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RECOINAGE OF THE IMPERIAL CURRENCY: THE REFORMS OF THE VISCOUNT OF RIO BRANCO (1871-1875)¹

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Abstract

Along with the Brazilian Law of Free Birth (1871), extensively discussed in historiographical literature, other reforms undertaken by the Viscount of Rio Branco, when head of the Council of Ministers (1871-1875), tended to be analyzed separately and thematically, and thus without rendering a clear meaning to his cabinet's work. Through budgetary and banking-related primary sources, this article proposes that Rio Branco remedied the emancipation measure with financial, productive, and tax reforms in order to appease farmers in dire straits due to the wave of abolitionism. Despite the wide range of projects, also examined here, the capital mobilized by Rio Branco was specifically earmarked for coffee farmers of the Paraíba Valley. The Bank of Brazil, to which the greatest fraction of the Rio de Janeiro coffee capital was migrating, played a major role in the process. Thus, a type of uneven reformism, already glimpsed in the 1850s, was carried out by Rio Branco through a greatly increased public debt: on the whole, it focused on a recoinage of the imperial currency.

Keywords

Viscount of Rio Branco – Economic reforms – Coffee farming in Rio de Janeiro – Paraíba Valley – Bank of Brazil.

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ARTIGO

A RECUNHAGEM DA MOEDA IMPERIAL: AS REFORMAS DO VISCONDE DO RIO BRANCO (1871-1875)

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Resumo

Incluída a Lei do Ventre Livre (1871), fartamente tratada na literatura historiográfica, as demais reformas empreendidas pelo visconde do Rio Branco quando à frente da presidência do Conselho de Ministros (1871-1875) tenderam a ser analisadas separada e tematicamente, sem produzir, portanto, um sentido para o conjunto da obra. Buscando suprir a lacuna mediante fontes primárias sobretudo orçamentárias e bancárias, propõe-se no artigo que o governo de Rio Branco remediou a medida emancipacionista com reformas financeiras, produtivas e tributárias, com vistas a serenar uma lavoura irrequieta com a eventual abolição. Em que pese a ampla paleta de reformas, também aqui examinada, o capital mobilizado por Rio Branco foi especialmente destinado aos cafeicultores do Vale do Paraíba. O processo contou com larga participação do Banco do Brasil, para onde se deslocava o grande capital cafeeiro fluminense. Assim, argumenta-se que o gabinete de Rio Branco reconduziu pela via da dívida pública, agora muito ampliada, um tipo de reformismo desigual já vislumbrado na década de 1850: operou-se, ao todo, uma recunhagem da moeda imperial.

Palavras-chave

Visconde do Rio Branco – Reformas econômicas – Cafeicultura fluminense – Vale do Paraíba – Banco do Brasil.

Introduction

José Maria da Silva Paranhos assumed the presidency of the Council of Ministers in March 1871, about to turn 52 years old. He was a tall, green-eyed Bahian who smoked like a *caipora*, around half a dozen cigars a day. He had been Minister of the Navy and Foreign Affairs in the 1850s, he had taken over the Finance and an extraordinary seat on the Council of State in the 1860s, and then, after the successful diplomatic mission of 1869, set up to negotiate the end of the war against Paraguay, which earned Paranhos the title of Viscount of Rio Branco, the Emperor gave him the task of passing the Law of Free Birth. This was the main focus of the new government, although it immediately faced the need to remedy the emancipationist measure with financial, productive, and tax reforms in order to calm the restless spirits of a slave-based plantation system, which found itself under the shadow of abolition. Rio Branco ventured even further. He also sought to reform the judiciary, imperial education, government records, and civil bureaucracy. He did not disregard the military barracks, which were noisy after the victory in Prata, nor did he disregard the need to reorganize the Court, where social tensions expressed the rebellious potential of the entire Empire.³

It was a harried time in the history of Brazil, which was reflected in the administrative and legislative activities. In the 1860s, 1,942 decrees and 494 laws were issued; in 1870, 2,937 and 742, respectively, the vast majority of which were enacted during the Paranhos administration (BARMAN, 2012 [2002], p. 352). Above all, these were designed to boost the circulation of capital in the Empire. Rio Branco guided the borrowing of internal and external loans so as to unblock the flow of goods produced by large-scale farming, in turn maintaining the Empire's banking structure, which directly served agricultural production, concentrated. The reformist process, which responded through economic means to the diminishing of space and time between the Brazilian coffee plantation and the North American consumer, inevitably caused a redistribution of the national workforce, which also impacted the cabinet. It was therefore necessary to discuss the contracting of services, to quantify the workers, to stratify their professions, to establish common weights and measures for the entire Empire, and to facilitate the transmission of information.

In effect, the main national economic sector expected Rio Branco to formulate guidelines that would speed up and give volume to all stages of the production cycle, that is, from the purchase of inputs and the acquisition of labor – both captive

³ There are few and poorly updated biographies of the Viscount of Rio Branco. See: BESOUCHET, 1945; VIEIRA, 1992.

or free – to the obtaining or renewal of the means of production, to transport and export infrastructure, until reaching, after making a profit, a new availability of credit to renew the movement.

This revealed the capitalist spirit and order of the day, in which the Empire coexisted with the first financial globalization and resistant large landowner form of production, along with the quantitative and qualitative intensification of long-distance trade and the still primary production of a key commodity, coffee, highly prominent in the trade balance, as well as with increased international mobility of free labor and the permanence of slavery. Far from a duality of opposites in which Brazil would be internally archaic and externally capitalist, or an eccentric coexistence of social forms of production (FRANCO, 1997 [1969]), the Paranhos Empire granted a greater degree of maturity to the capitalist mode of production, sedimented in a material civilization that either rewarded or penalized according to the maximization of profits. In this process, characterized by salary spillovers from the countryside to the city, and vice versa, production and consumption relations were also reconfigured – inevitably, equally remaking the place of each person in the production and distribution chains. In short, classes and social conflicts were readjusted (SALLES, 2013 [1996]).

Unequal reformism

It is precisely from this scenario that Emília Viotti da Costa understood Rio Branco's reforms. Although her concern revolved around projects alternative to the order of the day, formulated by groups maintained at the margins of power – most notably, coffee farmers from the western region of the province of São Paulo, military officials returning from the Paraguayan War and the urban middle class – Viotti da Costa interpreted Paranhos' management as a perfect reaction, contained by the scenario inherited from the conservative projects of the 1850s, to the diversification of social classes (COSTA, 2008 [1984]). Despite a theoretical approach less inclined to consent to the existence of a class society at the time of Rio Branco, Angela Alonso tended to endorse Viotti da Costa's reflection, concluding that, in the face of the socioeconomic transformations of the period,

the imperial elite found itself in a dilemma *vis-à-vis* his social group of origin, the manorial estates: maintain their structures of social prestige and their monopoly of power or expand the economic, social, and cultural conditions for the rationalization of the economy and the formation of national society (ALONSO, 2002, p. 78).

In everything relevant to the debate, since, although conflicting with this proposal, it remedies the very lack of historiography concerning Rio Branco's reforms,

Alonso's proposal understood that the reformist solution was "skillful enough", as it controlled the "expansion of competitive social order" within the framework of "modern[ization] [...] under estate supervision" (ALONSO, 2002, p. 78). Nevertheless, the author recommends, Rio Branco would have promoted "the dissolution of the saquarema work", since, if incomplete, governmental reformism would, in the end, have intensified the intra-elite conflict and, therefore, failed.

Coincident in terms of long-term failures, in the present proposal Paranhos's reforms were not only incomplete, but also uneven. It is only by weighing these measures – not previously conducted in the literature focused on the split and thematization of reforms – that one glimpses the support provided by Rio Branco to the formative heart of the imperial budget, the bulwark of the Empire's international economic insertion, the dynamic pole of domestic production and the constitutive nucleus of social classes, since that was where the national productive and financial capital originated.⁴

Although he was not of a slave or coffee farming background, nor was he the ministerial spokesman for agricultural demands, Rio Branco was much more willing to compromise with the financial and productive interests of traditional Rio de Janeiro farming than with the coffee farming in the western region of São Paulo – and even less with the industrial sector, which emerged painstakingly. From the perspective of narrow aspirations, Paranhos reactively anticipated the torrent of manorial expectations that put him in check as early as 1872: the same legislature that swallowed the Law of Free Birth, raised, a few months later, a motion of censure against the chief of staff. Pressure from Rio de Janeiro's agricultural sector, through the House of Representatives (MIRANDA, 2018), highlighted the compensations that the cabinet should make to maintain governability.

From the point of view of broad structures, Rio Branco, despite the opportunity of the moment, reformed the country within the narrow confines of the historical conditions in which it found itself. The socioeconomic formation of the Empire, shaped by slavery and large rural property, allowed Paranhos a limited scope for action. The government could not quickly rid itself of what governed fiscal, tax, and financial policy. Within this margin, in which the productive forces inherent to the social formation of the Empire still found space for their development, Rio Branco allotted them survival to the detriment of the transformations that were looming in São Paulo and the still dim outcry that was heard from the barracks.

⁴ For Paranhos' positions in the Senate, see also: CHACON, 1997. The thematic historiography about each of the reforms, as far as possible, will be referenced throughout the text.

Through a persistent defense of national reason, modulated in a few kilometers from a handful of coffee farmers from the province of Rio de Janeiro, the Empire of Rio Branco recoinced the imperial currency, thereby readapting the bonds of mutual dependence between the ruling class and the barons of the Paraíba Vale region (I). This is what inscribes this proposal in the tradition of Ilmar Rohloff de Mattos, although the author implicitly sees in the Free Birth the decline of the Saquarema order (MATTOS, 2011 [1987]). As a whole, and again, the Paranhos project polarized gains and socialized costs (II). He ended his cabinet with the country in crisis, making it clear to the São Paulo coffee farmers, the military, and the middle and lower classes that he had lost time, precisely, in history (III). Not without reason, they reacted, first proposing a review of what Rio Branco fought for. Deep down, the Viscount saw in class society a permanence that he wished to see reformulated, and it was based on this desire that he reformed the Empire, when the time, full of expectations, seemed to call for the opposite.

Compensations from the ratification of the Law of Free Birth

Despite the challenges that lay ahead, the beginning of the 1870s boded well for Rio Branco's cabinet. The Empire had finally defeated Paraguay on March 1, 1870, after more than five years of battle. Furthermore, coffee prices were rising, and the United States, an unparalleled market for Brazilian coffee farmers, discussed the suppression of import taxes on the commodity (BACHA, GREENHILL, 1992, p. 18-24). A massive harvest was predicted for the 1872-1873 biennium, precisely when the exchange rate returned to official parity for the first time since the outbreak of the conflict in the River Plate basin. With such enthusiasm, the government determined that the subsidies for House Representatives and Senators should be increased, practically doubling their value. It was also set forth that magistrates and civil servants, including the military, should receive similar benefits in 1873.⁵

In an equally encouraging tone for the cabinet, the Law of Free Birth was passed on September 28, 1871. With only six months in government, Rio Branco carried out the core task that the Crown had bestowed upon him, serving as a means through which to calm even the most radical moods. In the House of Representatives, the project reached the necessary 63 votes, but with immense difficulties. From there, the project passed to the Senate, where resistance was more contained and less passionate. There, the main opponent was Zacarias de Góes e Vasconcelos, who revived

⁵ Regarding public salaries, see also: Reports from the Ministry of Finance of 1873 and 1874, available at the National Library, Rio de Janeiro.

the arguments of Representative Paulino de Sousa, son of the Viscount of Uruguay. The case in fact was quite surprising, as he was a liberal converted to the cries of the heirs of the Saquarema thought – the ultraconservatism of the 1850s. In substantial terms, the senator directed his opposition by claiming that it was not up to one party to implement the ideas of the other. The conservative Paranhos would be in fact hijacking the liberal agenda in order to drain it (ALONSO, 2002). For essentially less emancipationist reasons and ambitions, the argument was good for the stalled opposition, as it could eventually ratify Rio Branco's political isolation.⁶

One by one, from the House to the Senate, the most controversial paragraphs of the law were dropped, as they were considered too heterodox. Only the most concessive articles remained intact. The freedom that would be granted to slaves of religious orders was amputated from the project, and the slave's right to form a nest egg to purchase his or her own manumission, except with the master's consent, was also restricted. The possibility of public prosecutors representing slaves and freedmen in civil actions for freedom was denied as well, and the deadline for abolition was rigorously extended (ALONSO, 2015, p. 51-85).

All of the concessive work was contained in the first article of the project, which was enacted into law. According to its terms, the newborn would remain in the master's possession until he or she turned eight years old, when the option would be for compensation of 600\$000 réis, or for the maintenance of the minor until he or she reached 21 years of age, at which point manumission would be unrestricted. The first possibility, although it had the security of payment in bills with an annual interest rate of 6%, equivalent to that of the bonds, received little enthusiasm. The compensation represented only 1/3 of the market value of the slave in adulthood. The second was significantly more encouraging: in a logic of enslavement of the newborn, which would last until 1892, the master could use his services for farming or to generate rental income, without, in any way, affecting the reality of slaves born before September 28, 1871. Including frauds on birth records, and assuming that the slave could eventually reach 60 years of age, captivity would go unhindered in Brazil until 1930 (CONRAD, 1978 [1972], p. 132-149; NEEDELL, 2006, p. 272-315).

The Rio Branco Law, as the law of September 28th quickly became known, failed in many aspects, and not merely because it provided little freedom or because it did not fulfill the emancipation fund that it provided in order to speed up the emancipationist march (SALLES, 2009). As a palliative measure, the law did not ease liberal

⁶ For legislative discussions, see: Annals of the Federal Senate, 1871. Brasília: Federal Senate. Available at: <http://www.senado.gov.br/publicacoes/anais>. Accessed: July 1, 2021; and Annals of the House of Representatives, 1871. Brasília: House of Representatives. Available at: <http://www2.camara.leg.br>. Accessed: January 3, 2021.

reformism, much less radical reformism. Nor did it appear, given its content, to be a hijacking of the heterogeneous agenda of the party ranks who were opposed to the conservatives. Entrusted by the Emperor to the Rio Branco party to preserve the bloc, the law deepened the wound between the orthodox and the heterodox (KRAUSE and GOYENA SOARES, 2022, p. 321-329; YOUSSEF, 2018, p. 173-188).

After narrowly saving himself from a motion of censure, Rio Branco appealed to Dom Pedro II to dissolve the House of Representatives. The new elections did little to change the presence of orthodox people, who still gravitated towards the newly elected Paulino de Sousa. “Does the president of the Council think that the constitutional monarchy, in Brazil, can disregard the support of the most highly respected classes [farming and commerce]?”, Paulino had asserted in August 1871, even when still a bill, and even after having removed the unnecessary sections, everything seemed to change, exactly for nothing to change. After the 1872 elections, distrust between the orthodox and the heterodox conservatives expanded yet another degree, revealing the need for a compensation program that Rio Branco should quickly articulate. And this was meant not only for the farming regions of Rio de Janeiro, but also for the northern provinces of the Empire. They were those who, through their House Representatives and Senators, voted massively in favor of the Law of Free Birth, allotting the cabinet the possibility of isolating the benches of Minas Gerais, Rio de Janeiro, and São Paulo, provinces that, together, amounted to nearly 60% of the Empire’s slave population (SLENES, 2004, p. 325-371).⁷

Bank compensations

Shortly after the measure was enacted, the government and Bank of Brazil reached an agreement. As much as it ensured the solvency of Paraíba Valley’s agriculture, although minimally affected materially by the emancipationist measure, it was also an issue for Rio Branco to guarantee the support that he might otherwise lack. From the perspective of Coelho de Castro and the Viscount of Tocantins, characters linked to the Rio de Janeiro coffee farming and, respectively, in the presidency and vice-presidency of the Bank, the moment could mean, at the expense of the State, a cooperative rebalancing between farms and finance. In April 1872, while Rio Branco was defending himself against the motion of censure, the Bank of Brazil endorsed the supply of capital with reduced interest rates and slow amortization. It was a means through which to expand the range of action of the Bank’s mortgage

⁷ For Paulino de Sousa’s legislative position, see: *Annals of the House of Representatives*, August 23 and 24, 1871. Brasília: House of Representatives. Available at: <http://www2.camara.leg.br>. Accessed: January 3, 2021.

portfolio, including indirectly reducing the pressure that small or medium-sized coffee farmers endured when faced with coffee factors that were still necessary to satisfy late commitments at the Bank (MARCONDES, 2018).⁸

The adjustment from 9% to 6% in annual interest rates, which was of interest to the government, would not be applied with no compensation to the Bank. These were divided into three orders. The first dealt with the investment of non-loaned surpluses from the mortgage portfolio in public debt bonds at a 6% annual interest: a means through which to guarantee a safe source of resources for the financial institution. The second concerned legal guarantees. Bank of Brazil's Board of Directors requested that the government abolish the principle of forced adjudication. Burying it would be a way to avoid the fact that, with each mortgage foreclosure, the Bank would have to immobilize its capital in territorial properties, as understood by the shareholders' meeting, not easily alienable: those of the declining Paraíba Valley. The mechanism provided for the possibility of the debtor becoming a creditor of his creditor, to the extent that, in the event of foreclosure of the mortgage, the debtor could charge the creditor for partial restitution of the legally appreciated value of the property. Appreciations could not be lower than the original value of the mortgaged asset and, if the property was not successful at auction, the creditor would have to buy it, returning the balance to the debtor. The third was a type of conversion of public debt into farm loans through the configuration of a financial derivative.⁹

The government should use new bonds, which the Bank would transform into mortgage bills. Bills, nominative or bearer, were transferable by simple endorsement, which gave them the characteristics of currency (HANLEY, 2005, p. 56-84; HANLEY and MARCONDES, 2010, p. 104-129; SAES, 1986, p. 2-16). More intricately, if a small trader was attracted by the interest that the bill offered, he would ultimately depend on servile work on the coffee plantation. This is because the resources that the Bank obtained from the sale of bills were intended for mortgage loans, whose main guarantee, apart from land, was the now clearly financialized slave (PACHECO, 1980). Basically, and through indirect means, any progress in emancipationist legislation beyond the Rio Branco Law was hampered: if slavery were threatened, coffee farmers would have their production placed in check; the Bank would foreclose on insolvent mortgages and would then not pay the interest on the letters, which would lead the small trader to bankruptcy as well. Hence, if the heart of the middle

⁸ For Bank of Brazil's capital supply, see: Bank of Brazil Cultural Center (CCBB) – Bank of Brazil Reports, 1872 and 1873.

⁹ For interest adjustments and compensations mentioned herein, see: CCBB – Bank of Brazil Reports, 1872 and 1873.

class who bought these bills were to claim their commitment to the abolition of slavery, their pockets would be forced to call out for the maintenance of captivity.

Despite resistance from conservative House Representatives and Senators, like São Vicente, and liberals, like Sousa Franco, Paranhos conceded. The only exception was the rule of forced adjudication, which would only fall in the 1880s. In 1873, the government issued new bonds, and the Bank honored its commitments. The Bank's mortgage portfolio reached unprecedented levels of loans two years later. The Paraíba Valley of Rio de Janeiro continued to benefit, although Rio Branco had, by the same act, extended his portfolio to the western region of São Paulo. In 1874, the entire province of São Paulo had a mere 2/3 of the total amount granted only to the Rio de Janeiro municipalities of Valença and Vassouras. Mortgage bills, on the other hand, did not have the success of bonds, but they circulated in consistent values, especially in Rio de Janeiro. Until 1878, when the Bank of Brazil ceased its issuance – not by chance, when eight years of the Law of Free Birth had been completed and, therefore, when doubts would arise about the fate of the newborns – the bills totaled four times the value that the Bank had lent to Campinas (HANLEY, MARCONDES, 2010; RIBEIRO, PENTEADO, 2018; SCHULZ, 2008).¹⁰

Compensations in the infrastructure of physical integration

The financial dynamism ensured by Bank of Brazil for coffee farming ran parallel to reforms in the communication infrastructure. Paranhos invested in the post office, roads, and cabotage traffic (CASTRO, 2021). The main sectors that benefited were railways and ports: both economically and administratively linked to the capital and, at the same time, driving development in the Paraíba Valley. The government responded to the main structural bottlenecks in the region by providing speed and volume to the land and maritime transit of goods, in a shortcut process, with the expansion of telegraphs, through a then continuous flow of information on the quotation of national and international sales and purchases. The results, at least from the perspective of Rio de Janeiro, were largely successful. In 1871, the Em-

¹⁰ For the positions of the senators mentioned, see: Annals of the Federal Senate, September 1873. Brasília: Federal Senate. Available at: <http://www.senado.gov.br/publicacoes/anais>. Accessed: July 1, 2020. For the balances of Bank of Brazil's mortgage portfolio and the issuance of bonds, see: Ministry of Finance Reports, 1875 – 1885. Regarding the extension of Bank of Brazil's mortgage portfolio, see: Decree no. 5,506, December 26, 1873.

pire had 869 kilometers of railways; in 1875, there were 1,801, of which just over 1,000 were located in coffee farming regions (LAMOUNIER, 2012, p. 67-139).¹¹

Still in July 1871, when the Law of Free Birth was intensifying passions, the government authorized the credit of 20.000:000\$000 réis granted through public debt bonds for the extension of the Dom Pedro II Railway (SANTOS, 2021).¹² It was a sum corresponding to 1/5 of the national income that year. Thus, the São Paulo portion of the Vale do Paraíba was taken over, which in 1875 saw the Cachoeira Paulista terminal connected to the port of Rio de Janeiro. Two years later, the Dom Pedro II Railway arrived in São Paulo, covering practically 380 kilometers built under the direct or indirect auspices of Rio Branco.¹³

New impetus was given in September 1873, this time for all rail expansion projects. It was not the quick credit from which the Dom Pedro II Railway had benefited, but a subsidy under conditions of profitability. The government was authorized to offer a 7% interest guarantee if the railway company demonstrated the possibility of generating an annual net income of 4%. Furthermore, there could only be subsidies for railways that served as communication between production and export centers, and the government could not, in the end, grant the benefit to more than one railway per province while operating with public funding (LAMOUNIER, 2012, p. 67-139). The measure came to light precisely when the government made its deal with Bank of Brazil, when Rio Branco extended the Bank's mortgage portfolio to the West of São Paulo, and when the São Paulo Republican Party (PRP) was founded in Itu. Based on the terms of the law, there was no doubt that the cabinet was considering coffee plantations, including those in the western region of the province of São Paulo. As the most flattering profit prospects were concentrated in the coffee region, the effects of the law only doubled the already consolidated inequality between the Southeast and the Northeast regions, refolded in the communication infrastructure but with a double aggravating factor.

The meager railway development in the Northeast did not bode well for the rehabilitation of sugar, which was trailing, in terms of quality and price, that of Cuban, Antillean, Egyptian, and Javanese. Nor, by extension, was it successful in the implementation of the central mills policy, which Paranhos used in 1875, similar to what he had done for the railways: the government began offering a guarantee of an equal 7% provided to companies that founded sugar mills (BARICKMAN, 2003; MELO, 2013).

¹¹ For values relating to investments in physical integration infrastructure, see: Ministry of Finance Reports, 1872 – 1876.

¹² For the construction and extension of the Dom Pedro II Railway, see: SANTOS, 2021.

¹³ Law 1953, July 17, 1871.

Contrary to the northeastern political leaders who had supported Rio Branco in 1871, when the Law of Free Birth took effect, the cabinet's northern policy was heavy on promises but lacked in achievements. It was disheartening and frustrating for a region that, for nearly ten years, suffered the long drought of the 1870s (SECRETTO, 2020).

The other aggravating factor occurred in the coffee farming region itself. As São Paulo's coffee plantations were spatially less concentrated than those in Rio de Janeiro, limiting the interest rates guaranteed to a railroad would only hinder the pace of expansion that needed western *paulistas*. Rio Branco's railway law, therefore, had to be accompanied by an equal measure, albeit provincial, which meant São Paulo's decisive participation in guaranteeing interest rates for São Paulo's railways. For the Silva Prado, the Souza Queirós, and the Paes de Barros, this was nothing more than confirming the responsibility that São Paulo would have for its own development.

The expansion of the coffee railways, in Rio de Janeiro and São Paulo, resulted in quick pressure for the government to regulate the free labor market. This occurred not only to reorder the national allocation of labor when the price of slaves soared, but also to ensure compensation for the eventual employment of slaves in the construction of the tracks (LAMOUNIER, 1988; LAMOUNIER, 2012, p. 155-211). Although it failed, Rio Branco formed a commission appointed by the Chamber to discuss the implementation of a service leasing law, which would only come to light in 1879. The aim was to eradicate the errant nature of the national free worker, tying him or her to the land through a multi-year and virtually unbreakable contract that balanced salary and productivity. The formation of a rural police was envisaged, also establishing harsh punishments for contractual violations and collective insurgencies, or strikes, against working conditions. In the end, the centuries-old position of an employer class that saw the employee as idle and indolent was reaffirmed, much like coal to burn in a metaphor specific to the world of that time.¹⁴

The expansion of reforms

Supporting the purpose, Rio Branco created the National Statistics Directorate. The first general census of the population was carried out in 1872, to check deaths, births, and marriages. The active population, both employed and unemployed, was quantified by municipality and province. The aim was to have as reliable a record as possible of the location of free workers. The slave population was also counted, giving rise to the possibility of providing a better assessment of the cost of compen-

¹⁴ About the Project, see: Annals of the House of Representatives, July 20, 1875. Brasília: House of Representatives. Available at: <http://www2.camara.leg.br>. Accessed: January 3, 2020.

sation eventually due under the Law of Free Birth. In a similar vein, but with less success, the government established the General Registry of Public and Possessed Lands, a means through which to resolve the pending issues left by the regulation of the Land Law of 1850, and ordered the implementation of the system of weights and measures, nationally spreading the meter, the liter and the kilo: metric universalization measures that developed with the densification of the telegraph network. When Rio Branco took office, the Empire had 2,080 kilometers of terrestrial telegraph lines; when he left, there were 5,151, stretching from Rio Grande do Sul to Pará, not to mention the submarine cables that connected Brazil to the United States, Europe, Argentina, Chile, and Uruguay (HOLANDA, 2012 [1960], p.159-206).

Furthermore, in addition to providing greater legal security to land transactions, the Registry could reveal the size of the land owned, who inhabited it, and, through the system of weights and measures, standardize how much was extracted from it. In the wake of the provisions for the leasing of services, the new land registry, and the metric system, the Empire bureaucratized itself, driven by a double scope: to facilitate the circulation of goods and to moralize the population through work. Both would express themselves with greater assertiveness, at least in terms of intentions, in the reorganization and cleaning of the urban world, especially that of the Court.

Urban projects

In October 1867, André Rebouças and a British company formulated an ambitious project to ensure fluidity in commercial activities in the port of Rio de Janeiro. It was approved as soon as the war against Paraguay had ended, which provided a truce to public accounts, but the works only began at the beginning of the Rio Branco cabinet. It was an industrious construction for Rio de Janeiro at the time, primarily because it involved port remodeling and railway interconnection. The Dom Pedro II Docks Company took five years to complete and resulted in the razing of the Municipal Square; the Harmonia Square – the current one is where the Harmonia Market had previously existed; and, without compensation to the displaced population, some blocks up from the Dom Pedro II Station, today *Central do Brasil*, which would then be connected to the Docks by newly built tracks (FONSECA, 2022, p. 299-452).

The goal was to alleviate the overcrowding of warehouses, which were locally dispersed and still had a colonial appearance. The aim was also to limit vessel congestion, which could last weeks or even months. At the same time, the spread of imported goods and the export of coffee were facilitated. Coffee now arrived from the farms directly to the Rio de Janeiro Docks. The port reform, in addition to the adoption of the metric system, the expansion of the telegraph, and the constitution of the Merchandise Stock Exchange, was a special demand of the Rio de Janeiro

ro Commercial Association, which the Viscount of Tocantins presided over in the 1870s, adding this position to the presidency of Bank of Brazil (RIDINGS, 1994). The completion of the project, through the issuance of bonds, once again ratified the complicity among the farm, the government, and the Bank, which purchased public debt securities to speed up the transport of coffee.

In a similar sense, Rio Branco commissioned João Alfredo – first in the Ministry of Agriculture, Commerce, and Public Works, and, later, in the Ministry of Empire – to draw up a master plan to improve the city. João Alfredo, who had promoted a then young Francisco Pereira Passos to technical consultancy in Public Works, transformed him into chief engineer of the Empire. Pereira Passos had graduated from the *École Nationale des Ponts et Chaussées* in the late 1850s and had witnessed the urban reforms promoted by the Baron of Haussmann in Paris. What he prepared for Rio de Janeiro, in the 1870s, was significantly dependent on French urbanism, based on the circulation of goods, the control of barricades, and the sanitation of public and private spaces (VIEIRA, 1992, p. 424-435; BENCHIMOL, 1992, p. 40-65).

In 1874, the project drawn up by Pereira Passos; the marshal and veteran of Paraguay, Moraes e Jardim; and the civil engineer, Ramos da Silva, was nearly complete. The plan was to open arterial roads, which would connect the popular neighborhoods of Gamboa and Saúde to São Bento Hill, where an avenue would be opened towards the seafront and Castelo Hill, which was to be imploded. Wider, the city streets would free up the movement of goods and people, and would unblock the passage of police and the circulation of oxygen, which altogether, it was believed, would guarantee better safety and hygiene conditions. At the same time, in the field of achievements, the capital, now powered by trams, became the fifth city in the world to have a sanitary sewage network and the third to have a water treatment plant (ABREU, 1988, p. 35-68; CHIAVARI, 1985, p. 569-599).¹⁵

Another wish was to beautify the Court. As part of the reforms carried out by Auguste François Glaziou in Santana Field – which ceased to be a place for grazing animals or a gathering of washerwomen to take on all the air of the very Parisian *Bois de Boulogne* – paving, afforestation, and lighting were planned for the streets and alleys. The most ambitious projects heralded the formation of new neighborhoods, such as Vila Isabel, in European bourgeois fashion: blocks cut symmetrically in the shape of a board, with a central square, into which the neighborhood's main boulevards flowed. In the case of Vila Isabel, the Square was Sete de Março, in honor of the

¹⁵ The urban projects formulated during Rio Branco's cabinet are found in the General Archive of the City of Rio de Janeiro (AGCRJ). See also: Ministry of Empire Reports, 1874 – 1876. The plans of Rio de Janeiro, organized chronologically, are available at: www.imaginerio.org.

day the Rio Branco cabinet was installed; and the boulevard, the 28th of September, in reference to the Law of Free Birth. To the south of the city, the neighborhoods of Glória, Catete, Botafogo, and Laranjeiras also had their streets widened, straightened and aligned, to ensure the drainage of rainwater and avoid repeated flooding.¹⁶

The reformist plan was only partially achieved, although it left Pereira Passos with the ambitions that he would implement three decades later, because the financial crisis of 1875 subsumed Rio Branco's boldest urban expectations. However, the land increased in value eloquently. The city's rental cost doubled. There was no neighborhood, including informal spaces, capable of avoiding real estate speculation. In these terms, rent-seeking investments in the capital seemed as safe an investment as buying bonds and certainly more profitable than, despite all the government's efforts, investments in Rio's coffee productive capital. This is what appeared in the inventories of the main businessmen in Rio de Janeiro: in addition to the financialization of their fortunes, they increased the acquisition of properties in the Imperial Court (FRAGOSO, 2013; MUAZE, 2008; PESSOA, 2018).¹⁷

In a less aristocratic manner, Rio Branco's reforms envisaged, in the informal spaces of the Court, the construction of workers' housing and the demolition of tenements and inns (LOBO, 1989; HAHNER, 1986). Tax exemptions, as well as on expropriation rights, were guaranteed for companies that built workers' villages. The proposal, to some extent, was not very encouraging, given that the government, aware of real estate speculation, proposed the pricing of rents. Workers' houses should have front and side windows, and the modules should be sufficiently spaced to prevent the repeated outbreaks of yellow fever and smallpox, which devastated the Court for decades: in 1873 alone, there were almost 10,000 deaths (CHALHOUB, 1996, p. 86-97). In the end, villages would have to be close to workplaces and would be constantly policed. In cooperation with factory employers, village construction companies could threaten employees who engaged in strike activities with the possibility of eviction, for which, incidentally, the police also competed.¹⁸

¹⁶ Idem.

¹⁷ About rental values, see: Ministry of Finance Reports, 1870 and 1875.

¹⁸ Regarding legal provisions, see: AGCRJ - CI CPO 40.4.48 - Council of Intendency Collection, Series: Houses for workers and poor classes.

Educational projects

Rio Branco's educational reforms for the middle and lower classes were also unsatisfactory. They neither avenged nor mitigated the centuries-old scenario of social exclusion. The plan had been to establish higher technical and industrial schools, normal schools in all provinces, and new primary schools, especially in the capitals. What could be a relief for middle-income groups, as higher practical careers would open up to them, did not change the educational paths of low-income groups. Despite some very specific successes, free primary schools remained insufficient, contributing to the continuous rise of private schools, whose monthly fees were unaffordable for the lower classes (MARCILIO, 2016; ARAÚJO, GOMES and MAC CORD, 2017).

At a time when Europe was reforming its elite university framework, particularly in France, where the Paris Institute of Political Studies was founded, which was supposed to train new administrators, Rio Branco achieved important goals in cutting-edge education. He left law schools untouched, but gave impetus to scientific training. In 1874, he created the Rio de Janeiro Polytechnical School. With the act, the old Central School imploded, forcing the separation of the civil courses, which became the responsibility of the Polytechnical School, and the military, which began to be run by the Military School (CASTRO, 1995; GONDRA and SCHUELER, 2008). Shortly thereafter, in 1875, the *Escola de Minas de Ouro Preto* was opened, greatly influenced by its French counterpart. Thus, the Empire trained new engineers and geologists, in great demand especially for railways and sanitation works, taking the first steps towards the development, now institutionally, of mineralogy and metallurgy (CARVALHO, 1978). Ratified by the formation of the Engineers' Club, an initiative led by Conrado Jacob Niemeyer, it became a constellation of job opportunities that opened up to the upper classes within a universe primarily more restricted for the middle strata, in direct contrast to the lower classes. In the 1880s, as a manifestation of a secularly selective educational policy, only 15% of the Brazilian population was literate.¹⁹

¹⁹ Regarding literacy rates, see: IBGE, Brazil Census, 1872.

Finance, currency, and taxes

Seeking to circumvent the less latent and more apparent inevitable social unrest, as early as 1872 Rio Branco instructed his cabinet on the need to contain the escalation of inflation, which he attributed to the loose monetary policy practiced during the war in the River Plate basin (PELÁEZ and SUZIGAN, 1981). In his interpretation, public auctions of bonds would have a triple beneficial effect for post-war Brazil. They would fulfill a liquidity dry-up, removing money from circulation and limiting, at least in the short term, the rise in prices. As a result, inflationary control would keep bonds attractive, because they were not corrected by inflation. It was a sensible procedure for Rio Branco, given that, without bonds, the possibilities of internal – or even external – financing would be restricted (ALMEIDA, 2005; ZILLOTTO, 2011; CARRARA, 2022). Contrary to the financial history of the Empire, Rio Branco also turned to Great Britain to carry out its development project: between 1871 and 1875, the government borrowed almost nine million pounds – almost double the amount borrowed during the war against Paraguay (SUMMERHILL, 2015; VILLELA, 2020; ABREU, LAGO, and VILLELA, 2022). Finally, on the other monetary side of the cabinet, price containment would act towards social peace, when, visibly in the main cities of the Empire, popular unrest was growing.²⁰

In a similar movement, but through taxation, the standardization of customs duties by 40% was mitigated not only with exemptions for machines and inputs beneficial to agricultural activities, a demand of coffee farmers, but also for basic consumer goods: wheat, fish, kerosene, candles, calico, and cotton fabrics (MELLO, 1933, p. 59). Regarding fresh meat, a nationally supplied market, Rio Branco recommended the exemption from municipal taxes for butcher shops that sell a kilo at a price below the usual market price – a dissuasive measure regarding the recurrent practice among middlemen of safeguarding cattle to control the supply of meat and its price.²¹

The effects of Rio Branco's economic policy only reinforced the inequality of reformism at that time. The expansionist fiscal policy, which most served Rio's coffee farmers, limited the deflationary impetus of monetary and commercial policy, but without prejudice to the seductive nature of the bonds, whose interest still compensated for rising prices. Furthermore, Rio Branco quickly regulated taxes on *industries and professions*, one of the prodromes of income tax in Brazil. With no real possibility of extracting resources from where nothing was expected, the cabinet

²⁰ On public financing of reforms, see also: Ministry of Finance Reports, 1874 and 1876; and Ministry of Empire Report, 1876.

²¹ Idem. See: Decree no. 5.580, March 31, 1874.

exempted peasants, fishermen, day laborers, and industrial workers from the new tax. But it did not affect those where money circulated in greater volume: on the owners of the plantations, banks, mines, shipyards, telegraphs and iron, and weaving and spinning factories. The tribute fell on traders of fabrics, sugar, sugar can whiskey, and tobacco; on those who sold fresh meat, lard, hats, yerba mate, wood, and leather; on the entrepreneurs of small looms, perfumeries, fashion stores, and slave consignments; on the owners of bars and taverns; and on bookkeepers, pharmacists, booksellers, and photographers.²²

To a large extent, the middle strata paid the tax, which, despite fiscal evasion, resulted in a value almost equal to the property tax, applied mainly to the highest strata – property owners. It was a consequential value, even when compared to the property transfer tax (COSTA, 2020, p. 271-301). A disproportion and a debasement for the middle class, in short, because when merely considering the annual salary, lawyers, doctors, statesmen, or coffee growers earned five, ten, or even 20-fold more than traders, bookkeepers, pharmacists, or small business owners (GOYENA SOARES, 2019, p. 470).

At the same time, Rio Branco's appeal to approve an electoral reform – which could have meant, given its content, a gain in political speech for the middle class – only came to fruition when, exhausted, the cabinet collapsed. Worse still, the 1876 elections proved that little had changed, notwithstanding the changes introduced in what became known as the *Lei do Terço* of 1875. The electoral reform took place in the wake of a series of judicial reforms, equally interested in moralizing habits, guaranteeing individual freedoms, and the transparency of jurisdictional practices. Still in May 1871, Rio Branco began discussions that led to the expansion of *habeas corpus*, the regulation of preventive prisons, and the reorganization of the imperial judiciary, finally separating judicial and police powers. He also instituted provisional bail, simplified criminal procedures, expanded means of defense, and expanded the jurisdiction of civil judges. In a similar sense, he decreed the extinction of the dungeon for slaves (HOLANDA, 2012 [1960], p.159-206). He created appeals courts, multiplied the number of second instance courts, and decreed the end of the police functions of the National Guard, repeatedly used to coerce voters (FALCON, NEVES and RODRIGUES, 1981; LIMONGI, 2014). It was a high-impact measure, at least in Rio Branco's opinion, for what should have been the endpoint of judicial transformations, that is, electoral reform.²³

²² See: Decree no. 5.690, July 15, 1874.

²³ See: Annals of the House of Representatives, May 3, 1871. Brasília: House of Representatives. Available at: <http://www2.camara.leg.br>. Accessed: January 3, 2021.

The ballot boxes

The ballot box dilemma, which deepened divisions in the situationist camp, revolved around two fundamental topics: direct voting and electorate literacy. Paranhos, who had advocated for legislation capable of protecting the veracity of political representation and preventing the abusive enticement of voters, was against direct suffrage. Instituting it, an opinion shared by the Emperor, would necessarily mean granting constituent power to the House of Representatives and Senate to approve an amendment to the Constitution of 1824. The partisan tensions of the moment discouraged the possibility, as it would result in perhaps slipshod consequences, even for the *Poder Moderador*. Rio Branco knew the radical and reformist programs of the liberal – and republican – bloc. He was also aware of the cleavages between conservatives regarding the electoral agenda. São Vicente had declared himself in favor of direct voting, precisely when he took office in 1870. This was also the position of the Baron of Cotegipe, who quickly leaned towards the extinction of the right to vote for the illiterate. From Rio Branco's perspective, the results of a reform that eliminated voting in two instances and that consequently introduced the requirement for literacy would be too uncertain in a society that was transforming at a rapid pace (GRAHAM, 1990; NEEDELL, 2020).²⁴

What Rio Branco proposed was a white-collar reform. Like Dom Pedro II, he believed only in an enlightened electorate, but understood that a double purification in the first and second stage of the election could remedy the cause, without the fuss of a constitutional amendment. Thus, the qualification of voters – the first degree – became more rigid. Parish councils should register the names of qualified citizens, their age, their marital status, their domicile, their profession, their income, and their literacy. The aim was to avoid the appearance of the *fósforo*, which would go out after a first vote and then light up again in the name of a second voter. More obstinately in control of those who voted in the first instance, oaths from witnesses to prove income would no longer be accepted. Now, anyone who presented a tax receipts, especially those from *industries and professions*; an official income declaration; a rental contract; or a property title, including slaves, could vote. In a less explicit manner, the polls would search for the middle class, who was, as a rule, literate. If conflict arose with the board, the voter could appeal to a judge or the dis-

²⁴ For the electoral positions mentioned herein, see: Instituto Histórico Geográfico Brasileiro (IHGB), Lata 50, Pasta 91. João Alfredo Correia de Oliveira para João Maurício Wanderley, Barão de Cotegipe, Belém, April 8, 1870; see also: Historical Archive of the Imperial Museum (AHMI) – Maço 184, doc. 8378. Conde d'Eu's notes on the electoral reform project.

strict court, which would have the final say on the case. This was perhaps a first step towards electoral justice. Finally, the voter had entitlement (DOLHNIKOFF, 2021).

Without transforming it into a proportional system, the new electoral process established that each voter and elector – this one of the second degree – voted for $2/3$ of the candidates, which is why, when approved, the measure became known as the *Lei do Terço*. In São Paulo, for example, a province that had nine seats in the House, voters voted for six names. The remaining third, it was hoped, would be captured by the minority, that is, the party that obtained the fewest votes. In this sense, safeguarding the legitimacy of the national electorate would mean producing a House of Representatives less unanimous and relatively more faithful to the transformations in the Empire's social structure and the resulting political demands (FERREIRA, 2001; SOUZA, 2018).

Once approved, the *Lei do Terço* produced everything except the results Rio Branco expected. The *fósforos* were not extinguished, nor did fraud in the records cease. In the 1876 elections, the minority party, the liberals, obtained an insignificant 13% of the seats, nothing like the promised third, making it clear that the coalitions on the electoral lists were impure and had a conservative arrangement behind the scenes. In 1878, precisely when the Emperor called the liberals to power, not even one conservative representative managed to be elected (CARVALHO, 2011 [1988], p.407). The sad end of the *Lei do Terço* occurred in the following elections, in the 1880s, when it was extensively revised. Before that, Dom Pedro II understood that Rio Branco, worn out after almost five years of government, would not be able to approve the reform. Despite all its efforts, the cabinet faltered in the face of a House deeply concerned about the contradictions of an international crisis, whose effects on the Empire occurred precisely when Paranhos lost his post in 1875.

The economic crisis and the conclusion of unequal reformism

The Empire under Rio Branco, in every sense, resembled the capitalist dynamics of the day. The great depression of the late 19th century began in 1873 with the crash of the Vienna Stock Exchange and spread quickly to Germany, France, Great Britain, and the United States. On the surface, it appeared to be a housing crisis. Paris and Vienna, which had the best expression of urban reformism at the time on the *boulevard* and *ringstrasse*, had been largely supported by immense bank credits endorsed by the respective governments. Just as occurred in Berlin and New York, the time was for the relaxation of credit barriers, which led to the multiplication of mortgage banks and financial derivatives, such as mortgage bills, acquired among European banks and disseminated across the continent. When the Vienna Stock Exchange crashed, it became clear that real estate speculation was taking place at the

expense of buildings and apartments that, remaining empty, did not resonate with the European wage reality (COGGIOLLA, 2009; MARICHAL, 2016).

The basis of the crisis, however, was different. Since the early 1860s, France, Austria, and Prussia had resorted to public debt to finance an industrial race against Britain. Raising the State's debt to hitherto unprecedented scales, the international conflicts of the decade – notably, the War of the Duchies (1864), the Austro-Prussian War (1866), and the Franco-Prussian War (1870-71) – only confirmed how dependent the public authorities were in relation to both national and international banks. It was the financial institutions that supported productive and military expansion. Nothing very different was happening on the other side of the Atlantic, not only due to the Triple Alliance War against Paraguay, but also the American Civil War (1861-1865). In the case of the United States, the end of the conflict had promoted the nationalization of the Army and the consolidation of internal public debt – the backbone of the now unified banking system. In association with the creation of a tax regime capable of securing, as it was equally integrated, the debts from the civil war, the reunification of the United States was quite favorable to the deepening of productive and financial investments (HAHN, 2016).

At the beginning of the 1870s, the euphoria of the moment, contrary to the best expectations, gave way to the structural exhaustion of an expansive cycle based on railways, steel, and capital goods, which had begun in the 1850s. When the most profitable road lines were built and when the plants were equipped, European savings tended to deviate from the productive sphere. The competition between nation-states only reinforced the downward trend in the profitability of investments. In France, banks chose to sponsor Russia's public debt, which was lagging behind the leading European powers. Britain sought opportunities in emerging markets, such as Canada, the United States, South Africa, Argentina, and Brazil. Germany seemed to follow a different path, although it also stitched together the global speculative movement with the colossal compensation that France, defeated in 1871, owed to Berlin (HOBSBAWM, 1996 [1975]; LANDES, 2010 [1969]; OSTERHAMMEL, 2014).

When the Vienna Stock Exchange crashed, panic spread quickly. The rush to the counters led to bank failures in Austria and, due to European interbank lending, in Germany, where the new public push for industry confirmed a crisis of overproduction. In the United States, the crisis also hit the New York Stock Exchange in 1873. Linked to railroads, the speculative bubble burst, and in September, the Northern Pacific Railway, one of the country's main railroads, collapsed. The fact was serious, since behind it was Jay Cooke, whose private bank, one of the largest in the United States, had financed the Northern troops during the Civil War. Shortly thereafter, the Union Pacific line imploded. It had been funded by *Crédit Mobilier of America*, a bank built on real estate financial products sold to the general public to support

railway expansion. With the consequent slowdown in production and consumption in the United States and continental Europe, Great Britain suffered the full effects of the crisis: there were 7,490 bankruptcies in 1873, and 13,130 at the end of the decade (HOBSBAWM, 1996 [1975]).

The response to the crisis in Brazil

In the Empire of Brazil, Paranhos prepared for the worst. In January 1875, he signed a loan with the banking house N. M. Rothschild & Sons, which he publicly justified by guaranteeing railway development. The size of the value taken, however, implied much more. The government was preparing once again to assist large-scale farming, potentially affected due to a scenario of declining international consumption. Likewise, it was pressed for time to ensure the payment of external and internal debt service and to guarantee the solvency of the banking system. In February 1875, Bank of Brazil warned the cabinet about possible constraints resulting from large requests for discounts, that is, about a rush to receive the full value of bank bills before maturity. Seeking to protect itself, the Bank traded the bonds captured during the 1868 national loan, carried out during the war against Paraguay, and managed to raise resources to guarantee cash flow. In March, the smaller banks in Rio de Janeiro declared that they could only make short-term loans, as they were operations of lower value and with greater guarantees, which would mean a general retraction in commercial credit (PACHECO, 1980; GAMBI, 2021).²⁵

Rio Branco quickly proposed to the House authorization to issue currency in order to rescue the banks, which was granted, given that the two largest banks open to international finance, Casa Mauá and Banco Nacional, suspended their payments and requested moratorium. Meanwhile, Casa Bancária Gavião de São Paulo, which depended on payments from Mauá, declared bankruptcy. Fearing that the crisis would reach the Empire's main financial institution, Bank of Brazil, and that it would therefore compromise the government's own financing capacity, Rio Branco granted credit equivalent to the Agriculture budget, especially to Bank of Brazil, at an interest rate that would make any coffee farmer begin to dream: just over 1%. The Bank effectively rescued the other deposit houses, at least those it deemed solvent, but offering a rate of 8%. Benefiting from the crisis, the Bank saw its assets soar precisely in 1875 and, at the end of the decade, it reasserted its historical level

²⁵ About the crisis and the measures taken by Rio Branco, see: Bank of Brazil Reports, 1875 and 1876; and Ministry of Finance Reports, 1876 and 1876-2A.

of banking concentration: it once again held more than 50% of Rio de Janeiro's total banking assets (SUMMERHILL, 2015; LEVY, 1994).²⁶

In the eventful plot of historical time, the bastion of liberals averse to Rio Branco and especially Zacarias de Goés and Vasconcelos, the senator eternally unfriendly to Bank of Brazil, demanded the chief of staff's head. They claimed that Paranhos had done everything, but always for the benefit of the banks. And that, now, he was once again strangling the Treasury in the name of a national interest that seemed to be limited to the financial health of Bank of Brazil. From Rio Branco's point of view, the story was different. In addition to a matter of governability, the aid was for Rio de Janeiro's agriculture, since it was in the port of Rio de Janeiro where the national State was composed, through the imperial budget. Bank of Brazil was inescapable in these terms, for it was the convergence point of the capital that the Empire could use to circulate it up to the plantations in the expectation of a multiplier effect. Altogether, it would be a harmonious channeling of resources, considering that the bank and farming could support each other, generating surpluses for the benefit of the State, whose responsibility was for a population group that was diverse in its productive and distributive characteristics.

²⁶ For legislative tensions regarding aid in Rio Branco, see: Annals of the House of Representatives, February to May 1875. Brasília: House of Representatives. Available at: <http://www2.camara.leg.br>. Accessed: January 3, 2020.

Conclusion

Considering the *longue durée* of political-economic structures, by contrast, Rio Branco's government coincided with rare moments of historical turning points that asked the politicians of the day for fortune and virtue to understand what to reform and where to anticipate. Pressured by the intentions of the banking sector and the coffee farmers in Rio de Janeiro, which restricted the government's margin of action, Rio Branco endorsed them, convinced of the new impetus they would give to post-war Brazil. He thus proceeded to implement the recoinage of the imperial currency, to return to an expression set forth by Ilmar Rohloff de Mattos²⁷, though in a broader sense. If previously the government and Rio de Janeiro's agriculture symbiotically authorized the captive ownership of labor, making it, as complementary sides of the same coin, a State policy and a condition for material development, from the 1870s onwards, the government and Bank of Brazil, where Rio's large coffee capital migrated, shielded each other against the adverse effects of the economic crisis and, above all, in a scheme in which creditors and debtors were interconnected, they once again supported the coffee plantations in Rio de Janeiro (KRAUSE and GOYENA SOARES, 2022).

When Rio Branco died in 1880, the effects of continuationist reformism only ratified the nodal contradiction that the former chief of staff had intensified. Despite the decline in the price of coffee after the 1875 crisis and the consequent drop in the value of exports, the crop aid package helped the Paraíba Valley production to survive, which by 1880 had grown 30% when compared to 1875 (DELFIN NETTO, 2009 [1959], p. 23-41). It was the last breath for coffee farming in Rio de Janeiro, which from then on went into a definitive decline: not surprisingly, given that Bank of Brazil, unlike Rio Branco, understood that the coffee farmers in the Paraíba Valley would not prosper over the long term. At the end of the 1870s, this was not only confirmed by the upward credit movement towards the West of São Paulo and the downward movement towards the Paraíba Valley, but above all by the progressive preference of the Rio de Janeiro coffee farmers themselves for bonds, bank shares, or real estate in the capital. Paranhos had deepened the post-war contradictions: he had used the banks for a bet that the banks themselves did not believe in. A paradoxical movement, altogether, since the incentive for coffee farming from the Paraíba Valley ended up intensifying the financialization of the economy of Rio de

²⁷ The original formula is the *recoinage of the colonial currency*. See also: MATTOS, 2004 [1987].

Janeiro, to the detriment of São Paulo, where the main national productive axis was gradually moving.

Still, in June 1875, when Rio Branco understood that his days were numbered, the Empire was in trouble, and these woes were not only financial. Paranhos left the door open to a crisis with the Catholic Church and a series of social issues that corroborated the unequal characteristics of reformism at the time. Perhaps more seriously, the Armed Forces did not quiet down after the conflict in the River Plate basin. On the contrary, they demanded corporative reforms, primarily regarding pay, equipment, promotion rules, and recruitment, which did not succeed under Paranhos' administration, as witnessed by the revolts against military conscription (KRAAY, 1998; MENDES, 1999). Rio Branco's selective anticipations, therefore, were opposed by the propositional reactions of a citizenship that, gradually organized, gave a political sense to a class society.

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