

## SWEDISH-PORTUGUESE TRADE AND SWEDISH CONSULAR SERVICE, 1700-1800

Leos Müller\*

*Abstract:* The suggested paper will deal with eighteenth-century trade between Sweden and Portugal. Since the late seventeenth century Portugal was Sweden's most important trading partner in southern Europe, first because of the importance of Portuguese salt in Sweden, second as a market for Swedish staple commodities (iron, tar, pitch and sawn timber). Portugal's significance in Sweden's trade was the reason why the first Swedish consuls were appointed to Lisbon and why that consulate is Sweden's oldest consulate. In difference from other areas of trade, Sweden's trade with Portugal was very much an outcome of such institutional preconditions. There were no "natural" mercantile networks in this business, in contrast to Sweden's trade with the Baltic, Britain and Holland. Thus consuls and consular service did play a key role in the trade development and consular reports, which this paper will be based on, provide excellent picture of this development

*Lissabon utgör likasom medelpuncten af så kallade Europäiska handelsvärlden och är för Sweriges såväl sjöfart som svenska producters afsättning af synnerlig wigt, altså är det magtpåliggande at den warder besatt med en sådan person, af hwarest egenskaper man kan wänta upfyllandet af svenska handelns nödwändiga behof på denna wigtiga handelsplats.*

Stockholm Merchant Association on the appointment of Johan Abraham Kantzow as consul to Lisbon, 10 September 1781<sup>1</sup>

### Introduction

Salt played a very important role in Sweden's eighteenth-century foreign trade and, consequently, a significant part of Sweden's foreign trade policy touched salt trade, in one or another way. The main, and quite predictable, reason of this interest was the special character of salt as a *necessity* and as a *non-substitute* commodity.

\*leos.muller@hist.uu.se. Associate Professor, Uppsala University. 1991-1998: Uppsala University, Sweden, graduate studies in history; 1998: Uppsala University, Sweden, PhD degree in history; 2003 Södertörns högskola/University College, Associate Professor in History. Has published two books, *The Merchant Houses of Stockholm, c. 1640-1800. A Comparative Study of Early-Modern Entrepreneurial Behaviour* (Uppsala 1998) and *Consuls, Corsairs, and Commerce. The Swedish Consular Service and Long-distance Shipping, 1720-1815*, (Uppsala 2004) and a number of articles about early modern trade.

1. Jansson, E Alfred, "v. Kantzow. En adlig köpmannasläkt". *Forum navale*, nr 19-20, 1964, p. 50

Salt was needed for food preservation, and such need was especially apparent in a country like Sweden—with short growing season and large travel distances. Moreover, Sweden had no natural sources of salt and, so, salt had to be imported from abroad. Already by the sixteenth century substantial volumes of salt were imported from Portugal and Spain and in the eighteenth century—the period in focus of this paper—the Iberian and Mediterranean salt made some 90 % of salt imports.

Another reason of the significance of salt was the sheer volume of salt trade. It required enormous carrying capacity. During the seventeenth and eighteenth century salt was, after grain, the second most voluminous commodity in Sweden's import trade; by the late eighteenth century salt import volume even exceeded volume of imported grain!<sup>2</sup> As regards the shipping from Southern Europe almost all the available capacity on return route was used for salt cargoes.<sup>3</sup>

The Swedish state had two long-term objectives in its trade policy on salt: to make supplies sufficient and safe and to keep prices reasonably low. Consequently, already in the second half of the seventeenth century the state policy aimed at: first, to reduce the Dutch role in carrying of salt, and, second, to build up sufficient and cheap carrying capacity—in other words building up Swedish merchant fleet. In the mid-seventeenth century the Dutch dominated carrying trade to and from Sweden and this made, in the view of Swedish authorities, transports expensive. Moreover, profits from the shipping business stayed in the Dutch hands. Hence, reduction of foreign shipping became one of the key aims of Swedish mercantilist policy launched after 1650. However first after the Great Northern War, in 1721, this policy was shaped in full-fledged Swedish Navigation Act (modeled according to the British prototype).

The issue of salt prices and success or failure of the state mercantilist policy had been disputed already during meetings of Swedish Estates (*riksdag*) in the eighteenth century, and even present Swedish historians have addressed the question.<sup>4</sup> At the core of this discussion is the issue of benefits and detriments of mercantilism and the state economic policy, and so it has been ideologically coloured.

There seems to be no unambiguous explanation of the Swedish preference for southern European salt. Without doubt, French and English salt could be obtained at nearer places and at same or even lower price, neither quality can really explain the preference. This consumption pattern seems to be an outcome of custom, path dependency and political circumstances. There was a significant import of the Portuguese salt into the Baltic already during the sixteenth century—a part of the large scale Dutch trade in grain—and the Swedes became accustomed to it. Then, this consumption and import pattern was, in the mid-seventeenth century, strengthened by the establishment of direct diplomatic and commercial connections between Sweden and the Iberian states. The decline of Dutch shipping to Sweden did not affect the consumption of the Setubal salt. Contrary, rising number of Swedish vessels, so-called *Spanienfarare*, sailed directly to Spain and Portugal. By the 1680s and 1690s this direct traffic accounted for about twenty vessels annually.<sup>5</sup>

The Great Northern War, especially the period 1710-21, interrupted this trade and

2. Högberg, Staffan, *Utrikeshandel och sjöfart på 1700-talet. Stapelvaror i svensk export och import 1738—1808*. Stockholm 1969, p. 216.

3. Müller, Leos, *Consuls, Corsairs, and Commerce. The Swedish Consular Service and Long-Distance Shipping, 1720-1815*. Uppsala 2004, p. 140 (Table 5.4).

4. See especially Eli F Hecksher, and Carlén's revision of Heckscher's statement, see note 7.

5. Müller, *Consuls, Corsairs, and Commerce*, p. 51.

caused salt scarcity. However, this experience did not change the Swedish preference for Iberian and Mediterranean salt. Instead, the trade policy after 1721 was shaped in accordance with the established consumption pattern; the policy started from the precondition that salt must be of Southern European origin.

My paper aims at first to explain the ground of this policy of the 1720s. Second I will look in detail on the history of Swedish consular office in Lisbon, and I will analyze the consuls' activities in the perspective of the Swedish trade policy. At the end, I will discuss the significance of different factors affecting the Swedish salt trade in the period 1700-1800.

## II Swedish trade policy and the role of Portuguese salt after 1721

After the disastrous outcome of the Great Northern War the ambitions of the Swedish state turned from territorial expansion to commerce and the focus shifted from the east to the west and south. Southern Europe became an attractive area not only as salt supplier but also as a new market for Swedish staple commodities: iron, copper, tar, pitch and sawn timber. Moreover, Southern Europe began to be seen as a market for shipping services provided by Swedish vessels. To promote this shift the state launched an institutional package that deserves more detailed description.

First, there was the Swedish Navigation Act (*produktplakatet*) of 1724. Convoy service was reorganized in the same year and new Convoy Office (*Konvojkommisariatet*), a special office for convoying of Swedish merchant vessels, was created. The third step in the process was establishment of the Swedish consular service in Southern Europe and North Africa.

The Swedish Navigation Act was the outcome of political and economic debate between 1718 and 1723. The starting point of the debate was the decline in Swedish shipping during the war years 1710-20 and the rising share of the Dutch and English shipping to and from Sweden. Specifically, the debate concerned trade deficit which, it was argued, was the result of the unfavorable carrying balance. Statistical evidence of the unfavorable balance of trade was supplied by the Board of Trade, and the data was used by great merchants during the Estates' session. In 1723 the session passed the Navigation Act (valid from 1 January 1724). The Act prohibited imports and exports to and from Sweden on any vessels other than Swedish ones or that of those nations where the commodities traded originated. It was modeled according to the English Acts and—as its model—it was directed against the Dutch transit carrying.

The shipping data for Swedish vessels from the Sound indicates that the Act was successful. There was one Swedish vessel passing the Sound in 1720, no vessel in 1715, and 20 in 1720 when the peace with Denmark was signed. However, already in 1725 there were 224 Swedish vessels passing the Sound and 514 vessels in 1730. The Dutch shipping to Sweden collapsed. In 1719 and 1720 there were over a hundred Dutch vessels annually passing the Sound on their way from Sweden. In 1725 and 1726 there were six, respectively three Dutch vessels passing the Sound from Sweden—compared to almost 2,000 Dutch vessels coming from non-Swedish ports in the Baltic.<sup>6</sup> Most probably, the shift from the Dutch and Swedes in the Sound tes-

6. Müller, *Consuls, Corsairs, and Commerce*, p. 62, and Bang, Nina Ellinger-Korst, Knud, *Tabeller over skibsfart och varetransport gennem Øresund 1661—1783*. Copenhagen 1930.

tifies mainly the changes of flag; Dutch shipmasters simply registered their vessels in Sweden to adapt to the new Act. But in the long-term perspective the Swedish-owned and Swedish-built shipping capacity began to replace that of the Dutch.

Why did Swedish authorities pay so much attention to the issue of shipping capacity? The debate on trade deficit concerned two major commodities in Swedish trade: iron, which was the major export article and required substantial carrying capacity, and salt. The major market for iron was Britain and iron was carried both on British and Swedish vessels. As the transit trade in iron was small the Navigation Act had little impact on it, and so on the demand for Swedish carrying capacity for iron. The situation was very different as regards salt. In the period 1710-1720 the Dutch controlled Swedish salt imports and this trade was based on the transit trade via the Dutch entreport. From January 1724 trade between Iberian Peninsula and Sweden could be carried on only on Portuguese, Spanish and Swedish ships, which in fact meant Swedish carrying monopoly because there were no Portuguese or Spanish ships sailing to Sweden. Thus the Navigation Act mainly affected salt trade.<sup>7</sup>

The reform of the Swedish convoy system might be seen as a necessary complement of the Navigation Act: if the Swedish vessels were sailing to Southern Europe they needed protection against belligerent states, privateers and Barbary corsairs. Thus a special new duty (*extra licenten*) was passed to pay the convoying, and the new Convoy Office was established in Gothenburg. The Office organized convoying of Swedish vessels during the inter-European conflicts—means mainly Anglo-French wars. As regards the situation of Swedish vessels in the Mediterranean, the Office got one unexpected function. It was supposed to coordinate and to pay for the peace treaty system with the North African states, which also included consular service. First such treaty was signed with Algiers in 1729, followed by treaties with Tunis in 1736, and Tripoli in 1741.<sup>8</sup> Consuls in North Africa had a semi-diplomatic function. By avoiding an embassy representations, the European powers marked that Barbary states were not full-fledged members of the European states system.

Parallel with the consular service in North Africa, Sweden established a number of consulates in Spain, Portugal, France, and Italian states. No fewer than thirty such offices were set up in Southern Europe. With exception of Lisbon these consulates had purely commercial function. It should be noted that Lisbon consulate, the oldest Swedish consulate, was founded already by the 1660s.<sup>9</sup>

To conclude, the institutional package of the 1720s promoted Swedish shipping and trade with Southern Europe. Salt supplies were not the only cause of this policy but undoubtedly the most important cause—at least at the moment. In the course of the eighteenth century the significance of salt trade relatively declined. Shipping for freights, exports of staple commodities and re-exports became more important.

7. For the different views of the Swedish Navigation Act see: Heckscher, Eli F., "Produktplakatet: Den gamla svenska sjöfartspolitikens grundlag", in Heckscher Eli F., *Ekonomi och historia*. Stockholm 1922, Heckscher, Eli F., *Den svenska handelssjöfartens ekonomiska historia sedan Gustaf Vasa Sjöhistoriska samfundets skrifter*, no 1, Uppsala 1940, pp. 21-23, Carlén, Stefan, "An institutional analysis of the Swedish salt market, 1720-1862", in *Scandinavian Economic History Review*, 1994, pp. 3-28, Carlén, Stefan, *Staten som marknadens salt. En studie i institutionsbildning, kollektivt handlande och tidig välfärdspolitik på en strategisk varumarknad i övergången mellan merkantilism och liberalism 1720-1862*. Stockholm 1997.

8. Müller, *Consuls, Corsairs, and Commerce*, p. 60.

9. Almqvist, Johan Axel, *Kommerskollegium och rikens ständers manufakturkontor samt konsulsstaten. Administrativa och biografiska anteckningar*, Stockholm 1912-1915, pp. 30, 410.

### III The Swedish consulate in Lisbon

As mentioned above, the Lisbon consulate is Sweden's oldest consulate. It is also the consulate that differs from the consulates established after 1700. The Swedish consul to Lisbon had both commercial/consular and diplomatic duties. Looking at the Swedish relations with Britain, Spain, France, Denmark or Russia there had always been clear distinction between consuls and diplomats, marked also by different seats of embassies (capital) and consulates (the most important port-cities). In Portugal, however, the functions were carried out by the consul. The consulate in Lisbon was the only Swedish consulate paid by Foreign Office and the combined diplomatic and consular functions also were marked in the consular instruction, for example for consul Carl Henrik Harmens in 1722.<sup>10</sup>

The Lisbon consulate was also the most important consulate in the Swedish consular system, due to Portugal's role as the major supplier of salt, and a large market for Swedish goods, and due to the unique status of the consul as Sweden's envoy. The Lisbon consulate had been continuously occupied and the consuls kept detailed record of their business. These reports are part of the consular archive of the Swedish Board of Trade and provide us with detailed information on the consulate's history.<sup>11</sup> The reports also mirror well the changing role of salt in the Swedish trade between 1700 and 1800. To exemplify the shifting priorities in trade I will pay attention to activities of some leading consuls in the period.

Joachim de Besche was consul between 1704 and 1721, during the Great Northern War. Two big issues dominated his reporting: salt and Barbary corsairs. He wrote in detail about annual conditions of production and sales of salt. He paid attention to weather that affected amount of salt produced and consequently prices. For example, in October 1712 he estimated the supply of salt in Setubal at 150 ship cargoes, which he meant was little. The production that autumn was negatively influenced by September rain (letter of 18 October 1712). He informed also in detail about prices. Prices were always mentioned first without duties and then with all duties (so-called free-on-board-price). He informed about the royal policy concerning the salt production. For example, in 1709 de Besche meant that the Portuguese policy was to produce rather limited amount of salt, to fetch high prices. He also suggested that the only lasting solution of the problem with high prices would be a large salt contract between Sweden and Portugal.

The other problem that de Besche paid much attention to was Barbary corsairs. Swedish vessels appeared normally to benefit from Dutch convoying along the Iberian coast, yet in 1709 the Dutch Republic signed the peace treaty with Algiers which stopped the Dutch convoying. An indirect outcome of the treaty also was increase in corsairing against small carrier flags, such as Sweden, Denmark, Hamburg, Lübeck and Danzig. De Besche suggested some solutions to the corsairing problem, but—in the long term—the only solution was peace with the corsairing states. Repeatedly he mentioned that this was the practice that the French, English and Dutch used.

In addition to salt and Barbary corsairs de Besche commented on market for

10. Tunberg, Sven and others, *Den svenska utrikesförvaltningens historia*. Uppsala 1935, p. 304. Consuls at Barbary states were also salaried, but not by Foreign Office. Their salaries were paid by the Convoy Office as a part of the peace treaty package with the Barbary states.

11. Board of Trade, *Kommerskollegium Huvudarkivet, Skrivelser från konsuler, Lissabon, E VI aa, vls 223-5*. Swedish National Archives (RA, Stockholm).

Swedish products in Lisbon. This kind of information appears to increase in significance by 1720, most probably because of the end of the war in the north. Attention was also paid to Portugal's political life, not least the king, the court and royal expenses. Yet, very little in the reports indicates de Besche's diplomatic mission. He left his consular mission in 1721, also before the institutional package described above was passed. Nevertheless, his reports show that the issues addressed in the package indeed played significant role in the trade with Portugal.

Next consul who will receive more detailed attention is Anders Bachmanson Nordencrantz, appointed to Lisbon for years 1727-38. Anders Bachmanson Nordencrantz is probably the most influential economic thinker of eighteenth-century Sweden. He spent the early 1720s in Britain and he got in contact with major mercantilist literature of the time. Anders Bachmanson Nordencrantz major economic work, *Arcana oeconomiae et commercii*, published in 1730, pays attention to the issue of salt supplies and the role of the trade with Portugal.<sup>12</sup>

Bachmanson Nordencrantz took actively part in the Swedish Estates' session 1726-27 and the appointment to Lisbon appears the reward for his political work. In theory, he also was the best qualified ever consul in Lisbon, with his knowledge of commerce and economic thought. In practice, he was controversial. He did not belong the Swedish merchant elite and he lacked the necessary contacts with merchants involved in the trade with Portugal. This, in spite of his other qualifications, would cause many future problems.

Undoubtedly, Bachmanson Nordencrantz also was the most prolific report writer occupying the Lisbon consulate. His reports provide us with detailed information on the state of trade but often they also contain high-flying and lengthy schemes for development of the Swedish-Portuguese trade, and bitter complains about conflicts with merchants and shipmasters and about lacking means for his service. His mercantile projects were directed against the traditional conduct of business in Lisbon, business dominated by few leading houses from Stockholm. Bachmanson Nordencrantz proposed in his schemes monopoly of all Swedish trade with Portugal in one national merchant house. This—he claimed—would improve the price ratio of Swedish imports and exports. Another favorite idea was the overall salt contract, so called *repartition*, with Portugal with fixed prices.

Nothing of his high-flying schemes was realized. Instead, the consul got quickly in troubles with Swedish merchants and shipmasters. His idea to make the Portuguese-Swedish trade a state- (or consul-) controlled business, financed by consular fees, met harsh opposition. According to existing practice, Swedish consuls made their living mainly as commission agents of Swedish merchant houses. The official consular fees, and the small salary in Lisbon, made just a contribution to their living costs. In the case of Lisbon the situation was even more difficult because of the expensive living in the city. Bachmanson Nordencrantz complained often on his high living costs, expensive housing and the lack of resources to represent Sweden in proper way. Moreover, he complained about Swedish shipmasters who avoided paying consular fees. For example, in 1730 the Swedish ship *Diligence* anchored at Lisbon under the English flag. According to the consul the vessel changed its flag to

12. This work and its data on salt received detailed analysis in Erik Lindberg, "An 18<sup>th</sup> Century Swedish perspective on the Portuguese Salt Industry. With trade and production figures", *1 Seminário Internacional sobre o Sal Português*, edited by Inês Amorim. Porto 2005, pp. 181-196.

avoid the Swedish consular fee.<sup>13</sup> Naturally, it is difficult to evaluate the contents of the information. It might be a rare event, it might, as well, reflect a typical behavior.

In the early 1730s high salt prices became the consul's biggest trouble. In autumn 1732 the official price of salt was put at 4,000 *rees* per *moio*. Normally, prices fluctuated between 2,000 and 3,000 *rees*. According to the consul, the setting of this high price was the calculation from the Portuguese side that Sweden could not manage it without Portuguese salt. Next year, however, salt prices declined to about 3,000 *rees* and Bachmanson Nordencrantz asserted that it was his effort, the negotiation with the Portuguese authorities, that lowered prices. The effort was not for free, the consul sent to Stockholm a bill for 8,000 dollar copper-money for negotiation costs and Stockholm merchants were supposed to pay the sum.

This claim met angry reaction. Stockholm merchants stated that salt prices in Portugal declined because of diminished demand in Portugal. Merchants, instead of buying their salt in Setubal and Lisbon, sailed to the Mediterranean and purchased salt cargoes there. They wrote in their answer to the Board of Trade: "The merchants were not at all aware of any action of Mr Agent Bachmanson that should have the slight effect on the decline of the salt price in Portugal..."<sup>14</sup> Moreover, they harshly criticized the consul's plans for large scale salt contract and, in general, his conduct of the office. The conflict between the consul and the Association of Wholesale Merchants (*Grosshandels societeten*) went to the court and Bachmanson Nordencrantz left Lisbon in 1734, to defend himself in Sweden, and he never returned. He lost the lawsuit in 1736 and formally his appointment in 1738.<sup>15</sup>

In the late 1750s and the 1760s Bachmanson Nordencrantz became one of the most outspoken political figures and critics of mercantilist policy—in spite of the fact that in the 1730s he was a typical mercantilist. His political standing undoubtedly was marked by the bitter experience from Lisbon.

Next consul appointed to Lisbon was a reliable member of the Stockholm merchant elite, Arvid Arfwedson. During his time in Lisbon (1738-56) the business was conducted in traditional way, with salt and imports of Swedish staple commodities as the consul's major interest. The reports mentioned frequently also Brazilian fleets and exotic West Indian goods. This is most probably an indication of the Arfwedson family's interest in colonial trade. In 1745 the consul's Stockholm brother obtained privilege for establishing Swedish West India Company. The project failed, due to the Spanish resistance.<sup>16</sup> However, the family continued with its interest in the Atlantic trade in the rest of the century.

As mentioned previously, salt dominated interest of the Swedish consuls during the period. But it is apparent that, from about 1740, there was another issue that increased in significance—shipping services. Initially, the motive was the War of the Austrian Succession (1739-48) that engaged Britain and Spain. Sweden stayed neutral and, as a substantial shipping nation, it could charter its carrying capacity. This strategy became clearly defined already during the 1740s, but the neutrality shipping indeed expanded later, especially during the American War of Independence and

13. Müller, *Consuls, Corsairs, and Commerce*, p. 101.

14. Meeting (10 July 1733??) Board of Trade, *Kommerskollegium Huvudarkivet, Skrivelser från konsuler, Lissabon, E VI aa, vol. 224*. Swedish National Archives (RA, Stockholm).

15. Nilzén, Göran, "Anders Nordencrantz som konsul i Portugal. En studie över bitterhetens ideologiska och politiska följder", in *Personhistorisk tidskrift*, 1987, pp. 38-49.

16. Müller, *Consuls, Corsairs, and Commerce*, p. 101.

French Revolutionary Wars.

Unfortunately, the collections of consular reports from the 1750s, 1760s and 1770s do not provide such a comprehensive picture of development as for the earlier period. Thus we have no first-hand reports on the Lisbon earthquake 1755. Johan Albert Kantzow, the last consul, whom I will pay more attention, and the consul who left substantial volume of reports, arrived at Lisbon in 1781. By that year, there was no Swedish firm in Lisbon. In similarity with the Arfwedson, the Kantzow family was a typical mercantile elite family. Belong to the mercantile elite was an advantage for a consul who was supposed to survive on trade commissions. Kantzow succeeded rather well as commission agent during the commercial boom of the American War of Independence and during the second part of the 1780s. However, his economic situation deteriorated during the French revolutionary wars and the firm went bankrupt in 1798. It seems that the major cause were loans to French merchants. The revolution and wars disrupted trade with France and this negatively affected firms extensively trading with France.

In spite of the bankruptcy Kantzow could continue his office and, in 1808, he followed Portugal's royal court across the Atlantic to Rio de Janeiro. He was appointed the first Swedish envoy to Brazil. The Kantzow family then continued to occupy the consular office in Lisbon even after the Napoleonic Wars and their firm became one of the largest companies engaged in the Atlantic trade and trade with East Indies. For example, Johan Abraham Kantzow Jr.'s (son's) firm Kantzow & Biel was the first private Swedish firm to establish direct contact with China.<sup>17</sup>

In comparison with the early period of the Lisbon consulate—here represented by de Besche—it is clear that the trade and consequently focus of the consuls' interest shifted. While conditions of salt trade and salt production, and Barbary corsairs occupied much space in de Besche's reports, by the late eighteenth century consuls reported on political conditions, sales of Swedish commodities. But the reports also paid attention to markets for colonial goods. It is obvious that salt declined in significance in the Swedish-Portuguese trade. In spite of this shift in priorities, salt imports continued to grow and salt carrying continued to require a large share of Sweden's shipping capacity. As mentioned above, by the late decades of the eighteenth century salt replaced grain as the most voluminous import commodity. Partly, the continuous increase in salt imports filled the demand of booming fishing industry in Western Sweden. Nevertheless this demand also could be supplied by other non-Swedish carriers and by salt from other places. Portugal and the Mediterranean were the most distanced salt suppliers. The concluding section will look at the quantitative characteristics of the salt trade and Swedish carrying capacity and it will provide some tentative answers to this question.

#### IV Salt trade and Swedish shipping in Southern Europe

Total salt imports in Sweden continued to increase during the whole eighteenth century. According to the official statistics Sweden imported about 140,000 barrels of salt by 1740. By the 1780s and 1790s the import volumes reached 300,000 bar-

17. Müller, *Consuls, Corsairs, and Commerce*, p. 106 (note). Swedish trade with China was organized through the monopoly East India Company, which was abolished in 1813.

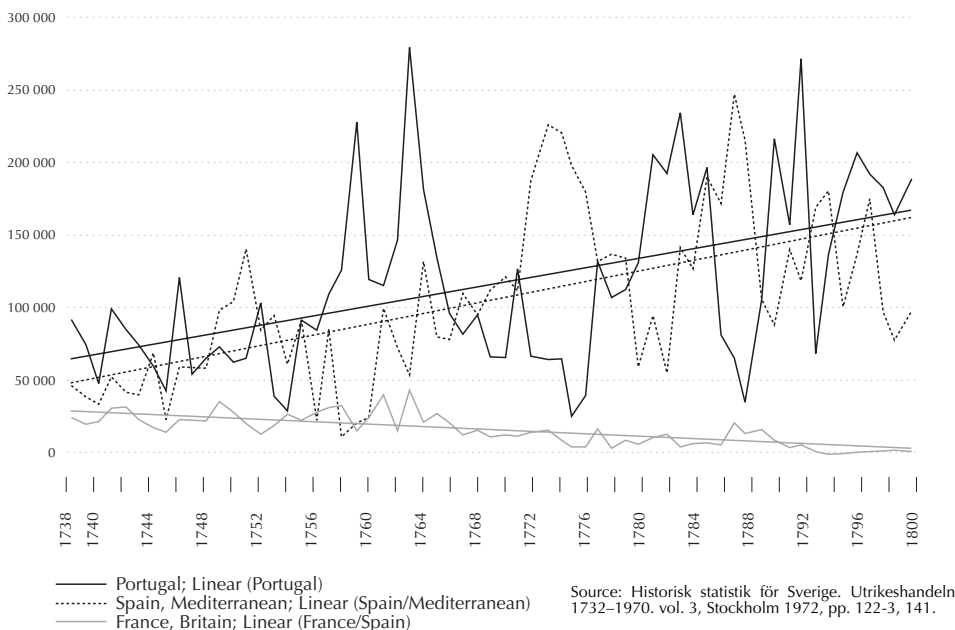


rels of salt, which means that the volume doubled in fifty years. (Figure 1)

Herring industries in western Sweden may explain a significant part of the increase. The boom in herring fishing on the west coast started in the mid-eighteenth century and it reached its top by the 1780s and 1790s.<sup>18</sup> In 1791-95 Gothenburg and Bohuslän, the herring producing areas, received about a half amount of salt imported to Sweden.<sup>19</sup> This means, that almost all the increase in the salt imports between the 1740s and 1790s may be related to the herring industries' demand. At the same time, western Sweden moved to Spanish and Portuguese salt. About 1750, only one-quarter of the salt imported to Gothenburg was of Spanish/Portuguese origin, in 1790 the share of that salt increased to 92 %, and in 1800 to 95 %.<sup>20</sup>

Gothenburg and western Sweden became important destination of salt cargoes, however the west coast had few commodities to export to Southern Europe. Instead the trade was organized in a triangle trade pattern. Ships from Swedish Baltic ports (Sweden's east coast and Finland) sailed to Southern Europe with staple commodities. The commodities were sold in Lisbon, Cadiz, Marseilles, or other ports, and the ships went tramping for freight in the Mediterranean. They stayed there for a couple of months, normally until next sailing season in the north; between January and March the Baltic Sea was frozen and consequently closed for shipping. After a period of tramp shipping, the vessels continued to Iberian ports Lisbon, Setubal, Figueira or Porto to load salt and return to western Sweden.

Fig. 1 Swedish salt imports (barrels) by origin, 1738-1800



18. Högberg, *Utrikeshandel och sjöfart*, p. 164 ff.

19. Andersson, Bertil, "Not only salt. Trade between Spain and Göteborg 1750-1820. A preliminary study". In Ruiz E M, Pi Corrales M de Pazzis (eds) *III Spain and Sweden: Encounters Through History*. Puertollano 2000, p 281, Mörner, Magnus, "Swedish trade and shipping with the Iberian Peninsula. From the 16th century to the 19th century". In Ruiz E M, Pi Corrales M de Pazzis (eds) *III Spain and Sweden: Encounters Through History*. Puertollano 2000, p. 115.

20. Andersson, "Not only salt", p. 281.

Figure 1 differs between three salt supplying areas: Portuguese salt, salt from the Mediterranean/Spain, and salt from France/Britain. First, we may assert that the salt from France and Britain—the nearest suppliers—was of rather limited significance at the beginning of the period and it declined into insignificance by 1800. Second, as regards the trends in the Mediterranean, Spanish and Portuguese salt trade, the development was opposite. In the long term both the imports of Mediterranean/Spanish and Portuguese salt increased in roughly the same rate and, by the end of the period, their shares accounted for a half each, totally 300,000 barrels. Looking at the imports from the Mediterranean/Spain and Portugal, we can note that they matched each other. When the volumes of the Portuguese salt declined, the imports from the Mediterranean expanded, and when the Portuguese salt recovered, that from the Mediterranean went back. This confirms the practice of Swedish merchants to acquire salt cargoes in the Mediterranean, when Setubal prices were high. The practice was employed already by the 1690s and it was mentioned above.

Salt imports demanded immense carrying capacity. It has been stressed that the issue of carrying capacity for salt supplies was the key question in 1723, when Navigation Act was discussed. Expanding salt imports naturally required more and more Swedish carrying capacity. Comparison of salt imports in heavy lasts (Swedish measure unit of ship tonnage) and the incoming Swedish shipping from Southern Europe indicate that almost all capacity employed on the return route Southern Europe-Sweden was used for salt.<sup>21</sup>

Studying the ratio between salt price per volume unit and the required carrying capacity reveals that salt trade was no lucrative business. In spite of the huge demand for capacity, salt imports accounted in value for only 5 % of total Swedish imports in 1769, 4 % in 1770, and 7 % in 1771. For comparison, grain imports, that required as much shipping capacity as salt, were valued at 39% cent of total Swedish imports in 1769, 28% in 1770 and 29% in 1771. We have to note, too, that the grain was imported from eastern coasts of the Baltic, not from the faraway Mediterranean.<sup>22</sup> To my knowledge, there is no study of profitability of Swedish salt trade, but apparently, it is dubious to see this trade as profitable. Such a perspective makes also the contemporary extensive critic of Swedish shipping policy comprehensible.

The Swedish historian Stefan Carlén suggested that the Swedish policy in salt trade might be seen as an early example of Swedish welfare state policy. Swedish politicians, instead of seeing salt as a lucrative taxable commodity—as it was in France, for example—perceived salt as everyone's necessity that should be secured by the state in sufficient amount and at reasonable price. This was their primary aim, not the profitability of the trade or tax income. So, the policy was shaped to secure this aim, notwithstanding costs. And the price level and sufficient supplies appear to confirm that the policy was successful.<sup>23</sup>

This explanation is plausible; however I would like to complement it with other explanative factors. Even if the salt policy shaped the pattern of Swedish commercial connections with Southern Europe it was not the only factor that affected the development. First, Southern Europe became increasingly important market for Swedish metal exports. I am more hesitant as regards Southern Europe as market for timber; looking at the price-volume ratio, sawn timber is not much more profitable com-

21. Müller, *Consuls, Corsairs, and Commerce*, p. 140.

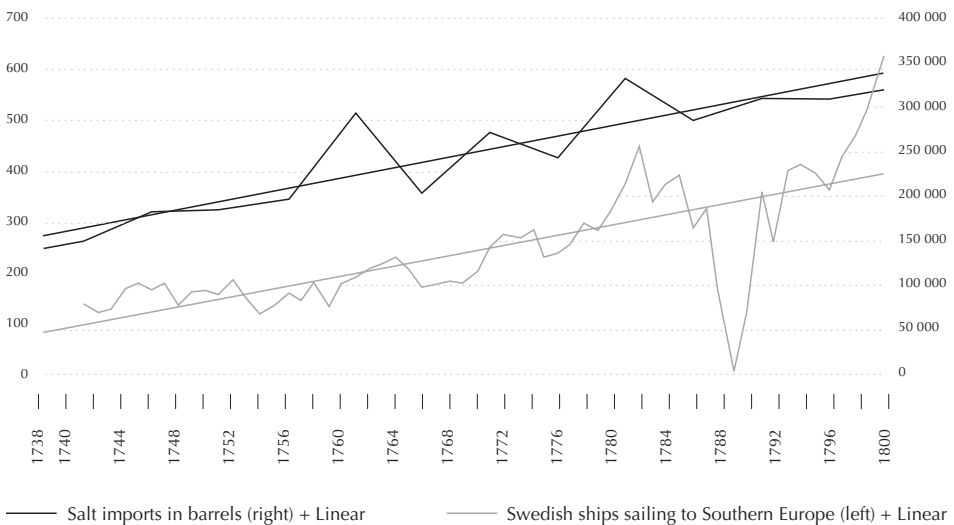
22. *Historisk statistik för Sverige. Utrikeshandeln 1732–1970*. vol. 3, Stockholm 1972, p. 156 table 1.24.

23. Carlén, *Staten som marknadens salt*. passim

modity than salt. Strangely also, Swedish timber exports to Southern Europe arrived from the Baltic, from Stockholm and Finland. Gothenburg area and southern Sweden exported their sawn timber to Britain and the southern Baltic, also much nearer markets. It seems that sawn timber exports from Stockholm were carried out partly by shipping companies, not by specialized merchants, which was the case of iron trade.<sup>24</sup> Second and undoubtedly very important factor in the expansion of salt trade by the end of the eighteenth century was the west-Swedish herring industries. Herring industries explain why the Swedish salt imports could double without any large re-export trade.

The third and in my opinion most forgotten factor of the development after 1740 is the Swedish shipping. The market for shipping services in Southern Europe was relatively free, due to the numerous conflicts between Spain, France, Italian states, Britain and the North African states, and independent/neutral carrier could find many profitable cargos. This opened door for Swedish ship-owners and shipmasters. Sweden early signed peace treaties with the Barbary states, which made Swedish ships safe and insurance rates low. Moreover, Sweden purposely built up the network of consular offices all around Southern Europe that provide home authorities with business information and Swedish ship-owners with freight contracts. In addition, Swedish crew wages were rather low, labor productivity high and shipbuilding costs reasonable, in comparison with the leading maritime nations.

Fig. 2 Swedish ships sailing to Southern Europe, and salt imports, 1738-1800



Source: Historisk statistik för Sverige del 3 utrikeshandeln 1732-1900, pp. 122-3, 141, and Müller, Leos, *Consuls, Corsairs, and Commerce. The Swedish Consular Service and Long-Distance Shipping, 1720-1815*. Uppsala 2004, p. 236, Appendix D.

The major comparative advantage was Sweden's neutrality. In similarity with Denmark, Sweden stayed aside of the Anglo-French wars. The only exception of this rule was the ill-prepared and reluctant participation in the Seven Years' War and nei-

24. Högborg, *Utrikeshandel och sjöfart*, pp. 127-8.

ther this lead to the conflict with the British. Looking at the activities of Swedish ships in Southern Europe, as indicated by issued Algerian passports, we can establish near correlation between Anglo-French wars and Swedish shipping booms. (see Figure 2) This correlation, in particular, was strong during the American War of Independence and during the French Revolutionary Wars. The Mediterranean and Iberian Atlantic coasts were the markets for the profitable tramp shipping of Swedish shipowners. Suppose that the profitability of tramp-shiping were good, then it did not play such important role if shipowners made money on import cargoes of salt. Outward sawn-timber and inward salt cargoes might be seen as a rather efficient way of employing carrying capacity. A typical feature of the shipping companies was that they combined in their accounts these three activities, which makes it difficult for us to separate freight profits from profits in timber or salt trade. Moreover, we are still missing such detailed analysis of accounts of a shipping company.

Three factors have been pointed out as decisive for the development of Sweden's trade with Southern Europe and specifically its salt trade. There was the determined mercantilist policy of the 1720s that created the institutional framework of Swedish trade with Southern Europe. One of the primary aims of the package was sufficient and cheap supplies of salt—an early modern welfare state institution. Another factor was the Southern-European demand for Swedish staple commodities, such as iron, tar, pitch and sawn timber. The third factor was the demand for Swedish shipping capacity in the numerous eighteenth-century wars. Due to its rather peripheral geographical situation and its status as neutral small state, Sweden could exploit a market niche left by other maritime states and, by the 1780s, grew to the fifth shipping nation in Europe.<sup>25</sup>§

25. Johansen, Hans Chr., "Scandinavian shipping in the late eighteenth century in a European perspective", in *Economic History Review*, 1992/3, p.