

Credit in Brazil During the Colonial Period

A Historiographical Review

O crédito no Brasil no período colonial

Uma revisão historiográfica

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ABSTRACT Some fundamental explanatory elements of credit in Brazil in the colonial period started to be generated more than one century ago. The most recurrent explanation is linked to the idea of the scarce money supply until 1808, when a set of measures were put in practice to fulfill such cash demand in the country. The most prominent of these measures was the creation of Banco do Brasil, on October 12th, 1808. The aim of the present article is to discuss the recent historiography of credit in Brazil between the 17th and the 18th centuries, with emphasis on its association with money supply. Moreover, it refutes the premises of money shortage and of search for credit resulting from it. A detailed examination of sources extrapolated the scope of the current article, since it is a historiographical review; however, it emphasized the need of broadening studies based on so far unexplored documents, as well as of deepening the analyses about legal instruments to protect credit operations.

KEYWORDS Colonial Brazil, credit, historiography

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RESUMO Alguns dos elementos explicativos fundamentais sobre o crédito no Brasil durante o período colonial começaram a ser gestados há mais de um século, o mais recorrente dos quais, a oferta monetária, assumida como escassa até 1808, quando um conjunto de medidas começou a ser posto em execução no sentido de suprir essa carência de numerário no país. Entre estas, a mais comumente referida é a criação do Banco do Brasil em 12 de outubro de 1808. Este artigo busca discutir a historiografia recente sobre o crédito no Brasil entre os séculos XVII e XVIII, com particular atenção para a sua relação com a oferta monetária. Ademais, refuta a premissa da escassez da moeda e do recurso ao crédito como uma de suas consequências. Por tratar-se de uma revisão historiográfica, escapa ao escopo deste artigo um exame pormenorizado das fontes, mas buscar-se-á enfatizar a necessidade de ampliar os estudos com documentos até agora inexplorados, bem como aprofundar as análises sobre os instrumentos jurídicos de proteção às operações creditícias.

PALAVRAS-CHAVE Brasil colonial, crédito, historiografia

BACKGROUNDS

Amaro Cavalcanti stated that although there is no “accurate statistics about the quality of the metal currency that actually circulated in Brazil in 1808”, the “limited economic move” in the country concerned the volume of “money presenting abundant circulation”. Briefly, “the medium [i.e., exchange means] should correspond to its own ends and means” (Cavalcanti, 1893, p.1). Accordingly, rather than shortage, this author addresses that the low volume of money in Brazil meets the needs of its economy. The “extraordinary shortage” of money stated by him stood out in 1808 (p.2); it was, on the one hand, constituted by an element that proves the “small amount of money circulating in Brazil, at that time and, on the other hand, and most of all, the result of “strong pursuit for it, which was caused by ports opening to international trade and by the broadening of public services” after the arrival of the Royal Family.

The amount of money, in its turn, depended on the very nature of the economic activities. This perspective was later addressed by Pandiá Calógeras and Roberto Simonsen, and renamed by José Jobson de Andrade Arruda, who called it “monetary regions” (Cavalcanti, 1893, p.1-4; Calógeras, 1910, p.15-17; Simonsen, 1937, v.2, p.261-262; Arruda, 1972, p.314-315; 1980, p.345-346). According to Cavalcanti, the metallic money would be concentrated in the most important cities — Rio de Janeiro, Salvador, Recife, São Luís and Belém -, given the greater volume of imports and exports, which, based on his estimates, was close to “twenty something to thirty *contos de réis* (i. e., thirty million réis) on a yearly basis”. The search for money should not exceed one third of the aforementioned value, in other words, it should be close to 9-10 thousand *contos de réis* in 1808. A second area encompassed “the inlands and the capitancies”, which is featured by “rudimentary economic life”, whose “farmers and livestock breeders, even the richest ones (...) needed very little cash in their daily lives”. The third area concerned “mining lands”, where dust gold and gold bars were the circulating currencies”.

Credit was added to the economic history from the analysis by Oliveira Viana about the colonial *Paulista* (resident of São Paulo) society on. Although this author was much more interested in “the value attributed to the historical element in the formation of the psychology of peoples”, he emphasized the “sense of probity”, the principle of “honoring the given word” as “essential condition of the moral life” in the Brazilian colonial period (Viana, 1920, p.45). It is important recalling the testimony by Antonil, according to whom “the credit of senhores de engenho” lies on his truth, i.e., on keeping promises.¹

Lemos Brito linked credit to great landlords’ “luxury and waste”; “despite the extraordinary revenues from sugarcane production, logging and livestock breeding, these landlords were in terrible debit due to the excessive sumptuousness they lived in” (Brito, 1923, p.59). This author

1 ANTONIL, André João. *Cultura e opulência do Brasil por suas drogas e minas*. São Paulo: Edusp, 2007, p. 108.

echoed the statement by Father Rafael Galanti about landlords from Pernambuco in 1580, whose luxury was such “that almost all of them were heavily indebted”. It also happened in Bahia, where “even men from lower classes walked on the streets in satin and damascus pants”.² On the other hand, Contreiras Rodrigues highlighted the humbleness of senhores de engenho in order to counter-balance the capital making by traders in the coast, who, according to him, played the role of bankers (Rodrigues, 1935, p.177).

If not the first, João Lúcio de Azevedo was one of the pioneers to deal with letters of credit in markets in a mining region: “people from Minas [owed] large amounts of money to traders in Rio and Bahia; who, in their turn, owed traders in Lisbon and in British trading spots” (Azevedo, 1929, p.366). Later on, Pinto de Aguiar got inspired by this idea and pointed out the “struggles between encumbered senhores de engenho and their suppliers”, who were kept “in servitude by land lords due to mortgages; land lords, in their turn, were also tight to traders in Lisbon and Porto markets” (Aguiar, 1957, p.13).

Similar to Oliveira Viana, Roberto Simonsen echoed the sense of probity of *Paulistas* citizens — “one of the moral hallmarks of the *Bandeirante*³ civilization at the time, which consisted of respecting a given word”, he stated that “credit was granted and paid to keep a simple promise” (Simonsen, 1937, v. 1, p.336). Simonsen was also the first to highlight the association between credit and money shortage, mainly in São Paulo State: “trade without coins was common among *Paulistas* in the 18th century. Since there was not enough cash, *Paulistas* traded with credit” (Simonsen, 1937, v. 1, p.369). He also tried to pinpoint the difference between São Paulo and Northeastern states: “in Bahia and in the Brazilian Northeastern region, at the apogee of the sugarcane

2 GALANTI, Rafael Maria. *Compêndio de história do Brasil*. V.1. São Paulo: Tip. da Industrial de São Paulo, 1896, p. 310-312.

3 The bandeirantes were the men who marched on a series of expeditions that explored thousands of kilometres of south and central Brazil, aiming to capture and enslave Indians.

era, there was abundance of circulating metallic money” (Simonsen, 1937, v. 1, p.338).

The explanation for what the aforementioned author called “metallic money exodus from the colony” in the 17th century mainly lied on the low prices of exported goods and on tax transaction in the metropolis, which got worse due to recurrent currency depreciation from 1640 on. Such currency devaluations resulted from Portugal’s Restauration and from its diplomatic and financial commitments. All together, these factors led to “financial depressions that have filled out many pages of our economic history it the late 17th century” (Simonsen, 1937, v. 1, p.338-340).⁴

Although influenced by the quantitative analysis by Simonsen, Caio Prado Júnior did not address money availability, despite the fact that it has favored the dependence of great sugarcane farmers on credit provided by traders: “traders are a class of creditors who finance the great crops. Senhores de engenho and farmers owe them” (Prado Júnior, 1942, p.293). Prado Júnior took an anonymous judgment from the 18th century about the association between traders and farmers as evidence.⁵ As stated by Lemos Brito, Prado Júnior has added that such condition faced by farmers got worse due to “their social position, vanity and wasteful education [that] led them to excessive and unnecessary expenses that, at moments of crisis, put them in difficult situations and in severe financial issues” (Prado Júnior, 1942, p.293)

According to Pinto de Aguiar, “except for the mining era in the first half of the 18th century, money shortage and credit were constant”. However, based on this author, such shortage seemed to correspond to low

4 Lemos Brito in his book from 1923 not only highlighted that “the legal regime in the colony was metallic, although, as we have seen, lack of money was common, and even the troops were paid with skeins of thread or with fabric rolls” (BRITO, 1923, p.387-399). The second edition from 1939 (p.465) included a reference note about Roberto Simonsen’s study on the Brazilian currency. SIMONSEN, 1937, v. 1, p.336-344.

5 Discurso preliminar, background, introduction, of economic nature description of the county and of cities inI Bahia. *Anais da Biblioteca Nacional*, Rio de Janeiro, v. 27, p.281-348, 1906.

cash demand due to the “economic self-sufficiency of a low existence level society and to its reduced needs” and to “the little use of wage labor” (Aguiar, 1960, p.15-16). Credit letters were issued by *Real Extração dos Diamantes* (Royal Diamond Extraction) which was launched on August 2nd, 1771. It happened in the second half of the 17th century in Minas Gerais State, due to the “widespread money shortage”. These credits could be exchanged for gold as soon as the dispatches by the *Junta da Real Fazenda* would arrive in the state. This gold circulated as currency until 1821, at least. The exchange of exchange tickets started from 1808 on, they replaced the dust gold, which was forbidden to circulate as currency in Minas Gerais State (Aguiar, 1960, p.21-24).

According to Frédéric Mauro, such monetary famine was a structural feature of the Portuguese Empire. As for Portugal, the money shortage of the 16th century resulted from the fact that Eastern countries became silver and gold consumers due to pepper trading. The reason of such penury in Brazil lied “*dans une économie agricole à culture dominante, la production et la vente du sucre ont une influence directe sur la variation du stock monétaire*”; which explains the good and bad economic contexts (Mauro, 1960, p.424-428). Even the Spanish *pesos* from the trading activities in Rio da Prata during the Iberian Union (Canabrava, 1942) did not mitigate the money shortage from the late 16th century, rather than just after 1640. Mauro got skeptical about Pyrard de Laval’s testimony given to Simonsen as prove of silver coins abundance in Bahia in 1610.

With respect to the late colonial period, José Jobson de Andrade Arruda also agrees that “money shortage in the colony was always a serious issue”. Based on Pinto de Aguiar, he stated that the circulation of exchange tickets was institutionalized at different moments (Arruda, 1972, p.316; 1980, p.346).

Despite the emphasis given on this and other features, all the aforementioned studies had in common the nature of the sources they were based on, namely: legislation, documents exchanged between colonial and metropolitan authorities, chronicles, judgements, correspondence

between traders. The outstanding point of this history was, no doubt, the book by Maria Bárbara Levi about the “history of financial relationships in the colonial period” (Levi, 1979, p.25). However, this author innovated by telling this story, which was “fragmented in multiple documents”, based on the concept of merchant capital by Marx in its two sources: merchant capital and usury capital.⁶

The main aim of the aforementioned author was to show “the different submission ways of producers to trade and use capital”, which was already highlighted by Pinto de Aguiar and expressed in “sugarcane exports, slave labor supply, equipment and in sugarcane mill supply, crop paying and freights”. One of the elements of this subordination would lie on the direct bond between money shortage and credit: “the persistence of money shortage in different colonial spaces is responsible for credit purchase generalization”; as “money was scarce in all the colony”; “it was possible observing the atrophy and archaism of credit sources”; “credit was a resource to address the money shortage issue in the colonial period” (Levi, 1979, p. 27ss).

With respect to financing in mine exploration, this author was inspired by the history of credit by João Lúcio de Azevedo, who created the expression “debt chain”, i.e., a successive chain that engaged mine explorers on one side to British traders on the other (Levi, 1979, p.91-93). She agreed with Mafalda Zemella about the value of a given word in

6 Such as the “antediluvian forms of capital” in Marx’s words. The merchant or trade capital found “in the most diverse economic formations of society” is referred by Marx as Kaufmannskapital (MARX, Karl. *Das Kapital*. Hamburg: O. Meisner, 1867, p.107), “kaufmännische Kapital oder Handelskapital” (MARX, Karl. *Das Kapital*. Hamburg: O. Meisner, 1894, v. 1, p.250; v. 2, p.132). On the other hand, the capital used for interest loan was referred by him as “for use” [Wucherkapital (MARX, Karl. *Das Kapital*, 1867, p.107)] or as “Money for interest” [zinstragende Kapital — literally, “capital that generates interest”] (MARX, Karl. *Das Kapital*, 1894, v. 2, p.132), or “financial transaction” [Geldhandlungskapital (MARX, Karl. *Das Kapital*, 1894., v. 1, p.250)]. The subspecies of merchant capital used for goods’ trading is described as “capital for goods’ trading” [Warenhandlungskapital — in the original it was written the ancient way “Waaren-” (v. 1, p.250)].

trading deals (Zemella, 1951, p.165). A document cited by Zemella,⁷ shows that “in a single word and without any contradiction, the simple protest of paying in the future is worth as currency in Minas Gerais, like money itself in the other parts of the world”. Consequently, “the outspread of incomes from gold, in the first half of the 18th century, mainly headed towards intermediate traders” (Levi, 1979, p.103).

Similar to Pinto de Aguiar, Bárbara Levi also pointed out that the generalized money shortage at the late colonial period had made the managers of local mines issue the so-called Extraction tickets in 1772” (Levi, 1979, p.115).

Nevertheless, regardless of the emphasis given on this or that feature addressed by each of the herein referred authors, the present historiography had crystalized some consensus, which was tacitly embraced. Money in Brazil was scarce in the colonial period. The emphases could differ in terms of their causes, mainly when it comes to the nature of the economy, as stated by Amaro Cavalcanti, Roberto Simonsen, Pinto de Aguiar and Frédéric Mauro. Yet, when it comes to their consequences, given the scarcity of money, the credit resource was indispensable, no matter if borrowings were assured by the sense of property of great landlords, as Oliveira Viana and Roberto Simonsen had mentioned, or, if they were used to fulfill the luxurious needs of such population, as stated by Lemos Brito and Caio Prado Júnior. The submission of great landlords to traders was another outstanding consequence of lack of money, as highlighted by João Lúcio de Azevedo, Caio Prado Júnior, Manuel Pinto de Aguiar and Maria Bárbara Levi.

7 Causas determinantes da diminuição da contribuição das cem arrobas de ouro, apresentadas pela Câmara de Mariana. Mariana, jun. 1789. *Revista do Arquivo Público Mineiro*, v. 6, p.143-151, 1901.

AN INFLECTION POINT: THE SERIAL AND QUANTITATIVE SOURCES

An extraordinary perspective change took place in 1978, boosted by the PhD thesis by Rae Flory, who not only launched “credit” as a detailed object of study, but did so through a research substantiated by a set of much more consistent documents than the sources used by historians until this point in time (Flory, 1978). History, so far “fragmented into multiple documents” begun to be told based on serial and quantitative sources, instead of seeing reality based on what was set by law, or based on the sight of writers, judges or on signatories of mail exchanged between colony and metropolis. The analysis was based on concrete social practices recorded in documental *corpus*, which was so far little explored, or not explored at all. It does not mean that official documents were abandoned, but they became ancillary or the very object of different studies, mainly of research focused on monetary circulation (Lima, 2005a, 2005b, 2012, 2013; Carrara, 2009, p.86-91).

Rae Flory analyzed 300 loan deeds recorded in Salvador’s notary office between 1698 and 1715. This author showed that 45.3% of the total of 242,776,000 *réis* was loaned by religious institutions. Businessmen provided 24.8% of the distributed funds. In immediate terms, this result significantly changed the history about associations between *senhores de engenho* and traders in Bahia, at least when it comes to the period assessed by this author. Based on borrowers’ perspective, more than half of the resources was received by sugar producers — 35% of it was destined to *senhores de engenho* and 16.8% to sugar farmers who were landlords, in most cases. This outcome confirms the role of credit in sugar production (Flory, 1978, p.74). Therefore, *Discurso Preliminar* could not be taken as element to prove the submission of sugar producers to traders throughout the entire colonial period. However, based on Flory, there is a gap of at least 85 years between the date in this document and in real estate deeds. The role of traders in the Bahian credit market throughout these years was likely changed in such a fashion that

it would give reason to the anonymous author of the *Discurso* in late 18th century. Besides, the lack of strict submission of senhores de engenho to traders did not stop eventual disputes about the sugar selling process, which, in their turn, set profits and losses for one group and the other (Flory, 1978, p.68-69).

The thesis by Catherine Lugar also points out how businessmen, religious institutions and Orphans' court were the main source of credit in the colony (Lugar, 1980, p.150-161). This author highlights that instruments applied to credit operations - mainly the ones that involved discounts, cashing procedures and payment orders — were based on information collected at *Notícia geral do comércio [1768]*.⁸

Results found by Rae Flory were immediately added to the study by Stuart Schwartz, which, from a history viewpoint, might be considered the inflection point between history based on official documents and history benefitted by quantitative and serial history results. Schwartz takes into account the “shortage of circulating money in the economy”, which is “an issue either in that region [Bahia] or in the entire Portuguese empire”. This same position was advocated by Russel-Wood in his study about *Santa Casa de Misericórdia da Bahia* (Schwartz, 1988, p.178; Russel-Wood, 1981, p.46). Consequently, “many transactions were made through different forms of credit”, borrowers used to give “real estates, such as sugarcane mills, sugarcane crops and houses [as warranty], so that the property, as a whole, would become a mortgage itself” (Schwartz, 1988, p.180; 428).

However, Schwartz introduced a new important element to the analysis, namely: the situation in Brazil was not unique — “credit (...) substantiated the sugar-production economy organization in Brazil, as it was done in the past, and would be done later on, in other export agribusiness” (Schwartz, 1988, p.179). He used to address the investigation conducted by Jacob Price about investment patterns and credit

8 LUGAR, 1980, p.133-149. A *Notícia* foi publicada por MENDONÇA, 1815, v. 1; sobre a *Notícia*, cf. ALMODOVAR, CARDOSO, 2012.

institutions that have financed foreign trade expansion between the Great Britain and tobacco producer colonies in Virginia and Maryland, U.S.A. (Price, 1980).

Similar to sugar production, tobacco production in Pernambuco State, Brazil, was subjected to a “indebtedness process favored by the low liquidity of the colonial economy” (Lopes, 2008, p.143; 2018, p.157). Royal merchants who imported tobacco used to sell it in exchange for goods, which would be sent to Brazil as advance payment for values estimated for future crops (Lopes, 2008, p.115-117; 2018, p.126-128).

THE RECENT HISTORIOGRAPHY ABOUT THE COLONIAL CREDIT

Studies about monetary offer and credit in the colonial period based on quantitative and serial sources, such as the ones adopted by Rae Flory, started to gain importance in the early 1990s, after the PhD thesis by João Luís Ribeiro Fragoso, which was partially published in 1992. This author wrote an entire section about credit and debit chains. However, instead of taking Lisbon and London as starting point, he tried to show that credit — mainly that provided by both religious institutions and local traders — was one of the elements to prove the “relative autonomy of the colonial economy throughout its reproduction process in face of the Metropolis”. Fragoso also puts banks’ merchant capital during the colonial period in this chain, even after *Banco do Brasil* inauguration back in 1808 (Fragoso, 1992; 1997). Either the book from 1992 or the article from 1997 became the starting point of many researches, the first of which was the PhD thesis by Antônio Carlos Jucá de Sampaio about Rio de Janeiro between 1650 and 1750. He defended his thesis in 2000, but other studies substantiated by a whole variety of sources followed it, for instance, legal actions of recognitions (Pereira; Borges, 2010), soul’s oath (Espírito Santo, 2003; Pereira and Borges, 2010), public deeds (Sampaio, 2000; Ribeiro, 2005; Mathias, 2009; Pesavento, 2009; Gil, 2009; Santos, 2013b; Souza, 2015; 2019), *post mortem* inventory (Santos, 2005;

Mathias, 2009; Gil, 2009) and accounting records of religious institutions (Santos, 2013a). Even if each of them had overall different goals, there were some common elements, as shown below.

Money shortage and confidence

A perspective common to most studies is access to credit as an alternative to money shortage.⁹ According to Sampaio (2003, p.203), “credit [was] the real ‘blood’ of the colonial system”. Besides financing the economic production — the acquisition of inputs for economic activities (mainly slaves) and of real state or manumission buys (Sampaio, 2003, p.187-188; Pesavento, 2009, p.188-189; Mathias, 2009, p.191-195) — credit would also aim at supporting the “luxury and waste habits” of individuals “in a society marked by the features and clause of nobles” (Ribeiro, 2005, p.322-323).

On the other hand, Raphael Santos showed that “besides the increased average of cash advance in interest, there was increase in the offer of credit in the market”, in Sabará between 1734 and 1750. According to him, this process was set by the increase in money availability (Santos, 2013b, p.53 ss); therefore, he questioned the “old paradigm of liquidity and money shortage in the colony”. He also considered “the idea that there was money circulation shortage as minimally problematic and that such high of process would be the explanation to a supposed character “limited” to the market in the colony’s inlands”. Consequently, he does not believe “that money shortage was one of the main factors accounting for the arresting, through ‘debit chains’, of traders and individuals with less money than the great traders — as often supposed” (Santos, 2013b, p.57-61).

9 SAMPAIO, 2003, p.123ss; ESPÍRITO SANTO, 2003; 2009; RIBEIRO, 2005, p.279-285; SANTOS, 2005, p.47ss; PESAVENTO, 2009, p.187; GIL, 2009, p.283 ss; MATHIAS, 2009, p.307-308; PEREIRA E BORGES, 2010, p.106; SANTOS, 2013a, p.29-30.

Given the monetary penury, access to credit for most authors basically depended on the value of a given word (Espírito Santo, 2003; Ribeiro, 2005, p.285; Santos, 2005, p.54-62; Pesavento, 2009, p.187; Mathias, 2009, p.218; Santos, 2012, p.8). According to Cláudia Espírito Santo, “the word, written or spoken, becomes ‘the circulation means’ for economic transactions” (Espírito Santo, 2003, p.43). Based on Alexandre Ribeiro, “within a context filled with Catholicism, in which life is supported by personal salvation and fear of hell, the given word was the instrument to assure credit”. However, “a false soul’ oath would mean the non-commitment with the given word, and it would likely mean damnation — a fact that leads to strong social and inner pressure” (Ribeiro, 2005, p.285). Yet, according to Pesavento, “morality applied to economic action, somehow, was an extension of the influence of religion and tradition on daily life”, it was legitimated by the canonical law (Pesavento, 2009, p.187). As for Carlos Kelmer Mathias (2009, p.218), “it was exactly the fact of honoring the given word about debits that actually contributed to the honor of an individual and to the necessary trust to have access to credit”. The association between the reputation of an individual and credit was also studied by Tiago Gil, who saw it as the milestone for understanding the credit systems assessed by him (Gil, 2009, p.202-221).

Creditors and borrowers

The identification of creditors and borrowers was another common concern; however, each author classified them in its own way. But, the two simplest and equally safest categories of identification were institutions (wether religious, such as *Santas Casas de Misericórdia*, or civil institutions such as *Orphans’court*), and individuals. Challenges increase when one tries to classify the individuals, mainly their conditions, either creditors or borrowers, since deeds were rarely enough to identify them. The solution for such issue lies on the access to different sources (Flory, 1978, p.73; Sampaio, 2003, p.189). Nevertheless, this method just seems feasible if the number of deeds is small. Although Sampaio did not

present the number of documents, the low values of credit operations allowed inferring that the numbers, at least until 1700s, were small. Loans totaled 73,476,460 réis between 1650 and 1700, corresponding to the annual average of 1,469,529 réis. If we compare this average to the annual average of loans assessed by Rae Flory, the annual average was ten times higher in Salvador: 14,280,941 réis. The small number of records from the period assessed by Sampaio seemed to be corroborated by the total of credit deeds Fábio Pesavento found for the 1750-1759 decade: 81 (Pesavento, 2009, p.194). Although he did not make it explicit, it is likely that Alexandre Ribeiro followed the same path to find the results he has presented. Thus, from the total of 569 private creditors between 1751 and 1800, he got to identify 192 businessmen and 130 traders/senhores de engenho (2009, p.289-301).

However, as stated by Sampaio, there are cases in which the same individual is identified as a businessman in a document and as sugarcane mill lord in another. The list by Flory, just as in that by Alexandre Vieira Ribeiro, is ambivalent; therefore, he considers that “the strong presence of senhores de engenho as creditors is most likely the result of our lack of information about their other activities”. The most consistent hypothesis, according to him, is that “most senhores de engenho who have appeared as creditors were, actually, individuals also involved in trading activities”, which could not be identified through deeds or other documents (Sampaio, 2003, p.199). As a fact, despite their efforts, the difficulties posed by the sources to identify individuals involved in credit operations are clearly added with the fact that most creditors and borrowers are placed in the category called ‘others’: at creditors’ side the average was 42.15% and at borrowers’ side the average was 65.18%, between 1650 and 1750. The same can be said about the profile of borrowers at Salvador’s *Santa Casa de Misericórdia*, which was drawn by Augusto Fagundes da Silva dos Santos, who included either individuals involved in economic activities — farming and trading — or the ones working in local public administration and in metropolitan administration (Santos, 2013a, p.108-131)

More usual has been the adoption of a classification that is in compliance with what is found in the documents themselves: military, clergies,

institutions (Mathias, 2009, p.228-242); individuals belonging to the Order of Christ, doctors, housewives and official mechanics (Pesavento, 2009, p.167 ss; Gil, 2009, p.262ss); besides, there are the ones who “live from farming, from business and from their assets” (Souza, 2015, p.93-154; 2019, p.97-164). No matter the source, these studies have shown the wide capillarity of credit operations in the colonial society.

Credit as an indicator of economic activity

Credit in the colonial period was many times seen as an indicator of financial contexts in different regions. In his research about the economic and social features of Rio de Janeiro between 1650 and 1750, Antônio Carlos Jucá de Sampaio highlighted that transactions in the credit market indicated “the replacement of the old group of landlords by a new type of elite, whose fortune fundamentally came from trading”. Moreover, he demonstrated “that back in the 18th century, the accumulation capacity rose and it consequently caused the decay of the role played by colonial institutions as source of resources” in the credit market (Sampaio, 2003, p.206). Fábio Pesavento assessed the period after the aforementioned one, and found a strong depression in values taken in loans in Rio de Janeiro between 1755 and 1769. This move, in its turn, goes against values gathered from the fraction paid to Rio de Janeiro’s customs, which depicts an upward curve between 1754 and 1767. According to this author, such finding would demand further in-depth research (Pesavento, 2009, p.195-209).

With respect to Mariana, Kelmer Mathias observed significant drop in the number and values of loans in public deeds in the first half of the 18th century. Such drop also happened with the mean values of carrying debts in inventories in the same period, but it did not happen with purchase and sale deeds, whose values almost doubled. The assessed period, in its turn, was featured by high gold production; therefore, to explain such uneven moves, he proposed the concept of ‘economic space of gold’. According to his evaluation, slave purchase by farmers in Minas Gerais resulted in permanent debts with slave traders in Rio de

Janeiro and Bahia markets. Such process would be the “main mechanism through which part of the gold production would flow to Rio de Janeiro and Bahia regions; it would cause indebtedness in Minas Gerais region” (Mathias, 2009, p.187-194). The balance within the “economic space of gold” expresses itself in the “fact that it increased credit offer in Rio de Janeiro State and, simultaneously, decreased it in Minas Gerais”.¹⁰ The hypothesis advocated by Kelmer Mathias lied on the assumption that Rio de Janeiro State (and Bahia, “likely at smaller scale”) would be “a great creditor in Minas Gerais region — since it would use the gold extracted in there” (Mathias, 2009, p.195). In order to corroborate such hypothesis, he showed that 5.45% of the total of active debits (9,718,050 *réis*) capable of highlighting credit location had Rio de Janeiro as debtor; such rate reaches 13.98% (25:588\$263) when it comes to passive debts. This outcome evidences that “Rio de Janeiro had more to receive than to pay”. Despite the low values, Bahia State also had more to receive than to pay (Mathias, 2009, p.210-211).

However, the opposite was observed in Sabará at the same period, and Raphael Santos explains it through the increase in money supply. The number of loans in this town was much lower than in Mariana, which recorded 651 deeds between 1711 and 1756, thus totaling 818,635,935 *réis*. The number of records in Sabará between 1717 and 1750 was 53, thus totaling 45,758,075 *réis* (Santos, 2013b, p.53-59).¹¹

10 As shown by SAMPAIO, p.68-69, 2003.

11 It is important taking into account that the record books of Notary's Office of Sabará lack records of the following period: February 16th 1719 to September 1720; from January 22nd 1722 to October 20th 1728; from December 31st 1730 to October 8th 1731; from November 4th 1732 to December 14th 1734; from April 5th 1736 to May 10th 1738; from December 5th 1736 to May 10th 1738; from December 4th 1738 to April 5th 1741; from November 17th 1741 to January 21st 1745; from July 11th 1745 to January 23rd 1747; from December 5th 1748 to September 26th 1749.

A BALANCE OF RESULTS

Money shortage: is it a problem?

Except for the thesis by Raphael Santos, recent analyses are substantiated by the money shortage assumption. All the whimper about this issue expressed itself in the production of exportation goods — mainly sugar, but also tobacco — in contexts based on economic activities easily measured through significant price decrease. On the other hand, reports on monetary offer elevation often happen at abundance times, as described by Pyrard de Laval, who was in Bahia in 1611 when sugar price reached the highest value ever — the same scenario was only observed again in the 17th century, in 1636, 1637 and 1669 (Schwartz, 1985, p.400-401; Menz, 2013).¹² Fernando Cerqueira Lima highlighted that in moments of sugarcane production crisis, for instance, sugarcane was used as money to replace money shortage, it would be “a political maneuver used by colonial authorities to mediate conflicts between senhores de engenho and metropolitan traders at fleet arrivals” (Lima, 2012).

According to Pedro Puntoni, “money shortage perception is observed in specific situations of crisis and on situations of increased structural tensions between colonial system poles”. The historiography which considers structural the money shortage would take as arguments the lack of wage typical of slavery (Vieira, 1985, p.350) as well as “a cross sectional reading of documents — in order to depict contextual situations for an explanatory structural plan” (Puntoni, 2013, p.274-275).

Therefore, documents about monetary scarcity shall not be taken as the testimony of economy low monetization, but as one of the consequences from price crisis. In other words, “accounting unbalance

12 LAVAL, François Pyrard de. *Discours du voyage des françois aux Indes Orientales; ensemble des divers accidens, adventures et dangers de l'auteur en plusieurs royaumes des Indes et du séjour qu'il y a fait par dix ans, depuis lan 1601 jusques en cette anné 1611*. Paris: S.Thiboust; R. Dallin, 1615 (ed. recente sob o título *Voyage de Pyrard de Laval aux Indes orientales, 1601-1611*. Paris: Chandeigne, 1998).

between amounts of the new currency introduced in Brazil, which resulted from the export of commodities and the amount of money sent to Portugal for current payments”. Actually, this process did not go unnoticed by contemporary scholars, i.e., “lack of hard cash is not the same as economic crisis, but a consequence of it, it is a blunt report about the strict foreign dependence on the sugarcane economy” (Carrara, 2009, p.92-94):

The general public, who, simultaneously with the retardation of the currency, see money appear and disappear less frequently at the periphery of circulation naturally attribute this retardation to a quantitative deficiency in the circulating medium.¹³

In fact, due to the inability to see the fundamental cause of monetary flow reduction in the trade balance deficits, the solution suggested in the 1680 decade by the sugarcane aristocracy and authorities in Bahia lied on creating a currency presenting extrinsic value higher than that of Portugal and whose circulation would be restricted to Brazil (Lima, 2005a, p.392; Puntoni, 2013, p.272-306). The mistake in this interpretation can be easily shown by the inflation that followed the increase in the nominal value of the currency, be it imported goods, consumer goods or inputs necessary for production. Fernando Lima went on with the hypothesis that the reason for this proposition lied on “producers’ short-term interests: devaluations were beneficial for indebted sectors whether the money shortage issues were solved or not”. Debtors would have found it easier to pay off their debts to the Royal Treasury, for instance, or to increase credit availability (Lima, 2005a, p.393). This argument seems to gain power if one takes into account that “after fifteen years [had passed since the Mint of Salvador was launched], the elite in Salvador will remain under the torture imposed by the high prices of

13 MARX, Karl. *The capital*. London: S. Sonnenschein, Lowrey, & Company, 1887, p.81; MARX, Karl. *Das Kapital*, 1867, p.81.

goods, mainly of slaves”, on the one hand, and by the low sugar prices, on the other hand (Puntoni, 2013, p.305).

The two documents adduced by Fábio Pesavento about Rio de Janeiro, in their turn, actually refer to situations quite different from money shortage (2009, p.187-188). The context of the first is concerned with impacts of the concentration of the coinage of gold coins in Minas Gerais between 1724 and 1735, which deserves further investigation, mainly when it comes to its effects on trading.¹⁴ The other document would evidence “a limited money supply right before the arrival of the Royal Family”, which also corresponds to a quite different situation.¹⁵ First, one must take into account, the disparagement of letters of credit issued by the Royal Treasury to pay its own expenses and the hard times faced by it to fulfil the determination by the royal letters from September 6th 1799 and from October 24th 1800 about the creation of a fund to write off the public debits. The other issue addressed in this document concerns the commercial deficit of Rio de Janeiro, which led to a money flow to Lisbon and Porto. Therefore, the problem was not money shortage, but fund shortage in the Royal Treasury to mitigate its own debits, as well as money flow to face trade deficit.

The exchange tickets and the bills of the Royal Diamond Extraction had a completely different nature than that often given to them. The latter corresponded to a promissory note, whose payment should be made by the Royal Treasury. These tickets did not stop being cashed due to money shortage from 1777 on, but because of lack of resources by Royal Diamond Extraction (Santos, 1868, p.231-232). On the other

14 AHU/RJ/ ORDER FROM *Conselho Ultramarino* determining that it would be mandatory to write to the Governor in Rio de Janeiro [Luís Vaía Monteiro] about money shortage in the state, it meets the claims of businessmen and of the general population, as well as the difficulty of collecting taxes by the Royal Treasury due to lack of payment means; Rio de Janeiro, July 8th, 1727 [cx. 17, doc. 1936].

15 AHU/RJ/letter from Rio de Janeiro Royal Treasury Passive Debt Review Board to the Prince Regent [D. João], it presented a plan to write off the fluctuating debit through the better use of the Royal Treasury. Rio de Janeiro, September 19th, 1802 [cx. 203, doc. 14.345].

hand, exchange tickets circulated as paper money in the whole territory of Minas Gerais (cf. Carrara, 2005, p.29-37).

Finally, the fact that it was not possible finding large amounts of hard cash in the inventories should not be surprising (Mascarenhas, 1999). After all, money in gross estates found in *post mortem* inventories of Rio de Janeiro by João Fragoso remained at extremely low levels until the second half of the 19th century: 4.4% from 1797 to 1799; 3.4% in 1820; 1.0% in 1840 and 7.1% in 1860 — a factor previously observed by Alexandre Ribeiro (Fragoso, 1992, p.255; Ribeiro, 2005, p.281).

Accordingly, the premises of money shortage and access to credit are not consistent with the observed consequences. Actually, it is important taking into account the concept of currency itself in the colonial period, in other words, the diversity of its concrete manifestation as means of exchange in the Portuguese Empire: tangas, xerafins, pardaús, golden pardaús or *santomés*, bazarucos and rupees in Portuguese India;¹⁶ patacas in Macao; zimpos and cauris in Angola (Sousa, 1967, p.16-43; Boxer, 1973, p.99; Alencastro, 2000, p.256-258); cocoa and cotton cloth in the Estado do Maranhão e Grão Pará; and dust gold in the mining areas of Brazil.

On the other hand, although the Mint of Vila Rica coined more golden coins than its homologue in Rio de Janeiro and Lisbon did all together between 1724 and 1727, it is not possible stating that Minas Gerais experienced money abundance at that time, since the destiny of such coins was Portugal (Carrara, 2010). Monetary circulation can be understood as the alternative expression to refer to the amount of money in a certain area, i.e., circulation can be intense or weak due to larger or smaller amounts of money. A weak circulation would correspond to a scarcity profile, whereas intense circulation would derive from hard cash abundance. However, gold, silver and copper coins were the circulating medium during the colonial period, and they had different functions:

16 ARAGÃO, Augusto Carlo Teixeira de. *Descrição geral e histórica das moedas cunhadas em nome dos reis, regentes e governadores de Portugal*. V. 3. Lisboa: Imprensa Nacional, 1880.

The gold coins were not useful for the payment of small amounts; on the other hand, the copper coins could not even be used in legal terms, to pay certain values, whereas, silver coins, which had intermediate value, could be used for both purposes. It means that, although gold coins were coined at significant amounts, currency shortage remained an issue” (Lima, 2013, p.597-598).

Shortage of low value coins was particularly noted, and even in Minas Gerais it must be considered “embarrassments caused by the overall use of dust gold as coin (payment means and unit of account)” (Lima, 2013, p.605). By the way, the legend in copper 20 and 40 *réis* coins coined in 1722 in the Coin House of Lisbon is quite instructive: “*aes usibus aptius auro*” — copper is more adequate for use than gold (Maldonado, 2011, p.202-276).

Most recently, Fernando Cerqueira Lima and Rita Martins de Sousa assessed the production, supply and circulation of gold coins in Brazil in the 18th century. They offered new estimates about the volume coined in the Mints of Rio de Janeiro, Bahia and Minas Gerais. Different from the historiographical theses about money shortage in Brazil during this period, these authors have highlighted that economic growth from late 18th century on implied an increase in the demand for money, which it proved possible to meet through the production of ‘national’ gold coins (Lima; Sousa, 2017).

Consequently, it is necessary agreeing with Amaro Cavalcanti, who, instead of shortage, stated that the amount of circulating medium in Brazil, met the need of the country’s economy. With respect to credit operations, they did not necessarily need to concern money. According to Gustavo Acioli Lopes, “the commissioners who came to Portugal to buy tobacco and to send it to Lisbon and to Africa used to pay in advance for products” purchased in farms (Lopes, 2008, p.115; 2018, p.126).

The proposition of Amaro Cavalcanti, in its turn, demands taking into consideration the unbalanced distribution of circulating medium in the Brazilian territory — the “monetary regions” in the words by Jobson Arruda. Hence, the amount of money available is closely related to the

nature of economic activities in each region: areas where the production of commodities prevailed had greater need of money for trading purposes; but zones where production mainly focused self-consumption, could live well with lower money circulation. This same finding applied to the whole Brazilian territory. The only specificity of monetary circulation in mining districts lies on the fact that gold also worked as currency, in parallel to coins. In other words, the core question concerns the currency one has in mind. Such statement must be the first assumption in discussions about monetary offer and credit in the colonial period. A second assumption is the monetary concentration level and the access to credit by different social groups. Therefore, it would be quite interesting considering the critics by Antonio Ibarra (1999) to the thesis by Ruggiero Romano (1998, p.97), according to whom, “*la colosal sangría de plata dejó pocas monedas a la disposición de los mexicanos*”.

Trust on the given word

The discussion about this item must be supported by other bases, i.e., from an obviousness: nowadays, just as centuries ago, individuals make use of credit operations — mainly of borrowings and term purchases —, not because money is scarce, but because they do not have the total amount needed in a certain moment to acquire an asset or service and because they trust their own capacity to pay off the debit contracted within a given time interval. Trust must be equally shared by the creditor for any credit operation to happen — be it a borrowing or term purchase. Accordingly, Demosthenes’ statement is as up-to-date nowadays as it was in 400 BC: “trust is [the] best money resource for all” (*Orations*, 1936, vol. 4, 36.44). Well, if the value of the given word comes from “the sense of probity”, which was firstly attributed by Oliveira Viana to the *Paulista* ruling class, and latter extrapolated to all colonial society, then, would default correspond to a matter of attitude? It is important noticing that the testimony by Antonil brings along a warning: “if by the time of fleets you do not pay what you owe, [the senhores de engenho] will

not have the necessary inputs for the coming crops”.¹⁷ Thus, even if the borrower swears in behalf of the saints or of the whole celestial court, if it does not pay its debts, it will no longer have access to borrowing.

Moreover, even if the contemporary bank system centers the credit operations in itself, there will always be transactions between individuals without record, they would be based on friendship and in kinship bonds, such as verbal agreements. Therefore, the fact that potential creditors would base their decisions about granting credit on information about friendship relationships, kinship bonds or yet on the social importance of possible borrowers, it would not be an eccentricity of the colonial society. Such information remains real at present times, and have influence on credit operations. It is up to the potential lender to trust or not in the information available about the borrower. Subjecting credit operations to a moral perspective overcasts its real content. Despite the religious precepts, there were voices at that time that warned about the fragility of oaths, since “it would not be possible always having truth through them”, it would “open room for perjuries, and most of the times the love for interests would prevail over moral and religion due to the disgrace of the human condition, itself”.¹⁸ Actually, a false oath could always be forgiven by avowal (Espírito Santo, 2003, p.48-49).

Briefly, any credit market essentially depends on the will of the creditor to lend money, on one hand, and on borrowers’ solvency, on the other. The credit operation is exactly the condition to be able to pay what is owed. Trust, in this case, is not translated into borrowers’ mere commitment to the creditor, but into the concrete acknowledgement by the creditor of the borrowers’ capacity to pay the debit. According to Alberto Sales, in the mid-18th century, credit as the ability to borrow money or to buy in installments lies on “good opinion” about safe payment, i.e., on the warranties offered by the borrowers to the creditor.

17 ANTONIL, André João. *Cultura e opulência do Brasil por suas drogas e minas*, p. 108.

18 AHU/RJ/letter from Rio de Janeiro Royal Treasury Passive Debt Review Board to the prince Regent [D. João], it presented a plan to mitigate fluctuating debits due to the best use of the Royal Treasury. Rio de Janeiro, September 19th, 1802 [cx. 203, doc. 14.345].

Such warranties can be real — real estate, rents, cash and furniture, etc.; or personal — ability, prudence, good faith, economy, nature of business, accuracy of borrower.¹⁹

After all, if the given word has so much value for credit, why would one seek written records of the transaction? As antediluvian transactions (in order to apply the Marxian term) — the warranties and instruments adopted by different societies at specific moments in time to engage to trading and credit agreements are the factors that actually deserve attention. Documents from the private archives of Assur from 1500 BC recorded land acquisition or borrowings based on land as warranty (Pedersén, 1998, p.88). Written records, in their turn, are the most common instruments (Van de Mieroop, 1999, p.19).

Well, the sources that substantiate all recent history works on credit in Brazil during the colonial period are, first and above all, warranties for debit paying. These legal instruments — rather than the word given — assure creditors that borrowers will pay their debits; they deserve further in-depth investigations (Pereira, 2013, p.80-148; 2017, p.93-159; Souza, 2015, p.43-67, 155-167; 2019, p.41-68, 165-178).

Tiago Gil made an important observation about the record of deeds and inventories. According to him, “deeds tend to embrace the higher debits (...), whereas inventories include all types of transactions” (Gil, 2009, p.257). Even if the written record was not public, it was enough if it was socially acknowledged by society as formally valid. It determined, for example, the license from October 30th 1793, which confirmed the practice of private deeds in regions far from notary offices. Although the nomenclature changes, these writings were a valid obligation before authorities in charge. The credit claim issued by Miguel da Fonseca against Domingos Pais de Barros in 1709, in Ribeirão do Carmo Settlement, whose document to prove the debit is referred in the

19 SALES, Alberto Jacqueri de [1731-1791]; SAVARY DES BRUSLONS, Jacques [1657-1716]. Dicionário do comércio [manuscrito], v. 2, p.256-257. Localização: BIBLIOTECA NACIONAL DE PORTUGAL, COD. 13104-13107.

claim as an “obligation”, or simply as a “missive writing” signed by the interested parts.²⁰ Miguel da Fonseca Guimarães issued a petition and a written request claiming for a process to certify that he sold 100 bushels of corn to Domingos Pais de Barros for 325 gold drams. In his written, which dates back to December 3rd 1708, the defendant was committed to pay for the debit “at late February [1709]... for sure”, but the payment was not made until October 12th, 1709. The argument advocated by the defendant was that the prove was not more than a “missive writing” that was not followed by superintendent Antônio de Freitas da Silva, who, in February 17th 1710, sentenced the defendant to pay the total requested by the claimer, besides the costs with the case files.

Credit and economic activity

It is clear that the reason for using (in some cases, to ask for help) the credit market is linked to the non-availability of resource to make financial transaction in cash — this is not a relevant matter. On the other hand, questions made by historians whose works were herein referenced were essential, since they aimed at answering about the purposes, the social conditions of the involved agents — either as creditors or borrowers -, and the amounts negotiated throughout time. The answers given to such matters have actually generated advancements in the last few years. It is certain that there are other elements that deserve in-depth investigations, due to the inclusive results highlighted by these authors themselves, or due to divergences found in credit flow to other close places within the same period of time.

One of these divergences can be observed in the study by Fábio Pesavento, who showed that the total value of credit in Rio de Janeiro between 1754 and 1769 presented a significant decline, and it led to the following question: “to which extent the lower flow of loans between

20 INSTITUTO DO PATRIMÔNIO HISTÓRICO E ARTÍSTICO NACIONAL. CASA SETECENTISTA DE MARIANA/First notary. Credit claim by Miguel da Fonseca against Domingos Pais de Barros; Ribeirão do Carmo Settlement [Mariana], October 12th, 1709 [I-478, 10660].

1760 and 1769 reflects a downward economic move in Rio de Janeiro at that time”. Such move seems also to reflect on the price levels and on the amount of taxes collected by the Royal Treasury. However, the customs revenue showed a remarkable upward curve. In face of such contradiction, Pesavento suggested deepening in further research. But the solution found in the present study was easy: the customs revenues in decades previous to the period analyzed by this author were already in retraction since 1747 (Carrara; Cavalcante, 2016, p.20-21).

It was the generation of longer series of data that has allowed Augusto Fagundes dos Santos to refine the position advocated by Russel-Wood, who featured the first half of the 18th century as the period witnessing the prestige of *Santa Casa de Misericórdia*. By quantifying data until 1777, Augusto dos Santos showed that between 1751 and 1777, *Santa Casa de Misericórdia* received a good amount of donations. However, the institution did not “kept its commitments, it decreased its social activity levels and the volume of granted credit” (Santos, 2013a, p.37-40).

The theses by Raphael Santos and Carlos Kelmer Mathias compose the set of divergent cases. Raphael Santos interpreted the upward move in the total of deeds lending money for interest in Sabará throughout the first half of the 18th century as the result from an increase in money supply (Santos, 2013, p.57-63). This condition in itself is not enough, since the same availability must be observed by the borrower’s side. They must not just show to have solvency, but to actually prove that they have it. Nevertheless, all these aspects depend on the general conditions of the economic activity. The problem is that values shown by this author are low in comparison to the ones listed by Carlos Kelmer Mathias in Mariana, at the same period. They were low and conflicting, because Mariana showed a clear downward move in the total value of loans. The hypothesis advocated by Kelmer Mathias — the “economic space of gold” — demands proves about the correlation between lenders living in Rio de Janeiro and borrowers in Mariana. The problem is that not him, nor Antônio Carlos Jucá, have presented the place of origin of creditors and borrowers. Moreover, the amount of debits recorded in Mariana, whose creditors lived in Rio de Janeiro, is far from being

enough to provide more substance to his argument (Mathias, 2009, p.210-211). Actually, the period under analysis corresponded to that of maximal gold production; therefore, it is possible to go on with the hypothesis that access to credit decreased as a faster monetary circulation made credit operation less necessary, since a larger number of people could pay off their debts in cash or within shorter periods-of-time than that required in the deeds issued by notary offices. But this hypothesis does not solve the problem either, because it is not in compliance with the result recorded for Sabará; therefore, it is essential checking some variables. It must be discarded the hypothesis about the significant difference in the volume of gold extracted in one town or in the other — this total was measured through the total collected between 1735 and 1751: 2,123,055.58 octaves in Mariana and 1,998,105.81 octaves in Sabará (Carrara, 2016, p.858). On the other hand, it is not possible ignoring the effects of the inner move in the slave population in Minas Gerais in the first half of the 18th century, which was measured through the revenue of the head tax. However, it is important pointing out the contradictory movement between the overall downward trend of the slave population between 1735 and 1749, in opposition to the growing flow of Africans imported (Carrara, 2007, p.327). In any case, the number of slaves decreased in Mariana between 1735 and 1749. The same happened with the slave population of Sabará between 1735 and 1744. From this time on, the numbers remained stable.

The solution for these divergent trends recorded for both colonial towns requires the inclusion of additional variables in the analysis, such as the area covered by the records and the corresponding population. Mariana and Sabará encompassed huge territories, although it is possible inferring that deed signers did not live in areas too far from administrative headquarters. Besides, in order to achieve a consistent comparison, data must be described in a yearly basis, similar to Mariana's case, rather than gathered into two period of 17 years, such as in Sabará (Mathias, 2009, p.187; Santos, 2010, p.58).

With respect to the sense of debit chain originally described by Lúcio de Azevedo and systematized by Bárbara Levi, it is essential highlighting

that the fact that a certain group has cash available no doubt would give it an advantageous position, because cash was the good it could get better negotiation conditions with. The manifestation of British markets in Lisbon in 1760 against the creation of a trading company in Brazil addressed by Azevedo lied on the argument that “all goods to be dispatched would be supplied based on credit to be paid at fleet return; it was rarely followed, so [British merchants] had to wait for a second or third trip, and it meant two or three years waiting”. Thus, they were expected to stop subscribing Portuguese traders - whose commitments were about to be solved with the British - to a company. But as this author has evaluated, British merchants were moved into “the demonstrations not exactly by anxiety with the debits, but by fear of losing their businesses with the colony, which would be given as privilege to the company” (Azevedo, 1929, p.366). Nevertheless, this example shows that the debit chain could lead to losses — which could be sometimes unrecoverable — for what is overall considered the favored point, i.e., the greater traders. After all, the higher the lended value, the greater the risk for the creditor, in case the borrower does not pay the debit. These situations were common in Minas Gerais, mainly from the decline of gold production in the second half of the 18th century on, which was featured by bankruptcy and by the consequent confiscation of property among the greatest traders in the captaincy (Araújo, 2003). Thus, it does not mean that they all were well-succeeded men.

CONCLUSION

Despite differences in sources, methodologies and aims, there is a common element to almost all the herein referenced studies: money shortage during the colonial period, which is the reason why credit was an indispensable resource. The submission of great landlords to traders was consensus in the historiography prior to the 1980s. However, from the moment historical research started to embody serial and quantitative sources on, the credit market in the colonial period appeared much more complex. Instead of an association limited to traders and senhores

de engenho, dissertations and thesis started to show characters who had not been noticed before, either on the side of creditors or of borrowers: small traders, freed slaves, mechanical officials and even slaves.

Yet, advancements in this field in the last few years remain limited, partially because of the very nature of the sources used, which are almost completely centered on legal and non-official documents, mainly on loan deeds and inventories. Therefore, it is essential making further in-depth analyses of such records as legal instruments used as warranty to credit operations. The repertoire of herein referenced research is limited to credit operation almost exclusively performed within the national territory. Any broader analysis of the credit market throughout the colonial period would necessarily demand further research on the objects observed at Atlantic dimension — the companies of traders and the groups of ships, for example. The companies are fundamental to clarify credit operations between businessmen who circulated through different markets from margin of the Atlantic to the other — a fact that would allow assessing with precision the debit chain concept. Such investigation, however, demands the collection of a diversified corpus of documents, such as the books of traders' bank accounts. As stated by Alexandra Pereira in her study about a shop in Vila Rica in the 1730s, such sources allow assessing the merchant networks set by traders, but their clients, by sales in cash or in term, by stocks, and by the credit and interest system. This author showed that between February 1737 and August 1738, sales in cash accounted for 13.15% of the total income (Pereira, 2008, p.21-22; 2013, p.39-72; 2017, p.49-84). The seasonality of payment in cash is another important element highlighted by her (Pereira, 2008, p.42-46; 2017, p.52-57). Actually, in order to know the detailed movement, data must be listed in a yearly basis, rather than in blocks of years, since it would completely stop the possibility of identifying some inflection points.

Finally, the set of documents so far ignored by scholars are the letters of credit recorded in notary offices in Lisbon, which have implication in studies about the role of credit in the overall sea commerce, mainly in the commerce of slaves. By the way, these have been one of the axis of

analysis that has increased in the last few years, following the track of pioneer texts such as that by Richard Sheridan (1958) and Jacob Price (1980; 1991), and the studies by Joseph Miller (2013), Nicholas Radburn (2015) and Mary Hicks (2017).

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