Mauá and the Making of Modern Brazil: Entrepreneurship, Law, and Economic Transformation in the Empire[1]

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Abstract: This article examines the relationship between entrepreneurship, legal transformation, and economic modernization in nineteenth-century Brazil through an analysis of the film Mauá – O Imperador e o Rei and the historical trajectory of Irineu Evangelista de Sousa, the Viscount of Mauá. Drawing upon legal history, economic history, and historiographical research, the study investigates how Mauá's entrepreneurial initiatives intersected with the structural changes experienced during the Brazilian Empire, particularly in the fields of industrialization, commercial law, infrastructure, banking, transportation, and labor relations. The article argues that Mauá embodied an early model of entrepreneurial modernity that challenged the agrarian and slaveholding foundations of imperial Brazil. By contextualizing the emergence of protectionist policies, the abolition of the slave trade, the enactment of the Commercial Code of 1850, and the expansion of industrial and financial activities, the study demonstrates how legal and institutional reforms both enabled and constrained economic development. Methodologically, the research adopts a bibliographic and documentary approach grounded in doctrinal, legislative, and historical sources. The article concludes that Mauá's experience illustrates the tensions between innovation and political resistance in peripheral capitalist societies, highlighting the enduring role of entrepreneurship as a driving force of social and economic transformation.

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Keywords: Entrepreneurship; Viscount of Mauá; Imperial Brazil; Commercial Law; Economic Modernization.

Introduction

Humanity's evolution has marked a transition from brutal competition over scarce resources to a more organized form of acquisition: trade. This paradigm shift arose from voluntary interactions within nascent market systems. Indeed, the history of humanity can be viewed as a progression from less favorable to more advantageous conditions, consistently driven by advances in the production and distribution of goods and services designed to address challenges and improve the quality of individual lives.

It is well documented that the decline of nomadic lifestyles led to the establishment of permanent settlements, which, in turn, facilitated more direct human interactions and cultural exchanges. These interactions guided human behavior toward the higher levels of civility seen in contemporary societies. This continual exchange, an intrinsic human necessity, can be recognized as a natural consequence of our civilizational path—a concept Plato articulated in *The Republic*. There, he argues that individuals trade the products of their labor because "it is for their sake that we establish a society and found a city" (Plato, 2001, p. 76).

The rationale for this shift in interests arises from a variety of internal and external factors that orient individuals toward different productive endeavors. It is impractical for a farmer to learn shoemaking, or for a shoemaker to take up agriculture, simply because each requires the other's products. Instead, the time a shoemaker invests in mastering his craft can be better used to produce shoes, his area of expertise, which can then be exchanged for the crops of a farmer already skilled in agriculture.

Multiple significant factors drive individuals to excel in particular trades or provide specific services, from deep-seated family traditions to the demands

of their environment. Specialization not only leads to increased production and improved quality but also generates a surplus that extends beyond mere subsistence. This surplus supports the expansion of trade and commerce.

Marlon Tomazette (2017, p. 27) notes that the term “commerce” originates from the Latin *commutatio mercium*, which means the exchange of goods for goods. Therefore, commerce, without entering into initial doctrinal distinctions, relates to the economic sector responsible for the distribution of goods within an organized society. This requirement fostered the emergence of a professional activity that extends beyond the mere production or provision of goods and services. It encompasses the coordination of social and economic factors to satisfy the specific needs of distinct communities.

Merchants, or in modern terms, entrepreneurs, have been integral to trade for millennia, though their role has only recently become the focus of greater scholarly interest. Academic attention has evolved from merely examining the activities conducted to a more nuanced analysis of how these activities are carried out and of the motivations behind them. Plato characterized these individuals as those who frequented public squares “to buy, with money, from those who need to sell something, and to sell, with money, to those who need to buy something” (Plato, 2001, p. 76).

Joseph Schumpeter (1985) argued that the modern merchant, similar to what ancient Greek philosophers referred to, now resembles what we consider an entrepreneur. Entrepreneurs are innovators who discern the needs of their time and facilitate transformations across various social dimensions, activities, sectors, and geographic areas. They are central to combining the necessary means of production to produce new innovations.

Dolabela offers a more nuanced definition of the entrepreneur, describing entrepreneurship as:

> a profoundly human process, encompassing all that this entails: actions propelled by emotions, desires, dreams, and values; the bravery required to navigate uncertainties and to build amidst ambiguity and the undefined; an awareness of the inevitable

> missteps on uncharted paths; a rebellious and nonconformist attitude; a conviction in the capability to reshape the world; and a passion driven by outrage at social injustices. At its core, entrepreneurship involves constructing the future (Dolabela, 2003, p. 29).

This intrinsic drive for innovation and entrepreneurship is viewed as a fundamental element in social transformation. The needs addressed by these endeavors help foster an environment that supports the attainment of specific objectives. For example, migration from rural areas to urban centers was accelerated by the Industrial Revolution and the expansion of the manufacturing sector.

In a similar vein, law—especially in the private sphere—must evolve in tandem with social developments in order to manage ongoing conflicts effectively. The development and refinement of commercial law, a branch of civil law, mirror the mercantile activities carried out by stakeholders throughout history. As Paula Forgioni (2019, p. 29) notes, “Brazilian commercial doctrine was established over the last two centuries,” particularly during the imperial era, and has significantly influenced the deontological principles of this field, along with the legacy of enduring legal statutes.

This paper takes as its premise the role of the entrepreneur as an agent of social and legal change, aiming to analyze the film Mauá - The Emperor and the King, a cornerstone of Brazilian cinema. Released in 1999 and directed by Sérgio Rezende, with Paulo Betti in the role of Irineu Evangelista de Sousa, the Viscount of Mauá, the film and the life of its protagonist are deeply entwined with the social, economic, and legal developments of imperial Brazil. The primary objective of this analysis is to draw parallels between the biography of the Viscount and the paradigm shifts that occurred during the reign of Pedro II and the decline of the Empire.

The importance of this subject is significant, as it provides a platform for discussing historical, economic, social, and legal evolution, while also prompting reflection on contemporary organizational structures. The focus is on legal history research within the context of economic development during the “Mauá

Era," addressing pivotal issues in the development of commercial law, taxation, and foreign policy. This study is constructed on a foundation that allows for a logical and gradual exploration of these themes.

Further, this research aims to trace a subjective connection from the initial acts of commerce to the role of human beings as agents of social transformation through entrepreneurship and innovation, illustrated through the life and contributions of Mauá. Doctrinal and historical sources, many of them legislative in nature, are employed to develop the theme comprehensively. The study uses bibliographic and documentary research methods, seeking to preserve as much of the historical language as possible within the framework of modern interpretation.

The Colonial Economy and the Opening of Trade

The film opens with the early years of Irineu's life, illustrating his transition from his family's rural farm to Rio de Janeiro, then the capital of the Empire. The Viscount of Mauá was born on December 28, 1813, in the Parish of Nossa Senhora da Conceição do Arroio Grande—today known as Arroio Grande—in what was then the Captaincy of São Pedro do Sul, now part of Rio Grande do Sul. He was the second son of Mariana de Jesus Batista and João Evangelista de Ávila e Sousa, a rancher with longstanding regional ties (Mauá, 2011).

During the years of the Viscount's early childhood, Brazil underwent significant economic transformations following the arrival of the Portuguese court, which had relocated to the colony to escape the Napoleonic invasions. Prior to these changes, Brazil's trade balance was unfavorable, characterized by sudden shifts in its productive structure without adequate domestic preparation. Moreover, the restrictive market rules imposed by the colonial pact hindered the exploration of new commercial opportunities.

Like Irineu's father, most of the colony's population was engaged in agriculture, a sector that had been emphasized since the beginning of colonization. The challenges facing agriculture before the arrival of the court were compounded by the discovery of precious metals, which shifted the economic focus toward mining, strongly supported by the colonial metropolis.

Mining dominated the colony's economy, diverting resources from the agricultural sector, which was already struggling due to competition with India in sugar exports and the deterioration of the Portuguese navy, the sole authorized transporter of the colony's goods (Prado Júnior, 1981).

Mercantilist policies and the exploitative restrictions imposed by the metropolis fostered rigid national production structures. These included an overreliance on monoculture, which left Brazil susceptible to fluctuations in single-commodity markets; a significant dependence on imports for domestic consumption; and the inefficient use of free labor, which could have been more effectively deployed (Buescu, 2011).

Regarding labor, another deeply troubling aspect of Brazilian history is the extensive use of enslaved labor, which produced severe economic repercussions. Mircea Buescu elucidates this point, stating:

> Slavery was a highly detrimental factor due to expenditures abroad for labor acquisition rather than fostering domestic economic activities. The total number of slaves imported during the colonial period is debated, but estimates range from 3.5 to 4 million. At the average sale price in Brazil of £30, this translated to over £1000 million. In 1840, a slave purchased in Africa for 30/40 mil-réis could sell in Brazil for 500/700—representing another significant outflow of capital (Buescu, 2011, p. 72-73).

Moreover, the widespread availability of enslaved labor discouraged technological innovation among slave owners and likewise hindered the development of national academic education. Without proper education, there was little incentive to pursue innovation and entrepreneurial initiatives. Consequently, even basic needs such as health, infrastructure, and sanitation

were seldom addressed, not to mention more complex sectors such as industrial, maritime, and political development, due to a pronounced lack of specialized expertise.

The Viscount of Mauá, for example, did not receive a formal education in rural Rio Grande do Sul; however, he acquired some foundational knowledge during his early years. His mother, Dona Mariana de Sousa, recognizing his early precocity and intelligence, taught him reading, arithmetic, and the principles of the Catholic religion, which instilled in him the moral framework that later influenced his business initiatives (Mauá, 2011).

Education remained largely unchanged with the arrival of the court in 1808. However, as Rui de Figueiredo Marcos, Carlos Fernando Mathias, and Ibsen Noronha observe, “the first benefits to genuinely reflect Brazilian interests focused on the domains of economic legislation,” as well as on legislation with a strongly political-administrative orientation (Marcos, 2014, p. 105). Consequently, on January 28, 1808, the Royal Charter issued by Prince Regent Dom João VI opened Brazilian ports to foreign trade, declaring:

> that not only my subjects but also the aforementioned foreigners may export to the Ports, as they deem beneficial for the commerce and agriculture which I greatly wish to promote, all and any colonial goods and productions, with the exception of Brazilwood or any other clearly monopolized items, paying upon export the same duties already established in their respective Captaincies, while all laws, royal decrees, or other orders that have hitherto prohibited reciprocal trade and navigation among my subjects and foreigners in this State of Brazil are hereby suspended and nullified. You are to carry out all these with the zeal and diligence that I expect from you (Brazil, 1808)

While effectively providing an outlet for the local economy, the dissolution of the colonial pact was not an act of benevolence toward the colony; rather, it had simply become impractical to maintain commercial restrictions with Portugal during its occupation by France. This led to a broad liberalization of trade, marking the first time national production was

acknowledged in international commerce, although Britain remained the primary trading partner (Buescu, 2011).

The Portuguese court's reliance on Britain was evident, leaving Brazil with a colonial economy still structured to meet external demands, within an agrarian system ill-equipped to address the new needs introduced by the court. This situation was further aggravated by the limited availability of domestic products and by an incipient industry. This was the result of historical sabotage by the colonial powers, exemplified by the decree of January 5, 1785, which mandated the destruction of all existing factories in Brazil (Marcos, 2014, p. 106).

British influence on the national economy was markedly detrimental, particularly against the backdrop of the initial vision for expanded trade. This situation led to the promulgation of the Royal Charter of April 28, 1809, which established differential regimes and granted exemptions from customs duties for various commodities, thereby promoting manufacturing and national industrial development.

The decree delineated several measures, including: a) the exemption from customs tariffs of all raw materials designated for domestic manufacturing and all products destined for export; b) the prioritization, in both government and private procurement, of products manufactured within national borders, in addition to loans from the royal treasury to support manufacturers; c) restrictions on the recruitment of young individuals in major areas of agricultural and industrial development in order to strengthen the labor force; and d) incentives for merchant fleet expansion through reduced costs for shipbuilding inputs, contingent on domestic procurement (Brazil, 1809).

The opening of the ports also precipitated significant advances in commercial law, epitomized by the reorganization of the Tribunal of the Royal Board of Commerce, Agriculture, Factories, and Navigation (Brazil, 1808), a precursor to contemporary commercial boards, which was restructured by the Royal Charter of August 23, 1808. These boards were tasked with overseeing:

> matters pertinent to terrestrial and maritime commerce, agriculture, industry, and navigation. The tribunal played a pivotal role in shaping commercial legislation, possessing the authority to advocate for laws it deemed beneficial for the sectors under its jurisdiction, all in the interest of the Brazilian state (Marcos, 2014, p. 109).

Moreover, the Royal Charter of April 28, 1809, introduced provisions concerning the commercial board, notably in its sixth clause, which granted inventors and entrepreneurs exclusive industrial property rights over their inventions for a period of fourteen years, contingent upon registration with the commercial board. This registration process was designed to make the inventions public after the exclusivity period, in order to cultivate a competitive domestic market. This regulation was applied retroactively, encompassing patents issued prior to the enactment of the new rule.

Innovation was also evident in the judiciary, which introduced specialized judges to handle commercial disputes within their jurisdictions. These included the conservator judge of privileges, who adjudicated civil cases involving merchants; the superintendent of smuggling, responsible for addressing customs fraud, misdirection, and retention of goods; and the bankruptcy judge, who oversaw bankruptcy proceedings for merchants registered with the board (Silva, 1994).

Many of these judicial advances were short-lived, primarily due to pressure from the British government, which secured a series of commercial benefits in its economic relationship with Brazil. On February 19, 1810, a treaty of friendship, commerce, and navigation was established, setting an ad valorem customs duty of 15% on British products, compared to 16% for domestic products and 25% for those from other countries. The treaty also granted judicial privileges to the British, including the adjudication of disputes by special courts from the country of origin and more favorable conditions for the establishment of British merchants in Luso-Brazilian territory, reflecting the

precarious and underdeveloped state of the Brazilian internal market (Buescu, 2011).

The British presence also affected the life of the Viscount of Mauá, a topic to be addressed later. It is important first to acknowledge that the arrival of the Portuguese crown in the colony was more beneficial than detrimental to the national economy, as it significantly enhanced the industrial and commercial structure of what had been a predominantly agricultural economy. This development marked the beginning of the transformation of the old colony into a national and autonomous community (Prado Júnior, 1981, pp. 90-91).

For young Irineu Evangelista de Sousa, merely five years old at the time, the arrival of the crown likely sealed his destiny. As depicted in the film, the boy had lost his father in a tragic cattle theft incident, leaving his mother and older sister to manage the demanding work of the farm (Mauá, 2011).

Rejected by his mother's new husband, the only option left for the nine-year-old was to enter the world of commerce as a clerk in his uncle's store, located in an economically developing area. Similar to the court's earlier relocation, Irineu Evangelista de Sousa left for the capital, Rio de Janeiro, with his uncle, harboring restless thoughts that:

> undoubtedly stirred the blood in his generous heart, fueled by the auspicious signs of his lucky star that continued to guide him. Were it not for that painful and now-forgotten family squabble, the course of his destiny might have remained confined, ingloriously, to the life of a small ranch in Rio Grande, his actions and intellect limited to the rugged and modest life of the remote countryside (Mauá, 2011, p. 26).

Economic Dependence and Mauá's Commercial Formation

Irineu witnessed many of the economic changes that took place from the beginning of the Second Reign until the republican coup. More than merely

observing them, the Viscount actively participated in these events. However, before emerging as an influential figure in the Empire, he underwent a lengthy apprenticeship filled with menial tasks and only brief periods of formal education, which had little impact on his development as a merchant and entrepreneur.

It was perhaps only after moving to Rio de Janeiro under the guardianship of another uncle, José Baptista de Carvalho, and actually working as a clerk, that he truly began to grasp the essence of commercial life. Reflecting the prevailing mindset of his era, his uncle devalued traditional education, considering it superfluous for those destined for commerce, since "the counter was regarded as the real practical and lively technical school" (Mauá, 2011, p. 27).

Irineu moved from one job to another, initially working in exchange for shelter and food, and eventually earning a modest income. He displayed an innate ability to endear himself to those around him, showed a degree of deference, and worked diligently, impressing his employers and earning their trust through his commitment to work, study, and financial management. He would polish:

> the boots of the older clerks to earn a few pennies […] which he gradually used to buy books that he read at night in the shop, by the dim light of an oil lamp or lantern outside the house, during hours spared from recreation and sleep, while others rested (Mauá, 2011, p. 27).

Drawing on his strong interpersonal relationships, Irineu received his first lessons in accounting, French, and other significant subjects from a regular patron of the commercial establishment. Subsequently, Irineu was assigned to the trading house of João Rodrigues Pereira de Almeida, Baron of Ubá, a prominent merchant and slave trader. This experience significantly influenced Mauá, fostering in him an inclination toward abolitionism.

Despite its controversial nature, it was through the slave trade that Mauá learned much about the importance of risk in business ventures. The lengthy sea voyages were exceedingly costly and increasingly subject to strict legal restrictions aimed at curtailing the use of enslaved labor within national territory. These challenges prompted the development of a speculative commercial approach, aligning various disparate interests toward a common goal: profit generation. The partners involved in these maritime ventures depended on their success; they did not lead the decision-making process, but entrusted their assets to those who did. This scenario marked the genesis of financial speculation, laying the groundwork for a securities market, with the potential for substantial profits if the ventures succeeded and the constant risk of losses if they failed.

In this new venture, as depicted in the film, young Irineu acquired a substantial amount of stock from his financially struggling employer at the Royal Bank of Brazil, established in 1808 by Dom João VI. At that time, the bank was nearly decapitalized due to the monarch's substantial withdrawals prior to his return to Portugal. This situation led to widespread panic among shareholders and, consequently, to low liquidity of the bank's assets, allowing even a young man like Irineu to purchase them at a favorable price in anticipation of a future settlement (Buescu, 2011).

The bank eventually closed in 1829, which, although not entirely negative, served as a valuable learning experience for future banking activities in the country, including those undertaken by Mauá himself. At this juncture, the film introduces the first meeting between young Irineu and the Viscount of Feitosa, the antagonist. Initially, Feitosa expresses interest in the boy's economic acumen, commending his enthusiasm for national growth and advising him to buy a farm and establish himself as a reputable landowner with the proceeds from the asset liquidation.

This encounter deserves closer attention, as, like all films, the narrative must follow certain technical conventions, and there are scant historical records of the Viscount of Feitosa or of his actual existence. The character is likely a

personification of the era's prevailing ideologies, representing the physiocratic elite and the agricultural sector's lobbying efforts, which Mauá would later confront in his advocacy for industrial development and abolitionism.

As previously mentioned, cinematic works often follow specific technical conventions; Mauá - The Emperor and the King follows this pattern, employing a familiar hero's journey narrative that may take creative liberties to enrich the storyline. The portrayal of the agricultural sector as the principal antagonist obstructing the protagonist's development, although dramatic, is debatable from the standpoint of historical-economic accuracy.

The world was gradually moving toward industrialization with the advent of mechanization. However, overcoming the entrenched principles of physiocracy—where land was considered the primary source of wealth—was particularly challenging in Brazil at that time. Historically, the agricultural sector experienced significant fluctuations, and during the period depicted in the film, it was notably in surplus. The Industrial Revolution, spanning from 1760 to 1840, required substantial imports of raw materials, particularly cotton. At the same time, commodities such as sugar maintained consistent demand, and new products such as coffee were gaining global popularity. The prevailing sentiment of the era was that diverting Brazil's focus from primary-sector exports to the uncertain prospects of industrialization was imprudent (Prado Júnior, 1981).

Fortunately, significant changes are seldom driven by defenders of the status quo, and Irineu saw the deficits in the domestic market as opportunities, leading him to disregard the Viscount of Feitosa's advice and preserve his savings. Following this period, his former employer, the Baron of Ubá, went bankrupt, and during the debt liquidation, Irineu met his intellectual mentor, future employer, business partner, and friend, the Englishman Ricardo Carruthers. Mauá fondly described him as:

> One of humanity's finest specimens was an English merchant renowned for his complete probity and traditional positive morality. After I had amply demonstrated my capabilities in his service, he chose me as the managing partner of his firm while I

> was still youthful. This early opportunity in my commercial career allowed me to develop the potential that lay dormant within me (Mauá, 2011, p. 29).

Moving from a Portuguese to an English firm, Irineu gradually shifted from purely commercial activities, although he continued to perform such roles, toward entrepreneurship. Carruthers & Co. handled much more than the tasks he had previously performed as a clerk; it was a company that also provided loans and assessed businesses, meaning that evaluating the feasibility of ventures was a significant differentiator. This exposure sharpened Mauá's ability to identify opportunities. His work and studies at Carruthers spanned over fifteen years, during which his business acumen and notable commercial achievements propelled him, at the age of 24, to a managing partnership (Mauá, 2011).

Irineu's management lasted ten years, until 1846, when, in a favorable financial position, he chose to liquidate his enterprise. He justified his decision, stating:

> Twenty years of unceasing activity—beyond the rest needed to recover from the physical toll that continuous effort and necessary contemplation impose—sufficed to assure me an annual income of over 50,000 réis, assuming the capital had been invested in the safest securities available in our country. This was after settling the affairs of a substantial import and export business, in which I had become the central figure, in addition to the proportional share due to other partners (Mauá, 2011, p. 34).

The primary reason Irineu ultimately left commerce and liquidated Carruthers was the extensive British involvement in the Brazilian economy, as previously noted. British participation in the national economy was so significant that, after independence, the British crown became Brazil's main creditor.

This borrowing also stemmed from the depletion of the treasury, exacerbated by the customs benefits granted in the 1810 trade treaty.

Nonetheless, it would be inaccurate to place full responsibility on these concessions, since maintaining the court required significant national resources, and the low-interest loans were used merely to cover deficits, not to stimulate the economy (Buescu, 2011).

The treaty's reciprocity clauses were vague, allowing numerous European merchants to establish commercial operations such as Carruthers & Co. in Brazil without a similar reciprocal presence in the developed and highly competitive English market. It is estimated that between 150 and 200 foreign firms had already been established in Rio de Janeiro by 1808, soon after the opening of the ports (Pantaleão, 1965).

The landscape began to shift in 1844 with the expiration of the international treaty with England and the initiation of protectionist measures aimed at nurturing the domestic market (Buescu, 2011). These changes created the conditions necessary for Irineu to pursue the entrepreneurial ambitions he had nurtured during his trip to England years earlier. During a visit to his former employer and friend in Bristol, he was profoundly inspired by the iron-casting industry, deciding that this was the path he wanted for his business and for Brazil, ultimately leaving commerce to venture into the nascent national industry.

Protectionism, Abolition, and Commercial Law

Significant changes were on the horizon from the middle to the later period of the Second Empire, affecting the legal and economic landscape of the Empire. Years of close ties with the British crown had incited various uprisings throughout the territory, as the concessions granted to the British were often perceived as more favorable than those granted to the domestic market. This period also introduces a particularly controversial aspect of Mauá's history: his strained relationship with Emperor Dom Pedro II.

The film depicts numerous encounters and a relationship that, while not overtly combative, appeared fraught with resentment. One significant historical narrative concerns Irineu's influence on the Ragamuffin War, a separatist movement in what is now Rio Grande do Sul, which opposed oppressive taxation on local production and the concessions granted to the British. The real cause of friction between the monarch and the merchant might have been more substantial than mere palace intrigues or symbolic events. Dom Pedro II was a nationalist, and any links, even indirect ones, with revolutionary movements warranted careful attention.

Historical records suggest that Irineu's familial ties to the insurgents and his aid in providing supplies were merely acts of benevolence toward the people of his homeland. The evidence suggested not "against Irineu, but in his favor—he had advised the rebels to lay down their arms, just as Teófilo Ottoni did. No one could argue that such a stance would make him suspect in the eyes of the empire" (Mauá, 2011, p. 41).

The reasons behind his ambiguous relationship with the emperor—sometimes peaceful, sometimes contentious—are evident, even including loans granted from the royal treasury for his ventures after two significant domestic reforms: a) the prohibition of the slave trade and b) the introduction of the Alves Branco tariff.

Concerning the first reform, after independence, amid growing intellectual production and increased contact with British society, which had abolished slavery in 1833, slavery began to be seen as morally reprehensible even among the nation's more conservative factions (Marcos, 2014). Even the Viscount of Feitosa, a landowner who represented the class and personified regression in the film, concurred with Irineu's arguments about the immorality of using enslaved labor. However, the debates of the period were inconsistent; while "slavery was criticized, its continuation was energetically supported; its ills were acknowledged, yet few dared to openly oppose it and propose effective and concrete measures for its abolition" (Prado Júnior, 1981, p. 104).

Regarding Irineu's views on abolitionism, the film takes some liberties in shaping his character. Although privately opposed to slavery and critical of its practices, his views on abolition were influenced by English market logic. He perceived abolition as a procedural solution for the internal market, which required skilled and motivated labor. He articulated that, in the absence of enslaved Africans:

> the only apparent solution to achieve the desired end is the importation of salaried labor through service lease contracts, by immediately enacting effective measures to regulate the rights of both parties. Seek these services from any European country, if obtainable at prices our agriculture can afford without facing bankruptcy. If not possible, seek them wherever they can be found. It is a temporary measure, yet critical for survival. The state, having previously neglected this need, must now address this urgent demand; private interest will later continue this effort (Mauá, 2011, p. 207).

These ideological clashes in legislative and judicial settings caused the entrepreneur to be viewed unfavorably by agricultural exporters, who had gained significant influence after independence and often prevailed in political decisions. The initial attempt to ban the slave trade occurred in 1831, but more definitive action was not taken until the enactment of Law No. 581, of September 4, 1850, also known as the Eusébio de Queiroz Law, which provided in Article 1:

> Brazilian vessels found anywhere, and foreign vessels found within Brazilian ports, coves, anchorages, or territorial seas, carrying on board slaves whose importation is prohibited by the Law of November 7, 1831, or having recently disembarked such individuals, shall be seized by the authorities or Brazilian warships and considered as slave importers. Vessels without slaves on board, nor having recently disembarked them but found with signs of engaging in the slave trade, shall also be seized and treated as attempting to import slaves (Brasil, 1850,).

With the cessation of the slave trade, although it had intensified shortly before prohibition, a source of labor that hindered market competition was cut off. Although slavery itself had not been fully abolished, the end of the trade also reduced the rate of population growth, both because traffickers preferred to acquire more men than women and because subsequent laws freed children born within the nation. Consequently, it became necessary to seek salaried workers and facilitate immigration, or else risk harming the emerging coffee industry, thereby “laying the foundations for a new solution to the labor problem” (Buescu, 2011).

Another significant measure that facilitated greater enterprise within the nation was implemented through Decree No. 376, of August 12, 1844. This regulation, known as the Alves Branco Tariff, was designed to stimulate the development of national industries, which until then had been predominantly artisanal, with significant activity only in shipbuilding, and were still not considered substantial.

The taxation plan was meticulously detailed, distinguishing among inputs and varying tax rates based on the final destination of the products, with external taxes ranging from 20% to 60%. The regulation also provided that:

> Art. 20. The Government is authorized to impose differential duties on goods from any foreign nation that levies higher charges on Brazilian merchandise than on similar goods from other nations, to counterbalance the negative effects of this inequality or to compel its elimination. This duty will cease as soon as the inequality ends.
> Art. 21. A similar differential duty will be collected on goods from nations that impose higher consumption taxes on goods imported into their ports on Brazilian ships compared to those on their own ships, handled in the same manner as stipulated in the preceding article (Brazil, 1844).

Another aspect that merits attention, though not directly connected to those previously mentioned but also indicative of protectionism, is the creation of the Commercial Code in 1850. Following the trend set by the Napoleonic Commercial Code of 1807, codification became a sought-after feature for any legal system rooted in the Roman-law tradition, including those of Portugal and the Brazilian Empire, which had previously relied on sparse legislation.

With Irineu Mauá playing an active role in the commission, and after three months of rigorous work, Law No. 556, of June 25, 1850, established the Commercial Code of the Empire. It was based on the practices and customs of trading centers, decisions and precedents from the Royal Board of Trade, and applicable foreign legislation, primarily French (Marcos, 2014).

The Commercial Code was appropriate for its era but quickly became outdated, a common challenge many legal systems face with codification due to the rigidity it introduces into law. Fábio Ulhoa Coelho critiques its structure, noting:

> The delimitation of the Commercial Code's scope was done, in the French system, through the theory of acts of commerce. Whenever someone engaged in an economic activity considered by law to be an act of commerce (trading), they were subjected to the obligations of the Commercial Code (such as the requirement to keep books recording their economic activities) and began to benefit from the protections it offered (such as the use of commercial books as evidence in legal proceedings) (Coelho, 2016, p. 12).

The code was fundamentally objective and, although it was intended to be subsequently complemented by legislation defining specific acts of commerce under Decrees No. 737 and 738 of 1850, it did not regulate many of the issues relevant to actual practice (Tomazette, 2017). Nevertheless, it was effective in establishing numerous guarantees and consolidating domestic law, as traders had previously suffered from certain prevalent British practices. It now secured contractual practices, the administration of justice, interest-rate

parameters, attachment procedures, negotiable instruments, and many other matters requiring uniform regulation. While verbose in some areas, the Brazilian Commercial Code was innovative in others and remains in force today with respect to maritime commercial law.

Industry, Infrastructure, and the Mauá Era

In the years following the dissolution of Carruthers & Co., and particularly after the implementation of the Alves Branco tariff, Irineu, bolstered by the economic gains from his trading activities and access to both national and international credit, launched several ventures across diverse sectors of the Brazilian market.

His first significant project was conceived during his visit to England, where he studied iron foundry techniques and the array of products that could be produced by this industry. This experience inspired the creation of the Ponta da Areia Shipyard, a foundry established in Niterói with an initial loan from the royal treasury to set up its industrial infrastructure. As depicted in the film, when acquiring the facility, he also took over the enslaved workers who labored there but, maintaining his principles, offered them wages and the opportunity to purchase their freedom.

Ponta da Areia was granted several public contracts to manufacture products for the city, such as extensive piping to draw water from the Maracanã River and supply piped gas, also produced by Mauá. It further provided numerous streetlamps, poles, iron bridges, and a total of 72 ships during its operational lifespan (Mauá, 2011). Irineu had ambitious plans to provide plumbing for the entire city of Rio de Janeiro, but the fate of Ponta da Areia did not meet his expectations.

In 1857, the shipyard experienced a fire that damaged much of its equipment, but with substantial effort and expense, he managed to rebuild the facility, which still required continuous loans for its operations. After two

decades of productive activity, he reluctantly decided to transfer the business (Mauá, 2011).

Contrary to the shipyard's fate, his gas-lighting enterprise yielded substantial returns for the future Viscount of Mauá, both financially and socially. The film vividly illustrates how deeply Irineu connected with the capital of the Empire, recognizing its challenges and needs. He brought his wife, Maria Joaquina de Sousa Machado, to one of the alleys he had frequented as a young man and illuminated it during a celebration, coincidentally on the anniversary of the Constitution of 1824.

This commitment significantly improved the quality of life in Rio de Janeiro and saved public funds. The contract, initiated on March 11, 1851, by Eusébio de Queiroz for supplying gas lighting and replacing old oil lamps, proved to be substantially more cost-effective than any other bid received. Irineu extended the piping by 200 miles with British financial support, substantially reducing his initial stake to offer the best and fairest service to the Empire (Mauá, 2011).

Irineu also pioneered developments in transportation, recognizing the need for national producers to transport their goods efficiently, since these were often hauled by animals on substandard roads. His initiatives in developing railway networks eventually earned him the noble title of Baron of Mauá. Yet the creation of the first railway line faced numerous challenges, often hindered by difficulties in land allocation or in raising the substantial funds required for such a project.

On July 26, 1852, the legislature issued Decree 641, which granted several privileges to companies or business conglomerates committed to carrying out the railway project that would connect São Paulo to Minas Gerais. The decree included provisions such as: I) concessions for expropriating private lands along the route and in adjacent areas; II) 5% interest on invested capital; III) access to raw materials and other inputs from crown lands; IV) exclusive territorial rights and a prohibition against any competing railway in the same direction, among others (Brazil, 1852).

Prior to the announcement of these incentives, Irineu had already coordinated with the province of Rio de Janeiro on a line that would begin at Porto de Estrela (now Porto Mauá), passing through Inhomirim to the Fragoso station. Construction commenced on August 29, 1852, with a ceremonial act by the emperor himself. Dom Pedro II, using a fine silver spade with a jacaranda handle and a wheelbarrow, made the first cut into the earth. It is known that this gesture caused further discomfort between the two, as manual labor was still viewed by the elite as fit only for enslaved people. However, for the now Baron of Mauá, it symbolized the catalyst for change.

At the inauguration event, the monarch was once again invited to experience the maiden voyage of the locomotive. It is reported that the Baron:

> presented to the Emperor the grand vision of this new mode of transportation as a precursor to an arterial network facilitating the flow of wealth, climbing mountains, spanning the central plateaus, and overcoming landscapes to eventually reach the heart of Brazil at the Rio das Velhas valley. This bold vision likely intimidated the reserved and austere Monarch, a lover of his tranquil retreat in Petrópolis among the classics and fine arts. From then on, Mauá began to be viewed with suspicion, seen as a dangerous individual obsessed with grandeur (Mauá, 2011, p. 62).

The Baron spearheaded numerous initiatives, establishing banking institutions in Brazil and abroad, building foundational industries, continuously expanding national and railway lines, and even connecting Brazil to Europe by submarine telegraph cable. This enabled communication between the two ends of the world and earned him the title of Viscount.

Although minor when compared to his historical achievements, Mauá's ambitious projects and occasional difficulties eventually led to his bankruptcy. He understood the importance of diversification from his commercial experience, but his desire to dominate entire sectors of industry garnered criticism.

His diverse concerns, which often extended beyond private interests and involved engagement with state bureaucracies, positioned him in opposition

to the state, which compounded his challenges due to its antagonistic stance toward the agrarian culture and political class of the era. Everything seemed destined for an unfortunate end, a fact not absolved by the national political and economic actors who at times determined his fate, as he highlighted to the Emperor at the film's conclusion, noting that few recognized his contributions to Brazil.

A greatly respected man, he knew that if everything were taken from him, only his good name would remain. Even in bankruptcy, he continued his work, driven by "constant efficiency—his sole focus was to repay his creditors, reserving only his honorable name, hard-earned over more than 50 years of relentless toil" (Mauá, 2011, p. 93).

His resilience and vision for progress sparked a change that remains slow to materialize even today, revealing the possibility of harmonizing interests in the construction of a diverse society and economy. As Celso Furtado noted:

> In our history, many idealists have emerged, but only one, from the mid-19th century, recognized that the key to Brazil's modernization was industrialization. Mauá's uniqueness lay in his attempt to advance our entry into modernity by a century. By rejecting his leadership, those in power doomed Brazil to underdevelopment (Furtado, 1984, p. 65).

Conclusion

This article, through Sérgio Rezende's film Mauá - The Emperor and the King, sought to analyze the social, economic, and legal evolution that Brazil underwent during the second half of the 19th century. The parallel drawn with Mauá's entrepreneurship reaffirms that human patterns of consumption can drive significant and lasting changes. The process of Brazilian independence and the establishment of an effective society, transcending its former status as a merely exploitative colony, may seem distant and even trivial today. However, in

historical terms, these foundational steps were taken relatively recently, and we continue to feel their direct impact.

Choosing Mauá as the focus of this discussion is undeniably relevant, as his life traversed a broad array of environments and situations that make for a rich historiographical investigation. Furthermore, even in his own time, he anticipated the economic trajectories Brazil would pursue after the republican coup, marking the early stages of entrepreneurial thinking that would only fully emerge a century after his initial efforts to catalyze change.

Mauá was guided by the firm conviction that traditional market agents should not solely dictate a country's trajectory, particularly given the enduring structure that favored inequality and exploitation, hindered equitable income distribution, and limited domestic investment. Mauá's legacy is significant not only in shaping the figure of the businessman but also in his political actions, advocating for the legislative and economic reforms that were necessary but not yet recognized as such.

Our culture of seizing opportunities in adverse circumstances mirrors Irineu's pioneering spirit. Rising from a life of poverty in a context of widespread precarity, he became one of the most influential figures of the Empire. Despite the considerable efforts of political agents to maintain the status quo and despite facing bankruptcy toward the end of his life, the lessons imparted by Irineu Evangelista de Sousa are not lessons of defeatism or dissatisfaction with numerous barriers. Instead, they emphasize that entrepreneurial thinking involves seeing opportunities where others find obstacles and knowing how to navigate challenges in order to realize those opportunities.

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