slavery and the proclamation of a republican regime there and to the international crisis usually known as the Baring crisis were coming again. The immediate consequences were also very similar to those of the 1840's and 1860's: there was an attempt to increase fiscal revenue by means of an additional to direct taxes and an increase in tariffs, and social and political instability followed. However, there were two crucial differences: first, the social and political troubles were no longer popular riots, but took the shape of an organized revolt against the social order; second, in spite of the fact that the social framework and the political regime were able to withstand the challenge, when the troubles were over it was impossible to resume economic growth and the public works program.

The organized character of the revolts of the early 1890's was the consequence of several factors. First, socialist and republican parties had been organized over the preceding decades, based mainly on the urban proletariat that developed as a consequence of industrial growth itself and on parts of

the urban middle classes unsatisfied with its share of the prosperity that had resulted from the regeneration implementing of the liberal blueprint. As the industrial sector was still rather small, it was the republican party based on dissatisfied middle classes that became the main threat to the political regime, while the anarchist and social-democrat protest against capitalism itself remained quite marginal. Second, the loss of prestige of the monarchy resulting from a clear defeat in a colonial diplomatic conflict with Great-Britain in 1890 allowed a significant public opinion movement against the political regime, making for a short-term reinforcement of the republican party.

The end of economic growth and of the regeneration implementing of the liberal blueprint resulted from the fact that the financial crisis led to the suspension of gold-standard in 1891 and to a partial suspension of the payment of the service of foreign public debt in 1892. Deprived of the possibility of borrowing in international markets by these two events, and unable to press hard in the fiscal field by fear of further social and political trouble, the government became also unable to foster economic activity by means of the public works programme, as it had done during the preceding decades. Moreover, protectionist measures introduced in the late 1880's led to an inefficient allocation of resources, specially in the agricultural sector, which prevented any spontaneous resuming of economic growth.

7 — The liberal blueprint: failure or achievement?

It is undoubted that, by the end of the 19th century, there was an widespread feeling that the implementation of the liberal blueprint had been a failure. As a matter of fact, economic growth proved unable to increase public revenue as much as it would be necessary to balance the budget and to cover the servicing of the public debt incurred to build public works, and the scheme devised in the 1850's to finance public works collapsed with the unwelcome byproducts of the end of gold-standard, partial bankruptcy of the government and economic stagnation.

Such a failure cannot be denied, but must be put in the context of a partial achievement of the goals of the liberal blueprint. As a matter of fact, between the 1860's and the 1880's Portugal lived a period of order and progress, quite different from the first half of the 19th century. Unfortunately, the achievement was only partial: order and progress were rather precarious, as the troubles of the late 1860's and of the late 1880's and early 1890's showed, and proved not to be self-sustained in the long run. Stagnation and renewed social and political instability were to characterize Portuguese life in the 1890's and the early 20th century, until the inter-war period and even until the post-Second World War years. Meanwhile, political democracy had been lost, and Portugal had got the most long lasting right-wing authoritarian regime of Europe in the 20th century.

This arises an interesting problem: at first sight, it was the lower social groups — small peasants in the 1840's and later the proletariat and the lower strata of the middle classes who prevented the smooth function of the whole order and progress development. But such an insight would be misleading.

The true problem was the inability to increase fiscal revenue and the pressure to protect cereal production — one led to the collapse of the financial schemes devised to pay for economic growth, the other led to the economic stagnation of the 1890's and early 20th century. And it is pretty clear who the leaders of the anti-fiscal and pro-protectionist movements were: the big landowners. On one hand, they refused to increase their share of the land tax (which remained the main item of public revenue, as it would be expected in a predominantly agricultural country); on the other hand, they preferred to increase the traditional cereal production instead of shifting clearly to the production of fruits and vegetables and animal raising. Their reward was certainly increased social and political power in the Portuguese society, though it is doubtful that the whole scheme meant higher income and prosperity both for the Portuguese economy and for the landowners themselves.

8 — An attempt to sum up

It is time to conclude and that should be done by trying to answer the question: were order and progress contradictory, compatible or inseparable in Portugal during the 19th century ?

The answer must be rather complex. The upheavals of the first third, and even of the whole first half of the century, and the achievements of most of the second half of the century prove that there was a need of economic growth and prosperity to ensure social and political stability, and a need of social and political stability to create the conditions for economic growth and prosperity. Thus, in a certain sense order and progress were inseparable.

However, higher fiscal pressure either immediately or in the future, was needed to achieve economic growth and prosperity; and there was a clear difficulty to accept it, as the recurrent riots and revolts prove. Thus, in another sense order and progress were contradictory.

To sum up: during the 19th century, Portugal lived a true social dilemma — to secure order and progress it was necessary to endure some sacrifices and the Portuguese society proved able to bear them in some degree, what allowed some improvement of its situation, but not enough to achieve modern economic growth.

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