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THE FISCAL REFORMS OF VICEROY LINHARES AT GOA

por

ANTHONY DISNEY

Dom Miguel de Noronha, Count of Linhares, arrived at Goa in October 1629 as the new viceroy of Portuguese India, bearing instructions from the Habsburg regime to carry out an ambitious overhaul of the viceroyalty's complex, inefficient and often corrupt fiscal system. It was a difficult and highly challenging assignment that was destined to take up an inordinate proportion of his time and energy. How did he go about carrying out the task – and by the end of his term of office, what fiscal reforms had he in fact achieved?

One of the key objectives of the fiscal reform program was to make more funds available for military purposes. Under the existing system specific sources of revenue were pre-assigned to particular categories of expenditure so that there was little in-built flexibility. Linhares had therefore been directed to change the system so that all revenue was paid directly into the viceregal treasury. Priority could then be given to urgent military expenditure, and other purposes satisfied only after these needs had been met¹. Of course, consolidating revenue was a manoeuvre certain to encounter strong opposition from entrenched vested interests in the Estado da Índia where most state *ordenados* (salaries) and *ordenarias* (allowances) had traditionally been assigned to specific revenue sources. Nevertheless, just four days after assuming office Linhares duly summoned his viceregal Council of Finance and informed the councillors of what he intended to do. He made it clear that, although military expenditure would thenceforth have the first claim on revenue, *ordenados* and *ordenarias* would still be paid – but *pro rata*

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¹ Although the actual instructions to Linhares to consolidate the revenues do not appear to have survived, they are referred to in several contemporary documents. See ANTT, *Livros das Monções* (hereinafter LM), 26, fol. 308; Historical Archives of Goa (hereinafter HAG), *Assentos do Conselho da Fazenda* (hereinafter ACF), Ms. 1161, fol. 84.

from what was left over after defence needs had been met. He then asked the Council's advice on what would be the «gentlest» way of accomplishing these objectives, making it clear the changes themselves were unnegotiable². The Council had little alternative but to formally accept his decision; but it warned Linhares it would be «greatly harmful» if people were effectively deprived of their salaries and allowances. Payment of *ordinarias* was then temporarily suspended to release funds for defence costs³.

Outside the Council the reaction to the announced changes was one of alarm. The chorus of protest was especially loud from the diocesan clergy of Goa whose *ordenarias* were traditionally funded from the *rendas* of Bardez⁴. Linhares tried to allay their concerns by insisting everyone would still be paid; but his assurances failed to calm the situation, and shortly before Easter 1630 the canons of Goa decided to embark on a protest strike. They closed the cathedral and refused to re-open it until their allowances were paid, demanding they be re-assigned to the revenues of Bardez. But Linhares secured the backing of the *Relação* for his stand – and the clerical strikers, whose resolve was weakened by the sudden death of their archbishop, were eventually persuaded to lift all bans in March 1630⁵. Nevertheless hostility to the very idea of revenue consolidation persisted, and news of the controversy in due course reached Lisbon where it was discussed in both the Council of Finance and the Council of State in early 1631. The Council of State concluded that Linhares had been given ambiguous instructions, for he had been ordered on the one hand to accord precedence to military needs and on the other to pay all salaries promptly, especially to the clergy whose remuneration supposedly had absolute priority⁶. So the Council tried to calm matters by stipulating that whether revenue was consolidated or not the clergy must, in accordance with the terms of the *padroado*, be paid first. This clarification was endorsed by the Governor of Portugal, the Count of Castro, and was duly conveyed to Linhares.

The alleged ambiguity in Linhares's original instructions, and later the apparent weakening of metropolitan support for reform, may have stemmed from underlying tensions between the Olivares regime in Madrid and the authorities in Lisbon. For it was Olivares's administration that had devised the reform program in the first place, and not Lisbon. In any event, the Council's «clarification» made Linhares's already difficult task much harder. It also contradicted the secret orders he had been given before his departure, which had clearly instructed him to pay military costs ahead of salaries and

² HAG, ACF, Ms. 1161, fol. 84-84v.

³ *Ibid.*, fols. 30v, 84.

⁴ Biblioteca Nacional de Lisboa (hereinafter BNL), Pombalina, cod. 490, fol. 192v.

⁵ *Linhares' diary*, 5 March 1630, Ajuda, cod. 51-VII-12, fols. 1-3; BF no. 5, p. 162.

⁶ *Consulta do Conselho do Estado*, Lisbon, 10 February 1631, Biblioteca Nacional, Rio de Janeiro (hereinafter BN Rio), cods. 2/2-19, fols. 179-185.

allowances ⁷. Nevertheless, there seems no doubt Linhares genuinely tried to keep up clerical payments. On 22 January 1631, before he could have received the «clarification» from Lisbon, he had already summoned the dean and chapter of the Goa cathedral. He upbraided them for obstructiveness but told them he was ordering they be paid – though only after much hesitation and against the advice of the *Relação* ⁸. Despite subsequent complaints by the dean and chapter Linhares thereafter always insisted that he paid the clergy regularly as required, from the viceregal treasury – despite his great financial difficulties ⁹. It therefore seems that he did achieve a degree of revenue consolidation at least for a while – at the cost of rousing much suspicion and resentment. But whether he succeeded in diverting significant revenue to military purposes, the ultimate objective of the reform, may be doubted ¹⁰.

If consolidating crown revenue was one part of Linhares's broader fiscal program then securing a regular defence subsidy for the viceregal treasury from local taxation was another. In 1623 the Goa câmara had reluctantly agreed to impose an extraordinary tax on food imports, known as the *collecta* ¹¹. The designated purpose of the *collecta* was to raise money to finance protection for food convoys and for fitting out galleons; but in practice it was used for defence purposes more generally. By Linhares's time the *collecta* had become the second largest source of regular crown income raised at Goa, being exceeded only by the revenue from customs. Originally granted for six years at a rate of 100,000 ashrafi a year, the *collecta* was due to expire in 1629. Renewal required the consent of the Goa câmara and selected community leaders meeting in a *junta geral* ¹². Linhares soon discovered that to renew the *collecta* would not be easy. Archbishop São Pedro was strongly opposed to the idea, mainly on the grounds that a tax on basic foodstuffs was unjust to the poor and only benefited Hindu provisioners and grain merchants. He was also concerned to forestall any attempt to impose the *collecta* on the clergy, and threatened excommunication for anyone who tried to do this. He proposed as an alternative a head tax, which he claimed would yield the crown much more than a *collecta* while providing far less opportunity for profiteering ¹³.

⁷ Linhares subsequently quoted these secret orders back to the crown. See his undated letter, probably written in 1632. *Boletim da Filmoteca Ultramarina Portuguesa*, ed. A. da Silva REGO, Lisbon, 1954, no. 8, p. 162.

⁸ Ajuda, cod. 51-VII-12, fol. 135v.

⁹ Goa chapter to crown, 25 September 1631, BNL Pombalina, cod. 647, fols. 125-9; Linhares to crown 21 December 1631, ANTT, LM 29, fol. 95; crown to Linhares 14 March 1632 and Linhares to crown 12 January 1633, ANTT, LM 30, fol. 204; crown to Linhares 6 January 1633 and Linhares to crown 14 October 1633, AHU, DSI, caixa 10, no. 70.

¹⁰ Linhares to crown, 12 January 1633, ANTT, LM 30, fol. 204.

¹¹ T. R. de SOUZA, *Medieval Goa*, New Delhi, 1979, pp. 141-3 and 150 note 49.

¹² Crown to Linhares, 25 January 1629, ANTT, LM 26, fol. 42.

¹³ Archbishop São Pedro to Goa câmara, 24 March 1629, HAG, LM 13B, fols. 383-384.

Linhares took the position that an annual subsidy worth 100,000 ashrafi must be forthcoming one way or another. Accordingly, about a month after his arrival in Goa he convened a *junta geral* and invited the participants to decide whether they preferred to renew the *collecta* or impose a head tax. Though the principal advocate of the head tax, Archbishop São Pedro, had died a fortnight earlier his views were echoed at the meeting by others, including Fr. Diogo de Santa Anna, the Augustinian provincial, and D. Lourenço da Cunha, Captain of Goa. However, the business community preferred the *collecta*, and it was their view that prevailed. The *collecta* was duly approved for another six years – so assuring Linhares, on paper at least, of a substantial supplement to defence funding for the full term of his viceroyalty¹⁴. However, in practice there were no guarantees, and by the end of its first year of operation the renewed *collecta* had yielded only 83,000 ashrafi and not the 100,000 ashrafi agreed¹⁵. Linhares thereupon recalled the *junta geral* to determine how to make up the shortfall, and it was decided this should be taken from the receipts of the following year. Of course once this procedure had been adopted it was inevitably repeated in subsequent years so that arrears quickly mounted. By the start of 1633 Linhares himself had concluded that it would take eight years rather than six for the full amount to be raised. Nevertheless, the *collecta* was an invaluable source of military funding, and remained as part of the fiscal structure well beyond Linhares's term of office¹⁶.

In addition to consolidating revenue and renewing the *collecta* Linhares also took up the challenge of cutting expenditure. His first objective was to eliminate items of expenditure that could no longer be rationally justified (such as redundant offices), and to eliminate unnecessary duplication. For example, in December 1629 he tried to persuade the Goa câmara to amalgamate the treasurerships for three council-administered taxes – the *hum por cento*, the *dois por cento* and the *collecta* – into one. The câmara demurred; so Linhares, with support from his council, simply imposed the amalgamation in the name of the crown. In the time-honoured manner the câmara then appealed directly to the crown¹⁷. By early 1630 the opposition and obstruction to fiscal reform Linhares was encountering apparently persuaded him to modify his tactics. He now decided to seek wider local support by summoning an extraordinary junta and explaining to it in some detail the crown's fiscal difficulties and why reform was necessary. The junta was duly convened on 10 March 1630, and was attended by the councillors of State and Finance, the judges of the High Court, the *provedores* of the *casa dos*

¹⁴ BNL Pombalina, cod. 490, fols. 178v-179v.

¹⁵ Ajuda, cod. 51-VII-12, fol. 112v.

¹⁶ *Ibid.*, HAG, ACF, Ms. 1136, fols. 177v-178v; Linhares to crown, 13 January 1633, ANTT, LM 30, fol. 242.

¹⁷ *Ibid.*, p. 251; *Boletim*, vol. 5, p. 124.

contos, the city councillors and leading churchmen. This encounter was one of the pivotal events of the reform campaign. Linhares opened proceedings by informing the gathering that the state's finances were in deep trouble¹⁸. To demonstrate this he presented estimates that gave expenditure at a minimum of 755,968 ashrafi a year against revenue totalling at most 626,140 ashrafi – a shortfall of 129,828 ashrafi. He explained that imbalances of this kind had persisted for some time and could not be allowed to continue. Either increases in revenue or cuts in expenditure or both were required. He had convened them, Linhares told his audience, to advise him how the situation might be remedied.

Linhares's estimates made clear the major components of both revenue and expenditure. By far the greatest single item on the revenue side was the Goa *rendas*, which at 246,140 ashrafi accounted for almost forty per cent of the total (forty-six per cent if the taxes on horses and tobacco are included). The next most important item was the *collecta*, which was expected to bring in 100,000 ashrafi – sixteen per cent of receipts. Other significant contributions came from the sale of the annual Macao-Nagasaki voyage at 70,000 ashrafi (eleven per cent) and the special customs surcharges (*hum por cento* and *dois por cento*) that comprised almost ten per cent. These four revenue sources together accounted for over eighty per cent of receipts. On the other side of the balance sheet there were two items that stood out. The first was salaries and allowances that together absorbed an estimated 252,787 ashrafi. This amounted to over thirty-three per cent of total expenditure. In fact, salaries and allowances had long been the main item of expenditure of the Goa government so that Linhares's estimates in this respect were hardly surprising. A reforming viceregal administration would be bound to seek savings in this area, and in this process the junta could render considerable assistance if it could be persuaded to do so. The other major expenditure item in the estimates was 180,000 ashrafi earmarked for establishing and maintaining a *terço* (regiment of infantry). This amounted to a massive twenty-four per cent of total outlays.

When he convened the extraordinary junta Linhares began proceedings by inviting each of the interest groups represented to give its views on the remedy to be applied to the viceroyalty's fiscal problems. Much of the discussion that followed concentrated on the vexed question of cutting allowances and salaries. According to Linhares himself, the *vereadores* of the Goa câmara were willing to accept cuts; but the clergy protested that their allowances must take precedence, and they would concede nothing. After everyone had had their say Linhares himself spoke, pointing out to the meeting that over time the burden on the crown of supporting so many appointments had

¹⁸ For Linhares's own account of the junta's proceedings see his diary, especially for 8-10 March 1630, in Ajuda, cod. 51-VII-12, fols. 2v-10v, and for a more hostile account the «Relatório», in BNL Pombalina, cod. 490, fol. 193-193v.

greatly increased and that many offices still on the official lists were now either totally fictitious or at least of no tangible benefit to the crown. He was convinced that the king would want such offices discontinued and therefore that was what he proposed to do.

It seems that in proposing the abolition of redundant offices Linhares had in mind primarily the myriad of low-ranking jobs held mostly by Goans and other Indians. Nevertheless the proposal had disagreeable implications for senior Portuguese functionaries – particularly departmental heads and fortress commanders who customarily kept long lists of redundant or non-existent employees on their payrolls, and simply pocketed the money allocated to maintain them. Many functionaries in the Estado da Índia had come to regard this practice as a right of office, an attitude that naturally much hindered the contemplated reforms. Linhares was prepared to lead by example and accordingly read out to the assembly a list of viceregal retainers and employees – *criados*, sundry attendants, trumpeters, kettledrummers, stable hands and so forth – whom he was prepared either to dispense with entirely or to pay for himself. The savings accrued for the crown amounted to 5,800 ashrafi, and Linhares believed that if others similarly cut their establishments, cumulatively much could be achieved ¹⁹.

According to Linhares his policy of removing superfluous employees from the payroll met with the general approval of the junta, with the exception of a few obstructionists. However, the actual extent of dissatisfaction was probably much greater than he was prepared to admit, though it initially remained fairly muted. In any event, with the formal backing of the junta Linhares issued a decree cancelling the existing authorisations for the employment of Indian *naiks*, *peões* and *nafares* in the various forts of the Goa territories, the dockyards, the arsenal and other government departments. New and much leaner lists were then authorised, cutting back numbers in most cases by about fifty per cent. Similar cutbacks were ordered for fortresses elsewhere in the Estado da Índia ²⁰. Linhares seems to have reduced his own establishment as he had promised – and at least some other senior officials, including the *vedor da fazenda*, also appear to have accepted personal cut backs, albeit rather reluctantly ²¹. In June 1630, after conferring with the *vedor da fazenda*, the viceroy issued instructions to prepare a file on «the salaries we have to cut and certain offices which have to be abolished» ²². But he met tenacious resistance with seemingly each individual case requiring a struggle. The usual tactics of delay, obstruction and appeals

¹⁹ Ajuda, cod. 51-VII-12, fol. 10.

²⁰ HAG, Ms. 2358, fol. 254-254v.

²¹ Vedor da Fazenda José Pinto Pereira in 1633 indicated his official income had been reduced, though he apparently believed he actually deserved an increase. AHU, DSI, caixa 10, doc. 53.

²² Ajuda, cod. 51-VII-12, fol. 51.

to the crown compounded the problem, progress was slow and the outcome often uncertain. Sometimes Linhares did get his way, but on occasions he failed. Thus the amalgamation of the three treasurerships already referred to was achieved; but at least five other offices Linhares had wanted to extinguish were retained by order of the crown as a result of appeals ²³.

The reduction of the state payroll in a sense amounted to partial privatisation – for Linhares, along with some departmental chiefs and captains, kept on some of those employees who had been removed from the official lists by paying them personally ²⁴. On the other hand some fortress commanders, who thought they were entitled to pocket the wages of non-existent employees as a perquisite of office, sought to recoup their losses by reducing the number of soldiers actually serving and keeping the difference. This made it possible for Linhares's critics to accuse him of weakening already undermanned garrisons – like Fort Jesus in Mombasa, which allegedly contained only six or seven soldiers when attacked by Sultan Yusuf in August 1631 ²⁵. However, this was manifestly not Linhares's intention – though it appears that his attempts to economise by cutting expenditure on salaries and allowances in the end achieved only very limited success. The practices and traditions that such measures inevitably ran up against were too deeply entrenched, and obstruction and evasion too widespread, for it to be otherwise.

Associated with Linhares's efforts to reduce salaries and allowances within the viceroyalty was reform of the *matrícula geral*. This was the agency that registered and paid soldiers and on which, according to Linhares himself «all, or most, of the distribution of His Majesty's funds in India depends» ²⁶. The *matrícula* did not enjoy a very high reputation for probity or efficiency, but earlier attempts to improve its performance seem to have achieved little. Its records were unreliable, either through incompetence or deliberate distortion. Some men appeared on the rolls who were merely private traders rather than soldiers; others were not genuinely Portuguese, but Indo-Portuguese or Indian and therefore legally ineligible. The *contadores* responsible for the *matrícula* bought their offices, and although they were supposed to demonstrate their competence before receiving confirma-

²³ Linhares wished to extinguish the offices of Captain of Goa, *tanadar-mor* of Goa, interpreter of the customs house (whom Linhares claimed in practice never went near the *alfandega*), the receiver of the *rendas* of Salcete and the ecclesiastical administrator of Mozambique. ANTT, LM 31, fol. 121; *Boletim*, vol. 8, pp. 34, 192, and vol. 13, p. 643. In March 1634 the crown asked Linhares to explain his amalgamation of the three treasurerships, instructing him meanwhile to make no change. However, by that time the new arrangement had already been in force for three years. *Boletim*, vol. 8, p. 472.

²⁴ See remark by José Pinto Pereira in 1633, AHU, DSI, caixa 10, doc. 53.

²⁵ The garrison was officially 100 men. See «Relatório», in BNL Pombalina, cod. 490, fol. 193.

²⁶ Ajuda, cod. 51-VII-12, fol. 73v.

tion, extraordinarily lax standards were in practice applied ²⁷. On 22 December 1629 Linhares filed a report on the officers of the *matrícula* who at that time comprised five *contadores* and a secretary ²⁸. By then he was convinced all the real work was being done by just one of the *contadores*, Francisco Vaz, his colleagues being too sick or lacking the necessary skills. But Vaz died in 1630 and Linhares was unable to find a competent replacement for him in India. So he appointed his own secretary, Pedro Barreto de Resende, though this was strictly against regulations. However, Linhares argued it was essential to have someone at the *matrícula* whom he could trust and who would keep him informed about what was happening ²⁹. In fact moving Resende to the *matrícula* may have born some fruit, for within a few weeks one of its *contadores* was arrested on charges of embezzlement. In January 1631 Linhares went to the *matrícula* himself to oversee the paying of the soldiers, and a year later he subjected the institution to a formal *visita*. This resulted in the introduction of new procedures including an improved form of record keeping ³⁰. However, the crown vetoed the appointment of Resende because he was Linhares's own *criado*. Resende was accordingly removed – which put an end to the improved record keeping, since he was the only official with the necessary competence. Linhares was therefore unable to effect any lasting reform of the *matrícula*, frustrated by the lamentable lack of skilled and honest accountants, the inflexible application by a suspicious crown of restrictive regulations, and the sheer inertia of the system.

An even more fundamental institution for financial management at Goa was the *casa dos contos* or audit office, and to this also Linhares turned his attention. The *casa dos contos* was required to check all financial accounts from government departments at Goa and the outlying possessions and fortresses, and prepare reports at regular intervals for despatch to Lisbon ³¹. The *provedor mor dos contos*, who headed this body, was second in importance only to the *vedor da fazenda geral* – indeed, the former office was often a stepping-stone to the latter. The *provedor mor dos contos* was assisted by a staff of two *provedores*, six *contadores* and thirteen secretaries. The crown's dissatisfaction with the *casa dos contos* and its performance was long-standing. Its annual reports were deemed inadequate and Linhares had been instructed to ensure that in future they were more detailed. He was also to

²⁷ For example in 1631 when one of the *contadores*, who had bought his office with his wife's dowry, died in a shooting accident the rights to the office were transferred to his six-year-old son. They were to be exercised by his widow (who had re-married) until the boy was old enough to occupy the office himself. ANTT LM 29, fol. 46; *Boletim*, vol. 9, p. 259.

²⁸ *Boletim*, vol. 5, fol. 157.

²⁹ Ajuda, cod. 51-VII-12, fol. 73v.

³⁰ *Ibid.*, fols. 86, 137v; ANTT, LM 29, fol. 64; AHU, DSI, caixa 10, doc. 75; *Diário do Terceiro Conde de Linhares*, Lisbon, 1937, p. 164.

³¹ See A. Teodoro de MATOS, *O Estado da Índia nos Anos de 1581-1588: Estrutura Administrativa e Económica*, Ponta Delgada, 1982, p. 23.

scrutinise the institution's record under previous administrations and prepare and send to Lisbon a detailed statement of all revenue and expenditure in the *Estado da Índia* for the previous ten years. The personnel of the *casa dos contos* were to be subjected to review ³².

Linhares's attempts to carry out these orders became for the most part an exercise in frustration. He noted in his diary on 5 June 1630 that the *casa dos contos* was indeed in dire need of «reform» and that he was working diligently on the matter ³³. He soon removed two of its secretaries as incompetent, and in 1631 replaced two *contadores* who allegedly did not know how to keep accounts ³⁴. Linhares also strove to improve the procedures of the *casa dos contos*. He issued new regulations up-dating and standardising the form in which accounts were to be kept and endeavoured to stop such abuses as falsifying figures and stealing or selling financial documents ³⁵. However, these measures appear to have achieved disappointing results. In April 1631 the crown was already complaining that accounts received since the start of Linhares's term lacked clarity and detail. In 1632 Linhares was informed that the accounts submitted were «mixed up and undifferentiated», the revenue side difficult to comprehend and expenditures totally unintelligible. Similar complaints followed in 1633 ³⁶. Linhares testily rejected these complaints. He told the Count of Castro in December 1632 that he had in fact sent clear and detailed reports of all revenue and expenditure for every year since his arrival «which cost me great labour, and even my own money». He believed he was the first viceroy ever to have had financial statements prepared in such a sophisticated manner ³⁷. Under existing circumstances he considered there was little more he could do. Already when submitting his report in 1631 he had suggested that accountants in Portugal review it and inform him what further changes were required. Their comments could then be incorporated into new standing orders. On another occasion he frankly acknowledged that the scribes available to him in India were inferior to those in Portugal and that their accounts were confusing. In 1634 he was unable to have any annual report of revenue and expenditure prepared at all, simply because the *contador* responsible for preparing it was sick ³⁸.

The lack of skilled (and honest) staff was clearly fundamental to the problems of the *casa dos contos* – a fact that emerged repeatedly in correspondence between Goa and Lisbon. This was perhaps best summed up in a report compiled some years later by the *provedor mor dos contos* Baltazar Marinho, a former trusted lieutenant of Linhares, in 1637. Marinho concluded that of

³² ANTT, LM 27, fol. 283.

³³ Ajuda, cod. 51-VII-12, fol. 50v.

³⁴ HAG, ACF, Ms. 1161, fol. 177.

³⁵ ANTT, LM 30, fol. 182.

³⁶ ANTT, LM 28, fol. 76, and LM 31, fols. 205, 337; AHU, DSI, caixa 10, doc. 11.

³⁷ Linhares to Count of Castro, 6 December 1632, Ajuda, cod. 49-X-28, fol. 363.

³⁸ ANTT, LM 29, fol. 87; *Boletim*, vol. 8, p. 401; AHU, DSI, caixa 10, doc. 119.

the six serving *contadores* at that time only two were capable of compiling even simple accounts. Several were either too old or infirm to be able to perform adequately, and two he thought should be dismissed forthwith. Finally he concluded that the volume of work required eight rather than six *contadores* – a recommendation already made by an earlier *provedor mor*, André Salema, but without results³⁹. Probably the only way the performance of the *casa dos contos* could have been significantly improved during these years was to send out experienced accountants from Portugal – or alternatively to recruit and train competent Indians. This was not done, so the *casa dos contos* remained as much a problem after Linhares's attempted reforms as before⁴⁰. However, this was not really Linhares's fault but the consequence of a fundamentally flawed system. Without suitable personnel any attempt to reform this institution had no chance of success.

The junta of 10 March 1630 also considered Linhares's plans to establish a *terço*. Reform of the military establishment in Goa along these lines – in effect, its Castilianization – had been a long-standing objective of the Habsburg regime. Previous attempts to form a *terço* had been made as early as the 1590s but had invariably failed because of hostility from the local fidalgo elite, shortages of European manpower and a chronic lack of funds⁴¹. It had been firmly emphasised to Linhares before he left Madrid that creation of the *terço* was now imperative and that he must treat it as an integral part of his reform package. Linhares accordingly presented to the junta a plan to establish a *terço* of 2,500 men, for which the 180,000 ashrafi required would cover all costs including wages. While there was, of course, from the start much hostility to this scheme, which was reinforced by its serious budgetary implications, Linhares was undeterred – and in the succeeding months pushed ahead with the *terço*, regardless of the difficulties. By June 1631 approximately 900 men had been formally enlisted in the *terço* and on 6 July that year Linhares issued it with a comprehensive regimento⁴². Though at this stage the *terço* was still seriously under strength Linhares remained confident it could succeed; but by late 1632 he was more doubtful. The crown urged him to persist, but in the end he was unable to save the *terço* and in late 1634 he was obliged to inform Lisbon it had ceased to exist⁴³.

How much Linhares spent on this ultimately unsuccessful exercise is unclear; but it was much less than the 180,000 ashrafi that had originally been notionally assigned to it. Linhares certainly did not, as some of his enemies alleged, end up with a large surplus left over from money «reserved» for the *terço* when it failed to attain its projected strength, to the detriment

³⁹ AHU, cod. 210, fol. 69v; AHU, DSI, caixa 10, doc. 181.

⁴⁰ ANTT, LM 38, fol. 415.

⁴¹ C. R. BOXER, *The Portuguese Seaborne Empire 1415-1825*, London, 1969, pp. 299-301.

⁴² Ajuda, cod. 51-VII-12, fols. 87v, 89; BNL, FG, cod. 939, pt. 2, fol. 33-33v, 46-48.

⁴³ University of Coimbra Library, cod. 459, fol. 384; *Boletim*, vol. 8, p. 47.

of other needs such as clergy allowances ⁴⁴. No such reserve ever existed and it is in fact likely that much of the funding applied to the *terço* came from Linhares's own pocket rather than the public purse ⁴⁵. In practice the short-lived *terço* probably had only a limited impact on state expenditure. The available data suggests that the fleets which sailed regularly from Goa each season, and the military needs of outlying possessions, made far greater demands on the viceroyalty's resources than the *terço* – not to mention emergencies occasioned by such events as rebellion in Mombasa and defeat in Ceylon. Responding to these latter two events alone absorbed over 400,000 ashrafi ⁴⁶.

The extraordinary junta that Linhares convened on 10 March 1630 also considered items on the revenue side of the budget. The *rendas*, which normally provided almost half of all regular receipts, were traditionally contracted to Hindu, Portuguese or Indo-Portuguese tax-farmers, the contracts being re-negotiated every few years. At the time of Linhares's arrival in Goa many of these contracts had apparently been let on terms relatively favourable to the contractors. Linhares understood this and tried to review as many of them as possible with a view to increasing returns. In June 1630 he cancelled the contract for the largest tax farm, the Goa customs, and concluded a new two-year contract at 132,000 ashrafi a year. This involved an outright increase of 7,000 ashrafi over the previous contract as well as a number of concessions from the contractor which allegedly saved the crown a further 13,000 ashrafi ⁴⁷. Linhares also raised the contract for the Diu customs from 40,000 patacões to 65,000 patacões in 1630-31, and to 68,000 patacões for the following two years. The much smaller contract for the Bardez customs he increased by 700 pardaos ⁴⁸. Another contract Linhares increased was that for tobacco at Bassein. This had previously been let for 5,800 patacões. The Council of Finance apparently wanted to accept an offer to raise it to 9,000 patacões but Linhares, according to his own account, insisted on a still higher price. Eventually it was settled at 11,650 patacões, an agreement that Linhares claimed cost him much effort and hard work ⁴⁹.

In addition to re-negotiating various customs contracts Linhares sought to improve the operating performance of the *alfandegas* themselves, which were at the time notorious for inefficiency and corruption. An entry in his diary for 23 April 1630 shows that he had by then begun a secret inquiry into the evasion of duties at the Goa *alfandega* ⁵⁰. He visited the customs house

⁴⁴ «Relatório», BNL Pombalina, cod. 490, fol. 193.

⁴⁵ Linhares to crown, 10 December 1634, Coimbra, cod. 459, fol. 384.

⁴⁶ Minutes of Council of Finance, 6 July 1633, HAG, ACF, Ms. 1162, fols. 71v-72v.

⁴⁷ Ajuda, cod. 51-VII-12, fol. 50v.

⁴⁸ *Ibid.*, fol. 27.

⁴⁹ *Ibid.*, fols. 116v, 126v.

⁵⁰ *Ibid.*, fol. 26v.

himself, and was not impressed. He thought the building was inadequate either to store goods or for the officers to carry out their work properly. This provides a partial explanation for one of the most persistent abuses of which the crown had complained – the removal of goods by customs officers to private storage before duties had been paid ⁵¹. Linhares ordered appropriate improvements which he returned to inspect four months later ⁵². But Linhares's most important reform initiative regarding the customs was his establishment of an entirely new *alfandega* at Chaul on the coast of Ahmadnagar where there was a Portuguese fortress and a prosperous casado community with its own *câmara*. The crown had wanted a customs house at Chaul since 1589; but the local citizens backed by successive captains – whose vested interests lay in Chaul remaining a de facto free port – always strongly resisted the policy, and no previous viceroy had succeeded in implementing it. Chaul was a major loop-hole in the Portuguese customs system and Linhares was determined to plug it. Incensed by the inevitable opposition of the moradores of Chaul, which was co-ordinated by the local *câmara*, Linhares eventually withdrew the city's charter and suspended the *câmara* ⁵³. Then in 1633 he commissioned a *visita* by three of his most trusted senior officials to investigate all the Portuguese possessions along the coast north of Goa. The commissioners were instructed, among other things, to establish the Chaul *alfandega*, which they duly did in April 1634 ⁵⁴.

While it is clear Linhares made energetic efforts to increase crown receipts from the *rendas* – and especially from the customs – his success was very mixed. Returns actually declined in 1631, though this was mainly because of famine, which had forced the administration to acknowledge that the contractors could not fully meet their obligations ⁵⁵. Matters improved the following year, despite disruption of shipping by the Dutch. Eventually, according to the viceroy's secretary Pedro Barreto de Resende, returns to the crown from the *rendas* increased by over 300,000 cruzados during the course of Linhares's term. If this was in fact the case it amounted to a very considerable achievement, and would certainly add substance to Resende's description of Linhares as a viceroy who was exceptionally zealous for the crown's interests ⁵⁶.

In addition to the various revenues emanating from the Estado da Índia Linhares was also supposed to have available to him the *socorros da Índia* – annual subsidies sent out from Portugal, usually in the form of silver. As a condition for accepting his appointment as viceroy Linhares had asked for

⁵¹ Alvará, Lisbon, 24 November 1628, ANTT, LM 26, fol. 644.

⁵² Ajuda, cod. 51-VII-12, fols. 82v, 86v.

⁵³ Linhares to crown, 7 November 1632, *Boletim*, vol. 8, p. 10.

⁵⁴ The regimento of the Chaul *alfandega*, dated 24 April 1634, is reproduced in *Boletim*, vol. 12, pp. 459-476.

⁵⁵ AHU, DSI, caixa 10, doc. 78.

⁵⁶ British Library, Sloane, Ms. 197, fol. 70v.

and received written promises signed by the king and the Count-Duke of Olivares that he would be granted *socorros da Índia* totalling 200,000 cruzados for each year of his term⁵⁷. This amounted to about two-thirds of the Goa *rendas* or to twice the projected receipts from the *collecta*. Therefore in theory it should have constituted a very considerable and crucial supplement to the viceregal treasury. However, the *socorros da Índia* in practice never lived up to expectations. This was partly because the extraordinary taxes imposed in Portugal to pay for them (the *real d'água* and the *donativo eclesiástico*) received papal sanction only on condition they were used exclusively to finance action against heretic Europeans. Linhares was therefore legally restricted on how he could deploy the funds – just as he was with the *collecta*. Nevertheless, there were occasions of compelling need when he did divert the *socorros da Índia* to other defence purposes, though he first had to get the backing of his Council of Finance and later justify himself to Lisbon⁵⁸. However, both his predecessors and successors as viceroy treated the *socorros da Índia* in the same manner, while the crown itself on at least two occasions transferred money from the fund to provide advances to high-ranking clergy setting out from Lisbon to Goa⁵⁹. On such occasions the legal restrictions seem to have been circumvented by treating the payments as «loans».

The second and more fundamental problem with the *socorros da Índia* was that the amounts of money shipped out fluctuated greatly from year to year, but were invariably much less than the 200,000 cruzados Linhares had been promised. There was also a long gap of twenty-five months between September 1630 and October 1632 when no ship arrived from Portugal, and therefore no subsidy was received at all. Overall during Linhares's term the largest sum received was 162,196 cruzados in 1633, and the annual average was only 91,908 cruzados⁶⁰. He could do little about this situation except complain to Lisbon, and beg the crown to send more.

What in the final analysis was the impact of all these attempted reforms on Linhares's day-to-day management of fiscal affairs? Before trying to answer this question it needs to be emphasised that when Linhares arrived in Goa the financial resources available to him were virtually confined to what he had brought with him. While it was not particularly unusual for incoming viceroys to confront this kind of situation, in Linhares's case the implications were more serious than usual. This was because only a month

⁵⁷ Linhares reminded the crown of this promise in a letter of 11 December 1634. AHU, DSI, caixa 10, doc. 197.

⁵⁸ Ajuda, cod. 51-VII-12, fol. 133.

⁵⁹ For unauthorised use of *socorros da Índia* by Viceroy Vidigueira see ANTT, LM 27, fol. 287, and by Viceroy Pero da Silva, LM 33, fol. 267v; for funding high-ranking clerics see crown to Linhares, 9 March 1634, and Linhares's reply, 7 December 1634, AHU, DSI, caixa 10, doc. 185.

⁶⁰ ANTT, LM 38, fol. 185.

earlier Nuno Álvares Botelho had left Goa in command of a major expedition to relieve Melaka, at the time believed to be under threat from the Acehnese. The result was Goa had been denuded of military and financial resources leaving, in the words of Linhares's secretary «not a single ship, nor a soldier nor a single *real* to do any of the many things that were necessary»⁶¹. Therefore from the start finding cash to make disbursements was a constant worry – a fact stressed repeatedly in Linhares's diary. On 12 September 1630 Linhares wrote that he had begun to pay soldiers about to embark on the seasonal fleets but had just 300 pardaus in the treasury with which to do so whereas he needed 140,000 pardaus⁶². On 11 December he commented that the problem of getting cash was «the thing that exhausts me most», and again on 28 December that worrying about money was «what tires me most for I do not know from where it can be taken»⁶³. The crown did not have a single *vintém*, did not possess a *maravedi*, had not a moeda to its name – these and similar comments are scattered liberally throughout the pages of Linhares's diary for 1630 and 1631, as he struggled to meet the administration's commitments⁶⁴.

Despite such concerns and constraints it is clear that Linhares's government in fact made frequent and substantial disbursements. Most were for salaries and allowances, for military purposes and – during the famine period – for purchasing food supplies. The pattern had begun within days of Linhares's arrival. Thus several major payments for purchasing rice and other provisions were authorised in November and December 1629 costing about 60,000 ashrafi⁶⁵. The sum of 5,000 ashrafi was sent to the Kanara forts in February 1630 and a further 4,912 ashrafi that September. An amount of 12,000 ashrafi was assigned to the Coromandel fleet in February 1630 and 15,000 more in September, plus an extra 10,767 ashrafi for Ceylon⁶⁶. In 1631 the demands on treasury were particularly heavy because of a series of unexpected military crises. In May that year Linhares lamented he had been obliged to send 86,813 ashrafi in cash and supplies to Ceylon following the disastrous defeat of Captain-General Constantino de Sá seven months before, as well as 11,000 ashrafi in letters-of-credit⁶⁷. It was a similar story in the later years of Linhares's term. A sum of 9,978 ashrafi was shipped to provision the fort at Melaka in April 1634. Five months later a further 12,522 ashrafi was sent to Melaka for defence works, followed by another 19,278 ashrafi in April 1635 and 14,000 ashrafi in September 1635. Ceylon was sent

⁶¹ Pedro Barreto de Resende, in BL Sloane, Ms. 197, fol. 70.

⁶² Ajuda, cod. 51-VII-12, fol. 90.

⁶³ *Ibid.*, fols. 124, 129v.

⁶⁴ For example, see comments on 12, 13, 20 and 21 September 1630, 23 and 30 October 1630 and 6, 9, 10 and 29 November and 11 December 1630, in Ajuda, cod. 51-VII-12.

⁶⁵ HAG, ACF, Ms. 1161, fols. 95-97.

⁶⁶ *Ibid.*, fols. 9v, 97v, 114v, 133v.

⁶⁷ BNL, FG, cod. 939, pt. 2, fol. 31.

36,466 ashrafi in September 1634 and another 19,140 ashrafi in September 1635 ⁶⁸. Meanwhile there were the continuing, endless payments for salaries and allowances. So, where did all this money come from?

In fact, not all these payments were made in cash. Some came in the form of supplies and some as other goods that the recipients were expected to convert into cash themselves, as best they could. Hard-pressed commanders sometimes issued promissory notes on Goa that the viceregal treasury was obligated to honour ⁶⁹. Nevertheless, most disbursements do seem to have been made in cash. At times particular kinds of coins were used such as Melaka tangas, which were specially minted for use in Melaka ⁷⁰. However, since revenue came into the treasury irregularly there was inevitably much hand-to-mouth improvisation. For defence-related disbursements the *socorros da Índia* were a prime source, though the legal restrictions mentioned earlier meant allocations from these funds were often treated technically as «loans». In this way the sum of 36,466 ashrafi taken from the *socorros da Índia* and sent to Ceylon in September 1634 was classified as a «loan». The *socorros da Índia* were also utilised to finance Coromandel fleets, to buy rice for the galleons and even to fit out Linhares's galley for a visit to Malabar in 1631 (on the somewhat unconvincing grounds that the main purpose of the voyage was to organise militarily «against the enemy from Europe») ⁷¹. Receipts from the *collecta* were also used for defence purposes – for example for various naval purchases, and for the wages of soldiers serving in the *terço*, in June 1631 ⁷². Occasionally treasury secured cash by making a profit on its own commodity dealings. In May 1630 it purchased rice at Bassein for 8,000 ashrafi and sold it in Goa for 13,300 ashrafi, using the profit to buy further supplies and for naval purposes ⁷³. Nevertheless, it was frequently the case that cash in hand was inadequate to meet need.

The solution normally adopted when treasury lacked cash was to borrow – and this was at the heart of much of Linhares's concern over the viceregal finances. When Linhares found himself faced with a virtually empty treasury at the start of his term, he began borrowing on the crown's behalf literally within forty-eight hours of his arrival in Goa. The first source he turned to was the newly created Portuguese India Company. On 23 October 1629 he asked the company for a loan of 10,000 ashrafi to fund the Malabar fleet, and then for a further 10,000 ashrafi for the Kanara fleet a few days later. The company board acquiesced, accepting that the fleets were necessary to

⁶⁸ HAG, ACF, Ms. 1162, fols. 122, 133v, 161v, 170v, 175.

⁶⁹ For example see Linhares's diary for 29 May 1631, BNL, FG, cod. 939, pt. 2, fol. 31.

⁷⁰ HAG, ACF, Ms. 1162, fols. 161v, 170v.

⁷¹ See *ibid.*, fols. 99v, 100v, 130v-131, 134v.

⁷² BNL, FG, cod. 939, pt. 2, fol. 43.

⁷³ Ajuda, cod. 51-VII-12, fol. 47.

escort the pepper *cafilas* to Goa. It further agreed to provide loans for the escort fleets on an annual basis, for which repayments would be secured on the *rendas* of the Goa customs ⁷⁴. Linhares also borrowed from other institutions such as the Misericórdia of Goa, traditionally a much-tapped source for loans. On at least one occasion he obtained a loan of 20,000 ashrafi from the *consulado*, a fund raised by means of a special tax collected by the *câmara*. On another occasion, to help pay the soldiers and other needs, he borrowed 14,000 ashrafi from the *câmara* of Bassein and from the proceeds of fines imposed on some *vánias* ⁷⁵. In times of particularly serious emergency he also borrowed or solicited donations from individuals who were heavily pressured to come up with what was wanted. When the Mombasa crisis erupted in 1631 he raised about 12,000 ashrafi from wealthy Portuguese in Goa; but he was nevertheless disappointed at the total, complaining people had contributed with much reluctance «as though they were having their teeth extracted» ⁷⁶. Finding people willing to lend to a government whose credit was inevitably low was naturally a difficult challenge. In September 1630 Linhares complained bitterly there was no-one willing to lend anything to the crown, and expressed himself exhausted by a problem that never seemed to have any real solution ⁷⁷. On 6 November he noted that quarterly payments of salaries had become due and everyone was pressing him for their money. But there was nothing in the treasury to disburse. Next day he wrote that he was desperately trying to find the necessary funds because the expectant payees «are already killing me». On 11 November he was still at his wits end to find a single *real* ⁷⁸.

On a number of occasions Linhares found his only way for securing cash was to dip into his own private resources, or at least borrow for the crown on his own credit. This was a solution adopted to fund, in whole or in part, the necessities of sundry fortresses, fleets and expeditions. In September 1630 he borrowed on his personal security 15,000 ashrafi to cover the more urgent needs of the Kanara and Malabar forts ⁷⁹. For the Mombasa expedition in 1631 Linhares provided a personal loan of 22,578 ashrafi. He raised this sum by selling his wife's proprietary rights to the fortress of Sofala ⁸⁰. Early in his term Linhares also borrowed on his own credit to pay soldiers. Emphasising what all this was costing him he bluntly told Lisbon in November 1630 that he had so exhausted his credit that there was now «not a man» in India who would lend him as much as 100 cruzados, and he had

⁷⁴ Ajuda, cod. 46-XIII-30, fols. 17v, 20v-21.

⁷⁵ See AHU, cod. 218, fol. 2; BNL, *FG*, cod. 939, pt. 2, fol. 95; Ajuda, cod. 51-VII-12, fol. 90; *Boletim*, vol. 8, p. 185.

⁷⁶ BNL, *FG*, cod. 939, pt. 2, fols. 95, 103v; AHU, cod. 218, fols. 79-80.

⁷⁷ Ajuda, cod. 51-VII-12, fol. 91v.

⁷⁸ *Ibid.*, fols. 107v-108, 109v.

⁷⁹ *Ibid.*, fols. 90v, 93.

⁸⁰ AHU, cod. 218, fol. 80; BNL, *FG*, cod. 939, pt. 2, fols. 104, 105v.

been reduced to the personal indignity of wearing a torn shirt ⁸¹. Possibly such difficulties were less acute later in his term, for there is no mention of his borrowing on personal surety in his 1634 diary. However, the omission could equally well indicate such borrowings had become so routine as to warrant no mention.

In conclusion, Linhares was an energetic and determined overseer of the state's finances who sought to inject new life into an ill-functioning, tradition-bound system. He tried to introduce procedural changes, eliminate blatant abuses and remove incompetent officials, and he successfully increased the returns to the state from the *rendas*. Nevertheless, it is difficult to avoid the conclusion that many of his fiscal reforms, such as revenue consolidation and shifting the emphasis in public spending away from ecclesiastical and bureaucratic patronage towards military needs, achieved at best only marginal success. In the end the fiscal reform program petered out and there was little fundamental change in the ways in which things were done. The adverse conditions of the times, and the forces of inertia that had such a hold over the Estado da Índia, simply proved too strong for even so determined a viceroy as the Count of Linhares.

⁸¹ HAG, LM, 14, fol. 24.