

# Portuguese emigration in the post-world war period and the national position of its maritime strategies

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## I – Introduction

This research project aims to analyse the corporate strategies of the Portuguese shipping companies in the transport of Portuguese emigrants to Brazil since the Second World War. The idea is to question the importance of this business for the companies and for the Portuguese emigration, its dynamism and its vulnerabilities, and frame it in the national political and economic goals for the maintenance of the salazarist economic model.

The understanding of the European migration movement to the USA during the *Belle Époque* from the perspective of the migrant transport represents a privileged starting point for our study<sup>1</sup>. From a transnational approach, three main actors were identified as stimulators of the migration movement: the migrant, active on the definition of standards and migration tendencies; the North European and the North American shipping companies which organized and developed a transport network (both maritime and land transport) between two continents; and the government of the receiving countries by establishing conditions to receive and to settle migrants in the USA.

By using a transnational and a global approach, literature analysed how were organized and crossed the interests and the influences of the main shipping companies in order to identify connections of their interaction, to understand the impact of their relations on the migration behaviours and on the corporate strategies adopted during an intensive cycle of human mobility.

From this perspective, we can identify the factors, which explain the characteristics of the company strategies and define a model of exploitation of the maritime transport of emigrants. The identification of these factors will be used as a reference for the research project.

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<sup>1</sup> Drew Keeling, *The Business of Transatlantic Migration between Europe and the United States, 1900-1914*, Zurich: Chronos, 2012. «Oceanic travel Conditions and American Immigration, 1890-1914». MPRA (*Munich Personal RePEc Archive*) Paper n°47850. 2013, 24 p. Available at: [http://mpra.ub.unimuenchen.de/47850/1/MPRA\\_paper\\_47850.pdf](http://mpra.ub.unimuenchen.de/47850/1/MPRA_paper_47850.pdf). [Consult. a 01-07-2013]. “Transatlantic Shipping cartels and migration between Europa and America, 1880-1914”; *Essays in Economic and Business History*, vol 17, 1999, pp.195-213; Feys, Torsten. “The visible hand of shipping interests in american migration policies 1815-1914”. *Tijdschrift voor Sociale en Economische Geschiedenis*, 7, 2010, n°1, pp.38-62.

The role of the knowledge networks developed vertically and horizontally and at an international scale was referred as one of the main factor of the migrant mobility. These networks guaranteed connections between various strategical spaces characterized by an intensive maritime activity like port infrastructures or other sectors linked to the maritime transport and to the migration industry (financial, political, commercial and industrial sectors like tourism, railroad companies, consular services, migrant communities). The organization of the maritime transport of passengers and its availability required the development and the consolidation of a complex network of contacts. It required as well the negotiation of exploitation of the maritime routes and the access to maritime and land infrastructures (as conditions of berthing and reception of passengers, taxes). The access to technological culture, to materials and fuels represented a determinant factor of success on the exploitation of passenger transport namely for the building of modern ships.

In these networks, the role of the director of a shipping company as an entrepreneur and a promoter of the success in the exploitation of maritime transport is fundamental. The availability to have a strategic vision, the charism and the dynamism of this protagonist constituted an important and a determinant factor to define and execute strategies inside the company and vis-à-vis the competitors and partners related to migration industry.

It is also important to refer to the capability of a company to manage the competition in a national and an international level, specifically in the moments of negotiations to distribute maritime routes and to define the conditions of exploitation between companies. The rise of the competition because of the migration movements had led to the cartelisation of companies in the business of passenger maritime transport. The conferences represented key moments for the negotiation and the distribution of the international maritime routes, for the definition of the conditions to exploit them, and for the establishment of the tickets' prices and the payment to their local intermediaries. The capabilities to impose the point of view for a company were important to guarantee its presence and the profitability of the maritime route exploitation. In fact, the inclusion of a shipping company in the conferences could oblige it to accomplish codes and rules which could difficult its entry, independently of being a small or a big company with international prestige<sup>2</sup>.

The corporate involvement in the migrant transport represented an investment with significant risks, since it was dependent of fluctuations/oscillations caused by national and international contexts (politic, economic, migration). The sustainability of this business was

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<sup>2</sup> Joel M. Podolny and Fiona M. Scott Morton "Social Status, Entry and Predation: The Case of British Shipping Cartels 1879-1929", *The Journal of Industrial Economics*, Vol. 47, No. 1 (Mar., 1999), pp. 41-67.

made profitable by parallel sources of income such as merchandise transport, tourist transport or returnees, or financial supports availed by the actioners of the company, by the government or by banks. Once again, the network contacts built in the political, the financial and in the commercial sphere were essential for the long sustainability and profitability of the exploitation of migrant transport. For example, the economic crisis at the beginning of the 20<sup>th</sup> century caused a decrease on the migrant labour demand and consequently a decrease of mobility. The impacts of this crisis depended from the global strategy adopted by each one to protect himself of the potential risks.

Finally, migration policies had an impact to the shipping companies' strategies and the profitability of the migration business. Whether it belonged to a sending or a receiving country, migration policies were progressively defined to determine restrictions on migration movement, which were adapted to economic interests. Despite shipping companies being mostly interested on the freedom of migrant mobility, the relationship between maritime lobby and government interests influenced political decisions and administrative practices on the reception of migrants. For example, the reinforcement of the control in the conditions of transport and reception of migrants in order to select the ones fit to work had impacts on the corporate strategies and on the profitability of the business. This was the case of the Immigration Act of 1907 introduced in the American law that obliged shipping companies to adapt to new rules for selecting migrants.

The analysis of the shipping companies' activities confirms the relevance to explain the migration dynamism from the maritime transport and in a transnational perspective. These studies focus on the corporate strategy of the shipping companies that came from the industrialized northern countries of Europe. The perspective of the southern countries of Europe was seconded, but it is important to also integrate it on the study because of these countries active participation on the migration movement and for having their own characteristics and corporate strategies on the migrant transport. The analysis of the Italian and the Greek cases confirms this difference, namely in the means used to integrate maritime routes monopolized by the northern shipping companies<sup>3</sup>. The role of the State was central in order to guarantee a quota for their national migrant exits, the use of national propaganda

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<sup>3</sup> Caroline Douki, "L'Etat libéral italien face à l'émigration de masse (1860-1914) ", In Green, Nancy; Weil, François (coord.), *Citoyenneté et émigration. Les politiques du départ*, Paris: Éditions de l'École des Hautes Études en Sciences Sociales, 2006, pp. 95-118 ; « Protection sociale et mobilité transatlantique : les migrants italiens au début du XXe siècle », *Annales. Histoire, Sciences Sociales*, ed. da EHESS, 2-66°, 2011, pp.375-410; Nicolas Maniatakis, "Transatlantic Emigration and Maritime Transport from Greece to the US, 1890–1912: A Major Area of European Steamship Company Competition for Migrants Traffic", in Torsten Feys, Lewis R. Fischer, Stéphane Hoste and Stephan Vanfraechem (eds.), *Maritime Transport and Migration: The Connections Between Maritime and Migration Networks*, St. John's: Newfoundland, 2007, pp. 63–74.

in order to strengthen the nationalist feelings of their migrants, or the adoption of protectionist measures that increased the charges and taxes of foreign shipping companies. This had an impact on the corporate strategies of the southern shipping companies, mainly since the interwar period. The use of these methods/tools was exacerbated in the political context of dictatorship or of international economic instability, like in Italy.

Studies that emphasized the characteristics of the corporate model from emerging countries suggested the necessity to distinguish it from the North American and North European model. The particularity of the profile and the role of the entrepreneurs, the corporate answer to an imperfect market, to the political, social and economic instability or to authoritarian regimes are aspects that define the corporate model different from the M-model<sup>4</sup>. In *Business History in Latin America: the experience of seven countries*, authors pointed out the particularity of the economic behaviours adopted by entrepreneurs in emerging countries<sup>5</sup>, in which family business constituted the main corporate model different than the big societies or the management hierarchies. This model could be a reference for the analysis of the corporate structure of the shipping companies from the southern countries of Europe. The relationship between business groups and the State was close, namely when it comes to strategic economic sectors.

In Portugal, historians confirmed, in one hand, the organizational diversity and the difficulty to define and to categorize the Portuguese business groups, namely during the Portuguese dictatorship (1933-1974)<sup>6</sup>. On the other hand, the national corporate showed a strong relationship and dependency to the government, mostly in national economic sectors. Maritime sector did not escape from this relationship. The difficulty for making a maritime route profitable due to foreign competition led to attitudes and political decisions that were favourable for the governmental protection of the Portuguese fleet, such as were the cases in Italy and in Greece.

From the factors of potentization verified in the business of emigrant transports, how Portuguese shipping companies had positioned in the maritime route between Portugal and Brazil, considering the Portuguese migratory tradition? How the Italian and the Greek experiences, as the corporate model of emerging countries could constitute an additional model to study the corporate characteristics of the Portuguese shipping companies in the

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<sup>4</sup> Gareth Austin, Carlos Dávila, and Geoffrey Jones, “The alternative Business History: Business in Emerging Markets”, *The Business History Review*, 91(Autumn), January 2017: pp. 537-569.

<sup>5</sup> Carlos Dávila e Rory Miller (eds.), *Business History in Latin America: the experience of seven countries*, Liverpool, Liverpool University Press, 1999.

<sup>6</sup> Álvaro Ferreira da Silva, Luciano Amaral and Pedro Neves, “Business groups in Portugal in the *Estado Novo* period (1930–1974): family, power and structural change”, *Business History*, 2016, vol. 58, n<sup>o</sup>1, pp. 49-68.

context of a late industrialization, of the maintenance of an imperfect market and of a dictatorship characterized as paternalistic and strongly interventionist in economic life, in the emigration and in the development of the business groups in particular?

In order to analyse the Portuguese reality, we will focus on the project of exploitation of the Portugal-Brazil maritime route since the Second World War. From different factors of potentization necessary in the emigrant transports, we will study, at an initial stage, the nature of the relationship between Portuguese shipping companies and the dictatorial State to understand the internal and external factors which stimulated the elaboration and the execution of the project, and the modalities of the contract established between both.

This approach allows us to contribute for the understanding of the relationship between corporate and governmental strategy, the level of influence of the shipping company on public investment, and the mechanisms of the negotiation between private sector and the government in the context of a dictatorship. Besides the importance of the migrants' maritime transportation on the national policies and the big tradition in the Portuguese migration to Brazil since the middle of the 19th century, it is relevant to analyse how this business was important to define the strategy of the Portuguese shipping companies and to question the level of preparation and adequacy of the means used to elaborate and to execute the project.

Three mains actors will be studied: the State which defined the orientations and the frameworks for the execution of the exploitation of the maritime route; *Companhia Colonial de Navegação (CCN)*, which has been chosen by the State to guarantee this route, in the context of the dictatorship where the Nation interests were considered as the most important for the country; and finally, the group of the different actors who had the function of intermediaries between the national shipping companies and the migrants, and/or the economic partners/competitors (e.g., navigation agencies, Portuguese and foreign shipping companies) interested directly on the emigration business.

## **II – Characterizing elements of the interventionist nature of the Portuguese State in the maritime sector during the 1930s**

Beginning from the coup of 28<sup>th</sup> May of 1926, a gradual process of state dirigisme in the economic sphere was visible in Portugal. This was established in the Constitution of 1933, based on the claim that the State was the sole entity capable enough to assure the respect for the national interest. In parallel, it followed a political project for maintaining social order and social peace. It entailed a process of social and politic legitimation of the

new regime. The goal was to aggregate the different political supports and the divergent economic interests, defend a fiscal balance and political stability through a strong State and a protective and arbitral intervention in an economy that was in crisis. In this way, the dictatorial Portuguese State was going to become the promotor of funding public policies, maintaining a determinant weight in regulating the national economic activity as well as in economic and financial national investment, which reinforced the importance of access to power for companies in order to guarantee the executions of their strategies.

The general reconfiguration/restructuring of national economic and social life also contemplated the Portuguese merchant marine, closely connected to the colonial market. In this period, foreign companies essentially organized the transport of emigrants to Brazil. Only occasionally, were the Portuguese shipping companies involved in transporting emigrants. This was done under the condition that this activity was subsidized by the Portuguese government and always demonstrated signs of vulnerability<sup>7</sup>. For example, the *Companhia Nacional de Navegação (CNN)* met early on difficulties in the attempt to explore this route in 1929-1930, given the economic and international migratory contexts that were unfavourable to the mobility. The strength of foreign competition and the difficulties of the Portuguese company to assert in the conferences were also strong impediments to the business' profitability. Therefore, the requests for state protection were systematic in 1920s and 1930s. This claims defended the imposition of charges to foreign ships, the concession of government subsidies to Portuguese companies, or the "nationalization" of Portuguese emigration to guarantee the exclusive reserve for transporting Portuguese to the national marine. It was criticized the lack of a policy that would develop the national merchant marine by guarantying the means of protection and promotion of the national fleet.

In the 1930s, the State protected and sustained the activity of the national marine, by taking measures to establish a credit system that allowed the renovation of the national maritime fleet. In addition, it also regulated the tax on maritime commerce and passenger transport, conceded subsidies and distributed among the near bankrupt national companies the maritime routes between Portugal and the colonies. In return, the State exerted a stricter control on the companies' activities and the planned investments<sup>8</sup>. Because of this reconfiguration, the maritime relations with Brazil were weakened due to commercial

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<sup>7</sup> Joaquim da Costa Leite, 'O Transporte de Emigrantes: da Vela ao Vapor na Rota do Brasil, 1851-1914', *Análise Social*, 26, Nos. 112-113 (1991), 741-52; Yvette Santos, "Portuguese emigration, shipping companies and the state: The business of migrant transport after the Belle Époque", *International Journal of Maritime History*, Feb. 2018, Vol. 30(1), pp. 74-88.

<sup>8</sup> CCN. *Relatórios e contas da Companhia Colonial de Navegação. Exercício de 1935*. Lisboa: s. ed., 1936.

commitments defined in the Colonial Act of 1930. This law defined the protection and reserve of colonial market to national interests to the detriment of foreign competition, regulating in this document the access to the colonies as a space integrated in the national market. Although there were attempts by the Portuguese community in Brazil or government intentions of rapprochement with Brazilian authorities by negotiating bilateral agreements, this diplomatic effort was not sufficient to stimulate maritime relations and national investment in transporting emigrants to this country. The political instability, the restrictions to the entry of immigrants in Brazil the incentive policies for white colonization in the Portuguese colonies<sup>9</sup> were also decisive factors to divert Portuguese shipping companies and the government from this destination and to focus on the priority of the Portuguese colonies. Once more, foreign companies mainly maintained the transport of Portuguese passengers to South America in a reduced mobility cycle of migrants<sup>10</sup>.

Securing the dictatorial state protection to perform the maritime activities supposed a change in the established relations between the government and the shipping companies. The more governmental power grew over the definition/execution of public policies, the larger was the dependency on the government to define/execute business strategies. In return, the protection implied the creation of mechanisms and means to control the national maritime activity, with multi scaled management, collectively or individually. A state official was appointed to act as the intermediate between the shipping companies and the government. This official intervened in the definition and execution of government directives and received the complaints/requests from the companies to present to the government. The presence of this representative was justified by the difficulties in concertation between both parties and served as mean of official control over the companies' activities, given the growing involvement of the State in the companies' business. To reach for the instances of power, alternative means were used through a pyramidal system with established hierarchized relations and instituted within public administration and ministers, where the shipping companies were located at the bottom and the President of the Council was on the top.

The weight of the national marine as a national strategic politic and economic sector guaranteed to the elites a privileged access to the highest representatives of power, among others the ministers of Marine and Finances, or the President of the Council António Salazar.

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<sup>9</sup> Simões, Nuno. "O problema da navegação para o Brasil". In *O Brasil e a emigração portuguesa: notas para um estudo*. Coimbra: Impr. Da Universidade, 1934, pp.109-121.

<sup>10</sup> Butel, Paul. *Histoire de l'Atlantique. De l'Antiquité à nos jours*. Paris: ed. Perrin, coll. Tempus, 2012 (1<sup>st</sup> ed. 1997), pp.478-481.

Given the particularity of the organizational structure to which Portuguese shipping companies belonged, the links to the government also went through the business group to which the shipping company was integrated. In the case of *CCN*, it belonged to the group of *Banco Nacional Ultramarino* (*BNU* – National Overseas Bank) closely connected to the colonial interests. Being an less economic diverse and older institution associated with the agriculture and maritime sectors, *BNU* was also distinguished by its close ties with the State, namely during the Great Depression until 1947, when the bank faced severe economic problems<sup>11</sup>.

Finally, the application of the corporative system to facilitate the collective concertation and synergy of business interest in the same sector of activity, constituted a tool to reach for those with decision power, although a preference for the personal contact could be insinuated. By characterizing the corporative organization in the decade of 1930, Fernando Rosas highlighted the incoherent character of state intervention, moved by the necessity to act in a situation of crisis, not responding to a demand of balance between the elites, but depending more on the “power of negotiation of the present partner”<sup>12</sup>. By intending on restricting the employer’s freedom and favour collective concertation with the creation, aggregation and/or closing of societies and associations, state intervention sought to defend the industrial and agriculture sectors connected with the main exports, but also the traditional agriculture, the colonial interests (mainly the cotton sector) and the big influential families.

The sector of the national merchant marine was characterized by the concentration of Portuguese ship-owners in a corporative body, the *Grémio dos Agentes de Navegação do Centro de Portugal* (Shipping Agents of the Centre of Portugal Guild), where collective agreements were not always easy. Besides regulating the working condition of labourers in the maritime sector, the *Grémio* had to assure the discussion and concertation, sometimes difficult given the competition between companies, in the definition and execution of national maritime policies. In parallel to the *Grémio* and while state intervention in the maritime sector had become stronger, the *Junta Nacional da Marinha Mercante* (*JNMM* - National Board of Merchant Marine), organism for economic coordination, was created in 1939 as a tool of state control over the companies’ activities. It allowed countering the weight of the *Grémio*,

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<sup>11</sup> Paulo Jorge Fernandes, “Banco Nacional Ultramarino (1864-2001)”, in Miguel Figueira de Faria e José Amado Mendes (coord.), *Dicionário de História Empresarial Portuguesa, Séculos XIX e XX. Volume I As Instituições Bancárias*, Lisbon: Imprensa Nacional Casa da Moeda, Universidade Autónoma de Lisboa, 2013, pp. 312-317.

<sup>12</sup> Rosas, Fernando. *O Estado Novo nos anos trinta, 1928-1939: Elementos para o estudo da natureza económica e social do Salazarismo*. Lisbon: Ed. Estampa, 2<sup>nd</sup> ed., 1996.

and acted as manager of national maritime interests, a situation that had become even more necessary with the start of the Second World War.

### **III – The end of the Second World War and the new opportunities to exploit the Portugal-Brazil maritime route**

The rapprochement of the Portuguese shipping companies and the government in the 1930s and the experience of the war defined the political and the economical position of Portugal in the national and the international sphere after the conflict. The role of the Merchant Shipping and the plan for its renewal, integrated in a larger project of national independence and economic self-sufficiency, was questioned and revised<sup>13</sup>. The emergency for supplying the population, the rise of foreign competition already concerned with the renovation of their fleet, the higher costs for renewing and maintaining ships, and the need to supply for fuel in foreign countries reinforced the idea of a fast and an efficient action, managed by the State in order to protect national interests and to restore maritime routes, for accompanying what was already happening internationally<sup>14</sup>.

The Second World War had represented for the Portuguese shipping companies an opportunity to make big profits because of the reconfiguration of the international commerce caused by the conflict. In collaboration with the government, the commercial activity had focused mainly on the relationship with Portuguese colonies, the Atlantic isles or with Argentina, in detriment of the North of Europe. The maritime contact with Brazil had been mainly made by *CCN* to transport passengers (refugees). The excessive use of the national fleet and the suspension of its renewal, in benefit to the war navy, had led to a generalized deteriorated state of the fleet<sup>15</sup>.

The end of the conflict was marked as well by the reopening of doors to migrants. In this context, foreign and Portuguese shipping companies saw an opportunity to make profit with this business. Portugal did not wanted to be left behind because the international maritime context changed thanks to the reformulation of the connections and the

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<sup>13</sup> Maria Fernanda Rollo, "Heranças da Guerra: o reforço da autarcia e os 'novos rumos' da política económica", *Ler História*, nº 50, 2006, pp.115-153.

<sup>14</sup> "Evolution de la flotte marchande britannique au lendemain de la Guerre". *Etudes et conjoncture - Economie mondiale*, 1<sup>o</sup> ano, n<sup>o</sup>5, 1946, pp.134-143. Available at : [http://www.persee.fr/web/revues/home/prescript/article/estat\\_1149-3755\\_1946\\_num\\_1\\_5\\_9310](http://www.persee.fr/web/revues/home/prescript/article/estat_1149-3755_1946_num_1_5_9310). [Consult. at 21-04-2011]. Miller, Michael B. *Europe and the Maritime World. A Twentieth-Century History*, New York: Cambridge University Press, 2012; Ekberg, Espen; Lange Even and Merok, Eivind "Building the Networks of Trade: Perspectives on Twentieth-Century Maritime History". In Gelina Harlaftis, Stig Tenold and Jesús Valdaliso (eds.) *The World's Key Industry: History and Economics of International Shipping*. Basingstoke: Palgrave Macmillan, pp.88-105.

<sup>15</sup> Fernando Rosas, *Portugal entre a paz e a guerra: estudo do impacto da II Guerra Mundial na economia e na sociedade portuguesa (1939-1945)*, Lisbon: Estampa, 1990, p. 85-94.

globalization during the war<sup>16</sup>. The order n° 100 of the 10<sup>th</sup> August 1945 defined the objectives and the modalities of the renewal of the merchant fleet.

This renewal was financed in part by the State, but at the same time, shipping companies needed to be the main responsible for the building of ships<sup>17</sup>. In September 24<sup>th</sup>, 1946<sup>18</sup>, the *Fundo para a Renovação da Marinha Mercante* (Fund for the Merchant Marine Renewal) was created and included the companies registered in the *JNMM*. The government proposed a credit of Esc. 1 000 000 000\$00, reimbursed in 20 annuities from the 5<sup>th</sup> year with an interest rate of 2,75%<sup>19</sup>. In the specific case of *CCN*, the budget was estimated to 350 000 contos which represented more than half of the value provided for the renewal of its fleet (15 ships), estimated to 599 000 contos<sup>20</sup>.

The strategy established in the general plan for the renewal of the merchant marine followed two different directives, one for the international shipping and another for the colonies. Following the governmental decisions driven by a better exploitation of the colonial economic potential, the maritime transport between Portugal and colonies continued to occupy a privileged place, which was distinct of the international shipping. The two main companies – *CCN* and *CNN* – would maintain the monopoly of the exploitation of the colony routes, by requesting State protection from foreign competition<sup>21</sup>.

*CCN* was the unique company to be responsible for the exploitation of the Portugal-Brazil maritime route based mainly on the emigrant transport. Considered as a national interest, the choice of this company was probably related to its activity on the refugee transport to Brazil during the war with the *Serpa Pinto* ship<sup>22</sup> and to the governmental distrust on the capabilities of *CNN*. Since the 2<sup>nd</sup> semester of 1945, *CCN* maintained maritime connections with Brazil in face of the weak presence of foreign competition.

The maintenance of the maritime route with Brazil put in evidence the necessity and the will to reinforce relations with this country mostly for political interests<sup>23</sup>. On one hand, the previous experiences had confirmed national difficulties to guarantee the profitability of the maritime route. Although we could verify a reformulation in the exploitation of the

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<sup>16</sup> Mickael B. Miller, *Maritime world, op. cit.*, pp. 287-288.

<sup>17</sup> Ministério da Marinha. *Boletim da Junta Nacional da Marinha Mercante*. N°III, September 1946, p.38.

<sup>18</sup> Member of Parliament Henrique Galvão, in *Diário da Sessão*, n°45, March 13, 1946, p.771.

<sup>19</sup> Decree n°35876, Ministry of Finance and Marine, in *Diário do Governo (DG)*, 1<sup>st</sup> Serie, n°217, September 24, 1946.

<sup>20</sup> Direção Geral dos Arquivos (DGARQ), Fundo da Companhia Portuguesa dos Transportes Marítimos (FCPTM), NT 1380: Letter of *CCN* for the President of *JNMM*, MM/JV 1250, Lisbon, January 22, 1946.

<sup>21</sup> Medeiros, Gago de. “A amortização do navio”. In Ministério da Marinha. *Boletim da Junta Nacional da Marinha Mercante*. N° III, setembro de 1946, p.29.

<sup>22</sup> Pimentel, Irene Flunser, Christa Heinrich (col.). *Judeus em Portugal durante a II Guerra Mundial. Em fuga de Hitler e do Holocausto*. Lisboa: A Esfera dos Livros, 2006, pp.175-188.

<sup>23</sup> Rollo, Maria Fernanda. *Portugal e a Reconstrução Económica do Pós-Guerra. ...*, op. cit., p.47.

maritime routes at international level after the Second World War, the menace of the foreign competition remained, which could pose difficulties for the profitability of the Portugal-Brazil route<sup>24</sup>. Some foreign companies – Argentinians and Italians – took over part on the emigrant transport to Brazil and Venezuela since 1945.

On the other hand, Portuguese shipping companies were clearly conscious that maritime transport would be inevitably overtaken by air transport, when the latter would provide better comfort, security and cheaper flight tickets. Shipping companies could still receive some profits from the maritime transport for the most popular classes (2<sup>nd</sup> and 3<sup>rd</sup>) as long as it was the principal means of transport<sup>25</sup>. Their funding for the structuring of the national air transport<sup>26</sup> allowed it to receive profits with its exploitation before and after being the main means of transport for the tourist class.

For that, *CCN* preferred to invest on the exploitation of emigrant transports in 3<sup>rd</sup> class, as it was the case for the colony routes, with low ticket prices compensated by the 1<sup>st</sup> and the 2<sup>nd</sup> class ticket prices, by the number of emigrants transported and by the transportation of merchandises. In 1946, the deputy Alberto Pinto Basto, a shipping agent, contested the project building of a passenger cargo ship with only two classes, as planned in the order n<sup>o</sup>100. He defended a ship with three classes for both the Portugal-Brazil and the colonial routes, whereas since the inter war period in foreign countries ships with only two classes were already being built. The goal was to offer a faster ship and a more economical transport with an affordable price for emigrants, and to avoid contacts between people who came from different social status<sup>27</sup>.

During the negotiation between *CCN* and the government, the shipping company tried to have guarantees in order to manage the risks and to be protected of problems of profitability or difficulties to pay the building of the ship. *CCN* asked for a state subsidy in case of financial problems. But the proposal was refused by the government. By contrast, it accepted the use of the ship for the colony route in case of problems of profitability<sup>28</sup>. The government promised a credit of 100 000 contos to the company to help the building of the

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<sup>24</sup> DGARQ, Fundo da Companhia Portuguesa dos Transportes Marítimos, NT 2988: Atas da Companhia Colonial de Navegação – Conselho Geral, n<sup>o</sup>14: Ata n<sup>o</sup>707, October 4, 1945.

<sup>25</sup> Pinto, Manuel Serafim. *Transporte aéreo e poder político. Sob o signo do Império*. Lisboa: Coisas de Ler, 2011, pp.275-277. “Os navios”. In Ministério da Marinha. *Boletim da Junta Nacional da Marinha Mercante*. N<sup>o</sup> IV, January 1947, p.63.

<sup>26</sup> DGARQ, FCPTM, NT 2137 - Consórcio Aeronáutico – 1947: Letter of the Executives Boards of *CCN* and *CNN* for the Secretary of Civil Aviation, May 13, 1946.

<sup>27</sup> Member of the Parliament Alexandre Pinto Basto, in *Diário da Sessão*, n<sup>o</sup>46, March 14, 1946, p.792.

<sup>28</sup> Viana, Eduardo Pereira. “A carreira do Brasil.” In Ministério da Marinha. *Boletim da Junta Nacional da Marinha Mercante*. N<sup>o</sup> XIII, January 1950, p.17. See the letter of *CCN* for the Ministry of Finance, Lisbon, September 10, 1947. In DGARQ, FCPTM, NT 1380.

ship<sup>29</sup>. The last point of the negotiation was related with the choice of the shipyard. In a period of 75 days, the Executive Board of *CCN* evaluated the proposals of foreign shipyards by considering the financial capabilities of both the company and the government to pay. For that reason, *CCN* could decide alone without forgetting to consider the government interests too. Different criteria should be taken into consideration by the company and the government: the period of building, his cost, the annual interest rate, the way to pay (in escudos, in the money of the shipyard country, with merchandises).

The proposals of the Italian (Casa Odero-Terni-Orlando) and the Belgium (Société Cockerill) shipyards were the most seriously analysed. English proposals (John Brown & C e Alexander Stephen & Sons) had been excluded because of having had previous problems with the building of a Portuguese ship. Although the Italian shipyards offered one part of the payment with merchandises, the obligation to pay in dollar led to exclude this proposal. The Belgium shipyards was finally chosen: *CCN* had ten years to pay the cost of the ship estimated to 378.000.000 Belgian francs, with guarantees of receiving the new ship in 28 months after having signed the contract. The annual interest rate was fixed to 4% (5% from the 11<sup>th</sup> payment), with the possibility to pay in money and in merchandises. In August 19<sup>th</sup>, 1949, the building works of the future ship, the Vera Cruz, begun.

#### **IV – The post-war emigration policy: the compromise between national protection and respect for foreign competition**

Besides guaranteeing to *CCN* the material conditions to exploit the Portugal-Brazil line, the “nationalization” of Portuguese emigration was finally achieved as a means to protect national companies from foreign competition.

After the war, emigration was not faced as a necessary socioeconomic factor to assure the decongestion of the national context according the economic and social directives. It was necessary to wait for the aggravation of the national supply crisis for governmental initiatives to be taken in order to increase emigration. At 29<sup>th</sup> March of 1947<sup>30</sup>, the minister of Interior Cancela de Abreu opened a study period with the aim of regulating emigration with three main goals: protect the emigrant; assure the defence of the country’s economic interests; and favour white colonization. In the continuity of the official intervention from the 1930s and war years, the State confirmed its role as regulator of exits. It assumed to reconsider the utility of emigration as one of the solutions to national socioeconomic problems and perfect its

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<sup>29</sup> DGARQ, FCPTM, NT 2789, Atas da Companhia Colonial de Navegação – Conselho Geral, n°15: Ata n°770, September 2, 1948.

<sup>30</sup> Decree n°36199, Ministry of the Interior, in *DG*, 1<sup>st</sup> Serie, n°72, March 29, 1947.

intervention relating the emigrants mainly based on police action<sup>31</sup>. At the same time, it sought to find a model that allowed to manage and protect, equitably, national interests from foreign competition.

The creation of *Junta Nacional de Emigração* (*JNE* – National Board of Emigration), body for economic coordination, by the decree-law 36886 of October of 1947, marked the ending of the commission works. Responsible by the legal framework for exits, its creation ended the intervention of private intermediaries – shipping agencies and passage and passport agencies – in the organization of administrative processes for emigration and maritime passage. From this moment, public institutions (namely municipalities), in collaboration with *JNE*, were charged the role that private intermediaries were performing since the 19<sup>th</sup> century. Regularly pointed as the main responsible for illegal exits of emigrants due to their contact networks webbed until the destination, these intermediaries were at the same time local representatives for foreign and Portuguese shipping companies. For that reason, the constant public and private appeals for the extinction of their functions was never legally enforced as shipping companies' activities were too much based in these intermediaries' networks.

This scenario gradually changed with the weakening of the political and economic strength of these intermediaries associated with the lack of migratory movements since the 1930s. Moreover, the collective “surrendering” of Portuguese and foreign ship-owners to the new emigration policy of 1947, that extinguished the role of intermediaries, prevented them to erect a significant opposition. This assured a change on the legal disposition, despite the demonstration of the companies' discontent. Finally, it is worth to point out that the prohibition of private intermediaries' intervention in emigration did not applied for ticket sales for other passenger types. The creation of *JNE*, therefore, harmed mostly the more vulnerable and less influent elements, geographically located in the northern and central inland of Portugal, whose profits were mainly obtained with the transport of emigrants<sup>32</sup>.

By ending the intervention of private intermediaries, it was only missing determining the conditions for the emigrant's transport between different shipping companies. The claim of emigrant protection (against exploitation or to assure the success of his migratory project), at the moment of *JNE*'s creation, served to justify the state's intervention in emigrant

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<sup>31</sup> Letter of the Minister of the Interior to the Under-Secretary of State of Corporations and Social Providence, n°541-PI-1, March 25, 1947. In DGARQ – Ministério da Administração Interna, maço 545, PIDE, Emigração: “Passaportes. Assuntos diversos”, March-December 1947, L° 11-PI n°10.

<sup>32</sup> Ivete Sobral dos Santos, *A Junta Nacional de Emigração e a Política de Emigração durante o Estado Novo*, Doutoramento em História Contemporânea, NOVA FCSH, 2014.

maritime transport, setting the tone to governmental norms that would regulate the organization of emigration process. Although it was the intention of state to defend the interests of the national marine, it did not appropriated nor conferred the national companies the monopoly for exploring the Portuguese emigrant transport business as it still respected, in this way, the principle of competition. State intervention in shipping companies was done in several levels, clarifying their juridical responsibilities to conciliate both interests, similar to the Italian case<sup>33</sup>.

Therefore, the action of *JNE* was strengthened in three stages of the emigration process: in the administrative organization of the process to issue the emigrant passport and for booking the passages, giving the emigrants free choice regarding in which company they wanted to travel; in the management of boarding and travel until the arrival at the foreign port, abiding the sanitary and material criteria; and regulating a set of penal dispositions in case of norms being violated. The respect for these administrative procedures was complemented by regular control and surveillance organized by the *JNE*'s officials, either for national or foreign based companies, before boarding and during the journey.

The authorization for transporting passengers was determined by the compliance with administrative procedures and fulfilment of obligations towards *JNE* and the emigrant, that every company had to fulfil: the payment of the annual licence, the obtaining of the special licence issued by *JNE* that guaranteed the safety and comfort of the emigrants<sup>34</sup>; the commitment to pay a 5% tax over the cost of emigrants' passages, in the lower classes from the 2<sup>nd</sup> class including, both in the going and return trips, as well as the compromise of repatriation of 3% of the number of emigrants lower than 2<sup>nd</sup> class, boarded in their ships in the previous trimester and to repatriate, at half rate, more than 10% of boarders during equal period that did not had the means of subsistence or means to work; the guarantee of having present assistance personnel (physicians and nurses) from *JNE* during the transport of emigrants and returnees; finally, not involving in illegal practices, i.e. selling 3<sup>rd</sup> class tickets directly to the emigrant, the transport of illegal emigrants or the absence of assistance teams constituted serious infractions, that could lead to the payment of fines or even the repeal of the licence.

## V – Conclusion

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<sup>33</sup> Caroline Douki, "Protection sociale et mobilité transatlantique . . . , *op. cit.*, p.389.

<sup>34</sup> Decree n°15658 of Ministry of Marine. In *DG*, 1<sup>st</sup> Serie, n°148, June 29, 1928.

The strengthening of the relation between the State and the Portuguese shipping companies has been done in a gradual form. The international and national context in the 1930s was fundamental for the State to build and strengthen the different control mechanisms of national economic activities, confirming the dependency of Portuguese companies towards the dictatorial State, where the modalities of exploring routes were determined in consonance with state interests. However, that did not mean that *CCN* did not have a margin of manoeuvre to negotiate with the executive power and this regardless of the public entity (ministry or economic coordination organ).

The emigration policy defined in 1947 was clearly a political instrument of managing and controlling foreign competition to assure national protection. The *JNE*'s intervention should function as competition manager between shipping companies and had to guarantee, with regulation over emigration, the monopoly of exploration of the market for transporting Portuguese emigrants and returnees to the Portuguese company. It sought mainly, by one hand, to protect the State's and the *CCN*'s interests, by assuring to the company the preference of their ships in the booking of passages of emigrants and returnees, without forgetting to conciliate the interests of the Portuguese shipping agencies, and by other hand guarantying to the State significant revenues linked to this business. Although the norms of Portuguese emigrant transportation were applied to any company, in reality it was noted a favouring that *JNE* and its employees orchestrated in the quotidian and in its daily contact with the companies. This favouring is, by the way, confirmed in the number of emigrants transported by *CCN* in comparison with the remaining shipping companies during the 1950s.

One of the questions that can be raised is if the relation between the State and *CCN* in the elaboration and execution of the maritime business strategy was an association that functioned and assured the profitability of the route. And in what measure this combination allowed to face the difficulties that were found, provoked by the Brazilian economic and immigration policies, by foreign competition, by the financial situation of the company or by the difficult return to normality. The unstable national and international context in the 1940s (as the problem of supply and the necessary purchase of food products in the exterior) made harder the planning and draft long term predictions of the strategy to be adopted and the profits to obtain due to the still unstable international commercial context. Everything seemed to indicate that the exploration of the route Portugal-Brazil and the transportation of emigrants by *CCN* would be a success: there were funding conditions for the renewal of the national fleet, the gates for the entry of emigrants in Brazil were open again, there was an apparent understanding between the Portuguese company and the foreign companies in

the exploration of the route, and the emigration policy guaranteed national protection, through the nationalization of emigration. Nevertheless, *CCN* would meet a serious of obstacles while exploiting the route during the 1950s that it hardly overcame, demonstrating its large dependency of the State.