



Anglo-Dutch defeat of Spain at Vigo Bay 1702

The Methuen Commercial Treaty agreed between Portugal and England at the end of 1703 is often singled out as a cause of Portugal's structural backwardness, but matters are not so straightforward. The commercial treaty was the second Methuen Treaty that year, since a military alliance had already been signed in May 1703.

The recent edition of *Journal de Notícias História* carried an interesting article on the Methuen Treaties of 1703. It was enlightening to read a Portuguese viewpoint on these important trading arrangements between Portugal and Great Britain, because the Methuen Treaties have long been blamed for the 18th and 19th century subjection of Portugal to Great Britain.

The development of the all-important English factory in Lisbon in the 1700s, followed by the Anglo-Portuguese alliance to eject the French invaders from Iberia in the early 19th century add weight to the view that the Methuen Treaties were the root cause of both Portugal's economic difficulties and dependence on Britain over three centuries.

Historians have assumed that the trade treaty prevented the growth of manufacturing industry in Portugal, and benefitted England, the country which became the first great power of the Industrial Revolution.

D Sebastião (1554-1557-1578)

The background to the two Methuen treaties originates in the far past. It is a fact that the king of Portugal, D Sebastião, was not interested in women. Perhaps he was congenitally incapable of engendering an heir, but we shall never know for certain. After he died at Alcácer Quibir in his foolhardy invasion of Morocco, the obvious heir to the Portuguese throne was Philip II, King of Spain.

The Methuen Treaties

When King Philip became also King of Portugal, this small country on the edge of Europe lost control of affairs of national importance, and crucially became subordinate to the national needs of Spain. Portugal was militarily and economically exhausted, even emptied of money, by the tragic outcome of Alcácer Quibir.

The Restoration of 1640

After 60 years of Spanish captivity, the successful Restoration of 1640 was followed by the 28 years of struggle to free Portugal from Spanish domination. At the same time, Portugal had to defend her Empire against the Dutch, who accepted a peace treaty in Europe, but continued to capture Portuguese possessions in Asia and South America.

Attacked by Spain and the Netherlands, how should the newly restored King of Portugal defend his country, particularly since his treasury was empty? Portugal tried hard to conclude a French alliance but was ultimately frustrated.

The English Alliance

The answer was to create a relationship with England. Portugal concluded treaties with Britain in 1642 (with Charles I) and in 1654 with the English Republic under Oliver Cromwell.

The Portuguese had conceded to Dutch merchants the privileges of trading with Brazil and allied themselves with the English by conceding similar privileges. The death of the restored D João IV in 1656 made life much more difficult, and it would not be far from the truth to say that when Spain made peace with France in 1659, Portugal was in a desperate plight. Spain was now free from other entanglements in Europe and could concentrate on the reconquest of Portugal.

Portugal was anxious for military allies, and concluded another alliance with the Commonwealth of England in April 1660. In 1661, Queen Luisa decided to approach the newly-restored Charles II of England with a tempting offer. He should marry Catharine of Braganza, daughter of D João IV, who would be accompanied by a dowry of the towns of Tangier (in Morocco), Bombay (in India) and 2 million cruzados (as much as £500,000). The English would also acquire the right to trade in the Portuguese Empire.

The Marriage Treaty was concluded on June 23, 1661, and soon after Catharine arrived in Portsmouth, the secret Roman Catholic version of the wedding took place on May 21, 1662. The public Anglican version of the wedding ceremony took place soon afterwards on the same day.

England agreed to send an English Brigade of 3,000 men, under the command by Frederick Schomberg, to Portugal as an aid in the war against Spain.

The English government was glad to get rid of these unruly and unemployed veterans of the Civil War. Anglo-Portuguese forces won victories at the battles at Ameixial (1663), Montes Claros (1665) and the contribution of the English auxiliaries proved to be decisive in these engagements.

Portuguese Victory in 1668

Following the defeat of Spain in the war, England mediated the Treaty of Lisbon in 1668 which recognised the independence of Portugal and the Infante D Pedro as Regent. The English alliance was, therefore, decisive in the consolidation of the independence of Portugal.

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In return, Portugal promised to transfer to England certain fortresses recovered from the Dutch, to share in half the commerce of cinnamon and to allow English families the same privileges as Portuguese families in Goa, Cochin, Diu, Bahia Pernambuco and Rio de Janeiro.

Infante D Pedro

Infante D Pedro was the fifth child of D João IV. His nickname is O Pacífico because he was Regent of Portugal when the Treaty of Lisbon was signed.

D Pedro is also famous for the part he played in the coup in 1667 which deposed his brother, the wayward D Afonso VI, and because he ensured that D Afonso's marriage to D Maria Francisca de Saboia was annulled.

D Pedro must have fancied her because immediately after the annulment, he himself married his former sister-in-law. He was also lucky in other ways because, during the 1690s, the gold which was discovered in Minas Gerais in Brazil considerably eased the economic problems of the mother country.

The Count of Ericeira

D Luís de Menezes tried hard in the 1680s to promote the manufacture of Portuguese cloth, glass, silk and other products. He promoted anti-luxury laws, and introduced bans on the import of English woollens. Wool mills were founded in Fundão, Covilhã, Redondo and Portalegre, but, in spite of all his efforts, English imports were still popular. Ericeira suffered from depression and, after he committed suicide in 1690, his industries died with him.

The first Methuen Treaty

The War of the Spanish Succession (1701-1714) was fought by two alliances to determine which prince should succeed to the throne of Spain after the death of the childless Carlos II in 1700. Britain and her allies fought to avoid a family alliance between France and Spain.

At first, Portugal backed the French claimant who eventually became Philip V of Spain; while the Austrian claimant was backed by England, the Holy Roman Empire and the Netherlands (the Grand Alliance).

An allied victory at Vigo in 1702 persuaded D Pedro to change sides, and by signing the first Methuen Treaty in May 1703, Portugal definitely joined the side of the Grand Alliance. This Treaty was signed on behalf of England by John Methuen.

The Second Methuen Treaty

It was the second Methuen Treaty of December 1703 which was suspected of damaging Portuguese interests. This second Methuen Treaty (sometimes called the Port Wine Treaty) was a preferential agreement, in which Portugal promised to cease prohibitions on the import of English woollen cloths, and England promised to favour Portuguese wines by charging only two thirds of the import tax which was due on French wines.

The arrangement was valid in perpetuity and, if England failed in its promise, Portugal would be free to prohibit again the import of English woollens.

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Two Portuguese statesmen (D Luís da Cunha and Alexandre de Gusmão) declared that the entry of English woollens into Portugal would ruin the established manufactures in Portugal, which had benefited from the protectionist measures of the Conde de Ericeira.

The English imports would lead to an imbalance in commercial relations between the two countries and would hinder the necessary commercial development in Portugal. They said that the development of vines and the wine trade would gravely damage the production of cereals which Portugal was always short of.

For them, the treaty was a shady deal, corruptly arrived at with bribes, which sacrificed the home economy to benefit the strategic and political objectives of the kingdom.

Portugal's backwardness

Trying to establish specific causes or culprits for Portugal's backwardness, it is easy to blame the foreigners. There was more than one cause such as underpopulation and the lack of raw materials. But equally important were the persecutions by the Inquisition of wealthy New Christians, the lack of accumulation of capital, the relative importance given to development of the Portuguese overseas empire and, lastly, the death of the champion of Portuguese industrialisation, the Conde de Ericeira in 1690. The Spanish Succession War was also economically damaging.

What was the state of affairs before the treaty was signed? The customs records show that in the last quarter of the 1600s, the export of wine from Porto and Madeira to England increased sharply. The reason is not difficult to find since England had forbidden the import of French wines.

By 1703 moreover, English woollens were already widely available in Portugal. The terms of the 1703 treaty, therefore, made regular and official a pattern of trade which already existed.

The availability of the Portuguese market was important to England because it also gave access to Brazil and to Spanish South America through the port of Sacramento in what is now Uruguay.

Conclusion

The War of the Spanish Succession was at bottom a phase of the recurrent conflict between England and France. John Methuen was sent as Ambassador to Lisbon in order to ensure that Portugal left the Franco-Spanish alliance and joined The Grand Alliance in the current war. Between the French devil and the English deep blue sea, Portugal chose the deep blue sea, as she would do again in 1810, when Napoleon's legions invaded Portugal three times.

The commercial treaty of 1703 made in the names of D Pedro II (1648 – 1683 – 1706) and Queen Anne (1665 – 1702 – 1714) can be seen as one side of an insurance policy. When we consider the unequal relationship between England and Portugal, it is easy to lose sight of the fact that, in essence, Portugal was paying its premium on the insurance policy.

That policy made certain that, when necessary, English soldiers were at hand to fight on the ground for Portuguese independence.

The Methuen Treaties



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Arms of D Pedro

The Methuen Treaties



D Pedro II

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John Methuen by Adrien Carpentiers

The Methuen Treaties



Maria Francisca de Saboia

The Methuen Treaties



Queen Anne

The Methuen Treaties



D Pedro II

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