

**BRITISH TEXTILE EXPORTS TO THE
SOUTHERN CONE DURING THE FIRST HALF
OF THE NINETEENTH CENTURY: GROWTH,
STRUCTURE AND THE MARKETING CHAIN**

**Thesis submitted for the degree of Doctor of
Philosophy at the University of Leicester**

by

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September 2008

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ABSTRACT

The historiography of economic relationships between Britain and the Southern Cone during the first half of the nineteenth century largely ignores trade. Yet, neither British direct, nor portfolio, investment was important during this period, when the main gains arose from trade, and directly associated invisible earnings: credits, shipping freights and insurance. British exports have long been taken for granted to the extent that there are no specific considerations of textile exports to Latin America. Between 1815 and 1859, textiles comprised over 80 per cent of British exports to the Southern Cone. This thesis considers in detail the process by which textiles were transferred from British manufacturers to local wholesalers. The various relationships between manufacturers, merchants, ship-brokers, underwriters and mercantile houses are assessed and analysed. New light is thrown on the relative roles of the consignment system and own account operations, advances against consignments, marine insurances, return remittances, commissions and fees, shipping strategies, packing, and on the use and management of samples and pattern books.

Along with a lack of awareness of how British textiles were exported, little was known about the actual growth of Britain's exports to this region. The picture painted by the historiography, which lacked robust data, was that early exports glutted the markets. It has been maintained that, thereafter, the small, low-income and scattered rural population of the Southern Cone had little to offer in exchange. Furthermore, it has also been put forward that high internal transport costs made this former backwater of the Spanish Empire nothing but a marginal market. This view considers the Southern Cone solely 'responsible' for the supposedly low volume of British exports. Post-1860s developments – railways and European migration on a sizeable scale – are regarded as being responsible for the growth of exports.

This simplistic yet well-rooted approach is challenged. There was nothing exceptional in the development of the value of British exports to this market. When measured by volume, textiles exported by Britain to the Southern Cone expanded continuously throughout the 1820s, 1830s and 1840s and at very high rates, in particular, if per capita consumption is considered. Apart from the factors considered in the historiography, an explanation of the Southern Cone's increasing absorption of British manufactures from the 1820s requires an examination of other local conditions as well as the changing situation in Britain, namely: improvements in packing of textiles; falling costs of productions in Britain; falling ocean freight rates; falling marine insurances; introduction of free trade in Britain; dramatic improvements in communications; falling import duties on the spot; better port facilities; struggle of local craft industries; and the establishment of a more stable political system on the spot.

EXPORTACIONES BRITANICAS DE TEXTILES AL CONO SUR DURANTE LA PRIMERA MITAD DEL SIGLO XIX: CRECIMIENTO, ESTRUCTURA Y CADENA DE MERCADO

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RESUMEN

La mayoría de la historiografía que ha tratado las relaciones económicas entre Gran Bretaña y el Cono Sur durante la primera mitad del siglo XIX ha ignorado las relaciones comerciales entre ambos. Ni la inversión directa ni la de portafolio fueron importantes durante este periodo: las principales ganancias para los británicos provinieron del comercio de bienes (textiles en particular) y de los ingresos invisibles asociados al mismo: créditos, fletes y seguros.

Los pocos estudios disponibles sobre las relaciones comerciales entre Gran Bretaña y el Cono Sur se refieren en su mayor parte a importaciones británicas de materias primas, mientras que sus exportaciones se han tomado como exógenas al modelo. A tal extremo llega este sesgo historiográfico, que no hay estudios específicos sobre las exportaciones textiles a Sudamérica, aún cuando en nuestro periodo de estudio los textiles fueron la principal manufactura comercializada a nivel mundial. Nunca antes y nunca después una manufactura ha ocupado el lugar hegemónico que los textiles tuvieron entre 1815 y 1850 en el comercio mundial de manufacturas.

Entre 1815 y 1859 los textiles representaron un 80% de las exportaciones Británicas al Cono Sur, pese a lo cual muy poco se conoce sobre la cadena de mercado de esta rama del comercio. Esta tesis considera en detalle el proceso mediante el cual los textiles fueron transferidos desde el productor británico hasta el mayorista en el Cono Sur. Las diversas relaciones entre productores, comerciantes, agentes navieros, aseguradores y casas mercantes son establecidas y analizadas. Se proporciona nueva evidencia sobre los sistemas de consignación, sobre las operaciones por propia cuenta y riesgo, sobre avances (créditos) contra consignaciones, sobre los seguros marinos, sobre los retornos asociados a las ventas de textiles (i.e. oro-plata, letras de cambio y materias primas), sobre las comisiones y otros cargos, sobre las estrategias de embarque, sobre el empaquetado de textiles y sobre el uso de material de muestreo.

Además de un desconocimiento sobre cómo eran exportados los textiles, poco se sabía acerca del verdadero crecimiento de las exportaciones británicas. La versión proporcionada por la literatura (que carecía de datos robustos) era que las primeras exportaciones británicas saturaron los mercados de las repúblicas sudamericanas. Posteriormente, la historiografía consideró que una población reducida, de bajos ingresos, esparcida y rural tenía poco que ofrecer a cambio de vestuario importado. Adicionalmente, se creía que los altos costos de transporte interno hicieron del Cono Sur un mercado marginal. Bajo esta perspectiva, el Cono Sur era visto como el único responsable de un supuesto bajo volumen de exportaciones británicas. De acuerdo a este enfoque América Latina no era capaz de vender nada a Europa, y del mismo modo nada podía importar. Desarrollos posteriores a los 1860s, tales como la introducción de ferrocarriles y la migración europea a gran escala fueron vistos como los responsables de un salto substancial en las exportaciones británicas.

Este enfoque simplista y eurocéntrico (además de bien arraigado), bajo el cual el Cono Sur es visto como un receptor pasivo y marginal de manufacturas extranjeras, es

rebatido en ésta tesis. Por primera vez una base de datos al nivel más detallado posible fue creada en el curso de esta investigación: más de 45000 registros fueron ingresados en planillas Excel. El procesamiento y análisis de los flujos comerciales que se han obtenido muestra con claridad que no hubo nada excepcional en la evolución de las exportaciones Británicas al Cono Sur si éstas son medidas en valores. El Cono Sur importó manufacturas desde el Reino Unido durante la primera mitad del siglo XIX al mismo ritmo que el resto del mundo lo hizo. En efecto, Chile y el Rio de la Plata captaron hasta 6% de las exportaciones Británicas de manufacturas de algodón y de lana durante importantes periodos dentro de la primera mitad del siglo XIX. Si, en cambio, las importaciones del Cono Sur son medidas en volúmenes (yardas de tejidos), los textiles exportados desde Gran Bretaña al Cono Sur crecieron continuamente durante los 1820s, 1830s y 1840s, y a altas tasas. En términos per cápita, en los 1840s Argentina y Chile absorbieron 7 veces más yardas de textiles de algodón y lino que en los 1810s, y cuatro veces más de tejidos de lana. Finalmente, si el consumo per cápita de textiles Británicos en los 1840s se compara con el de los 1850s-1870s, no hubo ningún incremento de importancia en el tercer cuarto del siglo. Para explicar la evolución de las exportaciones británicas al Cono Sur, aparte de los factores considerados por la historiografía, otros elementos deben tomarse en consideración, no sólo respecto de la situación económica en el Cono Sur, sino también de las condiciones económicas en Gran Bretaña. Al momento de la independencia de las nuevas repúblicas el Reino Unido no era ningún monstruo industrial, no aún. La lana británica aún se desgrasaba con orina humana, mientras que el proceso de tejido en todas las ramas textiles era primordialmente manual. La fábrica textil y la mecanización súbita de todos los procesos textiles forman parte del imaginario historiográfico.

En esta tesis se consideran, por tanto, desarrollos económicos previamente ignorados, al mismo tiempo que se reposicionan otros a los que no se les había dado debida importancia. Particularmente importante fueron: las mejoras en el empaque de textiles para proteger contra daños causados por agua fresca y salada; la caída en los costos de producción de la industrias textiles Británicas (por ejemplo, las manufacturas de algodón se vendían en los 1840s a un cuarto del precio que en los 1810s); las caídas en los costos de flete marítimo; las caídas en los costos de seguros marinos; la introducción de libre comercio en el Reino Unido; mejoras sustanciales en las comunicaciones; caída de impuestos aduaneros en el Cono Sur; mejoras portuarias; la larga sobrevivencia de las industrias artesanales, así como el establecimiento de un sistema político mas estable.

EXPORTATIONS BRITANNIQUES DE TEXTILES AU CÔNE SUD PENDANT LA PREMIÈRE MOITIÉ DU DIX-NEUVIÈME SIÈCLE : CROISSANCE, STRUCTURE ET CHAÎNE DE MARCHÉ.

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RÉSUMÉ

L'historiographie des relations économiques entre la Grande-Bretagne et le Cône Sud pendant la deuxième moitié du dix-neuvième siècle ignore en grande partie le commerce entre les deux. Cependant, ni l'inversion directe ni celle du portefeuille furent importantes pendant cette période: les principaux bénéfices britanniques provinrent du commerce de biens et des recettes invisibles directement rattachées à celui-ci: crédits, frets et assurances. Les exportations britanniques ont été considérées comme exogènes au modèle jusqu'à tel point qu'il n'y a pas d'études spécifiques traitant les exportations textiles à l'Amérique du Sud. Entre 1815 et 1859, les exportations textiles représentèrent plus du 80 pour cent des exportations britanniques au Cône Sud. Cette thèse étudie en détail le processus par lequel le textile a été transféré des fabricants britanniques aux grossistes locaux. Les diverses relations entre les producteurs, les marchands, les courtiers de bateaux, les assureurs et les maisons marchandes sont évaluées et analysées. De la nouvelle lumière est jetée sur les rôles relatifs du système d'envoi et les opérations pour compte propre, des crédits contre des consignations, des assurances maritimes, des retours des remises, des commissions et des honoraires, des stratégies navales, de l'emballage, et de l'utilisation et la gestion des échantillons.

Ignorant la façon dont les textiles britanniques ont été exportés, très peu était connu de la réelle croissance des exportations britanniques à cette région. L'image peinte par l'historiographie, qui manquait de données robustes, était que les premières exportations avaient inondé les marchés. Par la suite, il a été maintenu que la population rurale du Cône Sud, petite, dispersée et de faibles revenus, avait peu à offrir en échange. En outre, il a aussi été soutenu que les hauts coûts internes de transport ont fait de cet ancien territoire de l'Empire espagnol rien qu'un marché marginal. Ce point de vue considère le Cône Sud le seul 'responsable' du pauvre volume des exportations britanniques. Quelques événements des années postérieures à 1820 - les chemins de fer et la migration européenne à une échelle assez importante - sont considérés comme étant responsables de la croissance des exportations.

Cette approche simpliste, quoique très répandue, est mise en doute dans cette thèse. Il n'y avait rien d'exceptionnel dans le développement de la valeur des exportations britanniques à ce marché. Si l'on prend en considération les volumes, les textiles exportés par la Grande-Bretagne au Cône Sud ont augmenté continuellement et à des rythmes très élevés pendant les années 1820, 1830 et 1840, particulièrement si on tient en compte la consommation par personne. En dehors des facteurs considérés par l'historiographie, une explication de la croissante absorption des produits finis britanniques à partir des années 1820 qu' a expérimenté le Cône Sud, exige l'examen d'autres conditions locales aussi bien que de la changeante situation en Grande-Bretagne, à savoir: L'amélioration de l'emballage du textile; La diminution des coûts de production en Grande-Bretagne; La chute des tarifs de frète océanique; La réduction des prix des assurances maritimes; L'introduction du libre-échange en Grande-Bretagne; La spectaculaire amélioration des communications; La diminution des impôts à l'importation en Amérique du Sud; De meilleures installations portuaires; La lutte pour survivre des industries artisanales locales; et l'établissement sur place d'un système politique plus stable.

ESPORTAZIONI BRITANNICHE DI TESSILI AL CONO SUD DURANTE LA PRIMA METÀ DEL SECOLO XIX: CRESCITA, STRUTTURA E CATENA DI MERCATO

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RIASSUNTO

La storiografia delle relazioni economiche tra la Gran Bretagna e il Cono Sud durante la prima metà del secolo XIX ignora il commercio. Eppure, né gli investimenti britannici diretti né quelli di portafoglio furono importanti in questo periodo, quando i principali profitti provenivano dal commercio e dalle entrate invisibili ad esso associate: crediti, spese di trasporto marittimo ed assicurazioni. Le esportazioni britanniche sono state a lungo considerate ovvie a tal punto che non esistono studi specifici sulle esportazioni tessili in Sudamerica.

Tra il 1815 e il 1859 i tessili rappresentarono oltre l'80% delle esportazioni britanniche al Cono Sud. Questa tesi studia dettagliatamente il processo mediante il quale i tessili vennero trasferiti dai produttori britannici ai grossisti locali. Le diverse relazioni tra produttori, commercianti, mediatori di noleggio marittimo, assicuratori e case di commercio vengono accertate ed analizzate. Si proietta una nuova luce sui relativi ruoli dei sistemi di consegna e sulle operazioni per conto proprio; sugli anticipi sulle consegne; sulle assicurazioni marittime; sulle rimesse di ritorno, sulle commissioni e tariffe; sulle strategie d'imbarco; sull'imballaggio e sull'uso e la gestione dei cataloghi di campioni e modelli.

Oltre ad una scarsa conoscenza di come fossero esportati i tessili britannici, si sapeva molto poco sulla reale crescita delle esportazioni dalla Gran Bretagna nella regione. Il quadro offerto dalla storiografia, che era privo di dati solidi, era che le prime esportazioni avevano saturato i mercati. Si considerò in seguito che la popolazione del Cono Sud, scarsa, dai bassi redditi e sparpagliata, avesse ben poco da offrire in cambio. Inoltre si metteva in evidenza che gli alti costi del trasporto interno facevano di questo antico territorio stagnante dell'Impero spagnolo poco più che un mercato marginale. In tale prospettiva il Cono Sud era visto come l'unico "responsabile" di un supposto basso volume delle esportazioni britanniche. Gli sviluppi posteriori al 1860 – le ferrovie e l'emigrazione europea su grande scala – sono considerati i responsabili del salto sostanziale nell'aumento delle esportazioni.

Questo criterio semplicistico, ancorché profondamente radicato, viene qui contestato. Non vi fu nulla di eccezionale nello sviluppo del valore delle esportazioni britanniche in questo mercato. Misurata in volumi, l'importazione dei tessili dalla Gran Bretagna al Cono Sud fu in continua espansione durante gli anni 1820, 1830 e 1840, ed a tassi altissimi, in particolare se si considera il consumo pro capite. A parte i fattori presi in considerazione dalla storiografia, la spiegazione del crescente assorbimento dei prodotti britannici nel Cono Sud a partire dal 1820 richiede l'esame di altre condizioni locali così come dei cambiamenti avvenuti nel Regno Unito. Vale a dire: miglioramenti dell'imballaggio dei tessili; riduzione dei costi di produzione in Gran Bretagna; ribasso dei costi dei trasporti marittimi, ribasso dei costi delle assicurazioni marittime; introduzione del libero commercio in Gran Bretagna; miglioramenti sostanziali delle comunicazioni, riduzione delle imposte doganali nel Cono Sud; migliori attrezzature portuarie ed infine la resistenza delle industrie artigianali locali come anche lo stabilirsi di un sistema politico più stabile in Argentina e in Cile.

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Places and Spellings

All references to ‘Santiago’ refer to ‘Santiago de Chile’.

The term Southern Cone means the modern countries of Argentina, Uruguay and Chile.

The term Latin America means the territory from the Rio Bravo to Patagonia, including all the Caribbean islands, Mexico, all Central America and all South America.

The use of ‘America’ or ‘American’ to refer to ‘the United States of America’ or its citizens was avoided. The terms used, instead, are ‘the United States’, ‘the USA’ or ‘US’.

The terms ‘local’ and ‘on the spot’ are interchangeably used to refer to the Southern Cone only.

In foot notes, Cambridge-MA is used for Cambridge-Massachusetts.

All numbers up to ten are in words, except in percentages and figures for yards, where the figures are all numerals.

All figures in sterling pounds are expressed in decimal pounds. That is, figures originally available in guineas, shilling and old pence (240 pence per pound) were converted into the modern British currency system. Therefore, all figures in pence refer to 100 pence per pound.

Abbreviations

AGSP	Antony Gibbs & Sons papers
AJS	Archivo Judicial de Santiago
AJV	Archivo Judicial de Valparaíso
ANCH	Archivo Nacional de Chile
BDP-RHL	Benjamin Davidson papers
BH	Business History
BP	The British Packet
BPP	British Parliamentary Papers
BWP	Balfour Williamson Papers at UCL
BWP-LTSB	Balfour Williamson letter book at Lloyds
BT	Board of Trade
CUST/4	Ledgers of Imports Under Countries
CUST/5	Ledgers of Imports Under Articles
CUST/8	Ledgers of Exports of British Merchandise Under Countries
CUST/9	Ledgers of Exports of British Merchandise Under Articles
EEH	Explorations in Economic History
EHR	Economic History Review
FDN	Fielden Brothers Papers
FO	Foreign Office
GFDP	George Frederick Dickson papers
GHR	Green, Hodgson and Robinson papers
HAHR	The Hispanic American Historical Review
HC	Baring Brothers papers
HDP	Hugh Dallas papers
HPEL	Huth Papers, English Letters at UCL
HPGL	Huth Papers at Guildhall Library
JAP	John Anderton papers
JEEH	Journal of European Economic History
JEH	Journal of Economic History
JLAS	Journal of Latin American Studies
LA	Latin America
LARR	Latin American Research Review
LSE	London School of Economics
NA	National Archives, Kew
OCE	Oficina Central de Estadística
ODNB	Oxford Dictionary of National Biography
OWN	Owen Owens & Son papers
RCHG	Revista Chilena de Historia y Geografía
RHL	Huth Papers at Rothschild
SC	Southern Cone
THS	Thomas Helsby & Sons papers
UGD/28	John Wylie & Co. papers
WLP	William Lupton & Co. papers

Acknowledgments

My thanks go first and foremost to my supervisor, Professor Philip L. Cottrell. From our early meetings, before I started the PhD, I benefited greatly from his advice. Indeed, the course of this investigation was very much influenced by early guidance received from Professor Cottrell. It was, for instance, his idea to start the archival research with the statistical data and the consular reports. I am particularly indebted to him for his careful readings of many drafts of this thesis, for his constructive criticism, for his time, for about 36 ‘pint & burger’ lunch meetings, and for financial support to undertake short visits to archives. No PhD student could ask for more from a supervisor, not even a demanding and obsessive Chilean.

As during my master degree, Professor Huw V. Bowen voluntarily acted as a part-time and unpaid *de facto* second supervisor of this thesis and as a *de jure* mock examiner. Professor Bowen has always been available to answer any question I may have had in a wide range of subjects during the last four years, sharing generously his time and wisdom, and providing guidance as well as expensive lunches at his ‘London office’. For all this, I am very grateful.

Again, as for my MA dissertation, Professor Marcello Carmagnani carefully read and commented on an early draft of this thesis, for which I am also very grateful. Professor Carmagnani has always been generous with guidance and advice.

Many other people have also helped me when required. Among them, I would like to mention, in particular: Antonella Dolci, Dr Bernard Attard, Dr Anne Murphy, Tim Davies, Marc Latham, Dr Jorge Selaive, Claudio Vicuña, Professor Stephen W. Wilson, Steven O’Connor, Giorgio Fodor, Silvia Hernandez, Professor C. M. Lewis, Francisco Pineda and Anthony Saunders.

When trying to locate some sources, I received invaluable help from Vera Blinn Reber. Other scholars and archivists who also answered kindly my questions regarding missing sources were Caroline Shaw, Juan Oribe, John Mayo, Sarah Millard, James Turtle, Melinda Haunton, Marc Croft, Karen Sampson, Natasha Cole-Jones, Maria Castrillo and Sheila Mackenzie.

I am also very much indebted to the ESRC for their generous financial support (PTA-030-2005-00308), without which this thesis could not have been completed. In

turn, I am also indebted to Dr Bernard Attard, who kindly appealed on my behalf to the ESRC once my original application had been denied on residential grounds, and to Professor Bowen; without his feedback on my application I could not have obtained the funding.

I am very grateful to all the libraries, archives and archivists that freely open their doors to historians. In particular, I am grateful to the Rothschild Archive, Lloyds TSB Group Archives, National Archives at Kew, John Rylands Library (there is no better place for a historian), PRONI, UCL Special Collections, Guildhall Library, Chilean National Archives and National Library, Argentine National Library, Banco de la Provincia de Buenos Aires, Baring Archive at ING Wholesale Banking, Brotherton Library (University of Leeds), Glasgow University Archives, Senate House (University of London), UCL main library, University of Leicester Library, and British Library (Euston and Colindale venues).

Many friends and relatives were also of invaluable help. In particular, my parents, my brother Alvaro, my sister Eloisa, my uncle Anti, my aunt Minerva, and Carmen Luisa. My thoughts are also with Alfredo Nazar and Tauro Berastegui.

Finally, I dedicate this thesis to my wife. Without her permanent support and love I could not have either started or finished this work.

PART I

THE TRADE DATA

Chapter 1

Introduction

During the second decade of the nineteenth century, both Argentina and Chile gained independence from Spain. One consequence of this was the opening of their ports to international trade. Though Britain had been regularly supplying these markets during the colonial period through contraband and legal re-exports via southern Spain, British merchants had not exported legally and directly to the Southern Cone¹ (except for the very limited legal trade allowed during the *Asiento* from 1713). This thesis analyses Britain's exports during the half century following the collapse of the Spanish-American Empire.

Europe had the lion's share of world trade during the first half of the nineteenth century. In this period, textiles were the principal product of trade, and Britain was the foremost exporter.² Neither before nor since has one type of manufactured good constituted trade in the way in which textiles dominated world trade at that time. Comparably, no economy has enjoyed the dominance which the United Kingdom had in world trade in manufactures during the first half of the nineteenth century. Therefore, it is not surprising that trade in textiles was the backbone of the business of British mercantile houses established in the Southern Cone.³

Table 1.1 shows the growth of British exports to the Southern Cone and the importance of textiles within British exports to this market between 1815 and 1899. In the second half of the second decade of the nineteenth century, British exports to the

¹ The term Southern Cone means the modern countries of Argentina, Uruguay and Chile. However, the term is sufficiently ambiguous as to include Paraguay. All bilateral trade figures used in this thesis consider these three republics but most qualitative references are made for Argentina and Chile. The inclusion of Uruguay was forced by the fact that for 1815–1817 and 1827–1845 Montevideo's data were aggregated to that of Buenos Aires in the British Custom Ledgers. To have a uniform destination, to allow consistent time series analysis, the author decided to aggregate River Plate data for 1815–1899.

² Europe had a share of 66–72 per cent of world trade between 1800 and 1880. P. Bairoch, 'European foreign trade in the XIX century: the developments of the value and volume of exports (preliminary results)', *JEEH*, Volume 2 (1973), pp. 13–14; R. Fremdling, 'European foreign trade policies, freight rates and the world markets of grain and coal during the 19th century', *Jahrbuch für Wirtschaftsgeschichte*, Volume 2 (2003), pp. 83–84.

³ Indeed, between the mid-1830s and the early 1870s 'the largest flow of textiles exports ever known in the history of the world' took place. D. Farnie, *The English cotton industry and the world market, 1815–1896* (Oxford, 1979), p. 86.

Southern Cone amounted to only £0.5m per annum but, by the following decade, they had more than doubled. Three decades later, Britain exported over £2.6m per annum and, by the 1870s, £5.9m. Textiles followed a similar pattern; 80 per cent of British exports to this market between 1815 and 1859 were clothing fabrics and made-up garments.

The thesis and the literature

Despite the fact that textiles were the main staple exported by Britain during the first half of the nineteenth century, prior to this thesis, British textile exports to Latin America had received little scholarly analysis. Some works have touched on the trade, but none extensively nor in any depth. Apart from Reber's excellent studies of British houses in Buenos Aires,⁴ the textile trade is only mentioned in passing in a literature that is mostly concerned with other issues. One explanation for this historiographical neglect is that very little has been written about the economic history of Argentina and Chile during the first half of the nineteenth century, 'probably the most under-researched period in Latin American history'.⁵

The limited historiography of the economic relationships between Britain and the Southern Cone largely ignores trade, concentrating instead on topics such as the loans of the mid-1820s. However, neither British direct investment nor portfolio investment were important during this period. British investments in Argentina before the 1860s have been rightly labelled as 'uniformly unsuccessful'⁶ and the experience in Chile was the same.⁷ As Rippy has pointed out, British investments in Latin America during the 1830s 'turned out to be as worthless as those of the earlier

⁴ V. B. Reber, *British mercantile houses in Buenos Aires, 1810–1880* (Cambridge-MA, 1979); 'Speculation and commerce in Buenos Aires: the Hugh Dallas house, 1816–1820', *BH*, Volume 20-1 (1978).

⁵ R. Miller, *Britain and Latin America in the nineteenth and twentieth centuries* (London, 1993), p. 71. This point of view is also shared by M. A. Irigoien, 'Finance, politics and economics in Buenos Aires, 1820s–1860s', PhD thesis, LSE (2000), p. 9; R. D. Salvatore and C. Newland, 'Between independence and the golden age: the early Argentine economy', in G. Della Paolera and A. M. Taylor (editors), *A new economic history of Argentina* (Cambridge, 2003), pp. 19–20.

⁶ H. S. Ferns, 'Investment and trade between Britain and Argentina in the nineteenth century', *EHR*, Second Series, Volume 3-2 (1950), p. 204.

⁷ In the Chilean case, the failure of the United Chilean Mining Association (1826) is a good example of this. See *The Times*, 17 March, 27 March, 28 September and 6 November 1826.

Table 1.1
United Kingdom exports to the Southern Cone by main products, 1815–1899 (declared value, £000)

Period	Textiles (cottons, woollens, worsted, and linens and silks)	Apparel, Slops, and Haberdashery	Empty Bags	Hats	Hardware and Cutlery	Iron and Steel	Arms and Ammunition	Coal, Cinders and Culm	Beer and Ale	Machinery	Main products excluding textiles	Other products not listed here	TOTAL EXPORTS
Annual Averages (£000)													
1815-9	403.9	15.2	0.1	5.5	14.8	5.6	0.0	0.9	3.1	0.4	45.5	43.3	492.7
1820-9	933.6	17.3	0.1	6.1	39.1	13.7	2.8	0.8	3.0	1.3	84.3	95.5	1,113.4
1830-9	1,233.2	6.8	0.0	5.0	35.7	17.6	3.4	0.6	1.7	2.4	73.2	58.2	1,364.6
1840-9	1,416.5	17.2	0.5	0.7	67.9	40.6	4.3	8.2	6.5	3.6	149.4	110.5	1,676.4
1850-9	1,879.3	71.8	10.8	1.5	140.7	141.2	21.7	37.0	25.8	28.0	478.5	271.6	2,629.4
1860-9	2,836.0	200.6	51.4	3.1	191.8	395.4	47.9	115.9	81.8	79.3	1,167.3	512.2	4,515.5
1870-9	2,908.8	225.0	98.5	15.4	259.6	900.3	64.7	257.9	62.1	174.7	2,058.2	923.0	5,889.9
1880-9	3,889.9	145.5	50.2	75.3	240.3	1,899.7	73.6	398.0	20.7	539.2	3,442.5	1,919.9	9,252.3
1890-9	3,896.7	67.2	46.8	46.7	94.7	1,488.1	104.8	842.8	7.7	677.7	3,376.4	2,334.2	9,607.3
Shares, %													
1815-9	82%	3.1%	0.0%	1.1%	3.0%	1.1%	0.0%	0.2%	0.6%	0.1%	9%	9%	100%
1820-9	84%	1.6%	0.0%	0.5%	3.5%	1.2%	0.3%	0.1%	0.3%	0.1%	8%	9%	100%
1830-9	90%	0.5%	0.0%	0.4%	2.6%	1.3%	0.2%	0.0%	0.1%	0.2%	5%	4%	100%
1840-9	84%	1.0%	0.0%	0.0%	4.0%	2.4%	0.3%	0.5%	0.4%	0.2%	9%	7%	100%
1850-9	71%	2.7%	0.4%	0.1%	5.4%	5.4%	0.8%	1.4%	1.0%	1.1%	18%	10%	100%
1860-9	63%	4.4%	1.1%	0.1%	4.2%	8.8%	1.1%	2.6%	1.8%	1.8%	26%	11%	100%
1870-9	49%	3.8%	1.7%	0.3%	4.4%	15.3%	1.1%	4.4%	1.1%	3.0%	35%	16%	100%
1880-9	42%	1.6%	0.5%	0.8%	2.6%	20.5%	0.8%	4.3%	0.2%	5.8%	37%	21%	100%
1890-9	41%	0.7%	0.5%	0.5%	1.0%	15.5%	1.1%	8.8%	0.1%	7.1%	35%	24%	100%

Source: Own elaboration from British Parliamentary Papers, CUST/8 and CUST/9 (as listed in Appendix 2.3)

period', whereas investment during the next two decades 'was reduced to a mere trickle'.⁸ Yet, apart from Platt's essential work,⁹ little has been written on British exports and even less about textiles. This is not only a problem regarding the trade with Latin America, but also it may be said that the British mercantile sector 'has attracted relatively little attention or money for research'.¹⁰

Although there are a large number of scholars¹¹ concerned with the economic relationships between Britain and Argentina and between Britain and Chile during the first half of the century, few have considered trade, let alone textiles. Even those who have written histories of mercantile houses (the main traders in textiles), have failed to treat the commerce in any depth, as shown by the studies of the houses of Balfour Williamson,¹² Gibbs & Sons¹³ and Huth & Co.¹⁴ Other scholars who have worked with business records of British houses operating in Chile have not paid much attention to textiles. Moreover, after the 1970s, Anglo-Latin American trade has received even less attention from economic historians based in Britain.¹⁵ The only post-1970s exceptions are Heath's doctoral thesis on Mexico, Cavieres's doctoral thesis on Chile and Guenther's work on Brazil (see bibliography).

Finally, the restricted scholarship addressing Anglo-Latin American trade during the first half of the nineteenth century has mainly been concerned with British

⁸ J. Rippy, 'British investments in Latin American, end of 1876', *Pacific Historical Review*, Volume 17-1 (1948), pp. 11 and 15-17. About the unimportance of British investment during this period, see also J. Mayo, *British merchants and Chilean development, 1851-1886* (Boulder, 1987), p. 236; M. A. Irigoin and R. Schmit, 'Introducción', in Irigoin and Schmit (editors), *La desintegración de la economía colonial* (Buenos Aires, 2003), p. 21.

⁹ D. C. M. Platt, *Latin America and British trade, 1806-1914* (London, 1972).

¹⁰ S. D. Chapman, 'British-based investment groups before 1914', *EHR*, Second Series, Volume 38-2 (1985), p. 230. More recently, it has been said that 'the evolution, role, and theory of international business in the service sector remains underdeveloped compared to the attention given to manufacturing'. G. Jones, *Merchants to multinationals: British trading companies in the nineteenth and twentieth centuries* (Oxford, 2000), p. 1.

¹¹ Along with Platt, there are: J. Brown; M. Burgin; E. Cavieres; C. W. Centner; H. S. Ferns; R. Greenhill; M. A. Irigoin; R. Miller; J. Mayo; T. E. Nichols; V. B. Reber; J. Rippy; J. L. Rector; H. Sabato; G. Salazar; C. Véliz (their main works are listed in the bibliography).

¹² Lord Forbes, *Balfour Williamson & Company and allied firms* (London, 1929); W. Hunt, *Heirs of great adventure* (London, 1951).

¹³ J. A. Gibbs, *The History of Antony and Dorothea Gibbs* (London, 1922); W. Maude, *Antony Gibbs & Sons Limited* (London 1958); W. M. Mathew, *The house of Gibbs and the Peruvian guano monopoly* (London, 1981).

¹⁴ A. Murray, *Home from the hill* (London, 1970).

¹⁵ According to Miller, 'the historiography of British trade in Latin America seems to have advanced very little' since Platt's *Latin America*. R. Miller, 'British trade with Latin America, 1870-1950', in P. Mathias and J. A. Davies (editors), *International trade and British economic growth from the eighteenth century to the present day* (Oxford, 1996), p. 120.

imports from Latin America. British exports have been taken for granted¹⁶ and very little is known about the market chain. As stated by two historians:

some tendencies within the social sciences and history have contributed to making imports a long-known but little-examined topic within Latin American studies. By emphasizing production over consumption and by stressing industrial capitalism as a key dynamic force in world history, many writers have directed attention toward the exports of raw materials from Latin America and away from the imports of goods into Latin America.¹⁷

Along with a continuing lack of awareness of how British textiles were exported to the Southern Cone, little was known about the development of exports to this region. Although statistics from the British Board of Trade have been long available, no comprehensive database had been created before this research. The view of the historiography is that early British exports glutted the markets. Thereafter, it has been maintained that the small, low-income and scattered rural populations had little to offer in exchange for clothing. Furthermore, it has also been argued that high internal transport costs made this former backwater of the Spanish Empire a marginal market. All in all, the historiography, which lacks robust data, is encapsulated in Platt's questionable assertion that 'Latin America could sell nothing to Europe, so that it could buy nothing in return'.¹⁸ In this view, which makes the markets of the Southern Cone responsible for the supposedly low volume of British exports, the introduction of trunk railways and European migration on a large scale are seen as the turning point in the growth of Britain's exports to the River Plate and Chile.

However, a very different story emerges from the analysis of British export data undertaken during the course of this investigation (see Chapter 2).

The aims of the thesis

The principal aim of this thesis is to reposition trade as the most important economic activity of the British during the first decades of legal direct economic intercourse with the Southern Cone. The main gains for the British arose from trade and directly associated invisible earnings. Between 1815 and 1859, Britain exports to Chile and the River Plate amounted to £70m in aggregated trade, of which £57m were textiles.

¹⁶ This judgement is shared by E. D. Langer and G. L. Hames, in 'Commerce and credit on the periphery: Tarija merchants, 1830–1914', *HAHR*, Volume 74-2 (1994), p. 287.

¹⁷ B. Orlove and A. J. Bauer, 'Giving importance to imports', in B. Orlove (editor), *The allure of the foreign. Imported goods in postcolonial Latin America* (Michigan, 1997), p. 1.

¹⁸ D. C. M. Platt, 'Dependency in nineteenth-century Latin-America: an historian objects', *LARR*, Volume 15-1 (1980), p. 115.

As these valuations are on a free on board (FOB) basis, profits need to be added, as well as gains from packing, shipping freights, general commissions, insurance and credit. The value of visible trade and associated invisible earnings is likely to have been around £100m for this short period. In contrast, Britain's portfolio investment was trifling. After the shameful 1820s loans (which were on a very limited scale, i.e. less than £2m in real value), nothing was lent to the Southern Cone's governments until the 1860s. Furthermore, British direct investment in Chile and Argentina in mining and in farming was very restricted before 1860.

Linked to this aim, a derived objective is to describe for the first time all the links in the market chain for textile exports. This thesis considers in detail the structure of the markets and the processes by which British textiles were transferred from manufacturers to local merchants. The various relationships between manufacturers, merchant-manufacturers, merchants, sales agents, shipping brokers, underwriters and import-export houses are assessed and analysed. As a result, new light is thrown on: the relative roles of the consignment system and own-account operations; the advances made against consignments; marine insurance; packing of textiles; return remittances; commissions and fees charged; shipping strategies; and the use and management of samples and pattern books.

The third aim is to show that, contrary to what has been claimed in the literature, British exports to the Southern Cone grew continuously between 1810 and 1880. Significant and novel trade databases were constructed for this thesis, making an important contribution to the field. As has been recently highlighted, 'our understanding of the period between 1810 and 1870 in Argentina has been rather vague and partial due to the lack of comprehensive statistical sources, the minimal economic training of historians, and the limited effort invested in quantification'.¹⁹

Finally, to explain the development of British exports there is a need to examine other factors besides those put forward in the literature. Thus, the fourth aim is to make British exports 'endogenous to the model'. This thesis does not take textile exports for granted, unlike the historiography. Rather, it analyses all the difficulties British merchants and manufactures encountered when supplying remote markets, both at home and locally, along with the performance of local craft industries. The

¹⁹ Salvatore and Newland, 'Between independence', p. 19.

simplistic approach provided by the historiography to explain the development of Britain's exports to the Southern Cone is challenged in this thesis.

At this point, a clarification is helpful. Rather than taking the whole of Latin America as an area of study, the particular cases of Chile and the River Plate have been chosen. This was not a South American caprice; rather, the intention was to enable the author to build a comprehensive trade database at the most detailed possible level. This would have taken several years of data collection if the whole of Latin America were included. By selecting two specific outlets, it was intended to avoid a study that was littered with generalisations.²⁰ An example may be instructive to illustrate this point.

Platt, in the most important piece of scholarship concerned with British trade to Latin America, stated that

for Britons, Latin America could never offer the same incentives to emigration and permanent settlement. The working class, which found it difficult enough to settle in Latin communities, in hot climates, on the local diet of black beans or rice and yucca, could always find a more familiar and congenial outlet in North America or the white Dominions.²¹

Is Platt describing Latin America or a few countries in the more tropical regions of the continent? His statement clearly does not represent either Chile or Argentina. The south of both countries is wetter and colder than Scotland. Besides, Chileans and Argentineans have never eaten black beans or yucca. When this author arrived in Chile in 1990, he found that the word yucca was not in the vocabulary of Chileans and that black beans were regarded more as a medicine than a foodstuff.²² In defence of Platt, it is fair to mention that in a previous work he recognised that 'it is difficult, no doubt, and dangerous, to generalise for a continent the size of Latin America'.²³

It is to avoid exactly this sort of hazard that the author has concentrated on only two outlets. Everything discussed here, unless otherwise stated, applies only to the Southern Cone and not to Latin America as a whole. This is not a work which

²⁰ Following the Steins, 'generalizations are usually misleading, particularly when they deal with so vast an area ... If generalizations are sometimes useful, substantive material is more so'. J. Stein and B. Stein, *The colonial heritage of Latin America* (New York, 1978), p. 125. More recently, it has also been said that Latin America 'is famously diverse, and its economies are no exception ... Each country, indeed each commodity, had its own unique history. Grand generalisations are hard to make and harder to substantiate'. S. Topik et al, 'Introduction', in S. Topik et al (editors), *From silver to cocaine: Latin American commodity chains and the building of the world economy* (Durham, 2006), p. 15.

²¹ Platt, *Latin America*, p. 98.

²² Things have changed due to a recent and important immigration of Cubans and Peruvians.

²³ D. C. M. Platt, *Finance, trade, and politics in British foreign policy, 1815–1914* (Oxford, 1968), p. 351.

concerns Mexico, Cuba, Venezuela or Peru. It is solely concerned with Chile and the River Plate. Finally, the Southern Cone on its own was far from being a marginal market; it was one of the main destinations for British exporters to Latin America (see tables 2.5, 2.6 and 2.7). In any case, marginality should not be defined solely from a British perspective. For the Southern Cone, Britain was by far the main supplier of textiles during the first half of the nineteenth century.

Main sources used

The main sources used for this thesis, set out in more detail in the bibliography, are manifold and surprisingly abundant. To build the databases of trade between Britain and the Southern Cone, 177 volumes of the Ledgers of Exports and Imports of British Merchandise were consulted at the National Archives at Kew. This was complemented by a reading of over 100 volumes from the British Parliamentary Papers. The details of how the databases were built are presented in Appendices 2.3 and 6.1, while all the problems in the original data are treated in Chapter 2 (including Appendix 2.1) and Chapter 6. For the reader to have an idea of the task involved, over 45,000 records were entered into the database.

For the general context in which British exporters operated, there is no better source of information than the British consular reports. These are available within the correspondence of the Foreign Office (FO). Some 400 volumes were consulted at the National Archives. The nature of the information available exceeded all expectations; as pointed out by Platt, the ‘consular service, the poor relation of the diplomatic, has seldom attracted more than the subsidiary attention of historians’.²⁴ Twenty years after Platt’s assessment, it is still believed that ‘historians have not made much use of this rich haul’, causing the exhortation ‘that supervisors should draw the attention of their research students to its possibilities’.²⁵ For instance, in the Chilean case, this author found no published work in which there was a single reference to FO 132 and FO 133 (see bibliography for details). Within this huge sea of information, there are invaluable reports on local economies, import duties and prohibitions, port facilities,

²⁴ D. C. M. Platt, ‘The role of the British consular service in overseas trade, 1825–1914’, *EHR*, New Series, Volume 15-3 (1963), p. 494.

²⁵ T. Barker, ‘Consular reports: a rich but neglected historical source’, *BH*, Volume 23-3 (1981), p. 266. See also G. B. Dertilis, ‘Consular reports and international statistics in the British Parliamentary Papers’, *JEEH*, Volume 19-2 (1990), p. 319: ‘seldom have historians or economists exploited this source directly’.

freight rates, exchange rates, ship listings, nature of cargoes, prices of local produce, the production and export of precious metals, distribution of goods, the consequences of internal and external conflicts on trade, among many other interesting topics.

A further, and probably the most useful, category of manuscripts consulted for this research was the business correspondence and other records of British houses which operated in the Southern Cone. For Buenos Aires, the best collection available is that of Green, Hodgson & Robinson (1817–1843) held by the John Rylands Library at the University of Manchester. These archives were consulted 30 years ago by Reber, who also viewed, as did this author, the Hugh Dallas papers at the Banco de la Provincia de Buenos Aires, which cover an earlier period (1815–1822). New sources were also located: Dickson & Co.'s outgoing correspondence for the period 1841–1850, held by the Guildhall Library; and the Wylie & Co. papers (consulted at the Glasgow University Archives), which provide the earliest account available of any Briton who established a house at Buenos Aires (1809–1812).²⁶

For the Chilean case, the richest collection available is the Huth papers (1827–1851) held by University College London. Surprisingly, no other researcher dealing with Anglo-Chilean trade has consulted these papers. Scholars have only worked with the Huth papers at the Guildhall Library (as did this author), a smaller collection covering at most 1839–1853. This is all the more surprising as in University College London many scholars have worked with the Balfour Williamson papers (as this author did); Balfour Williamson also operated in Chile. The Gibbs papers at the Guildhall Library were also consulted. These are of particular interest as they contain correspondence maintained between local houses. Though other researchers had used some of these papers, they had not been concerned with the textile trade. In the Chilean National Archives, a small collection for J. J. Barnard was consulted by this author; Barnard was one of the first Britons to establish offices in Valparaíso. Finally, the Valparaíso and Santiago judicial papers, available at the Chilean National Archives, provided rich information on legal disputes between local British and native merchants.²⁷

²⁶ Smaller collections of the houses which operated in Buenos Aires and which were consulted by Reber 30 years ago could not be located. Namely, the Armstrong papers and the Krabbe Williamson papers. This author thanks Dr Reber for her valuable advice when trying to locate these archives.

²⁷ Thirty years ago, John Mayo consulted in Chile the Duncan Fox papers as well as a letter book for Williamson Balfour. Unfortunately, these papers are currently missing, though many efforts were made to locate them. The author thanks Dr Mayo for his advice in trying to locate them.

Business letters provide an invaluable insight into the day-to-day operations of firms. Unlike other sources, they contain much material that is concerned with the process of adapting to new demands, the use of sampling, seawater damage, insurance strategies, shipping strategies, the management of communication, remittances, fees and commissions, the extension of credit, consignments and own-account operations, competition from other houses, the importance of variety and novelty in supply, the costs of packing, freight rates, and insurance premiums to mention the most important information.

Yet, there is a problem. This author estimates that over 250 British houses operated in either Buenos Aires or Chile between about 1810 and 1859 (Chapter 3 and Appendix 3.2). Of these, few business records have survived. How serious is this issue? How much are we missing? For instance, in a report produced by Falconnet for Baring Brothers about the standing of British mercantile houses in Buenos Aires, it is said that De Lisle Brothers & Co. were the ‘principal drawers on England’, while Thompson & Co. ‘is said to be the richest Englishman in the country’.²⁸ Likewise, the British house of Charles Tayleur & Co., according to patchy evidence compiled by this author from diverse sources, operated during most of the first half of the century with branches in Arequipa, Buenos Aires, Lima, Montevideo, Tacna, Valparaiso and Vera Cruz. What do we know about them? Not much, which is a point that the reader must bear in mind.

Indeed, scholars should not push conclusions too far with the patchy evidence available. Yes, the economic environment in which those British houses for which there are surviving archives operated was the same as for those for which there are not surviving records. However, the way houses for which there are surviving records behaved was not necessarily the same as that followed by competitors about which little is known. This is particularly relevant for Buenos Aires as no ‘hegemonic’ houses operated there. It is difficult to say, for instance, which were the main British houses in the River Plate between about 1810 and 1859.

For Chile, it has been said many times that Huth & Co., Balfour Williamson and Gibbs & Sons were the main houses operating there (suspiciously, these are all houses for which there are surviving records). To establish such a ranking, we would need to see figures relating to the market shares for the import and export trades

²⁸ HC/4/1/25, Report on business houses. Undated, c.1850.

between the United Kingdom and Chile, and this author has only found patchy evidence of such figures for our period of study. According to estimations provided by Fernández, in 1857, Gibbs & Co. and Balfour Williamson handled 26 per cent of Chile's imports from the United Kingdom.²⁹ This figure is for the end of our period of study and leaves 74 per cent unaccounted for. Regarding remittances, in a recent study, it has been estimated that Huth & Co. handled 16 per cent of all Chilean exports of gold during the period 1823–1840,³⁰ certainly not an impressive share of the market. In turn, according to a Rothschild agent, this was the main house handling remittances in bullion and specie.³¹ If the foremost house was taking one sixth of the market, that means that there were many others participating in the trade about which little is known.

For merchants without local branches, the Owen Owens & Son papers were consulted at the John Rylands Library at the University of Manchester. Of the archives known by this author, this is the largest for a merchant of this organisational type. Particularly useful were the letter books and, quite novel, its packing books. British merchant-banker archives were also researched in addition to Huth & Co.'s collections already mentioned. The Rothschild papers (a private collection held by Rothschild) provide a different insight through the documents of one of their agents on the spot, Benjamin Davidson, as well as useful correspondence with Huth & Co. Likewise, the Baring Brothers papers (a private collection held by the Baring Archive at ING Wholesale Banking) also provide a unique view of the processes of remitting bullion, specie and produce, among many other topics.

For British merchant-manufacturers, especially useful was the business correspondence of Fielden Brothers (held by the John Rylands Library), a Manchester cotton firm exporting to Buenos Aires and, to a lesser extent, to Valparaíso. For wool manufacturers, William Lupton & Co. were chosen; they exported to both Argentina and Chile (these papers are in possession of Leeds University). Yet, archives of manufacturers exporting to the Southern Cone remain a largely unexplored source of information.

Regarding newspapers, *The British Packet* is the most informative. Alas, as observed by Platt 'British newspapers in Latin America provide perhaps the richest

²⁹ M. A. Fernández, 'Merchants and bankers: British direct and portfolio investment in Chile during the nineteenth century', *Ibero-Amerikanisches Archiv*, Volume 9-3 (1983), p. 361.

³⁰ L. M. Méndez, *La exportación minera en Chile 1800–1840* (Santiago, 2004), p. 154.

³¹ BDP-RHL, Davidson to Rothschild & Sons (London). Valparaíso, 29 April 1848.

source of information on British community and commercial activities: unfortunately ... files of these papers, where they exist at all, are incomplete'.³² Because of this, a visit was made to Buenos Aires to consult the paper (microfilm version) for the period 1826–1852. Furthermore, a wide range of British newspapers were consulted at the British Library (Colindale) to obtain series for freight rates, insurance premiums, import duties, prices of produce, and other useful information. Last, but not least, searches of *The Times* (online) were productive.

Other rich printed primary sources used were the British Parliamentary Papers. Useful complementary statistics for bilateral trade between the United Kingdom and the Southern Cone were extracted before working with the ledgers of the Board of Customs. Printed consular reports were also easily found within the British Parliamentary Papers, as well useful miscellaneous information on topics such as the performance of British textile industries, shipwrecks and other shipping information. Finally, over 80 travel narratives for the Southern Cone during the first half of the nineteenth century were read, which provided very rich information on diverse topics.

Many other primary sources could have been consulted. However, it goes without saying that this research had a limit of three years. For instance, the archives of marine insurance companies would be a useful source of information, especially after this research found that better packing and more reliable vessels explained a dramatic reduction in marine insurance premiums for textile cargoes. Equally, specialised newspapers dealing with shipping would be another interesting source.

As for secondary sources, the main libraries used in the United Kingdom were, in order of importance: British Library, University of London Library (Senate House), University College London's main library, University of Leicester Library (for inter-library loan services) and the Institute of Historical Research Library. In Argentina, especially useful were the Argentine National Library, the University of Buenos Aires main library, as well as secondary libraries in the Facultad of Filosofía y Letras and at the Facultad de Ciencias Sociales. Also in Argentina, useful references were found in the library of the National Congress, the National History Academy Library and the National Archives Library. In Chile, the Chilean National Library, the University of

³² D. C. M. Platt, 'The British in South America. An archive report', in P. Walne (editor), *Guide to manuscript sources for the history of Latin America and the Caribbean in the British Isles* (London, 1973), p. 497.

Santiago main library, libraries at the University of Chile (Humanities, Architecture and Law), the Congress Library and the Jose Maria Arguedas Library were visited.

The organisation of the thesis

The thesis is organised in three parts and nine chapters. In Part I, The trade data, Chapter 1 introduces the thesis and Chapter 2 considers the development of British exports to the Southern Cone. There is also an analysis of the literature concerning the growth of British exports. Finally, the nature of the data used to construct charts and tables is explained. Part II, The marketing chain, consists of four chapters. Chapter 3 reviews the marketing chain. In particular, it analyses the relationships between manufacturers and merchants in Britain and the relationship between merchants and local houses. It also introduces previously unconsidered topics, such as the packing of textiles and the marine insurance market. Chapter 4 examines the process of adapting to new demands and how textiles were marketed. In particular, it shows the use of sampling and pattern books, as well as the importance of variety and novelty. The next chapter is concerned with financial aspects of the market chain, such as consignments, own-account operations, advances on consignments, commissions, fees and other charges involved in the trade. Chapter 6 gives a rounded description of the system of remittances used by merchants exporting to the Southern Cone and assesses the importance of each of the three means used.

The last part of the thesis is entitled Explaining the data. This re-assesses the developments analysed in Chapters 1 and 2. Chapter 7 explains some of the ‘whys’ in the expansion of British exports, focusing on developments occurring in Britain: the gradual reductions of costs of production; the impact of the introduction of iron-built ships; improvements in cartography; the establishment of mail packets; improvements in the packing of textiles; the fall in marine insurance; and, finally, the gradual introduction of free trade. At the same time, important developments took place in the Southern Cone, besides those extensively referred to by the historiography. Chapter 8 focuses on the grave political instability experienced by the republics, high import duties and import prohibitions, the development of port facilities, the liberalisation of riverine and coastal navigation, and the performance of local craft industries. Finally, there is a concluding chapter, followed by some maps and the bibliography.

Chapter 2

Britain's exports of textiles to the Southern Cone: the data

Before analysing the development of British exports to the Southern Cone, some remarks on the limited use of the data in the literature, as well as on the statistical nature of the series used, are given (first two sections). Afterwards, the conclusions made in the literature about the development of British exports (third section) are discussed. The subsequent six sections deal with the growth and composition of British exports to the Southern Cone, as well as with the position of our market within British world exports. After the conclusions, the reader's attention is called to some imperfections of the statistics used (Appendix 2.1).

Overlooked statistical primary sources

Though sound raw data for the bilateral trade between the United Kingdom and the Southern Cone have long been available, no comprehensive database for the period from the mid-1810s had been created before this research. As far as statistics of British exports with the world are concerned, there is no better, yet paradoxically overlooked, source of information than the Ledgers of Exports of British Merchandise produced by the British Board of Customs and Excise. This rich source has been so ignored that Ferns, a major scholar of the economic relationships between Britain and Argentina, stated that '1818 is the only year before 1854 for which detailed figures of British exports to Argentina are readily available'.¹ Equally, Burgin lamented that 'information concerning [Argentine] imports is so scarce that only very broad generalisations are possible on the basis of available data'.² Similarly, for Chile, it has been said that 'statistics for the type of trade with Great Britain in the 1840s and 1850s are not available'.³ Nonetheless, very detailed figures are available from 1815 until 1899.

¹ H. S. Ferns, 'Investment and trade between Britain and Argentina in the nineteenth century', *EHR*, Second Series, Volume 3-2 (1950), p. 209. In his definitive work [*Britain and Argentina in the nineteenth century* (Oxford, 1960)], Ferns' statistical appendix includes exports from 1854 only.

² Burgin referred to all Argentine imports, not only from Britain. Yet, Britain was Buenos Aires's main commercial partner during our period of study. M. Burgin, *The economic aspects of Argentine federalism, 1820–1852* (Cambridge-MA, 1946), p. 36.

³ T. E. Nichols, 'British economic activities in Chile to 1854', MA Dissertation, University of California at Berkeley (1946), p. 105.

As a direct consequence of past myopia there are many statistical vacuums and pitfalls in the literature. As for figures in *value*, no long-run series of British exports to the Southern Cone was available before this research.⁴ Thus, with the main purpose of having a larger horizon for comparison, all the series presented here run from 1815 to 1879 or 1899. This allows for a sound inter-temporal analysis of the main trends in the value of British exports to the Southern Cone. Needless to say, a comprehensive database of both the structure of Britain's exports to the Southern Cone and the position of the Southern Cone within British world exports had not previously been constructed.

On the other hand, and despite the well-based literature on the nature of British exports by value, scholars have been quite timorous⁵ or mistaken when using them. Up to the mid-1850s, there are two governmental series for the value of British exports: the infamous 'official value' series and the 'declared value' series (those exclusively used here). The 'official value' series were obtained by multiplying quantities exported each year by constant and fixed prices of 1694,⁶ while the prices used in 'declared value' series were either those declared by the exporters or those regularly collected by the Customs.⁷ Over 50 years ago, Imlah, a leading authority, ended the discussion on the matter by stating that the 'official value' series 'are not to be trusted as market values'⁸ and that the 'declared value' series, in contrast, 'can be accepted as a fairly accurate statement of the real value of British exports'.⁹ All this

⁴ The only exception would be R. Davis, *The industrial revolution and British overseas trade* (Leicester, 1979) and D. C. M. Platt, *Latin America and British trade, 1806–1914* (London, 1972). Yet, Davis's figures are a sample for selected years, aggregated for very broad regions and only until 1856. In turn, Platt's figures are from the 1850s only and at very broad levels.

⁵ Miller, for instance, has argued that as far as Anglo-Latin American trade during the first half of the nineteenth century is concerned, 'quantitative data are particularly sparse and unreliable', and that 'one problem which has plagued research has been the unreliability of both Latin American and British commercial statistics'. R. Miller, *Britain and Latin America in the nineteenth and twentieth centuries* (London, 1993), pp. 71 and 268.

⁶ Or, when the products were not recorded by 1694, the prices of the first year in which they were entered into the British Customs ledgers.

⁷ Nobody was in a better position than the exporters to know which were the actual prices of the products being exported. Furthermore, exporters had no incentive to provide wrong prices and anyone who is sceptical about 'declared values' series (because the exporter could report 'any price') has no grounds for doubting the series. There were custom officials specialised in every sector of the export economy approving the prices being reported, who were well aware of actual prices. Market prices were extensively published by specialised periodicals during this period of time. Even nowadays, many countries use this methodology. For instance, the export data produced by the Chilean Customs and the Central Bank of Chile are based on declarations of exporters, which are approved by specialists in economic sectors.

⁸ A. Imlah, *Economic elements in the pax Britannica* (Oxford, 1958), p. 22.

⁹ A. Imlah, 'Real values in British foreign trade, 1798–1853', *JEH*, Volume 8-2 (1948), p. 136.

has been backed by Davis (and many others), by stating that ‘declared values’ have been accepted ‘as the best obtainable value data for exports’.¹⁰

Despite Imlah and Davis, some scholars have continued to use ‘official value’ series. Imlah himself wrote: ‘it is not quite clear how to account for this persistent predilection for the wrong figures on exports’, believing that ‘the taproot of the difficulty may be that word ‘official’. It carries weight and gives a false sense of security even to those who should know its limitations’.¹¹ Indeed, Cavieres, one of the best-known Chilean economic historians in his work on British merchants in Chile used ‘official value’ series rather than the ‘declared value’ data up to the mid-1850s,¹² as has Claudio Véliz in his history of the Chilean merchant fleet.¹³

That the ‘declared value’ series is the best series does not mean that it is perfect and therefore data on volumes were also extensively collected. In the words of Platt, ‘it is normally preferable to work from volumes and weights rather than values in assessing the progress of a trade’,¹⁴ especially ‘in a century of falling prices’.¹⁵ However, though the volume data are very sound for a given product (e.g. plain cottons), they do not allow an analysis of the aggregated figures (i.e. total exports), and, therefore, the ‘declared value’ series is required.

In the case of exports by *quantity*, there are no published series dealing comprehensively with the growth of British exports to the Southern Cone (or any other outlet in Latin America) during the first half of the nineteenth century. This thesis is the first piece of scholarship in which a comprehensive analysis of the volumes of British exports to any Latin American outlet during the first three-quarters of the nineteenth century has been produced.

¹⁰ Davis, *The industrial revolution*, p. 79.

¹¹ Imlah, ‘Real values’, p. 135.

¹² E. Cavieres, *Comercio chileno y comerciantes ingleses, 1820–1880* (Santiago, 1999). See Tables 1.4, 1.8, 2.3, and 2.5. After the early 1850s, Cavieres used ‘declared value’ series instead of ‘official value’ series (see Tables 2.14 and 2.16), which could be explained by the fact that after 1853 the series of imports were corrected. Thus, as Cavieres worked with bilateral trade balances, he considered that ‘official value’ series for both exports and imports should be used. Instead, ‘declared value’ of exports and corrected ‘official values’ of imports (by entering proper prices) should have been used.

¹³ C. Véliz, *Historia de la marina mercante de Chile* (Santiago, 1961), p. 24.

¹⁴ D. C. M. Platt, ‘Problems in the interpretation of foreign trade statistics before 1914’, *JLAS*, Volume 3-2 (1971), p. 126.

¹⁵ Platt, *Latin America*, p. 150.

The databases

In spite of all the minor problems British export data may have (commented upon in Appendix 2.1), the databases used for this chapter are the most accurate set of quantitative information so far available to analyse the development of British exports to the Southern Cone. All possible figures for both values and volumes of British textile exports to the Southern Cone have been collected. Exports to other destinations were also gathered to assess the standing of the Southern Cone in both British world exports and textile trades.

In the National Archives (Kew, London), 132 volumes of the Ledgers of Exports of British Merchandise Under Countries and Articles were consulted. These data were complemented with information previously extracted from over 100 volumes of the British Parliamentary Papers, entering in total over 30,000 records (and over 45,000 if imports are considered). Several interlinked databases were created for values, volumes and prices, and for destinations and products (see Appendix 2.3). Hitherto, no such systematic gathering and processing of information on British exports to a Latin American outlet had been conducted.

The reasons for this are simple: all the data used here were entered directly into a laptop. This implies not only that time was saved by avoiding transcription of data for subsequent transfer to a computer, but also that accuracy was gained. Filters in Excel to test the validity of the figures being entered were employed, as explained in Appendix 2.3. None of these facilities were available to researchers 30 years ago when Latin America was a fashionable subject in history departments in British universities, and not even 15 years ago, when certainly the same work carried on here would have taken over one year full-time of any skilful researcher.

In spite of these recently available computing facilities, the creation of these sorts of databases are very tedious and slow to produce; few researchers are willing to undertake such work, alas. Indeed, most studies of British mercantile houses in Latin America have ignored this source, instead making use of partial data published in the British Parliamentary Papers,¹⁶ or have ignored figures on the British export trade.¹⁷ Even scholars who have worked with British trade to Latin America at a general level have admitted that the lack of data was an issue. In the famous dispute between Platt

¹⁶ See for instance H. J. Heath, 'British commercial houses in Mexico, 1821–1867', PhD Thesis, LSE (1988).

¹⁷ For instance, V. B. Reber, the author of the best works on British mercantile houses in Buenos Aires, did not produce export data (see bibliography).

and the Steins, the latter pointed out: ‘polemic among historians is warranted if it leads to clarification through further research. In this instance, quantification no doubt will be one element on the agenda’.¹⁸

Finally, it worth mentioning that while the data collected by the customs of the independent republics did not include contraband trade (by definition), British exports included those goods which left Britain legally and were subsequently smuggled into the Southern Cone. There was no reason to hide the movement of goods which left Britain legally, regardless of whether they were to be smuggled at their destination. It was not the function of H. M. Customs to control custom services at Buenos Aires or Valparaiso; that was an issue for the local authorities. This is a great advantage of working with the British statistics and one that has not received the credit it deserves.

Before producing the development of British exports, a summary is given of what the historiography, lacking sound and comprehensive data, has said regarding Britain’s exports to both Latin America and the Southern Cone.

The treatment of the development of British trade to the Southern Cone in the literature: pre-independence

The first issue to be addressed is whether independence in Latin America meant continuity or if the revolutions brought a ‘new’ trade. It has been said that;

although trade relations existed between Great Britain and South America anterior to the epoch of Independence they were on such limited scale that this continent might be considered closed against English commerce until the overthrow of the Spanish colonial system.¹⁹

Equally, over a century later, Heath has considered that British merchants ‘opened up new markets for home manufactures, and integrated previously isolated countries into international trade circuits’,²⁰ while Albion has maintained that during the colonial times Latin American commercial contacts with the British were ‘spasmodic’.²¹ Similarly, Rector has written that soon after independence, Chilean ‘overland trade with Buenos Aires and direct foreign shipping to Valparaiso increased European

¹⁸ S. J. Stein and B. H. Stein, ‘D. C. M. Platt: The anatomy of “autonomy”’, *LARR*, Volume 15-1 (1980), p. 143.

¹⁹ M. Mulhall, *The English in South America* (Buenos Aires, 1877), p. 581.

²⁰ Heath, ‘British commercial houses’, p. 6.

²¹ R. Albion, ‘Capital movements and transportation: British shipping and Latin America, 1806–1914’, *JEH*, Volume 11-4 (1951), p. 361.

imports in Chile beyond all earlier levels'²² to such an extent that, for Salazar in the early 1820s, Chilean imports from the United Kingdom alone exceeded the level of total Chilean imports in colonial times.²³

These assessments seem to be too strong. It is well known that Britain had regularly supplied Latin America before the collapse of the Spanish Empire, both through legal re-exports via Southern Spain and by way of contraband. The Spanish masters had few of their own manufactures to offer in exchange for local produce. Within the European-centred world economy 'Spain remained, as always, primarily a producer of raw materials, exporting wine, olive oil and wool in return for foreign wares'.²⁴ Spain's textile industry lagged well behind those of Britain, Belgium, France, Germany, Italy and the Netherlands. Thus, foreign wares imported into Spain were not only consumed at home but also extensively re-exported to her American possessions due to the inability of the Spaniards to produce them at competitive prices.²⁵

After independence prices of British manufactures fell substantially (though, from the 1820s only, as shown in Chapter 7). Under previous Spanish trade restrictions, re-exported textiles had reached the markets of Argentina and Chile, the remotest of all colonial outlets, at 'exorbitant prices'.²⁶ Legally imported textiles before independence had to pay the profits of the British or French manufacturers, the profits of intermediary merchants forwarding goods to Spain, the profits of Spanish merchants re-exporting to Latin America, shipping freights from southern Spain to South America (including the huge costs of the protection of the Spanish fleets and of the bureaucratic machine behind the India trade), as well as the credit and insurances of these operations. For Buenos Aires, it is believed that during the colonial period,

²² J. L. Rector, 'Merchants, trade and commercial policy in Chile, 1810–1840', PhD Thesis, Indiana University (1976), p. 32.

²³ G. Salazar, 'Dialéctica de la modernización mercantil: intercambio desigual, coacción, claudicación (Chile como West Coast, 1817–1843)', *Cuadernos de Historia*, Volume 14 (1994), p. 31.

²⁴ J. H. Parry, *The Spanish seaborne empire* (London, 1971), p. 237. See also J. Lynch, *Spain under the Habsburgs* (Oxford, 1981), p. 167; P. Chaunu, *Historia de América Latina* (Buenos Aires, 1997), p. 28.

²⁵ R. Davis, *The rise of the Atlantic economies* (New York, 1973), pp. 63, 75, 144 and 153–154; E. Cavieres, *Servir al soberano sin detrimento del vasallo* (Valparaíso, 2003), p. 27; R. Puigross, *De la colonia a la revolución* (Buenos Aires, 1969), p. 306. Asian manufactures were also introduced in Spanish America by the Spaniards through the Manila fleet and later on through the *Compañía de Filipinas* and by French and English contrabandists. C. Haring, *Trade and navigation between Spain and the Indies in the time of the Hapsburgs* (Cambridge, 1918), pp. 145–147; S. Villalobos, *El comercio y la crisis colonial* (Santiago, 1968), pp. 23–24 and 154–155.

²⁶ W. Robertson, 'The history of South America', in S. Knapp (editor), *Library of American history* (New York, 1839), p. 166.

European manufactures legally introduced had prices eight to ten times higher than those prevailing in Spain, which was already an expensive outlet.²⁷ In Chile, foreign merchandise was sold at prices double those in Peru, which in turn were four times higher than those in Spain.²⁸

Furthermore, legally imported wares had to be paid for at whatever prices the monopsonistic Spaniard imposed upon the means of exchange offered locally, whether specie, bullion, copper or hides. As a consequence of this, 'a hundred, two hundred, and even three hundred per cent, are profits not uncommon in the commerce of Spain with her colonies'.²⁹ In the words of Manuel de Salas, Spain's trades with her colonies were 'the art of buying cheaply and selling expensively'.³⁰ This was also remarked upon by British merchants soon after independence:

It may be safely stated that while the colonial system existed, all manufactures and other European goods sold here at three times their present prices, while the produce of the country was given in exchange at a fourth part of what is now paid for it.³¹

The issue, then, is to assess if, after independence, the opening of ports to international trade led to a significant increase in imports from Britain. Unfortunately, the only pre-liberation figures available for Southern Cone's imports from Britain are those of legal re-exports from Spain. Lacking figures for the British contraband during the colonial period, such a task proves impossible. However, there are useful indications of the legal trade before and after independence. For instance, in 1792, Spain re-exported 237,000 yards of European (including British) wool manufactures to the River Plate.³² We do not know how much of these manufactures were British, but it would be reasonable to think that a great deal were since Britain was the main exporter of woollens. In turn, in 1815, when independence was consolidated on the River Plate, but contraband was still great, Britain exported directly and legally to this

²⁷ Haring, *Trade and navigation*, p. 141.

²⁸ D. Barros Arana, *Historia jeneral de Chile* (Santiago, 1884–1893), IV: p. 269. See also F. Encina, *Historia de Chile desde la prehistoria hasta 1891* (Santiago, 1948), II: p. 206, IV: p. 244 and IX: pp. 446–447; A. Ross, *Memoria sobre las relaciones comerciales entre Chile y la Gran Bretaña* (London, 1892), p. 10.

²⁹ Robertson, 'The history of South America', p. 166. See also Barros Arana, *Historia jeneral*, IV: p. 270.

³⁰ M. de Salas, 'Representación al Ministerio de Hacienda, 1794', in M. Cruchaga, *Estudios sobre la organización económica i la hacienda pública de Chile* (Santiago, 1878), I: p. 274.

³¹ FO 354/8, Report of the British Committee. Buenos Aires, 29 July 1824. See also Barros Arana, *Historia jeneral*, V: pp. 301–302 and XII: p. 379.

³² Own calculation from *Balanza del comercio de España con los dominios de S. M. en America y en la India en el año de 1792* (Madrid, 1805).

market 235,000 yards of wool manufactures,³³ a figure not much different from that of 1792.

More consideration would require further data of the legal re-export trade for longer periods of time, before and soon after independence. Yet, qualitative evidence, such as the creation of the Viceroyalty of Buenos Aires (1776) and the Spanish ordinance of 1778 (which allowed Buenos Aires and Valparaíso to trade directly with any Spanish port), suggest that from the last quarter of the eighteenth century the legal re-export trade of British textiles from Spain to the Southern Cone had increased.³⁴ How much it is impossible to know, though it is clear that three decades before independence Britain was already supplying these markets legally in some quantity. A quarter of a million yards of woollens (or whatever share the British had of that) were not exported by Britain to many ports, an amount excluding contraband.

So far, reference has been made mainly to legal trade during colonial times. However, because of the territorial extent of its empire, Spain lacked the means to ensure that her system of trade operated as intended. No wonder, then, that an important source of supply was the contraband trade that developed from the late seventeenth century. Smuggling was pioneered by the French and the English for European and Asian manufactures and it is believed that it reached very high volumes from the last quarter of the eighteenth century, reaching its zenith during the Revolutionary and Napoleonic Wars (1793–1815) when British exports were diverted away from Europe.³⁵ By definition, it is not possible to estimate its real extent but,

³³ Own calculation from CUST 8/3.

³⁴ Puigross, *De la colonia*, p. 294; R. Romano, *Una economía colonial: Chile en el siglo XVIII* (Buenos Aires, 1965), p. 46; S. Villalobos, *Comercio y contrabando en el Río de la Plata y Chile* (Buenos Aires, 1965), pp. 29, 52 and 54; M. Carmagnani, *Los mecanismos de la vida económica en una sociedad colonial: Chile, 1680–1830* (Santiago, 1999), p. 40; J. Lynch, *Spanish colonial administration, 1782–1810* (London, 1958), pp. 18–19; S. J. Stein and B. H. Stein, *The colonial heritage of Latin America* (New York, 1978), p. 100; C. Haring, *The Spanish empire in America* (New York, 1963), p. 320; R. Herr, *The eighteenth century revolution in Spain* (Princeton, 1958), p. 122; S. Socolow, *The merchants of Buenos Aires, 1778–1810* (Cambridge, 1978), p. 4; J. H. Parry, *Trade and dominion* (London, 1974), pp. 182 and 372; J. Fisher, 'Imperial "free trade" and the Hispanic economy, 1778–1796', *JLAS*, Volume 13-1 (1981), p. 22; S. Socolow, 'The economic activities of the porteño merchants of Buenos Aires: the viceregal period', *HAHR*, Volume 55-1 (1975), p. 1; Cruchaga, *Estudios sobre la organización económica*, I: pp. 19–20.

³⁵ J. Williams, 'The establishment of British commerce with Argentina', *HAHR*, Volume 15-1 (1935), p. 43; Villalobos, *El comercio y la crisis*, pp. 11–21, 24 and 48–49; Villalobos, *Comercio y contrabando*, pp. 19 and 34–36; J. Lynch, 'British policy and the Spanish America, 1738–1808', *JLAS*, Volume 1-1 (1969), p. 8; B. Vicuña-Mackena, *Historia de Valparaíso* (Valparaíso, 1869), pp. 261–267 and 287–289; Barros Arana, *Historia jeneral*, IV: p. 267, V: pp. 503–505, VI: pp. 17–19, VII: pp. 35–37 and 413; Street, 'La influencia británica', pp. 366–369; Encina, *Historia de Chile*, IV: pp. 438–439, 451–453 and 681; F. Campos, *Veleros franceses en el Mar del Sur, 1700–1800* (Santiago, 1964), pp. 39–42; C. Gay, *Historia física y política de Chile* (Paris, 1844–1871), III: pp. 482–483; Robertson,

according to a Scottish merchant on the spot, at the very end of the colonial period this was the situation:

A contraband trade is carried on, goods to any amount landed, & carried through the streets in open day, by merely bribing the Custom House & other officers appointed to prevent such traffic, & by the same bribery the produce of the country, which is subject to considerable duty, is carried off and put on board of foreign vessels; so that not a single real of the revenue is collected but divided in this manner amongst those in office.³⁶

Apart from the lack of estimates for the volume of contraband trade during colonial times, very little is known about its qualitative aspects. We do not know, for instance, if smugglers repeated voyages. Did they introduce the same sort of products? Was there any specialisation? Had they permanent contacts on shore? Did they bring specifically requested merchandise or just whatever they wanted to ship? Were the first British merchants who established in Buenos Aires or Valparaíso the same people who previously had been smuggling? These are all questions under-explored in the historiography.

Nonetheless, it is clear that before independence the Southern Cone was not alien to British merchants. Two of the main British merchant houses which established local branches were familiar with the market. From 1799 to 1803 Frederick Huth (founder of Huth & Co.), acting as supercargo for the Corunna house of Urbietta, made two voyages to the west coast of South America, taking out manufactures and bringing back hides from Buenos Aires.³⁷ Similarly, Antony Gibbs moved to Spain in the late eighteenth century as an importer of English cloth and exporter of wine and fruit, but also re-exported to Latin America from Cadiz.³⁸ Furthermore, for Argentina, it has been said that ‘those English merchants responsible for glutting the market in the Rio de la Plata ... were undoubtedly the same ones who, operating from a base in Rio de Janeiro, were active in the contraband trade before the

‘The history of South America’, p. 167; J. Mokyr and N. E. Savin, ‘Stagflation in historical perspective: the Napoleonic Wars revisited’, *Research in Economic History*, Volume 1 (1976), pp. 226–227.

³⁶ UGD/28/1/1, Wylie to Dalglish (Glasgow). Buenos Aires, 22 August 1809. See also Wylie to Hancock (Bahia). Rio de Janeiro, 19 May 1809.

³⁷ A. Murray, *Home from the hill* (London, 1970), pp. 48–49; C. Jones, ‘Huth, (John) Frederick Andrew (1777–1864)’, ODNB (2004), [<http://www.oxforddnb.com/view/article/48245>, accessed 27 June 2007].

³⁸ J. A. Gibbs, *The history of Antony and Dorothea Gibbs* (London, 1922), p. 314; Lynch, ‘British policy’, p. 7; I. Doolittle, ‘Gibbs, Antony (1756–1815)’, rev. Anita McConnell, ODNB (2004), [<http://www.oxforddnb.com/view/article/37452>, accessed 27 June 2007]; W. M. Mathew, *The house of Gibbs and the Peruvian guano monopoly* (London, 1981), pp. 7–8.

extension of free trade in 1809'.³⁹ In turn, just as there were British houses based in Spain,⁴⁰ there is evidence of Spanish merchant houses re-exporting to South America being based in Britain.⁴¹

All in all, the Southern Cone was not a new market for the British, or as argued by Miller, 'during the eighteenth century ... the British made increasing commercial inroads into the Spanish empire'.⁴² After independence, Britain continued supplying this market, though now more directly. British houses were established on the spot; consular agents were appointed from 1823; travellers were allowed to visit and reported home on their experiences; the transportation of goods as well as the conveyance of intelligence was mainly undertaken by British packets and merchant fleets; goods were insured in Britain; and many others qualitative changes fostered trade. There was not a new market to be supplied but there were certainly new strategies developed in response to a different scenario.

Yet, during the first years of direct legal commercial intercourse (as shown in Chapter 7), British manufactures continued to arrive at very high prices and were subjected to higher import duties than during the colonial period. Indeed, and overlooked by historians, the combination of early post-liberation prices and higher import duties was comparable to the prices prevailing in the late colonial period⁴³ (see also Chapter 8). The early post-liberation Southern Cone's demand for British manufactures was fostered, above all, by an improvement in the terms of trade of native merchants, who could now sell their produce at higher prices than during colonial times (or barter them for more yards of foreign clothing).

The treatment of the development of British trade to the Southern Cone in the literature: post-independence

Whether independence meant continuity or a new trading opportunity, there is a common belief that the 'opening' of South American markets after the Napoleonic Wars was followed by a sudden and unstoppable inflow of manufactures, which

³⁹ K. Robinson, 'The merchants of post-independence Buenos Aires', in W. S. Coker (editor), *Hispanic American essays in honor of Max Leon Moorhead* (Pensacola, 1979), p. 118.

⁴⁰ In 1773 there were 48 British mercantile houses operating in Cadiz. A. García-Baquero, *Cádiz y el Atlántico, 1717-1778* (Seville, 1976), I: p. 492.

⁴¹ S. Villalobos, 'El comercio extranjero a fines de la dominación española', *Journal of Inter-American Studies*, Volume 4-4 (1962), p. 538.

⁴² Miller, *Britain and Latin America*, p. 31.

⁴³ Encina, *Historia de Chile*, X: p. 102.

rapidly destroyed local craft industries and saturated the market.⁴⁴ It has also been argued that this flood was a short boom, followed by a very long period of stagnation which persisted until the mid-nineteenth century or, in other, more popular versions, until the last quarter of the century. That is, post-independence British exports to South America have been seen as a ‘storm’ followed by a long drought with occasional patchy rain. This is the most common picture. In Miller’s words: ‘the saturation of markets in Latin America brought ruin to merchants ... For twenty years [c.1825-1845] commercial relations with Latin America appeared to stagnate’.⁴⁵ A more recent study has also echoed these views by arguing that ‘Liverpool’s South America traders had worked hard to expand the region’s trade since the 1820s but, by mid-century, were still suffering from some of the classic problems associated with the region’.⁴⁶

Among those who put a turning point around the 1850s are Platt and Cavieres,⁴⁷ while Ferns has stated that by the 1860s ‘British exports to Argentina were relatively static both in volume and character’.⁴⁸ In the recent *Oxford history of the British Empire* it has also been said that Latin America was not a ‘tributary’ for the British economy before the 1880s, adding that ‘the volume of British trade in the

⁴⁴ For the Chilean case see Rector, ‘Merchants, trade’, pp. 167-168. For Argentina, see a similar apocalyptic approach in Burgin, *The economic aspects*, p. 16: the revolution of 1810 ‘opened the gates to a flood of commodities which soon swamped the country’. See also Cavieres, *Comercio chileno*, p. 75, who accepts the view that in the mid-1820s the Chilean market was saturated by British manufactures. About the supposed destruction of local craft industries see J. Garreaud, ‘A dependent country: Chile 1817–1861’, PhD Thesis, University of California, San Diego (1981), pp. 93–94; Villalobos, *Comercio y contrabando*, p. 107; Stein and Stein, ‘D. C. M. Platt’, p. 134; among others (this topic is treated in depth in Chapter 8).

⁴⁵ Miller, *Britain and Latin America*, p. 2. Adding that ‘whenever ports were opened British goods and merchants, along with those from other countries, arrived in floods, quickly satiating demand and creating stockpiles of unsaleable products’, p. 41.

⁴⁶ G. J. Milne, *Trade and traders in mid-Victorian Liverpool* (Liverpool, 2000), p. 59.

⁴⁷ E. Cavieres, ‘Chilean trade and British traders, 1820–1879’, PhD thesis, University of Essex (1987), pp. 34 and 82. For Platt, Cavieres and many others, the turning point around the 1850s is explained by the increasing European demand for South American raw materials from the 1850s.

⁴⁸ Ferns, ‘Investment and trade’, p. 204 (see also his *Britain and Argentina*, p. 371). In an unfortunate decision, Ferns sustained his arguments providing figures for three four-year periods: 1815–1819, 1835–1839, and 1846–1850. The issue is that during the last two selected periods Buenos Aires was blockaded. No wonder British exports thus analysed showed a poor performance. In his definitive work of 1960 (pp. 132–133), Ferns compares British exports in 1824 with those of the second half of the century. However, the exports of 1824 were exceptionally high, over £1m, a level never reached before and only reached again in 1849 (see Table A.2.2.1). Indeed, 1824 was the year in which Britain lent £1m to Buenos Aires, which was followed by both a great deal of speculation and an export trade fever. The frenzy of 1824 has been even compared to the South Sea Bubble of the 1720s. R. W. Hidy, *The house of Baring in American trade and finance* (Cambridge, 1949), p. 65. These two unfortunate examples provided by Ferns have misled the scholarship dealing with this subject.

continent remained limited before the 1870s'.⁴⁹ Non-Latin America specialists have also echoed these views. Crouzet, in his celebrated article about British exports during the industrial revolution, labelled Latin America as 'uncertain, expensive, and disappointing market'.⁵⁰ Dissident voices are few, and have lacked the statistics to elaborate further.

Whether the trade hiatus persisted until the 1850s, 1860s, 1870s or 1880s, most of the literature maintains that

after all the high expectations which followed the [British] capture of Buenos Aires in 1806, the meagre development of Latin American markets over the period 1825–1850 does need explanation. Ultimately, the barrier to further development was the impossibility of maintaining a sufficient return trade in Latin American produce.⁵¹

In other words, British exports were only constrained by the incapacity of these markets to absorb more manufactures. That is, British exports have been taken for granted, as exogenous to the model (a variable diminishing or increasing according to the situation on the spot) or, as claimed by two leading British historians of the imperialism, British 'sales to South America could not expand until her exports found a market'.⁵²

Some of those of Platt's school (if it may be so styled) have also claimed that, in the 1820s, the 'market in Latin America was still disappointingly narrow'⁵³ mainly due to the restricted size of the population. It has been added that this population was rural and scattered across vast lands, where high internal costs of transportation made supply difficult. Besides, the literature argues, the republics suffered from low incomes and lacked investment.⁵⁴ Among the 'problems' faced by British exporters, it

⁴⁹ M. Lynn, 'British policy, trade, and informal empire in the mid-nineteenth century', in A. Porter (editor), *The Oxford history of the British empire* (Oxford, 1999), III: pp. 115 and 119.

⁵⁰ F. Crouzet, 'Toward an export economy: British exports during the industrial revolution', *EEH*, Volume 17-1 (1980), p. 75.

⁵¹ Platt, *Latin America*, p. 34.

⁵² P. J. Cain and A. G. Hopkins, *British Imperialism. Innovation and expansion, 1688–1914* (London, 1993), p. 284.

⁵³ R. Greenhill, 'Latin America's export trades and British shipping, 1850–1914', in D. Alexander and R. Ommer (editors), *Volumes not values* (Newfoundland, 1979), p. 249.

⁵⁴ *Ibid*; R. Greenhill, 'Shipping, 1850–1914', in D. C. M. Platt (editor), *Business imperialism, 1840–1930* (Oxford, 1977), pp. 162–163; Platt, *Latin America*, pp. 4–5; Cavieres, 'Chilean trade', p. 3; Cavieres, *Comercio chileno*, pp. 40 and 44; Lynn, 'British policy', pp. 115 and 119. Before Platt, see Ferns, 'Investment and trade', p. 205; B. W. Clapp, *John Owens* (Manchester, 1945), p. 83. For other Latin American markets similar reasons have been given. See Heath, 'British commercial houses', pp. 39, 69–70, 83–84 and 122–127.

has even been stated that South American population was ‘ignorant and disinclined to economic activity’.⁵⁵ All in all, the ‘blame’ has been placed entirely on local factors.

To this caricature, it has been added, in the most popular version, that the great ‘take-off’ in the development of British exports to these markets occurred during the early 1870s when trunk railways in the region had been developed and sizeable Europe migration had taken place.⁵⁶ In the words of the Steins:

one suspects that by the 1840’s English merchants recognized that the limits of Latin American demand had been attained and that the problem was to increase sales by the development of unused or poorly used resources in the interior through railroad construction.⁵⁷

Furthermore, and as a sort of corollary, the former backwater of the Spanish Empire, it has been said, was nothing but a marginal market where ‘one or two mixed cargoes of textiles and hardware ... soon overstocked markets’.⁵⁸ That is, with minor variations, the picture which most scholars have had in mind. Let’s see how much validity there is in it.

There are three issues to be addressed. The first is whether the Southern Cone remained flooded and saturated with goods after the initial ‘storm’ for a period of 40 years or so.⁵⁹ Related to this, is whether the Southern Cone was taking British manufactures to an important extent and at what rate. These two issues will be dealt with in this chapter. The third is whether the development of British exports to this market ought to be explained exclusively by the reasons argued in the historiography, or were there other factors on the spot which also affected British trade? Additionally, should British exports be taken for granted? Or were there some constraints operating in Britain that ought to be considered? Those questions are answered in Chapters 7 and 8.

The discussion here continues with, first, a brief comment on the general trends in British exports measured by *value*. In the subsequent section, a similar overview is provided but with regard to the *volume* data (including per capita of

⁵⁵ R. Greenhill, ‘British shipping and Latin America, 1840–1930: the Royal Mail Steam Packet Company’, PhD Thesis, University of Exeter (1971), p. 60.

⁵⁶ See for instance Greenhill, ‘Latin America’s export’, p. 251.

⁵⁷ Stein and Stein, ‘D. C. M. Platt’, p. 155.

⁵⁸ Greenhill, ‘Shipping’, p. 163. See also Milne, *Trade and traders*, p. 59, who has written: ‘the major issue was one of scale. Even the more developed areas of South America could easily be swamped by the volume and variety of manufactured goods available to traders ... with traders finding that they shortly acquired warehouses full of goods that were beyond the purchasing power of the local population’.

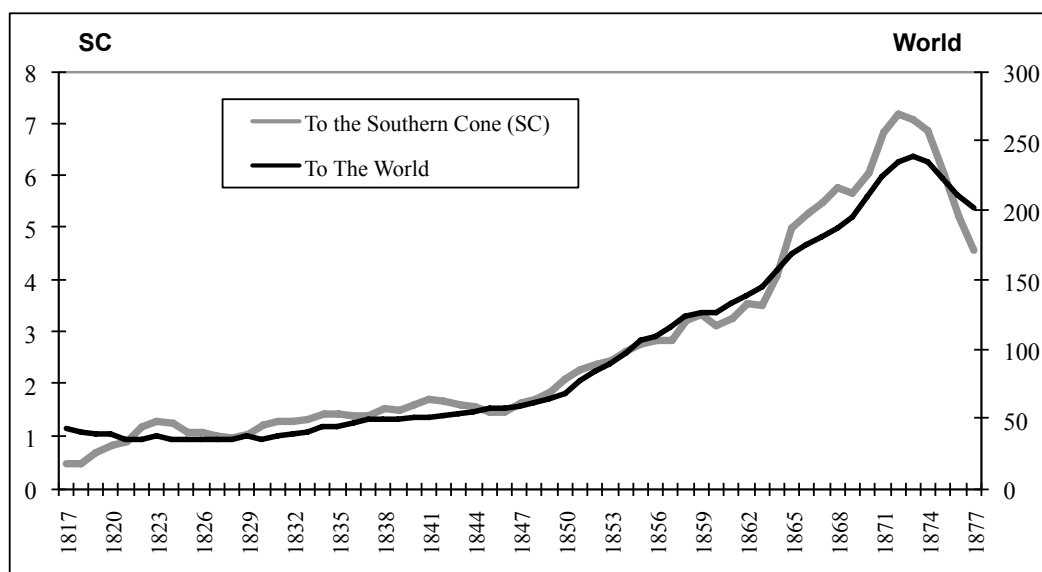
⁵⁹ Indeed, before that, whether there was, indeed, a storm.

Southern Cone imports of British textiles). Afterwards, the share of the Southern Cone within overall exports by the United Kingdom to the world is estimated so as to assess its importance as a market. Thereafter, the chapter considers the share of textiles within British exports to the Southern Cone. A more disaggregated level of the textile trades is also provided, and the importance of the Southern Cone for each category of British textile exports is given. Finally, after the concluding remarks, an appendix is devoted to the imperfections of the statistics used.

General trends in total exports, measured by *value*⁶⁰

Appendix 2.3 explains in detail the methodology and sources used to prepare the charts and tables in this chapter. Most of the information presented here has not been published previously, from general trends to the specific dissection of the data.

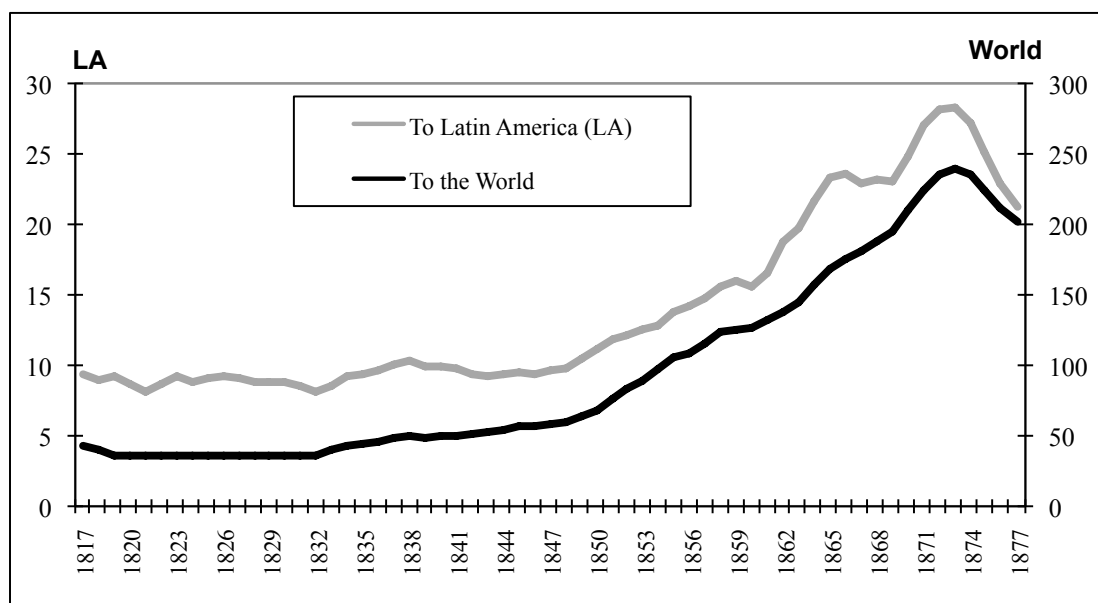
Chart 2.1
United Kingdom exports to the world and to the Southern Cone, 1817–1877
Five-year moving averages of annual series in declared value (£m)



Source: own elaboration from Table A.2.2.1 of Appendix 2.2

⁶⁰ All series of exports used in this thesis are the 'declared value of the United Kingdom's exports of British and Irish produce'. Being the main concern of this thesis the study of British textile exports, re-exports of foreign and colonial produce are not considered. In any case, the United Kingdom's re-exports to the Southern Cone were negligible during the nineteenth century.

Chart 2.2
United Kingdom exports to the world and to Latin America
Five-year moving averages of annual series in declared value, 1817–1877 (£m)



Source: own elaboration from Table A.2.2.1 of Appendix 2.2

Chart 2.1 shows the development of United Kingdom's total exports both to the world and to the Southern Cone⁶¹ as series of five-year moving averages to show more clearly the general trends throughout our period of study. The first striking impression is that British exports to the Southern Cone (and, indeed, to the whole of Latin America in Chart 2.2) behaved like exports to the world. That is, the Southern Cone and Latin America as a whole took British manufactures at a similar rate to the rest of the world. Therefore, scholars who have attributed a particular incapacity of Latin America to absorb British manufactures during the first half of the nineteenth century are not supported by the evidence in these simple but powerful charts.⁶² Furthermore, the series of British exports to the world from the late 1810s until the mid-1830s is flat and at times even decreasing (see also Chart 2.3).

⁶¹ For the period 1827–1845, instead of containing separated figures for modern Argentina and Uruguay, the British Ledgers of Exports contain figures for the River Plate altogether. For this reason, as well as because of the considerable re-export trade that took place among these ports, it was chosen to consider exports to the 'River Plate' as a whole and rather than to Argentina exclusively. However, it may worth mentioning that for the two periods in which there are separated figures, 1815–1826 and 1846–1879, the share of Argentina was 95 and 69 per cent, respectively.

⁶² For example, it has been said that 'during the period between the recognition of Argentine independence and the launching of the first long-distance railway in 1863 ... British trade with Argentina expanded at a much slower rate than British trade with the world as a whole'. Ferns, *Britain and Argentina*, p. 133. However, Ferns did not provide statistical evidence.

As may be appreciated from Chart 2.1, displaying the value of the United Kingdom's exports on two different axes (one for the world and other for the Southern Cone) is equivalent to plotting the series in indexes (taking as base year any point where the curves intersect). Therefore, it becomes clearer that, during the 1820s and 1830s, the United Kingdom's exports to the Southern Cone were growing at a faster rate than to the world, and, consequently, there is less basis for those who have 'blamed' the Southern Cone for a particular inability to take more exports during the early stages of legal and direct commercial intercourse (which is confirmed in Chart 2.3). Furthermore, the great boom in the value of British exports to the Southern Cone and the world started soon after the wider introduction of free trade in the United Kingdom during the early 1840s, being 20 years before the introduction of long-distance railways in the Southern Cone and well before substantial European migration.

Table 2.1
United Kingdom exports to the Southern Cone, 1815–1879
Annual averages, £000

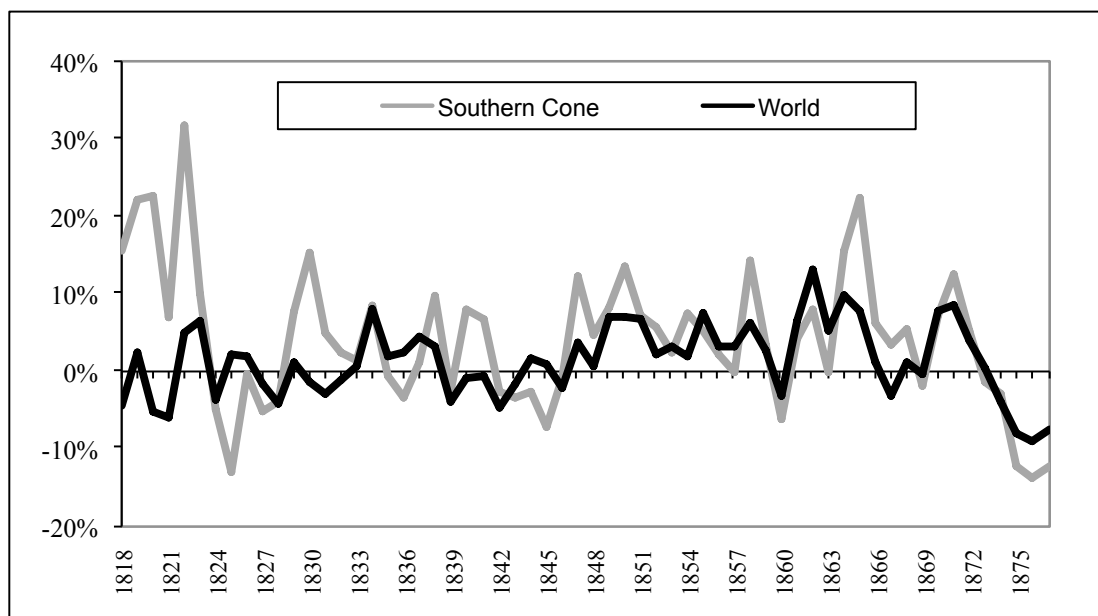
Period	Chile	Argentina and Uruguay	Southern Cone	Southern Cone's inter-decadal growth
1815-9	15	478	493	
1820-9	468	646	1,113	126%
1830-9	722	642	1,365	23%
1840-9	943	726	1,669	22%
1850-9	1,303	1,326	2,629	58%
1860-9	1,707	2,809	4,516	72%
1870-9	2,154	3,736	5,890	30%

Source: own elaboration from Table A.2.2.1 of Appendix 2.2

If the series of United Kingdom's exports to the Southern Cone is taken alone, it is clear that there were five sub periods. The first runs from the beginning of direct legal trade until the early-1820s, when export growth was very high, but from a low level. This may be the 'storm' alluded to in the historiography, but which appears more as ordinary rain. The second phase is from the early-1820s until the early-1840s, when it is evident that the pace of growth was lower, though still positive (except for the impact of the Brazilian blockade of Buenos Aires), and commencing from a level of exports of over £1m per annum. Though there

was a deceleration, it would not be appropriated to refer to this sub-period as one of stagnation or of decreasing exports as the historiography has long assumed (see Table 2.1).

Chart 2.3
Annual growth of United Kingdom exports to the Southern Cone and to the World, 1818–1879 (of five-year moving averages series in declared value)



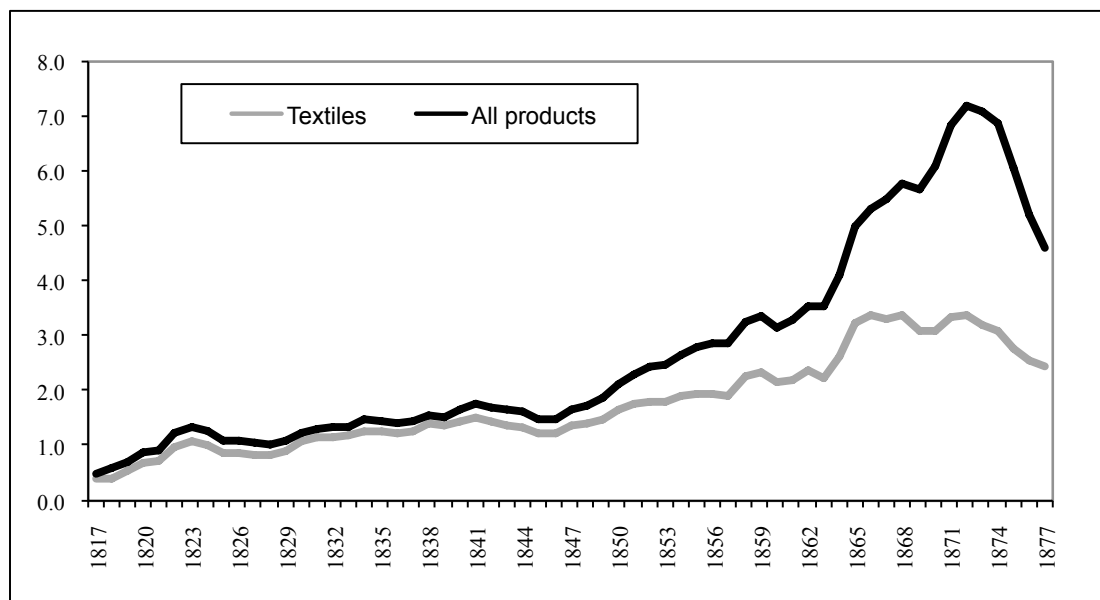
Source: own elaboration from Table A.2.2.1 of Appendix 2.2

Thereafter, during a third phase, from the early-1840s until the early-1860s, there were higher annual rates of growth, this time from high levels. This is a period of a distinct boom in Britain's exports to the region. In the fourth phase, growth accelerated until the mid-1870s, when British exports were affected by the 'Great Depression', which characterises the fifth and last sub-period. This fall in British exports occurred when Latin American countries returned to protectionism. Table 2.1 contains a summary of the trends in an alternative and useful way.

In summary, it is clear that British exports (by value) to the Southern Cone did not stagnate during the first half of the nineteenth century and, above all, that the markets of neither the Southern Cone nor Latin America behaved in a unique way compared with that of the world. It is also clear that from the mid-1840s until the mid-1870s there was a greater boom in the value of British exports to the Southern Cone,

which anticipated in many years the turning point suggested by most scholars in the literature. Yet, booming exports after the mid-1840s needs some clarification.

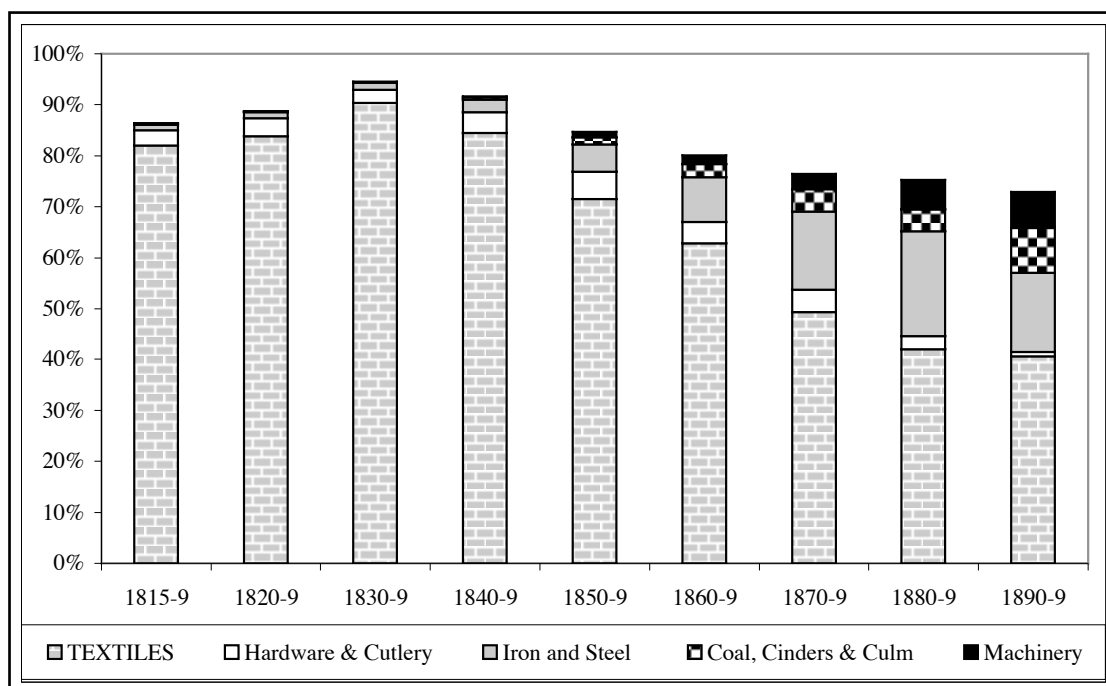
Chart 2.4
Textile and total United Kingdom exports to the Southern Cone
Five-year moving averages of annual series in declared value, 1817–1877 (£m)



Source: own elaboration from Table A.2.2.5 of Appendix 2.2

Though British textile exports to the Southern Cone grew at a higher rate after the mid-1840s, when compared with the three preceding decades, the sudden expansion in total exports (including textiles) that took place between the mid-1840s and the mid-1870s is mainly explained by a diversification of goods, with hardwares, cutlery and, above all, coal and iron becoming increasingly more important. Chart 2.4 shows this development clearly (see also Table 1.1 and Chart 2.5). During 1815–1849, Britain’s exports of iron to the Southern Cone averaged £21,000 per year. By the 1870s, these exports reached nearly £1m per year and, by the following decade, nearly £2m. These were mainly exports associated with railway construction. That is, from the 1860s, British investment in the region, for the first time, started to be important; a ‘new’ trade followed investment. Similarly, British exports of coal to the Southern Cone averaged less than £3,000 per annum during the period 1815–1849 but by the 1870s they were nearly £0.3m per year. All in all, the expansion of exports from the third-quarter of the century was mainly due to a sudden increase in exports of ‘capital goods’ rather than in ‘consumer goods’.

Chart 2.5
United Kingdom exports to the Southern Cone, 1815–1899
Shares of main categories of products (from declared value series)



Source: own elaboration from Table 1.1

Finally, as far as textiles is concerned, a very different history emerges if *volumes* rather than *values* are considered:⁶³ the post-1840s period loses relevance and the 1820s, 1830s and 1840s gain further significance. This takes us to the following section.

Beyond values, British exports in *volume*: hidden facts within new data

The best systematic analysis for assessing the development of British exports should consider volume data.⁶⁴ For this reason, it was decided to collect data of the volumes exported for the main categories of textiles traded by the United Kingdom, and then construct indexes of quantum. At the level of all the databases built in the course of this research this was the most painful to elaborate. The indexes of quantum were constructed by adding all volumes (in yards) for all products within each broad category: wool manufactures, cottons and linens. That is, for cottons, by adding plain

⁶³ Few scholars have made this distinction, Miller being the main contributor. According to Miller between 1814 and 1846 the value of British exports to Latin America increased at 0.2 per cent per annum, 'but the growth in volume was 3.4 per cent'. Miller, *Britain and Latin America*, p. 72.

⁶⁴ Miller, *Britain and Latin America*, pp. 72–74; Platt, *Latin America*, p. 150.

cottons, printed cottons, plain muslins, printed muslins, cambrics, fustians and so on. Some products were entered in the custom ledgers by value only, but they accounted for just a small fraction of total values exported for each of these three classes of textiles. Indeed, all the particular products for which volumes exported are available in the custom ledgers variously for wool manufactures, cottons and linens account for 94.1 per cent, 98.5 per cent and 99.2 per cent of the total values exported for each of these broad categories during 1815–1879, respectively. That is to say, the sample used to build the indexes of quantity is for an overwhelming share of the value of textile exports to the Southern Cone.

A final issue ought to be commented on before beginning the discussion. For wool manufactures, British Customs entered a few products by ‘pieces’ instead of ‘yards’ from 1815 to 1861. Fortunately, there were overlapping figures in the British Parliamentary Papers for several years so providing data both in pieces and yards. This allows the calculation of a coefficient of conversion to transform pieces into yards, namely 1 piece = 42 yards.⁶⁵ These are, of course, rough approximations used by the British Customs. Ideally, we should have used coefficients of conversion for every product instead of one for all wool manufactures affected. It is not the same to convert ‘broad’ cloths as ‘narrow’ cloths, just to mention an example.⁶⁶ Additionally, keeping this coefficient of conversion fixed over time is not a realistic assumption.⁶⁷ The composition and weight per yard of particular pieces of cloth within each category of woollens and worsteds changed as new technologies were introduced in the wool industry. Nevertheless, this is undoubtedly the best information available to express all quantities exported in a unique measure of quantum (yards) and the coefficient affects only some wool manufactures (i.e. cloth superfine and cloth second inferior), but neither cottons nor linens. The problems arising from the use of this coefficient of conversion does not change substantially any of the conclusions that have been drawn.

⁶⁵ These conversions are not new in the literature. In a recent article, Solar faced similar problems to transform ‘tons’ of linens into ‘yards’, estimating that a ton of linen cloth was equivalent to 4,000 yards. P. Solar, ‘The Irish linen trade, 1852–1914’, *Textile History*, Volume 36-1 (2005), p. 49.

⁶⁶ See for instance BPP, 1820, XII (88), ‘Account of quantities of broad and narrow cloths milled in the West Riding of Yorkshire, 1790–1819’. In this report, the coefficient used to convert pieces of broad clothes into yards was lower than the used to convert pieces of narrow cloths into yards.

⁶⁷ Ibid. In this report, for the period 1790–1810, the coefficients of conversion used were not 42 but at most 39, with a minimum of 31, in times when woollens were heavier. In later periods, according to a maritime register found in Chilean archives, pieces of British woollens contained between 40 to 50 yards each. ANCH-ACG, Volume 26-9, ‘Boletín sobre movimiento marítimo de Valparaíso, 1838–41’.

Finally, why yards and not a weight measure of volume? Yards have been used because, firstly, most of the raw information available was in yards, and, secondly and most importantly, in the particular case of textiles, it is well known that any measure of length is superior to any measure of weight. However, not all scholars agree. For instance, Cavieres plotted prices of British exports of cottons to Chile in sterling (£) per cwt.⁶⁸ This is not a purely academic issue, since it leads to an important consequence as by measuring by weight the technological innovations that made cottons or woollens less heavy cannot be properly taken into consideration.

Chart 2.6 shows the indexes of quantity for both cottons and linens exported by the United Kingdom to the Southern Cone. In the particular case of cottons, it is clear that the underlying trend⁶⁹ of the index of quantum had a permanent growth from the 1820s, except for the short periods when the River Plate was blockaded and during the American Civil War. Apart from these exogenous shocks, the volume of United Kingdom's cottons exported to the Southern Cone grew on trend during the whole of our period of study (see also Chart 2.13 in Appendix 2.4). The Southern Cone took, in spite of the usual annual fluctuations of any time series, more and more yards of cotton manufactures from the 1810s until the 1870s. When compared with the *value* series for the total of textiles exported by the United Kingdom to the Southern Cone (Chart 2.4), there are striking differences that ought to be highlighted.

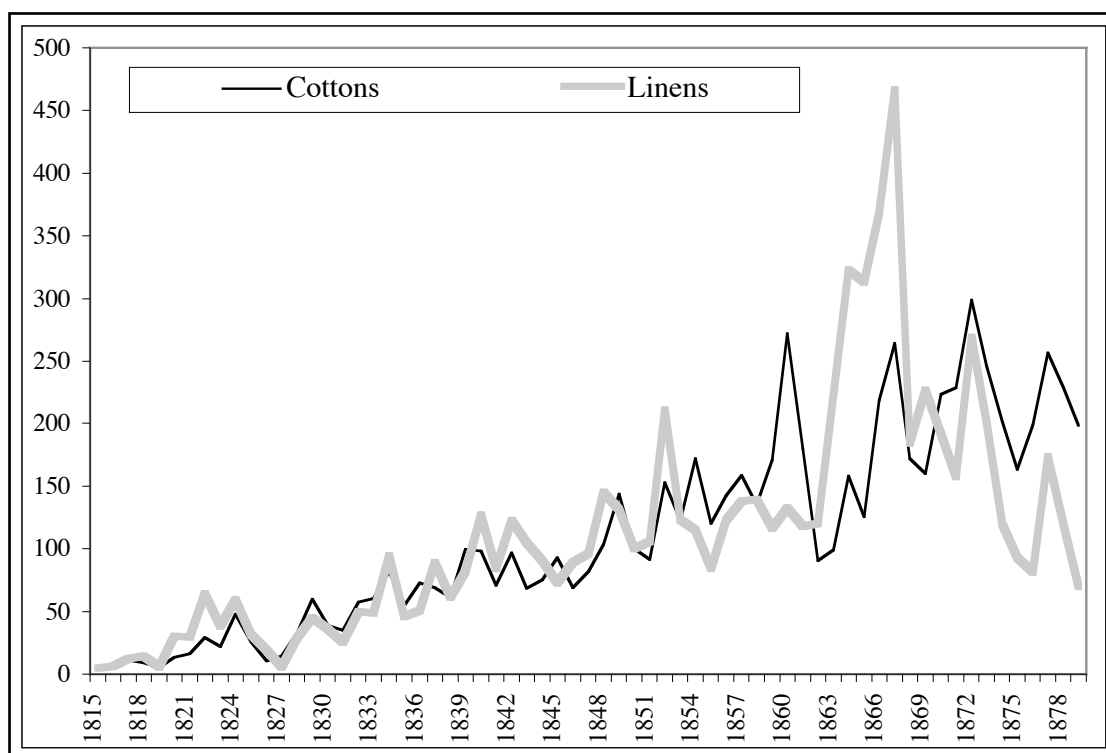
On the one hand the slope of trend of the series in value changes markedly around the late 1840s (much steeper than before), while the underlying trend in the series in volume has more continuity than change after the 1840s. On the other hand, the slope of trend for the series in aggregated textile values before the late 1840s is not as steep as in the series in volume for cottons. That is, measured by *value*, total United Kingdom textile exports to the Southern Cone during the second half of the nineteenth century were far greater than during the first half. In contrast, when cottons *volumes* are considered, the 1830s and 1840s gain tremendous relevance. Comparing the volumes of the 1830s and 1840s with those of the 1850s, 1860s and 1870s, British exports in volume were higher during these latter decades but the difference is less important than that displayed in the aggregated value data.

⁶⁸ Cavieres, *Comercio chileno*, p. 103.

⁶⁹ Trends for all series of indexes of quantum presented in Charts 2.5 and 2.6 are displayed in Appendix 2.4 (Charts 2.13, 2.14 and 2.15).

This is even more the case with the series of quantity of linens exported, except for the short period of the American Civil War, when cotton prices went through the roof and there was a consequent temporary substitution of linens for cottons. The volume of British linens exported to the Southern Cone grew continuously and at high rates from the early 1830s until the mid 1850s (see also Chart 2.15 in Appendix 2.4). All in all, the development of both indexes of quantity (Chart 2.6) clearly shows that the Southern Cone market was far from being saturated by British manufacturers between the 1810s and the 1840s and that it was capable of absorbing far more yards of cottons and linens than supplied during the first years after independence. This is very different to what has been claimed in the historiography.

Chart 2.6
United Kingdom exports of cottons and linens to the Southern Cone, 1815–1879
Indexes of quantum, 1850 = 100 (of series in yards)

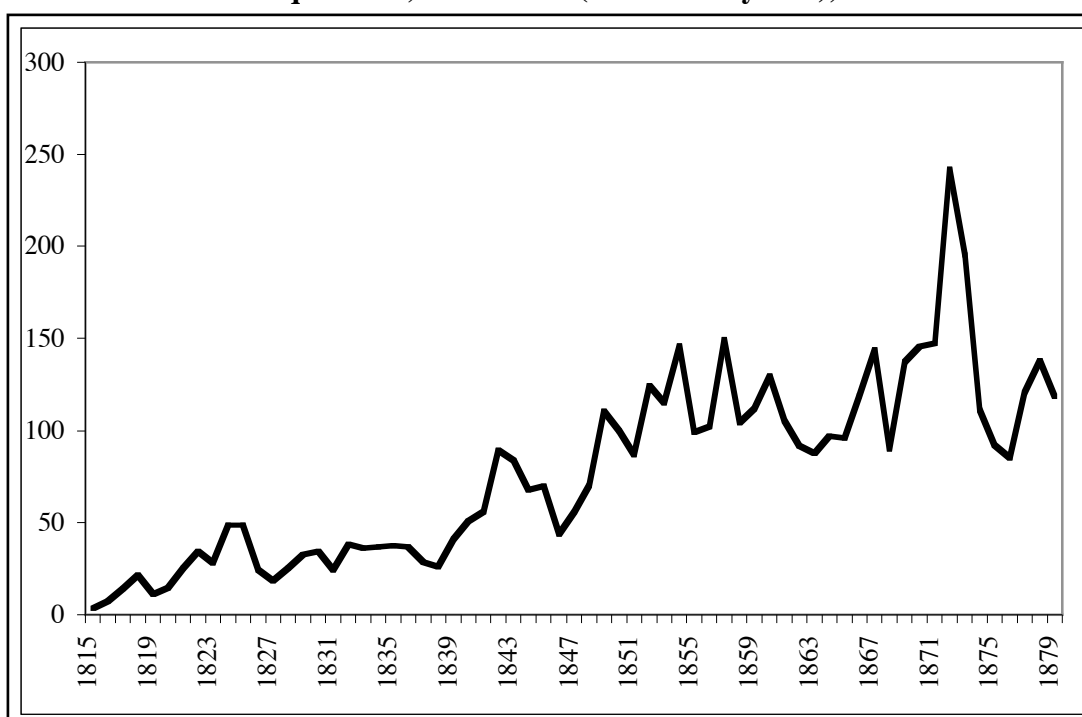


Source: own elaboration from Table A.2.2.2 of Appendix 2.2

The case of wool manufactures has been presented separately in Chart 2.7 because it is somewhat different. United Kingdom exports of wool manufactures (in volume) remained at a similar level from the early 1820s until the late 1830s (see also Chart 2.14 in Appendix 2.4). Thereafter, when cotton started to be successfully mixed

with wool and prices of wool manufactures consequently fell dramatically, volumes exported to the Southern Cone suddenly rose to unprecedented levels from the early 1840s, except, again, for the period when the River Plate was blockaded by Anglo-French forces. Similarly, as with cottons, the quantity of wool manufactures exported by the United Kingdom to the Southern Cone during the late 1840s and early 1850s displays little differences with that taken by the Southern Cone from the mid-1850s to the 1870s.

Chart 2.7
United Kingdom exports of wool manufactures to the Southern Cone
Index of quantum, 1850 = 100 (of series in yards), 1815–1879



Source: own elaboration from Table A.2.2.2 of Appendix 2.2

For those not familiar with indexes and for those requiring more details, a summary of the volume data is given in Table 2.2. It shows even more clearly that in the 1840s the Southern Cone was taking as much as three times more cottons and linens yards than in the 1820s and twice as much the quantity consumed of wool manufactures in comparable periods. This all confirms the point that the 1830s and the 1840s are an important turning point in the first half of the nineteenth century.

If working with volumes is methodologically superior to working with values, then per capita figures in quantity provide an incomparably richer basis. It may be

tempting to think that the ‘revolution’ from the late 1830s could be explained by a growth of population. This posits the need to work with per capita figures,⁷⁰ using data not employed before, except for Miller’s rough estimations for 1860.⁷¹ Table 2.3 speaks by itself, though some remarks seem pertinent.

Table 2.2
Textile yards exported from the United Kingdom to the Southern Cone
(millions of yards, in annual averages), 1815–1879

Period (Annual averages)	Wool Manufactures	Cottons	Linens
1815-1819	0.74	3.86	0.27
1820-1829	1.94	14.79	1.10
1830-1839	2.20	34.18	1.82
1840-1849	4.52	48.78	3.32
1850-1859	7.38	73.98	3.92
1860-1869	7.11	94.26	7.74
1870-1879	9.03	121.59	4.61
Inter-decadal growth			
1815-1819 to 1820-1829	161%	284%	306%
1820-1829 to 1830-1839	13%	131%	66%
1830-1839 to 1840-1849	105%	43%	82%
1840-1849 to 1850-1859	63%	52%	18%
1850-1859 to 1860-1869	-4%	27%	97%
1860-1869 to 1870-1879	27%	29%	-40%

Source: own elaboration from Table A.2.2.2 of Appendix 2.2

Let’s start with Southern Cone’s per capita consumption of British cottons. In the second half of the 1810s, the inhabitants of the Southern Cone were consuming on average a meagre 3 yards of cottons every year, but in the next decade their consumption had increased three-fold and in the 1830s it rose two-fold compared to the 1820s. By the 1830s, the inhabitants of the Southern Cone were consuming over five times more yards of cottons than in the second half of the 1810s and only 35 per cent less than would be consumed in the 1870s. In per capita terms, the consumption of the quantity of British cottons exploded during the 1820s and 1830s and its growth only declined somewhat during the 1840s. The 1850s, 1860s and 1870s did not bring any substantial increase.

⁷⁰ All per capita figures here presented consider United Kingdom’s exports to both the River Plate and to Chile, and consequently, the whole of the population of modern Argentina, Uruguay and Chile.

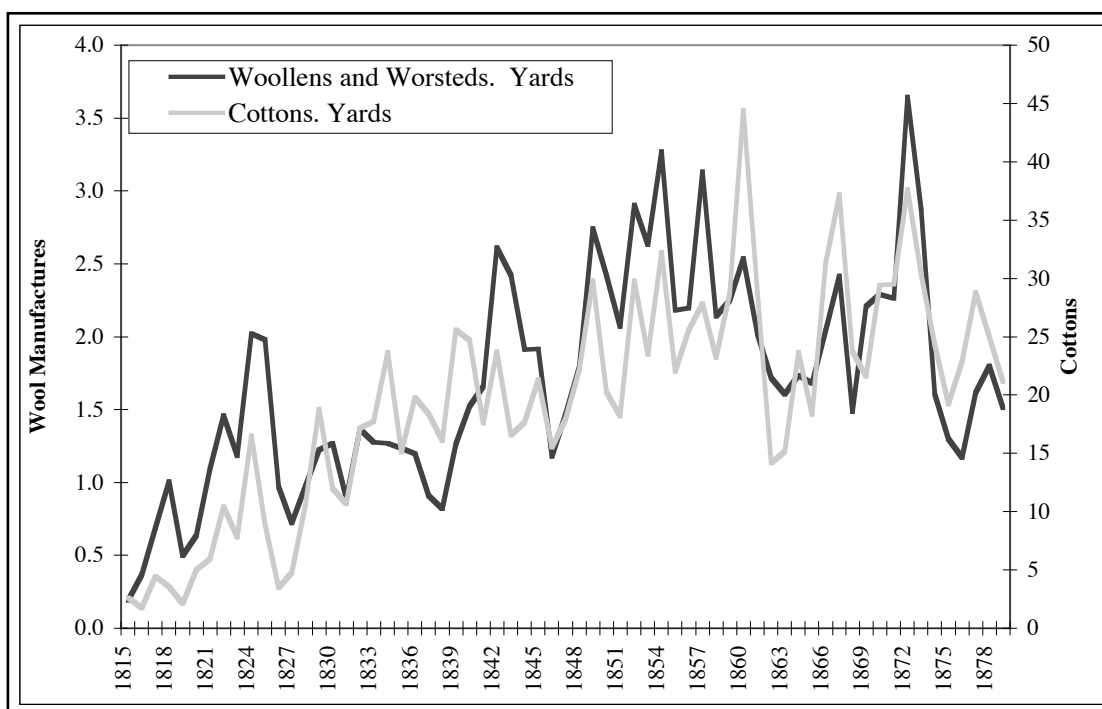
⁷¹ Miller, *Britain and Latin America*, p. 74.

Table 2.3
Southern Cone per capita textile imports from the United Kingdom, 1815–1879
(annual average yards imported per inhabitant)

Period (Annual averages)	Wool Manufactures	Cottons	Linens
1815-1819	0.5	2.9	0.2
1820-1829	1.2	9.2	0.7
1830-1839	1.1	17.6	0.9
1840-1849	1.9	20.7	1.4
1850-1859	2.5	25.1	1.3
1860-1869	1.9	25.8	2.1
1870-1879	2.0	26.8	1.0

Source: own elaboration from Tables A.2.2.2 and A.2.2.3 of Appendix 2.2

Chart 2.8
Southern Cone per capita imports of wool manufactures and cottons from the
United Kingdom (yards per inhabitant), 1815–1879



Source: own elaboration from Tables A.2.2.2 and A.2.2.3 of Appendix 2.2

The story for wool manufactures is similar, except that the second great increase came somewhat later (during the 1840s) and that the overall growth was not as spectacular as for cottons. But again, as for cottons, the average consumption of wool manufactures by the Southern Cone population did not display any substantial

increase between the 1850s and the 1870s (Table 2.3). All these points are even clearer in Chart 2.8. For linens, the 1830s and the 1840s are a very expansive period, as well as the unusual high consumption during the 1860s (because of the impact of the American Civil War as mentioned above). All in all, it seems clear that in per capita terms the average consumption of British textiles in the Southern Cone grew constantly and at very high rates during the first half of the nineteenth century. The great turning point, if one is needed, occurred well before 1850, rather than during the 1850s, the 1860s, the 1870s or the 1880s, as suggested in the literature.

The Southern Cone's position in British exports, measured by *value*

Some clarifications seems pertinent to avoid any confusion in the terminology used. In this thesis, Latin America is considered as the whole of the territory from the Rio Bravo to Patagonia, that is Mexico, all Central America, all the Caribbean and all South America, though recognising that the term is ambiguous enough to admit other definitions.⁷²

This is not a matter of Latin American pride, but of statistical accuracy. The pivotal role played by British, Danish and Dutch possessions in the Caribbean, Central America and northern South America as re-distribution centres of British manufactures is well known. The British Customs registered all exports that were first landed at these entrepôts as going to these possessions regardless where they were finally sold. Platt's pioneer article shows that British goods were transhipped at Saint Thomas, Belize, Trinidad and Curaçao, being destined for the former Spanish possessions (excluding the Southern Cone) in considerable quantities and values.⁷³ As can be seen in Table 2.4, during the first decades of the century, tiny British, Danish and Dutch possessions were taking a huge share of Britain's exports, all on account of

⁷² For instance, Platt (*Latin America*), as with many others, considers Latin America as all territories above mentioned except for the English-speaking and French-speaking countries (apart from Puerto Rico and Haiti). That is, Platt refers to approximately former Spanish and Portuguese Latin America. In an intermediate point, R. Davis (*The industrial revolution*) considers Latin America as Platt's category, plus mainland countries such as Belize and the Guianas (leaving out the West Indies). An exception to this categorisation within the British historiography is D. Farnie, *The English cotton industry and the world market, 1815–1896* (Oxford, 1979), p. 91, where Latin America includes the British West Indies.

⁷³ See Platt, *Latin America*, p. 117. See also R. A. Humphreys, 'British merchants and South American independence', *Proceedings of the British Academy*, Volume 51 (1965), p. 152; D. Goebel, 'British trade to the Spanish colonies, 1796–1823', *American Historical Review*, Volume 43 (1938), p. 292; A. McFarlane, *The British in the Americas, 1480–1815* (London, 1994), p. 303; Lynch, 'British policy', p. 7; J. Williams, *British commercial policy and trade expansion, 1750–1850* (Oxford, 1972), p. 290. According to figures collected by this author, the main entrepôts were Saint Thomas (Danish free port), followed by British Honduras and British Guiana.

the re-export trade. Indeed, when British contraband became less important, the share of these possessions fell to less than 2 per cent, never recovering again.

Terminology apart, during the first half of the century, Latin America as a whole took a considerable share of United Kingdom exports, comparable to that of the USA. During the late 1810s, 1820s, 1830s, 1840s and 1860s, Latin America took more British manufactures than the USA. In the same way that the USA has been considered a key commercial partner of the United Kingdom, emphasis should be given to Latin America during the first half of the century, even if only ‘Spanish’ America and Brazil are taken into consideration (Table 2.4).

Table 2.4
Latin America’s shares in world exports from the United Kingdom, 1815–1899
Shares from declared value series

Period	Spanish and Portuguese South America	Spanish Latin America and Brazil	British possessions in Latin America	Other Caribbean islands, French and Dutch Guianas	Latin America	USA
1815-1819	6.2%	6.7%	12.7%	2.0%	21.3%	20.5%
1820-1829	10.8%	12.5%	9.8%	1.8%	24.1%	16.0%
1830-1839	9.9%	12.2%	7.0%	1.6%	20.8%	18.0%
1840-1849	9.3%	11.5%	4.5%	0.9%	17.0%	13.6%
1850-1859	8.1%	10.3%	2.2%	0.8%	13.4%	18.6%
1860-1869	8.4%	10.4%	1.9%	0.7%	13.0%	12.2%
1870-1879	7.6%	9.3%	1.4%	0.5%	11.3%	11.7%
1880-1889	8.0%	9.7%	1.3%	0.4%	11.4%	12.2%
1890-1899	8.2%	9.7%	1.3%	0.3%	11.3%	9.7%

Source: own elaboration from Table A.2.2.4 of Appendix 2.2

Above all, it is exactly between the 1810s and the 1840s, a period which the historiography has labelled as unimportant and disappointing for British exports to Latin America, that the continent took her highest share of Britain’s exports for the whole of the nineteenth century. It was from the 1850s that Latin America became comparatively less important for United Kingdom exports. This may come as a surprising finding given some views regarding the continent as a market during the first half of the century.⁷⁴ In turn, the individual shares of Latin American countries cannot be labelled by any means as marginal.

⁷⁴ Just to mention an example, Cavieres, in a rare statistic, recently stated that Latin America in 1856 took 1.6 per cent of British exports to the world. See his ‘Comercio, diversificación económica y

Having established the real importance of Latin America, attention turns to the Southern Cone in particular. Table 2.5 summarises the position of the Southern Cone within the United Kingdom's exports to Latin America, from which it is clear that the region was of paramount and increasing importance for British exporters to the continent. During the period 1815–1879, the Southern Cone took around one-fifth of all Britain's exports to Latin America. All in all, as can be seen in Chart 2.9, the Southern Cone's share of United Kingdom exports to the world rose from a meagre 1 per cent in the late 1810s to over 3 per cent in the mid-1820s. Thereafter, this ratio oscillated around 3 per cent within a band of, roughly, a minimum of 2.5 per cent and a maximum of 3.5 per cent. Having a 3 per cent share of the exports of the main Western economy cannot be regarded as a marginal figure.

Table 2.5
Southern Cone shares in United Kingdom exports to Latin America
Shares from declared value, 1815–1879

Period	Southern Cone	Brazil	Spanish and Portuguese South America	Spanish Latin America and Brazil	British possessions in Latin America	Other Caribbean islands, French and Dutch Guianas
1815-1819	5.3%	23.5%	28.8%	31.2%	59.4%	9.4%
1820-1829	12.7%	26.8%	44.7%	51.7%	40.7%	7.6%
1830-1839	15.0%	26.0%	47.9%	58.6%	33.9%	7.5%
1840-1849	17.8%	25.3%	54.6%	67.8%	26.7%	5.5%
1850-1859	19.7%	27.1%	61.0%	77.2%	16.6%	6.2%
1860-1869	21.7%	25.9%	64.3%	80.0%	14.5%	5.5%
1870-1879	23.9%	26.1%	67.1%	82.5%	12.8%	4.7%

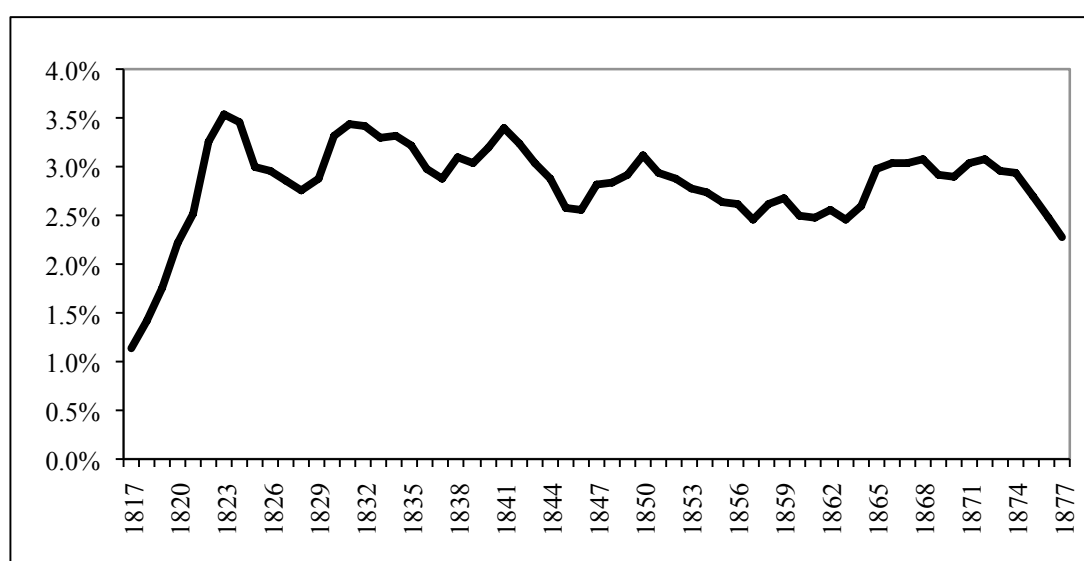
Source: own elaboration from Table A.2.2.4 of Appendix 2.2

At a more disaggregated level, within South America (excluding the Guianas), the Southern Cone took nearly a third of all British exports (Table 2.6). This is not much less than the Brazilian share, overrated by the literature as a key British

formación de mercado de una economía en transición', in Irigoin and Schmit, *La desintegración*, p. 98. Backing the results presented in Table 2.4, Bairoch estimated that the highest participation ever reached by South America within Europe's exports to the world between 1810 and 1910 was achieved in the 1840s. P. Bairoch, 'Geographical structure and trade balance of European foreign trade from 1800 to 1970', *JEEH*, Volume 3 (1974), p. 560. Similarly, for the particular case of the cotton industry, in 1820 and 1840 Latin America took 21 per cent and 32 per cent of United Kingdom cottons exports, respectively. In contrast, in 1896 she took only 16 per cent, the 1840s' share being the highest ever reached by the subcontinent. Farnie, *The English cotton*, pp. 91 and 94.

commercial partner.⁷⁵ Finally, beyond South America, as shown in Table 2.7, the Southern Cone took more British and Irish produce than that collectively taken by Mexico, Central America and the Spanish possessions in the Caribbean. Though during the first decades of the century this was in part due to the re-export trade from British and Danish possessions, thereafter the Southern Cone took far more than all these destinations combined altogether.

Chart 2.9
Standing of the Southern Cone in total United Kingdom exports to the world
Five-year moving averages of shares from series in declared value, 1817–1877



Source: own elaboration from Table A.2.2.4 of Appendix 2.2

All these statistical tables make it clear that Latin America was far from being a marginal destination for British exports, especially during the first half of the century, and that the Southern Cone was not such a backwater destination as suggested by the historiography. Rather, both geographical destinations were important and stable partners for British exporters.

Table 2.6

⁷⁵ According to a specialist in Anglo-Brazilian trade, in 1820 Brazil took 75 per cent of all British exports to Portuguese and Spanish Latin America. A. K. Manchester, *British pre-eminence in Brazil* (New York, 1972), p. 98. Yet, Table 2.5 suggests a different story; 1820 was an exceptional year.

Southern Cone standing in United Kingdom exports to South America (excluding the Guianas), 1815–1879. Shares from declared value series

Period	Southern Cone	Peru and Bolivia	Others in Spanish South America	Brazil
1815-1819	18.5%	0.0%	0.0%	81.5%
1820-1829	28.4%	6.9%	4.9%	59.9%
1830-1839	31.3%	9.9%	4.6%	54.3%
1840-1849	32.6%	14.4%	6.6%	46.3%
1850-1859	32.3%	13.2%	10.0%	44.5%
1860-1869	33.8%	9.2%	16.8%	40.3%
1870-1879	35.6%	10.6%	14.8%	38.9%

Source: own elaboration from Table A.2.2.4 of Appendix 2.2

Table 2.7
Southern Cone standing in United Kingdom exports to Spanish Latin America and Brazil (shares from declared value), 1815–1879

Period	Southern Cone	Mexico	Central America, excluding Mexico	Cuba and Puerto Rico	Brazil	Spanish Latin America and Brazil
1815-1819	17.1%	0.4%	0.4%	6.7%	75.4%	100%
1820-1829	24.5%	7.8%	0.0%	5.7%	51.7%	100%
1830-1839	25.5%	9.5%	0.1%	8.7%	44.4%	100%
1840-1849	26.3%	7.9%	0.6%	11.0%	37.3%	100%
1850-1859	25.5%	5.5%	2.6%	12.9%	35.1%	100%
1860-1869	27.1%	6.4%	1.1%	12.1%	32.4%	100%
1870-1879	29.0%	4.4%	2.6%	11.6%	31.7%	100%

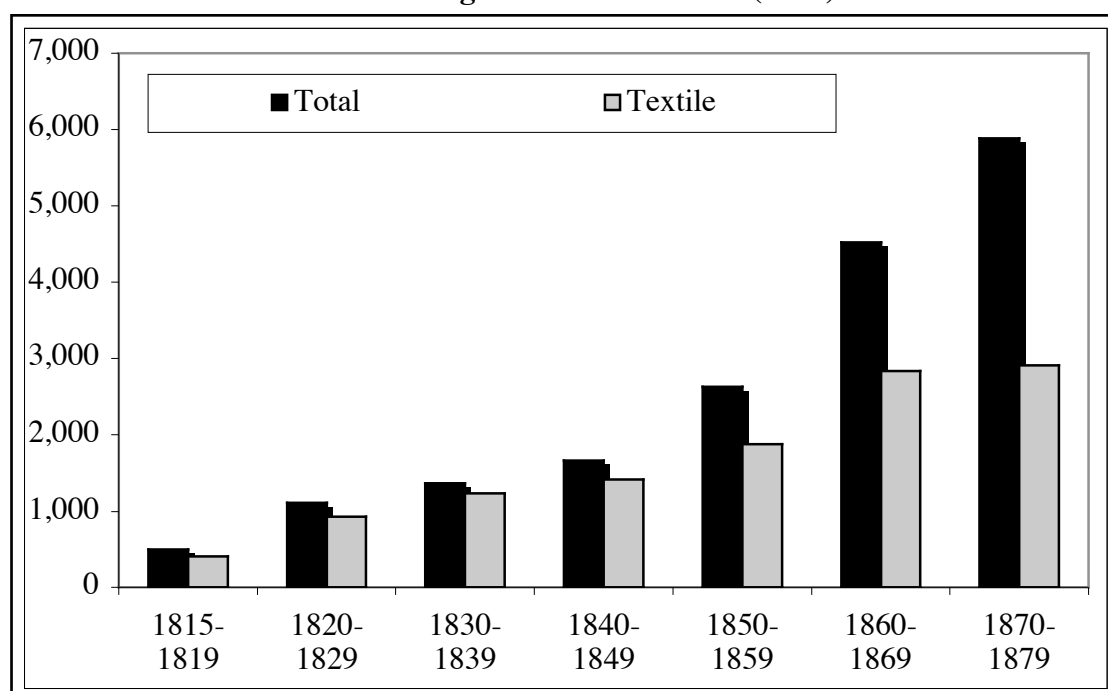
Source: own elaboration from Table A.2.2.4 of Appendix 2.2

An epoch of textiles

So far, and as far as figures in value are concerned, only overall trade figures have been presented. It is now time to disaggregate the totals. During the first half of the nineteenth century the main manufactures traded on the world market were textiles, Britain being the main exporter in the Western world. No wonder, then, that textiles were the backbone of British merchant houses in the Southern Cone. From the collapse of the Spanish Empire up to the early 1850s, textiles accounted for no less than 76 per cent and up to 93 per cent of United Kingdom exports to the Southern Cone for every year (Chart 2.10 and Table A.2.2.5).

Chart 2.10

United Kingdom exports to the Southern Cone, 1815–1879
Annual averages in declared value (£000)



Source: own elaboration based on Table A.2.2.5 of Appendix 2.2

Table 2.8
United Kingdom textile exports to the Southern Cone, 1815–1879
Annual averages of declared value (£000)

Period	Wool Manufactures	Cottons	Linens	Silks	Total Textiles
1815-1819	121	254	17	12	404
1820-1829	216	642	54	22	934
1830-1839	251	883	69	30	1,233
1840-1849	379	888	114	36	1,416
1850-1859	543	1,171	122	43	1,879
1860-1869	644	1,935	232	25	2,836
1870-1879	626	2,110	154	18	2,908
Period	Shares				
1815-1819	30%	63%	4%	3%	100%
1820-1829	23%	69%	6%	2%	100%
1830-1839	20%	72%	6%	2%	100%
1840-1849	27%	63%	8%	3%	100%
1850-1859	29%	62%	6%	2%	100%
1860-1869	23%	68%	8%	1%	100%
1870-1879	22%	73%	5%	1%	100%

Source: own elaboration from Table A.2.2.5 of Appendix 2.2

Cottons, in concordance with the general pattern of British exports, were by far the most important category of textiles exported to the Southern Cone, followed by wool manufactures, with linens and silks some way behind. The expansion of the

value for each category of textiles will not be commented on here in more depth (the reader can consult Tables 2.8 and A.2.2.5 to A.2.2.8 for further details). Instead, the section concentrates on the composition of these broad categories of textiles.

Detailed composition of textile exports to the Southern Cone

It is now time to turn our attention to what is hidden behind the broad figures for vast categories, such as cottons, wool manufactures and linens (silks will not be analysed in more detail on account of their relatively small share within United Kingdom textile exports to the Southern Cone).

Cottons

British exports of cottons to the Southern Cone consisted mainly of calicoes, either plain or printed. Other types such as cambrics, muslins, fustians or small wares (i.e. laces and stockings), which were popular in other markets did not comprise an important share of United Kingdom cottons exports to the Southern Cone. Indeed, excepting the early period 1815–1819, when muslins were relatively more important than subsequently, calicoes accounted for 90 per cent or more of all cottons exported to the Southern Cone (Table 2.9).

Table 2.9
United Kingdom cottons exported to the Southern Cone (excluding yarns)
Shares of main categories based on declared value, 1815–1879

Period	Plain Calicoes	Printed Calicoes	All other Cottons
1815-1819	36%	40%	24%
1820-1829	47%	42%	10%
1830-1839	44%	49%	6%
1840-1849	39%	54%	7%
1850-1859	39%	53%	8%
1860-1869	48%	42%	10%
1870-1879	45%	45%	10%

Source: own elaboration from CUST/8 and CUST/9 (as listed in Appendix 2.3)

Cotton yarns are not identified separately in Table 2.9. During the period 1815–1879, United Kingdom exports of cottons to the Southern Cone amounted to £78m, of which less than £0.5m were yarns. This is another interesting feature of British cottons exports to the Southern Cone, being a great difference when compared

with other markets.⁷⁶ By mid-century, the value of United Kingdom cotton-yarn exports to Europe was bigger than exports of fabrics and made up garments.⁷⁷ Comparatively, the Southern Cone was only a market for fabrics and ready made cloth.

Wool manufactures

Table 2.10 shows the composition of United Kingdom exports of wool manufactures to the Southern Cone. Some features ought to be highlighted. Firstly, for the period 1815–1859, the main sub-category was unmixed wool manufactures (made from wool only). However, from the 1840s, wool manufactures mixed with cotton started to gain an increasing importance. This development, with the consequent decline in exports of unmixed products, constituted undoubtedly the most important feature of the period. Chart 2.10 displays clearly this point. It was only thanks to technological innovations allowing a successful mixture of wool with raw cotton that worsted exports could expand from the late 1830s (this point is treated in more detail in Chapter 7).

Table 2.10
United Kingdom exports of wool manufactures (excluding yarns) to the Southern Cone, 1815–1879 (main products). Shares from declared values

Period / Product	1815-1819	1820-1829	1830-1839	1840-1849	1850-1859	1860-1869	1870-1879
Unmixed cloths	67%	59%	60%	46%	56%	41%	14%
Unmixed coatings	3%	7%	6%	3%	1%	0%	0%
Unmixed stuffs	10%	20%	23%	34%	13%	6%	3%
Total unmixed stuffs, cloths and coatings	80%	86%	89%	83%	69%	47%	17%
Mixed stuffs, cloths and coatings	1%	3%	3%	10%	18%	31%	59%
Baizes, flannel and shawls	11%	7%	4%	1%	3%	6%	2%
Blankets, rugs and carpets	2%	3%	2%	4%	8%	13%	19%
Hosiery and small wares	5%	2%	3%	2%	2%	2%	3%

Source: own elaboration from CUST/8 and CUST/9 (as listed in Appendix 2.3)

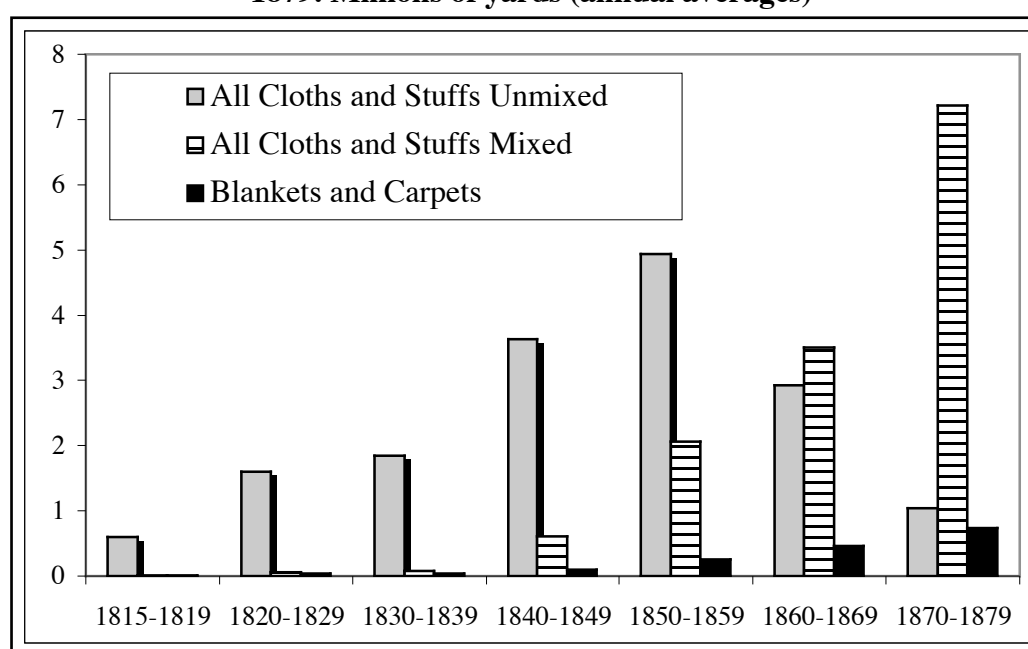
Another interesting feature is that blankets, rugs and carpets gained more importance from the 1840s. This is consistent with the view that these were products

⁷⁶ For more on this see Miller, *Britain and Latin America*, p. 74.

⁷⁷ Davis, *The industrial revolution*, p. 17; Farnie, *The English cotton*, pp. 88–89.

of branches of local craft industry that resisted for a longer time the ‘invasion’ of British manufactures. Indeed, in 1843, over three decades after the opening of Buenos Aires to international trade, the agent of the London house of Dickson & Co. at that port reported that ‘large supplies of the ordinary class [of blankets] have been received from Cordoba which makes it difficult to sell those received from Hartley [a British manufacturer]’.⁷⁸

Chart 2.11
Main United Kingdom wool manufactures exported to the Southern Cone, 1815–1879. Millions of yards (annual averages)



Source: own elaboration from CUST/8 and CUST/9 (as listed in Appendix 2.3)

Finally, it is well known that United Kingdom exports of woollen yarns to the world became very important from the late 1830s. However, this sub-category (as for cottons) never featured in the trades to the Southern Cone, and continental Europe remained the main customer for this sort of British wool stuffs.

Linens

⁷⁸ GFDP, Circular No. 3. Buenos Aires, 1 June 1843.

As shown in self-explanatory Table 2.11, plain linens were by far the main product exported to the Southern Cone. Different from cottons, printed linens never featured in British exports to this market (nor to the rest of the world). In turn, Irish linens (mainly plain) after having an important share during the first three decades of commercial intercourse became almost negligible by the 1850s.

The other interesting point to highlight within linens exports to the Southern Cone is that categories such as sailcloth or thread for sewing, although important in United Kingdom world exports, were never popular on the Southern Cone market. Finally, as with British exports of cottons and woollens to the world, although to a lesser extent, linen yarns expanded but never to the Southern Cone, which remained, as for all other categories of textiles, a customer for only fabrics and manufactured cloths.

Table 2.11
United Kingdom exports of linens to the Southern Cone
Shares by categories of products (% based on declared values)

Period	Plain Linens	Irish Linens	Printed Linens	All others
1815-1819	52%	37.2%	0.0%	11%
1820-1829	53%	34.2%	0.1%	13%
1830-1839	64%	28.5%	0.0%	8%
1840-1849	84%	8.5%	0.8%	6%
1850-1859	92%	1.4%	1.1%	6%
1860-1869	92%	0.0%	1.3%	7%
1870-1879	83%	0.0%	0.4%	17%

Source: own elaboration from CUST/8 and CUST/9 (as listed in Appendix 2.3)

Importance of the Southern Cone in United Kingdom textile exports

So far, reference has been made to general trends in both the United Kingdom's total and textile exports to the Southern Cone. The composition of these exports has also been analysed and, though data indicating the overall position of the Southern Cone within United Kingdom exports have been produced, nothing has been said about the relative importance of the Southern Cone for each category of textiles. The following paragraphs are devoted to this task, which closes this chapter.

*Cottons (excluding yarns)*⁷⁹

Table 2.12 shows the shares for selected Latin American destinations (as well as the USA) for the value of cotton fabrics and made-up garments exported by the United Kingdom. This confirms that Latin America was a key destination for British exporters and that the share of the Southern Cone for cottons was greater than the share of the Southern Cone for the United Kingdom's aggregated exports. On average, the Southern Cone took around 3 per cent of all United Kingdom exports for most of our period of study. In turn, the share of cottons was considerably greater, especially during the 1830s and 1840s. This may come as a surprise, as it is exactly the 1830s and 1840s when the historiography believes that textile exports to Latin America stagnated. It is also striking that from the 1830s the aggregated shares of the Southern Cone and Brazil were higher than the USA's (with the exception of the 1850s), while other size-comparable Latin America destinations, such as Mexico, were never as important.

Table 2.12
United Kingdom exports of cottons to the world (excluding yarns)
Shares of selected destinations from declared values, 1815–1879

Period	Southern Cone	USA	Brazil	Mexico	Peru and Bolivia	World
1815-1819	1.7%	17.1%	7.5%	0.1%	0.0%	100%
1820-1829	4.6%	13.2%	9.1%	1.8%	1.0%	100%
1830-1839	5.8%	12.2%	9.2%	1.9%	1.7%	100%
1840-1849	5.1%	7.8%	7.7%	1.3%	2.2%	100%
1850-1859	4.2%	12.1%	6.8%	1.1%	1.8%	100%
1860-1869	4.1%	6.5%	6.4%	1.3%	1.1%	100%
1870-1879	3.7%	6.2%	5.3%	0.9%	0.8%	100%

Source: own elaboration from Table A.2.2.6 of Appendix 2.2

Wool manufactures (excluding yarns)

United Kingdom exports of wool manufactures to the Southern Cone in the second half of the 1810s averaged a mere £0.12m per year, certainly not an impressive amount (Table 2.13). However, by 1870, they had increased almost sixth-fold, to £0.7m per year, making the River Plate and Chile one of the main partners for British wool manufacturers. Similarities in climate between Britain and the Southern Cone aided this development.

⁷⁹ On account of the little importance that yarns had on British textile exports to the Southern Cone, the following sections concentrate in exports of fabrics and made up garments.

During the period 1815–1869, the River Plate and Chile were the most dynamic markets for Britain’s exporters of wool manufactures according to the classification in Table 2.13. No other major destination had positive inter-decadal growth rates over this period. Besides, during the difficult times for British exporters of wool manufactures in the 1820s, the Southern Cone proved to be the most dynamic market, as in the 1840s. Finally, up to mid-century, the average rate of growth of United Kingdom exports to the world was always lower than the equivalent growth to the Southern Cone.

Table 2.13
United Kingdom wool manufactures exports by main destinations, 1815–1879
Declared values (£000), excluding yarns

Period	Southern Cone	USA	America	Europe	Asia, Africa and Oceania
1815-1819	121	2,914	4,157	2,826	999
1820-1829	216	1,622	2,756	1,879	1,208
1830-1839	251	1,969	3,168	1,834	869
1840-1849	379	1,679	3,247	2,391	888
1850-1859	543	3,124	5,195	2,764	1,516
1860-1869	644	3,812	6,451	7,379	3,634
1870-1879	627	3,885	6,746	11,240	3,968
Period	Rate of growth				
1815-1819/1820-1829	78%	-44%	-34%	-33%	21%
1820-1829/1830-1839	16%	21%	15%	-2%	-28%
1830-1839/1840-1849	51%	-15%	2%	30%	2%
1840-1849/1850-1859	43%	86%	60%	16%	71%
1850-1859/1860-1869	19%	22%	24%	167%	140%
1860-1869/1870-1879	-3%	2%	5%	52%	9%
Period	Shares within United Kingdom's exports				
1815-1819	2%	36%	52%	36%	13%
1820-1829	4%	27%	47%	33%	21%
1830-1839	4%	33%	53%	32%	15%
1840-1849	6%	25%	50%	37%	14%
1850-1859	6%	33%	55%	29%	16%
1860-1869	4%	22%	38%	42%	21%
1870-1879	3%	17%	30%	51%	19%

Source: own elaboration from Table A.2.2.7 of Appendix 2.2

Because of this dynamic behaviour, the Southern Cone’s share of United Kingdom exports of these products increased from 1.5 per cent during the late 1810s to 6 per cent during the 1840s and 1850s, certainly a remarkable achievement for the new republics. During the 1840s, in particular, the Southern Cone’s share was half of

that taken by three whole continents (Asia, Africa and Oceania). Furthermore, pursuing this useful comparison between peripheral destinations, during the 1850s, the Southern Cone took more than a third of the equivalent figure exported to the totality of Asia, Africa and Oceania.

Linens (excluding yarns)

Linens were quite a different story to that of cottons and wool manufactures (Table 2.14). Though the Southern Cone managed to take roughly the same share in linens as it took from the aggregated total exported by the United Kingdom to the world, British exports of linens to the Southern Cone did not show the spectacular behaviour that cottons and wool manufactures had. From the 1820s, the USA was by far the main destination of British linen fabrics and garments, taking even more than the whole of Europe, where competition was fiercer than in any other branch of textiles.

Table 2.14
United Kingdom exports of linens to the world (excluding yarns)
Share of selected destinations on declared value, 1815–1879

Period	Southern Cone	USA	Brazil	Mexico	Peru and Bolivia	World
1815-1819	0.8%	21.5%	4.7%	0.0%	0.0%	100%
1820-1829	2.5%	26.3%	10.3%	1.2%	0.6%	100%
1830-1839	2.7%	39.4%	6.7%	2.7%	1.4%	100%
1840-1849	3.8%	31.4%	6.2%	4.4%	2.2%	100%
1850-1859	2.8%	42.5%	5.2%	2.5%	1.7%	100%
1860-1869	3.3%	38.9%	4.6%	1.9%	1.1%	100%
1870-1879	2.3%	42.9%	3.1%	1.4%	0.5%	100%

Source: Own elaboration from table A.2.2.8 of Appendix 2.2

This chapter has shown that the Southern Cone was not a marginal market for British exporters during the first half of the nineteenth century and that British textile exports to this outlet grew from the late 1810s to the 1870s. These findings contradict the literature and, as a consequence, the explanations offered in the historiography of Anglo-Latin American trade need to be reviewed. What other factors, then, explain the development of British exports to the Southern Cone? How restrictive can a

British-centric approach be? Were British exports only constrained by the incapacity of the Southern Cone market to absorb more goods? Or were British exporters also to 'blame'? Why, for instance, did wool manufactures show a slower growth than cottons? Could it be the case that local demand was more price-elastic than usually assumed? All these issues will be considered in Chapters 7 and 8 (Part III of the thesis). Before that, the reader will be provided with a necessary description of the market chain behind British textile exports to the Southern Cone (Chapters 3 to 6). Without the information given in the subsequent four chapters (Part II of this thesis) it would be difficult to understand patterns of trade.

APPENDICES TO CHAPTER 2

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Appendix 2.1

Always an imperfect statistical world

A drawback to the British exports data is that the actual destination of exports was not always precise. Indeed, before '1874, the final destination was taken to be the port of landing'.⁸⁰ This has led, for example, to Garreaud to decide in her PhD thesis to ignore British data altogether because exports to Chile would include manufactures destined for neighbouring markets.⁸¹

Bearing in mind that the present object of study is the Southern Cone, this issue needs to be assessed in terms of how it affects the analysis. Contributions to the literature have only considered that a proportion of exports recorded going to the Southern Cone were consumed elsewhere. Yet, no scholar has questioned how much exports recorded going to other markets (e.g. Brazil) were finally consumed in the Southern Cone, alas. It has been argued that Valparaíso and Buenos Aires were important emporia in the south seas, and that British exports 'to Chile', as registered by the British Customs, included goods consumed in Bolivia, Peru and north-west Argentina. In turn, it has been said, British exports 'to Argentina', included manufactures retailed in Bolivia, Chile, Uruguay and Paraguay.⁸² Since the Southern Cone is the geographical unit being considered here, re-exports from Buenos Aires, Montevideo and Valparaíso to Argentina, Chile, Uruguay have no impact on our analysis. However, exports to the Southern Cone, as recorded by the British Customs, included goods consumed in other outlets.

How serious is this issue for the particular case of British textiles? That is a question which is impossible to answer as alternative trade data generated by either Argentinean or Chilean customs does not allow the assessment of the rate of re-exports, at least not for most of our period of study.⁸³ Garreaud, the scholar who has researched most on this still under-explored topic for the Chilean case, and drawing from patchy comments of a French Consul, suggested that Chilean re-exports circa 1837 were 65 per cent of all imports, a proportion subsequently accepted by Cavieres

⁸⁰ Platt, 'Problems in the interpretation', p. 122.

⁸¹ Garreaud, 'A dependent country', pp. 87–88.

⁸² British exports 'to Uruguay' as registered by the British Customs included also re-exports to Argentina.

⁸³ For local customs there are neither much re-export data for Chile or Argentina, nor data of either Bolivia's or Paraguay's imports or consumption of British manufactures. Chilean foreign trade started to be recorded only from 1844, while for Argentina from a later period.

and many others.⁸⁴ In turn, this share of re-exports has been extrapolated to the whole of the nineteenth century and to all trades and, therefore, needs to be examined here. However, there are no specific estimations of re-exports for British textiles in particular.

With respect to the Chilean case, re-exports from Valparaíso to north-western Argentine provinces have no impact in our analysis since they remained within the Southern Cone, our geographical unit of study. Regarding re-exports to Peru, it can safely be stated that Peru was to Chile what Uruguay was to Argentina. That is, there were re-exports from each market to the other. This is very clear in the correspondence of Gibbs's branches on the west coast.⁸⁵ There was a continual movement of goods from Gibbs's stores in Valparaíso to stores in Lima, Arequipa and Tacna and vice versa. All the evidence suggests that the re-export of British textiles between Chile and Peru solely involved goods that had remained unsold for a long period in the first market where the goods had been landed. That is, re-exporting was a solution to overstocking problems rather than a shipping strategy.

The net flows of re-exports between Peru and Chile are impossible to assess. Yet, this author believes that the importance of Callao-Lima has been underrated in the Chilean historiography, at least by those who have portrayed Valparaíso as a hegemonic entrepot in the region. However, Valparaíso was not a 'London' on the Pacific coast. Regarding port facilities for unloading, loading and storing goods, Callao was no worse than Valparaíso, so that it would make little sense to send goods intended for consumption by Peruvians via Chile, landing them at Valparaíso. Furthermore, Peru as a destination is recorded in British Customs ledgers from exactly the same time as Chile. Moreover, in 1821, British Customs distinguished between Callao and southern Peru. Finally, United Kingdom exports to Peru during the period 1824–1879 were just 25 per cent less than those sent to Chile. That is, in the half-century that followed the independence of Peru, Callao was nearly as important as Valparaíso for British exporters, a fact previously overlooked.⁸⁶

⁸⁴ Cavieres, *Comercio chileno*, p. 82.

⁸⁵ See in particular AGSP, MS 11469-2.

⁸⁶ For Cavieres, for instance, before 1850, Peru was supplied with 'nearly all' foreign manufactures from Valparaíso. In 'Comercio, diversificación', p. 102. Table A.2.2.4 suggests a completely different story. In turn, Cavieres provides no statistical evidence.

The unresolved issue around Chilean re-exports of British textiles concerns Bolivia.⁸⁷ There is a general agreement that Bolivia was supplied mainly from Arica-Tacna (Peru) and Cobija (Bolivia).⁸⁸ The disagreement arises from it having been maintained that, in turn, most foreign goods consumed by Bolivians had been previously *landed* at Valparaiso.⁸⁹ However, the point missed by many is that British manufactures consumed by the Bolivians had to be landed, sooner or later, at a Peruvian (Arica or Callao) or a Bolivian (Cobija) port. The word *landed* has been stressed to call the reader's attention to the fact that for a British cargo consumed in Bolivia and recorded as exported to Chile it had to be actually landed in Chile before being re-exported. It was not enough for the vessel to have called at Valparaiso, goods had to be actually discharged there.⁹⁰ This is a material point that so far has been missed by most.

The overland trip of British goods consumed by the Bolivians started in a Peruvian or Bolivian port and, therefore, it made little sense to unload and temporarily store goods at Valparaiso to be re-loaded and then re-unloaded at Peru or Bolivia. It was a better strategy to unload goods destined for the Bolivian market directly in Peru or Cobija. Consequently, the actual role played by the circuits Callao-Lima, Arica⁹¹-Tacna and Cobija-Bolivian-Interior have been neglected. Historians seem to forget that unloading a whole ship's cargo during our period of study took several months (see Chart 4.1, for example), besides being a very expensive and risky operation. Furthermore, scholars tend also to forget that during most of the colonial period, Callao was by far the main port in the south Pacific, through which not only Peru but also Bolivia and Chile were supplied. All in all, it seems unlikely that Callao, Arica and Cobija could not accomplish the role the historiography has given to Valparaiso when re-exporting British textiles to Bolivia. Besides, little statistical evidence, if any, has been provided and some key questions remain unanswered.

⁸⁷ It has also been said that British manufactures were re-exported from Chile to Ecuador, though this author believe that this ought to have been to a very minor extent. That pivotal role was better played by Callao-Lima (and later on Panama), both closer to Ecuador than Chile.

⁸⁸ Williams, *British commercial policy*, p. 283; H. Bonilla, 'Peru and Bolivia from independence to the war of the Pacific', in L. Bethell (editor), *The Cambridge history of Latin America* (Cambridge, 1985), III: p. 567.

⁸⁹ This, as shown above, is implicit in Garreaud and Cavieres' analysis, among others that have adhered to Garreaud's thesis.

⁹⁰ Platt, 'Problems in the interpretation', p. 199.

⁹¹ Still Peruvian in our period of study.

Could it be the case that Valparaíso was important for the re-export of Bolivian produce rather than for the re-export of British manufactures? Could it be the case that Valparaíso was an important entrepot for goods other than British textiles? Furthermore, could it be the case that Bolivia was not an important consumer of British textiles? Indeed, quite different from the case in Chile and Argentina, the Bolivian population was overwhelmingly Indian and in the habit of providing most of their own clothes.⁹²

In trying to answer these questions for the 1810s, 1820s, and 1830s, little sound evidence has been found. Though, as seen in Table A.2.2.1, until the mid-1820s, British exports to Chile were at a very low level, so any re-export of British textiles to Bolivia was negligible.⁹³ This sole evidence refutes the views of historians that before Peruvian independence the entrepot functions performed by Valparaíso were more important than subsequently. In turn, from the early 1840s, all the evidence collected in the course of this research suggests that Bolivia was supplied with British manufactures from Peru, and that, as far as the role of Valparaíso as entrepot for the re-export of British textiles is concerned, it may have been important only from the mid-1820s until the 1830s.

For the period 1841–1850, in the British Parliamentary Papers, exports to Peru were temporarily expanded into the category ‘Peru and Bolivia’. This suggests that the British Customs understood that exports to Peru included a great deal of re-exports to Bolivia. Indeed, as said above, in 1821, British Customs were able to distinguish exports to Callao from those going to southern Peru, much closer to Bolivia than Valparaíso. Finally, there was never a category ‘Chile and Bolivia’, for instance. Backing these ideas, Chart 2.12 plots the series of Chilean imports from the United Kingdom for national consumption according to values recorded by the Chilean customs,⁹⁴ as well as British exports to Chile according to the British Customs.

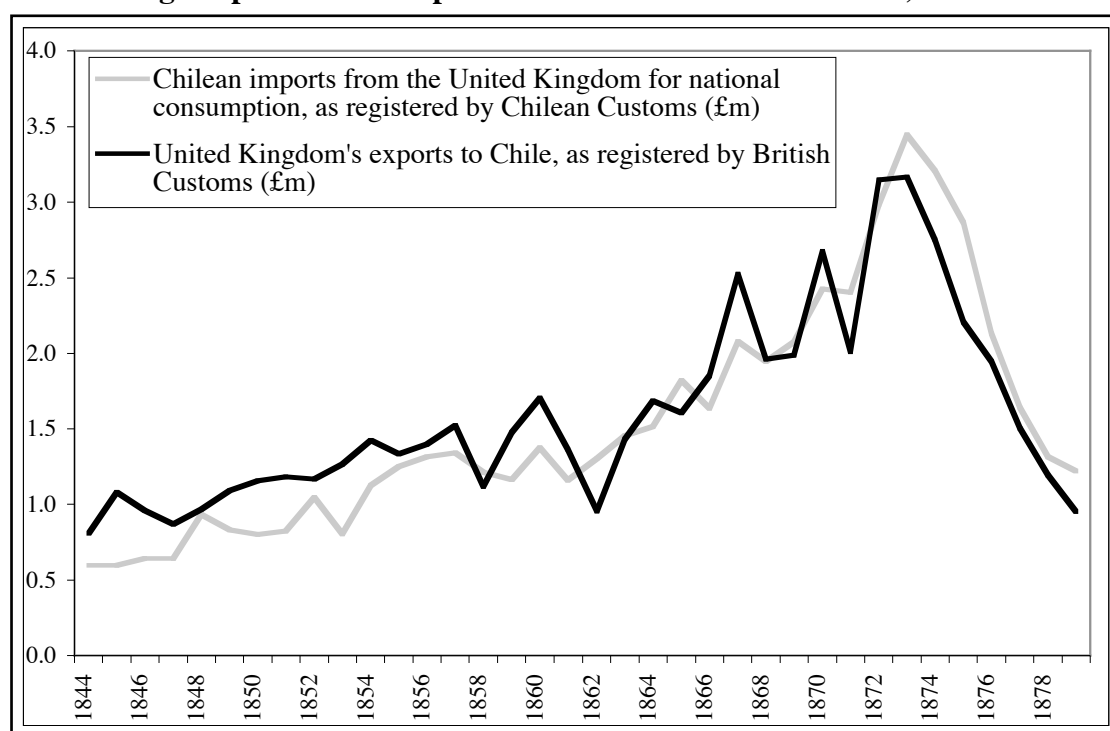
⁹² Platt, *Latin America*, p. 117.

⁹³ In turn, before the Peruvian independence (1824), in 1819, and because of the war with Chile, ‘the viceroy issued an order opening the port of Callao to British trade for a period of two years’. Goebel, ‘British trade’, p. 319.

⁹⁴ Figures originally in pesos, converted into sterling pounds. All conversions from Chilean pesos into sterling pounds in this thesis are based on H. D’Ottone and H. Cortés, ‘Tasas cambiarias de Chile en relación al dólar y libra esterlina, 1830-1964’, *Boletín Mensual*, No. 450, Banco Central de Chile, (1965). This reference was kindly provided by Claudio Vicuña.

If both series were ‘perfect’ (i.e. included smuggled goods), the difference between them should be Chilean re-exports of British produce. However, there are no major differences among the series⁹⁵ and this strongly suggests that re-exports of British manufactures from Chile for this period were not important. Furthermore, the series are not ‘perfect’; the Chilean figures do not include smuggled goods (by definition), while British exports do. Thus, would they been corrected, the differences between them (re-exports) ought to be even smaller.

Chart 2.12
Assessing Valparaiso’s re-export trade of British manufactures, 1844–1879



Source: own elaboration from Table A.2.2.4 of Appendix 2.2 and *Estadística comercial de la República de Chile* (Valparaiso, 1844–1880)

Corroborating the idea that at least during the 1840s, Chilean re-exports of British manufactures to Bolivia were unimportant, is this consular report:

The Chilean consumption of every species of foreign manufacture, produce, &c, according to the best information which can be obtained, may be estimated at \$8,000,000, to which may be added the amount of goods re-exported to other South American Ports, say \$1,000,000, forming a total of \$9,000,000 [i.e. re-exports rate at 11 per cent]. This last item, as compared

⁹⁵ For the period included in Chart 2.12, the difference among the series is just 4 per cent, though during the period 1844–1854, it was 26 per cent. However, it is exactly during this period when import duties remained higher, so this 26 per cent may account more for smuggled goods than for re-exports. For imports duties see Chapter 8.

with that of former years, is much reduced, and a still further reduction may be annually foreboded, since Valparaiso is no longer the emporium to which the purchasers of foreign goods now resort from the ports of the Western Coast of South America. Even the trade with Bolivia, formerly the most profitable as connected with Valparaiso, has nearly ceased.⁹⁶

If Bolivia was not supplied by Valparaiso from the 1840s, the role played by Callao-Arica-Cobija ought to be more significant than so far suggested. British exports to Peru and Bolivia shown in Table A.2.2.4, supports this idea. It seems, then, that Valparaiso may have been an important entrepot of British manufactures only for few years⁹⁷ and that, therefore, British exports to Chile were not that inflated. Finally, most of the historiography has also neglected the fact that a false re-export trade was one of the main sources of contraband in Chile. Merchandise leaving customs stores, supposedly for re-export, was actually consumed in Chile while having thus avoided the payment of high import duties.⁹⁸

In the case of the River Plate states, the main re-exports flowed amongst them, which, as above mentioned, has no effect whatsoever on our analysis. British exports recorded as going to Buenos Aires and then re-exported to Montevideo will still fall within our River Plate category and vice versa. It has also been argued that Argentina re-exported a great deal of British manufactures to Bolivia.⁹⁹ However, this seems to be an idea rooted in the patterns of colonial trade, when Upper Peru was part of the Buenos Aires Viceroyalty. During the postcolonial period, as confirmed by Consul Griffiths, 'Bolivia is almost entirely supplied with all the articles of commerce it requires for its internal consumption from the opposite coast',¹⁰⁰ a view backed subsequently by Williams.¹⁰¹

The main unsolved issue for British exports to the River Plate concerns re-exports to Paraguay. This could be solved by including Paraguay within the Southern

⁹⁶ FO 16/52, Commercial Report by Colonel Walpole. Santiago, 8 August 1844. Another contemporary witness backed this opinion few years later, when he estimated that Chilean re-exports were fewer than 20 per cent, well below the 65 per cent suggested by scholars. See FO 16/63, 'Contribution to the commercial statistics of the Republics in South America', Sir R. H. Schomburgk (1848). Yet, even when re-exports were higher, it does not follow that the British Customs registered them as going to Chile. If goods were not actually landed at Valparaiso, the British Customs did not register them as going to Chile.

⁹⁷ Yet, even for this early period, Bolivia may have been supplied overwhelmingly from Peru. According to Williams, British merchants supplying Bolivia were mainly based in Arica and Cobija. *British commercial policy*, pp. 283-284.

⁹⁸ Encina, *Historia de Chile*, X: p. 191.

⁹⁹ E. Cavierres, *El comercio chileno en la economía-mundo colonial* (Valparaiso, 1999), p. 211.

¹⁰⁰ FO 6/54, Griffiths to Palmerston (London). Buenos Aires, 22 August 1836.

¹⁰¹ Williams, *British commercial policy*, p. 283.

Cone (indeed, the term Southern Cone is imprecise enough as to admit this categorisation), but there are some issues that do not allow this. Firstly, Paraguay was also supplied with British manufactures from Brazil and, secondly, Paraguay ‘for nearly half a century was closed against all trade’¹⁰² due to both prolonged wars against neighbouring provinces and the impact of Rosas’s and Francia’s dictatorships. In letter to Consul Parish, this is well summarised: ‘at present very few foreign goods are consumed there [Paraguay] ... Of late years they have been supplied by the Portuguese, who were permitted to trade to the town of Itapúa’.¹⁰³ Even as late as the early 1840s, a local merchant stated that ‘our information in reference to the articles consumed there [in Paraguay] & the classes required is very vague’.¹⁰⁴ That is, not many British manufactures found their way to Paraguay via the River Plate during the first half of the century.¹⁰⁵ It was only after Rosas’s fall that British manufactures started to pour into the Paraguayan market.¹⁰⁶ All in all, British exports to the River Plate during the first half of the century, as recorded by the British Customs, would not have included many manufactures consumed beyond modern Argentina and Uruguay.

Finally, the literature has concentrated on trying to disregard British trade figures to the Southern Cone because they may have been inflated by re-exports. However, little has been said about re-exports of British manufactures from other outlets to Chile and the River Plate. For instance, there were re-exports from Brazil and the USA¹⁰⁷ to Argentina and Chile. In particular, the re-export of British

¹⁰² OWN/3/2/4/10, Latham & Co. to Owens & Son (Manchester). Buenos Aires, 1 April 1846.

¹⁰³ FO 354/7, Cope to Parish (Buenos Aires). Corrientes, 17 March 1827. Additionally, Whigham confirms that at least from the mid-1820s, Paraguay traded with Brazil via Itapúa-Sao Borja-Porto Alegre: ‘the Brazilian presence in Itapúa represented a departure from Francia’s general predilection for a closed economy for Paraguay’. Later on, from the 1850s, the Brazilian trade circuit of Mato Grosso-Cutitiba-Paranagua-Sao Paulo become also connected to Paraguay. T. Whigham, *The politics of River trade* (Albuquerque, 1991), pp. 40–41 and 74–76.

¹⁰⁴ GFDP, Hughes to Garrett (London). Buenos Aires, 2 March 1842.

¹⁰⁵ Indeed, Francia’s dictatorship (1814–1840) advocated for a self-sufficient Paraguay. This is all well explained by Whigham. With Francia ‘the days of open trade were over ... [Francia] closed Paraguay to almost all outside trade’. In 1822, Paraguay imported less than £1,000 in foreign goods. Not until the fall of Rosas did Paraguay’s foreign trade reach the level of colonial times. Indeed, ‘Paraguay under Lopez [Francia’s successor] remained nearly as isolated as in the days of Francia’. Whigham, *The politics*, pp. 24–25, 36–37, 58–59 and 66.

¹⁰⁶ If this was the case, and British exports to Buenos Aires and Montevideo, as registered by the British Customs, included re-exports to Paraguay from the mid-1850s, then the growth of British exports in value to the Southern Cone after the 1850s (above produced) would be less important and, as a consequence, the period c.1815–1855 would gain comparatively more importance.

¹⁰⁷ There is sound evidence of re-exports of British manufactures from the USA to South America. GHR/5/1/2, Green & Hodgson to Dikeman (New York). Buenos Aires, 22 January 1825. See also V. B. Reber, *British mercantile houses in Buenos Aires, 1810–1880* (Cambridge-MA, 1979), p. 82; S. W.

manufactures from Brazil was substantial.¹⁰⁸ It cannot be forgotten that, in early 1808, Brazil opened her ports to the trade of friendly nations (i.e. England), and that it was at Bahia and Rio de Janeiro where the first British mercantile houses were opened in former Portuguese or Spanish South America. Subsequently, many British houses extended operations from Brazil to the River Plate. In late 1809, for instance, a merchant at Buenos Aires reported that ‘almost all the English in Rio de Janeiro have come to this place’.¹⁰⁹ Of this, unfortunately, there is not much mention in the literature.

Higginbotham, ‘Philadelphia commerce with Latin America, 1820–1830’, *Pennsylvania History*, Volume 9-3 (1942), p. 257; T. Bland, *Descripción económica i política de Chile en el año 1818* (Santiago, 1926), pp. 60-61; F. Glover, ‘Philadelphia merchants and the Yorkshire blanket trade, 1820–1860’, *Pennsylvania History*, Volume 28-2 (1961), p. 7; A. Mallalieu, *Buenos Ayres-Montevideo and affairs in the River Plate* (Edinburgh, 1844), pp. 53–54.

¹⁰⁸ A contemporary witness observed that British exports registered as going to Brazil were finally landed at Buenos Aires. Mallalieu, *Buenos Ayres*, p. 53. See also Stein and Stein, ‘D. C. M. Platt’, p. 136. Within the business correspondence of British houses operating in the River Plate there is plenty of evidence of re-exports of British manufactures from Rio de Janeiro to Buenos Aires and Montevideo. For a few examples see HDP, Fernández to Dallas (Buenos Aires). Rio de Janeiro, 14 June 1816; Campbell, Bowden & Co. to Miller (Rio de Janeiro). London, 2 October 1818; Fielding, Brander, Aveline & Lyne to Dallas (Buenos Aires). Rio de Janeiro, 5 February 1820. Similarly, Hodgson & Robinson received re-exported British manufactures from correspondents in Brazil (e.g. Law Brothers; Rostron & Dulton). GHR/5/2/2, Rostron & Dulton to Green, Hodgson & Robinson (Buenos Aires). Rio de Janeiro, 1 April 1830; GHR/5/2/3, 25 June and 25 September 1831. Within the GFDP, see Hughes to Dickson (London). Buenos Aires, 17 August 1849. For other merchants see WLP, Volume 14, Lupton & Co. to Green, Hartley & Tully (Rio de Janeiro). Leeds, 14 May 1824; Volume 16, Lupton & Co. to Scurr (Rio de Janeiro). Leeds, 26 August 1826. It is also interesting to note that during the blockades that affected the River Plate, British exports to Brazil grew above all proportion, certainly on account of subsequent re-exports, once the blockades were raised. Finally, from Brazil, Huth, Gruning & Co. of Valparaiso used to receive Scottish carpets previously landed at Rio de Janeiro. See HPEL, Volume 14. Huth & Co. to Halliday (Sanquhar). London, 11 November 1835.

¹⁰⁹ UGD/28/1/1, Wylie to Hancock (Manchester). Buenos Aires, 1 November 1809.

Table A.2.2.1

United Kingdom exports to the Southern Cone, Latin America and the World
Exports of British and Irish produce, declared value (£000), 1815-1879

Year / Destination	Chile	Argentina and Uruguay	Southern Cone	Latin America	World
1815	0	399	399	10,083	51,610
1816	0	312	312	7,141	41,654
1817	37	549	586	9,790	41,818
1818	16	738	755	11,156	46,471
1819	22	390	412	8,101	35,211
1820	150	630	780	8,059	36,424
1821	347	591	938	8,296	36,655
1822	389	981	1,370	7,474	36,966
1823	384	664	1,048	8,676	35,357
1824	713	1,142	1,855	10,199	38,422
1825	525	850	1,375	10,842	38,871
1826	241	371	612	6,686	31,537
1827	400	155	555	8,495	37,181
1828	709	312	1,022	9,597	36,813
1829	819	759	1,578	9,542	35,843
1830	541	632	1,173	8,967	38,272
1831	652	340	991	7,235	37,164
1832	708	660	1,368	7,889	36,451
1833	817	515	1,332	8,398	39,667
1834	896	832	1,728	9,137	41,649
1835	606	659	1,265	9,247	47,372
1836	862	697	1,559	10,659	53,294
1837	626	696	1,322	8,832	42,069
1838	414	680	1,094	9,525	50,062
1839	1,103	711	1,814	11,300	53,234
1840	1,335	614	1,949	10,893	51,406
1841	438	919	1,357	8,704	51,635
1842	950	970	1,920	8,413	47,381
1843	939	700	1,639	9,276	52,280
1844	808	785	1,592	9,053	58,584
1845	1,078	592	1,670	10,232	60,111
1846	959	187	1,147	9,521	57,787
1847	866	490	1,357	8,870	58,842
1848	967	606	1,573	8,340	52,849
1849	1,090	1,400	2,489	10,808	63,596
1850	1,156	909	2,066	10,635	71,368
1851	1,181	676	1,858	12,954	74,449
1852	1,167	1,453	2,620	12,558	78,077
1853	1,265	1,081	2,346	12,173	98,934
1854	1,422	1,729	3,151	12,094	97,185
1855	1,330	1,037	2,368	12,611	95,688
1856	1,396	1,390	2,786	14,262	115,827
1857	1,521	1,803	3,324	17,458	122,066
1858	1,118	1,531	2,649	14,429	116,609
1859	1,475	1,652	3,127	14,421	130,412
1860	1,703	2,705	4,408	17,325	135,891
1861	1,362	1,965	3,328	16,333	125,103
1862	955	1,308	2,263	15,018	123,992
1863	1,432	1,866	3,298	19,481	146,603
1864	1,684	2,751	4,435	25,276	160,449
1865	1,602	2,764	4,366	22,300	165,836
1866	1,853	4,234	6,087	26,055	188,918
1867	2,524	4,290	6,814	23,503	180,962
1868	1,963	2,855	4,818	20,974	179,678
1869	1,990	3,350	5,340	21,648	189,954
1870	2,674	3,153	5,828	23,641	199,587
1871	2,010	3,508	5,519	25,623	223,066
1872	3,148	5,729	8,877	32,407	256,257
1873	3,165	5,491	8,656	31,640	255,164
1874	2,751	4,352	7,103	27,255	239,558
1875	2,207	3,100	5,307	24,523	223,466
1876	1,946	2,550	4,496	20,411	200,639
1877	1,501	3,170	4,671	21,878	198,893
1878	1,191	3,316	4,506	20,332	192,849
1879	950	2,986	3,936	18,796	191,532

Source: own elaboration from CUST/8, CUST/9 and BPP (as listed in Appendix 2.3)

Appendix 2.2. Statistical tables to Chapter 2

Table A.2.2.2

United Kingdom textile exports to the Southern Cone, 1815-1879
(Thousands of yards)

Year	Wool manufactures	Cottons	Linens
1815	234	3,269	150
1816	471	2,210	199
1817	917	5,920	389
1818	1,387	4,900	442
1819	712	2,980	175
1820	936	7,356	946
1821	1,635	8,920	926
1822	2,219	15,853	2,007
1823	1,825	12,021	1,194
1824	3,161	25,831	1,859
1825	3,144	14,132	980
1826	1,572	5,612	597
1827	1,193	7,903	187
1828	1,644	17,854	914
1829	2,106	32,392	1,400
1830	2,220	20,961	1,126
1831	1,584	19,035	789
1832	2,473	31,117	1,557
1833	2,352	32,708	1,526
1834	2,380	44,396	2,950
1835	2,422	29,668	1,433
1836	2,388	39,464	1,589
1837	1,848	37,366	2,789
1838	1,694	33,233	1,909
1839	2,659	53,859	2,557
1840	3,281	53,228	3,972
1841	3,617	38,354	2,629
1842	5,779	52,521	3,830
1843	5,429	37,104	3,273
1844	4,392	40,609	2,834
1845	4,517	50,290	2,274
1846	2,846	37,476	2,787
1847	3,631	44,347	3,006
1848	4,548	56,165	4,541
1849	7,151	77,710	4,096
1850	6,471	54,176	3,125
1851	5,635	49,572	3,305
1852	8,064	82,745	6,587
1853	7,444	66,475	3,847
1854	9,433	93,022	3,586
1855	6,430	65,008	2,634
1856	6,618	77,152	3,827
1857	9,659	85,823	4,316
1858	6,747	73,138	4,354
1859	7,260	92,687	3,637
1860	8,409	147,393	4,151
1861	6,831	97,380	3,688
1862	5,955	49,150	3,755
1863	5,685	53,644	6,973
1864	6,286	85,752	10,090
1865	6,220	67,967	9,790
1866	7,705	118,344	11,506
1867	9,310	143,145	14,577
1868	5,833	93,079	5,765
1869	8,866	86,724	7,093
1870	9,423	121,032	5,987
1871	9,524	124,059	4,929
1872	15,661	161,843	8,409
1873	12,626	133,296	6,263
1874	7,216	109,271	3,736
1875	5,972	88,420	2,903
1876	5,521	107,766	2,539
1877	7,815	139,159	5,422
1878	8,913	123,645	3,727
1879	7,670	107,435	2,182

Source: own elaboration from CUST/8, CUST/9 and BPP (as listed in Appendix 2.3)

Appendix 2.2. Statistical tables to Chapter 2

Table A.2.2.3
Estimates of annual population in the Southern Cone, 1815-1879
 (Thousands of people)

Year	Chile	Argentina	Uruguay	Southern Cone
1815	718	469	53	1,240
1816	748	483	54	1,285
1817	780	497	54	1,332
1818	814	512	54	1,380
1819	849	527	55	1,430
1820	885	534	55	1,474
1821	899	541	57	1,496
1822	912	548	59	1,519
1823	926	555	60	1,542
1824	940	563	62	1,565
1825	955	570	64	1,589
1826	969	585	66	1,621
1827	984	601	68	1,654
1828	999	617	70	1,687
1829	1,014	634	73	1,721
1830	1,030	646	75	1,751
1831	1,046	659	77	1,782
1832	1,062	672	80	1,813
1833	1,078	685	82	1,845
1834	1,094	698	85	1,877
1835	1,111	711	140	1,962
1836	1,121	725	150	1,996
1837	1,131	739	161	2,031
1838	1,141	753	173	2,068
1839	1,151	768	186	2,105
1840	1,161	793	200	2,154
1841	1,171	820	192	2,183
1842	1,182	847	184	2,213
1843	1,192	875	177	2,244
1844	1,225	904	169	2,299
1845	1,259	934	162	2,356
1846	1,294	965	156	2,415
1847	1,330	997	150	2,476
1848	1,366	1,030	143	2,540
1849	1,404	1,065	138	2,606
1850	1,443	1,100	132	2,675
1851	1,461	1,121	143	2,725
1852	1,479	1,142	156	2,777
1853	1,497	1,164	169	2,830
1854	1,516	1,186	183	2,886
1855	1,541	1,209	199	2,949
1856	1,567	1,232	216	3,015
1857	1,593	1,256	235	3,083
1858	1,620	1,280	255	3,154
1859	1,647	1,304	276	3,227
1860	1,674	1,342	300	3,316
1861	1,702	1,381	307	3,390
1862	1,731	1,421	313	3,465
1863	1,760	1,462	320	3,542
1864	1,789	1,505	327	3,621
1865	1,819	1,549	335	3,702
1866	1,839	1,594	342	3,775
1867	1,859	1,640	349	3,849
1868	1,880	1,688	357	3,925
1869	1,911	1,737	365	4,013
1870	1,943	1,796	373	4,112
1871	1,969	1,854	381	4,204
1872	1,995	1,913	390	4,298
1873	2,022	1,974	398	4,394
1874	2,049	2,038	407	4,494
1875	2,076	2,103	416	4,595
1876	2,116	2,171	425	4,711
1877	2,156	2,240	435	4,831
1878	2,197	2,312	444	4,953
1879	2,239	2,386	454	5,079

Source: own elaboration from B. R. Mitchell, International historical statistics. The Americas, 1750-2000 (New York, 2003); M. J. Mamalakis, Historical statistics of Chile (Westport, 1980); G. Wagner, 'Trabajo, producción, y crecimiento: la economía chilena 1860-1930', Documento de Trabajo, Volume 150 (1992); O. Sunkel, La Historia económica de Chile, 1830 y 1930 (Madrid, 1982); E. J. A. Maeder, Evolución demográfica argentina desde 1810 a 1869 (Buenos Aires, 1969); J. Comadrán, Evolución demográfica argentina durante el período hispano (Buenos Aires, 1969); E. M. Narancio and F. Capurro, Historia y análisis estadístico de la población del Uruguay (Montevideo, 1939); V. Vásquez-Presedo, Estadísticas históricas Argentinas (Buenos Aires, 1971); N. Sánchez-Albornoz, La población de América Latina desde los tiempos precolombinos al año 2000 (Madrid, 1977); R. Morse, The urban development of Latin America (Stanford-California, 1971); R. Boyer and K. Davies, Urbanization in 19th century Latin America (Los Angeles, 1973)

Appendix 2.2. Statistical tables to Chapter 2
Table A.2.2.4
United Kingdom exports by selected destinations, declared value of the produce of the United Kingdom (£000), 1815-1879

Year	Southern Cone (1)	Peru and Bolivia	Others in Spanish South America (2)	Brazil	Spanish and Portuguese South America (3)	Mexico	Central America, excluding Mexico (4)	Cuba and Puerto Rico	British possessions in Latin America (5)	Other Caribbean islands, French and Dutch Guianas (6)	USA	World
1815	399	0	0	1,896	2,295	0	57.8	174	6,590	966	13,473	51,610
1816	312	2	0	1,824	2,138	0	0.0	153	4,155	695	9,567	41,654
1817	586	0	0	2,035	2,621	0	0.0	282	5,890	997	6,930	41,818
1818	755	3	0	3,181	3,938	34	0.0	197	6,022	964	9,451	46,471
1819	412	0	0	1,937	2,349	21	0.0	163	4,841	727	4,930	35,211
1820	780	39	1	2,101	2,921	0	0.0	175	4,198	765	3,875	36,424
1821	938	127	0	1,858	2,923	1	0.0	140	4,321	911	6,232	36,655
1822	1,370	112	64	1,524	3,071	89	0.0	186	3,440	689	7,213	36,966
1823	1,048	282	201	2,415	3,946	267	0.0	311	3,388	763	5,465	35,357
1824	1,855	431	297	2,590	5,173	392	0.0	353	3,462	818	6,090	38,422
1825	1,375	603	451	2,941	5,370	1,043	1.2	158	3,520	750	7,019	38,871
1826	612	199	205	1,708	2,724	471	0.0	257	2,921	313	4,659	31,537
1827	555	228	214	2,312	3,310	693	1.9	379	3,583	528	7,018	37,181
1828	1,022	375	261	3,518	5,176	307	6.2	271	3,290	547	5,810	36,813
1829	1,578	300	233	2,546	4,657	304	0.0	380	3,612	590	4,823	35,843
1830	1,173	368	217	2,452	4,210	978	0.0	372	2,838	567	6,132	38,272
1831	991	409	248	1,236	2,885	729	0.0	372	2,582	666	9,054	37,164
1832	1,368	276	284	2,145	4,073	200	0.0	249	2,440	928	5,468	36,451
1833	1,332	388	122	2,576	4,417	421	3.7	321	2,598	637	7,580	39,667
1834	1,728	299	200	2,461	4,688	460	39.4	531	2,680	739	6,845	41,649
1835	1,265	441	132	2,631	4,469	403	15.2	438	3,188	735	10,568	47,372
1836	1,559	606	185	3,031	5,381	255	0.8	613	3,783	626	12,426	53,294
1837	1,322	476	170	1,824	3,793	520	0.1	600	3,457	463	4,695	42,069
1838	1,094	412	174	2,696	4,377	440	0.0	664	3,393	651	7,586	50,062
1839	1,814	635	267	2,651	5,366	660	0.6	473	3,988	812	8,839	53,234
1840	1,949	800	360	2,626	5,735	465	2.4	537	3,575	579	5,283	51,406
1841	1,427	536	159	2,557	4,679	435	21.3	593	2,504	472	7,099	51,635
1842	1,920	684	232	1,757	4,593	375	0.0	366	2,591	488	3,529	47,381
1843	1,639	660	379	2,140	4,818	598	5.1	625	2,882	348	5,014	52,280
1844	1,592	658	265	2,414	4,929	494	0.0	657	2,451	521	7,938	58,584
1845	1,670	879	390	2,493	5,432	547	0.0	695	2,789	769	7,148	60,111
1846	1,147	830	472	2,749	5,198	304	68.5	849	2,506	596	6,830	57,787
1847	1,357	646	328	2,569	4,899	101	87.0	913	2,274	596	10,974	58,842
1848	1,573	853	280	2,067	4,774	946	75.1	734	1,547	264	9,565	52,849
1849	2,489	878	520	2,445	6,332	779	117	1,039	2,027	513	11,971	63,596
1850	2,066	846	665	2,545	6,121	452	251	894	2,214	703	14,892	71,368
1851	1,858	1,228	694	3,519	7,298	578	320	1,228	2,666	864	14,363	74,449
1852	2,620	1,024	779	3,464	7,888	366	261	1,069	2,154	820	16,568	78,077
1853	2,346	1,217	731	3,186	7,479	792	187	1,134	1,907	674	23,658	98,934
1854	3,151	949	584	2,892	7,576	431	176	1,074	2,008	829	21,410	97,185
1855	2,368	1,285	976	3,313	7,942	586	266	1,078	1,980	760	17,318	95,688
1856	2,786	1,046	865	4,085	8,782	888	276	1,399	2,078	840	21,918	115,827

Appendix 2.2. Statistical tables to Chapter 2
Table A.2.2.4
United Kingdom exports by selected destinations, declared value of the produce of the United Kingdom (£000), 1815-1879

Year	Southern Cone (1)	Peru and Bolivia	Others in Spanish South America (2)	Brazil	Spanish and Portuguese South America (3)	Mexico	Central America, excluding Mexico (4)	Cuba and Puerto Rico	British possessions in Latin America (5)	Other Caribbean islands, French and Dutch Guianas (6)	USA	World
1857	3,324	1,172	952	5,542	10,989	567	313	1,866	2,506	1,217	18,986	122,066
1858	2,649	1,163	849	3,985	8,646	412	393	1,877	2,389	712	14,491	116,609
1859	3,127	858	1,069	3,686	8,740	598	227	1,676	2,279	902	22,553	130,412
1860	4,408	1,383	1,209	4,447	11,446	463	182	1,530	2,559	1,144	21,667	135,891
1861	3,328	1,196	1,407	4,552	10,483	534	172	1,363	2,666	1,114	9,065	125,103
1862	2,263	825	1,009	3,736	7,833	758	166	1,855	3,113	1,293	14,328	123,992
1863	3,298	1,027	1,970	3,964	10,260	1,679	141	2,131	3,905	1,366	15,344	146,603
1864	4,435	1,335	2,545	6,249	14,564	1,810	222	3,002	4,307	1,371	16,709	160,449
1865	4,366	1,187	2,789	5,655	13,997	1,897	138	2,194	2,908	1,166	21,228	165,836
1866	6,087	1,369	3,402	7,225	18,082	1,283	153	2,241	2,870	1,425	28,500	188,918
1867	6,814	1,426	2,696	5,692	16,627	813	244	2,266	2,484	1,069	21,826	180,962
1868	4,818	1,136	2,809	5,352	14,114	849	160	2,519	2,640	692	21,432	179,678
1869	5,340	1,387	2,599	6,962	16,288	632	206	1,089	2,659	776	24,624	189,954
1870	5,828	1,672	2,337	5,367	15,203	911	361	2,513	3,216	1,438	28,335	199,587
1871	5,519	2,183	3,015	6,274	16,991	1,069	292	2,878	3,171	1,223	34,228	223,066
1872	8,877	2,900	3,763	7,520	23,060	843	291	3,042	3,526	1,645	40,737	256,257
1873	8,656	2,600	3,704	7,545	22,505	1,194	331	2,752	3,482	1,376	33,575	255,164
1874	7,103	1,648	3,143	7,678	19,572	1,125	157	1,858	3,429	1,114	28,245	239,558
1875	5,307	1,691	1,783	6,869	15,650	885	847	2,631	3,110	1,400	21,868	223,466
1876	4,496	1,190	1,688	5,920	13,293	502	716	2,015	3,045	840	16,834	200,639
1877	4,671	1,363	1,784	5,959	13,777	996	930	2,244	3,007	925	16,377	198,893
1878	4,506	1,443	1,705	5,578	13,233	773	732	1,890	2,761	944	14,552	192,849
1879	3,936	801	1,626	5,685	12,048	693	723	1,772	2,810	750	20,322	191,532

(1) Modern Argentina, Chile and Uruguay.

(2) Modern Colombia, Ecuador, Venezuela (exports to Paraguay were not recorded by the British Customs during the period 1815-1879).

(3) South America, excluding the Guianas.

(4) Modern Costa Rica, Guatemala, Honduras, Nicaragua, Panama, and El Salvador. Excluding Belize (British Honduras).

(5) British Guiana, British Honduras and British West Indies.

(6) All other West Indies, Dutch Guiana and French Guiana.

Source: own elaboration from CUST/8, CUST/9 and BPP (as listed in Appendix 2.3)

Appendix 2.2. Statistical tables to Chapter 2

Table A.2.2.5

United Kingdom textile exports to the Southern Cone, 1815-1879
British and Irish Produce, declared value (£000)

Year	Wool manufactures	Cottons	Linens	Silks	Total textiles	Total (all products)
1815	44	271	9	10	333	399
1816	73	148	14	12	247	312
1817	153	314	19	12	498	586
1818	231	344	28	17	620	755
1819	105	196	12	8	321	412
1820	141	427	48	24	639	780
1821	181	494	48	32	755	938
1822	257	779	98	33	1,167	1,370
1823	206	574	59	18	856	1,048
1824	335	1,177	86	28	1,627	1,855
1825	348	651	56	21	1,076	1,375
1826	180	240	31	13	463	612
1827	129	309	9	15	461	555
1828	157	666	40	16	879	1,022
1829	230	1,104	63	17	1,413	1,578
1830	282	717	42	10	1,051	1,173
1831	204	645	37	19	906	991
1832	307	826	64	50	1,247	1,368
1833	262	824	60	35	1,182	1,332
1834	289	1,111	106	40	1,546	1,728
1835	239	778	57	22	1,097	1,265
1836	269	1,051	68	18	1,406	1,559
1837	209	873	91	23	1,196	1,322
1838	168	761	62	17	1,009	1,094
1839	282	1,246	105	61	1,694	1,814
1840	299	1,257	154	62	1,771	1,949
1841	290	783	97	34	1,203	1,357
1842	444	989	134	42	1,609	1,920
1843	475	721	110	41	1,347	1,639
1844	391	772	101	48	1,312	1,592
1845	448	890	85	19	1,442	1,670
1846	255	617	97	12	981	1,147
1847	316	759	98	14	1,187	1,357
1848	332	817	121	18	1,288	1,573
1849	539	1,275	142	68	2,025	2,489
1850	496	922	108	47	1,574	2,066
1851	456	777	111	37	1,381	1,858
1852	590	1,309	186	49	2,133	2,620
1853	544	1,113	123	42	1,824	2,346
1854	652	1,403	146	48	2,249	3,151
1855	464	967	85	38	1,553	2,368
1856	515	1,196	114	65	1,890	2,786
1857	675	1,404	128	53	2,260	3,324
1858	495	1,130	114	20	1,759	2,649
1859	545	1,491	108	32	2,176	3,127
1860	742	2,385	130	42	3,299	4,408
1861	565	1,541	103	25	2,234	3,328
1862	368	917	98	16	1,400	2,263
1863	515	1,254	213	19	2,002	3,298
1864	534	2,082	311	23	2,951	4,435
1865	652	1,608	297	32	2,589	4,366
1866	860	2,984	353	37	4,234	6,087
1867	937	3,097	399	32	4,464	6,814
1868	599	1,770	212	17	2,597	4,818
1869	667	1,711	212	12	2,602	5,340
1870	685	2,140	184	13	3,022	5,828
1871	533	2,158	145	22	2,858	5,519
1872	997	3,122	337	43	4,499	8,877
1873	943	2,623	225	42	3,834	8,656
1874	568	1,949	130	19	2,666	7,103
1875	447	1,604	94	10	2,155	5,307
1876	424	1,836	86	9	2,355	4,496
1877	539	2,147	150	8	2,843	4,671
1878	617	1,947	115	6	2,684	4,506
1879	502	1,573	88	5	2,168	3,936

Source: own elaboration from CUST/8, CUST/9 and BPP (as listed in Appendix 2.3)

Table A.2.2.6

United Kingdom exports of cottons (excluding yarns), 1815-1879
Selected destinations, declared values (£000)

Year	Southern Cone	USA	Brazil	Mexico	Peru and Bolivia	World
1815	271	4,674	1,052	0	0	19,038
1816	148	2,644	948	0	0	13,056
1817	313	1,876	1,071	0	0	14,047
1818	343	2,446	1,697	34	0	16,401
1819	196	1,113	800	20	0	12,189
1820	426	1,197	964	0	17	13,707
1821	494	1,991	961	0	54	13,817
1822	779	1,818	743	34	30	14,582
1823	572	1,657	1,331	187	177	13,699
1824	1,176	1,998	1,391	293	279	15,315
1825	649	2,309	1,592	669	250	15,153
1826	239	1,454	853	272	55	10,602
1827	307	2,527	1,159	536	130	14,095
1828	664	1,797	2,030	237	197	13,649
1829	1,103	1,501	1,488	214	159	13,558
1830	716	2,305	1,416	661	234	15,295
1831	645	2,863	702	495	252	13,282
1832	826	1,242	1,313	107	131	12,676
1833	824	1,727	1,668	218	206	13,782
1834	1,110	1,672	1,485	259	137	15,303
1835	775	2,721	1,501	213	294	16,422
1836	1,051	2,477	1,763	122	438	18,512
1837	873	712	1,014	213	278	13,640
1838	759	1,471	1,658	267	222	16,716
1839	1,244	1,459	1,633	404	435	17,692
1840	1,252	1,110	1,525	247	495	17,567
1841	782	1,488	1,471	192	295	16,233
1842	989	484	820	159	374	13,908
1843	720	800	1,097	225	308	16,254
1844	772	1,050	1,360	194	251	18,817
1845	890	1,048	1,429	244	420	19,156
1846	617	1,130	1,624	133	450	17,718
1847	759	2,631	1,476	50	313	17,375
1848	813	1,708	1,058	457	469	16,752
1849	1,262	2,046	1,516	362	398	20,071
1850	916	2,497	1,547	165	400	21,874
1851	775	1,973	2,016	243	613	23,455
1852	1,305	2,674	1,891	177	473	23,223
1853	1,109	4,263	1,788	521	657	25,817
1854	1,393	3,342	1,448	189	393	25,055
1855	959	3,637	1,716	323	611	27,579
1856	1,179	4,412	2,145	579	450	30,204
1857	1,393	3,560	2,853	307	566	30,373
1858	1,118	2,992	1,889	206	532	33,422
1859	1,477	4,607	1,703	374	383	38,564
1860	2,350	4,534	2,360	253	801	42,088
1861	1,512	1,539	2,551	346	549	37,580
1862	902	2,402	1,927	422	277	30,549
1863	1,244	2,155	2,115	888	337	39,524
1864	2,070	2,133	3,932	1,068	624	45,799
1865	1,581	3,627	2,834	1,102	428	46,923
1866	2,953	4,412	4,219	737	673	60,927
1867	3,077	3,167	3,017	527	708	55,965
1868	1,767	2,823	2,831	536	406	52,972
1869	1,706	3,613	4,110	393	455	53,022
1870	2,136	4,141	2,788	606	593	56,745
1871	2,153	4,966	3,073	639	603	57,760
1872	3,106	5,153	3,591	375	517	63,467
1873	2,609	4,269	3,058	718	628	61,468
1874	1,934	4,055	3,115	635	412	59,730
1875	1,595	3,399	3,499	576	424	58,599
1876	1,824	2,452	2,998	270	324	54,860
1877	2,143	2,444	2,855	621	539	57,035
1878	1,944	2,159	2,578	404	594	52,918
1879	1,571	2,481	2,810	361	229	51,867

Source: own elaboration from CUST/8, CUST/9 and BPP (as listed in Appendix 2.3)

Appendix 2.2. Statistical tables to Chapter 2

Table A.2.2.7

United Kingdom exports of wool manufactures, excluding yarns (*), 1815-1879
Selected destinations, declared values (£000)

Year	Southern Cone	USA	America	Europe	Rest of the World	World
1815	44	4,378	5,764	3,329	1,107	10,201
1816	73	3,030	4,148	3,189	1,068	8,405
1817	153	2,235	3,354	2,955	866	7,959
1818	230	3,160	4,572	2,588	983	9,048
1819	105	1,768	2,949	2,067	970	6,900
1820	143	1,073	2,055	2,129	1,400	6,279
1821	181	1,980	2,973	2,002	1,486	7,396
1822	257	2,376	3,361	1,972	1,097	6,430
1823	206	1,578	2,666	1,858	1,108	6,480
1824	335	1,767	3,108	1,997	936	7,149
1825	348	1,961	3,433	1,823	938	7,329
1826	180	1,228	2,058	1,689	1,235	4,983
1827	329	1,961	3,433	1,854	2,041	7,329
1828	157	1,310	2,464	1,701	954	5,120
1829	230	989	2,006	1,765	885	4,657
1830	282	1,151	2,296	1,668	887	4,851
1831	204	2,292	3,238	1,406	747	5,390
1832	306	1,421	2,590	1,868	786	5,244
1833	264	2,265	3,461	1,768	1,065	6,294
1834	289	1,727	2,893	1,837	1,006	5,737
1835	239	2,621	3,928	2,009	903	6,841
1836	269	3,174	4,685	1,822	1,132	7,639
1837	204	1,045	2,172	1,849	635	4,656
1838	168	1,854	2,936	2,038	821	5,795
1839	260	2,142	3,485	2,079	708	6,272
1840	299	1,070	2,528	1,983	817	5,328
1841	290	1,522	2,955	2,084	709	5,749
1842	446	876	2,351	2,317	517	5,185
1843	475	1,543	3,078	2,751	962	6,790
1844	391	2,445	4,203	2,843	1,159	8,205
1845	448	1,763	3,745	2,828	1,119	7,693
1846	255	1,333	2,961	2,439	935	6,335
1847	306	2,278	3,841	2,160	895	6,896
1848	332	1,721	2,987	1,906	841	5,734
1849	539	2,236	3,825	2,596	923	7,343
1850	496	2,891	4,684	2,747	1,158	8,589
1851	456	2,415	4,660	2,634	1,083	8,377
1852	590	2,800	5,000	2,499	1,232	8,731
1853	545	3,721	5,953	2,186	2,033	10,172
1854	652	3,147	5,397	2,217	1,507	9,121
1855	460	2,467	4,137	2,703	878	7,718
1856	515	3,326	5,428	2,786	1,286	9,500
1857	677	3,314	5,867	3,100	1,737	10,703
1858	495	2,685	4,497	3,307	1,974	9,777
1859	544	4,476	6,325	3,459	2,269	12,054
1860	741	4,085	6,190	3,870	2,097	12,157
1861	566	2,066	4,136	4,721	2,262	11,119
1862	368	2,669	4,664	5,851	2,634	13,148
1863	517	3,439	6,283	5,932	3,275	15,490
1864	536	3,612	6,941	7,488	4,105	18,533
1865	651	5,152	7,975	7,536	4,593	20,105
1866	860	5,626	9,083	8,051	4,661	21,796
1867	936	3,591	6,555	9,507	4,058	20,121
1868	599	3,753	6,002	9,452	4,082	19,536
1869	670	4,129	6,682	11,379	4,570	22,632
1870	685	4,503	7,260	11,050	3,321	21,631
1871	533	5,655	8,439	15,785	2,957	27,182
1872	997	7,037	10,714	18,083	3,586	32,383
1873	943	6,115	9,403	11,443	4,505	25,350
1874	568	4,906	7,830	10,901	4,069	22,801
1875	447	3,528	6,548	10,657	4,454	21,659
1876	424	2,245	4,785	9,900	3,918	18,603
1877	539	1,728	4,626	8,219	4,499	17,343
1878	618	1,480	4,109	8,257	4,361	16,727
1879	502	1,650	3,743	8,106	4,012	15,861

(*) Except for the period 1815-1833, for which there are not figures excluding yarns in the British Custom Ledgers. However, before 1833 exports of yarns were negligible.

Source: own elaboration from CUST/8, CUST/9 and BPP (as listed in Appendix 2.3)

Table A.2.2.8
United Kingdom exports of linens (excluding yards), 1815-1879
Selected destinations, declared values (£000)

Year	Southern Cone	USA	Brazil	Mexico	Peru and Bolivia	World
1815	9	395	12	0	0	2,112
1816	14	369	101	0	0	1,661
1817	19	423	137	0	0	2,072
1818	28	594	78	0	0	2,466
1819	12	351	134	0	0	1,587
1820	48	338	167	0	1	1,897
1821	48	604	133	0	10	2,212
1822	98	613	215	8	4	2,373
1823	59	585	332	16	23	2,271
1824	86	591	348	10	10	2,618
1825	56	425	316	40	17	2,307
1826	31	472	118	42	5	1,656
1827	9	736	110	34	7	2,057
1828	40	646	297	30	34	2,120
1829	63	629	181	75	25	1,954
1830	42	699	178	135	32	2,018
1831	37	1,022	117	19	28	2,462
1832	64	414	188	62	24	1,775
1833	60	831	190	65	42	2,167
1834	106	1,057	184	63	34	2,443
1835	57	1,565	157	17	30	2,992
1836	68	1,688	196	66	32	3,326
1837	91	585	123	77	54	2,127
1838	62	941	167	99	41	2,820
1839	105	1,264	214	92	46	3,415
1840	154	976	235	97	71	3,306
1841	97	1,232	244	98	67	3,348
1842	134	463	152	106	81	2,347
1843	110	714	154	161	47	2,803
1844	101	937	170	141	37	3,025
1845	85	909	213	178	62	3,036
1846	97	853	210	86	91	2,831
1847	98	1,111	168	21	51	2,959
1848	121	920	183	284	82	2,803
1849	140	1,306	131	138	65	3,494
1850	107	1,670	157	123	46	3,948
1851	109	1,531	296	167	103	4,107
1852	184	1,781	250	72	101	4,232
1853	123	2,214	148	117	88	4,758
1854	144	1,843	173	113	70	4,108
1855	84	1,829	212	116	90	4,118
1856	110	2,354	218	143	41	4,888
1857	126	1,583	331	70	74	4,517
1858	113	1,473	256	66	75	4,124
1859	107	2,161	229	85	40	4,605
1860	130	2,084	215	63	70	4,805
1861	102	730	208	99	71	3,852
1862	96	1,903	177	64	37	5,134
1863	198	2,280	234	153	94	6,509
1864	301	2,676	370	234	70	8,173
1865	290	3,797	397	219	97	9,157
1866	344	4,382	490	145	91	9,576
1867	387	2,919	421	107	107	7,438
1868	185	2,757	303	142	62	7,114
1869	202	3,148	360	86	52	6,800
1870	162	3,176	226	115	66	7,248
1871	145	3,377	269	102	48	7,504
1872	337	3,804	308	93	54	8,226
1873	225	3,122	249	145	51	7,306
1874	130	3,158	208	105	27	7,116
1875	94	2,900	207	77	26	7,273
1876	86	2,199	167	56	18	5,621
1877	150	2,379	151	109	24	5,834
1878	115	2,102	166	72	25	5,535
1879	88	2,596	152	48	12	5,473

Source: own elaboration from CUST/8, CUST/9 and BPP (as listed in Appendix 2.3)

Appendix 2.3

Notes on the databases used in Chapter 2

Three main sources were used to prepare most of the tables and charts presented in Chapter 2.

(i) ‘Ledgers of exports of British merchandise under countries’ for the period 1815–1879 (custom 8; hereafter CUST/8), held by The National Archives, Kew, London. They are part of the ‘Records of the Boards of Customs and Excise’. These ledgers show, under countries, the quantity and declared value of United Kingdom exports. A total of 68 volumes were consulted (i.e. 3, 4, 6, 8, 10, 12, 14, 16, 18, 20, 22, 24, 26, 28, 30, 32, 34, 36, 38, 40, 42, 44, 46, 48, 50, 52, 54, 56, 58, 59, 60, 62, 64, 66, 68, 70, 72, 74, 75, 76, 78, 80, 82, 84, 86, 88, 90, 92, 94, 96, 98, 100, 102, 104, 106, 108, and from 110 to 120).

(ii) Also at Kew, ‘Ledgers of exports of British merchandise under articles’, for the period 1815–1879 (custom 9; hereafter CUST/9). They are also part of the ‘Records of the Boards of Customs and Excise’. These ledgers show, under articles, the quantity and declared value of United Kingdom exports. A total of 64 volumes were consulted (i.e. from 3 to 34, 36, 38, 40, 42, 44, 46, 48, 50, 52, 54, 56, 58, 60, 62, 64, 66, 68, 70, 72, 74, 76, and from 78 to 89).

(iii) British Parliamentary Papers, for the period 1815–1899. Nowadays available online, though printed forms (consulted at the British Library) were preferred on account of their accuracy. Over 100 volumes were consulted. The essential ones were: 1817 (98),¹ 1818 (147), 1819 (178), 1820 (3), 1821 (294), 1822 (112), 1823 (220), 1824 (52 and 274), 1825 (43), 1826–1827 (201), 1829 (50), 1830 (243 and 267), 1830–1831 (388), 1831 (153 and 253), 1831–1832 (367 and 690), 1842 (375), 1844 (426), 1845 (651), 1847 (656), 1854–1855 (1987), 1856 (2139), 1857–1858 (2442), 1861 (2894), 1862 (3062), 1866 (3723), 1867 (3942), 1871 (C437), 1872 (C664), 1876 (C1571), 1878–1879 (C2371), 1884 (C4095), 1889 (C5741), 1894 (C7407), 1899 (C9300), 1900 (Cd187), 1905 (Cd2497 and 2626). Not mentioned above, for exports of linens in particular: 1816 (224), 1817 (124), 1820 (101 and 120), 1823 (269), 1824 (86 and 110), 1823 (367), 1825 (500), 1826 (413), 1826–1827 (489),

¹ The session’s year is followed in brackets by the paper number.

1828 (454), 1829 (321), 1830 (372), 1831–1832 (534). Not mentioned above, for exports of cottons in particular: 1847–1848 (383).

From these three sources, eight inter-linked databases were created in Excel. From CUST/8, for each of the three Southern Cone ports (Valparaiso, Buenos Aires and Montevideo) two databases of 66 rows (years) and 49 columns (sort of textiles exported, i.e. woollens and worsteds, cottons and linens) were generated. The first database for each destination port contains the declared value for each textile category, while the second database has the quantity exported. Additionally, from CUST/9, a database was created for aggregated declared values exported by the United Kingdom for other selected destinations in each category of textiles. Finally, because in CUST/9 the year 1822 was missing, it was necessary to create, based on CUST/8, a complementary database to obtain the entries for that particular year.

It is estimated that a total of approximately 20,000 data were entered in all the databases from CUST/8 and CUST/9. If the information obtained in the British Parliamentary Papers is considered, over 25,000 data (between values and quantities) were finally entered into the databases. In view of the magnitude of the task involved, and to reduce the risks of inputting wrong data, some filters were generated. For instance, from the British Parliamentary Papers (whose primary source is also CUST/8 and CUST/9), it was firstly obtained the aggregated totals exported by the United Kingdom to each Southern Cone's port in each broad category of textiles (disaggregated values are not available in the British Parliamentary Papers). Subsequently, these totals were contrasted with the totals obtained in CUST/8 and CUST/9 by adding individual figures for each sub-category. This filter solved the 'declared value' side, but not the 'quantity'. Thus, databases of averages prices were created and monitored to detect any potential mistake in the volume data being entered. The previously validated data on value were divided by the volumes (yards) entered to obtain export prices. If the prices moved within a certain range (both in absolute terms and in relation to nearby years), quantities were accepted as correct.

Complementary, smaller databases on declared values were created for exports of cottons, wool manufactures and linens per selected destinations (apart from the Southern Cone and the world). If these records are added to those entered into the main databases, then over 30,000 data in total were entered into all databases of United Kingdom's exports used in this thesis.

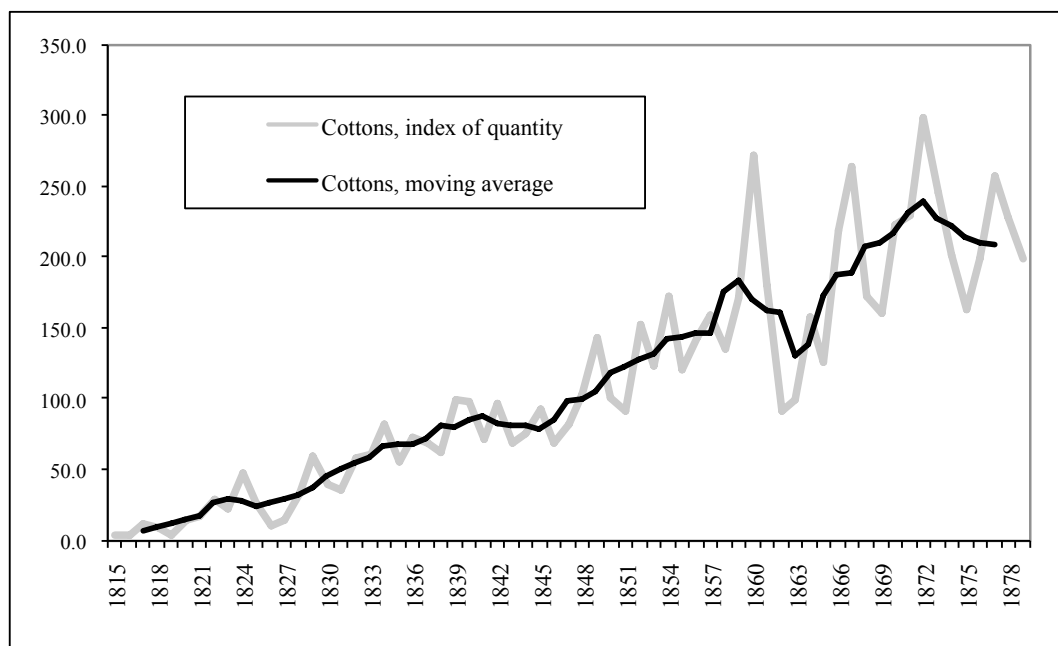
Appendix 2.4

United Kingdom textile exports to the Southern Cone in volume, 1815–1879

Trends of indexes of quantum shown in Chapter 2

Chart 2.13

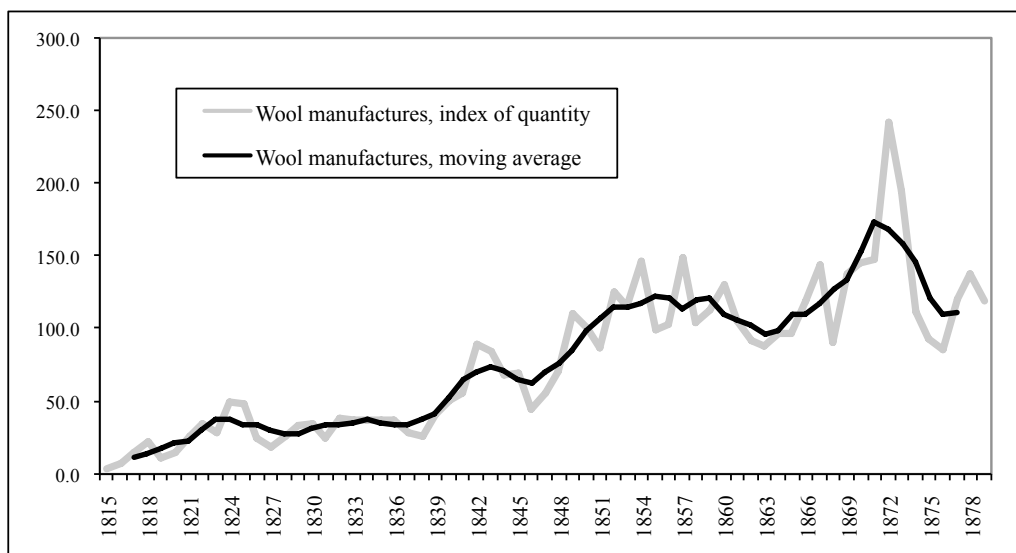
United Kingdom exports of cottons to the Southern Cone. Index of quantum (1850 = 100) and seven-year moving averages of series in yards, 1815–1879



Source: own elaboration from Table A.2.2.2 in Appendix 2.2

Chart 2.14

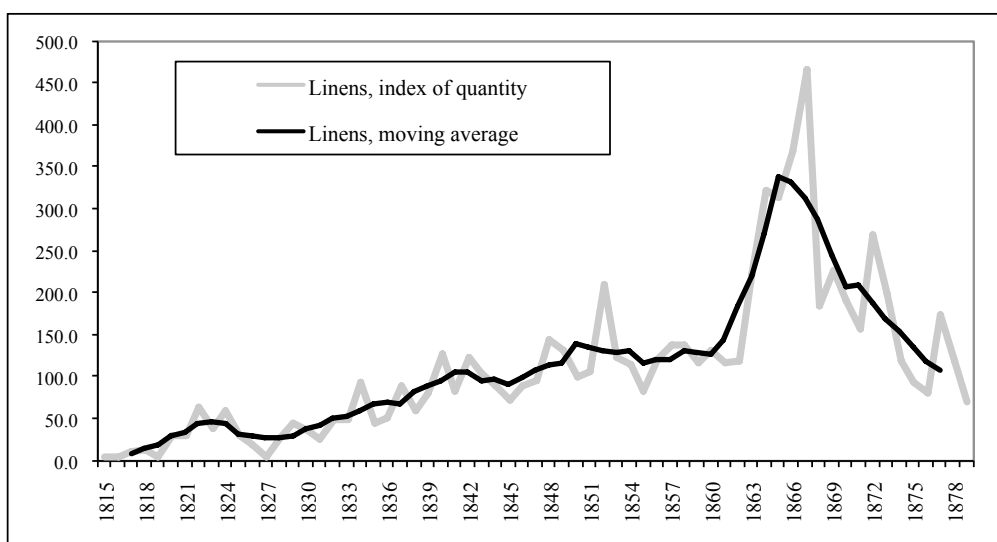
**United Kingdom exports of wool manufactures to the Southern Cone.
Index of quantum (1850 = 100) and seven-year moving averages of series in
yards, 1815–1879**



Source: own elaboration from Table A.2.2.2 in Appendix 2.2

Chart 2.15

United Kingdom exports of linens to the Southern Cone. Index of quantum (1850=100) and seven-year moving averages of series in yards, 1815–1879



Source: own elaboration from Table A.2.2.2 in Appendix 2.2

PART II

THE MARKET CHAIN

Chapter 3

The main links in the market chain

In the previous chapter, the structure and growth of British exports were examined, but little was said about the merchant community which undertook the trade or the strategies pursued for penetrating the market. This chapter considers, firstly, the main actors and links on the supply side of the market chain. Thereafter, the discussion turns to the processes of understanding, adapting and managing demand and, in particular, considering how demand and supply interacted (Chapter 4). In Chapter 5, the financial dimensions of the market chain are described, especially the systems of consignments, advances, own-account operations as well as the commissions and fees charged by merchants. Finally, Chapter 6 treats in detail the last link of the market chain: return remittances.

International trade is usually approached from its statistics, focusing on bilateral or, at best, triangular transactions undertaken by countries, ignoring the human dimension. Yet, international trade should also be looked upon as transactions between individuals. The following paragraphs are devoted to these agents. In particular, two key questions will be explored: who were the main characters, and processes, behind the export trade; and how did they interact? The main actors in the market chain for textiles exported from the United Kingdom to the Southern Cone, starting in the producing centres, were the manufacturers (including spinners, knitters, bleachers, dyers, printers, finishers and weavers), the packers (who could be the manufacturer or the merchant handling the exports), the merchants in Britain (and his agents), the shippers (and the ship-brokers), the marine insurer (most usually an underwriter), the British merchant on the spot (not always a branch of a house in Britain), the local merchant (buying wholesale from a British house), the native intermediaries and retailers; and, of course, the final consumer.

This thesis is primarily concerned with trade rather than production; therefore the manufacturing process will not be treated in detail. For the production side, there is abundant literature, especially for the cotton and wool industries. However, little has been written about the export trade. This bias is a result of the development of economic history as a discipline, which has been more interested in production than

commerce. One of the general aims of this thesis is to move away from production towards trade and marketing. This is not to say that production will be totally ignored. Indeed, Chapter 7 deals with technological advances in production, but only to explain the growth of exports to the Southern Cone. Finally, to focus on trade rather than production does not mean that manufacturers will be neglected. For example, special attention will be paid to the relationship between manufacturers and merchants, as well as to the range of products manufactured and the diverse markets supplied.

Textile manufacturers: general remarks

Unfortunately, there are no lists (nor profiles) of British manufacturers exporting to particular markets during our period of study. We do not know, for instance, how many manufacturers exported to the Southern Cone during the first half of the nineteenth century, where they were based, nor how big or small their production was. For this reason, special efforts were made in this respect and, as a result Appendix 3.1 contains a list of manufacturers identified in primary sources as exporting to the Southern Cone during the first half of the nineteenth century.

Yet, this list has serious limitations. Firstly, it is heavily biased towards manufacturers supplying merchants for which there are surviving archives. For instance, in the Argentine case, most of the manufacturers included in the sample come from the Hodgson & Robinson papers, while for Chile they are from the Huth & Co. papers. Secondly, even for those merchants for whom business records have survived it is not always possible to obtain the names of manufacturers as there was always great secrecy surrounding the identification of suppliers. Merchants kept their suppliers in the strictest secrecy, so that no other merchant could contact them. Most correspondence from the spot directed to the manufacturer passed firstly through the hands of the merchant in London or Liverpool. Indeed, as seen in the Gibbs papers in a memorandum about the regulations for branches' operations on the West Coast, it was clearly indicated 'not to write to any of our correspondents'.¹ These practices have made it difficult to gather details of manufacturers.²

¹ AGSP, MS 11033-1, Hayne to Judge. Santiago, 27 May 1826.

² Some manufacturers were also merchants (e.g. Fielden Brothers). They are listed in Appendix 3.1 as manufacturers.

In spite of these limitations, some very interesting points should be highlighted. Firstly, there was a very large number of manufacturers supplying the houses for which there are surviving archives. Indeed, just for Huth, Gruning & Co. of Valparaiso, the list contains over 70 different textile suppliers, and for Hodgson & Robinson of Buenos Aires over 40 are listed, while the whole (small) sample contains nearly 200 manufacturers participating actively in the trade to Argentina and Chile between the 1810s and the 1850s.

There is a great temptation to extrapolate these figures to the whole trade. If only two merchant houses on the spot (Huth, Gruning & Co. and Hodgson & Robinson) had over 100 different textile suppliers, how many in total supplied the 250-plus British houses that operated in the Southern Cone during our period of study? This is a question which is impossible to answer, but this author would venture to say that there were certainly thousands of them. Buenos Aires and Chile were literally supplied by an ‘army’ of small or medium-sized textile producers. Indeed, there is general agreement that during the first decades of the nineteenth century the size of most textile producers in Britain was still small, especially in the wool industries.³

The other point to note here is that this ‘army’ of manufacturers was scattered over at least 40 different producing centres, which shows a great deal of geographical diversity in supply. Needless to say that for the cotton industry the main supplying centres were in or around Manchester and Glasgow. For the wool industry, they were in Bradford, Dewsbury, Glasgow, Gloucester, Halifax, Huddersfield, Leeds and Rochdale (to mention the main ones). Finally, for linens, the main exporter centres were Dundee and Belfast.

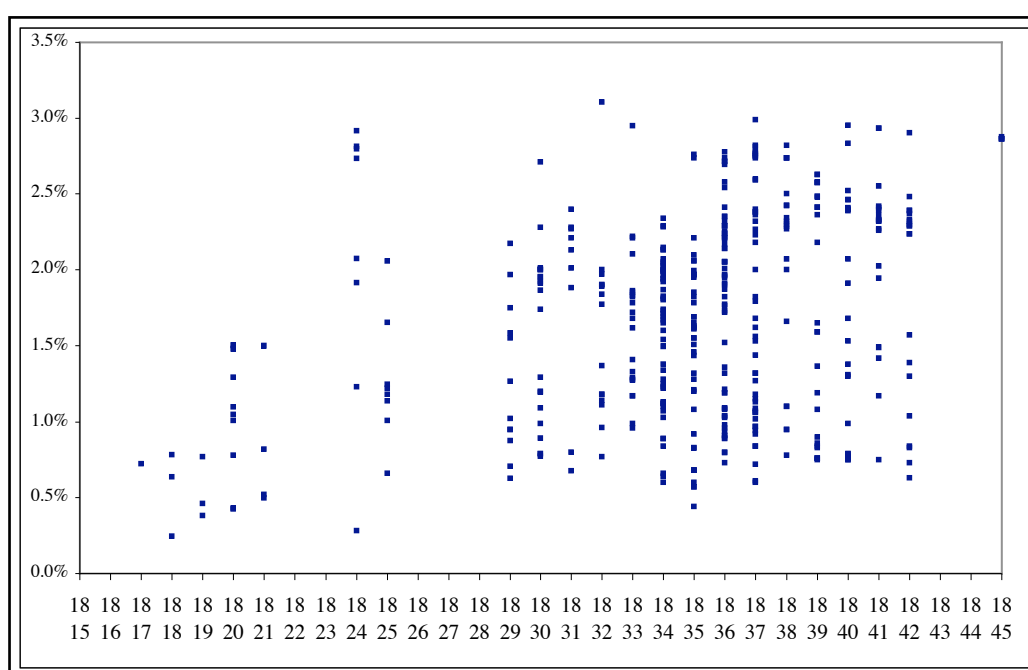
Packing of textiles: preliminary remarks

After textiles had been finished, there was a crucial stage in the market chain which has been completely neglected in the historiography, namely, packing. The impact that improvements in packing had on British exports is treated in full in Chapter 7, but some preliminary remarks are made in this section. British textiles heading for the Southern Cone were packed by the manufacturer, usually following specific instructions from the merchants handling the exports, or packed by a specialised

³ P. Hudson, ‘Proto-industrialization: the case of the West Riding wool textile industry in the 18th and early 19th centuries’, *History Workshop*, Volume 12 (1981), p. 38.

intermediary, or forwarded to the merchant who would do the packing on behalf of the manufacturer.⁴ It all depended on who was taking the most risks in the export operation. If merchants were making advances on consignments, then most probably they would take care of both insuring and packing, except when the manufacturer had a good reputation for packing well. If, instead, the goods were shipped at the risk of the manufacturer, the merchant had little interest in their packing.

Chart 3.1
Packing costs as a share of the invoice cost. A sample of 427 shipping operations from Liverpool to Buenos Aires, 1817–1845



Source: own elaboration from individual transactions recorded at GHR and OWN

How to pack was not a trivial matter. Chart 3.1 shows that the costs of packing as a proportion of the invoice cost could be anything between 0.25 per cent and 3.25 per cent. That is, packing could eventually be more expensive than the cost of freight from Liverpool to Buenos Aires, and even more expensive than insurance charges, a point ignored by most scholars. The great diversity in packing costs reflected the willingness of exporters to take or avoid risk. In 1837, for instance, for all export

⁴ In the case of Owen Owens, for instance ‘some of the firm’s exports were packed in their own warehouse ... others went direct from the manufacturer to the forwarding agent in Liverpool’. In particular, most cottons were packed in Owens’s warehouse, while most woollens in Rochdale and Leeds. B. W. Clapp, *John Owens* (Manchester, 1945), p. 25. If the manufacturer requested packing on his behalf, a commission of between 0.5 per cent to 1 per cent was charged by the merchant. HPEL, Volume 14, Huth & Co. to Stewart & Wilson (Glasgow). London, 6 November 1835.

operations included in our sample, packing costs accounted for between 0.5 per cent and 3.1 per cent. This is not a result of cost differences for a given packing material but it reflects the differences in the costs of different packing materials.

Packing costing 0.5 per cent was ordinary canvas, while packing that was close to 3 per cent was either very good tarpaulin or tin boxes. Why would one exporter decide to spend 0.5 per cent of the invoice costs of the goods while another would choose packing costing over six times more? The cheapest packing would not offer much protection against seawater damage, but should the goods arrive in sound condition the savings were substantial. Likewise, expensive packing would ensure that textiles were delivered as dry as when they had been packed in Britain, most of the time, and, therefore, there was probably no need to insure the goods against seawater damage. These were all subjective decisions to be taken by exporters and they reflected the level of risk avoidance or risk tolerance of individuals.

Textile merchants in Britain

During our period of study, and as far as the Southern Cone is concerned, British manufacturers who were not merchants never sold directly. Instead, they made use of a middleman in Britain, as shown in Diagram 3.1 (level 1). The reasons for this were many. The Southern Cone was an unfamiliar and foreign business environment. There were language barriers limiting direct communication with native merchants. Communications were slow and unreliable and the turnover period of British textiles sold in the Southern Cone was typically a minimum of 15 months and not unusually more than two or even three years. This long period could cause unbearable financial pressures upon manufacturers. Most wholesale trade on the spot was on credit. British manufacturers were not in a position to judge the credit worthiness of local merchants. Until the mid-nineteenth century, most British textile manufacturers were small-scale or medium-scale enterprises, and had neither the time nor the resources to travel to the region of sale, so lacking first-hand knowledge of the market. Linked to this point, manufacturers had no local connections to handle remittances in a trade in which exports were usually associated with imports of local produce.⁵ All in all, there were very high transactions costs for those attempting to sell directly; as stated by

⁵ Platt confirmed this idea, though for different reasons: 'Latin America ... provided too small an outlet requiring too specialized a knowledge to be handled directly by the manufacturer'. D. C. M. Platt, *Latin America and British trade* (London, 1972), p. 143.

Jones, ‘the small and specialised Lancashire firms were in no-position to sell their products to distant countries about which they had little information’.⁶

In contrast, those manufacturers who were also merchants (middle box, level 1 of Diagram 3.1) had the capacity of exporting directly, although never to a native merchant. At best, British manufacturer-merchants sold directly to a British house on the spot, usually through the services of a middleman in Britain. A few merchant-manufacturers had branch houses of their own on the spot.⁷ Most manufacturer-merchants preferred to use a middleman in Britain rather than deal directly with a house on the spot.⁸ Indeed, the merchant-manufacturer who bypassed another merchant in Britain was not as common in the trades to the Southern Cone as in those to continental Europe or the North Atlantic. To bypass a middleman in Britain, the manufacturer-merchant had to have substantial working capital; as stated by John Fielden, “only the richer neighbour has the capital and opportunity to ship to a foreign port, the poorer has to force goods immediately on the home market”.⁹ Diagram 3.1 shows all the complexities involved in the first level of marketing of textiles to our markets.

In the second level of trade networks (merchants who were not manufacturers), the British merchant who was not based in Liverpool (e.g. based in London or Glasgow) had to decide whether to use a branch on the Mersey and to whether use agents in the main producing districts. Having a branch on the Mersey was a decision particularly relevant to those outside the area of Liverpool and Manchester.¹⁰ For instance, Huth & Co. (with headquarters in London) operated for many years without branches in northern England, employing instead an agent (H. H. Stansfeld), until they decided to open a house in Liverpool in 1839. Another London merchant who opened branches in northern England was Drabble Brothers & Co.; there were others.

⁶ G. Jones, *Merchants to multinationals: British trading companies in the nineteenth and twentieth centuries* (Oxford, 2000), p. 26.

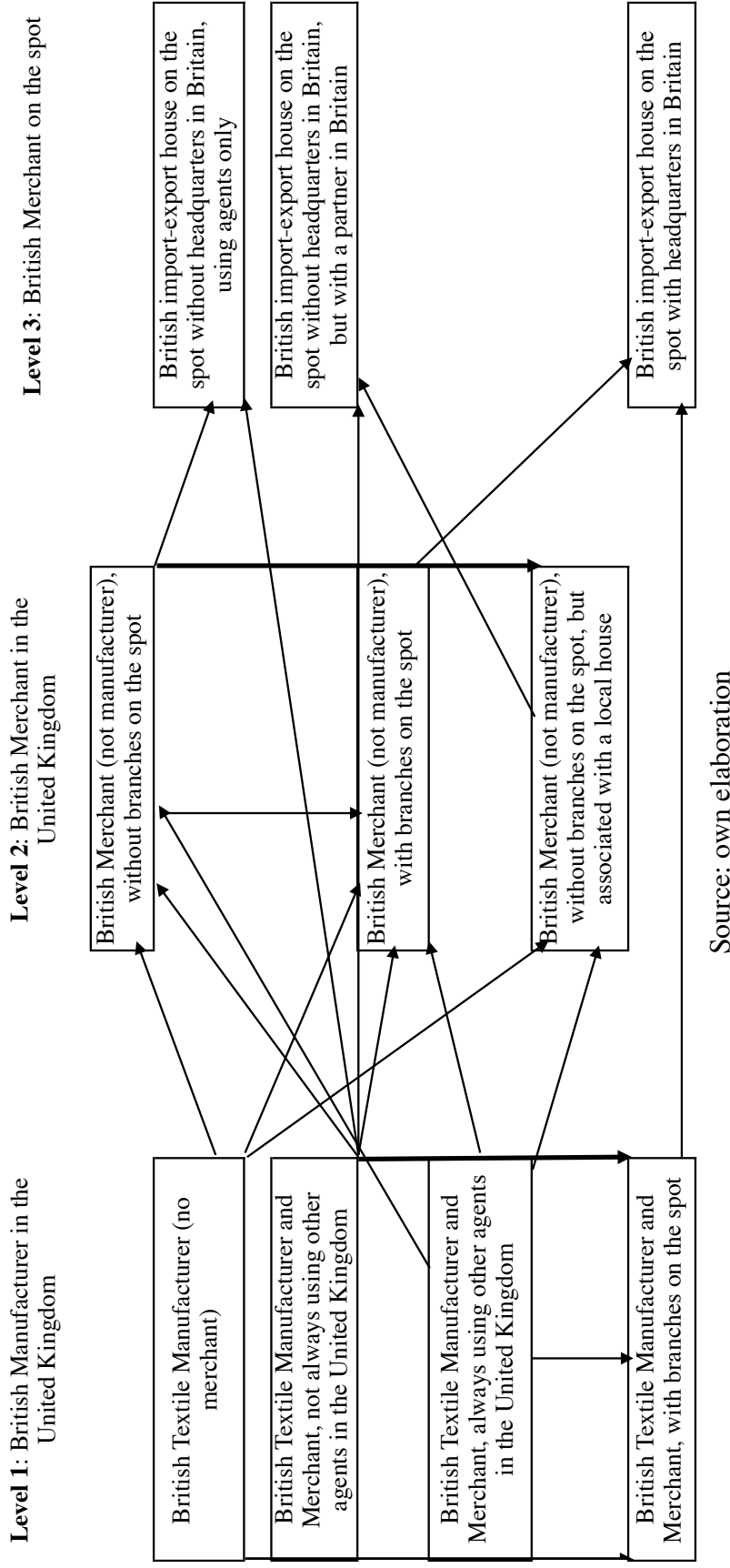
⁷ After operating as commission merchants in Brazil (Bahia, Pernambuco and Rio de Janeiro) and Buenos Aires from 1809 to 1812 (with no head offices in Britain), Hancock & Wylie opened a branch in Liverpool in 1812. In 1814, they reinvented themselves once again and decided to start their own production of cottons in Manchester, keeping the Liverpool-Bahia houses.

⁸ For instance, Fielden Brothers, cotton manufacturers and merchants of Manchester, in their early stages of exports to Buenos Aires, consigned to the house of Hodgson & Robinson using the intermediary services of Daniel Campbell, a Liverpool merchant, both to export goods and to handle the associated return remittances.

⁹ Words of John Fielden, quoted in B. R. Law, *Fieldens of Todmorden* (Littleborough, 1995), p. 45.

¹⁰ This additional complexity was not included in Diagram 3.1 to make it neater.

Diagram 3.1¹¹
British textile exports to the Southern Cone during the first half of the nineteenth century
Main levels of trade networks (arrows refer to transfer of goods only)



¹¹ The purpose of this diagram is to show the transfer of goods and the relationships between manufacturers and merchants handling British textile exports c.1815-1850. It is not, for example, comparable to that in R. Miller, *Britain and Latin America in the nineteenth and twentieth centuries* (London, 1993), p. 131, which is for c.1870-1914 and far more ambitious. Miller's includes not only trade flows, but also financial arrangements and production on the spot when British local investment had become important.

The reasons for a London merchant to open a branch in Liverpool were manifold. The main textile-producing centres were in northern England and, consequently, the main port used by those shipping textiles to the Southern Cone was Liverpool. However, opening a branch on the Mersey involved sharing profits with new partners. Indeed, despite the advantages of a Liverpool branch, London merchants such as Gibbs & Sons,¹² Henry and George Dowse & Co., and George Frederick Dickson & Co., never opened a branch in either Liverpool or Manchester, making use, instead, of agents or associated houses. Likewise, Lupton & Co., merchants and manufacturers of Leeds, never opened a house in Liverpool, despite exporting to Brazil, Buenos Aires, Lima, Valparaiso and Mexico.¹³

Even merchants established in Manchester and Liverpool employed agents in nearby districts. Manchester-based Owens & Son, for instance, used the services of Thomas and Francis Barraclough and of J. W. Rhodes & Co. for purchasing wool products in Leeds which were subsequently forwarded to Buenos Aires. Likewise, both Owens & Son and Huth & Co. used Stewart & Wilson in Glasgow to obtain Scottish products,¹⁴ while Huth also employed Ferguson & Co. and Mulholland & Son, both of Belfast, to acquire Irish linens. Likewise, both Owens & Son and Balfour Williamson were also served by Mulholland. Finally, with regard to examples, Antony Gibbs & Sons, in spite of having an agent at Liverpool, employed Yates & Corkling to purchase cottons at Manchester, which involved a payment of an agency commission of 1 per cent.

The second big decision for a merchant exporting to the Southern Cone was whether to establish a branch on the spot,¹⁵ a point probably misunderstood in the

¹² The case of Gibbs & Son is an intermediate one. Rather than opening a Gibbs & Sons branch in Liverpool during the first half of the century, they associated with Samuel Bright, who charged them 1 per cent commission for the purchase of goods. Only during the last third of the century 'Gibbs opened a branch in Liverpool at a time when other acceptance houses there were closing down or moving to London'. S. D. Chapman, *The rise of merchant banking* (London, 1984), p. 130.

¹³ This is a very interesting case outside Liverpool and London. In 1808, three merchants from Leeds (William & Arthur Lupton and John Luccock) created the firm of Luptons & Luccock, 'to become traders from this country to South America'. WLP, Volume 117, 'Articles of partnership between Messrs. Lupton and Mr. Luccock'. Leeds, February 1808.

¹⁴ Also in Scotland, Alexander & Sons served Gibbs & Sons to purchase Scottish manufactures, charging them 0.67 per cent as a commission.

¹⁵ If choosing to establish branches on the spot, merchants had also to answer these questions: how many branches; where; Buenos Aires only, or Buenos Aires and Montevideo? This was not a trivial matter. For example, Hancock & Wylie had different ideas on this respect. Hancock wanted to have just a house at Bahia, while Wylie preferred to add to the Bahian branch houses at Pernambuco, Rio de Janeiro and Buenos Aires, arguing that 'if we confine ourselves to one establishment, indeed I do not

literature. Regarding this decision, it is possible to distinguish three very different subcategories of merchants: those who did not have branches nor partners nor associated houses on the spot; those without branches or partners but with an associated house there; and those with branches or a partner on the spot (level 2 in Diagram 3.1). There is a widely accepted view that, on the one hand, most houses on the spot were branches of merchants based in Britain (a point to be developed below) and, on the other hand, that most merchants exporting to the Southern Cone had a branch there.¹⁶ Neither of these assumptions was the rule.

Of those merchants who decided to open a house on the spot, well-known examples include Huth & Co. who established Huth, Gruning & Co, and Gibbs & Sons who established William Gibbs & Co.¹⁷ Others who followed this path included Gifford Brothers; Anderson, Weller & Co; Duguid, Holland & Co.; Thomas Helsby & Sons; Hughes Brothers & Co.; and Bradshaw, Wanklyn & Co. In contrast, other merchants exporting a great deal of textiles to British houses in the Southern Cone, such as Owen Owens & Son, never opened a branch on the spot; other examples in this category include Fielden Brothers and George Faulkner. Instead, these merchants decided to entrust their exports to local houses which offered them satisfactory sales conditions and guarantees.

Often, the merchant in Britain decided to sell to another, usually bigger, merchant in Britain, who would manage the exports. Du Fay & Co. of Manchester, for instance, preferred to entrust their goods to Huth & Co. rather than to ship directly to Chile. Unlike Owens & Son, Du Fay & Co. had no direct communications with houses on the West Coast, relying solely on Huth & Co.'s offices in London and

see how we could make it answer, all the goods we could sell in any one'. UGD/28/1/1, Wylie to Dalglisch (Glasgow). Rio de Janeiro, 22 May 1809. At the same time, there were limits on the number of branches to have. Indeed, Wylie argued that 'I have all along been of the opinion that an establishment at Pernambuco would be of advantage, but no so much as to induce us to relinquish any of those at present [we have] in order to form it'. UGD/28/1/2, Wylie to Walliss (Rio de Janeiro). Buenos Aires, 15 April 1810. The main difficulty was to find a trustworthy person to take care of a branch on their behalf. Indeed, after opening a house at Buenos Aires, and leaving an agent on charge said branch, Wylie lamented that 'our business was so mismanaged ... so soon as my back was turned'. UGD/28/1/3, Wylie to Hancock (Bahia). Manchester, 19 December 1811. See also UGD/28/1/5, Wylie to Walliss (Rio de Janeiro). Liverpool, 18 July 1812.

¹⁶ See for example E. Cavieres, *Comercio chileno y comerciantes ingleses, 1820-1880* (Santiago, 1999), pp. 125-130; J. Mayo, 'Before the nitrate era: British commission houses and the Chilean economy, 1851-80', *JLAS*, Volume 11-2 (1979), p. 286-287; J. Mayo, *British merchants and Chilean development, 1851-1886* (Boulder-Colorado, 1987), p. 6; H. J. Heath, 'British merchant houses in Mexico, 1821-1860: conforming business practices and ethics', *HAHR*, Volume 73-2 (1993), p. 268. An exception to this would be V. B. Reber, *British mercantile houses in Buenos Aires, 1810-1880* (Cambridge-MA, 1979), pp. 61-63.

¹⁷ Later on as Gibbs, Crawley & Co.

Liverpool, which had a specialist knowledge of the local market and its business environment. Besides, the house of Huth had a tremendous network of contacts, invaluable not only to export, but also to remit sales. This author estimates that Huth & Co. had a minimum of 2,000 correspondents in over 265 cities in more than 50 countries in all continents.¹⁸ No wonder, then, that many merchants preferred to entrust their goods to others who were both better informed and better connected and who had comparatively lower transaction costs in international trade.

All in all, rather than the simple and single pattern suggested by the literature, merchants in Britain exporting to the Southern Cone were a very heterogeneous group of businessmen, about which broad generalisations are difficult to draw.

British merchants on the spot

It was argued above that nearly all scholars have claimed that the most typical variant in the market chain, if not the only variant, was a British merchant based in Britain buying textiles from manufacturers (and merchants) and forwarding them to branches on the spot (see level 3 of Diagram 3.1). This was a common organisational form, but not the only one. Furthermore, it is even difficult to state whether this was the most-used channel for exports. It was certainly the case for houses such as Huth & Co., Gibbs & Sons, Dickson & Co., Carlisle & Co., De Lisle Brothers & Co. and Tayleur & Co. However, there were many other import-export houses on the spot which had neither head offices nor parent companies in the United Kingdom, and many times not even a partner at home. Many of the British houses which opened branches in the Southern Cone were individual proprietorships (with the local owners), or establishments jointly owned by two or three partners all of whom usually lived in the region.

Following Wilkins's terminology (complemented with Miller's¹⁹), we may not be considering something new but certainly a form of enterprise that has been inadequately treated by economic historians.²⁰ Many British merchant houses on the

¹⁸ During the academic year 2008/2009 this author will study the global connections of Huth & Co. during the first half of the nineteenth century.

¹⁹ R. Miller, 'British free-standing companies on the West Coast of South America', in M. Wilkins and H. Schroter (editors), *The free-standing company in the world economy* (Oxford, 1998).

²⁰ The exception would be Jones, who stated that 'some "British" [trading] firms were legally domiciled in colonies without a base in the United Kingdom at all. These firms were managed and owned by Britons, but not from Britain'. Jones, *Merchants to multinationals*, p. 14. Jones did not expand on the subject.

spot may be termed as ‘autonomous free-standing houses’. None was what Wilkins has called a ‘free-standing company’ (nor the subcategory of ‘free-standing trading company’)²¹ as, in this case, there was neither major investment on the spot (except for that needed to operate, i.e. premises, stores), nor did they raise capital publicly in the British market. Though some of these ‘independent’ houses invested in land and farming, most restricted their operations exclusively to the import-export trades during the first half of the nineteenth century. Different from a ‘free-standing company’, an ‘autonomous free-standing house’ had very little capital requirements. In the words of James Hodgson:

Our business to be effective should be conducted upon the principle of keeping up a regular uninterrupted stream of shipments, so as to keep us always with a sufficient stock on hand to meet daily demands. This would make us to keep up a regular stream of remittances home, so that the capital permanently outlaying should be little more than a single insulated [sic] shipment of largest extent.²²

All these autonomous houses needed was a good reputation and active contacts at home. The sort of business being defined is a more modest enterprise than Wilkins’s organisations.

Wilkins’s free-standing companies are a type of foreign investment defined for a later period (the late nineteenth and early twentieth centuries) than this thesis is concerned with (first half of the nineteenth century). Wilkins’s companies had clearly bigger capital requirements. Moreover, ‘autonomous free-standing houses’, as defined here, may have borrowed funds from friends or relatives in Britain before going to the region, but were not incorporated. Furthermore, ‘autonomous free-standing houses’ may have entered into the production of local goods, but the core of their operations were imports of British products and exports of local produce.²³ Finally, Wilkins’s companies were defined as legally constituted in Britain, but ‘autonomous free-standing houses’ may not have been registered in Britain. Clarifying the point, for Wilkins, ‘an individual who migrates and sets up a business abroad has not established a free-standing company’.²⁴ Is Wilkins referring to a permanent migration? What about a merchant who opened a house on the spot and

²¹ M. Wilkins, ‘The free-standing company, 1870–1914’, *EHR*, New Series, Volume 41-2 (1988).

²² GHR/5/1/2, Hodgson to Green (Swinton). Buenos Aires, 5 April 1824.

²³ For instance, during the many blockades that affected the River Plate, unable to send remittances to his correspondents in Britain, James Hodgson was forced to invest in land and farming. Yet, part of these investments were kept, even after Hodgson left Buenos Aires for Britain in 1844.

²⁴ M. Wilkins, ‘The free-standing company revisited’, in Wilkins and Schroter, *The free-standing company*, p. 12.

returned to Britain bringing with him most of his capital after 25 years of business operations as James Hodgson did?²⁵

To make it clearer: an ‘autonomous free-standing house’, as defined here, is not a subcategory of Wilkins’s free-standing companies. Why, then, make the connection? In the preface to the book edited by Wilkins and Schroter, it is highlighted that the concept of free-standing company is very broad and has many facets (p. vi).²⁶ One of the facets this author is focusing on is that both Wilkins’s free-standing companies and the autonomous free-standing houses ‘were legally separate units which were neither controlled by an operating enterprise in Britain nor functioned as an operating extension of a foreign multinational enterprise’.²⁷ The accent is put on the fact that Wilkins’s ‘term “free-standing” was adopted to contrast ... with the more familiar ... enterprise that begins with business operations at home and then moves abroad’ and that ‘their international business did not grow out of an ongoing business that operated at home’.²⁸

This author wants to distinguish between a London merchant such as Huth & Co. who after operating for many years in Britain decided to open a branch on the spot (which was directed from London and Liverpool), from enterprises such as that of James Hodgson who opened a house at Buenos Aires without having any business in Britain and who eventually returned to Britain (these were not permanent migrants). ‘Autonomous free-standing houses’ were managed and administered from the spot where the ‘owner’ resided. Even decisions about how to effect remittances for goods received on consignment were mainly the choice of an ‘autonomous free-standing houses’. As stated by the main partner in one of these enterprises to a consigner:

with regard to the returns, as a just selection of them must depend upon temporary circumstances with which you at such a distance must necessarily be unacquainted, I should wish to urge for your greater advantage, the propriety of leaving the choice of them to myself.²⁹

²⁵ The legal registration in Britain is a topic that needs further clarification. Wilkins’s broadest definition is as follows: ‘a “free-standing company” is a firm set up in one country for the purpose of doing business outside that country’. Wilkins, ‘The free-standing company revisited’, p. 3. Does ‘set up’ imply legal constitution? How important is that in our particular case study?

²⁶ Furthermore, in the conclusions of that volume, Wilkins declares to be ‘stuck by how many free-standing companies have been identified’. M. Wilkins, ‘The significance of the concept and a future agenda’, on Wilkins and Schroter, *The free-standing company*, p. 422.

²⁷ Wilkins, ‘The free-standing company’, pp. 262–263.

²⁸ Wilkins, ‘The free-standing company revisited’, pp. 3 and 5.

²⁹ GHR/5/1/1, Hodgson to Stockfleth & Carrick (Hamburg). Buenos Aires, 9 April 1818.

Furthermore, these ‘autonomous free-standing houses’ also traded on their own account and risk.

Within this category of merchants were two sorts of autonomous free-standing mercantile houses. First, those which had a partner in the United Kingdom³⁰ – but where neither party had supremacy over the other and, therefore, should not be considered as constituting a head office in Britain – and those who had no partner in the United Kingdom, but made use of associated agents. A well-documented example of a house on the spot with partners of equal standing in the United Kingdom is Green & Hodgson. This firm was a partnership between Joseph Green (at Liverpool) and James Hodgson (at Buenos Aires). Another documented example is Hugh Dallas (in Buenos Aires) and Henry Miller in London, operating in Buenos Aires as Hugh Dallas & Co. A final example is Hancock & Wylie, who had houses in Bahia, Rio de Janeiro and Buenos Aires from 1809 until 1812. In 1812, they gave up the establishments at Rio and Buenos Aires; Hancock went to Liverpool, while Wylie remained at Bahia. They had equal standing in the partnership.

Of the ‘autonomous free-standing houses’ which had neither a headquarters in Britain nor a partner there, the history of James Hodgson is remarkable. After arriving at Buenos Aires in 1818, Hodgson established himself as a general commission merchant, with little working capital and having Christopher & James Rawdon (merchants of Liverpool and Halifax) as his main contacts in Britain; they forwarded him consignments on a regular basis. Before departing from England and soon after he arrived at Buenos Aires, Hodgson applied to other suppliers of products, including J. & C. Huish (Nottingham), Joshua Fielden (Waterside), Richard Gould³¹ (Rochdale) and Hall & Travis (Manchester). None had the power to give any sort of direction to Hodgson, who operated absolutely independently for over a year until late 1819 when he decided to formalise the partnership with Joseph Green of Liverpool mentioned above.

However, even during the time when Hodgson was associated with Green, each controlled all business operations in their respective markets: Green & Hodgson

³⁰ This sort of ‘autonomous free-standing houses’ is closer to Wilkins’s idea, as for Wilkins ‘there had to be ... a company domiciled in, resident in, Britain. This is vital, for ours is the study of the operation of business over borders’. Wilkins, ‘The free-standing company revisited’, p. 12. Yet, business over borders was made regardless there was a partner, or not, in Britain.

³¹ Gould and Hodgson met by chance in Britain in 1817, few days before Hodgson’s departure for Buenos Aires. After this casual contact, Gould consigned baizes to Hodgson for many years.

was not a branch of Green & Co. By 1829, the partnership of Green & Hodgson was over and, once again, rather than having a partner in the United Kingdom, Hodgson associated with John Robinson, his former accountant as Hodgson & Robinson. Both resided on the spot but made use of old and new agents in Britain. Among their most important connections were Owens & Son, Fielden Brothers, Daniel Campbell, and Wildes, Pickersgill & Co. In 1844, the Hodgson & Robinson partnership was liquidated and Hodgson returned to Liverpool still owning part of his ranches in the River Plate.

In Chile, R. H. Corfield, having neither a headquarters nor a partner in the United Kingdom, used the services of agents such as Owens & Son, Fielden Brothers and George Faulkner to obtain British products. Similarly, Begg, Barnard & Co. (Santiago) used the services of C. & J. Rawdon of Halifax and Liverpool. Before associating with Barnard, John Begg used the services of James Brotherston & Co. of Liverpool.³² Other examples are Dougall & Lewis of Buenos Aires receiving consignments from Milne, Sunderland, Petty & Co. of Leeds, and, finally, the above-mentioned Hancock & Wylie prior to reinventing their business in 1812. In 1809, following the Brazilian opening of trade to friendly nations, such as England, John Hancock and John Wylie moved to Brazil and opened two houses there, one at Bahia and the other at Rio de Janeiro. Soon afterwards, they opened a third house at Buenos Aires and a fourth at Pernambuco. For over three years, Hancock & Wylie operated on the spot with neither partners nor head offices in Britain.

Whatever the nature of the relationships between mercantile houses on the spot and merchants in Britain, some features should be highlighted. First, during the first half of the century, over 250 British mercantile houses operated in Buenos Aires, Valparaiso and Santiago (Chart 3.2 and Appendix 3.2). Taking into consideration that most houses had partners, clerks, assistants and relatives, then it can be stated that thousands of British resided in the main Southern Cone ports linked to trade with the United Kingdom. Huge profits had to be expected to encourage the movement of so many Britons to such remote and exotic lands.

This is all the more extraordinary since establishing themselves in a new place, months away from home, was far from being a pleasant experience. Indeed,

³² For the association between Begg and Brotherston, the Lupton & Co. papers provide rich material (WLP, Volumes 10 to 12 in particular).

quite eloquently, James Helsby wrote this letter to his brother, who was ready to open a family branch at Arequipa:

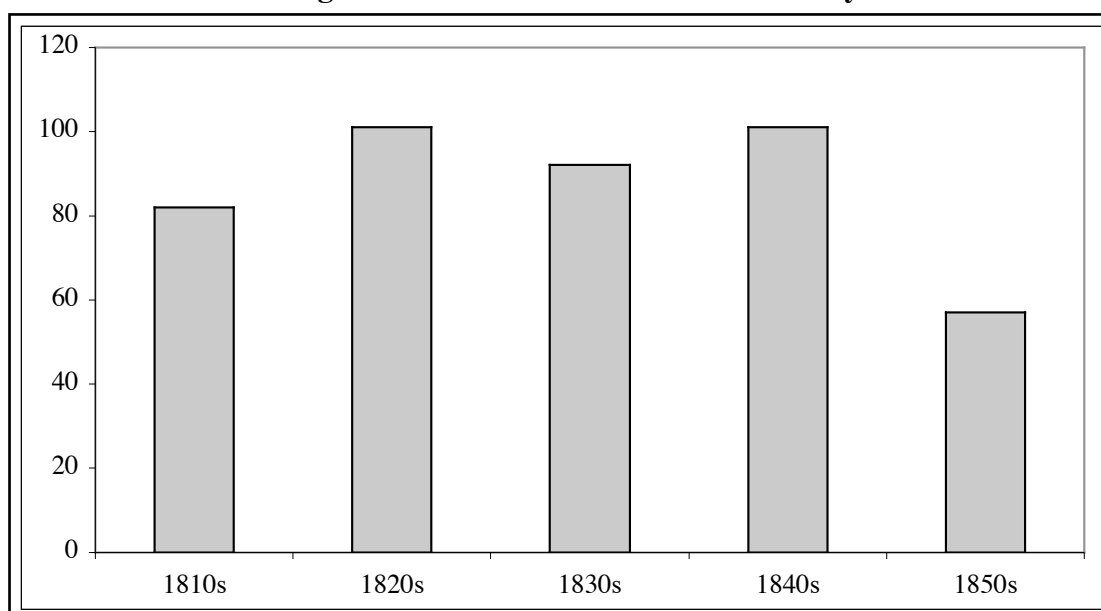
Dear Brother, you are about to enter the world under very unfavourable circumstances. That is, in a distant country, far from the land of your fathers among a people of strangers. Strange in their language, manners, custom & religion, exceedingly vicious in their morals. Publick opinion, that grand stimulant (in Great Britain) to virtue, has little or not effect in Peru, where the minds of the people have been bound & chained down for ages by a system of priest-craft in ignorance and superstition. To preserve yourself from their demoralising influence you must be always upon your guard, & will need to put in exercise all the moral forces you possess, which will however be insufficient if you do not seek for help where it may ever be found when sought, and flee for refuge to the hope set before you in the gospel. You must daily bow the knee before that god who never said 'seek ye my face in vain'.³³

Less encouraging was this report sent by a pioneer in the River Plate:

An English merchant of the name of Bell was murdered here last Saturday night ... Murder is thought nothing of in this part of the world, as it regularly happens every night in this city. Neither is the horrible perpetrator of it ever searched after or punished, indeed, there are men walking up and down about the streets at thin liberty, who have been known to kill ten or a dozen of their fellow creatures, and will at any time take a man's life for a dollar.³⁴

Chart 3.2

Minimum number of British merchant houses operating in the Southern Cone during the first half of the nineteenth century



Source: own elaboration from Appendix 3.2

³³ THS, MS-ADD 132, James Helsby to William Helsby (Valparaiso). Buenos Aires, 9 April 1828.

³⁴ UGD/28/1/2, Wylie to Dalglish (Glasgow). Buenos Aires, 9 March 1810.

Despite these sort of accounts, British houses in the Southern Cone flourished. As early as about 1810-1819, over 80 British mercantile establishments operated in the River Plate and in Valparaiso. In the words of the authority on mercantile houses: 'the first half of the nineteenth century is the period of merchant activity on a small scale, with hundreds of commissions agents scattered round the world'.³⁵ However, it was not known that so many had opened houses in the Southern Cone by the 1820s.

Relationships between British manufacturers and merchants

British merchants exporting to distant markets, in general, endeavoured to obtain exclusive contracts with British manufacturers. It is reasonable to believe that the smaller the manufacturer the higher the likelihood that his whole production was sold through one merchant. With exclusivity, merchants had greater powers to impose buying prices on manufacturers. Furthermore, as explained by a merchant on the spot to his supplier in Britain:

you must by all means take all that the manufacturer makes of them, for the grand object is that no other house here may get hold of a single piece of them. It is alone by our having them exclusively that we can possibly uphold their price & preserve our credit & supremacy in the article. It is impossible to impress this particular point upon your mind too strongly so we hope you will vigilantly & constantly look to it & contrive its entire accomplishment.³⁶

Exclusivity was also sought by some manufacturers. By selling to a single merchant, small manufacturers could specialise in the production of a reduced number of products, which allowed economies of scale to be gained. Furthermore, manufacturers enjoyed the security that the whole of their production would be bought by the merchant, who, in exchange, was asked to make special concessions. For instance, Richard Gould of Rochdale agreed to supply only Hodgson in Buenos Aires but, in exchange, asked him to sell only his baizes and none from other manufacturers. As confirmed by Hodgson 'in the bays line you are the only

³⁵ S. D. Chapman, *Merchant enterprise in Britain* (Cambridge, 1992), p. 290.

³⁶ GHR/5/1/5, Hodgson & Robinson to Owens & Son (Manchester). Buenos Aires, 3 August 1835. For examples in which merchants obtained deals of exclusivity with manufacturers see GHR/5/2/8, Owens & Son to Hodgson & Robinson (Buenos Aires). Manchester, 15 June 1836; GHR/5/2/9, Broadbent to Hodgson & Robinson (Buenos Aires). Manchester, 26 April 1837.

correspondent I possess so that your shipments will be free from all competition as far as regards similar consignments to myself'.³⁷

Of course, for a manufacturer to request exclusivity he needed to be able to supply most goods in his lines demanded on the spot. For instance, at the end of a summer season, James Hodgson sent to Britain a few patterns of cottons which were in most demand. He wanted them to be imitated and produced on a big scale and as soon as possible. Thus, he sent samples, not only to his usual suppliers, the Fieldens, but also instructed Green, his partner, to forward duplicates to other manufacturers who could produce them simultaneously.³⁸ Timing was certainly very important.

Other manufacturers preferred to have total freedom of supply. For instance, Bernard Hartley, a manufacturer in Halifax, was in the habit of selling his baizes and ponchos to Dickson & Co., Carlisle & Co., Tayleur & Co., Gibbs & Co. and Anderson, Weller & Co.³⁹ In the case of fine woollens, Dickinson & Sons of Leeds supplied Hodgson & Robinson and two other houses in Buenos Aires, which was generally known by all involved in this trade. In many cases, merchants, however big, could not dictate to manufacturers, as well summarised by Owens:

We observe some goods apparently from the same manufacturer have been received by another house in Buenos Ayres. This is mortifying enough, but it is one of those things which as they cannot be avoided must be submitted to. The manufacturer does not profess to sell all his goods to us: we have offer over and over again to take all he can make for 6 or 12 months, but he decline selling all to any one house. We cannot blame him for this, for were we in his situation we should certainly adopt the same rule.⁴⁰

Manufacturers who preferred freedom of supply sought the best prices that could be obtained rather than the security of selling the whole of their production to a single merchant.

In turn, many manufacturers agreed to supply exclusively to a given merchant, yet secretly supplied on-the-spot competitors. For instance, in 1834 Hodgson & Robinson discovered that the same manufacturer of baizes *Dos Frisas* who had been supplying Owens (their agent in Manchester), supposedly exclusively, was also sending the same product to another house in Buenos Aires (Rennie, MacFarlane & Co.) who was underselling them. No wonder Hodgson & Robinson

³⁷ GHR/5/1/1, Hodgson to Gould (Rochdale). Buenos Aires, 16 December 1820.

³⁸ GHR/5/1/2, Green & Hodgson to Fielden Brothers (Manchester). Buenos Aires, 7 April 1824.

³⁹ In turn, apart from Buenos Aires, Bernard Hartley exported, to at least Tampico and San Luis de Potosi in Mexico, Valparaiso, Lima and Montevideo (see Appendix 3.1).

⁴⁰ GHR/5/2/7, Owens & Son to Hodgson & Robinson (Buenos Aires). Manchester, 19 January 1835.

asked Owens to look for another supplier.⁴¹ Not surprisingly, then, the recommendations of Hodgson were clear: ‘we beg here to confirm the hint I gave you years ago: never to allow a manufacturer to know for what market the goods are, which you buy of him’.⁴²

This ‘hint’ was most important as local houses tended to specialise in marketing particular products. The most common pattern was of four to six houses dealing in, say, woollen baizes. For instance, in 1841 Jackson mentioned to Owens that a new house, Hoyle Hargreaves, was opening at Montevideo to deal exclusively in baizes.⁴³ Even big houses such as Huth & Co. did not enter certain niches, such as silks, a market which, in the words of the merchant ‘we have abandoned, as we are not sufficiently conversant with it, and it has in fact fallen in great manner into the hands of a few houses, who attend to it specially’.⁴⁴

Relationships between merchants in Britain and British houses on the spot

As portrayed in Diagram 3.1, the simplest kind of interaction between a British commercial house on the spot and a merchant in Britain occurred when the latter had a headquarters in Britain and, therefore, the former had a sole direct supplier. For instance, Huth, Gruning & Co. were supplied exclusively by Huth Co., and could not receive goods on account of any other house. In turn, Huth & Co. did not supply any other local house.⁴⁵ In this sort of connection there was no direct contact between the headquarters’ suppliers in Britain and the house on the spot. All communications passed through the hands of the London or Liverpool offices.

In an intermediate position, houses on the spot without headquarters in Britain, but with a partner there, were mainly supplied via their partner or by their partner’s orders. Yet, there was not necessarily an exclusive relationship. For instance, Green & Hodgson in Buenos Aires were supplied by Joseph Green in Liverpool, but Hodgson continued to maintain his previous connection with the Rawdon house and other suppliers of his own. In these cases, the partnership applied only to trading operations in which the partner in Britain was directly involved. The

⁴¹ GHR/5/1/5, Hodgson & Robinson to Owens & Son (Manchester). Buenos Aires, 14 October 1834.

⁴² Ibid, 1 January 1835.

⁴³ OWN/3/2/4/2, Jackson & Co. to Owens & Son (Manchester). Montevideo, 15 April 1841.

⁴⁴ HPEL, Volume 44, Huth & Co. to Huth & Co. (Liverpool). London, 6 November 1844.

⁴⁵ This is not to say that they could not export to neighbouring outlets where no branch was established. For instance, Huth & Co. exported only to Huth, Gruning & Co. in Chile but not having a house in Buenos Aires, did not stop them exporting there through other channels.

local mercantile house had greater freedom of supply with other merchants or merchant-manufacturers. Rather than exclusivity, different accounts were opened to differentiate joint operations of independent business.

At the other extreme were local houses with neither headquarters nor partners in Britain and which only used forwarding agents (also called ‘friends’). These had a more liberal approach regarding sources of supply. Hodgson & Robinson, for instance, once the partnership with Green was over, continued to use Joseph Green as an agent, as well as the Rawdons, Fielden Brothers, Owens & Son, George Faulkner, and George Wildes & Co. to mention their most important forwarding agents. Indeed, this sort of organisation was open to receive consignments from any one who wanted to entrust their goods to it on terms previously established. At the zenith of their operations, for example, Hodgson & Robinson had over 50 regular suppliers in Britain. Likewise, before opening their Liverpool house, Hancock & Wylie had over 20 forwarding agents at home.

In turn, British merchants without local branches could sell to a merchant in Britain, who would forward their goods, or to an autonomous house on the spot. In the latter case, merchants went for exclusivity or, less frequently, supplied more than one establishment. Owens & Son, for instance, during the 1820s, consigned goods to Buenos Aires exclusively to Campbell, McDougall & Co. When McDougall of Liverpool suspended payments because an associated house in London went bankrupt, they shifted to Hodgson & Robinson and, after Hodgson left Buenos Aires, they moved to Wilfred Latham, to retain a unique ‘customer’ on the spot. In contrast, just to mention two examples, Fielden Brothers and George Faulkner supplied openly in Montevideo both Jackson & Co. and Black & Co. Likewise, Lupton & Co. supplied simultaneously Green & Hodgson and Jump & Priestley at Buenos Aires,⁴⁶ while John Anderton supplied in Chile the houses of Huth, Gruning & Co., Hegan Hall & Co. and Gibbs, Crawley & Co.⁴⁷

Shippers and shipping strategies

Liverpool was the main port used by British exporters trading with the Southern Cone and most used the services of Liverpool’s shippers or ship-brokers. Only a few invested in their own fleets in our period of study. Less rarely, but only to a limited

⁴⁶ WLP, Volume 12 (indexed).

⁴⁷ JAP, Volumes 46, 47 and 50 (indexed).

extent, some merchants invested in a single ship (or just a few) engaged in the trades to the markets under study.⁴⁸

The most well known case of merchants investing in their own fleet is that of Balfour Williamson (though for the second half of the century), but they also shipped in other vessels. Of course, they did not own the whole of ‘their’ ships, which would be too risky. Instead, they divided the ownership with a few other investors,⁴⁹ while retaining all managing decisions about loading and unloading times. As well as the benefits of diversifying risks and being in control of departure times, Balfour Williamson’s strategy had many other advantages. They had greater security in delivering both British products and South American produce. This was particularly important for the trades with Chile, which, as shown in Chapter 7, were particularly vulnerable to seawater damage, occasioned not only by tempestuous high seas and bad weather, but also by the way in which shippers stowed goods. Through being in charge of stowing, Balfour Williamson also enjoyed savings from cheaper packing. In turn, by owning vessels, they gained earnings by freighting for other houses, or at least saved the difference between the market freight rates and their own cost of freight operations for their own cargoes.

However, the disadvantages were also important. First of all, there was a considerable capital invested in vessels, which could and, indeed, did trigger liquidity problems. This was especially worrying for this house (Balfour Williamson) as it both operated on own account⁵⁰ and remitted in local produce.⁵¹ Working capital was not unlimited, being allocated to one function or another. Indeed, one partner thought of sending fewer products to Chile ‘in order to make that business more safe & secure and with the view also of liberating capital to invest in ships’.⁵² Finally, because they

⁴⁸ Wylie & Hancock, just to mention one example, bought the *Young Janet* at Buenos Aires in 1810 and chartered her to London via Rio de Janeiro. Though, this seem to had been a speculative operation, when freight rates were at £17 per ton, rather than a shipping strategy. UGD/28/1/2, Wylie to Walliss (Rio de Janeiro). Buenos Aires, 13 January 1810. Two years later, they also bought the *Robert Todd*. UGD/28/1/3, Wylie to Hancock (Bahia). Liverpool, 8 January 1812.

⁴⁹ For a ship launched in 1860, the ownership was divided in this way: for Molison (Balfour Williamson’s agent), Lawson (Williamson’s uncle) and for Balfour Williamson, a 25 per cent share for each was proposed. The other quarter was divided in 1/8 for the Captain, and 1/16 each for both Collie (Balfour Williamson’s agent) and Conbrough, a mutual friend. BWP, Box 4, Volume 2, Williamson to Conbrough. Liverpool, October 1860. Similar deals were offered to Owens & Son and Wylie & Co. See OWN/3/2/1/11, Wynne to Owens & Son (Manchester). Liverpool, 6 May 1842 and UGD/28/1/3, Wylie to Hancock (Bahia). Liverpool, 8 January 1812.

⁵⁰ A strategy that needed greater capital investment than consignments, treated in Chapter 5.

⁵¹ Remittances in produce made the turnover of sales slower than if remitting in bills, bullion or specie, a point extended in Chapter 6.

⁵² BWP, Box 17, Duncan to Williamson. Liverpool, 31 July 1862.

wanted to ship in their own vessels, they had to wait until their vessels were fully loaded before sailing, which could cause unnecessary delays in delivery times. By using their own ships, they were unable to enjoy the advantages of shipping by the first ready-to-sail ship anchored in the Mersey. No wonder, then, that Balfour Williamson was rather alone in their chosen shipping strategy.

In contrast, merchants who did not own fleets had the options of either chartering vessels or shipping regular quantities of bales through different ship-brokers. Huth & Co. for instance, used to charter whole vessels with Willcox & Anderson, as well as shipping bales through many other shippers such as John Bibby & Sons, Castellain & Sons, Henry Jenkins, and Hadfield, Wood & Co. among many others. Thomas Broadbent in turn, a Manchester manufacturer and merchant, used the services of James Atherton and Betteley & Co. Likewise, Owens & Son, of Manchester made good use of the services provided by Daniel Buchanan and Cotesworth & Wynne, while Crossley & Sons shipped regularly through John R. Greaves of Liverpool, just to mention a few examples. Other merchants, such as Lupton & Co., used different shippers according to the markets for which the textiles were intended. For example, the Luptons entrusted their goods for South America to Jackson & Co., those for Baltimore to Brown & Co., and those for Boston to Maury, Latham & Co., while for the New York market they more usually employed John Goodwin. Ship-brokers, such as Buchanan, used to charge 0.25 per cent or 0.33 per cent for forwarding goods to their destination, offering in exchange their vast network of contacts and expertise.

Merchants who followed this strategy of using shipping intermediaries had no capital invested in shipping and, therefore, no contingent cash problems. Furthermore, they were free to use the first ready-to-sail ship, enjoying greater frequency than those restricted to their own vessels. For instance, during a period of 20 years, Huth & Co. shipped textiles to Chile in over 100 different vessels, most of which regularly plied the United Kingdom–Chile route at least once a year. This gave them a frequency of more than one vessel every fortnight. Furthermore, under this system, exporters were able to forward smaller and regular shipments which allowed them to make adjustments according to market news received from the spot and to

effect more ‘sales on board’⁵³ (i.e. the smaller the stake, the easier it was to sell on board).⁵⁴ Huth’s strategy was also shared by John Wylie, who requested his Scottish connection to ‘keep sending out a little assortments by every opportunity, a few goods at a time and coming often are much better than great quantities once or twice in the year’.⁵⁵

However, a great disadvantage was that, because of the careless attitude of some of Liverpool’s shippers and brokers, merchants shipping in other people’s vessels suffered huge losses for ‘particular averages’.⁵⁶ Furthermore, higher freight costs had to be borne than if they operated their own vessels. All in all, in spite of these drawbacks, the net gains of shipping in other people’s vessels seem to have been greater than those from the strategy of investing in own fleets. Balfour Williamson’s strategy made more sense for houses whose exports were mostly directed to one market (the West Coast) and comprised few product lines (as shown in Chapter 5). Dealing with few suppliers in a small number of lines produced at a high scale of production allowed them to better coordinate the full loading of their vessels and their departure times. This strategy would be unthinkable for a merchant such as Huth & Co., who operated in so many countries and cities, in such a wide range of products and with so many suppliers. Besides, for Balfour Williamson, exporting and importing were closely linked, while for Huth & Co. both branches of trade were independent. Thus, in the first case, owning vessels made it easier to coordinate exports and imports, while in the second (Huth’s) it made little difference.

Marine insurance: preliminary remarks

Very little is known about marine insurance for the trade to the Southern Cone,⁵⁷ though there should be little doubt that marine insurance played a crucial role in

⁵³ ‘Sales on board’ were sales effected before import duties were paid, thus saving both the trouble and time of passing goods through local customs.

⁵⁴ HPEL, Volume 11, Huth & Co. to Pennington (Wigan). London, 28 February 1833.

⁵⁵ UGD/28/1/1, Wylie to Dalglish (Glasgow). Rio de Janeiro, 6 June 1809.

⁵⁶ ‘Particular averages’, as the term is used here, happened ‘when the goods arrive in a damaged state ... [and] the measure of the loss shall be the difference between the value of landing when sound, and the value as damaged’. F. M. Martin, *A compendium of the practice of stating aberages* [sic] (Liverpool, 1823), p. 126. In general terms, ‘particular averages’ were ‘all loss occasioned to ship, freight, and cargo, which is not of so serious a nature as to debar them from reaching their port of destination’. J. R. McCulloch, *A Dictionary, practical, theoretical, and historical of commerce and commercial navigation* (London, 1852).

⁵⁷ This is also the case for other markets. For instance, N. Buck, in his most famous work decided ‘to ignore such topics as insurance’. *The development of the organisation of Anglo-American trade, 1800–1850* (New Haven, 1925), p. 1. As far as this author is aware, the only work dealing with the

facilitating the expansion of British trade to the Americas. Before going in any depth, we ought to establish first the general context in which marine insurance developed in our period of study.

Marine insurance was in the hands of private individuals and, above all, in those who met at Lloyds Coffee House. The first attempt to establish a marine assurance company was made in 1716 – the Public Assurance Office. As expected, there was great opposition from private underwriters, as well as from others interested in entering the market. When it appeared that the project had failed, a new scheme to create not one but two marine insurance companies was accepted, to silence the voices of those complaining about the inconvenience of having a company monopoly.⁵⁸ Thus, in 1720, two companies were finally chartered, under the names of the London Assurance Corporation and the Royal Exchange Assurance Corporation, considered to be the ‘first examples of corporate marine insurers in Europe’.⁵⁹

For over 100 years, the British marine insurance market consisted of these two companies and the private underwriters operating mainly at Lloyds. By law, no other corporation could enter the market. However, in spite of having a corporate monopoly, the Royal Exchange and the London Assurance had a small share of the market. Though originally chartered to operate in marine insurances only, after a few years, the two companies were also allowed to effect both fire and life insurances, which soon became the main part of their business. The lion’s share of the marine insurance market remained in the hands of Lloyds until the mid-nineteenth century; Lloyds became the foremost marine insurance centre in Europe.⁶⁰ Indeed, in time, it became clear that the main beneficiary of the 1720 charter was Lloyds and, therefore, London. As stated in an 1810 British Parliamentary Committee, ‘this exclusive privilege ... operates as monopoly, not merely to the companies, but to Lloyd’s

development of European marine insurance premiums to South America during the first half of the nineteenth century is that of P. Schöller, ‘L’évolution séculaire des taux de fret et d’assurance maritimes 1819–1940’, *Bulletin de l’Institut de Recherches Économiques et Sociales*, Volume 17-5 (1951). Another work would be J. T. Danson, *Our next war in its commercial aspects, with some account of the premiums paid at ‘Lloyd’s’ from 1805 to 1816* (London, 1894), but it only covers few years of our period of study.

⁵⁸ F. M. Martin, *The history of Lloyd’s and of marine insurance in Great Britain* (London, 1876), p. 95. See also BPP, 1824, VII (298), ‘Report from the select committee on marine insurance, 1810’, pp. 2–3.

⁵⁹ H. A. L. Cockerell and E. Green, *The British insurance business, 1547–1970* (London, 1976), p. 5.

⁶⁰ McCulloch, *A Dictionary*. In 1810, it is estimated that private underwriters were responsible for 90 per cent of all marine insurance, mainly effected at Lloyds Coffee House. Martin, *The history of Lloyd’s*, p. 101. See also C. Kingston, ‘Marine insurance in Britain and America, 1720–1844: a comparative institutional analysis’, *JEH*, Volume 67-2 (2007), pp. 379 and 384–385.

Coffee-House'.⁶¹ Yet, in other ports underwriters also operated. In 1802, for example, the Liverpool Underwriters' Association was created,⁶² while private underwriters signed policies at Bristol, Hull and Glasgow.⁶³

The structure of the marine insurance market was, thus, kept unchanged, though, from the late eighteenth century, the Globe Fire and Life Insurance Company started pressing to enter the market. Freedom to establish new companies was not granted until 1824 when Nathan Rothschild's Alliance Marine Insurance Company was created as part of the repeal of the 1720 Act. In the same year, another company entered the market, the Indemnity Mutual, followed by many others in subsequent years, of which the most successful were the Marine Insurance Company (1836), the General Maritime (1839) and the Neptune (1839). Many more subsequently entered the market, though without much success. By the mid-nineteenth century, few of the new companies had survived (e.g. Marine Insurance Company), with the market remaining highly concentrated and not 'until the late 1850s and early 1860s ... a second generation of successful companies appeared in the marine market'.⁶⁴ That was, then, in brief, the market in which British cargoes of textiles heading to the Southern Cone were insured.

Most of the insurance for exports to the Southern Cone were effected by the merchant handling the goods, particularly when advances on consignments were given. In the words of Huth & Co. to their northern England agent: 'if we have to make advances, we must of course make ourselves the insurance'.⁶⁵ Alternatively, ship-brokers were often entrusted with effecting insurance, for which a commission was charged to the exporter. The papers of Huth & Co. provide a rich source of information in this respect. Huth & Co. were in the habit of using mainly private

⁶¹ 'Report from the select committee on marine insurance', p. 6. For a new interpretation of why the two chartered corporations failed to dominate the British marine insurance market see Kingston, 'Marine insurance', pp. 385–388. According to Kingston the two chartered corporations faced a 'lemons' problem. That is, Lloyds had a superior access to risk-related information than the companies (pp. 397–399). See also A. H. John, 'The London Assurance Company and the marine insurance market of the eighteenth century', *Economica*, New Series, Volume 25-98 (1958), p. 127.

⁶² Cockerell and Green, *The British insurance*, p. 6. Besides, 'there were a number of friendly associations established among shipowners for the mutual insurance of their ships. Whether these were illegal, as the Select Committee implied, or not, they seem to have been fairly strong in the north of England'. H. E. Raynes, *A history of British insurance* (London, 1964), p. 180.

⁶³ Raynes, *A history*, p. 171. Indeed, Huth & Co.'s connection in Scotland used to effect marine insurances with Huth at London but, not unexceptionally, used the services of Black & Wingate at Glasgow. Likewise, Wylie & Hancock used underwriters in London, Liverpool and Glasgow during the early 1810s. UGD/28/1/3, Wylie to Dalglish (Glasgow). Manchester, 14 January 1812.

⁶⁴ Cockerell and Green, *The British insurance*, p. 7.

⁶⁵ HPEL, Volume 3, Huth & Co. to Stansfeld (Manchester). London, 20 April 1829.

underwriters to effect their insurances. Among the most frequently used were S. Boddington, R. Davis, G. Pearce, R. Ramsay, and Mr. Cruikshank, among others. Huth & Co. also used the services of the London Assurance Corporation and the Royal Exchange Assurance Corporation and, from 1824, occasionally used the Marine Insurance Company and the Indemnity Mutual Marine Assurance Company.⁶⁶ In spite of having a Liverpool branch, and most shipments leaving Britain from the Mersey, cargoes were insured by Huth at London. The standard brokerage commission charged by Huth & Co. to their suppliers for effecting marine insurances was 0.5 per cent of the invoice value of cargoes.⁶⁷

Private underwriters took risks for as little as £50, which means that behind a given a cargo there were a great number of individuals. From the papers of a mixed Commission⁶⁸ established to investigate British claims against the government of the United Provinces of Rio de la Plata for losses suffered during the Brazilian blockade, it is clear that underwriters at Lloyds in groups of up to 40 different 'names' insured a single vessel from £100 to £200 each.⁶⁹ Alternatively, the insurance of cargoes was shared, one-third taken by one of the incorporated insurance companies, and two-thirds by underwriters.

In summary, when the market was highly concentrated in the hands of underwriters, who took little risk per ship, exporters needed to resort to a wide range of individuals to insure their cargoes. As a consequence, networks of contacts to guarantee the availability of as many underwriters as required were extremely important. The higher the risks in the shipments to distant markets, such as the Southern Cone, the lower the competition among underwriters. For exporters to Chile and the River Plate, the marine insurance market was very restricted and it was often difficult to set insurances, even for houses with the reputation of Huth & Co. It was not unusual for the pool of their underwriters to become exhausted with few

⁶⁶ For other merchants, it worth mentioning that Hodgson's cargoes were insured with the London's Indemnity Insurance & Co. and with the Liverpool Marine Assurance Company. Likewise, Lupton & Co. of Leeds used the services of Jameson & Aders, T. W. Stansfeld and E. Durant & Co. to effect insurances at Lloyds and also insured with the Royal Exchange Assurance Corporation. Hancock & Wylie used the services of brokers such as George Johnston & Co. and Thomas Rodie & Co.

⁶⁷ This was also the rate charged by Gibbs & Sons.

⁶⁸ Sixteen volumes in total, available at NA, FO 307.

⁶⁹ A typical textile cargo from Liverpool to Valparaiso had a value of between £15,000 and £60,000. FO 132/18, 'Abstract of shipments to Valparaiso', 1840. If underwriters were taking just £100–£200 each, then the whole textile cargo was insured by dozens of individuals. Indeed, as early as 1801, the number of subscribers at Lloyds were more than 2,000. Kingston, 'Marine insurance', p. 389. Underwriters taking little risk in marine insurances is a practice that comes from medieval times. See F. Edler de Roover, 'Early examples of marine insurance', *JEH*, Volume 5-2 (1945), pp. 187–188.

shipments. As stated to a Scottish supplier: 'we had great trouble in effecting the insurance per Zoe even at 80/pc, most of our underwriters being quite full upon her'.⁷⁰ Likewise, in other opportunity it was told to the Liverpool's branch that:

you are not conversant with the manner in which insurance are effected here ... We have repeatedly explained to you that there are only one or two channels where we can place goods in tarpaulin @35 and that when they are full we are and shall be obliged to pay 40@, the premium that many of our competitors pay at all times. You must be aware that underwriters cannot be forced to take risks, and we (...) hardly add (...) that we take the utmost pains with every order entrusted to us.⁷¹

In spite of these difficulties, London remained the most important marine insurance market of Europe for exporters to the Southern Cone. Even textiles exported from France to Chile were insured in London, though the cargoes never entered a British port.⁷² Likewise, shipments from Antwerp to Valparaiso were also insured by Huth & Co. in London.⁷³ Furthermore, not only was insurance for British exports entrusted to London but also insurance for remittances from the Southern Cone, either Chilean copper or Buenos Aires hides. Insuring shipments of Southern Cone produce in London was a generalised practice among local houses, as there was no insurance market on the spot. Dallas & Co., for instance, were in the habit of requesting that their associated house in London insure hides shipped in Buenos Aires for England. Likewise, David Campbell and George Faulkner (Hodgson's connections at Liverpool and Manchester, respectively) were also in the habit of effecting insurances of produce shipped from the River Plate to England.⁷⁴ Even cargoes of local produce shipped by British merchants in the Southern Cone to continental Europe and North America were insured in the London market.⁷⁵

As with packing costs, marine insurance charges could be a substantial addition to operational costs. As already observed by Platt and Reber, during the early stages of direct legal trade between Britain and our markets, insurance rates as high as 6–12 per cent on the invoice value of cargoes were frequently seen,

⁷⁰ HPEL, Volume 8, Huth & Co. to Halliday (Sanquhar). London, 8 August 1831.

⁷¹ HPEL, Volume 40, Huth & Co. to Huth & Co. (Liverpool). London, 29 November 1843.

⁷² HPGL, MS 10700-5. See in particular loose papers relating to Roux.

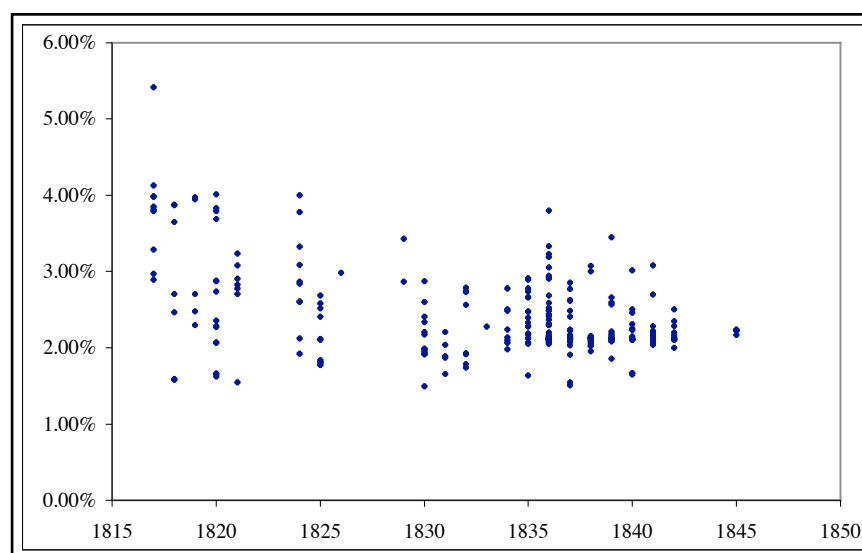
⁷³ HPEL, Volume 38, Huth & Co. to Huth & Co. (Liverpool). London, 17 May 1843.

⁷⁴ And so did Wildes, Pickersgill & Co. upon Hodgson's request.

⁷⁵ For instance, Zimmerman at Buenos Aires requested Huth's London to insure cargoes of hides from the River Plate to Bremen. HPEL, Volume 4, Huth & Co. to Zimmerman, Frazier & Co. (Buenos Aires). London, 21 August 1829. Even smaller houses than Huth & Co., such as Fielden Brothers & Co., also effected marine insurances in London for hide cargoes sent from Buenos Aires to New York. GHR/5/1/8, Hodgson to Pickersgill (New York). Buenos Aires, 6 April 1842.

particularly during periods of warfare⁷⁶ and winter months, though rates were more usually 2–4 per cent (Chart 3.3).⁷⁷

Chart 3.3
Marine insurance as a share of the invoice cost. A sample for 271 export operations from Liverpool to the River Plate, 1817–1845



Source: own elaboration from individual transactions recorded at HDP, GHR and OWN

As shown in Chart 3.3, in any given year there was a great dispersion in the premiums charged by underwriters. This was a result of many subjective factors. Indeed, the premium may be seen as a function, in which:

Premium charged = f [packing used;⁷⁸ seaworthiness and age of the vessel;⁷⁹ reputation of shippers; reputation of master and crew; nature of cargo; destination and route of voyage (accounting, in particular, for distance and dangers of

⁷⁶ In 1812, during the Napoleonic Wars, premiums from British ports to Buenos Aires were quoted at 12.5–18.75 per cent. WLP, Volume 9, Lupton & Co. to McNeile & Co. (Buenos Aires). Leeds, 7 November 1812.

⁷⁷ Platt, *Latin America*, p. 55; V. B. Reber, 'Speculation and commerce in Buenos Aires: the Hugh Dallas house, 1816–1820', *BH*, Volume 20-1 (1978), p. 29.

⁷⁸ In the words of a London merchant to his Liverpool branch: 'we have effected the insurances you order ... but cannot fix the premium until you state how the goods are packed'. HPEL, Volume 35, Huth & Co. to Huth & Co. (Liverpool). London, 27 August 1842.

⁷⁹ As stated by Huth & Co.: 'our underwriters generally ask for a higher premium when the name of the ship is not given'. HPEL, Volume 12, Huth & Co. to Rawson & Saltmarshe (Halifax). London, 20 September 1833. In other case, Wylie wrote to his partner on the spot in these terms: 'your brother and I came down here last night ... [to] effect some insurances per Grace, which we find some difficulty in doing, the ship not being known here, nor in Lloyds book'. UGD/28/1/3, Wylie to Hancock (Bahia). Liverpool, 14 February 1812.

seas);⁸⁰ season in which the trip was taken;⁸¹ political situation;⁸² reputation of the merchant taking the insurance; sums already compromised by the underwriter in same vessel].

Or as stated by a contemporary:

In life assurance, premiums are the result of the highest science brought to bear on data most laboriously collected. The production of marine premiums is practical, merely empirical, and unscientific in the last degree ... between the premiums of life and marine insurance there are real and organic differences. The event contemplated by every life policy is a certainty –the death of the assured. The contingent part of the transaction is the time for which that event may be deferred. The event insured against by a marine insurance ... is a mere contingency, one that may never happen at all ... Marine insurance premiums are an admixture of experience, tradition, and personal fancy. They fluctuate with seasons and states of a barometer; they are affected by locality, by a storm, and by political events; by prejudice, by the character of the assured or broker, by competition ... They are too uncertain to be tabulated, too unsettled even to be quoted in a price-current.⁸³

A fundamental question remains to be answered: what sort of marine insurance policies were available? Policies could cover total loss of goods (general averages) as well as particular averages (e.g. seawater damage). Any policy covering both total loss and particular averages was called ‘against all risks’. A policy covering only total loss was called ‘free from particular averages’ and was intended for goods especially susceptible to seawater damage, e.g. corn, fruit, sugar, salt, flour.⁸⁴ Though, on account of the great extent of seawater damage of cargoes sent to the Southern Cone, it was also extended to textiles (at least for the Anglo-Latin American trades).

⁸⁰ Probably exaggerating, Huth & Co. were of the idea that when fixing the premium, underwriters paid more attention to the nature of the voyage than to the vessel’s name. HPEL, Volume 39, Huth & Co. to Huth & Co. (Liverpool). London, 11 and 22 July 1843.

⁸¹ In the ‘Report from the select committee on marine insurance’ it was stated that during the winter months ‘a great number of underwriters withdraw from Lloyd’s Coffee-House. The merchants ascribe this to a dislike to winter risks’ (p. 7).

⁸² For instance, premiums at Lloyds for shipments from Liverpool to Valparaiso in 1837 were 50 shillings per £100. Once the news of the war between Chile and Peru arrived to Britain, the premium went up to 90 shillings per £100 (see Chart 7.4). Likewise, during the Napoleonic Wars, marine insurance premiums for cargoes from Britain to Buenos Aires were as high as 9.6 per cent (e.g. in 1813). In contrast, in 1816 the premium had been reduced to 2.28 per cent. Danson, *Our next war*, pp. 90–91.

⁸³ M. Hopkins, *A manual of marine insurance* (London, 1867), pp. 202, 205 and 208. See also Schöller, ‘L’évolution séculaire’, pp. 528–530.

⁸⁴ Martin, *The history of Lloyd’s*, p. 137.

The exporter chose which policy to use. Fielden Brothers of Manchester, for instance, sometimes insured against both total loss and seawater damage, although at other times, only against total loss or did not insure at all.⁸⁵ Owens & Son made 'it a rule not to insure against sea damage',⁸⁶ while Crossley & Sons in general preferred not to insure at all. Huth & Co., more cautious than any other, believed that 'we ought in the first instance look to perfect security, and next only to the terms upon which it can be obtained'.⁸⁷ It all depended on individual tolerance of or aversion to risk, as well as on the packing used. For example, a merchant packing in good tarpaulin would be more inclined not to insure against particular averages.

Particular averages could be contracted for the whole cargo or for individual packages within a cargo. In turn, different policies could be effected for each package insured. For instance, Thomas Walker wrote to Hodgson that 'I always insure my shipments [against] particular average on each package'.⁸⁸ These policies were called 'separate average' and were used because underwriters forced merchants to sell at public auctions all goods included in a given policy even if only few had been damaged.⁸⁹ When insuring individual packages, merchants sold at public auctions only the damaged bales; the sound ones being sold on the open market at higher prices. The only drawback of 'separate average' policies was that they were more expensive.⁹⁰

Among policies there were other dividing lines: either to go for 'open policies'⁹¹ or 'valued policies'.⁹² In the first case, the price of the goods was not stated

⁸⁵ Fielden Brothers reached the extreme of insuring some bales within a cargo, while other bales going in the same vessel were not insured at all. GHR/5/2/7, Fielden Brothers to Hodgson & Robinson (Buenos Aires). Manchester, 20 January 1835.

⁸⁶ GHR/5/1/5, Hodgson & Robinson to Owens & Son (Manchester). Buenos Aires, 10 June 1835.

⁸⁷ HPEL, Volume 10, Huth & Co. to Rawson (Halifax). London, 31 October 1832.

⁸⁸ GHR/5/2/5, Walker to Hodgson & Robinson (Buenos Aires). Manchester, 9 July 1833; GHR/5/2/8, Broadbent to Hodgson & Robinson (Buenos Aires). Manchester, 18 August 1836.

⁸⁹ *The British Packet*, 17 September 1842. Likewise, as stated by Huth & Co.: 'no separation of packages being permitted in our Custom House ... our home market is mostly supplied from the auctions with goods but partially damaged'. HPEL, Volume 14, Huth & Co. to Stansfeld (Leeds). London, 10 December 1835.

⁹⁰ HPEL, Volume 14, Huth & Co. to Stansfeld (Leeds). London, 10 December 1835. From 1817 Lloyds decided to separate sound from damaged goods, as observed by Wright: 'in many ports it had hitherto been the custom to sell the entire contents of a package for the underwriters' account, although only a small part of it might have sustained damage; and the result of a forced sale in a bad market [at public auctions] was often a heavy loss to the underwriters'. C. Wright, *A history of Lloyd's* (London, 1928), p. 284. Yet, this policy was firstly implemented in the USA and continental Europe, rather than in Latin American markets which had to wait longer.

⁹¹ The 'value is not mentioned ... value must be proved'. Martin, *The history of Lloyd's*, pp. 122–123.

⁹² The 'goods or property insured are valued at prime cost at the time of effecting the policy ... [the value] is agreed'. Ibid.

and to claim from the underwriter the invoice cost of the goods was required. In the second case, a quantity of goods was insured at a given price. To claim from the underwriters it was only necessary to prove that the stated quantity of goods were on board the ship, usually with a bill of lading. As explained by a Liverpool merchant:

When insuring thus you are at liberty to value your property at any reasonable sum over the cost, without affecting the validity of the policy. But if I had insured any stated sum ... without describing the quantity or without valuing them, then this is what would be termed an open policy, and before I could recover I must produce an Invoice and Bill of Lading, and nothing over the Invoice amount could be recovered.⁹³

Thus, merchants could insure for the actual cost of the goods or for something more. It was very common for merchants to effect insurances to cover not only the prime cost of goods but also freight charges, import duties and commissions. The purpose of this strategy was to assure that the trade operation was wholly covered. Thus, values insured were up to 40 per cent above the actual invoice costs.⁹⁴ Another alternative was for merchants to pay a higher premium, part of which (e.g. four-ninths) was returned by the underwriter once notice of goods being landed was received.

In contrast with particular averages, general averages affected all who had interests in the ship or cargo. In the words of McCulloch, general average:

comprehends all loss arising out of a voluntary sacrifice of a part of either vessel or cargo, made by the captain for the benefit of the whole. Thus, if a captain throw part of his cargo overboard, cut from an anchor and cable, or cut away his masts; the loss so sustained being voluntarily submitted to for the benefit of the whole, is distributed over the value of the whole ship and cargo, and is called 'general average'.⁹⁵

In spite of the great impact general averages had on the business of those exporting textiles to the Southern Cone, there are no references in the related secondary literature.

But how exactly did general averages work? If a ship was chartered in sound condition⁹⁶ but during the voyage it was damaged by causes other than those which could be attributed to its captain (e.g. bad weather) so that it could not continue,

⁹³ GHR/5/2/6, Campbell to Hodgson & Robinson (Buenos Aires). Liverpool, 1 April 1834.

⁹⁴ Huth & Co., George Faulkner, Thomas Broadbent, and Owen Owens & Son, as a rule, insured for values between 10 per cent and 40 per cent over the invoice cost.

⁹⁵ McCulloch, *A Dictionary*.

⁹⁶ That is, 'that at the time of so sailing the said vessel was staunch and strong and had her hatches well and sufficiently caulked and covered and was well and properly manned, fitted and equipped for the performance of said voyage'. ANCH-AJV, Volume 469-1. Valparaíso, 1834. See also Volume 73-19. Valparaíso, October 1833; Volume 77-10. Valparaíso, 1837; and Volume 91-22. Valparaíso, 1854.

instead having to anchor at the closest port to undertake repairs, then such damages were called ‘general averages’. Damage thus declared was the responsibility of the consignees, not the ship owners nor the ship’s captain.⁹⁷ As stated by a Chilean merchant who received a seawater damaged cargo:

before concluding the unloading of my cargo I consulted with several merchants the hypothetical responsibility of the ship Captain for the averages ... to make a formal complaint. However, they recommended to do nothing, as all effort was useless because the British laws do not make responsible a ship captain if the average was due to bad weather.⁹⁸

When, more typically, captains of damaged ships had no funds to pay for repairs, the solution was to sell part of the cargo⁹⁹, borrow money from merchants at the port where the ship was to be repaired, or both. For this, captains had to mortgage the ship and possibly its contents, including cargoes, against loans extended. All these costs were paid by the consignees once the ship arrived at her final destination, by signing a bond of indemnity.¹⁰⁰ The liability each consignee bore had to be established, which was estimated according to their respective shares of the total invoice value of cargoes. If consignees refused to pay for their contributions, their cargoes were not unloaded.¹⁰¹ Under this sort of legal regime, exporters were taking huge risks when shipping to the Southern Cone. The higher the share of an exporter in the total value of a cargo, the higher the risks of being liable for a great loss. In this context, the strategy of shipping regular and small quantities of bales in as many vessels as possible seems to have been better than chartering a whole vessel.

⁹⁷ To establish general averages, a commission was appointed to undertake a survey, usually integrated by ships’ captains, ship-builders and insurance companies or underwriters’ agents. See ANCH-AJV, Volume 321-14. Valparaíso, April 1823. In this case the commission was integrated by port surveyors of Lloyds and the Marine Insurance Company of Hamburg, and by a shipwright. See also Volume 73-19. Valparaíso, 1833, when the survey was conducted by four British masters. In other case, the survey was commissioned to a Lloyds agent, a port surveyor, a master mariner and a master shipwright, all of whom were British (Volume 293-2. Valparaíso, November 1843).

⁹⁸ Bezanilla to Bezanilla. 22 March 1856. In *Notas Históricas y Geográficas*, ‘Las harinas chilenas en Australia’, *RCHG*, Volume 120 (1952), p. 225.

⁹⁹ For some examples see ANCH-AJV, Volume 73-19. Valparaíso, October 1833; Volume 75-1. Valparaíso, September 1835; Volume 91-21. Valparaíso, September 1854.

¹⁰⁰ There were many issues in the legal processes required to declare general averages. To start with, the judge had to establish the real amount of money borrowed, the costs of repairs, the value of the ship, the value of the cargo, the income for freights, the monies given for passengers to pay for repairs, legal costs, consular stamps, expenses to feed crew as well as salaries while the ship was being repaired, and the value of the part of the cargo that had to be thrown away to save the ship (or Jettison). Another, and more difficult, issue was establishing the market value of vessels after repairs and to compare this with its market value before the accident.

¹⁰¹ See, for instance, what happened to Huth, Gruning & Co. as consignees of a particular cargo. ANCH-AJV, Volume 77-10. Valparaíso, July 1837. See also Volume 77-12, and the case of the *Iceni*, in FO 446/4, Bond of indemnity of British brig *Iceni*. 20 August 1834.

Last but not least, it is worth mentioning that British merchants also took out insurance against fire for goods stored on the spot. Huth & Co., for instance, insured against fire on behalf of most textiles suppliers.¹⁰² However, in this case, London did not have supremacy over Liverpool or even continental Europe. Huth's branch at Liverpool was very active in the fire insurance market, while Huth's London office often took out fire insurances in Hamburg thanks to their contacts there with Peterson & Co. with whom they eventually opened a branch.¹⁰³

Native merchants on the spot

British merchants on the spot seldom entered the retail trade. As well argued by Heath, they 'were concerned only with the initial bulk sale of their merchandise',¹⁰⁴ normally at the port at which goods arrived from Britain, to such an extent that a US sailor in the mid-1850s 'was surprised ... to find that the foreign merchants knew so little of the interior'.¹⁰⁵ It was the role of native merchants to redistribute the imported products,¹⁰⁶ though, on a few occasions, British merchants also forwarded textiles to wholesalers located in cities inland. For instance, Hodgson & Robinson had correspondents in Córdoba, Salta and Mendoza, but the bulk of their customers were merchants in Buenos Aires¹⁰⁷ (see Appendix 3.3). Furthermore, British merchants preferred to sell in the largest wholesale lots. As explained by a local merchant:

I preferred selling the whole to one man to distributing them about although I could have obtained a few dollars more per dozen by selling to the shops but are there are so many 'baratillos' now & each trying to undersell the other that the article would soon be lost.¹⁰⁸

¹⁰² The usual rate charged by Huth was 2 per cent per annum.

¹⁰³ HPEL, Volume 57, Huth & Co. to Petersen, Huth & Co. (Hamburg). London, 14 July 1848.

¹⁰⁴ H. J. Heath, 'British merchant houses in Mexico, 1821–1860: conforming business practices and ethics', *HAHR*, Volume 73-2 (1993), p. 268.

¹⁰⁵ N. H. Bishop, *The Pampas and Andes* (Boston, 1869), p. 36. See also H. C. R. Johnson, *A long vacation in the Argentine Alps* (London, 1868), p. 29.

¹⁰⁶ Reber, *British mercantile houses*, p. 93. See also J. L. Rector, 'Merchants, trade and commercial policy in Chile', PhD thesis, Indiana University (1976), p. 194; J. Mayo, *British merchants and Chilean development* (Boulder, 1987), p. 17.

¹⁰⁷ Was this a peculiarity of the Southern Cone? For other Latin American markets, things seem to have been different. In Mexico, from the Wylie & Co. papers, for example, is clear that these British merchants had more than 50 correspondents in over 15 main cities. Based in Tampico, Wylie & Cooke had correspondents in Zacatecas, San Luis de Potosi, Guadalajara, Aguas Calientes, Saltillo, Guanajuato, Mexico City, Queretaro, Matamoros, Jalapa, Tepic, Leon, Guaimas, Arrio (Michoacán), Silao and Morelia. WLP (volumes 6 to 9).

¹⁰⁸ GFDP, Hughes to Garrett (London). Buenos Aires, 21 August 1841.

A sample of native merchants in Buenos Aires, collected during the course of this investigation is presented in Appendix 3.3.¹⁰⁹ The findings are interesting, though, once again, biased towards the houses for which archives have survived. Over 200 native merchants regularly called on Hodgson & Robinson to buy British textiles during the first half of the nineteenth century. Patchy evidence found elsewhere increases our sample of native merchants buying British textiles at Buenos Aires to 240. Based on the evidence provided by our sample, it is evident that these were not exclusive deals between native merchants and the import houses. Rather, native merchants were free to buy from any house. Simon Pereira, for instance, one of the richest merchants in Buenos Aires, bought regularly from Hodgson & Robinson, Dickson & Co., Tayleur & Co., Richard & John Carlisle, Hughes Brothers & Co., Best Brothers, Anderson Weller & Co., and Parlane MacAlister & Co. among others. Indeed, because of this multiplicity in supply, native merchants became the main source of information for British import houses for the prices at which other houses were selling. In a certain way, native merchants arbitrated prices of imported wares.

Finally, as this thesis is mainly concerned with international trade, two of the last links in the market chain, the native intermediaries and retailers on the spot, will not be dealt with here, as they belong to internal trade, a topic beyond the scope of this thesis. As for consumers and demand, these are the main topics of the following chapter.

This chapter has provided evidence of all the complexities behind the marketing of British textile exports to a distant market. It has highlighted that when manufacturers, merchants, bankers, clerks, agents, underwriters, shippers and brokers are considered, then, behind exports to the Southern Cone there were literally thousands of British white-collar workers, besides the labourers who participated in the productive textile processes. The chapter has also provided substantial evidence of the many variations that existed when exporting to such a remote market and of the many ways in which

¹⁰⁹ Unfortunately, it was not possible to get a comparable sample for the Chilean case. Still, based on very patchy evidence, it worth mentioning that a minimum of 25 native merchants at Valparaíso bought British textiles from Gibbs & Co. in the late 1850s. AGSP, MS 11469-3.

the main actors behind the trades interacted. The chapter has also introduced new and important topics such as marine insurance and the packing of textiles which are dealt with in more depth in Chapter 7.

APPENDICES TO CHAPTER 3

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Appendix 3.1
A sample of British textile manufacturers (including merchant-manufacturers) exporting to Argentina and Chile, 1810s to 1850s

No	Manufacturer		Known markets to which exported		Known agents used in Britain		Known local house supplied	Known period of operations (*)
	Name	Industry	Location		Name	Location		
1	Adamson, John	Linens	Ratray	Chile	Unknown	Unknown	Lang Pearce & Co. (Ch)	1850s
2	Akroyd, James & Son	Wool	Halifax	Chile, Cuba	Huth & Co.	Liverpool	Huth Gruning & Co. (Ch)	1830s, 1840s
3	Alexander, R. F.	Cottons	Glasgow	Argentina	Macintosh Miller & Co.	London	Dallas & Co. (Ar)	1810s, 1820s
4	Anderson, Alexander	Linens	Dundee	Chile	Huth & Co.	Liverpool	Huth Gruning & Co. (Ch)	1830s, 1840s
5	Anderton, John	Wool	Bradford	Chile	Huth & Co.	Liverpool	Huth Gruning & Co. (Ch)	1830s, 1840s
6	Angraver, Richard	Hosiery	Leicester	Argentina	Unknown	Unknown	Unknown	1840s
7	Ashton, J. & J.	Cottons	Manchester	Chile	Huth & Co.	Liverpool	Huth Gruning & Co. (Ch)	1830s, 1840s
8	Ashworth, David & James	Wool	Rochdale	Argentina, Brazil, Chile, Uruguay	Owens & Son	Manchester	Hodgson & Robinson (Ar); Huth Gruning & Co. (Ch)	1830s, 1840s
9	Ashworth Brothers	Wool	Underbank near Todmorden	Argentina	Owens & Son	Manchester	Appleyard & Co. (Ar); Hodgson & Robinson (Ar)	1830s, 1840s
10	Ashworth, Richard	Wool	Rochdale	Argentina, Brazil, Chile, Uruguay	Huth & Co.	Liverpool	Hodgson & Robinson (Ar); Huth Gruning & Co. (Ch)	1840s, 1850s
11	Ashworth Clegg & Co.	Cottons	Manchester	Argentina	Unknown	Unknown	Hancock & Wyle (Ar)	1810s
12	Bailton Brothers	Hosiery	Nottingham	Argentina	Unknown	Unknown	Unknown	1840s
13	Baker, William & Co.	Hosiery	Derby	Argentina	Unknown	Unknown	Unknown	1840s
14	Bannister Eccles & Co.	Cottons	Blackburn	Chile	Huth & Co.	Liverpool	Huth Gruning & Co. (Ch)	1830s, 1840s
15	Barrow, John & Co.	Cottons	Manchester	Chile	Huth & Co.	Liverpool	Huth Gruning & Co. (Ch)	1830s, 1840s
16	Bashall, William & Co.	Cottons	Preston	Chile	Huth & Co.	Liverpool	Huth Gruning & Co. (Ch)	1830s, 1840s
17	Baxter, William	Linens	Dundee	Chile	Huth & Co.	Liverpool	Huth Gruning & Co. (Ch)	1830s, 1840s
18	Bell & Annandale	Linens	Dundee	Chile	Unknown	Unknown	Lang Pearce & Co. (Ch)	1850s
19	Berenharts Meyer Jacoby	Hosiery	Nottingham	Argentina	Unknown	Unknown	Unknown	1840s
20	Biggs, John & Sons	Hosiery	Leicester	Argentina	Unknown	Unknown	Unknown	1840s
21	Birchwood & Co.	Cottons	Manchester	Argentina	Unknown	Unknown	Unknown	1830s, 1840s
22	Black & Wingate	Wool	Glasgow	Chile	Huth & Co.	Liverpool	Huth Gruning & Co. (Ch)	1830s, 1840s
23	Boden & Morley	Hosiery	Derby	Argentina	Unknown	Unknown	Unknown	1840s
24	Borthwick & Goudie	Cottons	Dunbar	Argentina	Macintosh Miller & Co.	London	Dallas & Co. (Ar)	1810s, 1820s
25	Boulton, William	Cottons	Manchester	Chile	Huth & Co.	Liverpool	Huth Gruning & Co. (Ch)	1830s, 1840s
26	Bradbury, Joseph	Wool	Saddleworth	Argentina	Unknown	Unknown	Hodgson & Robinson (Ar)	1830s
27	Brettie, George & Co.	Hosiery	Derby	Argentina	Unknown	Unknown	Unknown	1840s
28	Bridgett & Co.	Hosiery	Derby	Argentina	Unknown	Unknown	Unknown	1840s
29	Brinton, H. & Sons	Wool	Kidderminster	Chile	Huth & Co.	Liverpool	Huth Gruning & Co. (Ch)	1830s, 1840s
30	Broadbent, James	Wool	Halifax	Chile	Unknown	Unknown	Lang Pearce & Co. (Ch)	1850s
31	Broadbent, Thomas	Cottons	Manchester	Argentina, Uruguay	James Atherton; Campbell & Co.; Wildes Pickersgill & Co.; Fielden Brothers & Co.; Samuel Gath & Co.	Liverpool	Hodgson & Robinson (Ar); Smith Brothers (Ur)	1830s, 1840s
32	Brooke, John & Edward	Wool	Leeds	Argentina, Chile	Unknown	Unknown	Hodgson & Robinson (Ar); Winter Brittain & Waddington (Ch)	1830s
33	Brown, James & Son	Linens	Dundee	Chile	Samuel Lang	Liverpool	Lang Pearce & Co. (Ch)	1850s
34	Buckley, B.	Cottons	Manchester	Argentina	Unknown	Unknown	Hodgson & Robinson (Ar)	1810s
35	Buckley, John & Co.	Wool	Saddleworth	Argentina, Chile	Samuel Lang	Liverpool	Lang Pearce & Co. (Ch)	1840s, 1850s
36	Burton & Sons	Cottons	Manchester	Chile	Huth & Co.	Liverpool	Huth Gruning & Co. (Ch)	1830s, 1840s
37	Butt & Bishop	Hosiery	Nottingham	Argentina	Unknown	Unknown	Unknown	1840s
38	Carey McClelland & Co.	Linens	Londonderry	Chile	Huth & Co.	Liverpool	Huth Gruning & Co. (Ch)	1830s, 1840s
39	Carver & Sons	Hosiery	Nottingham	Argentina	Unknown	Unknown	Unknown	1840s
40	Chamberlain, Joseph	Hosiery	Leicester	Argentina	Unknown	Unknown	Unknown	1840s
41	Clarke, George & Co.	Cottons	Manchester	Chile	Huth & Co.	Liverpool	Huth Gruning & Co. (Ch)	1830s
42	Clarke, J. & Sons	Cottons	Manchester	Chile	Huth & Co.	Liverpool	Huth Gruning & Co. (Ch)	1830s, 1840s
43	Cox Horners & Hogg	Hosiery	Nottingham	Argentina	Unknown	Unknown	Unknown	1840s

Appendix 3.1
A sample of British textile manufacturers (including merchant-manufacturers) exporting to Argentina and Chile, 1810s to 1850s

No	Manufacturer		Known markets to which exported		Known agents used in Britain		Known local house supplied	Known period of operations (*)
	Name	Industry	Location		Name	Location		
44	Crabtree, Thomas	Wool	Leeds	Chile	Samuel Lang	Liverpool	Lang Pearce & Co. (Ch)	1850s
45	Cross, James	Wool	Unavailable	Argentina	Owens & Son	Manchester	Hodgson & Robinson (Ar)	1830s
46	Crossley, John & Sons	Cottons	Manchester	Argentina, Uruguay	J. R. Greaves; Joseph Green; John Nicholson	Liverpool	Black & Co. (Ur); Hodgson & Robinson (Ar); Nicholson Green & Co. (Ar)	1820s, 1830s, 1840s
47	DalGLISH Falconer & Co.	Cottons	Glasgow	Argentina	Unknown	Unknown	Hancock & Wyle (Ar)	1810s
48	Davenport Finney & Co.	Cottons	Unavailable	Chile	Unknown	Unknown	Gibbs & Co. (Ch)	1820s
49	Dewhurst, W. & Co.	Wool	Halifax	Chile	Huth & Co.	Liverpool	Huth Gruning & Co. (Ch)	1830s, 1840s
50	Dickinson, Abram & Sons	Wool	Leeds	Argentina	Unknown	Unknown	Hodgson & Robinson (Ar)	1820s
51	Duclos & Corder	Hosiery	Nottingham	Argentina	Unknown	Unknown	Unknown	1840s
52	Duffy & Co.	Linens	Unavailable	Chile	Huth & Co.	Liverpool	Huth Gruning & Co. (Ch)	1830s, 1840s
53	Dugdale & Brothers	Cottons	Manchester	Argentina, Chile	Campbell & Co.; Wildes Pickersgill & Co.; Fielden Brothers & Co.; Huth & Co.	London, Liverpool	Hodgson & Robinson (Ar); Huth Gruning & Co. (Ch)	1820s, 1830s, 1840s
54	Dyson, T. T.	Wool	Halifax	Argentina	Unknown	Unknown	Dickson & Co. (Ar); Hodgson & Robinson (Ar)	1820s, 1830s
55	Edwards, John & Son	Wool	Halifax	Argentina, Chile, Mexico	Unknown	Unknown	Dickson & Co. (Ar); Gibbs & Co. (Ch); Plowes Atkinson & Co. (Ar); Wylie & Co. (Mx)	1820s, 1830s
56	Elliott, P. L. (or Elliott Brothers)	Wool	Rochdale	Argentina, Chile	Huth & Co.; Owens & Son	London, Liverpool	Dickson & Co. (Ar); Hodgson & Robinson (Ar); Huth Gruning & Co. (Ch)	1830s, 1840s
57	Faulkner, George	Cottons and Merchant	Manchester	Argentina, Brazil, Chile, Uruguay	Campbell & Co.; Wildes Pickersgill & Co.; Fielden Brothers & Co.	Liverpool	Black & Co. (Ur); R. H. Corfield (Ch); Hodgson & Robinson (Ar); Holland Darlington & Co. (Br); Jackson & Co. (Ur); Law Brothers & Co. (Br)	1820s, 1830s, 1840s
58	Feilden, William & Co.	Cottons	Blackburn	Chile	Huth & Co.	Liverpool	Huth Gruning & Co. (Ch)	1830s, 1840s
59	Ferguson & Co.	Linens	Belfast	Chile	Huth & Co.	Liverpool	Huth Gruning & Co. (Ch)	1830s, 1840s
60	Fielden Brothers	Cottons and Merchant	Manchester	Argentina, Brazil, Chile, Uruguay	Campbell & Co.; Wildes Pickersgill & Co.; Fielden Brothers & Co.	Liverpool	(Ch); Hegan & Co. (Ch); Hodgson & Robinson (Ar); Huth Gruning & Co. (Ch); Rostrom & Dulton (Br); Whitaker & Co. (Br)	1820s, 1830s, 1840s
61	Finlay & Neilson	Wool	Glasgow	Chile	Huth & Co.	Liverpool	Huth Gruning & Co. (Ch)	1830s, 1840s
62	Finlay, James & Co.	Cottons and Merchant	Glasgow	Chile, China, India	Huth & Co.	Liverpool	Huth Gruning & Co. (Ch)	1830s, 1840s
63	Finlayson & Co.	Cottons	Glasgow	Chile	Huth & Co.	Liverpool	Huth Gruning & Co. (Ch)	1830s, 1840s
64	Frishley & Chawner	Hosiery	Leicester	Argentina	Unknown	Unknown	Unknown	1840s
65	Galloway, W.	Hosiery	Nottingham	Argentina	Unknown	Unknown	Unknown	1840s
66	Glover, F. H.	Cottons	Manchester	Argentina, Chile	Unknown	Unknown	Hodgson & Robinson (Ar); Huth Gruning & Co. (Ch)	1840s
67	Gould, Richard	Wool	Rochdale	Argentina	Unknown	Unknown	Hodgson & Robinson (Ar)	1810s, 1820s
68	Gow, Ralston	Cottons	Glasgow	Chile	Huth & Co.	Liverpool	Huth Gruning & Co. (Ch)	1830s, 1840s
69	Graham Aitchison & Co.	Cottons	Glasgow	Chile	Huth & Co.	Liverpool	Huth Gruning & Co. (Ch)	1830s, 1840s
70	Grant, William & Brothers	Cottons	Manchester	Chile	Huth & Co.	Liverpool	Huth Gruning & Co. (Ch)	1830s, 1840s
71	Guest, James	Cottons	Manchester	Chile	Huth & Co.	Liverpool	Huth Gruning & Co. (Ch)	1830s, 1840s
72	Hall & Clarkson	Wool	Halifax	Chile	Huth & Co.	Liverpool	Huth Gruning & Co. (Ch)	1830s, 1840s

Appendix 3.1
A sample of British textile manufacturers (including merchant-manufacturers) exporting to Argentina and Chile, 1810s to 1850s

No	Manufacturer			Known markets to which exported	Known agents used in Britain		Known local house supplied	Known period of operations (*)
	Name	Industry	Location		Name	Location		
73	Hall, John	Cottons	Manchester	Argentina	John Goodwin	Liverpool	Hodgson & Robinson (Ar)	1820s
74	Hall, William	Wool	Halifax	Argentina	Unknown	Unknown	Unknown	1830s
75	Halliday, John	Wool	Sanguhar	Chile	Huth & Co.	Liverpool	Huth Gruning & Co. (Ch)	1820s, 1830s
76	Hamilton & Swam	Cottons	Glasgow	Chile	Huth & Co.	Liverpool	Huth Gruning & Co. (Ch)	1830s, 1840s
77	Hamlet Bent & Co.	Cottons	Manchester	Argentina	Unknown	Unknown	Hodgson & Robinson (Ar)	1820s
78	Hardwick, William B.	Wool	Leeds	Argentina	Unknown	Unknown	Hodgson & Robinson (Ar)	1820s
79	Harris, Richard & Sons	Hosiery	Leicester	Argentina	Unknown	Unknown	Unknown	1840s
80	Harrop, James & Sons	Wool	Saddleworth	Argentina	Unknown	Unknown	Hodgson & Robinson (Ar)	1820s
81	Hartley, Bernard	Wool	Halifax	Argentina, Chile, Mexico	Unknown	Unknown	Carlisle & Co. (Ar); Dickson & Co. (Ar); Gibbs & Co. (Ch); Tayleur & Co. (Ar); Wylie & Co. (Mx)	1830s, 1840s, 1850s
82	Hartley, James & Sons	Wool	Halifax	Argentina, Chile, Mexico	Huth & Co.	Liverpool	Anderson Weller & Co. (Ar); Dickson & Co. (Ar); Huth Gruning & Co. (Ch); Wylie & Co. (Mx)	1820s, 1830s
83	Hartley, S. F.	Wool	Halifax	Argentina	Owens & Son	Manchester	Hodgson & Robinson (Ar)	1830s
84	Hine Mundella & Co.	Hosiery	Nottingham	Chile	Samuel Lang	Liverpool	Lang Pearce & Co. (Ch)	1850s
85	Hirst, John	Cottons	Unavailable	Chile	Unknown	Unknown	Gibbs & Co. (Ch)	1850s
86	Hitchin, John	Cottons	Bolton	Chile	Huth & Co.	Liverpool	Huth Gruning & Co. (Ch)	1830s, 1840s
87	Hollins & Co.	Hosiery	Nottingham	Argentina	Unknown	Unknown	Unknown	1840s
88	Hood, John	Cottons	Glasgow	Chile	Huth & Co.	Liverpool	Huth Gruning & Co. (Ch)	1830s, 1840s
89	Howard, Charles & Thomas & Co.	Cottons	Manchester	Argentina, Chile	Huth & Co.	Liverpool	Huth Gruning & Co. (Ch)	1830s, 1840s
90	Howard, John & Brothers	Cottons	Portwood	Chile	Huth & Co.	Liverpool	Huth Gruning & Co. (Ch)	1830s, 1840s
91	Hoyle & Co.	Wool	Rochdale	Argentina	Unknown	Unknown	Unknown	1830s, 1840s
92	Hudson & Bansfield	Wool	Leeds	Chile	Huth & Co.	Liverpool	Huth Gruning & Co. (Ch); Lang Pierce & Co. (Ch)	1830s, 1840s, 1850s
93	Huish, J. & C.	Wool	Nottingham	Argentina	Unknown	Unknown	Hodgson & Robinson (Ar)	1820s
94	Humphries, Thomas	Wool	Kidderminster	Chile	Huth & Co.	Liverpool	Huth Gruning & Co. (Ch)	1830s, 1840s
95	Hunt & Ashwell	Hosiery	Nottingham	Argentina	Unknown	Unknown	Unknown	1840s
96	Ikin, John & Co.	Wool	Leeds	Chile	Huth & Co.	Liverpool	Huth Gruning & Co. (Ch)	1830s, 1840s
97	Jennet, Hamilton & Co.	Wool	Saddleworth	Argentina	Macintosh Miller & Co.	London	Dallas & Co. (Ar)	1810s, 1820s
98	Johnston Galbraith & Co.	Cottons	Glasgow	Chile	Huth & Co.	Liverpool	Huth Gruning & Co. (Ch)	1830s, 1840s
99	Kelly, William	Cottons	Glasgow	Chile	Huth & Co.	Liverpool	Huth Gruning & Co. (Ch)	1830s, 1840s
100	Kennedy, Thomas	Wool	Glasgow	Chile	Huth & Co.	Liverpool	Huth Gruning & Co. (Ch)	1830s, 1840s
101	Kenworthy & Son	Wool	Unavailable	Argentina	Owens & Son	Manchester	Hodgson & Robinson (Ar)	1830s
102	Kerr, John	Cottons	Glasgow	Chile	Huth & Co.	Liverpool	Huth Gruning & Co. (Ch)	1830s, 1840s
103	King & Morison	Cottons	Glasgow	Argentina	Unknown	Unknown	Brown Buchanan & Co. (Ar); Dallas & Co. (Ar)	1810s, 1820s
104	Kirby Beard & Co.	Wool	Gloucester	Argentina	Unknown	Unknown	Unknown	1840s
105	Leavers, F.	Hosiery	Nottingham	Argentina	Unknown	Unknown	Unknown	1840s
106	Lister, John	Wool	Leeds	Chile	Huth & Co.	Liverpool	Huth Gruning & Co. (Ch)	1830s, 1840s
107	Longworthy Brothers	Cottons	Manchester	Chile, Cuba	Huth & Co.	Liverpool	Huth Gruning & Co. (Ch)	1830s, 1840s
108	Lord, Samuel	Wool	Rossendale	Argentina	Owens & Son	Manchester	Hodgson & Robinson (Ar)	1830s
109	Lupton, William & Co.	Wool and Merchant	Leeds	Argentina	Unknown	Unknown	Hodgson & Robinson (Ar)	1820s, 1830s
110	Makant, William	Cottons	Bolton	Argentina	Unknown	Unknown	Hodgson & Robinson (Ar)	1830s
111	Marling, Nathaniel	Wool	Stroud	Argentina, Chile, Cuba	Huth & Co.	Liverpool	Huth Gruning & Co. (Ch)	1830s, 1840s

Appendix 3.1
A sample of British textile manufacturers (including merchant-manufacturers) exporting to Argentina and Chile, 1810s to 1850s

No	Manufacturer		Known markets to which exported		Known agents used in Britain		Known local house supplied	Known period of operations (*)
	Name	Industry	Location		Name	Location		
112	Marshall, William & Thomas	Wool	Bradford	Argentina	Unknown	Unknown	Hodgson & Robinson (Ar)	1820s
113	McLellan, J. & W.	Cottons	Glasgow	Chile	Huth & Co.	Liverpool	Huth Gruning & Co. (Ch)	1830s, 1840s
114	Milne Travis & Milne	Cottons	Oldham	Chile	Huth & Co.	Liverpool	Huth Gruning & Co. (Ch)	1830s, 1840s
115	Michell, Richard	Hosiery	Leicester	Argentina	Unknown	Unknown	Unknown	1840s
116	Moore, Joseph William	Wool	Leeds	Argentina	Unknown	Unknown	Hodgson & Robinson (Ar)	1820s
117	Morley, J. & S.	Hosiery	Nottingham	Argentina	Unknown	Unknown	Unknown	1840s
118	Muir & Laurie	Cottons	Glasgow	Chile	Huth & Co.	Liverpool	Huth Gruning & Co. (Ch)	1830s, 1840s
119	Mulholland & Son	Linens	Belfast	Argentina, Chile	Huth & Co.; Owens & Son	Liverpool, London, Manchester	Hodgson & Robinson (Ar); Huth Gruning & Co. (Ch)	1830s, 1840s
120	Neild, James	Wool	Saddleworth	Argentina	Macintosh Miller & Co.	Liverpool	Dallas & Co. (Ar)	1810s, 1820s
121	Oates, Henry & Son	Wool	Leeds	Argentina	Unknown	Unknown	Hodgson & Robinson (Ar)	1820s
122	Paley, John & Co.	Cottons	Preston	Chile	Huth & Co.	Liverpool	Huth Gruning & Co. (Ch)	1830s, 1840s
123	Peabody & Co.	Cottons and Merchant	Manchester	Chile	Huth & Co.	Liverpool	Huth Gruning & Co. (Ch)	1830s, 1840s
124	Pett, J. & Co.	Hosiery	Derby	Argentina	Unknown	Unknown	Unknown	1840s
125	Pennington, John	Cottons	Wigan	Chile	Huth & Co.	Liverpool	Huth Gruning & Co. (Ch)	1830s, 1840s
126	Ramsbotham, Thomas & Co.	Cottons	Manchester	Chile	Huth & Co.	Liverpool	Huth Gruning & Co. (Ch)	1830s, 1840s
127	Rawson & Saltmarshe	Wool	Halifax	Argentina, Chile, Peru	Huth & Co.	Liverpool	Huth Gruning & Co. (Ch); Miller & Eyes (Ar); Tayleur & Co. (Ar)	1820s, 1830s, 1840s
128	Rawson, Edward	Wool	Halifax	Argentina	Huth & Co.	Liverpool	Dickson & Co. (Ar); Huth Gruning & Co. (Ch)	1830s, 1840s
129	Rawson, William Henry & Co.	Wool	Halifax	Argentina, Chile	Huth & Co.	Liverpool	Huth Gruning & Co. (Ch)	1830s, 1840s
130	Reid, George	Cottons	Glasgow	Chile	Huth & Co.	Liverpool	Huth Gruning & Co. (Ch)	1830s, 1840s
131	Rhodes & Briggs	Wool	Halifax	Argentina	Unknown	Unknown	Hodgson & Robinson (Ar)	1820s
132	Rhodes, J. W. & Co.	Wool	Leeds	Argentina, Brazil, USA	Owens & Son	Manchester	Hodgson & Robinson (Ar)	1830s, 1840s
133	Riley, John	Wool	Halifax	Argentina, Chile, India, Continental Europe	Unknown	Unknown	Hodgson & Robinson (Ar); Huth Gruning & Co. (Ch)	1830s, 1840s, 1850s
134	Riley, Richard	Cottons	Preston	Argentina	Thomas Sleddon	Liverpool	Hodgson & Robinson (Ar)	1820s, 1830s
135	Ripley & Ogle	Wool	Leeds	Chile	Huth & Co.	Liverpool	Huth Gruning & Co. (Ch)	1830s, 1840s
136	Ripley, Richard	Wool	Leeds	Chile	Samuel Lang	Liverpool	Lang Pearce & Co. (Ch)	1850s
137	Roberts, John	Wool	Saddleworth	Argentina, Chile	Unknown	Unknown	Huth Gruning & Co. (Ch)	1830s, 1840s
138	Rodgett, Miles	Cottons	Preston	Chile	Huth & Co.	Liverpool	Huth Gruning & Co. (Ch)	1830s, 1840s
139	Rostron Brothers	Cottons	Manchester	Argentina	Unknown	Unknown	Brownell & Stegman (Ar)	1830s
140	Saalfeld, A. T.	Hosiery	Nottingham	Argentina	Unknown	Unknown	Unknown	1840s
141	Schofield, James & Co.	Wool	Rochdale	Argentina, USA	Owens & Son	Manchester	Hodgson & Robinson (Ar)	1820s, 1830s, 1840s
142	Schuster Brothers & Co.	Cottons	Manchester	Chile	Unknown	Unknown	Winter Britain & Waddington (Ch)	1830s, 1840s
143	Schwann, Frederick	Wool	Huddersfield	Chile	Huth & Co.	Liverpool	Huth Gruning & Co. (Ch)	1830s, 1840s
144	Shaw, James	Wool	Huddersfield	Chile	Samuel Lang	Liverpool	Lang Pearce & Co. (Ch)	1850s
145	Simpson & Turner	Hosiery	Derby	Argentina	Unknown	Unknown	Unknown	1840s
146	Slott & Smith	Cottons	Unavailable	Argentina	Owens & Son	Manchester	Hodgson & Robinson (Ar)	1830s, 1840s
147	Smith, Edward & Son	Cottons	Belfast	Chile	Huth & Co.	Liverpool	Huth Gruning & Co. (Ch)	1830s, 1840s
148	Smith & Co.	Wool	Morley	Argentina	Unknown	Unknown	Dickson & Co. (Ar)	1840s

Appendix 3.1
A sample of British textile manufacturers (including merchant-manufacturers) exporting to Argentina and Chile, 1810s to 1850s

No	Manufacturer		Known markets to which exported	Known agents used in Britain		Known local house supplied	Known period of operations (*)
	Name	Industry Location		Name	Location		
149	Stansfeld Briggs & Stansfeld	Wool	Leeds	Unknown	Unknown	Green Nelson & Co. (Ch); Hodgson & Robinson (Ar)	1820s
150	Steigman, Henry & Co.	Hosiery	Nottingham	Unknown	Unknown	Unknown	1840s
151	Stewart McAuley & Co.	Cottons	Glasgow	Huth & Co.	Liverpool	Huth Gruning & Co. (Ch)	1830s, 1840s
152	Stocks, Samuel & Son	Cottons	Manchester	Huth & Co.	Liverpool	Huth Gruning & Co. (Ch)	1830s, 1840s
153	Stokes, Thomas & Nephews	Hosiery	Leicester	Unknown	Unknown	Unknown	1840s
154	Storr & Davies	Wool	Leeds	Samuel Lang	Liverpool	Lang Pearce & Co. (Ch)	1850s
155	Strutt & Co.	Hosiery	Derby	Unknown	Unknown	Unknown	1840s
156	Sutcliffe, John	Cottons	Manchester	Broadbent, Thomas	Manchester	Hodgson & Robinson (Ar)	1820s
157	Taylor Weston & Co.	Cottons	Manchester	Huth & Co.	Liverpool	Huth Gruning & Co. (Ch)	1830s, 1840s
158	Tee, Charles	Linens	Barnsley	Huth & Co.	Liverpool	Huth Gruning & Co. (Ch)	1830s, 1840s
159	Thomson, Gregory	Wool	Kilmarnock	Huth & Co.	Liverpool	Dickson & Co. (Ar); Huth Gruning & Co. (Ch)	1830s, 1840s
160	Topham, Christopher	Wool	Morley	Unknown	Unknown	Unknown	1840s
161	Twigg, John	Wool	Dewsbury	Unknown	Unknown	Hodgson & Robinson (Ar)	1820s
162	Unsworth & Williamson	Hosiery	Derby	Unknown	Unknown	Unknown	1840s
163	Vickers, William	Hosiery	Nottingham	Unknown	Unknown	Unknown	1840s
164	Wakefield & Smith	Hosiery	Nottingham	Unknown	Unknown	Unknown	1840s
165	Walker, Alexander	Cottons	Glasgow	Samuel Lang	Liverpool	Lang Pearce & Co. (Ch)	1850s
166	Walker, Thomas	Cottons	Manchester	Campbell & Co.; Wildes Pickersgill & Co.; Fielden Brothers & Co.; Huth & Co.	Liverpool	Hodgson & Robinson (Ar); Huth Gruning & Co. (Ch)	1820s, 1830s
167	Ward Sturt Sharp & Ward	Hosiery	Derby	Unknown	Unknown	Unknown	1840s
168	Waterhouse, S. & J.	Wool	Halifax	Huth & Co.	Liverpool	Huth Gruning & Co. (Ch)	1820s, 1830s, 1840s
169	Webster & Sons	Wool	Morley	Huth & Co.	Liverpool	Huth Gruning & Co. (Ch)	1820s, 1830s, 1840s
170	Wells, Joseph	Cottons	Manchester	Unknown	Unknown	Hodgson & Robinson (Ar)	1820s, 1830s
171	Wheatley, Joseph & Co.	Wool	Halifax	Samuel Lang	Liverpool	Lang Pearce & Co. (Ch)	1850s
172	Whitlock & Billiard	Hosiery	Nottingham	Unknown	Unknown	Unknown	1840s
173	Williams, William & Co.	Wool	Huddersfield	Huth & Co.	Liverpool	Huth Gruning & Co. (Ch)	1820s
174	Wilson, William & Sons	Linens	Belfast	Huth & Co.	Liverpool	Huth Gruning & Co. (Ch)	1830s, 1840s
175	Worthington & Whyatt	Cottons	Manchester	Unknown	Unknown	Hodgson & Robinson (Ar)	1820s, 1830s
176	Wright, S. J.	Hosiery	Derby	Unknown	Unknown	Unknown	1840s
177	Wrigley, James & Sons	Cottons	Bury	Unknown	Unknown	Unknown	1840s

(*) For the period c.1810-1859 only. Later decades were not included.

Abbreviations: Argentina (Ar); Brazil (Br); Chile (Ch) and Mexico (Mx).

Source: own elaboration from most primary sources used in the thesis (see bibliography)

Appendix 3.2
British mercantile houses established in Argentina and Chile, 1810s to 1850s

No	Import-export house on the spot		Known agent in Britain		Known period of operations (*)
	Name	Location: known branch	Name	Location	
1	Alison Cumberlege & Co.	Valparaíso	Unknown	London	1840s. Bankruptcy in 1848
2	Anderson Macrae & Co.	Buenos Aires	Unknown	Unknown	1840s, 1850s
3	Anderson Weller & Co. In Montevideo as Anderson MacFarlane & Co.	Buenos Aires, Montevideo	Anderson & Co; Powell & Price; Weller & Artesworth	Glasgow, London	1820s, 1830s, 1840s
4	Anderson, William & Co.	Buenos Aires	Unknown	Unknown	1810s
5	Appleyard, John & Co.	Buenos Aires	Unknown	Unknown	1820s, 1830s, 1840s
6	Armstrong, Thomas & Co.	Buenos Aires	Delisle Janvrin & Delisle; J. Dobree & Sons	London	1820s, 1830s, 1840s, 1850s
7	Ashcroft, James	Santiago	Brade Moore & Ashcroft	Liverpool	1810s, 1820s, 1830s
8	Ashworth, George & Co.	Buenos Aires	Unknown	Glasgow, Halifax	1840s
9	Atkinson, P. & Co.	Buenos Aires	Unknown	Unknown	1850s
10	Balfour Williamson & Co.	Lima, Valparaíso	Alexander Balfour	Liverpool	1850s
11	Barber & Orr. In Montevideo as Shaw Brothers & Co.	Buenos Aires, Montevideo	Unknown	Liverpool	1840s, 1850s
12	Barber, Alfred	Buenos Aires	Unknown	Unknown	1830s
13	Barnard, J. J. & Co. Afterwards as Begg Barnard & Co.	Santiago, Valparaíso	W. & R. Barnard	Lincolnshire	1810s, 1820s
14	Barton, James	Buenos Aires	Unknown	Unknown	1810s
15	Barton, William & Co. Also as Barton & Wild	Buenos Aires	Unknown	Unknown	1820s, 1830s
16	Barton, John	Valparaíso	Unknown	Unknown	1820s
17	Bates Stokes & Co. Successors of Tayleur & Co.	Buenos Aires	Unknown	Liverpool	1840s, 1850s
18	Battley, Joshua	Buenos Aires	Unknown	Unknown	1840s
19	Bayley Brothers	Buenos Aires, Montevideo	Unknown	London	1830s, 1840s, 1850s
20	Bayley, John & Co.	Buenos Aires	Unknown	Unknown	1810s, 1820s, 1830s
21	Begg Barnard & Co. Previously as Barnard, J. J. & Co.	Santiago, Valparaíso	Brotherston & Co.; Lupton & Co.; C. & J. Rawdon	Liverpool	1820s, 1830s
22	Beley, George & Co.	Buenos Aires	Unknown	Unknown	1830s
23	Bertram, Armstrong & Co.	Buenos Aires	Unknown	Unknown	1820s
24	Bertram Chambers & Co.	Buenos Aires	Unknown	Unknown	1830s
25	Best, John & Thomas Best. Also as Best Brothers or John Best & Co. In Montevideo as Rodger Brothers & Co.	Buenos Aires, Montevideo	Unknown	Unknown	1830s, 1840s, 1850s
26	Black, Stanley & Co.	Buenos Aires, Montevideo	Unknown	Unknown	1810s, 1820s, 1830s, 1840s
27	Black, William & John	Buenos Aires	Unknown	Unknown	1830s. Bankruptcy in 1837
28	Boardman Dickson & Co. Former Dickson Price & Co.	Lima, Valparaíso	Unknown	Liverpool, London	1840s, 1850s
29	Bradshaw Wanklyn & Jordan. Also as Bradshaw Wanklyn & Sons	Buenos Aires, Montevideo, Rio de Janeiro	Bradshaw Wanklyn & Co.	Manchester	1830s, 1840s
30	Brash, William	Asunción, Corrientes	Unknown	Unknown	1850s
31	Breed, Rodger & Co. Also as William Rodger & Co.	Buenos Aires	Unknown	Unknown	1830s
32	Briscoe & Co. Also as Briscoe Twyford & Co. In Montevideo as Briscoe Stewart & Co.	Buenos Aires, Montevideo	Unknown	Wolverhampton	1830s, 1840s
33	Brittain, James & Co.	Buenos Aires	Unknown	Unknown	1810s, 1820s, 1830s
34	Brittain & Duffy	Buenos Aires	Unknown	Unknown	1840s
35	Brown Buchanan & Co.	Buenos Aires	Unknown	Unknown	1810s, 1820s, 1830s
36	Brown, Thomas Edward & Co.	Valparaíso	Unknown	Unknown	1820s
37	Brownell & Stegman. Also as Brownell Stegman & Co.	Buenos Aires, Montevideo	Unknown	Liverpool	1830s, 1840s
38	Brownells & Co.	Buenos Aires	Unknown	Liverpool	1840s, 1850s
39	Budge, Robert F. Former Budge & Learle	Valparaíso	Unknown	Unknown	1820s, 1830s, 1840s
40	Bunster Widden & Green	Santiago, Valparaíso	Hullett Brothers	London	1820s
41	Bunster & Smith	Valparaíso	Unknown	Unknown	1830s
42	Campbell & Price	Valparaíso	Unknown	Unknown	1810s
43	Campbell McDougall & Co. After failure in 1830 as John MacDougall & Co.	Buenos Aires	McDougall & Co.; Owens & Son	Liverpool, Manchester	1820s, 1830s. Failed in 1830
44	Carleton Allsop	Buenos Aires	Unknown	Unknown	1810s
45	Carlisle, Richard & John & Co. In Montevideo as Carlisle Smith & Co.	Buenos Aires, Montevideo	Richard Carlisle & Co.	Liverpool	1830s, 1840s
46	Carthy, James & Co.	Buenos Aires	Unknown	Unknown	1840s, 1850s
47	Chorley, Henry	Buenos Aires	Unknown	Unknown	1810s
48	Clarke, William & Co.	Buenos Aires	Unknown	Unknown	1810s
49	Cochron & Robertson	Buenos Aires	John Parish Robertson	Liverpool	1820s. Liquidated in 1827
50	Cochran, George & William	Buenos Aires	Unknown	Unknown	1810s, 1820s
51	Cope, Walter	Buenos Aires	Unknown	Unknown	1810s, 1820s
52	Corfield, R. H.	Santiago	George Faulkner; Fielden Brothers; Owens & Son	Manchester	1830s, 1840s
53	Cross Hobson & Co. Former Alexander Cross	San Francisco, Valparaíso	Unknown	Glasgow	1840s
54	Dallas, Hugh & Co.	Buenos Aires	Macintosh Miller & Co.	London	1810s, 1820s. Hugh Dallas took his life in 1822

Appendix 3.2
British mercantile houses established in Argentina and Chile, 1810s to 1850s

No	Import-export house on the spot		Known agent in Britain		Known period of operations (*)
	Name	Location: known branch	Name	Location	
55	Darby, John & Co.	Buenos Aires	Unknown	Unknown	1810s
56	Davidson Dorr & Co.	Buenos Aires	Unknown	Unknown	1840s
57	Delisle Brothers & Co. Also as Delisle Bertram & Delisle. In Montevideo as Bertram Le Breton & Delisle	Buenos Aires, Montevideo	Delisle Janvrin & Delisle	Liverpool, London	1830s, 1840s, 1850s
58	Dickson, G. F. & Co. Later on as Dickson Price & Co.	Buenos Aires, Montevideo	Dickson & Co.	London	1810s, 1820s
59	Dickson & Hodgson	Buenos Aires	Unknown	Unknown	1810s
60	Dickson Montgomery & Co.	Buenos Aires, Montevideo	Unknown	Unknown	1820s
61	Dickson Price & Co. Former Dickson & Co.	Buenos Aires, Lima, Montevideo, Valparaiso	Dickson & Co.	Liverpool, London	1820s, 1830s, 1840s, 1850s
62	Dillon, John & Co.	Buenos Aires	Unknown	Unknown	1810s
63	Dougall & Lewis	Buenos Aires	Milne Sunderland Petty & Co.	Leeds	1820s, 1830s
64	Dowling, Frederick	Buenos Aires	Unknown	Unknown	1810s
65	Dowse, Henry & George & Co.	Buenos Aires	George Dowse	London	1840s, 1850s
66	Drabble Brothers & Co.	Buenos Aires, Montevideo	Drabble Brothers & Co.	London, Manchester	1840s, 1850s
67	Drewry Hall & Co.	Santiago	Unknown	Unknown	1810s, 1820s
68	Duffy, R. & Co.	Buenos Aires	Unknown	Unknown	1810s
69	Duguid & McKerrel	Buenos Aires	Unknown	Unknown	1820s
70	Duguid Holland & Co.	Buenos Aires	Duguid & Co.; Charles Holland	Liverpool	1820s, 1830s
71	Duguid, Thomas & Co. Also as Duguid Barton & Co.	Buenos Aires	Duguid & Co.	Liverpool	1830s, 1840s, 1850s
72	Dun, William	Buenos Aires	Unknown	Unknown	1810s
73	Duncan Fox & Co.	Valparaiso	Unknown	Unknown	1840s, 1850s
74	Dunnet, James & Co.	Buenos Aires	Unknown	Unknown	1830s
75	Dutgin & Hughes	Buenos Aires	Unknown	Unknown	1840s
76	Dyson, George. Also as Dyson Greaves & Widder	Buenos Aires	Unknown	Unknown	1810s
77	Eastman, Thomas & Co. Also under Eastman Brinton & Co.	Buenos Aires, Rio de Janeiro	Unknown	Unknown	1810s, 1820s, 1830s
78	Edmund Mackinlay & Co.	Buenos Aires	Unknown	Unknown	1840s
79	Eyes, Charles	Buenos Aires	Unknown	Unknown	1810s
80	Fair, Thomas & Co.	Buenos Aires	Unknown	Unknown	1810s, 1820s, 1830s, 1840s, 1850s
81	Ford, Frank & Co.	Buenos Aires	Unknown	Unknown	1810s, 1820s
82	Garrett, William	Buenos Aires	Unknown	Unknown	1830s
83	Gatting, C. J. & Co.	Buenos Aires	Unknown	Unknown	1840s
84	Gemmel & Co. Former Gemmell Harker & Co.	Lima, Valparaiso	Unknown	Glasgow	1840s, 1850s
85	Gibbs, William & Co. Former Gibbs, Crawley & Co.	Arequipa, Lima, Tacna, Valparaiso	Gibbs & Sons	London	1820s, 1830s, 1840s, 1850s
86	Gibson, John & Co.	Buenos Aires	Unknown	Unknown	1820s
87	Gifford Brothers. Former McCrackan & Jamieson	Buenos Aires	A. & J. Gifford; Jamieson McCrackan & Co.	Liverpool, London	1840s, 1850s
88	Gordon & Co.	Buenos Aires	Unknown	Unknown	1830s
89	Gowland, Daniel & Co.	Buenos Aires, Montevideo	Unknown	Liverpool	1810s, 1820s, 1830s, 1840s, 1850s
90	Gowland, Thomas & Co.	Buenos Aires	Unknown	Unknown	1840s
91	Graham Rowe & Co.	Lima, Valparaiso	Unknown	Liverpool	1840s, 1850s
92	Green Nelson & Co.	Buenos Aires, Lima, Montevideo, Valparaiso	Joseph Green	Liverpool, Swinton	1830s, 1840s, 1850s
93	Green Nicholson & Co. Former B. W. Leigh & Co.	Mendoza, Valparaiso	Unknown	Unknown	1840s, 1850s
94	Greenway & Co. Also as Greenway Gordon & Co.	Buenos Aires, Montevideo	Unknown	Unknown	1840s
95	Grey, John & Co.	Buenos Aires	Unknown	Unknown	1840s, 1850s
96	Griffin, Alfred & Co.	Valparaiso	Unknown	Unknown	1820s
97	Gunston Logan & Co.	Valparaiso	Unknown	Unknown	1850s
98	Hagen, John & Co.	Buenos Aires	Unknown	Unknown	1810s
99	Hamilton, William	Santiago	Unknown	Unknown	1810s
100	Hancock & Wylie	Bahia, Buenos Aires, Pernambuco, Rio de Janeiro	Barber & Co.; Dalglish & Co.; Richard Hancock & Co.	Glasgow, London, Manchester	1810s
101	Hardisty, William & Co. Also as Hardisty McGregor Wilson & Co.	Buenos Aires	Wilson Hardisty & Co.	Liverpool	1810s, 1820s
102	Hardy & Co.	Buenos Aires	Unknown	Unknown	1810s
103	Hargraves, J. & Co.	Buenos Aires	Unknown	Unknown	1810s
104	Harker Dickson & Co.	Valparaiso	Unknown	Unknown	1850s
105	Harratt, John & Co.	Buenos Aires	Unknown	Unknown	1820s, 1830s, 1840s
106	Harvey, C. S.	Buenos Aires	Unknown	Unknown	1820s
107	Hayes Oliver & Co.	Buenos Aires	Unknown	Unknown	1840s
108	Heatley Evans & Co.	Valparaiso	Unknown	Unknown	1850s
109	Hebbert Wankley & Bradshaw	Buenos Aires	Unknown	Unknown	1810s
110	Hegan, Joseph & Co. Also as Hegan Hall & Co.	Lima, Tacna, Valparaiso	Unknown	Liverpool	1830s, 1840s, 1850s
111	Helsby & Sons	Arequipa, Buenos Aires, Lima	Helsby & Sons	Liverpool	1820s
112	Henderson & Co.	Valparaiso	Unknown	Unknown	1820s

Appendix 3.2
British mercantile houses established in Argentina and Chile, 1810s to 1850s

No	Import-export house on the spot		Known agent in Britain		Known period of operations (*)
	Name	Location: known branch	Name	Location	
113	Hesse, Henry	Buenos Aires	Unknown	Unknown	1820s
114	Hesse, Samuel & Co.	Buenos Aires	Unknown	Liverpool	1830s, 1840s, 1850s
115	Heyworth & Carlisle	Buenos Aires	Unknown	Unknown	1810s, 1820s, 1830s
116	Higginson & Hill	Buenos Aires	Unknown	Unknown	1810s
117	Hill, Frederick & Co.	Valparaiso	Unknown	Unknown	1820s
118	Hodgson & Robinson. Former Green & Hodgson and Green, Hodgson & Robinson	Buenos Aires	Daniel Campbell; Fielden Brothers; C. & J. Rawdon; Joseph Green; Owens & Son; Wildes Pickersgill & Co.	Halifax, Liverpool, Manchester	1810s, 1820s, 1830s, 1840s
119	Hilton, Robert	Buenos Aires	Unknown	Unknown	1810s, 1820s
120	Hodgson, William	Buenos Aires	Unknown	Unknown	1810s
121	Horne, Charles & Co. Also seen as Horne & Alsogaray	Buenos Aires	Unknown	Unknown	1830s, 1840s, 1850s
122	Hughes Brothers & Co.	Buenos Aires, Montevideo, Rio Grande	Richard B. Hughes	Liverpool	1840s, 1850s
123	Huth Gruning & Co.	Arequipa, Lima, Tacna, Valparaiso	Huth & Co.	Liverpool, London	1820s, 1830s, 1840s, 1850s
124	Ingram, James & Co.	Valparaiso	Unknown	Unknown	1820s
125	Jackson, Robert & Co.	Buenos Aires	Unknown	Unknown	1810s
126	Jones, Henry & Co.	Buenos Aires	Unknown	Unknown	1810s, 1820s, 1830s, 1840s
127	Jump & Priestley	Buenos Aires	James Bilborough	Unknown	1820s
128	Kelshaw Wilson Smith & Co.	Buenos Aires	Unknown	Unknown	1830s
129	Kendall, James & Peter	Buenos Aires	Unknown	Unknown	1810s
130	Kennedy, W. & Co.	Valparaiso	Unknown	Unknown	1820s
131	Kernsley, J. & Co.	Buenos Aires, Montevideo	Unknown	Unknown	1840s
132	King, J. A. & Co.	Buenos Aires	Unknown	Unknown	1830s
133	Kinlay, Edmund M. & Co.	Buenos Aires	Unknown	Liverpool	1840s
134	Kirk, James & Co.	Valparaiso	Unknown	Unknown	1820s
135	Lafone Barker & Co. Also as Lafone Brothers & Co.	Buenos Aires, Montevideo	Barker & Co.; Fraser & Son; James Lafone; Ricketts & Co.	Liverpool, London, Manchester	1830s, 1840s, 1850s
136	Lafone Robinson & Co.	Buenos Aires	Unknown	Unknown	1830s
137	Lang & Co. Former Smith Lang & Co.	Lima, Valparaiso	Samuel Lang	Liverpool	1840s, 1850s
138	Latham, Thomas & Co.	Valparaiso	Owens & Son	Manchester	1840s
139	Latham, Wilfred & Co.	Buenos Aires, Montevideo	Latham Brothers; Owens & Son	London, Manchester	1840s, 1850s
140	Lawson, Edward	Valparaiso	Unknown	Unknown	1820s
141	Lawson Macnab & Co. Former Macnab Orr and Co.	Santiago, Valparaiso	Unknown	Unknown	1820s
142	Leigh, John	Buenos Aires	Unknown	Unknown	1810s
143	Livingstone Angus & Co.	Valparaiso	Unknown	Unknown	1820s
144	Lord, George & Co.	Buenos Aires	Unknown	Liverpool	1830s, 1840s
145	Ludlam, John & Co.	Buenos Aires	Unknown	Unknown	1810s, 1820s
146	Lumb, Edward & Co.	Buenos Aires	Unknown	Liverpool	1830s, 1840s, 1850s
147	Lynill, J. P. & Co.	Valparaiso	Unknown	Manchester	1850s
148	Lyons, J. & S.	Buenos Aires	Unknown	Unknown	1830s
149	Mackinlay, Daniel & Co.	Buenos Aires, Montevideo	Unknown	Unknown	1810s, 1820s, 1830s, 1840s, 1850s
150	Mackinlay, Edmund & Co.	Buenos Aires, Montevideo	Unknown	Unknown	1840s
151	MacKinnon, Alexander	Buenos Aires	Unknown	Unknown	1810s
152	McKinnon & Eborall	Buenos Aires, Montevideo	Unknown	Unknown	1840s
153	Macnab Orr & Co.	Santiago	Unknown	Unknown	1810s, 1820s
154	Magners, Samuel	Buenos Aires	Unknown	Unknown	1810s, 1820s
155	Mann, William. Also as Mann & Coucher	Buenos Aires	Unknown	Unknown	1810s
156	Marsden Whitehead & Co. Former Whitehead & Platt	Valparaiso	Unknown	Manchester	1840s
157	McCann Gerding & Co.	Buenos Aires	Unknown	Unknown	1840s
158	McCrackan & Jamieson. Later on as Gifford Brothers	Buenos Aires, Montevideo	A. & J. Gifford; Jamieson Brothers; Jamieson McCrackan & Co.	Glasgow, Liverpool, London	1810s, 1820s, 1830s, 1840s
159	McDonnell, James & Co.	Buenos Aires	Unknown	Unknown	1840s
160	McDougall, John & Co.	Buenos Aires	MacDougall & Co.	Liverpool	1830s. Liquidated in 1836.
161	McFarlane & Green	Valparaiso	Unknown	Unknown	1850s
162	McFarlane, George & Co.	Buenos Aires, Montevideo	Unknown	Unknown	1810s, 1820s, 1830s, 1840s
163	McFarlane, Robert	Valparaiso	Unknown	Unknown	1820s
164	McGregor, Simon & Co.	Buenos Aires	Unknown	Unknown	1830s
165	McMinn, Alexander	Buenos Aires	Unknown	Unknown	1810s
166	McNab Duncan & Co.	Buenos Aires, Goya	Unknown	Unknown	1840s
167	McNash & Orr	Buenos Aires	Unknown	Unknown	1810s, 1820s
168	McNeile Dixon & Co.	Buenos Aires	Unknown	Unknown	1810s
169	McNeile Price & Co.	Santiago, Valparaiso	Unknown	Unknown	1810s, 1820s
170	Miller & Okes	Buenos Aires	Unknown	Unknown	1810s
171	Miller & Eyes	Buenos Aires	Unknown	Unknown	1810s, 1820s
172	Miller Getting & Co.	Buenos Aires	Unknown	Liverpool	1840s
173	Miller, John & Co. Former Dallas & Co.	Arequipa, Buenos Aires, Montevideo	Henry Miller	London	1830s
174	Miller Robinson & Co.	Buenos Aires	Unknown	Unknown	1820s
175	Miller, James & John Stewart	Buenos Aires	Unknown	Unknown	1820s, 1830s

Appendix 3.2
British mercantile houses established in Argentina and Chile, 1810s to 1850s

No	Import-export house on the spot		Known agent in Britain		Known period of operations (*)
	Name	Location: known branch	Name	Location	
176	Mitchell & Aston	Valparaíso	Unknown	Unknown	1820s
177	Mitchell, Charles Edward	Valparaíso	Unknown	Unknown	1820s
178	Mohr & Ludovici	Buenos Aires, Montevideo	Du Fay & Collins	Unknown	1830s, 1840s
179	Moller, H. H.	Valparaíso	Unknown	Unknown	1850s
180	Montgomery Price & Co.	Buenos Aires, Santiago	Unknown	Unknown	1810s, 1820s
181	Montgomery Staples & Co.	Buenos Aires	Unknown	Unknown	1810s
182	Myers Bland & Co.	Lima, Valparaíso	Myers & Co.	Liverpool	1830s, 1840s, 1850s
183	Nash Wilson & Co.	Buenos Aires	Gorver Nephews & Co.	Liverpool, London	1840s
184	Naylors Oxley & Co. Also as Naylors Boardman & Oxley	Lima, Tacna, Valparaíso	Unknown	Liverpool	1820s, 1830s, 1840s. Liquidated in 1847.
185	Nelson, Thomas & Co.	Buenos Aires	Unknown	Unknown	1810s, 1820s
186	Newton, Richard	Buenos Aires	Unknown	Unknown	1810s, 1820s
187	Newton, Thomas	Buenos Aires	Unknown	Unknown	1810s, 1820s
188	Nicholson Green & Co.	Buenos Aires, Montevideo, Valparaíso	Nicholson & Green	Liverpool, Swinton	1830s, 1840s, 1850s
189	Nilblett, R. B. & Co.	Buenos Aires	Unknown	Unknown	1810s, 1820s
190	Noble Gowland & Co.	Buenos Aires, Montevideo	Unknown	Unknown	1830s
191	Nuhal & Co.	Buenos Aires	Unknown	Liverpool	1840s
192	Nuttall, George. & Co. Also as G. & J. Nuttall or Nuttall McCann & Co.	Buenos Aires, Montevideo	Unknown	Unknown	1830s, 1840s, 1850s
193	Nuttall, J. & C. & Co.	Buenos Aires, Montevideo	Unknown	Unknown	1840s
194	O Heyworth & Co.	Valparaíso	Unknown	Unknown	1820s
195	Orr & Lamont	Buenos Aires	Unknown	Unknown	1830s
196	Orr & Jordan	Buenos Aires	Unknown	Unknown	1830s
197	Orr, Richard & William. Also as Orr & Co.	Buenos Aires	Unknown	Unknown	1810s, 1820s, 1830s
198	Parlane McAlister & Co. In Montevideo as Parlane McLean & Co.	Buenos Aires, Montevideo	Wright Parlane & Co.	Manchester	1830s, 1840s, 1850s
199	Patrickson, Thomas & Co.	Buenos Aires, Valparaíso	Unknown	Unknown	1810s, 1820s
200	Philip Tomkinson & Co.	Buenos Aires, Montevideo	Unknown	Liverpool	1840s
201	Plomer Jackson Barker & Co.	Buenos Aires	Unknown	Unknown	1820s
202	Plowes & Noble	Buenos Aires	Unknown	Unknown	1810s, 1820s
203	Plowes Atkinson & Co.	Buenos Aires	Unknown	Unknown	1830s, 1840s, 1850s
204	Price, Richard Evans & Co.	Valparaíso	Unknown	Unknown	1810s, 1820s
205	Puddicombe, Stephen	Buenos Aires	Unknown	Unknown	1820s
206	Rattray, Thomas & Co.	Buenos Aires	Unknown	Unknown	1810s
207	Ravenscroft Alston & Co. Also as Ravenscroft Brothers	Copiapó, Valparaíso	W. & J. Ravenscroft	Liverpool	1840s, 1850s
208	Rennie MacFarlane & Co.	Buenos Aires, Montevideo	Redwood & Co; Rowand & Dunlop	Glasgow, Liverpool, Manchester	1830s, 1840s
209	Rhodes & Glover	Buenos Aires	Unknown	Unknown	1810s
210	Robertson, John Parish & Co.	Buenos Aires, Corrientes, Goya, Lima, Paraguay, Santa Fé, Valparaíso	Robertson & Co.	Liverpool	1810s, 1820s
211	Ross, David	Valparaíso	Unknown	Unknown	1820s
212	Salisbury, George & Co.	Buenos Aires	Unknown	Unknown	1830s
213	Sewell & Patrickson	Valparaíso	Unknown	Unknown	1820s
214	Shaw, C. & G. Also as Shaw Brothers & Co.	Buenos Aires, Montevideo	Unknown	Unknown	1840s
215	Sheridan, Peter & Co. Also as Sheridan Brothers	Buenos Aires	Unknown	Unknown	1810s, 1820s, 1830s
216	Simmonds, P. L.	Buenos Aires	Unknown	Unknown	1840s
217	Smith, John Galt & Co. In Montevideo as Smith Brothers & Co.	Buenos Aires, Montevideo, Rosario	Unknown	Liverpool	1840s, 1850s
218	Smith Wilson & Co.	Buenos Aires	Unknown	Unknown	1830s
219	Spears, Alexander & Co.	Buenos Aires	Unknown	Unknown	1830s
220	Staples McNeile & Co.	Buenos Aires	Unknown	Unknown	1810s, 1820s
221	Stevens, Robert	Valparaíso	Unknown	Unknown	1840s
222	Stewart Brothers	Buenos Aires, Montevideo	Unknown	Unknown	1810s, 1820s
223	Stewart McCall & Co.	Buenos Aires	Unknown	Unknown	1810s, 1820s
224	Stodart, Matthew and Adam. Also as Stodart Brothers	Buenos Aires	Unknown	London	1820s
225	Sutton & Co.	Buenos Aires	Unknown	Unknown	1820s
226	Tayleur Newton & Co.	Valparaíso	Unknown	Unknown	1820s
227	Tayleur Cartwright & Co.	Buenos Aires	Unknown	Unknown	1810s, 1820s, 1830s
228	Tayleur, Charles & Co. Also Tayleur Kirk & Co.	Arequipa, Buenos Aires, Lima, Mexico, Montevideo, Tacna, Valparaíso	Tayleur Sons & Co.	Liverpool	1820s, 1830s, 1840s, 1850s
229	Tayleur Sons & Co. Succeeded by Bates Stokes & Co.	Buenos Aires	Unknown	Unknown	1830s
230	Thomas & Nelson	Buenos Aires	Unknown	Unknown	1810s

Appendix 3.2
British mercantile houses established in Argentina and Chile, 1810s to 1850s

No	Import-export house on the spot		Known agent in Britain		Known period of operations (*)
	Name	Location: known branch	Name	Location	
231	Thompson Mellis and Co.	Buenos Aires	Unknown	Unknown	1840s, 1850s
232	Thompson, J. C. & Co.	Buenos Aires, Rosario	Unknown	Unknown	1830s, 1840s, 1850s
233	Thomson, John Watson & Co.	Valparaiso	Unknown	Unknown	1840s
234	Thwaites, John & Co. Also as Joseph & Jossuah Twaites	Buenos Aires, Santiago	Unknown	Unknown	1810s, 1820s, 1830s
235	Towland, Thomas	Buenos Aires	Unknown	Unknown	1840s, 1850s
236	Turner & Co.	Buenos Aires	Unknown	Manchester	1830s, 1840s, 1850s
237	Utting, Robert	Buenos Aires	Unknown	Unknown	1820s
238	Waddington Templeman & Co.	Valparaiso	Unknown	Liverpool, London	1840s
239	Walkers & Co.	Buenos Aires	Unknown	Unknown	1810s
240	Ward, Henry	Valparaiso	Unknown	Unknown	1830s, 1840s
241	Watson & Badger	Buenos Aires	Unknown	Unknown	1810s, 1820s
242	Watson, John	Buenos Aires	Unknown	Unknown	1810s, 1820s
243	Whitaker, John	Buenos Aires	Unknown	Unknown	1830s
244	White, Charles	Buenos Aires	Unknown	London	1820s
245	White, James	Buenos Aires	Unknown	Unknown	1840s, 1850s
246	Widder & Green	Santiago	Unknown	Unknown	1830s
247	Wilkinson & Co. Also as Wilkinson & Andrew	Buenos Aires	Unknown	Unknown	1810s
248	Wilkinson, William & Co.	Valparaiso	Unknown	Unknown	1820s
249	Williamson Duncan & Co.	Valparaiso	Unknown	Unknown	1850s
250	Wilson, Thomas & Co.	Buenos Aires	Unknown	Unknown	1810s
251	Winter Brittain & Co.	Buenos Aires, Valparaiso	Samuel Winter	London	1810s, 1820s
252	Winter Brittain & Waddington	Santiago	Samuel Winter	London	1830s
253	Wylie Miller & Co.	Arequipa, Valparaiso	Unknown	Unknown	1820s, 1830s
254	Yongh, Edward & Co.	Buenos Aires	Unknown	Unknown	1840s
255	Young, George & Co.	Buenos Aires, Valparaiso	Unknown	Glasgow, Manchester	1820s, 1830s, 1840s

(*) For the period c.1810-1859 only. Later decades were not included.

Source: own elaboration from most primary sources used in the thesis (see bibliography)

Native merchants buying textiles from British mercantile houses. A sample for Argentina, 1810s to 1850s

No	Name	Known local British supplier	Known period of operations (*)	Location
1	Acebal, Ruperto	Hodgson & Robinson	1830s	Buenos Aires
2	Achaval, F.	Dickson & Co.	1840s	Buenos Aires
3	Achinelly, Estevan	Hodgson & Robinson	1830s	Buenos Aires
4	Acosta, Bernardo	Hodgson & Robinson	1830s	Córdoba
5	Aguero, Narciso	Hodgson & Robinson; Dickson & Co.	1830s, 1840s	Buenos Aires
6	Aguirre, Juan de Dios	Hodgson & Robinson	1830s	Buenos Aires
7	Albornos, M.	Dickson & Co.	1840s	Buenos Aires
8	Alcorsa, A.	Dickson & Co.	1840s	Buenos Aires
9	Alcorta, Manuel & Co.	Hodgson & Robinson; Dickson & Co.	1830s, 1840s	Buenos Aires
10	Aldao, Manuel	Hodgson & Robinson	1830s	Buenos Aires
11	Alisal, Jose del	Hodgson & Robinson	1810s	Buenos Aires
12	Alvarado, Ramon	Hodgson & Robinson	1820s	Buenos Aires
13	Anchorena, Nicolás	Dickson & Co.	1810s, 1820s, 1830s, 1840s	Buenos Aires
14	Arana, Felipe	Dickson & Co.	1840s	Buenos Aires
15	Arazena & Co.	Dickson & Co.	1840s	Buenos Aires
16	Arregui, P.	Dickson & Co.	1840s	Buenos Aires
17	Arriola, Jose & Co.	Hodgson & Robinson	1830s	Buenos Aires
18	Arriola, R. G.	Dickson & Co.	1840s	Buenos Aires
19	Arrotea, Manuel de	Hodgson & Robinson; Dickson & Co.	1810s, 1820s, 1830s, 1840s	Buenos Aires
20	Azevedo-Ramos, Manuel	Hodgson & Robinson	1830s	Buenos Aires
21	Barra, Francisco	Hodgson & Robinson	1810s	Buenos Aires
22	Barrera, Juan	Hodgson & Robinson	1820s	Buenos Aires
23	Basarte, Francisco	Hodgson & Robinson	1820s	Buenos Aires
24	Basques, Ramon	Hodgson & Robinson	1810s, 1820s	Buenos Aires
25	Basualdo & Co.	Dickson & Co.	1840s	Buenos Aires
26	Benavides, Juan	Hodgson & Robinson	1820s	Buenos Aires
27	Bengolea, Faustino	Hodgson & Robinson	1830s, 1840s	Córdoba
28	Benguria, Juan	Hodgson & Robinson	1830s, 1840s	Buenos Aires
29	Bengurria, Bernardo & Co.	Hodgson & Robinson; Dickson & Co.	1830s, 1840s	Buenos Aires
30	Berruondo, Jose Miguel	Hodgson & Robinson	1840s	Buenos Aires
31	Bieyra, Pedro	Hodgson & Robinson	1830s	Buenos Aires
32	Blanco-Gonzalez, Manuel	Hodgson & Robinson	1810s, 1820s, 1830s	Buenos Aires
33	Blaye, Angel	Hodgson & Robinson	1820s, 1830s	Buenos Aires
34	Blaze, Angel	Hodgson & Robinson	1830s, 1840s	Buenos Aires
35	Bosch, Cristobal	Hodgson & Robinson	1830s	Buenos Aires
36	Bravo de Rueda, Crisostomo	Hodgson & Robinson	1830s	Buenos Aires
37	Bulbier, Pedro Francisco	Hodgson & Robinson	1840s	Buenos Aires
38	Bursaco, Ramon	Hodgson & Robinson	1810s, 1820s	Buenos Aires
39	Busó, Felipe	Hodgson & Robinson	1820s	Buenos Aires
40	Bustamante, Jose Patricio	Hodgson & Robinson	1810s	Buenos Aires
41	Calvo, Diego	Hodgson & Robinson	1830s	Buenos Aires
42	Calzadilla & Co.	Dickson & Co.	1840s	Buenos Aires
43	Canavery, Juan Manuel	Hodgson & Robinson	1830s	Buenos Aires
44	Cané, Mariano	Hodgson & Robinson	1840s	Buenos Aires
45	Capdevilla, Jose Antonio	Hodgson & Robinson	1830s	Buenos Aires
46	Carranza Hermanos	Dickson & Co.	1840s	Buenos Aires
47	Carranza, Angel	Hodgson & Robinson	1820s, 1830s	Buenos Aires
48	Carranza, Manuel	Hodgson & Robinson	1830s	Buenos Aires
49	Carte, Santiago	Hodgson & Robinson	1810s, 1820s	Buenos Aires
50	Casagemas, Jose	Hodgson & Robinson	1830s	Buenos Aires
51	Casal, Basilio	Hodgson & Robinson	1810s	Buenos Aires
52	Casares, Tomas	Hodgson & Robinson	1830s	Buenos Aires
53	Castellanes, M.	Hodgson & Robinson	1830s	Buenos Aires
54	Castro Hermanos	Hodgson & Robinson; Dickson & Co.	1830s, 1840s	Buenos Aires
55	Caveda-Valle, Manuel	Hodgson & Robinson	1820s, 1830s	Buenos Aires
56	Cazle, James	Hodgson & Robinson	1830s	Buenos Aires
57	Centeno, Sixto	Hodgson & Robinson; Dickson & Co.	1840s	Buenos Aires
58	Cerna, Manuel	Hodgson & Robinson	1820s	Buenos Aires
59	Cerro, Luis	Dickson & Co.	1840s	Buenos Aires
60	Cerro, Manuel del	Dickson & Co.; Hodgson & Robinson; Lafone Barker & Co.	1820s, 1830s, 1840s	Buenos Aires
61	Chaves, Andres	Hodgson & Robinson	1830s	Buenos Aires
62	Chaves, Juan A.	Hodgson & Robinson	1830s	Buenos Aires
63	Cienfuegos, Francisco	Hodgson & Robinson	1820s	Buenos Aires
64	Clavel, Luis	Dickson & Co.	1840s	Buenos Aires
65	Collera, Juan	Hodgson & Robinson	1830s	Buenos Aires
66	Comas, Mariano	Hodgson & Robinson	1810s	Buenos Aires

Native merchants buying textiles from British mercantile houses. A sample for Argentina, 1810s to 1850s

No	Name	Known local British supplier	Known period of operations (*)	Location
67	Cordova, J. D.	Dickson & Co.	1840s	Buenos Aires
68	Costa, Ignacio	Hodgson & Robinson	1820s	Buenos Aires
69	Coyle, Mary	Hodgson & Robinson	1840s	Buenos Aires
70	Cruz-Rodriguez, Juan de la	Hodgson & Robinson	1810s	Buenos Aires
71	Cueto, Manuel	Hodgson & Robinson	1820s, 1830s	Buenos Aires
72	Dias, Juan S.	Hodgson & Robinson	1830s	Buenos Aires
73	Dias, Pedro	Hodgson & Robinson	1820s, 1830s	Buenos Aires
74	Diez, Pedro Pablo	Hodgson & Robinson	1810s	Buenos Aires
75	Dim, Manuel	Hodgson & Robinson	1830s	Buenos Aires
76	Dominguez, Andres	Hodgson & Robinson	1830s	Buenos Aires
77	Echevarria, Tomas	Hodgson & Robinson	1820s, 1830s	Buenos Aires
78	Elgueyro, Prudencio	Hodgson & Robinson	1830s	Buenos Aires
79	Ellonriaga, Manuel	Hodgson & Robinson	1830s	Buenos Aires
80	Elortondo, Lazaro	Dickson & Co.; Hodgson & Robinson; Lafone Barker & Co.	1810s, 1820s, 1830s, 1840s	Buenos Aires
81	Escardo, Florencio	Dickson & Co.	1840s	Buenos Aires
82	Esteves, Jose Maria	Hodgson & Robinson	1820s	Buenos Aires
83	Fabregas, Jose Benito	Hodgson & Robinson	1830s	Salta
84	Fadin, Alejandro	Hodgson & Robinson	1820s	Buenos Aires
85	Faria, Cosme Jose de	Hodgson & Robinson	1810s	Buenos Aires
86	Farias, Pastor	Hodgson & Robinson	1830s	Buenos Aires
87	Fernandez, Antonio	Hodgson & Robinson	1810s, 1820s	Buenos Aires
88	Font, Jose	Hodgson & Robinson	1840s	Buenos Aires
89	Font, Juan	Hodgson & Robinson	1810s	Buenos Aires
90	Fontana, Manuel A.	Hodgson & Robinson	1830s	Buenos Aires
91	Fragueyro, J. M. & Mariano	Hodgson & Robinson	1810s, 1820s, 1830s	Córdoba
92	Freire, Ignacio	Hodgson & Robinson	1820s, 1830s	Buenos Aires
93	Fresco, Teodoro	Hodgson & Robinson	1830s	Buenos Aires
94	Frias, Felix Ignacio	Hodgson & Robinson	1820s, 1830s	Buenos Aires
95	Frias, Pastor	Hodgson & Robinson	1820s, 1830s	Buenos Aires
96	Gabraza, Jose	Hodgson & Robinson	1830s	Buenos Aires
97	Gache, Mariano	Hodgson & Robinson	1840s	Buenos Aires
98	Gache, Pedro	Hodgson & Robinson	1830s, 1840s	Buenos Aires
99	Galarraga, Jose	Hodgson & Robinson	1830s, 1840s	Buenos Aires
100	Gallardo, Jose Maria	Hodgson & Robinson	1820s	Buenos Aires
101	Galliniano, Fermin	Hodgson & Robinson	1810s	Buenos Aires
102	Galo, Juan	Hodgson & Robinson; Dickson & Co.	1830s, 1840s	Buenos Aires
103	Galup, Jose	Hodgson & Robinson	1820s	Buenos Aires
104	Ganzedo, Alejandro	Hodgson & Robinson	1840s	Buenos Aires
105	Garay, Tomas	Hodgson & Robinson	1820s, 1830s	Buenos Aires
106	Garcia & Sotuyo	Hodgson & Robinson	1840s	Buenos Aires
107	Garcia-Posse, Nicolas	Hodgson & Robinson	1810s	Buenos Aires
108	Garcia, Jose Antonio	Hodgson & Robinson	1830s	Mendoza
109	Garcia, Juan Agustin	Hodgson & Robinson	1830s	Buenos Aires
110	Gonzalez, Andres	Hodgson & Robinson	1830s	Buenos Aires
111	Gonzalez, Francisco	Hodgson & Robinson	1830s	Buenos Aires
112	Gonzalez, Manuel	Hodgson & Robinson	1830s	Buenos Aires
113	Gonzalez, Pulino	Hodgson & Robinson; Dickson & Co.	1840s	Buenos Aires
114	Gorordo, Angel	Hodgson & Robinson	1820s, 1830s, 1840s	Buenos Aires
115	Gorostiaga, P.	Dickson & Co.	1840s	Buenos Aires
116	Granel, Joaquin	Hodgson & Robinson	1820s	Buenos Aires
117	Guido, Pedro	Hodgson & Robinson	1830s	Buenos Aires
118	Gutierrez, F. & Co.	Dickson & Co.	1840s	Buenos Aires
119	Gutierrez, Miguel	Hodgson & Robinson	1820s, 1830s, 1840s	Buenos Aires
120	Hargreaves, James	Hodgson & Robinson	1830s	Buenos Aires
121	Hernandez, Salvador	Dickson & Co.	1840s	Buenos Aires
122	Herrero, Angel	Hodgson & Robinson	1820s	Buenos Aires
123	Huergo, Bonifacio	Hodgson & Robinson	1830s	Buenos Aires
124	Huergo, Carlos Manuel	Hodgson & Robinson	1820s	Buenos Aires
125	Ibarbals, Jose Ignacio	Hodgson & Robinson	1820s, 1830s	Buenos Aires
126	Inglis, W.	Hodgson & Robinson	1840s	Buenos Aires
127	Iturruga, Jose	Hodgson & Robinson	1820s, 1830s	Buenos Aires
128	Jarza, Gregorio	Hodgson & Robinson	1840s	Buenos Aires
129	Junge, N. H.	Hodgson & Robinson	1840s	Buenos Aires
130	Lacroze, Juan	Hodgson & Robinson	1820s, 1830s	Buenos Aires
131	Lagos, Jose Antonio	Hodgson & Robinson	1820s	Buenos Aires
132	Lagos, Juan	Hodgson & Robinson	1830s	Buenos Aires

Native merchants buying textiles from British mercantile houses. A sample for Argentina, 1810s to 1850s

No	Name	Known local British supplier	Known period of operations (*)	Location
133	Lamarca, Carlos	Hodgson & Robinson	1830s, 1840s	Buenos Aires
134	Lastra, Manuel de la	Hodgson & Robinson	1830s	Córdoba
135	Lavalle & Macome	Hodgson & Robinson	1830s	Buenos Aires
136	Lavalle, Francisco & Co.	Hodgson & Robinson	1820s, 1830s	Buenos Aires
137	Leguina, Jose	Hodgson & Robinson	1830s	Buenos Aires
138	Lejarza, Simon	Hodgson & Robinson	1830s	Buenos Aires
139	Lisama, J. Gregorio	Hodgson & Robinson	1830s	Buenos Aires
140	Llavallol e Hijos	Hodgson & Robinson	1830s, 1840s	Buenos Aires
141	Llovet, Jose	Hodgson & Robinson	1820s	Buenos Aires
142	Lopez-Seco, Jose	Hodgson & Robinson; Dickson & Co.	1830s, 1840s	Buenos Aires
143	Lopez-Seco, Manuel	Hodgson & Robinson	1820s, 1830s	Buenos Aires
144	Lopez, Idelfonso	Hodgson & Robinson	1830s	Buenos Aires
145	Machado, Mariano	Hodgson & Robinson	1830s	Buenos Aires
146	Mallo, Manuel	Hodgson & Robinson	1830s, 1840s	Buenos Aires
147	Marca, Carlos La	Hodgson & Robinson	1830s	Buenos Aires
148	Marmol, Miguel	Hodgson & Robinson	1810s, 1820s	Buenos Aires
149	Marneol, Miguel	Hodgson & Robinson	1810s	Buenos Aires
150	Martinez, Manuel	Hodgson & Robinson	1820s	Buenos Aires
151	Martinez, Narciso	Hodgson & Robinson	1830s	Buenos Aires
152	Matozo, Pedro	Hodgson & Robinson	1820s, 1830s	Buenos Aires
153	Meabe, Santiago	Hodgson & Robinson; Dickson & Co.	1830s, 1840s	Buenos Aires
154	Mendez, Jose Maria	Hodgson & Robinson	1830s	Buenos Aires
155	Mier, Simon	Hodgson & Robinson	1820s, 1830s, 1840s	Buenos Aires
156	Molina, Antonio	Dickson & Co.	1840s	Buenos Aires
157	Molina, Francisco	Hodgson & Robinson	1830s	Buenos Aires
158	Molina, Luis	Dickson & Co.	1840s	Buenos Aires
159	Monez-Ruiz, Antonio	Hodgson & Robinson	1830s, 1840s	Buenos Aires
160	Montero, Vicente	Hodgson & Robinson	1820s, 1830s	Buenos Aires
161	Mosquera, Ramon	Hodgson & Robinson	1830s	Buenos Aires
162	Muñis, Francisco	Dickson & Co.	1840s	Buenos Aires
163	Navarro, Ildefonso	Hodgson & Robinson	1830s	Buenos Aires
164	Novillo, Jose Ignacio	Hodgson & Robinson	1820s	Buenos Aires
165	Núñez, Tomás	Dickson & Co.	1840s	Buenos Aires
166	Ocampo, Manuel	Hodgson & Robinson; Dickson & Co.	1840s	Buenos Aires
167	Ochoa, Enrique	Hodgson & Robinson	1830s, 1840s	Buenos Aires
168	Olmos, Felix	Hodgson & Robinson	1830s	Buenos Aires
169	Orisol, J.	Dickson & Co.	1840s	Buenos Aires
170	Ormaechea, Manuel	Hodgson & Robinson	1820s	Buenos Aires
171	Ortiz-Basualdo, Jose	Hodgson & Robinson	1840s	Buenos Aires
172	Ortiz, Javier	Dickson & Co.	1840s	Buenos Aires
173	Otaola & Hernandez	Hodgson & Robinson	1830s	Buenos Aires
174	Otuola, Jose Pio de	Hodgson & Robinson	1840s	Buenos Aires
175	Ozamiz, Nicolas de	Hodgson & Robinson	1820s	Buenos Aires
176	Paez, Jose Eusebio	Hodgson & Robinson; Dickson & Co.	1840s	Buenos Aires
177	Payal, Pedro	Hodgson & Robinson	1830s	Buenos Aires
178	Paz, Severo	Hodgson & Robinson	1830s	Buenos Aires
179	Peña, Juan Bautista	Hodgson & Robinson	1820s	Buenos Aires
180	Pequeño, Ygnacio	Hodgson & Robinson	1810s	Buenos Aires
181	Perecena, Nicolas	Hodgson & Robinson	1830s	Buenos Aires
182	Pereda, Celedonio	Hodgson & Robinson	1830s	Buenos Aires
183	Pereda, Fermin	Hodgson & Robinson	1830s	Buenos Aires
184	Pereira, Mariano	Hodgson & Robinson	1830s	Buenos Aires
185	Pereira, Rafael	Hodgson & Robinson	1810s	Buenos Aires
186	Pereira, Simon	Anderson Weller & Co; Best Brothers; R. & J. Carlisle; Dickson & Co.; Hodgson & Robinson; Hughes Brothers & Co; Parlane MacAlister & Co; Tayleur & Co.	1830s, 1840s	Buenos Aires
187	Perez-Millan, M.	Hodgson & Robinson	1830s, 1840s	Buenos Aires
188	Perez, Jose Maria	Hodgson & Robinson	1840s	Buenos Aires
189	Piñero, Justo	Hodgson & Robinson	1810s, 1820s	Buenos Aires
190	Pizarron, Manuel	Hodgson & Robinson	1820s	Buenos Aires
191	Pondal, Luis	Hodgson & Robinson	1830s	Buenos Aires
192	Popas, Francisco	Hodgson & Robinson	1830s	Buenos Aires
193	Porto, Manuel	Hodgson & Robinson	1820s	Buenos Aires
194	Possas, Francisco	Hodgson & Robinson	1830s	Buenos Aires
195	Quintana, Bernabe	Hodgson & Robinson	1820s, 1830s	Buenos Aires
196	Rabago, Manuel	Hodgson & Robinson	1820s	Buenos Aires
197	Rams, Estevan & Rubert	Hodgson & Robinson	1840s	Buenos Aires
198	Raynal, Luis	Hodgson & Robinson	1820s	Buenos Aires

Native merchants buying textiles from British mercantile houses. A sample for Argentina, 1810s to 1850s

No	Name	Known local British supplier	Known period of operations (*)	Location
199	Real de Asua, Agustín	Hodgson & Robinson	1820s	Buenos Aires
200	Regueyra, Manuel	Hodgson & Robinson	1830s	Buenos Aires
201	Rey, Manuel	Hodgson & Robinson	1820s, 1830s	Buenos Aires
202	Riestra, Alvaro	Hodgson & Robinson	1830s	Buenos Aires
203	Rodríguez, Antonio	Dickson & Co.	1840s	Buenos Aires
204	Rodríguez, Juan Manuel	Hodgson & Robinson	1810s	Buenos Aires
205	Rodríguez, Roque	Hodgson & Robinson	1830s	Buenos Aires
206	Rosales & Co.	Hodgson & Robinson	1830s	Buenos Aires
207	Rueda, Crisostomo B.	Hodgson & Robinson	1820s, 1830s	Buenos Aires
208	Rueda, Fermín de la	Hodgson & Robinson	1820s	Buenos Aires
209	Ruiz, Juan Bautista	Hodgson & Robinson	1820s, 1830s	Buenos Aires
210	Salas, Baltasar	Hodgson & Robinson	1840s	Buenos Aires
211	Salas, Ramon	Hodgson & Robinson; Dickson & Co.	1830s, 1840s	Buenos Aires
212	Sanchez, Antonio J.	Hodgson & Robinson; Dickson & Co.	1830s, 1840s	Buenos Aires
213	Sanchez, Francisco Antonio	Hodgson & Robinson	1820s, 1830s, 1840s	Buenos Aires
214	Sanchez, Pedro A.	Hodgson & Robinson	1820s, 1830s, 1840s	Buenos Aires
215	Sanmiguel, Saturnino	Hodgson & Robinson	1830s	Buenos Aires
216	Santamaria, Antonio. Also as Santamaria Llambi & Cambaceres	Hodgson & Robinson	1830s, 1840s	Buenos Aires
217	Santelices, Faustino	Hodgson & Robinson	1820s	Buenos Aires
218	Sastre, Antonio	Hodgson & Robinson	1810s	Buenos Aires
219	Señorans, Estevan	Hodgson & Robinson	1830s	Buenos Aires
220	Serna, S.	Dickson & Co.	1840s	Buenos Aires
221	Serna, Juan Jose	Hodgson & Robinson	1830s	Buenos Aires
222	Sisto, Antonio	Hodgson & Robinson	1820s	Buenos Aires
223	Sosa-Diaz, Juan	Hodgson & Robinson	1820s, 1830s, 1840s	Buenos Aires
224	Sosa, Lauriano	Hodgson & Robinson	1820s	Buenos Aires
225	Texeira, Jose	Hodgson & Robinson	1810s	Buenos Aires
226	Torre, Jose Joaquin & Co.	Hodgson & Robinson	1820s	Buenos Aires
227	Torres, Natal & Hermanos	Hodgson & Robinson; Dickson & Co.	1830s, 1840s	Buenos Aires
228	Uriburu, Juan	Hodgson & Robinson	1840s	Buenos Aires
229	Valle, Juan Antonio del	Hodgson & Robinson	1830s	Buenos Aires
230	Varela, Jacobo	Hodgson & Robinson	1820s	Buenos Aires
231	Velar, Jose Antonio	Hodgson & Robinson	1840s	Buenos Aires
232	Velar & Fernandez	Hodgson & Robinson	1840s	Buenos Aires
233	Videla, Agustín	Hodgson & Robinson	1830s	Buenos Aires
234	Vilas, Jose Antonio	Hodgson & Robinson	1830s	Buenos Aires
235	Villar, Martin del	Hodgson & Robinson	1830s	Buenos Aires
236	Villarino, Manuel	Hodgson & Robinson	1820s	Buenos Aires
237	Viñas, Rufino	Hodgson & Robinson	1820s	Buenos Aires
238	Yañez, Martin	Dickson & Co.	1840s	Buenos Aires
239	Ybaseta, Pedro	Hodgson & Robinson	1830s	Salta
240	Ychaso, Mariano	Hodgson & Robinson	1810s	Buenos Aires

(*) For the period c.1810-1859 only. Later decades were not included.

Source: own elaboration from most primary sources used in the thesis (see bibliography)

Chapter 4

Knowing, adapting to, and managing demand

Before the collapse of the Spanish Empire, there were no British merchants resident in the Southern Cone and, consequently, the British did not have first-hand knowledge of the market (see Chapter 2, pp. 19-24). Rather, they worked through intermediaries as most British goods consumed in the Southern Cone were ordered by Spanish and Creole merchants, at least as far as ‘supply-led-by-demand’ is concerned. This is not to say that ‘autonomous’ British production could not have reached the spot, particularly those goods not produced locally (e.g. fine cottons, linens and silks).

Independence brought a commercial revolution. From around 1810, British merchants established themselves on the spot for the first time and, henceforth, gave instructions with a great deal of precision about what to produce and what to ship. Needless to say, the ordering of products was ultimately dictated by local demand. The relationship between supply and demand was not automatic but, rather, involved a very complex process. Unfortunately, with economic historians paying little attention to patterns of consumptions, not much is known about the demand for textiles in the Southern Cone. The literature has treated consumers as if they were ‘inmates wearing whatever garment the prison provided’. Things, though, were more complicated. As observed by a local merchant: ‘inhabitants are very poor & cannot afford high prices, though not one of them will wear second cloth coat’.¹ Similarly, in neighbouring Brazil, after a bad run of unsuitable consignments, a local merchant had to address his anxious supplier in hard terms: ‘Did you really suppose that because you shipped them, the Portuguese were obliged to buy them? The fact is that your goods could not be sold at any price ... We could not compel people to buy goods they did not want’.²

Portraying the local population as passive consumers is not only a misrepresentation made by European academics, but also by Latin American scholars, who have concentrated on production and exports of local produce, neglecting patterns of consumption. In the words of an eminent historian: ‘there are actually very

¹ NA, E/140/26/15, Brown to Farrer (Farnley). Valparaiso, 24 April 1821.

² UGD/28/1/5, Wylie to Dalglish (Glasgow). Bahia, 1 June 1814.

few attempts to explain why people acquire the things they do or to follow out the implication of certain patterns of consumption'.³ The purpose of this chapter is to throw fresh light on the subject by extending previous findings⁴ but, above all, by exploring new topics.

British merchants on the spot: the eyes and ears of British manufacturers

Whatever the nature of the relationship between merchants in Britain and houses on the spot (shown in Chapter 3), it is clear that the latter became the eyes of both manufacturers and merchants in the United Kingdom. In the words of a London merchant in letter to his first agent in Valparaíso:

you must not fail to send us the very best information you can collect of the capabilities of the country ... accompanied by a full statement of the articles consumed there, prices, colours, duties, charges & large patterns with directions for the proper mode of packing and an idea of the quantities ... to be safe to send monthly ... In short your object must be to make us complete Masters of the status of your markets in every branch that we may be the better able to forward your views & promote the general welfare of your South American establishments.⁵

Further instructions were sent a few months later, stating that:

to the importance of obtaining notes & assortments for articles it is almost needless to advert as no person can be in the market a week without seeing its absolute necessities and I therefore take for granted that this will be a point that will receive your most serious attention. You will already have seen that this is a limited market for many articles ... You will therefore see how necessary it is to become acquainted with the taste of the market and write home with the necessary information. The widths, lengths and qualities of goods are objects of the finest importance to become acquainted with and you will do well therefore to give them your best attention.⁶

When Balfour Williamson started to operate in Chile, the partner in Liverpool had the following thoughts:

I think that once ... you come to have a perfect understanding of the value of goods so as to be able to write home exactly what qualities to buy and what assortments the goods should come out of their qualities and their assortments [they] will be sent you precisely as they are written for in the nearest styles & you will I have no doubt be able to sell regularly on arrival and this traffic will remunerate in the long run more handsomely than any

³ A. Bauer, *Goods, power, history* (Cambridge, 2001), p. xv. Even for North America, which has attracted more attention in the scholarship, the 'literature dealing with colonial consumption is surprisingly thin'. T. H. Breen, 'An empire of goods: the Anglicization of colonial America, 1690–1776', *The Journal of British Studies*, Volume 25-4 (1986), p. 477.

⁴ M. Llorca-Jaña, 'Knowing the shape of demand', MA Dissertation, University of Leicester (2005).

⁵ Quoted in Llorca-Jaña, 'Knowing the shape', p. 7.

⁶ AGSP, MS 11033-1, Hayne to Judge. Santiago, 27 May 1826.

other I know of. I am very glad to notice that you are at present so completely in the way of obtaining thorough & particular knowledge of dry goods.⁷

It is unthinkable that British exports could have expanded as they did in the Southern Cone during the first half of the nineteenth century without the information provided by houses on the spot. In this respect, a letter received by Hugh Dallas, one of the first British merchants to be established at Buenos Aires, from two Liverpool and Glasgow merchants, is very eloquent. Dallas had requested their services for the 'supply of British manufactures' and they replied:

Woollens we can send you a regular supply ... In order that we may be enabled to do business to advantage we will require from you monthly a list in the form of an order for the whole goods you wish us to send at one time, naming the quantity, quality, & price that could be obtained for them. As for woollens be most minute in describing quality, breadth and colour, in printed goods please attend to the same thing, and always when in your power send patterning. Provided you furnish us with the necessary information we can at all times procure you business to your satisfaction, but until this is done, we fear our services or that of our Glasgow House will be of little value.⁸

The information collected by merchants' agents on the spot was crucial for deciding which products had to be produced and exported and this was very well understood by the main actors involved in the textile trade. Indeed, after a few months of having arrived in Brazil, a pioneer British merchant, who also opened a house at Buenos Aires, reported that he had sold very well, but that 'would by this time have sold double the quantity if I had had the goods suitable for the market, notwithstanding all the competition I have had to fight against'.⁹ As stated in a report sent to Woodbine Parish, the first British consul recognised by Buenos Aires, initially trade 'was subject to great fluctuations' as 'articles badly suited to the demand were imported. But these evils gradually corrected themselves; the wants of the country were daily better understood and more regularly supplied'.¹⁰ The 'wants of the country' are the topics of the next sections.

⁷ BWP, Box 17, Volume 3, Balfour to Williamson. Liverpool, 29 August 1851.

⁸ HDP, Jennet, Hamilton & Co. to Dallas (Buenos Aires). Liverpool, 26 November 1818.

⁹ UGD/28/1/1, Wylie to Hancock (Bahia). Rio de Janeiro, 19 May 1809.

¹⁰ FO 354/8, Report of the British Committee. Buenos Aires, 29 July 1824.

General remarks on the demand for textiles

As with present-day textiles, nineteenth-century textiles were very heterogeneous products. Of the major products traded around the world, there are few more diverse than textiles, at least as far as shape, texture, sizes, width, raw materials, quality and colour are concerned. A generic list of some textiles exported by Britain to the market under study points to the full extent of this diversity (Table 4.1).

Table 4.1
Main textile products exported by Britain to the Southern Cone, c. 1810–1855

apparel	canvas	Florentines	listings	quilting	starcloths
bandannoes	carpets	frieze	long cloth	ribbons	stockings
baizes	coatings	fringes	madapolams	rugs	table cover
bayetones	Corahs	fustians	merinos	saddle covers	tapes
billiard cloth	counterpane	ginghams	nankeens	sail cloth	tapestry
blankets	coverlids	gunny bags	narrow cloth	sarsenets	thread
bramantes	domestics	handkerchiefs	nets	satteens	trowsers
bombazeens	domett	hessian	plain fabrics	saved lists	twills
bombazetts	drills	hosiery	plates	shawls	velveteen
broad cloth	duffel	jergas	platillas	shirtings	waist-coatings
camblets	fajuelas	laces	ponchos	sheeting	wearing apparel
cambrics	flannels	lastings	printed fabrics	short cloth	yarn

Source: own elaboration

This list does not consider differences in raw materials, colours, widths, sizes, designs and so on, which would have generated not 72 products but several thousand. This emphasises the complexities involved in the trades that are the focus of this research. What generic products were in great demand when making an order? Carpets, blankets, shawls, shirts, handkerchiefs, quilts, dresses or ponchos? Which assortments and colours were most required for each category of goods? Check carpets, stripped carpets, flowered carpets or one-coloured carpets? Which sizes and in which quantities and in which qualities? These, and many others, were questions which had no easy answer.

Responses to such questions had to be translated, ultimately, into precise and periodical orders for goods to be shipped from the United Kingdom. Any mistake would be disastrous for all concerned. Furthermore, the Southern Cone's demands were as dynamic as they were exigent and competition was high. Native dealers were, no doubt, in positions to ask foreign houses on the spot for very particular products.

There was not only a great deal of competition among the British houses, but also with US, Belgian, German and French establishments.¹¹

Table 4.2
Chilean imports for national consumption, shares by main origins, 1844–1879

Period / Origin	1844-1849	1850-1859	1860-1869	1870-1879
United Kingdom	39%	34%	41%	41%
France	10%	17%	22%	20%
USA	9%	14%	7%	6%
Germany	8%	9%	8%	10%
Belgium	1%	2%	3%	2%
Brazil	3%	4%	3%	2%
Bolivia	8%	1%	1%	2%
Peru	13%	5%	6%	7%
Argentina	1%	5%	5%	6%
Others	10%	9%	5%	4%

Source: own elaboration from *Estadística comercial de la República de Chile* (Valparaíso, 1844-1880)

Table 4.2 shows the competition faced by Britain from other European and North American suppliers in the Chilean market between 1844 and 1879.¹² British

¹¹ Histories of US, Belgian, German and French houses in the Southern Cone have yet to be written. According to Reber, by 1850 at least 21 French mercantile houses were established in Buenos Aires, as well as at least five from the USA. In 1863, there were three Belgian houses, 16 German, 12 French and six from the USA. V. B. Reber, *British mercantile houses in Buenos Aires, 1810–1880* (Cambridge-MA, 1979), pp. 82-84. Baring Brothers' agent at Buenos Aires also reported the importance of other foreign houses in the River Plate. HC/16/115, List of English establishments at Buenos Aires and Montevideo, June 1844. In turn, in 1832 in Buenos Aires there were consuls from France, Belgium, the USA, Hamburg and Frankfurt, which is also indicative of the commercial interest that these countries had in the region. FO 6/41, Hamilton to Palmerston (London), Buenos Aires, 11 December 1834. In Chile, in 1850 there were 18 French mercantile houses, nine from the USA, 17 German and one from Belgium. FO 16/52, Rouse to Palmerston (London). Valparaíso, 20 December 1850. As far as textiles are concerned, French houses specialised in luxuries, while US houses specialised in coarse cottons and the Germans in calicoes, woollens and linens. Likewise, the Belgian houses traded mainly in cottons and wool products. For more about the competition faced by the British from foreign houses see FO 354/8, Report of the British Committee. Buenos Aires, 29 July 1824; FO 16/43, Report of the State of Trade of Chili. Santiago, 15 June 1841; FO 16/52, Commercial Report. Santiago, 8 August 1844; FO 16/89-B, Harris to the Earl of Clarendon (London). Santiago, 25 September 1854; FO 16/95, Harris to the Earl of Clarendon (London). Santiago, 13 September 1855; GFDP, Hughes to Garrett (London). Buenos Aires, 22 April 1843 and Hughes to Dickson & Co. (London). Buenos Aires, 20 August 1846; GHR/5/1/1, Hodgson to Mundt & Co. (Berlin). Buenos Aires, 18 January 1819; HC/4/1/3/1, Robertson & Co. to Baring Brothers (London). London, 21 July 1817.

¹² These are figures for aggregated Chilean imports, not for textiles in particular. Yet, they provide invaluable information. For Chile, there are no figures available for early periods, nor for Buenos Aires during the first half of the century. Yet, patchy evidence indicates that Britain had a 51 per cent share in aggregated imports by Buenos Aires in 1822, while the comparable shares for the USA and

exporters had to offer exactly the sort of goods demanded at a particular point of time. In the words of a pioneer in the River Plate market ‘our present competition is so great, that goods must be manufactured entirely for these markets to make anything by them’.¹³ Sending the wrong bale could mean, in most cases, a very slow turnover as well as overstocking of goods on the spot. Besides, unsuitable goods had to be sold at lower prices or be redistributed to other markets for which they were not intended. All this was translated into cash problems and payment of interest for unsold goods, among other difficulties associated with a bad delivery.

Peculiarities of the Southern Cone market

The Southern Cone market had many peculiarities for British suppliers in our period of study. First of all, though not a new market, the British faced a learning curve during the first years of direct commercial intercourse that had a very steep gradient. Secondly, the Southern Cone was a very remote outlet. It was not the only distant market supplied by British manufacturers, but at the time of independence in the Southern Cone, British exports of textiles largely went to Europe and North America. In 1814–1816, 75 per cent of all British exports of cottons, wool products and linens went to Europe and North America, but by 1854–1856 this proportion had fallen to 43 per cent.¹⁴ Remote markets had gained increasing importance, though only after a painful process of knowing and adapting to faraway and lower income demands. There were material differences when supplying a remote market if compared with exporting to closer and better off outlets. For example, a recent publication shows that before the 1770s there were British textile merchants visiting the east coast of the USA and that later there were also movements in the opposite direction, with US and European textile traders establishing in Britain.¹⁵ A historian of the worsted industry has observed that during the 1820s

many foreign merchants, who previously employed agents, or obtained their supplies from consignments sent to them by English merchants, began to

continental Europe were 12 per cent and 20 per cent, respectively. FO 354/8, Report of the British Committee. Buenos Aires, 1824. Appendix 8.3 provides further and useful evidence.

¹³ UGD/28/1/2, Wylie to Dalglish (Glasgow). Buenos Aires, 23 December 1809.

¹⁴ Own calculation from R. Davis, *The industrial revolution and British overseas trade* (Leicester, 1979), pp. 97 and 101.

¹⁵ K. Morgan, ‘Business networks in the British export trade to North America, 1750–1800’, in J. J. McCusker and K. Morgan (editors), *The early modern Atlantic economy* (Cambridge, 2000), pp. 41 and 45. For examples of US and European textile merchants visiting Britain, see S. D. Chapman, ‘The international houses: the continental contribution to British commerce, 1800–1860’, *JEEH*, Volume 6 (1977), pp. 14–15.

settle in the worsted districts of the West-Riding ... [and] stimulated the manufacturers to make, in the best manner, fabrics suited for the respective continental marts.¹⁶

In contrast, it is difficult to imagine in the case of the Southern Cone during the early nineteenth century either a British manufacturer travelling there, or a Chilean merchant visiting Britain, let alone one setting up in the United Kingdom.¹⁷ It was too onerous and problematic for a British manufacturer to visit such a faraway market where a different language was spoken and when a return trip could take a year to complete. The following extract cannot be more eloquent about the language barriers:

You have not been keeping your Spanish polished up I fear. Instead of saying to my wife 'yo beso sus manos' (I kiss your hands), you say 'yo peso las manos' (I weight the manna) which permit me to remark is sheer absurdity! Again kindly take note that only to a gentleman can you write 'yo beso sus manos' or 'sus manos beso', and that a Lady would be indignant at such a masculine expression of respect. In carrying your regards to a Lady you have to say 'me pongo a sus pies señorita', 'I cast myself at your feet good lady'.¹⁸

All in all, for remote markets exporters had to rely overwhelmingly on what agents on the spot reported.

By having eyes and ears on the spot, problems were diminished but not completely solved. Communications between Britain and the Southern Cone were very slow and unreliable, while the demand was dynamic, quickly changing over time. For instance, a message sent from Chile to Liverpool would get an answer only eight months later, by which time the demand could have changed dramatically or a competitor could have anticipated it. As succinctly summarised by a merchant on the spot 'in distant markets like ours ultimate gluts and scarcity of goods are infallible'.¹⁹ The subsequent impact of the transport revolutions in the late 1870s was well précised by a local consul:

Goods are now ordered by telegraph as required, and brought out by steamer, thus diminishing market fluctuations and exposing traders to less risk. The absence of season demand is becoming noticeable, the extension

¹⁶ J. James, *History of the worsted manufacture in England* (London, 1968), p. 411.

¹⁷ The only known evidence for this author of a native merchant visiting Britain is that of Nicolás Anchorena in 1818. G. Mira and A. Gil, 'Minería, comercio y moneda en un período de transición', in M. A. Irigoien and R. Schmit (editors), *La desintegración de la economía colonial* (Buenos Aires, 2003), p. 48.

¹⁸ BWP, Box 4, Volume 2, Williamson to Collie. Liverpool, 22 January 1861.

¹⁹ GHR/5/1/2, Green & Hodgson to Fielden Brothers (Manchester). Buenos Aires, 21 June 1824.

of telegraphs and railways enabling buyers to supply their immediate want in lieu of, as formerly, laying in stock of twelve months.²⁰

Even if agents on the spot could establish with certainty the sort of goods that would be in most demand, they still had the great ‘difficulty of specifying, in words, and at a distance of several thousands miles and several months, exactly what was wanted’.²¹ It was a hard mission to write orders in an understandable language that allowed the British manufacturer to produce and export exactly the goods that agents had in mind. The following is a good example of said difficulty:

Our Valparaiso friends sent us in their last letters full particulars for an assorted cargo of British goods, from which we copy what relates to print and white goods: ‘20 cases fine prints latest style, handsome choice patterns, white red and sky blue ... 5 cases fine turkey red prints with black patterns and black with turkey red patterns, in imitation of French or Surfs prints, new styles in set patterns, figures not flowers, avoiding all small patterns ... 30 cases fine ... fancy prints ... new handsome styles, fast colors, the principal ground colors to be deep cinnamon or chocolate, different shades ... next to these purple, lilac, and a few light blue, also black with pink and scarlet or light blue, avoiding white, green (both in ground color and patterns) and bright yellow’.²²

From this long quotation, the reader may be left with the feeling wondering what exactly this letter was about. This happened even to the manufacturers, as seen in this extract: ‘of the order in your letter of the 1st July we cannot make out what is meant by 3 dozens false buckles, the term not being understood by the manufacturers’.²³

Even in face-to-face contacts, it was difficult to explain what exactly was wanted. In 1812, John Wylie made a trip from Brazil to Britain to consolidate his business in South America. Once there, he decided to entrust the production of some handkerchiefs to a Lancashire manufacturer, the pattern representing musical instruments used by the Brazilians. Unable to explain the exact designs he wanted, he was forced to make this special request to his partner on the spot:

Have the goodness to send me per first safe conveyance ... the different musical instruments that the Negroes play upon on the streets. I have another idea which I think will do most capitally for a handkerchief, but cannot get an artist here to understand it without the instruments. The Negroes will sell you them readily enough, and send one of every description you can meet with.²⁴

²⁰ BPP, 1878, LXXIII (C1993), ‘Report by Consul Murray’.

²¹ J. Smail, *Merchants, markets and manufactures* (Hampshire, 1999), p. 83.

²² HPEL, Volume 17, Huth & Co. to Du Fay & Co. (Manchester). London, 17 March 1837.

²³ WLP, Volume 5, Lupton & Co. to Luptons & Luccock (Rio de Janeiro). Leeds, 6 November 1809.

²⁴ UGD/28/1/3, Wylie to Hancock (Bahia). Liverpool, 28 February 1812.

To sum up, there were two major issues when ordering British textiles from the Southern Cone: entrusting manufacturers with making incredibly specific pieces of cloth; and ensuring the opportune arrival of these products. Extremely precise assortments were ordered for a particular demand at a certain period of time. Within this context, there was no better way to specify the unambiguous piece of cloth wanted than sending a sample of the intended garment using the fastest means of communication available. As stated by a manufacturer in Leeds ‘a pattern is better than any description’.²⁵ Without any doubt, the efficient management of textile samples had a huge relevance, not only because it ensured the production of the wanted product, but also its opportune arrival. As well stated by Wylie: ‘whatever we write for ought to be sent out immediately, or not at all, as the Lads here begin to understand the trade better than they did & keep sending home patterns of every thing that suit the market’.²⁶ The next sections focus on these two major issues.

Exactitude of the order, sending samples from the spot

At the beginning of direct and legal commercial intercourse between Britain and the Southern Cone, it was not unusual for British exporters to send textiles based on their intuition or second-hand knowledge of the market. Most of these ventures failed.²⁷ Not unusually, early British textile shipments to South America were regarded as ‘the most complete collection of rubbish that ever disgraced’ the recently opened ports.²⁸ In time, exports to Argentina and Chile were sent after clear indications from agents on the spot. The best mode of sending market requirements was by supplying a sample of a garment to be imitated or recreated by the manufacturer. It has already been shown in a previous paper that as part of the strategies to penetrate new markets British exporters imitated the produce of local craft industries.²⁹ Imitation of goods in most demand became the easiest way to ensure ready sales.³⁰

²⁵ WLP, Volume 14, Lupton & Co. to Scurr (Rio de Janeiro). Leeds, 19 June 1824. The Luptons made echo of a previous lesson taught from the spot: ‘we have sent you few patterns of various goods ... You will learn more from them than from my letters’. Volume 4, Luccock to Luptons & Luccock (Leeds). Rio de Janeiro, 25 May 1809.

²⁶ UGD/28/1/5, Wylie to Hancock (Liverpool). Bahia, 26 August 1813.

²⁷ For some examples see Llorca-Jaña, ‘Knowing the shape’, pp. 42–43; HDP, Miller & Co. to Dallas (Buenos Aires). Rio de Janeiro, 8 June 1818.

²⁸ UGD/28/1/3, Wylie to Dalglish (Glasgow). Manchester, 7 March 1812.

²⁹ See Llorca-Jaña, ‘Knowing the shape’, for a study on the imitation of ponchos, pp. 50–57.

³⁰ For few examples of British manufacturers receiving samples from the Southern Cone to be imitated see HPEL, Volume 4, Huth & Co. to Johnston Galbraith & Co. (Glasgow). London, 17 November 1829; Huth & Co. to Stansfeld (Manchester). London, 10 and 17 November 1829; Volume 7, Huth &

With the time, the ‘national’ source of the product to be imitated did not matter. Agents sent samples of not only Araucanian, Cordobés or Santiago del Estero textiles, but also a wide range from other sources. Local industries did not produce all textiles for the inhabitants of the recently created republics. Local production was confined to coarse woollens or cheap cottons, and a great many other products had always been imported. Not surprisingly, there is considerable evidence of British imitated patterns being taken from a wide range of countries, from Boston to Araucania and from there to India.

For example, in 1829, Huth, Gruning & Co. sent to Huth in London samples of gingham imported by another house from Antwerp,³¹ while the Valparaiso house requested some goods from Ferguson & Co., a Belfast merchant, specifying that ‘these linens are to be in imitation of those manufactured at Ghent in Flanders, as the pattern is’.³² The same house also sent home US cotton samples (e.g. twilled domestics) during the 1830s.³³ Other examples of foreign goods to be imitated are abundant in the correspondence of other merchant houses, as with Balfour Williamson, who were in the habit of requesting imitations of German products.³⁴ Similarly, from Argentina, Dickson & Co. mailed to London: ‘I send per present conveyance samples of Portuguese lienzo of American manufacture & also some white American domestics & would recommend you trying a small lot’³⁵ and on another occasion samples of French cottons.³⁶ Copying patterns also involved British manufacturers imitating one another’s goods³⁷ and, by a certain stage, the national origin of a pattern become impossible to track. A German garment arriving in Chile could have been an imitation of a French or Belgian product that was subsequently copied in Britain and then re-imitated anywhere.

Co. to Stansfeld (Leeds). London, 17 January and 16 February 1831; Volume 13, Huth & Co. to Steward & Wilson (Glasgow). London, 1 February 1834; Huth & Co. to Saltmarshe (London). London, 13 February 1834; Volume 16, Huth & Co. to Rawson (Halifax). London, 22 September 1836; Volume 17, Huth & Co. to Webster & Sons (Morley). London, 25 January 1837; Volume 18, Huth & Co. to Stansfeld (Manchester). London, 23 October 1837; AGSP, MS 11469-1, Maverak to Davy. Valparaiso, 20 February 1849; MS 11469-2, Despatch No. 174. Valparaiso, 15 September 1856.

³¹ HPEL, Volume 4, Huth & Co. to Stansfeld (Leeds). London, 17 November 1829.

³² HPEL, Volume 20, Huth & Co. to Ferguson & Co. (Belfast). London, 7 August 1838.

³³ HPEL, Volume 13, Huth & Co. to Stansfeld (Manchester). London, 2 April 1834.

³⁴ BWP, Box 4, Volume 1, Williamson to Duncan. Liverpool, 1 July 1859.

³⁵ GFDP, Hughes to Garrett (London). Buenos Aires, 18 August 1841.

³⁶ GFDP, Hughes to Dickson & Co. (London). Buenos Aires, 1 October 1847, and Circular No. 3. Buenos Aires, 1 June 1843 (for woollens).

³⁷ For an example see UGD/28/1/3, Wylie to Dalglish (Glasgow). Manchester, 22 February 1812.

Whatever the source of a pattern, the stress that merchants placed on sampling cannot be overemphasised. The most important enclosures in letters were both textile samples and the reports of the success (or failure) of previously received patterns.³⁸ These were a crucial element in the market chain for Britain's export of textiles, very evident in the first memorandum produced by Gibbs & Sons regulating the operations of their branches. It was clearly stated there that one of the main duties of the branches was to collect 'patterns and sending home such information on the goods adapted for this market'.³⁹ This was a common feature of British merchant houses. Even the duties of attending to correspondence were postponed in favour of sample collection. For instance, Dickson's agent at Buenos Aires wrote to London: 'I am busy preparing a number of samples of xergas, ponchos, faxas, ligas, argollas, frenos, &c, &c & you must therefore excuse my not answering your late letters'.⁴⁰ Similarly, in the early 1860s, two British merchants connected with Balfour Williamson decided to open a house in Buenos Aires and asked Williamson to supply them from Liverpool. His first advice was to 'go about the tiendas & almacenes and collect samples of prints of all sorts'.⁴¹

Every opportunity for sending samples to Britain was taken and special missions were also arranged. A historian of Antony Gibbs stated that

another measure by which A. Gibbs & Sons sought to strengthen themselves ... was to order Moens to send a man home every nine months with samples and news of the markets who would visit all their actual or prospective consigning friends. The cost of each such trip would they thought be about \$500.⁴²

Similarly, Kindermann, the right hand of Huth at Valparaiso, was also in the habit of travelling to Britain, Ireland and continental Europe, carrying samples and paying visits to the main textile districts from Sanquhar to Germany.⁴³

³⁸ See in particular AGSP, MS 11469-2. For a good example of recommendations to improve patterns see BWP, Box 4, Volume 2, 'Recommendations for goods'. Valparaiso, December 1862; Volume 1, Williamson to Duncan. Liverpool, 31 December 1859; Williamson to Crossley & Sons (Halifax). Liverpool, 6 April 1859; HPEL, Volume 3, Huth & Co. to Rawson & Saltmarshe (Halifax). London, 9 April 1829; Volume 13, Huth & Co. to Steward & Wilson (Glasgow). London, 1 February 1834; Huth & Co. to Stansfeld (Leeds). London, 23 June 1834.

³⁹ AGSP, MS 11033-1, Hayne to Judge. Santiago, 27 May 1826.

⁴⁰ GFDP, Hughes to Garrett (London). Buenos Aires, 17 and 28 September 1844.

⁴¹ BWP, Box 4, Volume 2, Williamson to Wyndham (Buenos Aires). Liverpool, 8 April 1861.

⁴² J. A. Gibbs, *The history of Antony and Dorothea Gibbs* (London, 1922), p. 408. For Moens' interviews with several manufacturers in Birmingham and Manchester see AGSP, MS 19867, Moens to Gibbs & Sons (London). Manchester, 30 and 31 December 1823; 3 January 1824.

⁴³ HPEL, Volume 12, Huth & Co. to Halliday (Sanquhar). London, 25 November 1833.

Reverse sampling

So far, the most obvious benefits of sampling – the plain and ‘mechanical’ imitation process – have been considered. However, as important as the collection and posting of samples was the circulation of samples on the spot. For those houses with branches in different outlets (e.g. Huth & Co.), samples of new goods were widely passed among local branches (e.g. Lima, Santiago, Tacna, Valparaiso). Similarly, firms without branches but with associated houses (e.g. Jackson & Co. of Montevideo and Hodgson & Robinson of Buenos Aires) also circulated samples between one another. Furthermore, samples were circulated among local customers within each house’s business area.

The Gibbs papers contain the richest information on this topic in the surviving correspondence between the different branches on the West Coast. They show that samples were extensively circulated to gain general feedback about goods either just arrived or in the pipeline. For instance, Gibbs’s agent at Valparaiso requested the agent at Santiago to

show them [the samples] to Humery [a client] & let him point out to you the most suitable styles & combinations of colours of these & also of those which he bought, by giving us the number of patterns & colours as marked on the ticket of such we shall know to guide us in our report to the manufacturer. [They also wanted to know] of such pieces which we can recommend being repeated & also of those which are unsuitable.⁴⁴

Samples of unsold goods were also circulated between branches to run off old stocks, as seen in this case: ‘we send you samples of this case for report; here this article is rather depressed & besides the stripes [are] not quite to the taste of our dealers’.⁴⁵ Similarly, ‘in Frey we shall send you samples of other designs in sight of which we hope you will be able to assist us in the disposal of our old stocks’.⁴⁶ This practice was used by most houses which had more than one local branch, or by those with associated houses in other centres.

On many occasions, sampling was a two-stage process. If in some cases sending a pattern from the Southern Cone to the United Kingdom produced an immediate order to produce, in many others it was just the first stage in a more complicated process. In other words, sending a sample to the manufacturer was not

⁴⁴ AGSP, MS 11469-3, Eggert to Brown (Santiago). Valparaiso, 9 and 13 April 1860.

⁴⁵ AGSP, MS 11469-2, Despatch No. 174. Valparaiso, 15 September 1856.

⁴⁶ AGSP, MS 11469-2, Despatch No. 254, 15 August 1857. For other examples on this topic see Despatch No. 201, 30 September 1857; Despatch No. 264, 31 December 1857; Despatch No. 265, 15 January 1858.

always enough to initiate production on a sizeable scale. Before that, many times, the merchant waited until dealers on the spot had received, analysed and commented upon re-samples (the sample made by the manufacturer based on the sample received from the Southern Cone). This re-sampling may be termed 'reverse sampling'.

This apparently cautious measure was justified because often the bales from British manufacturers differed from the sample previously sent and probably shown in advance to local dealers. There was, for instance, the case when Dickson's house at Buenos Aires acquainted the London headquarters that Mr Blayer, a local customer 'has made a "reclamo" on Mr. Hartley's poncho baize as not being equal to sample'.⁴⁷ To avoid these *reclamos* and, as stated by a manufacturer to Huth, 'we never ship extensively of any article until we had sent sample cases and felt warranted by the result & your recommendations that they would meet with a ready sale'.⁴⁸ The manufacturer waited until he had received this sort of feedback: 'the purchaser approved the quality & patterns of the double width poncho stuff [sent as a trial], so you may continue sending same [in bigger scales]'.⁴⁹ A passage from a letter from Gibbs is also very eloquent. The agent at Valparaiso sent a box to Santiago,

containing some new samples of carpeting ... for report ... & give us your opinion on styles, colours & patterns, as these are merely samples not as yet representing any good on the road, any suggestion or alteration which you ought propose will be useful, for instance you will see that some styles which look bad in the sample might be very suitable in another combination of colours.⁵⁰

⁴⁷ GFDP, Hughes to Garrett (London). Buenos Aires, 16 February 1842. In 'future contracts', samples previously shown to local dealers were the only proof of the promised goods. If a difference arose, samples became invaluable evidence in local tribunals. For an example of this see the case of Alvarez & Donoso against Tayleur, Claude & Co. It started when Alvarez & Donoso re-sold some goods to Ignacio Vicuña, which had been previously bought from Tayleur, Claude & Co. An infuriated Vicuña cancelled the sale because the final goods received were different from the samples previously shown to him when the order was placed. ANCH-AJS, Volume 1541-7. Santiago, 27 February 1829. For a similar case see UGD/28/1/2, Wylie to Coucher (Rio de Janeiro). Buenos Aires, 13 January 1810; Wylie to Walliss (Rio de Janeiro). Buenos Aires, 13 and 22 January 1810.

⁴⁸ HPGL, MS 10700-5, Clarke & Co. to Huth, Gruning & Co. (Valparaiso). Manchester, 3 May 1837. Similarly, other textile manufacturer shipped to Hodgson & Robinson some samples of ponchos requesting Hodgson's opinion about whether to produce them on a larger scale. See GHR/5/2/5, Faulkner to Hodgson & Robinson (Buenos Aires). Manchester, 9 August 1833.

⁴⁹ GHR/5/1/5, Hodgson & Robinson to Faulkner (Manchester). Buenos Aires, 16 June 1834.

⁵⁰ AGSP, MS 11469-3, Eggert to Brown (Santiago). Valparaiso, 15 May 1859. For more examples of exporters sending patterns to get feedback see: HPEL, Volume 7, Huth & Co. to Schwann (Huddersfield). London, 3 March 1831; Volume 43, Huth & Co. to Webster & Sons (Morley). London, 11 July 1844; HDP, Thiesen to Dallas (Buenos Aires). London, 3 December 1817; Jennet, Hamilton & Co. to Dallas (Buenos Aires). Liverpool, 2 April 1819; BWP, Box 4, Volume 1, Williamson to Duncan. Liverpool, 30 October 1858.

British manufacturers also improved patterns on their own initiative. For instance, in 1835, some poncho samples were sent to Faulkner to be imitated, but he replied to his correspondent that he was working on a new product ‘on the same principle as yours but much lighter, a summer affair’, of which he would send the first re-sample available.⁵¹ Not all textiles sent to the Southern Cone were based on imitation. It would be unfair to manufacturers to label them as mere imitators and passive agents. Indeed, not only samples were improved but also some British exports consisted of products developed on the producer’s initiative. As previously mentioned, Southern Cone craft industries did not make substitutes for all textiles produced in Europe. For instance, cotton handkerchiefs were solely supplied from abroad. Indeed, British manufacturers used to send as a ‘presentation card’ to merchants either in Liverpool or London samples of their own manufacture to show exactly what they were capable of producing.⁵² Rather than always waiting for samples from the spot, merchants often suggested that ‘whenever you want goods write to several makers [in Britain] for samples’.⁵³

The impact of sampling and reverse sampling

What sort of recommendations were received by exporters for improving their products? Most concerned shapes,⁵⁴ colours and widths,⁵⁵ as well as figures in the patterns. Perhaps surprisingly for many, quality was not an important issue. As stated by James Hodgson: ‘the quality of the cloth is a secondary consideration, an inferior article well filled & of suitable style will invariable produce near as good a price as one which cost double & has nothing particularly attractive in it’.⁵⁶ This judgement was shared by one of the first British merchants established in Buenos Aires: ‘it is the

⁵¹ GHR/5/2/7, Faulkner to Hodgson & Robinson (Buenos Aires). Manchester, 2 November 1835.

⁵² See for instance HPEL, Volume 42, Huth & Co. to Webster & Sons (Morley). London, 26 January 1844.

⁵³ BWP, Box 4, Volume 2, Williamson to Balfour (Liverpool). Valparaiso, 1 December 1863.

⁵⁴ For example, Argentineans bought square handkerchiefs, but not in any other shape. GHR/5/1/2, Green & Hodgson to Fielden Brothers (Manchester). Buenos Aires, 12 June 1823.

⁵⁵ Width of textiles is a feature which has not received much attention in the literature, though, according to evidence found by this author, it was a material point: ‘the width of the lower quality of platillas is heavily (& I fear too justly) complained of, they being but 24 inches. None of these ought to be of less than 26 inches for this market’. GHR/5/1/1, Hodgson to Fielden (Waterside). Buenos Aires, 14 February 1818. Later on, Hodgson added that ‘it appears that width is preferred to quality’. GHR/5/1/2, Green & Hodgson to Fielden Brothers (London). Buenos Aires, 9 August 1825.

⁵⁶ GHR/5/1/3, Green & Hodgson to Fielden Brothers (London). Buenos Aires, 8 April 1829.

patterns & style of the work at all times which commands a ready sale in these countries, and not the quality of the cloth'.⁵⁷

Some examples may illustrate the point being made here. Williamson's tips for some woollens were that 'our assortment per San Lorenzo is not handsome ... Most of the other with large rosary flowers are old and not elegant. Black & green design (as the black & violet) and similar combinations might improve the assortment'.⁵⁸ Similarly, a report from Buenos Aires stated that 'the patterns of the handkerchiefs received ... are not liked on account of the large proportion of figures of horses ... Those sold to Castro ... have been admired for their good quality but the exclusion of the blue & green patterns left but a sorry assortment'.⁵⁹ The same agent reported a year later that 'almost all the late importations are shipped with but few flower patterns. This is bad as striped patterns are not favourites in this place. By flower patterns we mean small flowers or other designs not forming stripes or checks'.⁶⁰

A quick reaction from the manufacturer could ensure that if, initially, goods did not sell well, things would thereafter improve dramatically and rapidly. For this to happen, the manufacturer had to be open to adjusting production to the new requirements. As stated by a Gibbs agent: 'our improved assortment especially in plain cottons has been attracting many respectable dealers who had entirely deserted our store'.⁶¹ Of course, frequently, there was no room for improvement and the goods were withdrawn from the market. Indeed, as explained by Huth & Co. to their agent in northern England: 'Kindermann does not find the camlets suitable for the West Coast and does not recommend you to ship them'.⁶² The consequences of ignoring the recommendations of local agents could be disastrous for manufacturers. For instance, after receiving a devastating account of goods sold below expected prices, Anderton, a supplier of Huth & Co., decided to withdraw from the Pacific market altogether:

we cannot help believing that if you continue shipping strictly following the advices of our friends both as to the assortments and time, you would have a very fair chance of recovering your loss ... we hope you will re-consider the matter before you relinquish the business.⁶³

⁵⁷ UGD/28/1/2, Wylie to Dalglish (Glasgow). Buenos Aires, 23 December 1809.

⁵⁸ BWP, Box 4, Volume 2, 'Recommendations for goods', December 1862.

⁵⁹ GFDP, Hughes to Garrett (London). Buenos Aires, 16 February 1843.

⁶⁰ GFDP, Hughes to Dickson (London). Buenos Aires, 27 April 1844.

⁶¹ AGSP, MS 11469-1, Maverak to Davy. Valparaiso, 29 April 1849.

⁶² HPEL, Volume 13, Huth & Co. to Stansfeld (Leeds). London, 26 June 1834.

⁶³ HPEL, Volume 62, Huth & Co. to Anderton (Cullingworth). London, 12 December 1849.

If there was a particular aspect where British suppliers showed a great deal of stubbornness it was the matter of colour. Rawson & Saltmarshes of Halifax, probably the most important woollen supplier of Huth & Co. for the Pacific coast, received this commentary:

the carpeting is in general of the same brown dull color as those you had at Valparaiso and will not sell to advantage. We had particularly requested those friends to send patterns of bright showy colors but it seems they have paid little attention to this request.⁶⁴

Similarly, Hodgson called Rawdon's attention: 'surely Sir, you cannot be aware of how important it is to have suitable colours and suitable colours only. Quality is scarcely of as much consequence'.⁶⁵ Another example is more illustrative of the point being made:

we have been much disappointed respecting the last shipment of baizes ... We have previously so particularly recommended the *carmelita clara*, and have sent samples of the same, but for that our observation have not been attended to, the consequence is that the whole shipment now remains on hand, although we [would] have made a conditional sale of it, if the *carmelita clara* was of the right shade ... Mr Saltmarshe should have known from long experience and from our repeated and detailed advices that colors and the particular shade of them is a most essential object. Instead of making a prompt and advantageous sale of these goods we shall now have to keep them for a long while ... There is nothing in which our customers are so nice and delicate as the shade of colours in these goods, which make them saleable or unsaleable.⁶⁶

Finally, with regard to general attributes of colours, Hodgson maintained that 'real brilliancy'⁶⁷ and 'extreme brightness ... is the most essential requisite for this market'.⁶⁸

The other regular recommendations from local agents to their suppliers were for variety and novelty. Having new goods and in a wide range of patterns was crucial for success in the Southern Cone. In the words of a local merchant: 'by having a greater diversity of assortments I could dispose of a larger amount of goods & with much more facility'.⁶⁹ Argentineans and Chileans were not passive consumers of

⁶⁴ HPEL, Volume 1, Huth, Gruning & Co. to Huth, Gruning & Co. (Valparaiso). Lima, 24 September 1827.

⁶⁵ GHR/5/1/1, Hodgson to Rawdon. Buenos Aires, 12 April 1820.

⁶⁶ HPEL, Volume 10, Huth & Co. to Rawson (Halifax). London, 31 October 1832.

⁶⁷ GHR/5/1/1, Hodgson to Fielden (Waterside). Buenos Aires, 14 February 1818. A great issue was that some colours were extraordinarily expensive. For example, pink was twice as expensive as any other colour. UGD/28/1/3, Wylie to Hancock (Bahia). Liverpool, 28 February 1812.

⁶⁸ GHR/5/1/1, Hodgson to Wright. Buenos Aires, 30 August 1818.

⁶⁹ GHR/5/1/1, Hodgson to Rawdon (Halifax). Buenos Aires, 11 October 1819.

British products as portrayed in the historiography, but were very exigent customers, always looking for the newest products.⁷⁰ Customers ‘want something new and extraño’,⁷¹ wrote Dickson’s agent at Buenos Aires, who also added that ‘the great secret in all kinds of printed goods is novelty’.⁷² Newness was defined as ‘the general hue & cry to enable our shopkeepers to offer to their customers something that is not to be found in the shop of every petty dealer in the place’.⁷³ No wonder Hughes advised that ‘care must be taken that every fresh parcel is composed of different & newest patterns to the preceding as if parcel after parcel arrive of the same patterns & designs our dealers will soon get tired of them’.⁷⁴ For a shipment of handkerchiefs, it was added:

Some of the large check & lunar patterns have been admired on account of their novelty, thus we see that new patterns are the great thing to call for the admiration of the dealers & although we cannot always expect to find new patterns still you must endeavour always to put up a larger portion of the new [rather] than the old patterns in each case. The great complain against the flower[ed] patterns is that they are ‘muy antiguos’ [i.e. ‘too old’].⁷⁵

Similar evidence has been found for Chile. Before establishing their house in Valparaíso, Balfour recommended Williamson ‘not to send old goods ... but to send freshest goods’.⁷⁶ Ten years later, the same house insisted that ‘the old patterns (such as you have sent home) will never be preferred to such [new] patterns as you got. Rely on that’.⁷⁷ Even when demand was dull, a novel product could be sold, as on this occasion: ‘the demand, owing to the advanced season, is now rather limited, still real novelties are always saleable’.⁷⁸ In turn, novelty cannot be separated from variety. Hughes, expanding on the subject, stated that ‘variety is the great thing wanted in prints in almost every fancy article & if it possible to make a selection of suitable patterns where these would not be two pieces of the same design it would command a much higher price thereby’,⁷⁹ adding that

⁷⁰ Marcello Carmagnani has rightly claimed that the classic historiography has mistreated Latin America as a ‘*sujeto pasivo que se limita a padecer la occidentalización*’ [passive object being occidentalised], in *El otro occidente* (Mexico City, 2004), p. 12.

⁷¹ GFDP, Hughes to Dickson & Co. (London). Buenos Aires, 18 September 1841.

⁷² *Ibid.*, 1 October 1847.

⁷³ GFDP, Hughes to Garrett (London). Buenos Aires, 8 March 1843.

⁷⁴ *Ibid.*, 26 August 1841. If patterns ‘are new and showy the price is no object’, observed a merchant. UGD/28/1/4, Boothby to Hancock (Liverpool). Bahia, 1 August 1812.

⁷⁵ GFDP, Hughes to Garrett (London). Buenos Aires, 21 March 1844.

⁷⁶ BWP, Box 17, Volume 3, Balfour to Williamson. Liverpool, 4 October 1851.

⁷⁷ BWP, Box 4, Volume 2, Stephen Williamson to Archie Williamson. Liverpool, 6 July 1861.

⁷⁸ AGSP, MS 11469-2, Despatch No. 257.

⁷⁹ GFDP, Hughes to Garrett (London). Buenos Aires, 13 August 1841.

at present Messrs. Gifford Brothers consignments are considered the best & that for the following reasons. 1st Because their selection is varied and a consignment of 20 cases would consist of from 4 @ 5 classes. 2nd The patterns & styles are generally new & suited to the taste of our markets. The advantage referred in the 1st reason given arises from our dealers being able to purchase a fair assortment of styles without being burdened with a large quantity of each. It is true this might be effected by our selling the quantity they might require to assort themselves but on the other hand the most our wholesale dealers dislike [is] leaving for other purchasers in this article what they themselves are buying.⁸⁰

In summary, thanks to sample reports, a product could be produced in volume, improved, or just withdrawn from production. In a highly competitive market all suggestions had to be strictly followed. This was not a story of a hegemonic country forcing sales on another lower-income country. This was a tale of individuals trying to sell textiles to a particular dealer on the spot who asked for the most extraordinary product. In the words of a local merchant:

I have been asked to bring out 2 to 3 cases of silk handkerchiefs with Rosas' portrait on them & as this government appears pretty firm I think you would do well to make a trial. I will send you a portrait home per first vessel that goes direct.⁸¹

Chilean silver and copper or Argentinean hides and tallow were not given for free, but for goods specifically requested by local consumers at a given period of time: 'fashion here is continually on her change & what is in vogue today may be out of date 2 or 3 months hence'.⁸² The necessity of having opportunely the newest goods and in the widest possible assortments led British manufacturers to make good use of complementary sampling instruments, besides samples, reverse sampling and sample-reports. This takes us to the following section.

Sample cards and pattern books

Morgan has recently argued that in the case of the North Atlantic commerce during the second half of the eighteenth century an important 'business development helping to sustain the trade was the dissemination of a more varied range of samples and business documents'.⁸³ This was also the case for our period and market of study.

⁸⁰ Ibid, 22 April 1843.

⁸¹ Ibid, 29 October 1841.

⁸² GHR/5/1/3, Hodgson to Green (Liverpool). Buenos Aires, 24 April 1829. Similarly, Huth & Co. were of the idea that 'assortments to be recommended change almost every season'. JAP, Volume 104, Huth & Co. to Anderton (Cullingworth). Liverpool, 12 December 1848.

⁸³ Morgan, 'Business networks', p. 39.

Sample cards became extensively used, which allowed the colours and textures wanted in each assortment to be specified more clearly. This went with the distribution of colours to the inch and the nature of fringes and borders required, amongst many other pattern features. Huth & Co. always requested from their suppliers ‘samples card to go with the goods’,⁸⁴ a point further developed in this letter:

Our Lima friends express a wish to have a complete pattern book of every possible description of articles, which might serve them as a reference for describing taste, colours, qualities, &c. It would therefore of course be necessary that you should keep an exact duplicate and it might be even desirable that our Valparaiso house had a similar book.⁸⁵

The advantages of having reference pattern books were that, instead of long and detailed ordering (e.g. the one provided in p. 133), a summary could be given:

Be as kind as send me in addition the following ... Kidderminster super, No 2666, Column 3, 80 yards; Brussels (quality 5% No 437. Column No 1, 56 yards and No 89, Column No 1, 56 yards); Pat Tapestry, No 1213 (registers No 3876), 62 yards.⁸⁶

For the manufacturer, nothing could be clearer! Merchants on the spot needed to offer customers fully specified products:

We have sometime thought it would be very useful were you [to] adopt a system of fixed numbers, or separate fixed characters to denote at all times each one & the same fixed quality, size, weight, length, width, & finish ... of each article you send. Thus, although the prices or costs of such might vary, the article would always come to us verified to be one & the same in all respects as the first ones sent by you under its same designating fixed number or character, & carefully avoiding (when once established) the slightest deviation in any one respect. Our customers would be saved of the onerous necessity of having to verify the quality of the selfsame article on each successive importation of it, a thing that would greatly tend to facilitate sales ... What, for instance, causes well known & notorious faithfully made coins to pass so currently as to be received by all the world without demurral for the values affixed to them? Simply nothing else than the knowledge which all the world possesses that such coins invariably contains one & the same weight of metal of one & the same degree of fineness as they profess to contain.⁸⁷

⁸⁴ HPEL, Volume 19, Huth & Co. to Rawson (Halifax). London, 26 March 1838. See also JAP, Volume 104, Huth & Co. to Anderton (Cullingworth). Liverpool, 16 February 1849. Similarly, another merchant had the same policy: ‘there must be pattern cards of each bale or bundle along with the goods’. See NA, E/140/26/1, Brown to Farrer (Farnley). Valparaiso, 24 April 1821.

⁸⁵ HPEL, Volume 11, Huth & Co. to Stansfeld (Manchester). London, 15 April 1833.

⁸⁶ BWP, Box 4, Volume 1, Williamson to Crossley & Sons (Halifax). Liverpool, 6 April 1859.

⁸⁷ GHR/5/1/6, Hodgson & Robinson to Owens & Son (Manchester). Buenos Aires, 6 March 1837.

However, because of long exposure to seawater and other sources of moisture, as well as sunshine, sample cards often arrived in a bad state. As explained by Huth & Co. to one of their suppliers:

We ... regret we are not able to send you the pattern card referred to in the letter from our Lima house per Ariel, it never having come to hand; we almost doubt whether if received it would have been of much service, for we have frequently found the shade of colours of woollen articles so materially altered by being exposed to the air & sun and by the long passage that such samples rather mislead than otherwise.⁸⁸

This was developed few years latter: 'we beg to hand you herewith a letter from our Valparaíso house ... with some patterns ... the samples cannot be relied upon as far as the color is concerned, as the water may have changed them materially'.⁸⁹

As a consequence, other means were also used. To transmit the exact colour wanted, printed paper was sent to Britain: 'in order to give a general idea of the taste in Chile, we further hand you a small paper, containing some patterns of "azul celeste obscuro", which our Valparaíso house prints out as the favourite color of the moment'.⁹⁰ Furthermore, in the correspondence of British manufacturers, it was very common to attach tiny pieces of fabrics as patterns of the product offered to customers. This can be seen as late as in the early 1870s in the papers of Ovenden Worsted Co.,⁹¹ worsted spinners and manufacturers from Halifax, known for their exports of ponchos to the Southern Cone.⁹²

Prompt delivery

To indicate the importance of rapid marketing, suppose there was substantial demand for certain carpets, e.g. 70–80 centimetres length, 1.2 centimetres thick, striped with red and blue lines, being sold at £0.2 per yard. Suppose also that these carpets were from Córdoba. Lastly, suppose that a local house decided to order an imitation from Britain. What were the steps to follow? Firstly, the local agent would buy at retail level one of these carpets to send home to be imitated. The sooner the ordered imitated carpets arrived the better; a competing house might act more quickly. That is, there was an opportunity of good business, but it had to be accomplished in the

⁸⁸ HPEL, Volume 8, Huth & Co. to Waterhouse (Halifax). London, 27 August 1831.

⁸⁹ HPEL, Volume 17, Huth & Co. to Stewart & Wilson (Glasgow). London, 13 March 1837. In similar terms, see BWP, Box 4, Volume 1, Williamson to Duncan. Liverpool, 30 October 1858.

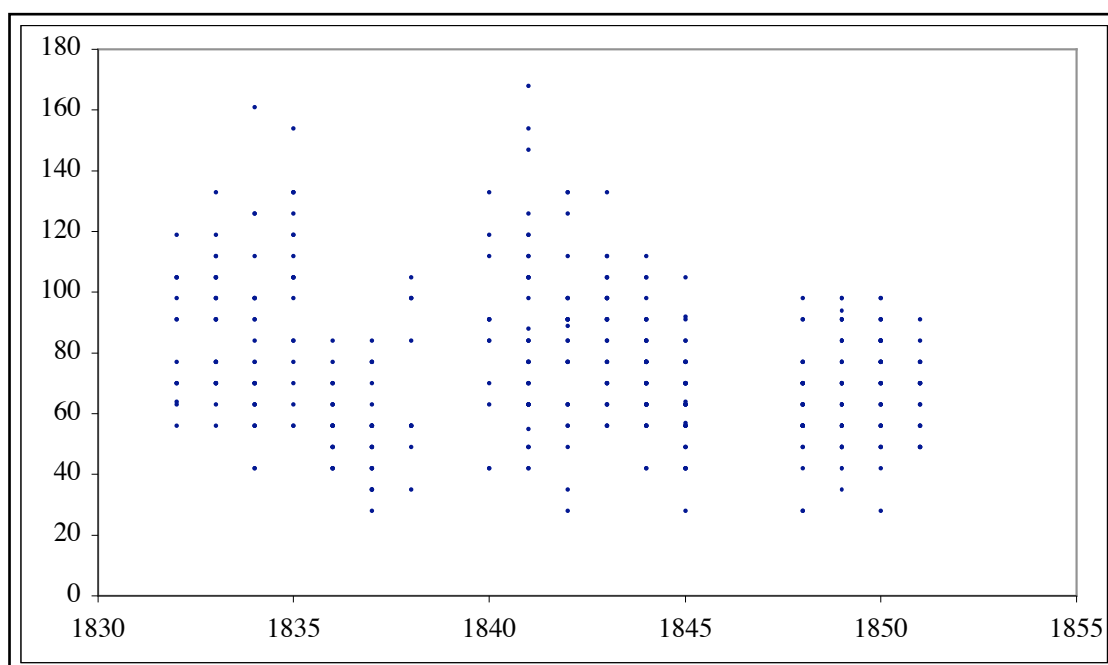
⁹⁰ HPEL, Volume 4, Huth & Co. to Stansfeld (Leeds). London, 17 November 1829.

⁹¹ OWCP, Beaumont, Roebuck & Co. to Ovenden Worsted Co. (Halifax). Huddersfield, 3 and 19 December 1873; Booth & Co. to Ovenden Worsted Co. (Halifax). Leeds, 3 December 1873.

⁹² See Llorca-Jaña, 'Knowing the shape', p. 53.

shortest period of time. In the words of Braudel, ‘transport is the necessary finishing process of production: the faster it goes, the better it is for business’.⁹³ Let’s now suppose that the initiative was taken in Britain, where a trader decided to export, based on previous knowledge of the market. For this, he had first to send to the Southern Cone samples to be circulated to get necessary reassuring feedback. The sooner samples were sent, circulated and commented upon, the faster the bulk export cargoes would arrive. The major issue was that demand was not static but volatile: ‘what is abundant today is not to continue for 23 days’.⁹⁴

Chart 4.1
Combined loading and unloading time of British vessels in Buenos Aires
(number of days). A sample for 475 vessels, 1832–1851



Source: own elaboration from *The British Packet*, all numbers from 1831 to 1852

Transport, in Braudel’s terms, does not refer solely to the physical movement of goods, but also to information about them. British merchants were perfectly conscious of this, most of the time giving the same attention to samples as to letter – for fastest transmission. That is, samples were treated as small but valuable items, which had to be delivered as soon as possible. This meant the most expensive means of conveyance had to be used. For instance, it is shown in Chapter 7 that goods traded

⁹³ F. Braudel, *The wheels of commerce. Civilization & capitalism* (New York, 1982), p. 349.

⁹⁴ GFDP, Hughes to Dickson (London). Buenos Aires, 10 December 1844.

between the United Kingdom and Chile were conveyed in sailing vessels rounding the Horn, but that the Panama route (which was served by steam packets) was used instead for samples and letters. Sending samples before bulk cargoes by 'express' shipping was not the only preferential treatment they received.

Another way of cutting transit times was by instructing captains to look after the samples while they were on board. Huth's instructions were always that samples ought 'to be kept at hand & to deliver them immediately on due arrival, which is very essential'.⁹⁵ Compared with the delivery time for goods, by following Huth's advice, the savings in time were considerable. It took some time to unload cargoes in the Southern Cone, not only because of poor facilities, but also due to bureaucratic customs regulations. Based on information available in *The British Packet*, it is clear that the unloading of goods took several months (see Chart 4.1), far too long a period of time to leave samples.

In this chapter, attention has been paid to the demand side of the market as well to the main strategies and tools used by British merchants to increase sales. It has been shown here that the relationship between demand and supply was very complex. It has also been demonstrated that consumers were very exigent while competition was high. As a consequence, British exporters were very keen to follow all advice received from the spot. The chapter has shown that it was not a trivial matter to supply the backwaters of Latin America. The next chapter examines the main charges and commissions made by merchants to exporters, as well as the diverse contracts agreed among merchants in the trades to the Southern Cone.

⁹⁵ HPEL, Volume 2, Huth & Co. to Stansfeld (Leeds). London, 27 June 1828.

Chapter 5

Contracts and commissions

So far, reference has been made to the main actors and processes behind the market chain, as well as to the relationships between them. We have also touched on demand's general aspects. Yet, nothing has been said about the contracts by which British textiles left Britain, the associated extensions of credit, or the commissions and fees charged by merchants handling the trade. This chapter is devoted to these aspects.

Own account operations against consignments

There are some widely accepted views about the way in which British exporters sent their textiles to the Southern Cone. One is that most sales were made under the consignment system.¹ Indeed, Salazar calls local British merchant houses 'consignees'.² Although scholars³ have also acknowledged that local houses operated on their own accounts, this system has received little attention. Whereas consignments were extensively used by British exporters, it is difficult to establish what proportion of exports were so marketed, or even if this sales arrangement was overwhelmingly used to the detriment of own-account operations.⁴ Though it is possible that the consignment system was, indeed, more common than own-account operations, a comprehensive study of this topic should consider the accounts of the main houses

¹ See for example, J. Mayo, 'Before the nitrate era: British commission houses and the Chilean economy, 1851-80', *JLAS*, Volume 11-2 (1979), pp. 285-286, 292; J. Mayo, *British merchants and Chilean development, 1851-1886* (Boulder-Colorado, 1987), pp. 6-7; J. L. Rector, 'Merchants, trade and commercial policy in Chile, 1810-1840', PhD Thesis, Indiana University (1976), p. 193. Even some contemporaries had this idea. See for instance J. Miers, *Travels in Chile and La Plata* (London, 1826), I: p. 447. Similarly, *The British Packet*, in its maritime section, provided -for all arrivals of foreign vessels, the name of the ship, and the 'consignee' in reference to the merchant house receiving the cargo, assuming that all merchandize arrived to the spot was consigned.

² G. Salazar, 'Dialéctica de la modernización mercantil: intercambio desigual, coacción, claudicación (Chile como *West Coast*, 1817-1843)', *Cuadernos de Historia*, Volume 14 (1994), pp. 32-33.

³ E. Cavieres, *Comercio chileno y comerciantes ingleses* (Santiago, 1999), p. 130; V. B. Reber, *British mercantile houses in Buenos Aires, 1810-1880* (Cambridge-MA, 1979), p. 59; Mayo, *British merchants*, p. 6; among others.

⁴ For Mexico it was said that 'the basis of commercial transactions was the commission business ... This did not preclude independent operations ... Importing or exporting on a house's own account could be far more lucrative, but because it presented greater risks and required large amounts of capital, it was not the preferred form of business'. H. J. Heath, 'British merchant houses in Mexico, 1821-1860: conforming business practices and ethics', *HAHR*, Volume 73-2 (1993), p. 268.

operating in the Southern Cone. Unfortunately, few of their papers have survived and, even when available, it is not always possible to assess whether the house used consignment, own account, or both; and, if they used both systems, in what proportion.⁵

From the extant business records we can find, for instance, a Manchester cotton manufacturer declaring that ‘they do not consign’,⁶ and a woollen manufacturer – Crossley & Co. of Halifax – professing the same.⁷ Similarly, a merchant operating on the West Coast wrote to his branch at Valparaiso in 1854 that their commission accounts were

falling off ... for our agents tell us that they daily experience more difficulty in procuring consignments and particularly from Manchester where with very few exceptions, the old race of shippers has become nearly extinct, the trade to your coast [is] fast merging into that of a buying one for account of parties established on the West Coast.⁸

Even the ‘king’ of consignments on the West Coast, Huth & Co., operated under own-account arrangements with some customers (e.g. Arthur Saltmarshe, a woollen supplier,⁹ and Rothschild & Sons¹⁰). Similarly, for Argentina, Bernard Hartley, a well-known poncho supplier on both flanks of the Andes, is reported as having refused to consign to a London house.¹¹

In summary, these are only a few examples to suggest that own-account operations were used more than many historians have thought. The strategy adopted by Balfour Williamson is a very good example of this. Though at the beginning of their operations they were in the habit of receiving consignments, subsequently Balfour Williamson increasingly undertook a great deal of their exports on cash payments, and ultimately ceased consignments. A few years after they had shifted to own-account operations, Balfour wrote to Williamson that ‘if all should continue to prosper with us we are likely to be very independent of consigning accounts’.¹² Eighteen months earlier Williamson had also stated that ‘the more I think of it the

⁵ From the Dickson papers, for instance, is clear that this London house received consignments and that it also operated on own account, but it is not possible to state in what proportion.

⁶ BWP, Box 4, Volume 1, Williamson to Duncan. Liverpool, 16 March 1860.

⁷ BWP, Box 4, Volume 2, Williamson to Archie & Wyndham (Buenos Aires). Liverpool, 6 July 1861.

⁸ AGSP, MS 11471-1, Despatch No. 213, 10 February 1854.

⁹ HPEL, Volume 3, Huth & Co. to Saltmarshe (London). London, 10 February 1829. Huth & Co. also sent textiles to other outlets of the Americas, such as Cuba, on own account. HPEL, Volume 20, Huth & Co. to Hale & Walker (Dewsbury). London, 26 May 1838.

¹⁰ RHL, XI/38/149/A, Huth & Co. to Rothschild & Sons (London). London, 17 December 1839.

¹¹ GFDP, Hughes to Garrett (London). Buenos Aires, 4 October 1843.

¹² BWP, Box 17, Volume 4, Balfour to Williamson (Valparaiso). Liverpool, 13 March 1865.

more convinced am I that our safety lies in doing the business on own account'.¹³ Similarly, a few decades earlier, Hancock & Wylie had operated from 1809 until 1814 mainly on consignments but, from 1814 to 1819, exclusively under own account in the trade to Brazil and the River Plate.

What were the implications of exporting textiles on own account? What pushed Balfour & Williamson and Hancock & Wylie to operate in this way? The main advantage seems to have been that they made all the decisions over what very precise patterns and in what quantities were exported. In this way, they were able to ensure a very saleable selection of patterns. Trading only in the main staples allowed them to better their chances of ready sales on the spot. As already highlighted by Reber, one of the main drawbacks of consignments was that British 'merchants, hoping to make a good profit and willing to speculate, sent unsolicited consignments'¹⁴ to the spot.

Before operating on own account, Balfour Williamson had more than one headache due to the reception of unwanted goods. An infuriated Williamson wrote that: 'such folly I never saw and never dreamt of. The mass of the goods sent us are quite contrary to our wishes, and not in accordance with the recommendations sent from this [Chile]'.¹⁵ Indeed, manufactures often consigned unsaleable goods with the only object of getting advances on them and thus diminish losses:

We have received a letter from Messrs. Eisenstuck & Co. ... informing us of their having drawn upon us £600, against the goods they sent about three years ago to the West Coast, & which are still unsold. On the one hand we wish to accept their draft in order to oblige them as old friends of ours, but on the other we cannot help thinking it strange that this house after doing business with our establishments for 15 years without advances should draw on us for goods which have laid so long without being sold ... It seems to us that Messrs. Eisenstuck & Co., seeing that they are unsaleable, wish to saddle us with them in this way.¹⁶

All these evils could be avoided by operating on own account. As argued by Williamson, 'better have few goods and these well bought than many with the imminent risks that I now see'.¹⁷

¹³ BWP, Box 4, Volume 2, Williamson to Balfour (Liverpool). Valparaíso, 16 September 1863.

¹⁴ V. B. Reber, 'Speculation and commerce in Buenos Aires: the Hugh Dallas house, 1816–1820', *BH*, Volume 20-1 (1978), p. 24.

¹⁵ BWP, Box 4, Volume 1, Williamson to John. Valparaíso, 15 February 1858; and Williamson to Balfour (Liverpool). Valparaíso, 15 February 1858.

¹⁶ HPEL, Volume 23, Huth & Co. to Huth & Co. (Liverpool). London, 24 April 1839.

¹⁷ BWP, Box 4, Volume 2, Williamson to Balfour (Liverpool). Valparaíso, 16 September 1863.

The other advantage of operating on own account was the simplicity of the trade, as stated by Williamson to Balfour: 'I think our business will be much cleaner and simpler and be more easily managed if we do not lumber it with many assortments of goods. We can do the order business well but had better avoid consigning as much as we can'.¹⁸ Furthermore, by operating in only a few staples they were buying fewer goods but each in greater volume from a particular manufacturer, and from whom they got handsome discounts. Balfour was more than happy,

for owing as large an amount of business in cotton staples as we in reason can. If we be able to put our customers on a favourable footing as regards prices, and supply them with good article, I shall hope that the shipments we may now be able to make of cottons shall raise the character of our firm in the eyes of dealers and strength the feeling that in trading with us they are well treated.¹⁹

Dealing in only a few staples allowed them to bypass British intermediaries and save sale commissions. The main service offered by agents in Britain was to deal with a wide range of suppliers and to show as many assortments as possible to the merchants for whom they were working. If the export trade was reduced to a few staples, it made little sense to use agents. Indeed, in woollens, Balfour Williamson started to buy directly from Crossley, bypassing all previous agents. All in all, once the transition from one system to the other had been completed, Balfour thought that 'our business is far more legitimate and safe as now constituted than when it was conducted on the principle of getting supplies on consignment'.²⁰ Finally, there were other, more subjective, considerations, summarised by another merchant after shifting from consignments to own account operations:

A commission agent is a most unpleasant employment, and such as I shall never again wish to follow, however poor I may be. If anything goes wrong, the agent is to blame, however little he may deserve it, and however much he may do for his friends, he will get no thanks.²¹

However, operating on own account brought problems. First, it required greater capital investments which, in the particular case of exports to the Southern Cone, were potentially serious as turnover was very slow. The time between the merchants paying for the goods in cash and receiving the related remittances could be as long as 12 months, even if the goods were sold for cash on the spot. According to a

¹⁸ BWP, Box 4, Volume 3, Williamson to Balfour. Liverpool, 11 November 1869.

¹⁹ BWP, Box 17, Volume 4, Balfour to Williamson (Valparaiso). Liverpool, 1 May 1865.

²⁰ Ibid, 13 March 1865.

²¹ UGD/28/1/5, Wylie to Todd (Pernambuco). Bahia, 18 November 1814.

merchant in Buenos Aires, a port with faster turnover than Valparaiso, 15 months was 'the shortest period that would be employed for the realising of any capital employed in the purchase of goods'.²² Furthermore, it was 'difficult to know what proportion of purchases could be sold for cash'²³ on the spot, though as a rule it was a rather small percentage. Goods sold on credit at Valparaiso or Buenos Aires delayed returns for up to a further six to 15 months, the usual local credit terms, all of which could generate greater pressure on short-term obligations for those exporting on own account. Another unfavourable consequence of operating on own account was that dealing in fewer staples meant less variety than competitors so that it was difficult to supply niche markets. In addition, fewer staples generated a greater risk in their selection.²⁴ In the words of Williamson 'as Crossley does not consign, it is all a matter of selection'²⁵ but selection was very important.

Though consignment has been acknowledged as the predominant mode of exporting to the Southern Cone, there is little in the literature about the different ways it was managed, particularly regarding the alternative of giving advances. This takes us to the next subsection.

Advances on consignments

Another widely accepted view regarding British exports to Latin America is that those consigning were anxious to obtain advances.²⁶ Combined with the widely received view mentioned above (that exports were predominantly undertaken through consignments), a corollary derived from the literature would be that most exports were by consignments involving advances. However, the surviving papers of British houses that operated in the Southern Cone contained numerous examples of the opposite – of consigners unwilling to take advances, of merchants receiving consignments willing to give advances but not being able to extend them, and of merchants refusing to make advances. For instance, a carpet manufacturer in Bristol,

²² GFDP, Hughes to Garrett (London). Buenos Aires, 19 February 1845.

²³ BWP, Box 4, Volume 3, Williamson to Balfour (Liverpool). Valparaiso, 16 June 1864. About the requirements of capital see also Heath, 'British merchant houses', p. 268.

²⁴ Heath, 'British merchant houses', p. 268.

²⁵ BWP, Box 4, Volume 2, Williamson to Archie & Wyndham (Buenos Aires). Liverpool, 6 July 1861.

²⁶ See for example Mayo, 'Before the nitrate era', p. 290 and 292-293; P. Hudson, *The genesis of industrial capital* (Cambridge, 1986), p. 173; Reber, *British mercantile houses*, pp. 81 and 143. More generally, for Buck 'the system of advances on consignments ... prevailed almost universally in all lines of trade'. N. S. Buck, *The development of the organisation of Anglo-American trade, 1800-1850* (New Haven, 1925), p. 14.

who was in habit of consigning through Balfour Williamson before they operated on own account, ‘takes no advances’.²⁷ Similarly, Pennington, a supplier of Huth & Co. from Wigan, is also mentioned as never taking advances.²⁸ For other cotton suppliers, it was also said that ‘none of the above houses [Eccles Sharrick & Co., R. Hopwood & Co., Du Fay & Co. and Mr Howard] take advances. They have therefore no other object in consigning their staple articles than to realise a fair profit on them’.²⁹

Often, it was the merchant who looked to lend rather than the manufacturer wanting to borrow, as seen in a letter to Webster & Sons of Halifax:

[We have] gone more particularly through your accounts with our establishments, and wishing to facilitate as much as possible the continuance of your shipments upon an extensive scale, we are induced to ask you whether it would be convenient to you to receive a couple of thousands pounds as an advance towards the expected returns; if so we shall have much pleasure in paying that amount into the Bank as usual,³⁰

an offer that Webster finally declined.³¹

Furthermore, it was not always black and white; there were shades of grey. For instance, Waterhouse, a regular supplier of Huth, preferred not to have an advance if remittances for his consignments were received within 12 months. When returns took longer, Huth & Co. negotiated with Waterhouse over the possibility of advances, as seen in this extract:

We observe that at the expiration of 12 months from the date of your shipments you wish to have the option of drawing on us for part of their value, which we have no objection to, and shall be ready to accept your draft at that time for two thirds of the amount of your invoices.³²

All in all, the rooted idea of consigners unable to sell if advances were not given needs to be reviewed.

In turn, many merchants were unwilling to extend advances. For instance, Barings ‘regarded the distance of the Pacific ports of South America from London as too great to admit of advancing funds against exports “unless one has a House there and can have the Commissions as is the case with Huth & Co.”’.³³ Related to this was that a favourable predisposition of houses to extend advances was not translated into a

²⁷ BWP, Box 4, Volume 1, Williamson to Duncan. Liverpool, 15 February 1859.

²⁸ HPEL, Volume 11, Huth & Co. to Stansfeld (Manchester). London, 28 January 1833.

²⁹ HPEL, Volume 26, Huth & Co. to Huth, Gruning & Co. (Valparaiso). Liverpool, 11 May 1839.

³⁰ HPEL, Volume 11, Huth & Co. to Webster & Sons (Morley). London, 15 April 1833.

³¹ Ibid, 29 April 1833.

³² HPEL, Volume 4, Huth & Co. to Waterhouse (Halifax). London, 3 August 1829.

³³ Quoted in R. W. Hidy, *The house of Baring in American trade and finance* (Cambridge-MA, 1949), p. 103.

frantic search to lend. Merchant houses lent to those they thought could repay, or could ship saleable products.³⁴ Established connections with the merchant banker were also a material point for any exporter seeking advances. As explained to Marling, a woollen manufacturer of Gloucestershire after he approached Huth & Co. for advances:

In reply to your favor of yesterday requesting an advance on account of your consignments to our West Coast friends, we beg to observe that it is not our custom to make advances of this nature, and that as a general rule we restrict them, upon principle, to friends who have long been in the habit of sending consignments to our Houses. Feeling very desirous however of entering as far as possible into your views, we are willing to on the present occasion to make an exception to our general practice, and you can accordingly draw upon us at six months.³⁵

Aiding this concession was that Marling had for a long time bought continental European raw wool from Huth.³⁶ Less fortunate, though, were the less well known Williams of Huddersfield, to whom Huth denied all possibility of extending advances, arguing that ‘we have made it a rule never to make any advances on shipments, except under very particular circumstances’.³⁷

To make it clearer, advancing money to consigners was a general practice but it was not a requisite for consignments. Yet, given its prevalence, it will be considered in more detail. The approach of Huth & Co. to advances is quite an illustrative case. This London house often extended advances and to such an extent, so much so that it can be considered more a financier than a classic import-export undertaking. But, what exactly was an ‘advance’? It was cash supplied to consigners as a proportion of the invoiced cost (not the expected sales returns³⁸) of cargoes. That is, money provided before sales had taken place and before remittances had been received,³⁹ usually at a rate of 6 per cent per annum. Advances were given because of the

³⁴ As explained by Huth to their Glasgow agents: ‘in the event of your finding it absolutely necessary for us to make advances ... we shall be ready to do so ... [for] well assorted goods, provided you have first clearly ascertained the suitability of the same to our markets’. HPEL, Volume 13, Huth & Co. to Steward & Wilson (Glasgow). London, 13 January 1834.

³⁵ HPEL, Volume 48, Huth & Co. to Marling (Stroud). London, 21 March 1846.

³⁶ HPEL, Volume 27, Huth & Co. to Marling (Stroud). London, 13 January 1840; Volume 28, 12 June 1840; Volume 33, 27 January 1842.

³⁷ HPEL, Volume 2, Huth & Co. to Williams & Co. (Huddersfield). London, 3 July 1828.

³⁸ This was a matter of confusion among exporters. For instance, when negotiating the terms under which Stewart & Wilson would consign Huth’s establishments, Huth & Co. made it clear that the advances were not given against the expected returns, but against the invoice cost of cargoes. HPEL, Volume 13, Huth & Co. to Steward & Wilson (Glasgow). London, 13 January 1834.

³⁹ In an unexplored topic, advances were also given by merchants on the spot shipping local produce to Britain. See for instance HC/4/1/24/4, White to Baring Brothers (London). Buenos Aires, 1 July 1852.

considerable time between the delivery of goods and the receipt of the related remittances. Exporters might wait for as long as three years, though around 18 months was more usual. During this period, manufacturers needed to buy raw materials to continue production. If it was not the manufacturer who received the advance but a merchant, the latter had to buy new manufactured goods to continue shipping. To avoid liquidity problems, the consigner often had no option but to borrow money from the merchant, who, in turn, had the cargoes sent to the overseas market as a guarantee.

Though it may sound simple, advancing was a very complex and varied system, about which it is difficult to generalise. For instance, there was a great deal of flexibility over the rate of advances rather than, say, just half the invoice value of cargoes. Furthermore, not even the same rate of advance was always extended to a given supplier.⁴⁰ With Rawson & Saltmarshe, Huth had not one but several accounts, for some of which Huth advanced one-fifth of the invoice value of cargoes, while for others as much as four-fifths. Similarly, for Saltmarshe, once the partnership with Rawson was dissolved, Huth advanced from one-fifth to three-quarters of the invoice value.⁴¹ For consignments to Argentina, though the Miller Dallas partnership used to make most advances of 50 per cent,⁴² they also advanced 40 per cent, 60 per cent and, exceptionally, as much as 75 per cent of the invoice value of cargoes.⁴³

There was, of course, an upper limit to the proportion of advances given. This, for Huth & Co. and Miller Dallas, was around three-quarters of the invoice value of

⁴⁰ For Miers, 'it is the custom of the mercantile houses in England to advance to the manufacturer one half of the amount of his invoice on goods entrusted to their consignment'. J. Miers, *Travels in Chile and La Plata* (London, 1826), I: p. 447. Indeed, 50 per cent was the rate agreed by Huth with their main suppliers at Glasgow. HPEL, Volume 13, Huth & Co. to Steward & Wilson (Glasgow). London, 13 January 1834. As shown below, often Huth lent more than that, but it seems that 50 per cent was their most common advance rate: 'the terms you mention of your drawing on us 2/3 of the invoice amount at 6 months from the date of shipment are rather more than what we are in the habit of allowing, 1/2 the value being generally the proportion we advance. However, as we wish particularly to see a connexion established with your respected firm, we agree to accept for 2/3'. HPEL, Volume 3, Huth & Co. to Hartley & Sons (Halifax). London, 22 April 1829.

⁴¹ HPEL, Volume 7, Huth & Co. to Saltmarshe (London). London, 1 January 1831; Volume 10, 8 September 1832 and 28 November 1832; Volume 11, 7 March 1833.

⁴² HDP, Campbell, Bowden & Co. to Dallas (Buenos Aires). London, 11 November 1818; Jennet, Hamilton & Co. to Dallas (Buenos Aires). Liverpool, 11 March 1819; Thiesen to Dallas (Buenos Aires). London, 3 December 1817.

⁴³ HDP, Blanckenhagen & Gethen to Dallas (Buenos Aires). London, 16 November 1818; Wright to Dallas (Buenos Aires). London, 17 December 1817; Macintosh, Miller & Co. to Dallas (Buenos Aires). London, 12 February 1819.

cargoes,⁴⁴ already an exceptional rate,⁴⁵ as seen in a letter to Huth's agent in northern England:

With a view to encourage Mr. Longworthy's shipments as much as possible we have been very liberal in our advances to him, having authorized him to draw for £1200 on account of goods amounting to £1550 cost price, which on an article like prints is more than we could well justify on general principles. We should therefore not wish this advance to be known to other friends, as it must on no account serve as a precedent.⁴⁶

The reasons for establishing a limit were very clear. The merchant advancing wanted to lend but needed the associated export operation to be fully covered, as explained by Huth when a woollen manufacturer requested advances beyond the limit set:

Such advances you will at once see with insurances and other charges would leave us in fact with nothing on hand to provide for over estimate of invoice values falling in markets and the numerous contingences incidental to such transactions, and as Mr. Rawson you are aware is not, it would seem, possessor of capital, we should in the event of a deficiency on the shipments, be without the means of recovering it, independently of being very unfavourably situated, in case objections should be raised on the sale or disposal of the goods ... his business although we regret losing it, is not desirable on the terms he proposes, which would have our advances evidently uncovered.⁴⁷

Apart from all these differences with regard to rates and upper limits of advances, there were other variations. With some suppliers, advances were given against a bill of lading, which was called a documentary credit.⁴⁸ For others, who were less reliable or were new exporters, loans were made only when the goods had arrived at the destination, as when Edward Rawson, a woollen supplier of Halifax, started to consign to Huth: 'we should be ready to accept his drafts on us ... after receiving notice of the arrival out of the goods'.⁴⁹ In extreme cases, the arrival of goods at their destination was a necessary, but insufficient, condition to make an

⁴⁴ After commercial relationships were well established, the upper limit could be increased. For instance, E. Rawson started receiving advances for two-thirds and ended receiving three-quarters of the invoice value of the cargoes.

⁴⁵ The most common upper limit fixed by Huth & Co. was two thirds of the invoiced value of cargoes. HPEL, Volume 26, Huth & Co. to Huth & Co. (London). Liverpool, 4 May 1839.

⁴⁶ HPEL, Volume 13, Huth & Co. to Stansfeld (Leeds). London, 20 January 1834.

⁴⁷ HPEL, Volume 44, Huth & Co. to Huth & Co. (Liverpool). London, 24 and 26 October 1844.

⁴⁸ That is, 'when a banker assumes liability to pay the price of goods or accept a bill for the invoiced amount, upon delivery to him of the invoices and shipping documents'. G. K. Young, *Merchant banking, practice and prospects* (London, 1971), p. 228.

⁴⁹ HPEL, Volume 37, Huth & Co. to Huth & Co. (Liverpool). London, 24 February 1843. Similarly, 'if the goods could not be sold immediately we will on receipt of advice of arrival of the same and on ascertaining of probably proceeds make an advance of 3/4 to 4/5 of their approximate value'. Volume 13, Huth & Co. to Steward & Wilson (Glasgow). London, 13 January 1834.

advance. In addition, the goods needed to have been sold (usually on credit).⁵⁰ That is, advances were given against an account credit sale. In 1847, for instance, Huth & Co. wrote to Mulholland of Belfast in these terms:

with regard to accepting drafts against shipments of goods not realized, we agree with you that the practice is inconvenient & undesirable, and tends to render accounts less clear. We have in fact adopted it as a rule not to make advances in this mode.⁵¹

Advances against sales on credit on the spot were clearly explained by Huth & Co. to Steward & Wilson: 'on receipt of account sales we will either accept at three or six months date, or pay in cash the approximate value of the same and on receipt of returns we will settle per appoint paying the surplus after deducting interest or disbursements'.⁵²

Limits were not only imposed on the upper rate of the advance (e.g. two-thirds or three-quarters), but also on the total amount of loans made. That is, a consigner could not continue to ship cargoes at the agreed rate of advances if he exceeded the limit on money borrowed in absolute terms. For instance, when the rate of advance for Edward Rawson was set at two-thirds, Huth also established that 'we should at the same time limit the extent of our acceptancy to ten thousand pounds at the utmost',⁵³ which was subsequently increased to £16,000.⁵⁴ Similarly, for Huth's agents at Glasgow, a limit of £17,000 was established.⁵⁵ However, in the same way that on occasion the limit on the rate of advance was relaxed, so also was the limit on the total amount lent to exporters.⁵⁶ A further clarification is necessary. Advances were usually extended against bills of exchange at six months' sight, with 'the usual understanding of your drafts being renewed at maturity until the returns come to hand'.⁵⁷ However, as explained by Huth & Co. to a supplier:

if any portion of our goods would be unsold at the expiration of six months from the time of their being first landed on the coast of the Pacific, our advance on the goods so remaining unsold should be reduced by one half, say to the third of the original cost. That if any goods should remain on

⁵⁰ Indeed, if the goods were sold for cash, there was no great need for advances, except to cover the period during which remittances were 'sailing' back home. If remittances were sent in local produce, the time needed to sell them in Britain had to be added to the 'sailing' time.

⁵¹ HPEL, Volume 53, Huth & Co. to Mulholland (Belfast). London, 3 April 1847.

⁵² HPEL, Volume 13, Huth & Co. to Steward & Wilson (Glasgow). London, 13 January 1834.

⁵³ HPEL, Volume 37, Huth & Co. to Huth & Co. (Liverpool). London, 24 February 1843.

⁵⁴ HPEL, Volume 45, Huth & Co. to Rawson (Halifax). London, 16 January 1845.

⁵⁵ HPEL, Volume 13, Huth & Co. to Steward & Wilson (Glasgow). London, 13 January 1834.

⁵⁶ HPEL, Volume 13, Huth & Co. to Halliday (Sanquhar). London, 8 January 1834.

⁵⁷ HPEL, Volume 45, Huth & Co. to Rawson (Halifax). London, 16 January 1845.

hands at the expiration of twelve months from their first landing, the advance therein is to be entirely repaid to us.⁵⁸

That is to say, bills were to be continually renewed.

Last but not least, it is worth mentioning that during financial crises advances were rarely extended, even by a major merchant banker such as Huth & Co., who survived all the panics that broke out during our period of study. In the crisis of 1837, Huth & Co. made it clear to their Liverpool branch that as far as consignments of textiles to the West Coast were concerned ‘we have as you are well aware of for time past declined making advances on any consignment whatever and the state of our money market does not in any case tempt us to break this rule’.⁵⁹ This strong position even applied to loyal suppliers such as Hall & Clarkson of Halifax, to whom Huth & Co. had previously extended generous advances:

[we] feel obliged for the preference you give us in offering us the consignment of your cassimere & merino shawls for our friends in the West Coast, before offering them to other Houses ... [However] we are anxious, in the present unsettled state of our money-market, [and prefer] to restrict the amount of our engagements into as narrow a compass as possible, and we would therefore propose to you to send the goods forward without any advance for the present.⁶⁰

All in all, consignment was neither the exclusive way of exporting, nor were advances always extended to those consigning. Paradoxically, though the consignment system has received more attention from historians than own-account operations, there is no comprehensive treatment of all the charges associated with the system. The next paragraphs shed fresh light on the subject.

The usual charges on consignments

When Balfour Williamson decided to operate on own account, they certainly considered it to be a much simpler system than consignment. One of the main reasons was that consignments were subject to a wide range of different charges, all of which are considered in this section.

⁵⁸ Ibid.

⁵⁹ HPEL, Volume 25, Huth & Co. to Huth & Co. (Liverpool). London, 28 November 1839.

⁶⁰ HPEL, Volume 25, Huth & Co. to Hall & Clarkson (Halifax). London, 26 November 1839.

The main charge was the 'sales and returns commission', usually around 7.5 per cent.⁶¹ This was the rate charged by Huth & Co.⁶² and many other houses operating in the Southern Cone, including Dallas & Co., one of the first British merchants at Buenos Aires.⁶³ Sales and returns commissions were paid in acknowledgment of the merchant's time involved in effecting all the necessary arrangements to accomplish a successful export operation. This included his 'know-how', business networks, and familiarity with the markets, amongst the required expertise for selling abroad and obtaining the best related returns available in the market.

A second and important charge of 2.5 per cent on the value of cargoes was made to guarantee accounts (also known as 'del credere' commission). As most local sales were on credit,⁶⁴ the consigner in Britain had the option of guaranteeing the sale operation in case the native merchant buying and promising to pay could not meet his obligations or delayed payments. This was the usual rate charged by Huth & Co., and many others,⁶⁵ who explained the reasons for charging such an apparently high rate:

2½% guarantee certainly appears high, but we assure you that in countries where legal redress is quite out of the question there is not only a very considerable loss on the guarantee account by bad debts, for which the 2½% are a very inadequate compensation, but our friends have also to suffer a material additional loss by the system they have adopted of remitting all

⁶¹ Some merchants usually divided it into 5 per cent for sales and 2.5 per cent for returns, if made in local produce. Returns commission for bills, bullion and specie were usually lower, at around 1 per cent. Yet, for other merchants, it was always 7.5 per cent, regardless of how remittances were effected.

⁶² HPEL, Volume 3, Huth & Co. to Hartley & Sons (Halifax). London, 22 April 1829; Volume 13, Huth & Co. to Steward & Wilson (Glasgow). London, 13 January 1834. Yet, the rate of 7.5 per cent was not fixed. For instance, Huth & Co. reduced their commission to 6 per cent to one of their main woollen suppliers. However, by this new arrangement, Huth relinquished advances of more than one-fifth on the invoice value of cargoes. Volume 12, Huth & Co. to Rawson (Halifax). London, 11 November 1833. About the usual rate of 7.5 per cent see also RHL, XI/38/149/A, Huth, Gruning & Co. to Huth & Co. (London). Valparaiso, 20 July 1838; 29 January; 15 February; 15 May and 13 August 1840.

⁶³ HDP, Alexander to Dallas (Buenos Aires). Glasgow, 31 May 1819; Borthwick & Goudie to Dallas (Buenos Aires). Dunbar, 4 November 1818; Account sales of cotton threads. Buenos Aires, 13 March and 31 May 1821. Same charges were made by Alison Cumberlege & Co., a British house in Valparaiso. ANCH-AJV, Volume 14-4, Alison Cumberlege & Co.'s failure. Valparaiso, 1848. In other markets, such as Cuba, this was also the rate charged by British merchants. D. Turnbull, *Travels in the West. Cuba, with notices of Porto Rico, and the slave trade* (London, 1840), pp. 248–249.

⁶⁴ The proportion of local sales on credit was so high that during the Brazilian blockade local merchants stated that 'the great mass of British property in the country consists of debts owing by the natives'. FO 6/19, British Merchants to Lord Ponsonby (London). Buenos Aires, 1 December 1827.

⁶⁵ HPEL, Volume 3, Huth & Co. to Hartley & Sons (Halifax). London, 22 April 1829; Volume 13, Huth & Co. to Steward & Wilson (Glasgow). London, 13 January 1834; RHL, XI/38/149/A, Huth, Gruning & Co. to Huth & Co. (London). Valparaiso, 20 July 1838; 29 January; 15 February; 15 May; 13 August 1840; ANCH-AJV, Volume 14-4, for Alison Cumberlege & Co. Valparaiso, 1848; Volume 379-15, for Myers, Bland & Co. Valparaiso, 1845. This was also the rate charged by British merchants in Cuba. Turnbull, *Travels in the West*, p. 248.

guarantee accounts immediately when due, though the safest purchasers will frequently let their acceptances stand over for 3 or 6 months which is a matter of importance when you consider that in Chili and Peru interest is never less than 1% per month, and frequently above 2 pct.⁶⁶

When charging this commission, it was on the basis that 'sales guaranteed by the house shall in no case be effected on a longer credit than six months'.⁶⁷ That is, Huth not only ensured a sure payment, but also a payment within a stated time period.

This charge was totally justified because as stated by a leading Chilean historian, 'Chileans rarely paid on time, and most usually asked for an extension in the credit time conceded'.⁶⁸ Indeed, one of Huth's agents on the spot once reported that an important client gave them, as a payment date, this for an answer: 'Cuando mejore la fortuna' [i.e. when luck improves].⁶⁹ Not surprisingly, Gibbs's local branches had to make it clear that 'a rule we invariably follow here ... [is] selling for cash to people in whom we have no confidence'.⁷⁰ Likewise, Wylie preferred to 'keep the goods seven years than give credit to any of the [local] villains'.⁷¹ In Buenos Aires, things were little different: 'people go on paying as they get their money or more plainly speaking as they choose for we have no means of obliging them to pay within a certain period'.⁷²

Chilean Judicial papers provide great insight into all the troubles British merchants experienced in recovering debts from native merchants. In 1831, for instance, Tablas, a native dealer, drew a £400 bill for goods bought from Huth's branch against Cea in favour of Huth, Gruning & Co. Problems started when the bill was protested by Cea, and Huth, Gruning & Co. requested alternative payment. Huth & Co. prosecuted Tablas in the local court of justice. However, taking this step would not always guarantee that the debt would be recovered. Often, British merchants had to act as detectives and present further evidence to the courts to enforce debt payments.

⁶⁶ HPEL, Volume 13, Huth & Co. to Brown & Co. (Glasgow). London, 6 May 1834. Same rate was charged for the trades between Chile and the USA. ANCH-AJV, Volume 319-13, Valparaíso, 10 November 1845.

⁶⁷ HPGL, MS 10700-5, Renewal of Partnership agreement. London, 25 May 1848. Gibbs & Sons had similar conditions. AGSP, MS 11469-3, Eggert to Brown (Santiago). Valparaíso, 6 October 1859.

⁶⁸ F. Encina, *Historia de Chile desde la prehistoria hasta 1891* (Santiago, 1945–1952), X: p. 199.

⁶⁹ HPGL, MS 10700-5, Ward to Huth & Co. (London). Valparaíso, 30 May 1848.

⁷⁰ AGSP, MS 11469-3, Eggert to Brown (Santiago). Valparaíso, 30 June 1859. To local clientele applying for credit, Gibbs's branches asked for a *fiador*, or for other guarantees such as mortgaged land property.

⁷¹ UGD/28/1/3, Wylie to Scott (Pernambuco). Liverpool, 2 June 1812.

⁷² GFDP, Hughes to Garrett (London). Buenos Aires, 19 February 1845.

In the above case, for instance, Huth & Co. had to provide intelligence privately obtained about the whereabouts of Tablas for the police to catch him (he had run away to Santiago).⁷³ Similarly, in a comparable incident, Brown, a local British merchant to whom Archonda owed money, provided evidence to the tribunals regarding the debtor's intention to depart from Valparaíso to the capital and that it was justified to 'ordenar no se mueva por sus pies ni ajenos de esta ciudad' [i.e. not to allow him to leave the city].⁷⁴ On other occasions, the 'Sherlock Holmes' skills and energies of local British merchants were channelled into getting intelligence, not about the whereabouts of defaulters, but of their property. For instance, in 1848, Gibbs & Co. provided local tribunals with information about a sugar cargo belonging to De la Barra & Hermanos – who owed money to Gibbs – which was being stored in Vildozola's premises. Thus, Gibbs & Co. requested the tribunal to confiscate the cargo until De la Barra & Hermanos met their obligations.⁷⁵

As shown in Chapter 4, another additional charge was 0.5 per cent as a commission for marine insurance.⁷⁶ This was not always welcomed by exporters, such as Brown & Co., who after complaining to Huth, received this for an answer:

we have invariably made this charge to all our friends both in your country [Scotland] and Lancashire, except when no advance is taken, in which case we readily abandon it, but when we make a liberal advance without charging any banking commission, we really think that some small remuneration is due to us.⁷⁷

Fire insurance was also charged by merchants receiving consignments for the safe storage of goods until the bales were released to local customers. In the case of Huth & Co., their branch at Hamburg customarily effected fire insurances for goods stored at Valparaíso, Bolivia and Peru, at a rate of between 1.25 to 1.5 per cent.⁷⁸ For other

⁷³ ANCH-AJV, Volume 318-4, Huth, Gruning & Co. against Manuel Tablas for an unpaid bill of exchange. Valparaíso, March 1831. See a similar case in Volume 497-12, Hodgson against Melgarejo for a debt payment. Santiago, 19 August 1817.

⁷⁴ ANCH-AJV, Volume 68-12, Brown against Archonda. Valparaíso, 28 August 1824.

⁷⁵ ANCH-AJV, Volume 296-4, Gibbs & Co. against De la Barra & Hermanos for a debt payment. Valparaíso, 22 May 1848. In a similar case, a British merchant asked the local tribunal to confiscate some cattle belonging to a native merchant, who owed money to him. ANCH-AJS, Volume 1399-1, Smith, Pearce & Co. versus Bravo for a debt payment. Santiago, 4 March 1838.

⁷⁶ HPEL, Volume 7, Huth & Co. to Halliday (Sanquhar). London, 11 January 1831; Volume 10, 5 November 1832; Volume 13, Huth & Co. to Brown & Co. (Glasgow). London, 28 April and 6 May 1834; Volume 17, Huth & Co. to Aitchison & Co. (Glasgow). London, 13 February 1837. In Cuba, British merchants charged as much as 2.5 per cent for insurances. Turnbull, *Travels in the West*, p. 249.

⁷⁷ HPEL, Volume 13, Huth & Co. to Brown & Co. (Glasgow). London, 6 May 1834.

⁷⁸ HPEL, Volume 44, Huth & Co. to Petersen, Huth & Co. (Hamburg). London, 4 and 15 October; 22 and 29 November 1844. See also ANCH-AJV, Volume 320-2, Huth, Gruning & Co. against Alison Cumberlege & Co. Valparaíso, 15 September 1848, where fire insurance was charged at 1 per cent. To

British houses operating in Valparaiso, there is evidence of fire insurance being charged at 2 per cent.⁷⁹

There were also many apparently petty charges which, when added together, reached a significant figure. To start with, consigners paid for all postage expenses. For a market like the Southern Cone, for which triplicate letters as well as samples were always posted, these charges were not as small as may be thought.⁸⁰ Even for a nearer market such as Brazil, a recently arrived British merchant decided in 1809 that 'in consequence of the extravagant charges for postage we shall in future send only the most important paper by the packet'.⁸¹ Postal charges often had to be explained to newcomers in the trade: 'the reason of the postage charges being so high is that our friends in the Pacific always send duplicates & triplicates of their letters &c, which of course we do not forward to you as they would only be a useless expense'.⁸² This also shows that the more uncertain communications were, the more expensive they were.

Consigners also paid a 'port agency' fee of 0.5 per cent,⁸³ as well as 'other cities agency' when goods were sold at a location other than the port of arrival (1 per cent⁸⁴). The latter was justified by the consignee arguing that, otherwise, exporters could not 'benefit of the Santiago market, which is at time considerable'.⁸⁵ This, again, often needed to be explained to exporters not familiar with the markets:

We observe your remarks regarding the ... Santiago agency, which our friends are always in the habit of making on sales made by their agent there. With regard to this charge we assure that our House derives no advantage

Rothschild, it was charged 0.13 per cent for quicksilver cargoes (these being very secure goods). RHL, XI/38/149/A, Huth, Gruning & Co. to Huth & Co. (London). Valparaiso, 20 July 1838; 29 January; 15 February; 15 May; 13 August 1840; Huth & Co. to Rothschild & Sons (London). London, 17 December 1840.

⁷⁹ See ANCH-AJV, Volume 14-4, Alison Cumberlege & Co.'s failure. Valparaiso, 1848.

⁸⁰ The charges for postage were most usually between £0.50 and £0.85 which, for small operations, accounted for 0.25–1 per cent of the sale. For those shipping regular and small cargoes, all of which were accounted for in separated letters, postal charges were not trifling. See, for instance, charges of around 0.4 per cent made by a local merchant. ANCH-AJV, Volume 14-4, Alison Cumberlege & Co.'s failure. Valparaiso, 1848. See also Rothschild. RHL, XI/38/149/A, Huth, Gruning & Co. to Huth & Co. (London). Valparaiso, 20 July 1838; 29 January; 15 May; 13 August 1840; HPEL, Volume 10, Huth & Co. to Halliday (Sanquhar). London, 5 and 27 November 1832.

⁸¹ WLP, Volume 4, Luccock to Luptons & Luccock (Leeds). Rio de Janeiro, 2 June 1809.

⁸² HPEL, Volume 11, Huth & Co. to Halliday (Sanquhar). London, 16 January 1833.

⁸³ HPEL, Volume 2, Huth & Co. to Williams & Co. (Huddersfield). London, 3 July 1828; Volume 13, Huth & Co. to Steward & Wilson (Glasgow). London, 13 January 1834; RHL, XI/38/149/A, Huth, Gruning & Co. to Huth & Co. (London). Valparaiso, 20 July 1838; 29 January; 15 February; 15 May 1840. Same rate was charged for the trade between Chile and the USA. ANCH-AJV, Volume 319-13, Huth, Gruning & Co. against Foster. Valparaiso, 10 November 1845.

⁸⁴ HPEL, Volume 13, Huth & Co. to Steward & Wilson (Glasgow). London, 13 January 1834. See also ANCH-AJV, Volume 14-4, Alison Cumberlege & Co.'s failure. Valparaiso, 1848; Volume 320-2, Huth, Gruning & Co. against Alison Cumberlege & Co. Valparaiso, 15 September 1848.

⁸⁵ HPEL, Volume 16, Huth & Co. to Webster & Sons (Morley). London, 11 August 1836.

from sales made in this manner, and the inconvenience of selling in this way would induce them to confine their sales to their immediate ports were it not that better prices are obtained in these sales and that the interest of their consigning friends requires them to employ an agent at Santiago. You may depend that the advance in price obtained by selling in this way is far more than equivalent to this extra charge.⁸⁶

Other ‘trifling’ charges were for the storage of goods in warehouses (also 1 per cent⁸⁷) and for renting the premises used by local houses.

Not only petty expenses such as postage, rent and agencies were charged, but everything else that involved a disbursement for the merchant, as explained by Huth to an annoyed exporter:

the Bank and petty charges are actual disbursements for bags, counting, gratuity to the porters at the Bank &c, and though they are trifling, we think it more correct to deduct them, just as well as all other contingent expenses such as brokerage &c.⁸⁸

Less usually, as during wars or unpredicted events, if goods had entered the customs house and their associated import duties had been paid, but remained unsold, Huth & Co. also charged what they called ‘interest on duty’.⁸⁹ Finally, there were also landing expenses, peonage, stamps and boat hire, all of which collectively were called ‘unloading charges’ (including lighterage), which accounted for between 0.5 per cent to nearly 1 per cent.⁹⁰ Table 5.1 summarises all these charges.

⁸⁶ HPEL, Volume 11, Huth & Co. to Pennington (Wigan). London, 28 February 1833.

⁸⁷ For Chile see HPEL, Volume 2, Huth & Co. to Williams & Co. (Huddersfield). London, 3 July 1828; Volume 13, Huth & Co. to Steward & Wilson (Glasgow). London, 13 January 1834; ANCH-AJV, Volume 14-4, Alison Cumberlege & Co.’s failure. Valparaiso, 1848; Volume 320-2, Huth, Gruning & Co. against Alison Cumberlege & Co. Valparaiso, 15 September 1848; RHL, XI/38/149/A, Huth, Gruning & Co. to Huth & Co. (London). Valparaiso, 20 July 1838; 29 January 1840; 15 February 1840; 15 May 1840; 13 August 1840. For Argentina see HDP, Alexander to Dallas (Buenos Aires). Glasgow, 31 May 1819; Borthwick & Goudie to Dallas (Buenos Aires). Dunbar, 4 November 1818; Account sales. Buenos Aires, 13 March and 31 May 1821.

⁸⁸ HPEL, Volume 16, Huth & Co. to Webster & Sons (Morley). London, 11 August 1836.

⁸⁹ Ibid.

⁹⁰ ANCH-AJV, Volume 14-4, Alison Cumberlege & Co.’s failure. Valparaiso, 1848. See also ANCH-AJV, Volume 320-2, Huth, Gruning & Co. against Alison Cumberlege & Co. Valparaiso, 15 September 1848; HPEL, Volume 13, Huth & Co. to Steward & Wilson (Glasgow). London, 13 January 1834; RHL, XI/38/149/A, Huth, Gruning & Co. to Huth & Co. (London). Valparaiso, 20 July 1838; 29 January and 13 August 1840; HDP, Account Sales. Buenos Aires, 30 August 1818.

Table 5.1
Average charges on consignments from Britain to the Southern Cone during the first half of the nineteenth century

Consigning Charges	Rate on Invoice Costs
Sales and returns commission	7.5%
Guaranteed accounts commission	2.5%
Commission for making marine insurance	0.5%
Postage of letter and samples	0.5%
Port agency	0.5%
Other cities agency	1.0%
Store goods commission	1.0%
Rent of premises	0.5%
Unloading charges	1.0%
Other petty charges	0.5%
Total Estimated Charges	15.5%

Source: own elaboration

This chapter has dealt with export contracts and the main financial dimensions of the marketing chain. It has considered financial arrangements at an early stage of the developing global economy. It has shown the varying degrees of dependency of exporters on the provision of credit in the supply of distant markets with slow turnovers. Chapter 6 closes the analysis of the market chain, by considering the ways by which merchants on the spot remitted sales returns to Britain.

Chapter 6

Paying for textiles: return remittances

Within the market chain of textiles exported to the Southern Cone, we have concentrated so far on the outward part of the trade. Equally important was the homeward vector of these operations. That is, how were sales returns remitted to Britain? This is an issue that is largely oversimplified in the historiography, though there are no general rules for summarising it. It is known that there were three possible means of remitting export proceeds: bullion and specie; bills of exchange; and local produce. What was the relative importance of each? Which means did merchants prefer? These questions are difficult if not impossible to answer. A considered response should be based on evidence for the totality of operations of British houses in both Argentina and Chile, but little evidence in their archives has survived. In this chapter, new light is thrown on these questions, enabled by fresh evidence drawn from diverse sources.

Remittances from Argentina

For Argentina, Reber argued (as have most historians), in the most detailed research on British merchant houses operating in Buenos Aires, that ‘bills of exchange were the most common means of making payments’.¹ Brown, in contrast, wrote that because of the high costs of inflation ‘foreign traders had to take payment in local products such as hides and tallow’.² In an intermediate position, Clapp stated that Owens’s remittances were sent home mainly in bills, but that ‘when good bills were not obtainable, Owens’s agents had no choice in the matter’ than to remit in produce.³ None of these conclusions gives importance to bullion and specie. They may reflect implicitly the established view that British merchants were not in a position to remit bullion or specie following Argentina’s severance from her traditional colonial supply of silver in Upper Peru.⁴

¹ V. B. Reber, *British mercantile houses in Buenos Aires, 1810–1880* (Cambridge-MA, 1979), p. 100.

² J. Brown, *A socioeconomic history of Argentina, 1776–1860* (Cambridge, 1979), p. 89.

³ B. W. Clapp, *John Owens* (Manchester, 1945), pp. 83–84.

⁴ For a recent challenge to this idea see M. A. Irigoin and R. Schmit, ‘Introducción’, in Irigoin and Schmit (editors), *La desintegración de la economía colonial* (Buenos Aires, 2003), p. 23.

Fortunately, it was possible to obtain robust data for remittances within the papers of Hodgson & Robinson, a British house which successfully operated in Buenos Aires for most of our period of study. A summary is presented in Table 2. The findings are striking. Before the Brazilian blockade (1826–1828), most remittances were made in local produce, with bullion and specie also playing an important part until the French blockade (1838–1840). For the whole period to 1844, though bills comprised 54 per cent of remittances, this is not concordant with those who believed that bills were overwhelmingly used. Besides, this is evidence from only one of the many houses which operated on the spot and should not be extrapolated to the whole trade. For instance, according to a report produced by a Baring's agent, two very important houses, Parlane McAlister & Co. and Rennie McFarlane & Co., remitted 'generally on their own account in produce and their constituents paid in England by their agents in cash'. Likewise, it is also said that Anderson Weller & Co. and Nicholson Green & Co. 'remit generally in produce'.⁵

Table 6.1
Hodgson & Robinson's remittances from Buenos Aires, 1817–1844
Shares of remittance means on total values remitted

Period	Produce	Bullion and specie	Bills of exchange	Observations
1817-1825	57%	20%	23%	
1826-1828	59%	12%	29%	Buenos Aires Blockaded
1829-1837	29%	8%	62%	
1838-1840	33%	0%	67%	Buenos Aires Blockaded
1841-1844	27%	0%	73%	
1817-1844	36%	9%	54%	

Source: own elaboration from GHR/1 to GHR/4

Although local produce is acknowledged in the literature as a way of remitting, its role has been clearly underrated. For Greenhill, for example, 'hides, skins and foodstuffs commanded only local markets'.⁶ Yet, soon after independence, River Plate hides found a ready market in Britain in sufficient volumes to pay for most British imports. In the words of Parish, a British consul: 'Buenos Ayres possesses in her hides, a vast and increasing means of returns for all the commodities

⁵ HC/16/114, List of English establishments at Buenos Aires and Montevideo, June 1843.

⁶ R. Greenhill, 'British shipping and Latin America, 1840–1930: the Royal Mail Steam Packet Company', PhD Thesis, University of Exeter (1971), p. 224.

the population of these provinces are likely to want from Europe'.⁷ Besides hides, as seen in Table 6.2, tallow and skins made their way on to the British market. Not infrequently, produce was the only possible way of remitting, whether the merchant in Britain liked it or not: 'having held the funds of these friends for some time without being able to purchase any drafts, bullion or dollars ... we have seen no alternative but that of purchasing produce'.⁸

A way of testing the validity of Parish's statement is to construct bilateral trade balances between the United Kingdom and the River Plate. Chart 6.1 portrays both United Kingdom's exports and imports with the River Plate and suggests that, except for the period c.1815–1825, the River Plate had sufficient produce to pay for most British manufactures. Yet, Chart 6.1 has a problem as, until 1853, United Kingdom imports are at 'official value' and therefore are not reliable as a measure of value.⁹ A solution to this problem would be to obtain data for British imported volumes and associated market prices to recalculate imported values from 1815 to 1853. To undertake this task for the totality of the goods imported from the River Plate would be a Herculean task and beyond the possibilities of this thesis. Nevertheless, it is known that United Kingdom imports from the River Plate during the first half of the century were largely hides and tallow. Thus, this author has corrected United Kingdom's imports for only these two products as a good proxy of aggregated 'real value' series.

To correct the values of United Kingdom's imports from the River Plate from 1815 to 1853, import volume data for these two products (hides and tallow) were collected. Wholesale London prices previously gathered by Halperín-Donghi¹⁰ for the period 1818–1852 were extended with data for the periods 1815–1817¹¹ and 1853–1854.¹² Thus, to the import prices of 1854 (i.e. real-value prices, which are market prices), previous variations of the London price series were applied to generate new import prices, which, in turn, replaced the fixed prices of 'official value' series. The differences between the corrected United Kingdom's import values from the River Plate thus obtained and the 'official values' show that, surprisingly, before 1833, for

⁷ FO 6/11, Parish to Canning (London). Buenos Aires, 25 August 1826.

⁸ GHR/5/1/2, Green & Hodgson to Green (Swinton). Buenos Aires, 10 July 1824.

⁹ See Chapter 2 for criticism of the 'official value' series.

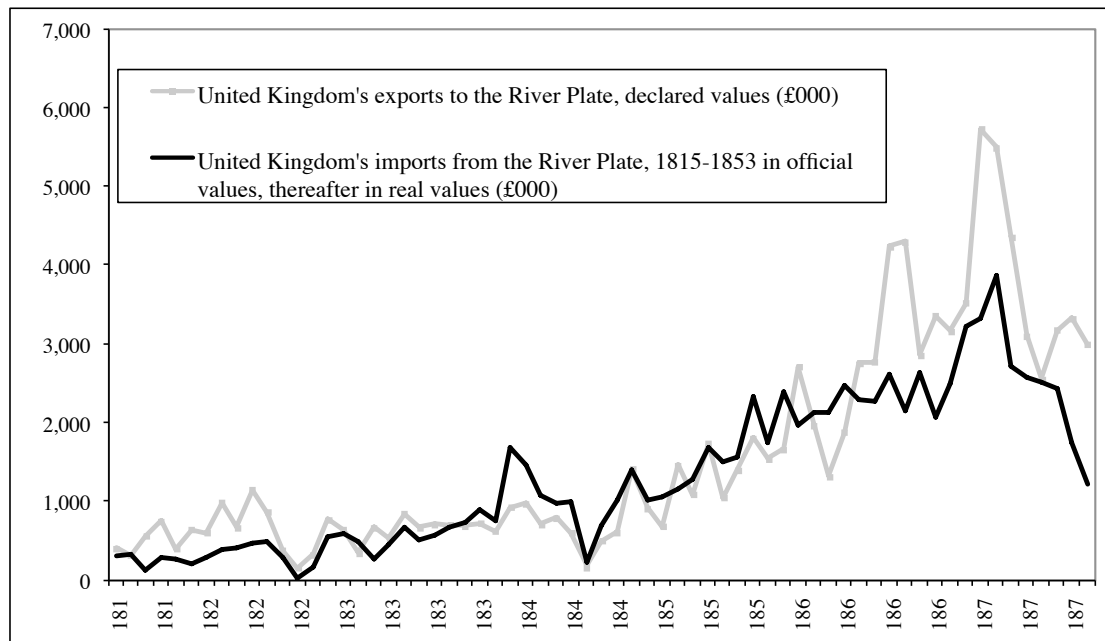
¹⁰ T. Halperín-Donghi, 'La expansión ganadera en la Campaña de Buenos Aires, 1810–1852', *Desarrollo Económico*, Volume 3-1 (1963).

¹¹ From *London New Price Current*.

¹² From *London Mercantile Price Current*.

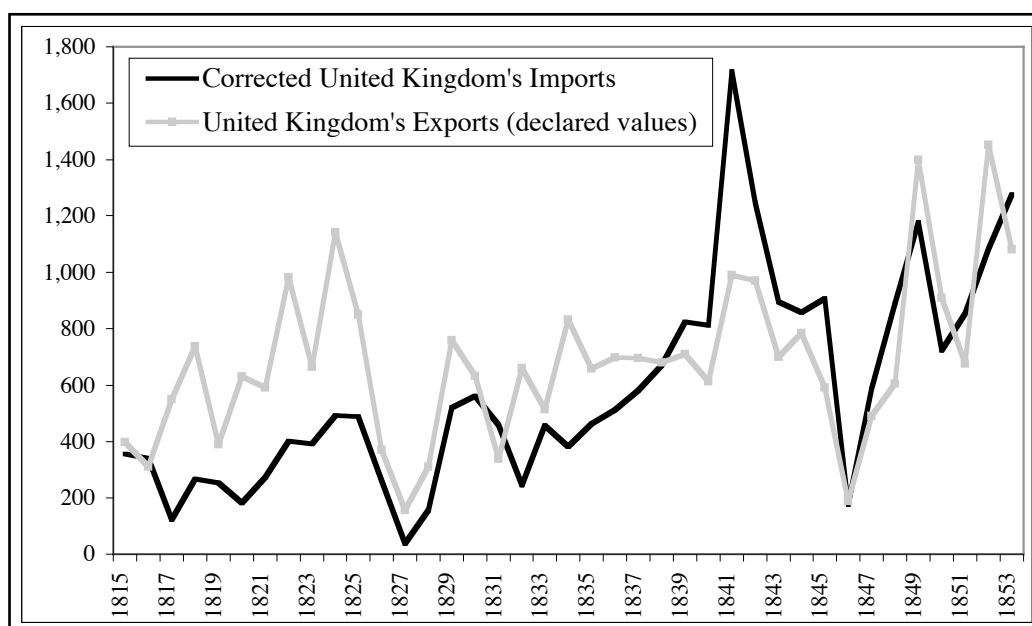
the particular case of River Plate's hides and tallow, the fixed prices used in 'official values' were very close to market prices. Thereafter, rather than being under valuations, 'official values' were inflating the actual values of imports from the River Plate.

Chart 6.1
United Kingdom exports and imports to and from the River Plate, 1815–1879



Source: own elaboration. For import series from CUST/4, CUST/5 and BPP (as listed in Appendix 6.1), and as in Table A.2.2.1 for export series

Chart 6.2
United Kingdom exports and corrected imports to and from the River Plate, 1815–1853 (£000)



Source: as in Chart 6.1 and footnotes 10 to 12 of this chapter

Table 6.2
United Kingdom imports from Argentina and Uruguay, 1815–1879
Annual averages (£000). From 1815 to 1853 in official values, and from 1854 to 1879 in real values

Period	Hides, untanned	Skins and furs	Tallow	Meat, salted or fresh	Bones of animals and fish	Wool, of sheep and lamb	All Others	TOTAL
1815-1819	192	5	24	0	0	7	22	249
1820-1829	266	27	2	0	0	1	18	314
1830-1839	470	28	20	0	3	15	35	570
1840-1849	765	14	124	0	10	59	43	1,015
1850-1853	766	3	187	0	25	68	67	1,117
1854-1859	825	55	360	0	122	191	303	1,855
1860-1869	820	84	661	18	150	312	220	2,267
1870-1879	763	458	653	53	211	259	210	2,606
Period	Share in total, %							
1815-1819	76.9%	2.1%	9.5%	0.0%	0.0%	2.8%	8.7%	100%
1820-1829	84.7%	8.5%	0.6%	0.0%	0.0%	0.5%	5.8%	100%
1830-1839	82.4%	4.9%	3.5%	0.0%	0.6%	2.6%	6.1%	100%
1840-1849	75.4%	1.3%	12.2%	0.0%	1.0%	5.8%	4.2%	100%
1850-1853	68.6%	0.3%	16.8%	0.0%	2.2%	6.1%	6.0%	100%
1854-1859	44.5%	3.0%	19.4%	0.0%	6.6%	10.3%	16.3%	100%
1860-1869	36.2%	3.7%	29.2%	0.8%	6.6%	13.8%	9.7%	100%
1870-1879	29.3%	17.6%	25.0%	2.0%	8.1%	9.9%	8.1%	100%

Source: own elaboration from CUST/4, CUST/5 and BPP (as listed in Appendix 6.1)

The corrected United Kingdom imports series thus obtained (Chart 6.2), confirms that the River Plate had a trade deficit with the United Kingdom only before the mid-1830s (in particular, during the period 1817–1825). Nonetheless, it remains the case that local produce was, comparatively, a very important way of remitting sale proceeds from the early-1820s (except during the Brazilian blockade). This is consistent with the experience of Hodgson & Robinson summarised in Table 6.1. Indeed, other British merchant houses extensively used local produce to remit, even from early post-independence times. For instance, Symonds and Thiesen, London merchants consigning textiles to Dallas from 1817, always requested his remittances to be sent in local produce: ‘the goods are of the very best fabrics and are from long experience selected as suitable to your market ... I request that these goods may be sold on arrival and the proceeds invested in the best ox hides or if possible in tallow’.¹³

Many times British textiles were not sold but bartered for local produce, as in 1823 when some of Fielden’s cottons were ‘bartered for long hair’ and others ‘bartered for vicuña skins’.¹⁴ Rather than being a drawback, primitive bartering was often the best thing to do, as suggested by Hodgson to Robinson:

M. Mier, (brother of Simon Mier, established at Chascomes) is a channel through whom you may quit a good many ponchos, on better terms than any other by bartering. I think you will get 2 dry ox hides, 6 horse hides, 6 dozen nutria skins, 2 arrobas of long tail hair or from 4 to 6 arrobas of short horse or cow tail hair for each poncho ... in this way we shall avoid paper currency, & get a sterling equivalent in payment, & quit more ponchos.¹⁵

Robust data on import volumes for the United Kingdom collected in the course of this research shows (Chart 6.3) that the River Plate was the main supplier of untanned hides to Britain during our period of study and that Britain was taking increasing volumes of this product. Furthermore, Argentine produce was sent to other markets in exchange for British textiles, which is not accounted for in bilateral trade records. Hodgson & Robinson (like many others) sent a great deal of hides to Antwerp, Genoa, Spain and the USA, and the returns thus obtained were remitted to Manchester.¹⁶ Indeed, part of the bills of exchange of Table 6.1 were drawn in favour

¹³ HDP, Symonds to Dallas (Buenos Aires). London, 18 November 1818; 21 December 1818 and 2 April 1819; Thiesen to Dallas (Buenos Aires). London, 3 December 1817.

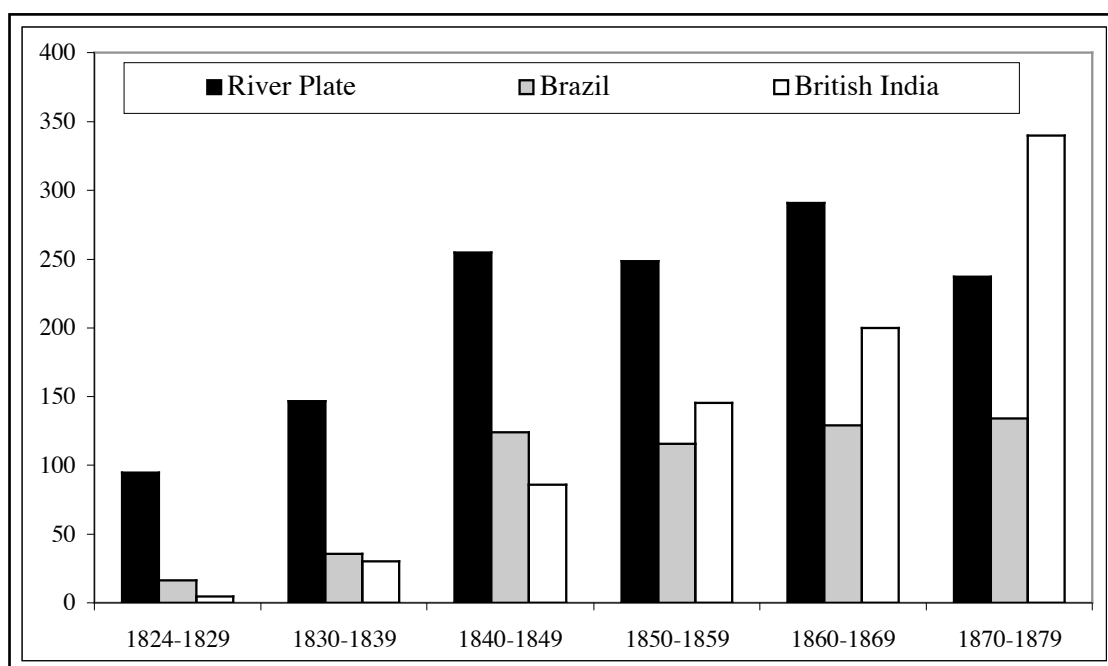
¹⁴ GHR/5/1/2, Green & Hodgson to Fielden Brothers (Manchester). Buenos Aires, 27 September 1823.

¹⁵ GHR/5/1/11, Hodgson to Robinson (Buenos Aires). Liverpool, undated (circa April 1830).

¹⁶ During the period 1833–1838 the River Plate exported 0.57m hides per year to northern Europe (GHR/5/2/10), a quantity not far away from comparable exports to Britain. See also D. C. M. Platt,

of Owens & Son (a Manchester supplier) for hides regularly sent to Jollie, Clibborn & Co. of Antwerp (a point to be extended below). Such was the importance gained by other markets that, by 1850, continental Europe and the USA were the main consumers of River Plate produce, even displacing the United Kingdom.¹⁷ Yet, Britain remained the most important supplier of textiles.

Chart 6.3
United Kingdom imports of untanned hides, 1815–1879
Annual averages per main origins (thousands of cwt)



Source: own elaboration from CUST/4, CUST/5 and BPP (as listed in Appendix 6.1)

Similarly, Argentine jerked beef was extensively shipped to Havana, another triangular trade involving British textiles, for which bills were also drawn on England.¹⁸ So important was this branch of trade that a contemporary observed that before the mid-nineteenth century: ‘the most important branch of [Cuban] commerce with them [Spanish South America] is the trade in jerked beef brought from Buenos Ayres. It is not a reciprocal trade, for the countries of La Plata consume a very small

¹⁷ ‘Problems in the interpretation of foreign trade statistics before 1914’, *JLAS*, Volume 3-2 (1971), p. 120. River Plate’s hides were sent even to India. FO 6/111, India Board to Viscount Canning (London). London, 8 September 1845.

¹⁸ M. A. Irigoin, ‘La fabricación de moneda en Buenos Aires y Potosí y la transformación de la economía colonial en el Río de la Plata, 1820–1860’, in Irigoin and Schmit, *La desintegración*, p. 72.

¹⁹ HC/4/1/12, Duguid, Holland & Co. to Fesser & Co. (Havana). Buenos Aires, 26 June 1830; HPEL, Volume 14, Huth & Co. to Zimmerman, Frazier & Co. (Buenos Aires). London, 5 November 1835; GHR/5/2/1, Kalkman to Green & Hodgson (Buenos Aires). Baltimore, 1 January 1829.

amount of Cuban produce'.¹⁹ Finally, as explained in the third section of this chapter, it was very common for the main US houses on the spot (e.g. Zimmerman, Frazier & Co. and Davidson, Milner & Co.) to use letters of credit on London houses (i.e. Huth & Co., Timothy Wiggin & Co., Thomas Wilson & Co., George Wildes & Co. and Baring Brothers) to buy local produce. Although these transactions are entered in Table 6.1 as remittances in bills to Britain, they actually involved the shipment of local produce to the USA.

Table 6.3
New estimates of trade balance between the United Kingdom and the River Plate, 1815–1879. Annual averages, £000. Exports in (-) and imports in (+)

Period	United Kingdom exports (declared values)	United Kingdom imports of local produce (*)	Trade Balance of Goods
1815-1819	-478	268	-210
1820-1829	-646	321	-325
1830-1839	-642	516	-126
1840-1849	-733	926	192
1850-1859	-1,326	1,507	180
1860-1869	-2,809	2,267	-542
1870-1879	-3,736	2,606	-1,129

(*) In corrected 'official values' until 1853, and in 'real values' thereafter

Source: as in Charts 6.1 and 6.2

With regard to bullion and specie, there is further robust evidence for the first half of the century in addition to Table 6.1. Table 6.3 shows the River Plate's trade deficit with Britain up to the 1830s, which ought to have been covered with bullion, specie and multilateral trades. From the late 1810s, Fielding & Co. and Joseph Lyne (both merchants from Rio) usually requested Dallas & Co. to obtain bullion and specie at Buenos Aires to effect remittances to Britain.²⁰ Similarly, in the 1810s, Luccock & Co. obtained a great deal of bullion at Buenos Aires for remittances to Britain against sales made at Rio de Janeiro.²¹ There is also evidence that Dallas remitted extensively on own account in dollars either directly to Britain,²² or through

¹⁹ J. S. Thrasher, 'Preliminary essay', in A. Von Humboldt, *The island of Cuba* (New York, 1856), pp. 48–49.

²⁰ HDP, Fielding to Dallas (Buenos Aires). Rio de Janeiro, 5 February 1820; Lyne to Dallas (Buenos Aires). London, 26 August 1818.

²¹ WLP, Volume 9, Lupton & Co. to Stansfeld (London). Leeds, 9 and 22 June; 29 September 1813.

²² HDP, Macintosh, Miller & Co. to Dallas (Buenos Aires). London, 8 January 1819.

his partner house via Rio.²³ In this period British manufactures were, for example, sent to Córdoba for ‘a cambalache de plata piña, idem en barra ... o dinero de contado’.²⁴

Consul Parish reported that for 1822–1826, in annual averages, Buenos Aires exported £0.3m of gold and silver.²⁵ Imports from Britain were then valued at £0.74m per year, which would imply that bullion and specie paid for 40 per cent of all imports from Britain. In the same view, D’Orbigny has subsequently estimated that as much as 28 per cent of Buenos Aires’s total exports in 1824 consisted of specie and bullion obtained from the interior,²⁶ of which most was despatched to Britain.²⁷ This is supported by the observations of an Englishman in the mid-1820s.²⁸ Similarly, for 1829, according to figures found in *The British Packet*, Buenos Aires exports of precious metals were valued at £140,000 accounting for 16 per cent of all exports.²⁹ Furthermore, bullion and specie became particularly important during the four international blockades of Buenos Aires. In Parish’s words, during blockades, bullion and specie were ‘the only means ... of making any return or remittance from hence’.³⁰

In the late 1820s, it had also been observed that ‘considerable exports of gold and silver’ were made from Buenos Aires.³¹ During the 1830s, the Buenos Aires government issued many decrees prohibiting either the export of bullion or of both bullion and specie, which would make little sense if there were not considerable outflows taking place.³² During the early 1840s, for instance, the US house of Zimmerman, Frazier & Co. sent to Huth London, in a single operation £1,000 in

²³ HDP, Miller & Co. to Dallas (Buenos Aires). Rio de Janeiro, 4 August 1818.

²⁴ That is, to be bartered for silver bullion or silver specie. GHR/5/1/1, Hodgson to Fraguero (Córdoba). Buenos Aires, 13 August 1819.

²⁵ FO 119/1, Parish to Palmerston (London). Buenos Aires, 30 June 1831. Likewise, in 1817, it was reported to the Barings that a great deal of specie was smuggled out of Buenos Aires. HC/4/1/3/1, Robertson to Baring Brothers (London). Buenos Aires, 21 July 1817. At the Foreign Office, Canning was of the opinion that ‘precious metals will, for many years to come, probably furnish one of the principal means of remittance which Buenos Ayres will possess’. FO 118/8, Canning to Parish (Buenos Aires). London, 21 March 1826.

²⁶ A. D’Orbigny, *Viaje a la America meridional* (Buenos Aires, 1945), II : p. 488.

²⁷ FO 354/4, Parish to Duguid (Buenos Aires). Buenos Aires, 10 December 1830. For remittances in bullion from Green & Hodgson to Lupton & Co. around this time see WLP, Volume 14, Lupton & Co. to Green (Swinton). Leeds, 1 and 26 December 1823.

²⁸ Englishman, *Cinco años en Buenos Aires* (Buenos Aires, 1986), p. 101.

²⁹ *The British Packet*, 10 April 1830. Much of this was gold specie, presumably, coming from Chile.

³⁰ FO 354/4, Parish to Bidwell (London). Buenos Aires, 21 July 1827. See also Committee of British Merchants to Parish (Buenos Aires). Buenos Aires, 31 December 1827, in which merchants remarked that because of the blockade, returns ‘have been chiefly made in specie’.

³¹ *The British Packet*, 12 September 1829.

³² *The British Packet*, 20 July 1833 and 9 September 1837; GHR/5/1/6, Hodgson & Robinson to Owens & Son (Manchester). Buenos Aires, 2 September 1837.

‘patriot doubloons’.³³ As late as the mid-1840s, Dickson’s agent at Buenos Aires reported that many houses were receiving payments from native merchants in doubloons, which were subsequently used for remittances to Britain.³⁴

There should be little doubts that Upper Peru’s silver continued to flow towards Europe via Salta-Buenos Aires and Córdoba-Buenos Aires for longer than many have predicted.³⁵ Very recent research, particularly that of Irigoin, tends to confirm this idea.³⁶ Furthermore, Upper Peru was not the only source of bullion and specie for Argentina. A significant trade surplus with Chile provided a great deal of silver, as reported by a US commissioner in 1818.³⁷ Furthermore, in 1833, Consul Griffiths wrote to the Foreign Office about a ‘considerable quantity of bullion having been introduced from North America to purchase produce here’.³⁸ In the same year, Lezica Brothers offered Hodgson some Mexican silver that contained 5–6 per cent in gold to remit to England.³⁹ Similarly, *The British Packet* reported in 1844 that there was ‘large supply of specie constantly received from abroad’ in Buenos Aires.⁴⁰

Finally, regarding other means of effecting remittances, all the evidence suggests that bills of exchange became more important from the 1830s. During the 1810s and 1820s, it was not uncommon to find local merchants commenting in these terms: ‘bills of exchange are not infrequently not to be procured in Buenos Ayres’⁴¹ or ‘to my very great disappointment ... there is not a single bill upon England to be had at any exchange’.⁴² Furthermore, even if bills were available, this did not mean that merchants automatically took them up. Many times the exchange offered was not

³³ HPEL, Volume 27, Huth & Co. to Zimmerman, Frazier & Co. (Buenos Aires). London, 8 January 1840.

³⁴ GFDP, Hughes to Dickson (London). Buenos Aires, 15 April; 11 June; 23 July; 3 August 1844; 21 and 25 October 1844; 11 November 1844.

³⁵ Ferns, for instance, was of the idea that specie from Buenos Aires was exported to Britain only during few years after independence. H. S. Ferns, ‘Investment and trade between Britain and Argentina in the nineteenth century’, *EHR*, Second Series, Volume 3-2 (1950), p. 214.

³⁶ Irigoin and Schmit, ‘Introducción’, p. 23; Irigoin, ‘La fabricación de moneda’, p. 63.

³⁷ T. Bland, *Descripción económica i política de Chile* (Santiago, 1926), pp. 18-19. See also Irigoin, ‘La fabricación de moneda’, p. 73. Likewise, British textiles re-exported from Buenos Aires to Valparaiso were exchanged for bullion and specie. ANCH-AJS, Volume 153-10, Dickson to Villalón (Santiago). Buenos Aires, 16 December 1814.

³⁸ FO 6/38, Griffiths to Bidwell (London). Buenos Aires, 15 April 1833.

³⁹ GHR/5/2/5, Lezica Brothers to Hodgson & Robinson (Buenos Aires). Buenos Aires, 2 February 1833. Montevideo was another source of bullion and specie for British merchants operating in Buenos Aires.

⁴⁰ *The British Packet*, 9 March 1844.

⁴¹ GHR/5/1/1, Hodgson to Huish (Nottingham). Halifax, 3 October 1817.

⁴² GHR/5/1/1, Hodgson to Rawdon (Halifax). Buenos Aires, 24 June 1820.

tempting enough, while on other occasions either the drawer or the drawee were not to be trusted:⁴³

we most sincerely regret we cannot meet with any bills to our mind for you by this vessel. Some that we have had offered to us since we last wrote ... we did not like to take. Other that we did approve of, the parties would only give us at [a low exchange].⁴⁴

Fielden Brothers, who most of the time preferred to receive remittances in bills, also stated their wishes in these terms: ‘we still wish to have hard specie or good bills for returns. Of course you will take care the drawers of bills you take are men of known solidity or not take their draft. Better have produce than bad or even doubtful bills’.⁴⁵

Frequently, remitting in good bills meant that the operation became rather complicated. For instance, in 1833, Hodgson remitted with a good draft of Jose Ortiz Basualdo (Buenos Aires) upon Thomas de Ortiz (Paris) in favour of Jose de Yturriaga (London) to be paid to Crossley (Manchester), a decision explained as: ‘this bill we foresee will subject you to some trifling extra expenses & trouble but good bills at the present moment being scarce, & this one being as safe as the Bank of England & safer still, we were glad to get it’.⁴⁶ In this respect, intelligence received from England about the solidity and standing of the parties negotiating drafts on the spot became crucial. On many occasions, the local merchant even made trials, asking his contact in Britain to rate the drawer, before engaging in additional operations: ‘the bills are duly accepted and our banker believes the acceptor to be very respectable’.⁴⁷ Even after the 1830s, when supposedly bills become the predominant means of remitting home, they were frequently unavailable. The local agent of a London house very often stated that ‘exchange is very scarce & I cannot get any to remit’.⁴⁸

All in all, the evidence provided in this section suggests that bullion and specie cannot be disregarded when analysing the alternatives that local British merchants had

⁴³ Or as stated by Hodgson, drawers may be ‘men generally of no great substance’. GHR/5/1/5, Hodgson & Robinson to Owens & Son (Manchester). Buenos Aires, 11 December 1835.

⁴⁴ GHR/5/1/5, Hodgson & Robinson to Fielden Brothers (Manchester). Buenos Aires, 12 June 1835. Likewise: ‘we would have had a remittance for you hereby but we have not been able to meet with a bill that we can approve of’. GHR/5/1/6, Hodgson & Robinson to Owens & Son (Manchester). Buenos Aires, 25 March 1836.

⁴⁵ GHR/5/2/3, Fielden Brothers to Hodgson & Robinson (Buenos Aires). Liverpool, 17 November 1831.

⁴⁶ GHR/5/1/5, Hodgson & Robinson to Crossley & Sons (Manchester). Buenos Aires, 12 October 1833.

⁴⁷ GHR/5/2/8, Faulkner to Hodgson & Robinson (Buenos Aires). Manchester, 19 February 1836.

⁴⁸ GFDP, Hughes to Garrett (London). Buenos Aires, 13 August 1841. A year later, Hughes reported that ‘there are not good bills to be had neither on England or Monte Video Patriot’. 3 November 1842. See also letters of 16 February and 4 October 1843.

for remittances. Furthermore, it indicates that local produce became important earlier than usually thought.

Remittances from Chile

While the role of bills of exchange in remittances from Argentina has been given too much emphasis in the historiography, in the Chilean case, too much attention has been paid to bullion and specie to the detriment of local produce. For instance, Mayo has considered that the first stages of Anglo-Chilean commercial intercourse were ‘a relatively simple exchange of Chilean silver for British manufactures’.⁴⁹ Similarly, excessive emphasis has been given to bills of exchange, which had little importance. In the words of Huth & Co. commenting to a new supplier of wool manufactures

We observe ... that you wish to receive the returns in bills of exchange, probably thinking the practice to be the same as in the Brazil trade; but in Peru & Chile safe bills are seldom or never to be met with, and all returns by our houses are exclusively made in hard dollars.⁵⁰

Huth’s branch at Valparaíso 15 years later offered the same explanation, on this occasion to Rothschild & Sons.⁵¹ If this was the situation in the main Chilean commercial centres, we can imagine how more difficult it would have been in provinces. Not surprisingly, the British consul at Concepción reported in the early 1830s that ‘bills on London are scarcely negotiable, but as a matter of favor’.⁵² Of course, this is not to say that bills were not used at all to remit from Chile, though all the evidence suggest that they became important only from the late 1840s.

The reason why bullion and specie had primacy over bills of exchange is clear: Chile was an important producer of both gold and silver. In the words of a Rothschild local agent: ‘with so much bullion in the market bills on London found but few purchasers’.⁵³ In an interesting statistic, the *Oficina Central de Estadística* (OCE) reported that before the Californian gold discoveries, during the period 1801–1850, Chile produced as much as 11.4 per cent of world gold,⁵⁴ while Humboldt estimated that in 1803 the annual production of gold in Chile was equivalent to the total output

⁴⁹ J. Mayo, *British merchants and Chilean development* (Boulder, 1987), p. 11.

⁵⁰ HPEL, Huth & Co. to Webster & Sons (Morley). London, 20 April 1829.

⁵¹ RHL, XI/38/149/A, Huth & Co. to Rothschild & Sons (London). London, 4 May 1844.

⁵² FO 16/27, Rouse to Bidwell (London). Concepción, 31 December 1833.

⁵³ BDP-RHL, Davidson to Rothschild & Sons (London). Valparaíso, 1 March 1849.

⁵⁴ OCE, *Sinópsis estadística de la República de Chile* (Santiago, 1920).

in Peru and Mexico, and that of all gold produced in the 'New World', Chile's share was 25 per cent.⁵⁵

With regard to silver, during the first half of the nineteenth century, Chile was an important supplier to the world market, particularly after the Chañarcillo mine was discovered in 1832. For the period 1832–1842, it is estimated that this mine alone produced 50 tons of fine silver per year, with an average annual production of £141,000 from 1832 to 1847.⁵⁶ All in all, for the periods 1801–1850 and 1851–1875, Chile produced 8 per cent and 12 per cent of world silver, respectively.⁵⁷ Tables 6.4 and 6.5 provide further evidence.

Table 6.4
Chile's production of fine silver
(tons), 1701-1879

Period	Average annual production
1701-1799	2.0
1800-1843	18.2
1844-1872	99.7
1873-1879	125.4

Table 6.5
Chile's production of fine gold
(kilograms), 1811-1880

Period	Annual production
1811-1820	2,000
1821-1830	1,200
1831-1840	1,200
1841-1850	1,000
1851-1860	550
1861-1870	420
1871-1880	270

Source: own elaboration from A. Herrmann, *La producción de oro, plata i cobre en Chile* (Santiago, 1894)

However, Chilean gold and silver did not flow freely abroad. Early independent Chile placed a ban on exports of bullion in 1811, together with a 5 per cent export duty on silver specie and half that amount on gold specie, while before being exported specie was liable to a coinage stamp of 20 per cent.⁵⁸ In 1817, the export ban on bullion was maintained while export duties on all specie were increased to 6 per cent.⁵⁹ Subsequently, the export ban was temporarily extended to specie but, in 1824, specie was allowed to be exported after payments of 2 per cent and 0.5 per

⁵⁵ B. Vicuña-Mackenna, *La edad del oro en Chile* (Santiago, 1881), pp. 238-239.

⁵⁶ A. Millán, *La minería metálica en Chile en el siglo XIX* (Santiago, 2004), p. 61; B. Vicuña-Mackenna, *El libro de la plata* (Santiago, 1882), pp. 192-193.

⁵⁷ OCE, *Sinópsis estadística*. For the standing of Chile in the world market see M. G. Mulhall, *The dictionary of statistics* (London, 1899); A. Ure, *A dictionary of arts, manufactures and mines* (London, 1853).

⁵⁸ *Boletín de las leyes y decretos del gobierno, 1810-1822* (Santiago, 1898-1901), I: p. 26.

⁵⁹ G. Subercaseaux, *Monetary and banking policy of Chile* (Oxford, 1922), p. 43.

cent for silver and gold, respectively.⁶⁰ Prohibitions on the export of bullion lasted for a few more years; the ban was eventually replaced by a 6 per cent duty on silver bullion and of just a small fraction on gold bullion.⁶¹

Because of this restrictive trade policy, there was a great deal of contraband, as reported by a US commissioner shortly after independence:

The exportation of bullion is prohibited altogether, yet a considerable amount is annually smuggled out of the country ... and it will increase, because of the temptations held out by the high duties on coin. All metal is directed to be carried to the mint, where it pays a *quinto*, or one-fifth, duty; and then the coin, if it be exported, is taxed with a duty of nine per cent more; but if the bullion be smuggled abroad, the *quinto* and nine per cent are saved.⁶²

Similarly, in his first report from Valparaíso to the Foreign Office, Consul Nugent remarked that ‘the high duties levied both for coining ... and for exportation ... hold out a temptation for smuggling too great to be often resisted’.⁶³ Because of smuggling, it is impossible to estimate Chilean exports of bullion and specie for this early period.

Table 6.6
Chilean coinage of gold and silver, 1815–1879. Annual averages (£000)

Period	Value
1815-1819	192
1820-1829	51
1830-1839	73
1840-1849	96
1850-1859	446
1860-1869	182
1870-1879	349

Source: own elaboration from FO 16/5; FO 16/15; Subercaseaux, *Monetary and banking*; J. T. Medina, *Las monedas chilenas* (Santiago, 1902)

⁶⁰ *Sesiones de los cuerpos legislativos de la Republica de Chile, 1811-1845* (Santiago, 1886–1889), VII: pp. 166–170.

⁶¹ F. Encina, *Historia de Chile desde la prehistoria hasta 1891* (Santiago, 1945–1952), XI: p. 52.

⁶² Bland to Adams. Santiago, 2 November 1818, in W. Manning (editor), *Diplomatic correspondence of the United States concerning the independence of the Latin-American nations* (New York, 1925), II: p. 963.

⁶³ FO 16/2, Nugent to Canning (London). Valparaíso, 17 March 1825. As late as in 1842, Consul Rouse reported that ‘exports of gold, being generally smuggled, it is next to impossible to ascertain the amount’. FO 16/47, Return of Trade. Valparaíso, 30 September 1842. See also G. Salazar, ‘Entrepreneurs and peons in the transition to industrial capitalism: Chile, 1820–78’, PhD Thesis, University of Hull (1984), pp. 121–123; Encina, *Historia de Chile*, VIII: p. 48; X: p. 208; XI: pp. 61–62; Bland, *Descripción económica*, pp. 18–20.

Yet, from diverse sources, it was possible to obtain for the whole of our period of study an annual series of the value of gold and silver coined in Chile, which is shown in Table 6.6. These data give a very good idea of Chilean exports of specie, for most of the coinage was minted in high denominations destined for foreign markets rather than for circulation in the domestic economy.⁶⁴ Furthermore, Chile obtained specie from Peru and Bolivia, thanks to her trade surplus with these republics. For instance, during 1835–1837, according to British consuls, Chile re-exported £117,000 of nationalised silver specie to the world,⁶⁵ a value higher than the average Chilean coinage for the 1830s. For later periods, when official data are available for re-exports of specie, it is possible to estimate for 1844–1879 that Chile re-exported nationalised gold and silver specie at £70,000 per year.⁶⁶

As for bullion, British consular reports show that solely from Coquimbo, Chile exported £140,000 in precious metals on average each year during 1818–1830.⁶⁷ For the period 1834–1841, it is possible to value the average annual Chilean exports of silver bullion at £245,000, while gold bullion amounted to £13,000.⁶⁸ The business correspondence of Huth & Co. also shows that during the first semester of 1839, a period when Chile was at war with Peru, its Valparaíso house managed to remit £22,000 in treasure in four trade operations.⁶⁹ Likewise, in a single shipment in 1841, Huth's agents remitted £3,500 on silver bullion to Rothschild.⁷⁰ Though these are patchy figures, they show potential United Kingdom imports of precious metals from Chile during the early decades after independence.

Unfortunately, there are no published statistics of Chilean exports of bullion and specie for most of our period of study. Neither are there British statistics for imports of gold and silver before the mid-1850s.⁷¹ So, apparently, we face an

⁶⁴ J. Garreaud, 'A dependent country: Chile 1817–1861', PhD Thesis, University of California, San Diego (1981), p. 34. Yet, this may sort the problem of lack of statistics for smuggled specie, but not for smuggled bullion.

⁶⁵ Own calculations from BPP, 1831–1832, XLV (338), 'Returns from British diplomatic and consular agents on mines in America and Russia, relative to precious metals'. This was not specie in transit.

⁶⁶ Own calculations from *Estadística comercial de la República de Chile* (Valparaíso, 1844–1880).

⁶⁷ FO 16/15, Precious metals raised and exported in the Province of Coquimbo. Undated.

⁶⁸ Own calculation from FO 132/3; FO 132/22; FO 132/24; FO 132/26; FO 133/12 (loose papers).

⁶⁹ HPEL, own calculation from all transactions available in volume 26.

⁷⁰ RHL, XI/38/149, Huth, Gruning & Co. to Rothschild & Sons (London). Valparaíso, 2 March 1841.

⁷¹ In the words of Imlah, 'although records were made of the quantities of gold and silver bullion and coin exported, none was kept of imports before 1858'. A. Imlah, 'British balance of payments and exports of capital, 1816–1913', *EHR*, New Series, Volume 5-2 (1952), p. 211. The reason for this was given by William Irving, Inspector General of Imports and Exports, who reported that 'no account of the importation of gold and silver bullion, and coin, can be rendered from this Department, these articles being allowed to be landed without entry at the Custom House, by the Act 27 Geo II, c13, part

impossible task when trying to quantify the impact of precious metals in bilateral trade between Chile and the United Kingdom. The prospect is, fortunately, not that gloomy. British consuls provided useful data for the early decades of commercial intercourse, in part produced above. Though it is true that these figures are not exactly of Chilean exports to the United Kingdom, they are sufficient to establish some general trends. Furthermore, from 1844 there are continuous data produced by the Chilean customs, which have not been worked in depth by historians.

Table 6.7
Chilean world exports of bullion, specie and minerals containing gold or silver, excluding re-exports. Annual averages, 1844–1879 (£000)

Period / Product	1844-1849	1850-1859	1860-1869	1870-1879
Gold bullion	43.5	7.4	2.4	3.5
Silver bullion	367.0	457.6	396.2	390.8
Gold and silver specie	81.1	127.6	121.0	341.5
Total bullion and specie	491.6	592.6	519.6	735.7
Silver ores	1.7	168.5	103.8	21.5
Other products containing silver	1.0	0.3	3.4	38.5
Copper mixed with gold or silver	0.0	22.2	105.5	172.9
Gold ores, and gold and silver ores	0.0	0.0	0.0	0.6
Total exports containing gold or silver	494.3	783.6	732.3	969.2
Aggregated share of bullion and specie	99%	76%	71%	76%

Source: own calculations from *Estadística comercial*

A summary of the processed Chilean data is provided in Table 6.7. During 1844–1849, Chile exported nearly £0.5m per year to the world in precious metals and thereafter even more. Besides, if silver ores are considered, as well as copper ores containing gold or silver, total Chilean exports of mineral products containing gold and silver were even higher. Though Table 6.7, theoretically, could have been replicated for exports to the United Kingdom, problems with the quality of the microfilms consulted in the Chilean National Library made this task impossible. From the rolls containing the years 1850, 1851, 1853–1856, 1865 and 1873 only partial or unreliable information could be obtained. Yet, excluding those years, Table 6.8

12'. BPP, 1825, XX (204), 'An account of the quantity of gold and silver exported and imported ... since 1 January 1810 to 1 January 1825'. These references were kindly provided by Professor H. V. Bowen. This author also thanks David Beasley at Goldsmiths, Sarah Millard at the Bank of England and Caroline Shaw at the Rothschild Archive, when early enquiries were made about this issue.

provides rich information. In particular, it is clear that Britain was the main receiver of Chilean gold and silver during 1844–1879.

Table 6.8
Chilean exports of bullion and specie to the United Kingdom, including nationalised re-exports and excluding ‘in transit’ precious metals. Annual averages (£000), 1844–1879

Period / Product	Gold bullion	Silver bullion	Gold and silver specie	Total bullion and specie
1844-1849	34.9	275.4	150.1	460.4
1852	73.4	438.0	8.4	519.8
1857-1859	2.3	205.0	169.2	376.4
1860-1869 (*)	1.5	346.4	86.6	434.5
1870-1879 (**)	3.0	283.6	156.4	443.0

(*) excluding 1865; (**) excluding 1873

Source: own calculations from *Estadística comercial*

Table 6.9
New estimates of trade balance between the United Kingdom and Chile, 1815–1879. Annual averages, £000. Exports in (-) and imports in (+)

Period	United Kingdom exports (declared values)	United Kingdom imports of local produce (*)	Trade Balance of Goods
1815-1819	-15	0.1	-15
1820-1829	-468	44	-424
1830-1839	-722	165	-557
1840-1849	-943	525	-418
1850-1859	-1,303	1,438	134
1860-1869	-1,707	3,248	1,541
1870-1879	-2,154	3,968	1,814

(*) In corrected ‘official values’ until 1853, and in ‘real values’ thereafter

Source: as in Chart 6.1

All in all, it is possible to assert with a good deal of precision that Chile exported to the United Kingdom over £0.4m per year for most of the period 1844–1879.⁷² This was roughly the trade deficit that Chile had with the United Kingdom (see Table 6.9) during the 1820s, 1830s and 1840s, though probably it was not until

⁷² Before 1844, for the first three-quarters of 1842, according to Consul Rouse, Chile exported to the United Kingdom £0.4m of silver and £60,000 of gold. FO 132/21, Returns of trade. Valparaiso, 19 April; 24 July and 29 October 1842.

the 1830s that Chile was able to produce gold and silver to that extent. This suggest, as will be shown below, that multilateral trades were important during the first stages of direct commercial intercourse.

Another interesting point that emerges from the figures is that for the earliest period (1844–1849) for which we have United Kingdom imports of goods and precious metals from Chile, both categories had similar weights and, furthermore, local produce became even more important than precious metals. The United Kingdom imported £0.46m worth of bullion and specie and £0.58m of goods (if the prices of copper are corrected; see below). Before that, all the evidence presented in the previous paragraphs suggest that Chilean gold and silver could not have paid for more than two-thirds of imports from Britain during the 1820s and 1830s. In summary, although gold and silver were preferred to bills, this does not mean that local produce was unimportant for making remittances to Britain during the first half of the century as suggested by the literature.

Copper remittances, though broadly acknowledged as important during the second half of the century, for the period *c.*1815–1850 are substantially ignored by the historiography, which lacks a clear understanding of British import trade statistics. The problem arises from the use of the infamous ‘official value’ series, which cannot be taken in consideration. Charts 6.4 and 6.5 give clear reasons for this recommendation.⁷³ Just to illustrate how misleading the use of ‘official values’ for United Kingdom’s imports can be, Centner stated that

the balance of Anglo-Chilean commerce was overwhelmingly in favor of Great Britain ... Chile’s exports to the United Kingdom ... had been relatively unimportant, seldom exceeding one-twenty-fifth of British exports to it ... between 1830 and 1862 alone Chilean exports to Great Britain had increased more than one hundred times.⁷⁴

Yet, this apparent increase of 10,000 per cent in British imports from Chile has a different explanation.

⁷³ See Chapter 2 for a critic to ‘official value’ series.

⁷⁴ C. W. Centner, ‘Great Britain and Chile, 1810–1914’, PhD thesis, University of Chicago (1941), pp. 49–50, 59 and 221. These estimates, in turn, have been reproduced by other scholars. See for instance T. E. Nichols, ‘British economic activities in Chile to 1854’, MA Dissertation, University of California (1946), p. 98. More recently, Salazar used them in ‘Entrepreneurs and peons’, p. 269.

Table 6.10
United Kingdom imports from Chile, 1815–1879
Annual averages (£000). From 1815 to 1853 in official values, and from 1854 to 1879 in real values

Period	Hides	Corn	Copper, ores	Copper, regulus	Copper, unwrought	Copper, part wrought	Silver ores	Guano	Nitre, nitrate and saltpeter	All others	Total
1815-1819	0	0	0	0	0	0	0	0	0	0	0.12
1820-1829	15	0	0	0	18	0	0	0	0	10	44
1830-1839	10	0	11	0	9	4	0	0	14	45	92
1840-1849	5	2	29	0	25	31	0	61	40	166	359
1850-1853	2	6	14	10	44	289	34	84	32	85	600
1854-1859	2	21	422	517	172	172	354	43	9	90	1,802
1860-1869	34	423	351	944	1,109		213	9	20	145	3,248
1870-1879	18	696	94	757	1,190		207	10	21	976	3,968
Period	Share in total, %										
1815-1819	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100%
1820-1829	35.3%	0.0%	0.2%	0.0%	42.1%	0.0%	0.0%	0.0%	0.0%	22.3%	100%
1830-1839	10.9%	0.0%	12.3%	0.0%	9.7%	3.8%	0.0%	0.0%	14.8%	48.4%	100%
1840-1849	1.4%	0.5%	8.0%	0.1%	7.0%	8.6%	0.0%	17.0%	11.2%	46.3%	100%
1850-1853	0.3%	0.9%	2.4%	1.7%	7.3%	48.2%	5.7%	13.9%	5.3%	14.2%	100%
1854-1859	0.1%	1.1%	23.4%	28.7%	9.5%		19.6%	2.4%	0.5%	5.0%	100%
1860-1869	1.0%	13.0%	10.8%	29.1%	34.1%		6.6%	0.3%	0.6%	4.5%	100%
1870-1879	0.5%	17.5%	2.4%	19.1%	30.0%		5.2%	0.2%	0.5%	24.6%	100%

Source: own elaboration from CUST/4, CUST/5 and BPP (as listed in Appendix 6.1)

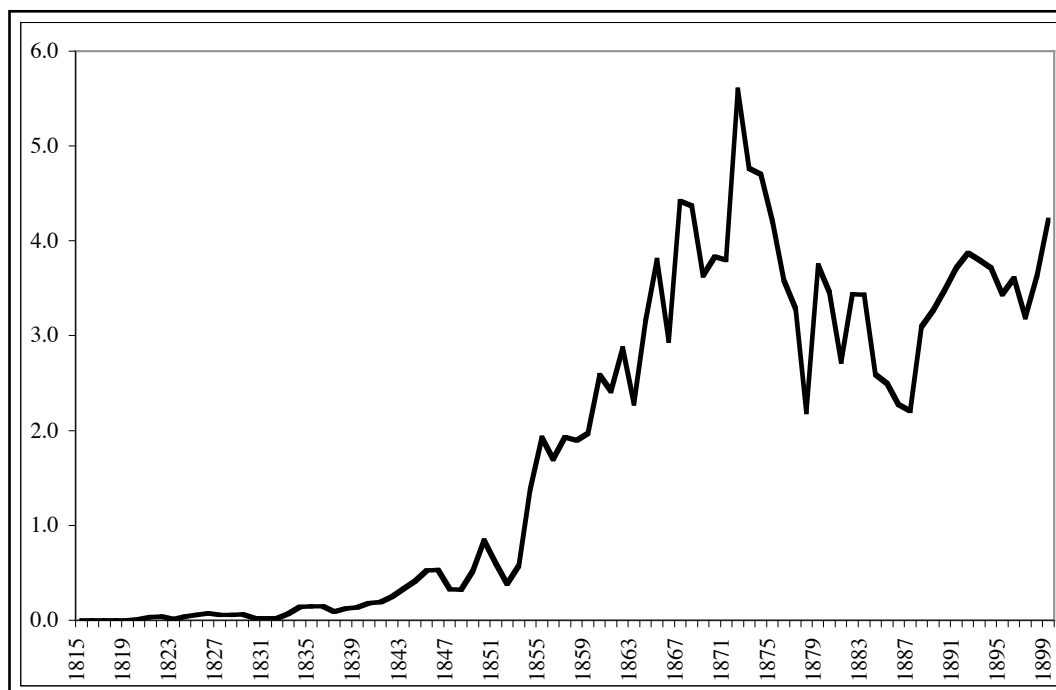
During the mid-1850s (the only period when there are both ‘official values’ and ‘real values’ series), the most important Chilean exports to the United Kingdom – copper ores and copper regulus – were registered at ‘official values’ at one-tenth and one-twentieth their real price, respectively, as seen in Table 6.11. Were this gross distortion applicable by 1853, plotting a series of the United Kingdom imports from Chile would show a clear ‘break’ between 1853 and 1854, when the system of recording imports was changed. Indeed, in Chart 6.4, there is a clear break point, with United Kingdom imports rising from under £0.5m to £2m in one year. Thus, the recommendation for scholars is to use either series with corrected prices or a volume series. Indeed, if a series of United Kingdom’s imports of Chilean copper ores in volumes is plotted against a comparable series measured by ‘official values’, the turning point is not around 1853 but 20 years before (Chart 6.5).⁷⁵

Table 6.11
United Kingdom imports from Chile (£000), selected products, 1854–1856
Official value (OV) versus real value (RV), annual averages

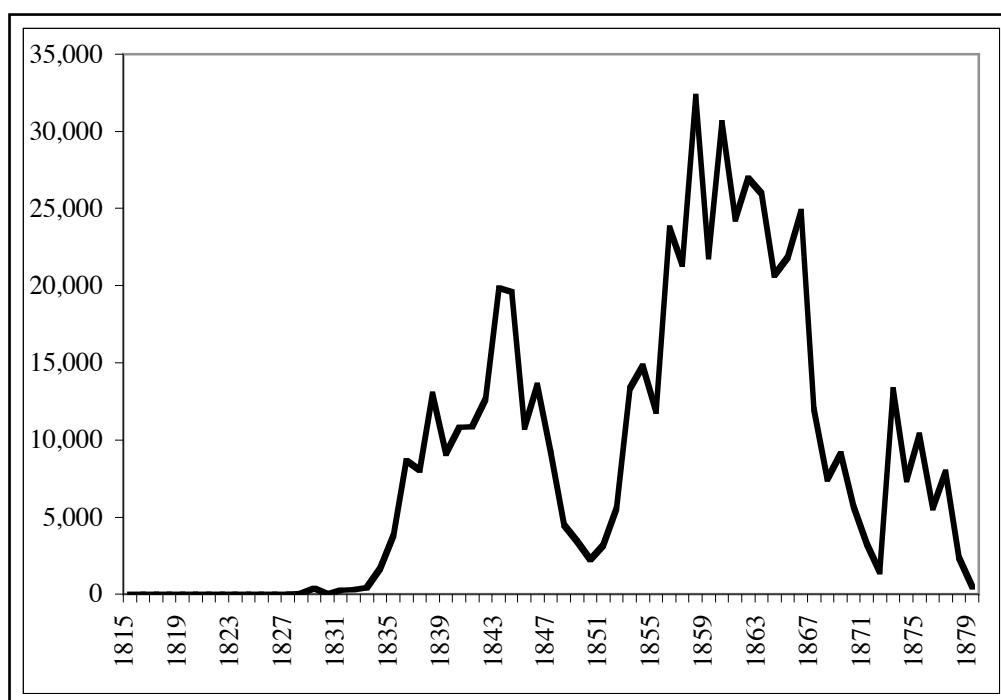
Product	Official Value (OV)	Real Value (RV)	(RV) / (OV)
Copper ore	42.0	384.3	9.2
Copper, regulus	18.1	357.1	19.8
Copper, unwrought	78.7	105.9	1.3
Copper, part wrought	176.2	185.7	1.1
Guano	35.6	39.8	1.1
Hides, wet	4.1	5.1	1.2
Nitre	2.6	3.6	1.4
Silver ore	455.4	455.4	1.0
Wool, sheep or lamb	2.8	5.3	1.9
Wool, alpaca	2.0	9.9	5.0

Source: own elaboration from CUST/4/48 to CUST/4/51; CUST/5/44; CUST/5/45 and CUST/5/51

⁷⁵ The decline in United Kingdom’s imports of Chilean copper ores between 1847 and 1852 was due to a new British tariff that favoured Chilean exports of more elaborate copper products, commented upon in Chapter 7.

Chart 6.4**United Kingdom imports from Chile, 1815–1899 (£m)****From 1815 to 1853 in official values and from 1854 to 1899 in real values**

Source: as in Table 6.10

Chart 6.5**United Kingdom imports of copper ores from Chile (tons), 1815–1879**

Source: as in Table 6.10

To get quantities and proper prices for all goods imported by the United Kingdom from Chile is beyond the scope of this thesis. Yet, from Tables 6.10 and 6.11, it is clear that copper was by far the main product imported and it was exactly this product which is the most affected by ‘official values’ prices. Import data in volumes were collected for all coppers registered by the British customs (i.e. ores, regulus, part-wrought, unwrought, plates and old). Unfortunately there are no price series available for each of these categories. Consequently, all categories of copper were converted into tons of fine copper.⁷⁶ To this derived series, a corrected import price⁷⁷ was assigned and a new United Kingdom’s import series (in value) from Chile was obtained for the period 1815–1853 (a summary is presented in Table 6.9).

As a result of the corrections made to copper prices, the differences between ‘official values’ and our corrected values are £3m for 1835–1853. This means that for this period, in annual averages, the United Kingdom’s imports from Chile calculated at ‘official values’ missed £0.17m per year when the United Kingdom’s exports to Chile averaged nearly £1m per year. It is clear, then, that Chilean copper started to enter the United Kingdom market in a major way from the mid-1830s, not from the mid-1850s as many have thought. Between 1835 and 1853, copper alone paid for around 16 per cent of all Chilean imports from the United Kingdom. This does not consider all other products or multilateral trades. From the mid-1840s, in particular, Chilean produce exported to the United Kingdom accounted for a higher value than all gold and silver received by the United Kingdom from this market. Yet, there remains an issue for the period c.1815–1835, which will be addressed below.

There is another serious anomaly in the British import data apart from the problems associated with the use of ‘official values’ that ought to be mentioned. Before 1852, one of the main products imported by Britain from Chile, silver ore, was not registered by the British Customs. To indicate what is missing from the British official trade statistics, during 1855 alone, over £0.5m of silver ore was imported from Chile.⁷⁸ Alas, only patchy evidence is available prior to 1852 but it suggests that silver

⁷⁶ For this, the coefficients used to convert all copper categories into fine copper were: 20 per cent for ore; 48 per cent for regulus; 78 per cent for unwrought; 90 per cent for part-wrought; 100 per cent for both plate and old; 85 per cent for aggregated figures of unwrought and part-wrought, which are merged in the British Customs ledgers from 1871. See Appendix 6.2. This author thanks Professor H. V. Bowen for reassuring feedback regarding this methodology.

⁷⁷ From Mulhall, *The dictionary*.

⁷⁸ Even from Buenos Aires there were remittances in silver ore. GHR/5/1/5, Hodgson & Robinson to Wildes & Co. (London). Buenos Aires, 17 January 1834.

ore was exported by Chile from an earlier period and in some quantity. For instance, during the last quarter of 1842, 35 tons of silver ore were shipped from Valparaíso to England.⁷⁹ Similarly, in February 1851, Huth's agents shipped 20 tons of silver ore in a single cargo for the consignment of the Mexican and South American Company.⁸⁰ Furthermore, there is evidence of Huth & Co. handling remittances in silver ores from at least 1840.⁸¹

Last but not least, to Platt's verdict that 'Latin America could sell nothing to Europe' should be added 'not at the import duties charged in Britain' before the early 1840s.⁸² Furthermore, both high United Kingdom import duties and the need to see international exchange of goods as something more than bilateral trade flows require a re-assessment of the importance of multilateral trades. In the words of Miers, a British mining engineer visiting the area during the early 1820s, 'nearly all the copper raised in the country [Chile] was exported in its crude state to the East Indies, its islands, and China'⁸³ (as well as to the USA), in exchange for British manufactures. As described by Gatty:

For the benefit of those unfamiliar with the ways of international trade at that time, it is perhaps worth giving one illustration of the kind of venture that was financed by Morrison, Cryder & Co ... A ship was chartered to load a cargo of copper in Chile. This was shipped to New Orleans and taken to Liverpool for sale. At Liverpool English manufactured goods were put on board for transport back to Chile and sale there.⁸⁴

Indeed, the first British consul in Chile reported in 1825 that as much as 75 per cent of all Chilean copper was 'annually exported in British or India ships to Calcutta'.⁸⁵ Even British textiles received at Buenos Aires were exchanged for Chilean copper

⁷⁹ FO 132/21, Returns of Trade. Valparaíso, 6 March 1843.

⁸⁰ HPEL, Volume 67, Huth & Co. to the Mexican and South American Company (Liverpool). London, 26 February 1851.

⁸¹ HPEL, Volume 28, Huth & Co. to Huth & Co. (Liverpool). London, 11 June 1840.

⁸² The impact of United Kingdom's tariffs on Chilean exports is treated in depth in Chapter 7.

⁸³ J. Miers, *Travels in Chile and La Plata* (London, 1826), I: pp. 1–2. In a consular report, China is also mentioned as an important consumer of Chilean copper. FO 16/5, Nugent to Canning (London). Valparaíso, 22 December 1826.

⁸⁴ R. Gatty, *Portrait of a merchant prince* (Northallerton, 1977), p. 158. In 1840, Consul Rouse reported that most Chilean copper left Coquimbo and Huasco for the USA. FO 132/18, Rouse to Walpole (Santiago). Valparaíso, 28 April 1840. Five years later, Walpole reported in similar terms regarding the importance of the USA as consumer of Chilean copper. FO 133/12, Walpole to the Earl of Aberdeen (London). Santiago, 27 June 1845.

⁸⁵ FO 16/2, Nugent to Canning (London). Valparaíso, 17 March 1825. About Chilean copper exports to India, see a report by the consul at Coquimbo: 'to British India the shipments of copper have been very considerable. At this moment many thousand quintals are stored up ready for shipment'. FO 16/4, Carter to Cunningham (London). Coquimbo, 30 June 1825. It was also reported that Chilean copper was sent to India via the USA. FO 16/5, Nugent to Canning (London). Valparaíso, 22 December 1826. See also *The British Packet*, 12 January 1833.

subsequently sent to India.⁸⁶ These multilateral operations explain, in part, the low volumes of Chilean exports of copper to Britain before the mid-1830s (Chart 6.5), if compared to British exports to Valparaíso.

A comparison of United Kingdom imports of copper (in volume) with recent figures of Chilean production provided by Méndez⁸⁷ shows that, during the period 1815–1839, the United Kingdom took only 19 per cent of Chilean world copper exports.⁸⁸ In turn, if Britain was the main supplier of manufactures to Chile, as she was, then there should be little doubt that a great deal of Chilean copper exported elsewhere in the world was paying for British textiles via multilateral trades. Consequently, Chilean produce ought to be regarded as a more important source of payment of British manufactures than bilateral trade figures suggest, even for the period c.1815–1835. Furthermore, there were other products which served as alternative means of payment. For instance, in the early 1840s, Chilean wheat flour and jerked beef were shipped to Australia by Huth, Gruning in Co.⁸⁹ There is also evidence of Chilean wheat being sold at Rio de Janeiro by Dallas's agent in association with Waddington in exchange for British textiles.⁹⁰ Similarly, Hodgson re-exported British manufactures from Buenos Aires to Ashcroft at Santiago in exchange for Chilean wheat.⁹¹

The point being made is that, from as early as the first third of the century, multilateral trades were crucial to balance the bilateral trade deficits of the recently created republics. British exports to Chile cannot be seen as a primitive bilateral barter of textiles for silver, but as a multilateral exchange of textiles for both silver and the returns from other Chilean produce eventually remitted to Britain from somewhere else in the world. That Britain did not import much Chilean copper before the 1830s did not mean that Chile could not buy her textiles, nor that Chile could buy British textiles solely with silver. While most British textiles consumed by Chileans went directly to Valparaíso, most produce paying for them did not go directly to Britain, or

⁸⁶ GHR/5/1/1, Hodgson to Richards (Santiago). Buenos Aires, 4 March 1819. See also HC/4/1/3/1, Robertson to Baring Brothers (London). London, 21 July 1817.

⁸⁷ L. M. Méndez, *La exportación minera en Chile 1800–1840* (Santiago, 2004).

⁸⁸ During 1819–1825, Chilean copper production was 60,000 quintals per year. FO 16/5, Nugent to Bidwell (London). Valparaíso, 17 August 1826. Not until the 1840s did Britain import a comparable volume of Chilean copper.

⁸⁹ HPEL, Volume 33, Huth & Co. to Huth & Co. (Liverpool). London, 6 January 1842.

⁹⁰ HDP, Miller & Co. to Dallas (Buenos Aires). Rio de Janeiro, 17 November 1817; 4 July and 4 August 1818; Waddington to Dallas (Buenos Aires). Santiago, 14 and 29 October 1818; 9 December 1819.

⁹¹ GHR/5/1/1, Hodgson to Ashcroft (Santiago). Buenos Aires, 4 March 1819.

as succinctly summarised by a local merchant in a nearby market: ‘there are a thousand ways of making money here besides trading direct to England’.⁹²

The working of the bill of exchange in the Southern Cone⁹³

It was stated above that British merchants adapted their modes of remitting to the possibilities offered by the local economic environment in which they operated. Yet, British mercantile houses also innovated. There were no banking facilities in the Southern Cone during the first half of the nineteenth century.⁹⁴ In 1842, a British merchant recently arrived in Chile observed: ‘there are no banks in the country, and all payments are made in hard cash. Ounces, dollars, and reals is the currency; mercantile books are kept in dollars and reals: I saw no copper money’.⁹⁵ Six years later, an agent for Rothschild was astonished to find that ‘there is no bank or paper currency here and all payments are effected in various coins or in bar silver’.⁹⁶ In 1864, it was observed that ‘formerly every man in Brazil and the River Plate was his own banker, and kept his money in an iron safe’.⁹⁷

No wonder, then, in this underdeveloped financial environment that the use of bills of exchange, known to the British in both the European and the north Atlantic trades, was non-existent. This is not to say that during the colonial period Spanish merchants based in south Spain and re-exporting to the Southern Cone had not used bills of exchange on Amsterdam or London. However, these were bills drawn in Europe, not in Latin America. The point being made is that, locally, Spanish and

⁹² UGD/28/1/5, Wylie to Todd (Pernambuco). Bahia, 9 July 1814.

⁹³ This section was prepared after some questions and comments regarding this chapter were put forward by Professors P. L. Cottrell, M. Carmagnani and C. K. Harley, in particular at the Economic History Society Annual Conference, New Researchers’ Papers, Nottingham, March 2008, when this author presented a paper entitled ‘Britain’s exports of textiles to Argentina and Chile during the first half of the nineteenth century: return remittances’. The author is grateful for these comments.

⁹⁴ In Chile, as late as in 1849, the government granted the first authorisation for the creation of a bank – the Banco de Chile de Arcos & Cia. However, few months later, it was liquidated. During the 1850s, new banks were created, namely the Ossa & Cia. and the Benzanilla MacClure & Cia. Only in 1855 was the Banco de Valparaiso created; the ‘first incorporated company destined to conduct banking operations in Chile’. Subercaseaux, *Monetary and banking policy*, pp. 60–69. As argued by Mayo, before the 1850s, ‘the republic possesses no proper bank or insurance company’. Mayo, *British merchants*, pp. 189–191. See also L. Ortega, ‘Change and crisis in Chile’s economy and society, 1865–1879’, PhD Thesis, University of London (1979), p. 394. In modern Argentina, banking facilities were slightly better. In 1822, the Banco de Descuentos de Buenos Aires was created and ‘this Bank remained the most important financial institution of the country until 1891 and the single establishment in Buenos Aires for nearly forty years’. M. A. Irigoin, ‘Finance, politics and economics in Buenos Aires, 1820s–1860s. The political economy of currency stabilisation’, PhD Thesis, LSE (2000), p. 36.

⁹⁵ E. Lucett, *Rovings in the Pacific from 1837 to 1849* (London, 1851), I: p. 265.

⁹⁶ BDP-RHL, Davidson to Rothschild & Sons (London). Valparaiso, 28 February 1848.

⁹⁷ *The Brazil and River Plate Mail*, ‘Banking in South America’, 21 January 1864.

creole merchants made little use of bills on Europe. In contrast, after opening houses in the recently created republics, British merchants somehow introduced their own bills of exchange to settle their international trade operations; the British created their own credit instruments. Bills on London allowed multilateral clearance to cover the trade deficit of the republics with Britain (Tables 6.3 and 6.9).

Without Diagram 3.1 it would be difficult to understand how ‘British’ bills of exchange worked in the Anglo-Southern Cone trades. For instance, for local houses with head offices in Britain, bills were drawn against the head office in favour of the consigner. That is, Huth, Gruning & Co. (Valparaiso) would draw against Huth & Co. (London) in favour of Edward Rawson of Halifax. In this example the bill was a finance instrument as the drawer and the drawee were both, somehow, Huth & Co.⁹⁸ These bills were used to settle accounts between the head office and the local branch rather than between the consigner (Edward Rawson) and the consignee (Huth, Gruning & Co.). Indeed, the consigner was paid by Huth London via his banker, Rawson, Norton & Co.,⁹⁹ when Huth London had sold the bullion and specie sent by Huth, Gruning & Co. to cover the bill. A condition imposed upon Huth, Gruning & Co. allowing them to draw on Huth & Co., was that a shipment of bullion and specie had to follow to meet the bill. In other words, this sort of bill did not solve the bilateral trade deficit of the republics with Britain. The bill was drawn to transfer the interest costs of sales effected on credit from the head office to the branch.¹⁰⁰ In the words of the headquarters: ‘in remitting bills our establishments could not be expected to be answerable without charges’.¹⁰¹

Local houses without head offices in Britain entered into similar operations. Hodgson, for instance, before associating with Green, wrote to his main forwarding agent that ‘I might purchase bullion on your account with bills on you and remit the bullion to meet the bills’.¹⁰² As in the previous example of Huth and Rawson,

⁹⁸ These bills were in dollars, and the exchange rate dollar/sterling was established by Huth London, according to the expected exchange to be obtained by the ‘to follow’ remittances in bullion and specie.

⁹⁹ Other bankers used by Huth’s textile suppliers were Halifax & Huddersfield Bank and Glynn Halifax Mills & Co., amongst others.

¹⁰⁰ The bill was not offered in the local market. That is, it was a ‘closed’ transaction. Huth, Gruning & Co. drew against Huth London, who accepted the drafts at six months’ sight. The bill would cover the period between accepting the draft and receiving the specie or bullion. The drafts were debited to the consigner account, while the remittances in bullion and specie were credited to him, and any difference had to be balanced. For an example see OWN/3/2/4/36, Huth, Gruning & Co. to Owens & Son (Manchester). Valparaiso, 4 July 1839.

¹⁰¹ HPEL, Volume 38, Huth & Co. to Huth & Co. (Liverpool). London, 24 May 1843.

¹⁰² GHR/5/1/1, Hodgson to Rawdon. Buenos Aires, 16 February 1819.

ultimately, the bill of exchange was intimately linked to remittances in bullion. With other forwarding agents, Hodgson (after associating with Robinson) made similar operations, this time involving bills and exported local produce. Frequently, Hodgson & Robinson drew against Campbell (their agent at Liverpool) in favour of their textile consigners, once a sale on local credit had been effected. These bills were followed by cargoes of local produce entrusted to Campbell, who in this way could clear Hodgson & Robinson's account with him.¹⁰³ As in the first two examples, the bill was followed by 'something else', which in this case, instead of bullion, was local produce. Campbell accepted the bills 'on the condition of your drafts being accompanied with bills of lading & order for insurance'.¹⁰⁴ Hodgson & Robinson made similar arrangements even with merchant-manufacturers:

you know we do not like bills on us, yet, as you wish it you may exercise your own discretion in drawing on us for one or two thousand pounds at any time, when you can invest in any article that you see will answer for us, and we will accept and pay any bills you may draw upon us not exceeding three thousand pounds.¹⁰⁵

The main difference between Hodgson's operations and Huth, Gruning & Co.'s drafts, was that in the case of Hodgson's bills the drawer and the drawee were not the same firm (i.e. Hodgson & Robinson was not a branch of Rawdon; Campbell & Co.; or Fielden Brothers). Furthermore, a material difference was that a second local house (e.g. Dickson & Co.) used the bill drawn by Hodgson against his agent (e.g. Rawdon) to remit to their friends (e.g. Dickson's agents) in Britain. This provides an additional complexity. If another house on the spot entered into a remittance operation made with a third house's bill of exchange, then consignments for that 'intruder' (e.g. Dickson) could become independent of 'to follow' remittances to Britain.

For instance, following the previous examples, suppose that Hodgson & Robinson drew against Rawdon, in favour of, let's say, Dickson & Co., which was followed by a bullion shipment from Hodgson & Robinson to Rawdon. As far as the

¹⁰³ For examples see GHR/5/2/7, Campbell to Hodgson & Robinson (Buenos Aires). Liverpool, 5 December 1834 (for a payment to Fielden Brothers) and 14 November 1835 (for a payment to Owens & Son). This system is explained in GHR/5/2/5, Campbell to Hodgson & Robinson (Buenos Aires). Liverpool, 5 October 1833. Campbell charged a 2 per cent commission for these arrangements. Campbell gave the option to Hodgson's consigners of selling the River Plate produce on their own account, in which case they were taking the risk of a potential loss (were the British market dull), but also opening the possibility of enjoying the benefits of a 'second profit'.

¹⁰⁴ GHR/5/2/7, Campbell to Hodgson & Robinson (Buenos Aires). Liverpool, 14 November 1835.

¹⁰⁵ GHR/5/2/6, Fielden Brothers to Hodgson & Robinson (Buenos Aires). Manchester, 4 June 1834.

relationships between Hodgson & Robinson and Rawdon was concerned, the bill was only anticipating a to-follow-remittance in precious metals. However, by drawing in favour of a third local house (i.e. Dickson & Co.), this opened up the possibility for Dickson at Buenos Aires of receiving consignments from a third party, and to pay for these consignments with a bill (Hodgson's) which, in turn, could be covered by Dickson with a shipment of jerked beef to Havana.¹⁰⁶ That is, this system allowed a multilateral clearance to settle bilateral trade deficits.

It is very difficult to make generalisations about bills drawn on the spot against a supplier in Britain which was not a head office and were offered in favour of other local merchants.¹⁰⁷ The above example was just one, probably the simplest, among many other more complicated transactions, which were also popular. For instance, when shipping local produce to continental Europe, to obtain funds to remit British consigners, local British houses could draw against the European merchant receiving the Southern Cone produce (e.g. in Germany) in favour of his British consigner. In this case, the bill was far from being a 'formality' as the payee was not directly connected to the export of local produce. That is, Hodgson & Robinson could receive textile consignments from Britain (e.g. from Owens & Son), which could be settled by sending hides to Germany via Mohr & Ludovici¹⁰⁸ who had strong connections in continental Europe and London.¹⁰⁹ Thus, Mohr & Ludovici would most probably draw a bill against their German connection (or against the German's agents in London)¹¹⁰ in favour of Owens & Son, or in favour of Hodgson & Robinson, who in turn could endorse the bill in favour of the consigner. In this case, Owens of Manchester had little interest in the shipment of, let's say, hides to Antwerp. Apart from Mohr & Ludovici, another important local British house with considerable connections in continental Europe was Delisle¹¹¹ Brothers & Co.,¹¹² which were also

¹⁰⁶ That is, Dickson's Buenos Aires did not ship produce or bullion to Britain to cover the bill, but produce to other markets. Furthermore, the bill could be endorsed by Dickson in favour of a third local house.

¹⁰⁷ Considering that endorsed bills circulated locally, very often it is impossible to track the origin of a given transaction, at least, as far as the extant archival evidence is concerned. For local endorsement of bills see GFDP, Hughes to Garrett (London). Buenos Aires, 13 August 1841; 2 and 16 February 1843.

¹⁰⁸ Mohr & Ludovici were British nationals of German origin, as Frederick Huth (founder of Huth & Co.) was. In Britain, one of their main connection was Du Fay & Collins.

¹⁰⁹ In particular, in Cologne, with the house of Engels & Co. HPEL, Volume 38, Huth & Co. to Mohr & Ludovici (Buenos Aires). London, 7 June 1843.

¹¹⁰ Alternatively, Mohr & Ludovici could draw against their friends in Britain, who would in turn clear their account with their friends in Germany after receiving River Plate produce.

¹¹¹ Also spelled in primary sources as De Lisle.

¹¹² HC/16/115, List of English establishments at Buenos Aires and Montevideo, June 1844.

active in the bills market. Indeed, according to a Barings' agent, in 1850, they were the 'principal drawers on England', and with 'first rate credit'.¹¹³

On other occasions, there were additional complexities, including more merchants in the transactions. A few real examples best illustrate the point being made about the multilateralisation of trade that was introduced with bills on Europe. In 1836, Hodgson & Robinson remitted to one of their cotton suppliers in Manchester 'a draft of G. J. Vusser upon Messrs. Moens, Dauncey & Latham of London ... to the order of Messrs. Bunge Hutz & Co.'¹¹⁴ & by this house endorsed to the order of your goodselves'.¹¹⁵ In the same year, Hodgson & Robinson sent to their bankers in London, Jones, Loyd & Co., a bill on account of Owens & Son who were textile suppliers from Manchester. The bill was Jeremiah G. Smith's draft to the order of Zimmerman, Frazier & Co. of Buenos Aires, endorsed by the latter, to the order of Owens upon Baring Brothers.¹¹⁶ Finally, as far as examples are concerned, in 1839, Hodgson & Robinson remitted to Fielden Brothers with a bill on Anderson, Weller & Co. upon Cotesworth & Powell of London.¹¹⁷

All in all, it seems clear that 'British' bills of exchange were offered locally by several merchant houses, particularly in Buenos Aires, and that there was a market for them from earlier than many have thought. The drawers used by Hodgson & Robinson, apart from those mentioned above, are illustrative of the point being made. Hodgson & Robinson very often took bills drawn by Bertram Armstrong & Co. (Buenos Aires) upon Delisle Janvrin & Delisle of London, in favour of Richard Gould, a baize consigner of Rochdale.¹¹⁸ They also took drafts of John Parish Robertson on Baring Brothers and of Thomas Nelson on Collison, Stackey & Co. to

¹¹³ HC/4/1/25, Mercantile houses in Buenos Aires. Undated, c.1850. Indeed, Dickson's agent at Buenos Aires usually took Delisle's bills. For an example see GFDP, Hughes to Garrett (London). Buenos Aires, 16 September 1843.

¹¹⁴ Bunge, Hutz & Co. were an active German house in the bills market, at times rather predominant. Indeed, in 1837, it was reported that 'by this packet, so far as we can learn, there is only one house drawing, Messrs. Bunge, Hutz & Co.'. GHR/5/1/6, Hodgson & Robinson to Owens & Son (Manchester). Buenos Aires, 18 August 1837. Other local German houses offering bills were J. J. Kleck & Co.; Thode & Co.; and Nelson Hartnig.

¹¹⁵ GHR/5/1/6, Hodgson & Robinson to Faulkner (Manchester). Buenos Aires, 23 July 1836.

¹¹⁶ GHR/5/1/6, Hodgson & Robinson to Jones, Loyd & Co. (London). Buenos Aires, 20 October 1836. For a similar operation see GHR/5/1/7, Hodgson & Robinson to Jones Loyd & Co. (London). Buenos Aires, 5 December 1840. Rothschild & Sons also participated in this sort of transactions, though to a lesser extent (see OWN/3/1/3 for some examples).

¹¹⁷ GHR/5/1/7, Hodgson & Robinson to Fielden Brothers (Manchester). Buenos Aires, 9 January 1839.

¹¹⁸ GHR/5/1/1, Hodgson to Gould (Rochdale). Buenos Aires, 10 October 1820. See also a draft of Armstrong against Delisle to pay woollens consigners from Leeds. GHR/5/2/2, Dickinson & Sons to Hodgson & Robinson (Buenos Aires). Leeds, 23 March 1830.

pay their partner.¹¹⁹ Similarly, drafts of Miller, Robinson & Co. (Buenos Aires) on Miller of London were used to pay woollens suppliers of Bradford.¹²⁰ Finally, the local agent of Baring Brothers once reported that Anderson Weller & Co.'s bills were 'extensively circulated in the market'.¹²¹ Another house mentioned as offering drafts was Nicholson, Green & Co.¹²²

The Anglo-US connection was also important for British local houses remitting in bills to Britain. For instance, Hodgson & Robinson, like many other local British merchants, had connections with Wildes, Pickersgill & Co., who in turn had establishments in Liverpool and New York.¹²³ Thus, Fielden Brothers' textile consignments from Manchester to Hodgson & Robinson in Buenos Aires could be settled with bills drawn against Baring Brothers in favour of the Fieldens, as the Barings were also well connected in the USA. In exchange, these London bankers got payment from Wildes, Pickersgill & Co.'s friends in New York, who in turn received shipments of Buenos Aires produce sent by Hodgson & Robinson to Baltimore, Boston or New York.

Connected to this point, local US houses were active drawers in the Southern Cone.¹²⁴ Although bills were little used in Chile, 'some American houses occasionally draw upon Messrs. Baring chiefly against produce which they send to the U. States'.¹²⁵ On the other flank of the Andes, Zimmerman Frazier & Co. (with branches at Buenos Aires and Montevideo) offered bills of exchange on London to local British houses, which were backed by London letters of credit. Frequently, Zimmerman Frazier & Co. drew against Huth & Co., who had no branch on the River Plate, in favour of Dickson & Co. of London for textiles received by Dickson's agents at

¹¹⁹ GHR/5/1/2, Green & Hodgson to Green (Swinton). Buenos Aires, 12 January 1824.

¹²⁰ GHR/5/1/2, Green & Hodgson to T. & W. Marshall (Bradford). Buenos Aires, 28 February 1824. Another example is a Smith's draft (Buenos Aires) against Baring Brothers to pay for Broadbent's consignments. GHR/5/2/9, Broadbent to Hodgson & Robinson (Buenos Aires). Manchester, 6 April 1837.

¹²¹ HC/16/114, List of English establishments at Buenos Aires and Montevideo, June 1843.

¹²² GFDP, Hughes to Garrett (London). Buenos Aires, 16 February 1843.

¹²³ Wildes & Co. also had good contacts in continental Europe for the consignment of Argentine produce. For instance, on one occasion Hodgson remitted to them with a bill on Bordeaux. GHR/5/2/11, Wildes, Pickersgill & Co. to Hodgson & Robinson (Buenos Aires). Manchester, 14 August 1839.

¹²⁴ Many times it was reported that 'almost the only bills offering are for American accounts'. GHR/5/1/5, Hodgson & Robinson to Owens & Sons (Manchester). Buenos Aires, 11 December 1835 and GHR/5/1/6, 3 February 1836.

¹²⁵ BDP-RHL, Davidson to Rothschild & Sons (London). Valparaiso, 30 August 1848.

Buenos Aires.¹²⁶ Dickson London paid their textile suppliers with the cash thus received, while Dickson & Co. of Buenos Aires provided Zimmerman Frazier & Co. with local produce shipped to the USA, where Zimmerman's agents forwarded funds to Huth London. Similarly, rather than drawing in favour of a local merchant, frequently Zimmerman Frazier & Co. drew against Huth & Co. in favour of consigners in Britain (e.g. Edwards & Sons; Feilden & Co.), as the Zimmermans were also consignees of British textiles. Huth & Co. and Baring Brothers extended letters of credit to local houses for shipments of River Plate produce to the USA. In 1830, for instance, they provided Le Page with a letter of credit for £5,000 authorising to draw for that sum on account of De Forest & Son of New York.¹²⁷ These operations were also settled by Zimmerman's friends in the USA.

How exactly did US local houses obtain these funds? This is very well explained by a local merchant:

The routine of this business is simply this: parties in the U. S. desirous of buying our produce to ship same for sale, principally to the U. S., obtain confirmed letters of credit from various houses in London (Messrs. Baring Brothers & Co., George Wildes & Co., Timothy Wiggin & Co. & Thomas Wilson & Co. ...) either in favour of super cargoes captains of their vessels or American resident houses here. These latter then commissioned by such super cargoes or captains, buy the produce, take their drafts against their London credits, & deliver over to them the produce bought, & where the credits are granted to themselves direct, they draw, buy & ship the produce direct to the parties in the U. S. or elsewhere. Thus you see, either as endorsers of the super cargoes or captains bills, or as direct drawers of same, they are liable for them, while at the same time, they part with all control over the property and the proceeds of such.¹²⁸

Indeed, in 1842 Huth & Co. wrote to Zimmerman that 'we observe that you had given to captain Edward Babson of the American bark Cuba a letter of credit upon us for £2,000, to be drawn for, as he may have need in bills'.¹²⁹

¹²⁶ In Montevideo, things were similar. Jackson & Co., for example, took Zimmerman, Frazier & Co.'s drafts upon Baring Brothers to remit to Owens & Son. OWN/3/1/2, Owens & Son to Jackson & Co. (Montevideo). Manchester, 20 May 1833.

¹²⁷ HC/4/1/12, Le Page to Baring Brothers (London). Buenos Aires, 15 December 1830.

¹²⁸ GHR/5/1/5, Hodgson & Robinson to Owens & Sons (Manchester). Buenos Aires, 11 December 1835. The main local US houses were Zimmerman, Frazier & Co.; Davidson, Milner & Co.; Alsop & Co.; T. W. Dominick; O. J. Hayes & Co.; and Southgate & Co. Another house proceeding like Zimmerman, Frazier & Co., though of British origin, but with strong connections in the USA, was Daniel Gowland & Co. Because of their strong connections in the USA, they have frequently been called 'American house', or 'Anglo-American house'. That they were British is confirmed in FO 83/111, Return of British mercantile houses established in Buenos Ayres in 1849, 2 March 1850.

¹²⁹ HPEL, Volume 35, Huth & Co. to Zimmerman, Frazier & Co. (Montevideo). London, 6 July 1842. For more on the extension of letters of credit from British merchant bankers to US houses, see GHR/5/2/8, Davidson, Milner & Co. to Thwing & Perkins (Boston). Buenos Aires, 13 October 1836:

It worth also mentioning that many British houses in the Southern Cone exported local produce on their own account to continental Europe and the USA. These trades were not linked –at least not necessarily, to consignments of British textiles. Thus, these shipments generated ‘cash’ that was independent of textile consignments, for which bills on London could be drawn. For example, Hodgson & Robinson once remitted to some of their textile consigners in Britain with a draft from Parlane Macalister & Co. (another British local house) upon Wright Parlane & Co. of Manchester,¹³⁰ the associated house in Britain of Parlane & Co. In turn, Parlane Macalister & Co. shipped local produce somewhere (e.g. to Antwerp), to cover their draft. According to a Baring Brothers agent, Parlane Macalister & Co. ‘are large exporters of produce to Europe, I believe exclusively on their own account’.¹³¹ Another similar drawer in the market was Sebastian Lezica Hermanos, offering drafts on Baring Brothers and H. Sillim of London,¹³² which were also backed with shipments of local produce on own account.

Furthermore, shipments of local produce to other markets beyond Britain led to, for instance, US bills being offered locally. For example, in 1831 Hodgson & Robinson remitted to a Manchester cottons supplier a bill drawn by Rodwald of Baltimore upon Hortsman of London.¹³³ Last but not least, exports of produce on their own account were also extensively sent to Britain, as many local houses specialised in exports of River Plate produce and did not participate much in imports of British products. In 1836, Gillhuly wrote Hodgson that

I addressed a few lines to you under date of yesterday enclosing a letter of credit in my favor for four hundred pounds sterling, & requesting you to accept any drafts which Mr. John Gibb may draw upon you from Cordova for that amount. Should you make any advances to Mr. Gibb on produce to be shipped to Liverpool, & the net proceeds fall short of covering the same, I hold myself responsible for the difference.¹³⁴

Similarly, Huth & Co. had no branch on the River Plate, nor did they ship British textiles there, but this did not prevent them from importing River Plate produce:

‘we received your esteemed favour of July 1st enclosing a letter of credit on George Wildes & Co. of London for five thousand pounds (sterling) to be used as advances in goods to your consignment’. Other London banker offering similar letters of credit was Ricketts, Boucher & Co.

¹³⁰ GHR/5/1/4, Hodgson to Fielden & Bolton (Liverpool). Buenos Aires, 19 December 1842.

¹³¹ HC/16/114, List of English establishments at Buenos Aires and Montevideo, June 1843.

¹³² For some Lezica’s drafts see GHR/5/2/7, Owens & Son to Hodgson & Robinson (Buenos Aires). Manchester, 6 July and 15 September 1835.

¹³³ GHR/5/2/3, Walker to Hodgson & Robinson (Buenos Aires). Manchester, 18 June 1831.

¹³⁴ GHR/5/2/8, Gillhuly to Hodgson & Robinson (Buenos Aires). Manchester, 29 October 1836.

Huth & Co. receive considerable consignments of River Plate produce, their correspondents here being furnished with credits for making the required advances. Advances are made by bills on London at 60 or 90 days, and are usually to the extent of 3/4 of the invoice value.¹³⁵

Finally, even though London was ‘the great mart of bills’,¹³⁶ drafts on Brazil to remit to England were also offered in the River Plate.¹³⁷ As explained by a Manchester merchant:

In the present difficulty of getting good bills for remitting, we are induced to mention a plan recently resorted to by our friend Mr. Jackson of Monte Video. He has sent specie and also short dated bills to Rio with instructions to his agent there to sell the specie (or in the case of bills wait till they come to maturity) and invest the proceeds in undoubted bills on England.¹³⁸

Likewise, Dallas in Buenos Aires used to draw extensively against his partner in Rio de Janeiro (Miller), in favour of Macintosh, Miller & Co. of London.¹³⁹ Indeed, according to Hodgson, in 1819, Dallas was both one of the main drawers on London and the main drawer on Rio de Janeiro.¹⁴⁰

Though more research is needed on the working of the bills of exchange in the Southern Cone,¹⁴¹ this section has shown all the complexities faced by the British when remitting in bills, as well as the diversity of ways used. This section has also highlighted the fact that it is very difficult to generalise about the working of this financial instrument. Each local house had its own way of remitting in bills, ranging from very easy operations, such as those of Huth, Gruning & Co., to those in which up to six or more merchants participated in multilateral trades connecting businessmen in Britain, Europe, North America, South America, and even Australia.¹⁴²

¹³⁵ HC/4/1/24/4, White to Baring Brothers (London). Buenos Aires, 1 July 1852.

¹³⁶ FO 6/152, Southern to Palmerston (London). Buenos Aires, 18 November 1850.

¹³⁷ For some examples see GHR/5/2/6, Rostron & Dulton to Hodgson & Robinson (Buenos Aires). Rio de Janeiro, 3 March 1834; GHR/5/2/7, Jackson & Co. to Hodgson & Robinson (Buenos Aires). Montevideo, 30 March 1836.

¹³⁸ GHR/5/2/7, Owens & Son to Hodgson & Robinson (Buenos Aires). Manchester, 6 January 1836.

¹³⁹ For some examples see HDP, Miller & Co. to Dallas (Buenos Aires). Rio de Janeiro, 17 November 1818 and 8 January 1819.

¹⁴⁰ GHR/5/1/1, Hodgson to Hartley (Rio de Janeiro). Buenos Aires, 16 November 1819.

¹⁴¹ For example, it was not known that for small transactions bills on the British Treasury circulated in Valparaiso, as well as English Navy Bills. HPEL, Volume 24, Huth & Co. to Rawson & Saltmarshe (Halifax). London, 26 August 1839; Huth & Co. to Waterhouse (Halifax). London, 26 August 1839; BDP-RHL, Davidson to Rothschild & Sons (London). Valparaiso, 30 August 1848.

¹⁴² In the Valparaiso Judicial papers there is a dispute regarding a bill of exchange to be paid to Gemmell, Harker & Co. on account of Dunlop & Co. of Sydney. The bill was originally signed by M. E. Murnin on Cockburn & Co. of London, later endorsed to Bibby & Sons of Liverpool, to pay Jones Loyd & Co. of London. ANCH-AJV, Volume 293-8, Gemmell, Harker & Co. against the captain of Brig *Faith*. Valparaiso, 1843.

So far, we have both described the *modus operandi* and established the relative importance of the three ways of remitting sales. Yet, we have said nothing about merchants' preferences for these modes. At a particular moment of time, merchants very often had the option of remitting by any of the three possible means, yet they decided to do so in a particular way. What was behind their decisions? The answer to this question is the topic of the next section.

Merchants' preferences on remittances

It was mentioned above that, because of the established patterns of trade between Britain and both North America and continental Europe, British exporters during the first half of the century were accustomed to obtaining most remittances in bills of exchange. Yet, exporters also showed a great deal of both adaptability and forbearance regarding the options offered by the Southern Cone. Webster & Sons, just to mention an example, were in the habit of consigning wool manufactures to Huth on the West Coast for which they received remittances solely in bullion and specie. However, for most of their exports to Buenos Aires, Webster & Sons received *chinchilla* skins.¹⁴³ As stated by a Liverpool merchant to his local contact: 'bills are in general preferred by our friends, but if you can at any time barter their goods advantageously for produce we do not believe they will have any objections'.¹⁴⁴ Similarly, Owens & Son were also open minded: 'if you think it will be to our interest to have our returns on hides or any other article of produce, rather than bills, we should have no objections to receive remittances this way when you can see your way clearly'.¹⁴⁵

What really mattered to exporters was getting their remittances on the best possible terms and as soon as possible, whether bullion, specie, bills, copper or hides. It may have been the case that bills were available but at a disadvantageous exchange rate, so making local produce a better alternative. In the words of a Glasgow merchant consigning to Buenos Aires: 'our great object is quick sales and returns and have no objections to be remitted by draft of your friends in London if the exchange is anything fair, [or] hides at Liverpool if well laid'.¹⁴⁶ As also remarked by Dallas's partner at Rio: 'you will sell on our account for ready money, and remit us as quickly

¹⁴³ HPEL, Volume 11, Huth & Co. to Webster & Sons (Morley). London, 9 February 1833.

¹⁴⁴ HDP, Jennet, Hamilton & Co. to Dallas (Buenos Aires). Liverpool, 27 February 1819.

¹⁴⁵ OWN/3/1/2, Owens & Son to Jackson & Co. (Montevideo). Manchester, 26 September 1828.

¹⁴⁶ HDP, King & Morison to Dallas (Buenos Aires). Glasgow, 30 October 1818.

as possible in good bills or dollars, that is if you can ship dollars without risk, otherwise note you have also the faculty of remitting hides'.¹⁴⁷ After all, 'quick returns are the life of business'!¹⁴⁸

Despite the obvious restrictions that the market could impose upon bills, exporters often went for returns in local produce as their preferred option. The main advantage was that there was a 'second sale' (the first being of textiles) and, consequently, potentially 'two profits'.¹⁴⁹ Alternatively, when the market on the spot was depressed and British textiles fetched bad prices, 'returns made in produce is the only chance you have of gaining by the trade & sometimes it leaves a very handsome profit'.¹⁵⁰ Yet, the profit associated with remittances in local produce was far from guaranteed, as Reber has masterly remarked: speculation in produce 'presented both the greatest hazards and the most remunerative profits'.¹⁵¹ As explained by a pioneer, remittances in produce was 'in a great measure speculation, as that which is the best article today may be the greatest drug by the time it get to England',¹⁵² a point upon which there was nothing but acceptance. As argued by Williamson when remittances in produce were doing poorly: 'we are losing considerably in produce as copper and nitrate are doing very badly. However, we cannot expect always to be making money'.¹⁵³

Furthermore, for those on the spot with headquarters or partners in the United Kingdom, remitting in produce had additional operational costs. The partner in the United Kingdom had to spend a great deal of time trying to predict future prices for copper ore, regulus, nitrate, flour, wheat or hides, then had to send to the spot the best possible intelligence to ensure the highest return for remittances in South American

¹⁴⁷ HDP, Miller to Dallas (Buenos Aires). Rio de Janeiro, 4 April 1817. Another merchant remarked that 'my object is to have quick sales and speedy returns'. Symonds to Dallas (Buenos Aires). London, 21 December 1818. In similar terms, Lupton & Co. were of this idea: 'as bills of exchange affords us the greatest facility, we prefer them to any other return unless with a fair prospect of advantage from having produce, what we should wish is that as soon as you are in cash, you would consider the best mode of sending it home & not delay the return in either one way or another'. WLP, Volume 12, Lupton & Co. to Green, Hartley & Tully (Rio de Janeiro). Leeds, 30 August 1821.

¹⁴⁸ UGD/28/1/1, Wylie to Robertson (Montevideo). Buenos Aires, 23 September 1809.

¹⁴⁹ By receiving remittances in local produce, the British exporter could 'perhaps yield and additional profit' to his textile consignment. H. Heaton, 'Yorkshire cloth traders in the United States, 1770–1840', *Thoresby Society*, Volume 37 (Leeds, 1945), p. 265. See also B. R. Law, *Fieldens of Todmorden* (Littleborough, 1995), p. 46: 'when produce was received in payment, in contrast to bills or specie, there was always the chance of a second profit'.

¹⁵⁰ UGD/28/1/2, Wylie to Dalglish (Glasgow). Rio de Janeiro, 2 June 1810.

¹⁵¹ Reber, *British mercantile houses*, p. 102.

¹⁵² UGD/28/1/2, Wylie to Dalglish (Glasgow). Rio de Janeiro, 2 June 1810.

¹⁵³ BWP, Box 4, Volume 2, Williamson to Wyndham. Liverpool, 8 April 1861.

produce. Predicting prices was not only time consuming but there was also a great deal of speculation and, therefore, mistakes or bad forecasts, which could be ruinous, were a not uncommon outcome.

Lastly, and probably most important of all, sales of produce in the United Kingdom were often effected on credit, an operation which could take several months for liquidating South American produce. This constrained even more of the merchants' working capital, to such an extent that Huth & Co. believed that Chilean copper remaining 'on hand for a year or two ... by no means [was] an impossible case'.¹⁵⁴ No wonder, then, that their preferred remittances were bullion and specie. Furthermore, it ought to be borne in mind that frequently consigners received advances against return sales and, therefore, the merchant banker advancing money could be reluctant to see his consigners going for remittances in produce, which could only delay the payment of the advances given.¹⁵⁵

This chapter has provided a detailed qualitative and quantitative assessment of remittances for British textile exports to the Southern Cone after the Napoleonic Wars. It has been shown all the different modes that merchants on the spot had to remit sales returns, as well as their preferences. This chapter ends the description of the market chain (Part II). The attention turns now to explain the development of exports produced in Part I. The next two chapters challenge the accounts given in the literature to explain the growth of British exports to the Southern Cone during the first half of the nineteenth century.

¹⁵⁴ HPEL, Volume 23, Huth & Co. to Huth & Co. (Liverpool). London, 21 May 1839.

¹⁵⁵ HPEL, Volume 26, Huth & Co. to Huth & Co. (London). Liverpool, 5 April 1839.

APPENDICES TO CHAPTER 6

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Appendix 6.1

Notes on the databases used in Chapter 6

Three main sources were used to prepare most of the tables and charts presented in Chapter 6:

- (i) Ledgers of imports under countries (Custom 4; hereafter CUST/4), held by The National Archives, Kew, London. They are part of the Records of the Boards of Customs and Excise. These ledgers show, under countries, the quantity, 'official value' (1815–1856) and 'real value' (1854–1899) of United Kingdom's imports. Unfortunately, and differently to export data, no information of 'real value' is available prior to 1853. A total of 42 volumes were consulted in CUST/4 (i.e. from CUST/4/10 to CUST/4/51);
- (ii) Also at Kew, as the data for 1851 and part of 1853 were missing from CUST/4, it was necessary to consult the Ledgers of imports under articles (Custom 5; hereafter CUST/5). They are also part of the Records of the Boards of Customs and Excise. These ledgers show, under articles, the quantity, 'official value' and 'real value' of United Kingdom's imports. Three volumes were consulted in CUST/5 (i.e. CUST/5/44, CUST/5/45 and CUST/5/51);
- (iii) British Parliamentary Papers. Apart from the essential volumes specified in Appendix 2.3, other volumes were consulted. For imports of hides and tallow: 1816 (244),¹⁵⁶ 1818 (90), 1820 (24), 1825 (209), 1822 (76 and 192), 1821 (72 and 182), 1822 (192), 1823 (104), 1824 (128), 1825 (246), 1826 (360), 1828 (413), 1829 (144), 1830 (603), 1854 (296). For imports of copper: 1817 (189), 1818 (149), 1819 (230), 1821 (183), 1822 (193), 1823 (160), 1824 (130), 1825 (143), 1826 (144), 1826–1827 (210), 1828 (214 and 416), 1830 (286), 1830–1831 (376 and 420), 1831–1832 (420), 1833 (361), 1834 (234), 1835 (166), 1836 (206), 1837 (288), 1837–1838 (342), 1839 (232), 1840 (282), 1841 (257), 1842 (217), 1843 (237), 1844 (225), 1845 (300), 1846 (396), 1847 (449 and 637), 1847–1848 (343 and 359), 1849 (318), 1850 (457), 1851 (476), 1852 (462), 1852–1853 (903), 1854 (310), 1854–1855 (299), 1856 (257), 1857 (2 and 102), 1857–1858 (151), 1859 (2 and 11), 1860 (295), 1861 (235), 1863 (246), 1864 (253), 1865 (275), 1866 (289), 1867 (311), 1867–1868 (273), 1868–1869 (239),

¹⁵⁶ The session's year is followed in brackets by the paper number.

1870 (240), 1871 (255), 1872 (271), 1873 (213), 1874 (207), 1875 (277), 1876 (268), 1877 (353), 1878 (365), 1878–1879 (215), and 1880 (224).

Two main databases were created for United Kingdom's imports from the Southern Cone. Firstly, imported values for nearly all products. Because of the problems commented on regarding the 'official value' series (see Chapter 2), a second database was created with volumes imported by the United Kingdom of untanned hides, tallow and six different categories of copper, not only from the Southern Cone, but also from the world and from other selected origins. In total, it is estimated that over 15,000 data were entered for all databases used in this chapter.

Appendix 6.2
United Kingdom imports of all coppers by selected origins, 1815-1879
Aggregated figures converted into tons of fine copper (*)

Year / Origin	Argentina	Australia	Brazil	Chile	Cuba	Nueva Granada	Peru	Russia	Spain	Sweden	USA	World
1815	0	0	0	0	0	0	0	0	0	0	0	145
1816	0	0	0	0	0	0	0	0	0	0	0	4
1817	7	0	0	0	0	0	0	0	0	0	0	16
1818	0	0	0	0	0	0	0	4	0	4	0	11
1819	0	0	0	0	0	0	0	79	0	0	0	80
1820	0	0	0	0	0	0	0	55	0	0	0	57
1821	0	0	0	189	0	0	0	106	0	16	0	312
1822	1	0	0	158	0	0	0	292	0	31	0	489
1823	0	0	0	0	0	0	0	1,626	1	39	0	1,669
1824	0	0	0	15	0	9	0	66	0	1	4	114
1825	0	0	101	224	0	20	0	101	0	0	0	472
1826	0	0	0	327	0	6	1	78	0	0	2	734
1827	0	0	1	262	0	21	5	0	0	6	30	466
1828	0	0	83	188	0	0	0	0	2	40	12	377
1829	1	1	132	379	0	0	0	28	6	117	6	834
1830	14	0	0	41	28	53	5	0	11	150	43	423
1831	0	2	4	54	165	91	1	0	17	143	17	591
1832	1	0	26	54	131	364	6	0	15	73	32	898
1833	0	6	0	225	249	617	1	4	23	158	22	1,369
1834	0	3	1	708	378	514	6	28	10	127	0	1,989
1835	0	2	1	1,032	841	846	42	22	13	99	51	3,100
1836	1	2	0	1,804	741	616	5	0	8	390	122	4,042
1837	0	5	194	1,681	1,285	377	27	0	0	296	279	4,380
1838	0	0	175	2,616	1,497	802	152	1	0	179	153	5,691
1839	0	6	174	1,983	3,460	191	276	0	0	317	239	6,779
1840	0	4	165	2,295	5,258	135	260	0	0	131	454	9,019
1841	0	6	4	2,327	6,532	344	473	0	0	102	160	10,184
1842	0	11	105	2,659	6,455	478	62	0	0	44	144	10,367
1843	0	8	48	4,042	6,347	240	154	9	50	15	372	11,869
1844	0	43	0	4,906	6,975	206	171	0	4	0	187	12,928
1845	5	243	3	2,209	8,268	0	243	1	1	2	141	11,508
1846	0	814	0	3,077	6,353	0	273	26	4	0	43	10,877
1847	8	1,244	2	2,319	4,768	7	135	0	100	0	45	9,125
1848	0	2,404	2	1,925	6,136	3	619	4	25	3	13	11,597
1849	0	3,444	0	2,399	4,953	0	328	476	36	36	100	12,318
1850	21	2,213	0	5,006	5,046	0	597	458	189	0	445	15,459
1851	5	2,571	0	5,874	4,167	0	495	382	254	0	241	15,182
1852	0	3,020	0	4,593	3,537	0	185	1,112	434	17	375	15,463
1853	0	1,751	13	6,016	2,923	0	745	1,391	1,120	17	379	17,014
1854	23	871	19	6,917	4,288	0	107	44	1,227	17	71	17,563
1855	9	1,042	1	8,530	4,486	6	310	0	1,091	34	2,041	23,944
1856	58	2,783	7	10,617	3,967	2	975	0	1,301	31	262	24,325
1857	45	3,610	22	14,785	3,272	0	560	95	2,677	34	2,084	30,952
1858	252	3,510	0	16,167	2,946	0	1,284	0	1,509	28	1,622	30,979
1859	373	3,294	0	14,905	3,282	0	914	114	1,529	35	690	30,382
1860	281	3,279	0	20,827	4,582	171	847	0	1,374	59	697	36,795
1861	589	3,940	0	18,337	3,370	383	2,948	0	1,514	0	1,635	39,096
1862	457	3,573	0	25,200	3,573	721	2,867	0	1,960	0	320	45,030
1863	469	2,956	0	19,793	3,526	12	1,155	188	2,803	0	453	37,434
1864	475	3,388	0	28,173	2,687	1,064	1,780	0	2,033	130	1,407	47,687
1865	449	3,973	78	36,255	3,672	225	784	0	1,928	213	1,980	55,210
1866	355	8,151	0	29,695	2,562	153	1,315	0	1,612	464	1,987	53,809
1867	301	6,151	4	32,921	1,522	99	1,775	0	2,098	225	1,477	54,542
1868	519	6,751	64	36,116	2,309	1,136	886	0	2,452	407	2,161	62,783
1869	685	6,062	0	38,531	837	61	835	0	2,340	449	639	61,204
1870	499	6,997	0	39,048	178	27	1,344	9	2,534	321	863	60,809
1871	421	7,617	0	31,200	75	25	926	22	2,880	54	532	51,765
1872	331	10,172	132	34,907	20	35	398	31	1,662	177	720	63,795
1873	265	9,350	260	30,618	0	35	1,235	0	2,027	26	704	53,647
1874	353	8,940	65	30,763	15	359	3,286	1	1,720	125	977	56,617
1875	261	9,789	65	35,114	120	1,423	0	0	2,559	204	651	61,793
1876	209	8,979	96	31,550	11	176	555	211	3,638	170	2,138	64,365
1877	370	9,908	89	31,847	0	5	488	0	6,188	199	1,391	76,749
1878	458	7,937	93	25,569	0	209	5,594	21	6,500	132	1,281	73,669
1879	311	9,207	106	36,434	0	0	2,140	93	9,559	114	1,022	82,433

(*) The coefficients used to convert all copper categories into fine copper were: 20 per cent for ores; 48 per cent for regulus; 78 per cent for unwrought; 90 per cent for part-wrought; 100 per cent for plate; 100 per cent for old; and 85 per cent for 'unwrought and part-wrought', which are aggregated in British customs Ledgers from 1871 to 1879.

Source: own elaboration from volumes listed in Appendix 6.1

PART III

EXPLAINING THE DATA

Chapter 7

Developments in the industrialising core

It was stated in Chapter 1 that one of the aims of this thesis is to make British exports endogenous to a model explaining the development of trade. British textile exports to the Southern Cone cannot be taken for granted, as the historiography has done. At the beginning of our period of study, Britain was not yet an overwhelming industrial power and Latin American imports from Lancashire and Yorkshire were still costly, while ‘the people are poor and must have things cheap’.¹ Thus, in the first section of this chapter, special attention is paid to the developments taking place in the British textile industries, and, in particular, to how they were translated into dramatic export price falls. Furthermore, exporters benefited from other important developments, which are analysed in subsequent sections. There were substantial improvements in shipping (i.e. in shipbuilding, cartography and communications), freight rates fell, the packing of textiles advanced to make bales waterproof, and, finally, free trade was gradually introduced in Britain.

Developments in British textile industries

Platt’s assertion that ‘Latin America could sell nothing to Europe, so that it could buy nothing in return’ could easily be reversed as ‘Britain could not sell much to Latin America, so that she could buy little in return’, at least, at the prices charged for textiles during the 1810s and 1820s. Platt himself recognised that export ‘prices of British cotton and woollen goods, even without the addition of high freights and commissions, were not low ... [but] too high for a mass market’.² The historiography tends to assume that Southern Cone produce was given *gratis et amore*. Far from it, in fact: Argentine hides or Chilean copper were exchanged for essential clothing, with local dealers maximising the number of fabric yards that could be obtained for their produce.

It would appear that import prices have not been compared with the prices of local manufactures, a clear result of taking British exports as exogenous to the model.

¹ WLP, Volume 4, Luccock to Luptons & Luccock (Leeds). Rio de Janeiro, 28 August 1810.

² D. C. M. Platt, ‘Introduction’, in D. C. M. Platt (editor), *Business imperialism, 1840–1930* (Oxford, 1977), pp. 14–15.

Table 7.1 contains FOB prices for the main textiles exported by Britain to the Southern Cone. At the beginning of our period of study, prices for cottons and linens were about 6 pence per yard, while second-quality woollen cloths fetched twice as much. On the spot, British textiles were sold at higher prices as freight rates, commissions, credit costs and profits were added. When compared with prices of local manufactures, there was not much difference. For instance, at the end of the eighteenth century, textiles imported by Chile from the high Andes, such as ordinary bayetas and tocuyos, were sold in Santiago at 7 pence per yard.³ Likewise, home-made Chilean woollens were sold during the early nineteenth century at 9 pence per yard.⁴ In Buenos Aires, domestically produced cottons were sold at 5–7 pence per yard in 1806.⁵ In interior markets, such as Paraguay, which had to bear higher internal freights, *bayetas de la tierra* were sold for 15 pence per yard.⁶ These were exorbitant prices for both domestically produced and imported textiles, particularly if relative prices are considered. At these prices, a poncho⁷ could be exchanged for 12–20 mares⁸ or for 70 kilograms of mate and 20 kilograms of tobacco.⁹

Alas, most interpretations of the development of British exports have been dazzled by the industrial revolution: the factory still ‘dominates the popular imagery’.¹⁰ Actually, during the early stages of industrialisation ‘most so-called factories were no more than glorified workshops’¹¹ and production was still costly. Things, though, changed. During 1815–1845, the costs of production of cottons fell,¹² due not only to technical improvements but also to falling import prices of raw

³ Own calculations from M. de Salas, ‘Representación al Ministerio de Hacienda, 1794’, in M. Cruchaga, *Estudios sobre la organización económica i la hacienda pública de Chile* (Santiago, 1878), I: p. 279.

⁴ Own calculations from A. de Ramón and J. M. Larraín, *Orígenes de la vida económica chilena, 1659–1808* (Santiago, 1982); D. Martner, *Estudio de política comercial chilena e historia económica nacional* (Santiago, 1923), I: p. 38.

⁵ P. Santos, *Las industrias durante el virreinato, 1776–1810* (Buenos Aires, 1969), p. 154.

⁶ *Telégrafo Mercantil* (Buenos Aires, 1914), I: p. 46.

⁷ For a poncho, 2–3 yards of fabric were needed.

⁸ L. de la Cruz, ‘Viage a su costa, del alcalde provincial del muy ilustre cabildo de la Concepcion de Chile’, in P. De Angelis (editor), *Colección de obras y documentos* (Buenos Aires, 1836), I: p. 184; W. MacCann, *Two thousand miles’ ride through the Argentine provinces* (London, 1853), I: pp. 76–77.

⁹ M. D. Millan de Palavecino, ‘El poncho. Estudio etno-geográfico’, *Museo de Motivos Populares Argentinos* (Buenos Aires, 1954), p. 5.

¹⁰ P. Hudson, ‘Industrial organisation and structure’, in R. Floud and P. Johnson (editors), *The Cambridge economic history of modern Britain* (Cambridge, 2004), I: p. 28. Or, as argued by Landes, ‘one of the cherished myths of economic history is the image of a swift and drastic shift from rudimentary hand tools to machines’. D. S. Landes, *The unbound prometheus* (Cambridge, 2003), p. 105.

¹¹ Landes, *The unbound prometheus*, p. 65.

¹² P. Deane, *The first industrial revolution* (Cambridge, 1965), p. 96.

materials.¹³ Yet, 'by the mid-nineteenth century the word "factory" was still a synonym for a cotton-spinning plant'.¹⁴

As for technological improvements in the cotton industry, mechanisation was not fully accomplished until the second quarter of the nineteenth century when both spinning and weaving machinery were successfully introduced.¹⁵ Indeed, 'it was not until the early 1840s that the number of power-loom weavers exceeded the number of hand-loom weavers and not until the 1850s that the latter were effectively extinguished'.¹⁶ In the early 1830s, still, 'most of the cottons shipped from Glasgow to foreign parts was the product of hand-loom',¹⁷ much of which went to the Southern Cone. Similarly, until the late 1830s, Fielden Brothers of Manchester shipped hand-loomed cottons to Hodgson in Buenos Aires.¹⁸ Finally, water power 'predominated in spinning until the 1820s, and the use of steam power was a very gradual development'.¹⁹

Technological advances in the wool industries were even slower, to such an extent that, for woollens, the term industrial revolution 'was never very applicable' as the 'shift from a purely domestic manufacture to complete factory production took almost 100 years'.²⁰ Indeed, in the early nineteenth century, there were few technological differences between the British wool industry and the craft production of the Southern Cone. None had mechanised their main productive processes, a fact largely ignored, in particular by Latin American scholars. At the beginning of our period, woollen weaving in Britain 'remained essentially medieval'²¹ and, by the 1820s, both in the United Kingdom and the Southern Cone, human urine was used as the main scourer of raw wool.²²

¹³ R. Davis, *The industrial revolution and British overseas trade* (Leicester, 1979), p. 34.

¹⁴ P. L. Cottrell, *Industrial finance, 1830–1914* (London, 1980), p. 32.

¹⁵ N. Rosenberg, 'Factors affecting the diffusion of technology', *EEH*, Volume 10-1 (1972), p. 4; D. Farnie, *The English cotton industry and the world market, 1815–1896* (Oxford, 1979), p. 277; S. D. Chapman, *The cotton industry in the industrial revolution* (London, 1972), pp. 25–26; N. S. Buck, *The development of the organisation of Anglo-American trade, 1800–1850* (New Haven, 1925), p. 165.

¹⁶ Deane, *The first industrial*, p. 94.

¹⁷ Buck, *The development*, p. 164.

¹⁸ As late as in 1837, Hodgson & Robinson received grey cottons produced by both handlooms and power looms, being reported that hand-woven grey cottons were whiter than those produce in power looms. GHR/5/1/6, Hodgson & Robinson to Fielden Brothers (Manchester). Buenos Aires, 23 March 1837.

¹⁹ Cottrell, *Industrial finance*, p. 20.

²⁰ R. G. Wilson, *Gentleman merchants* (Manchester, 1971), p. 90.

²¹ W. B. Crump, *The Leeds woollen industry, 1780–1820* (Leeds, 1931), p. 52.

²² W. Partridge, *A practical treatise on dyeing* (Edington, 1973), p. 32; G. C. Hirst, *History of C. & J. Hirst and Sons Ltd.* (Huddersfield, 1942), p. 41.

Worsted spinning was only gradually and painfully improved and yarns were produced in factories from the late 1820s.²³ In turn, only during the 1830s and 1840s was there a definitive decline in hand-weaving within the worsted industry, while the complete transition to a factory system occurred in the late 1850s.²⁴ This branch of the industry was further fostered when combing, which precedes spinning, had been perfected during the 1840s and successfully mechanised during the 1850s and 1860s.²⁵ The transformation of the woollen branch of the industry was slower than in worsteds, despite the fact that scribbling had been successfully mechanised in the woollen branch by the 1790s.²⁶ Yet, the water frame for spinning woollens was not in much use by the 1840s, and only the 1850s could be considered as the turning point in the mechanisation of spinning.²⁷ The mechanisation of weaving was even more gradual. The use of the power loom was widespread only from the 1850s, but hand-weaving only started to decline from the 1870s, a process that was not completed until the beginning of the twentieth century.²⁸ As stated by Clapham, ‘the small master clothier died hard’.²⁹

Alongside developments in production, there were two other innovations in the wool industry that reduced costs, namely, the introduction of both raw cotton and recovered wool. The former was mainly associated with the worsted branch, the latter with woollens. By introducing raw cotton into worsteds, the costs of production were dramatically reduced to such an extent that it is believed that ‘of all the eras which have marked the history of this manufacture none exceeds in importance that of the introduction of cotton warps in the weaving of worsted stuffs’.³⁰ Chart 7.1 portrays the

²³ D. T. Jenkins, ‘The western wool textile industry in the nineteenth century’, in D. T. Jenkins (editor), *The Cambridge history of western textiles* (Cambridge, 2003), p. 762; Landes, *The unbound prometheus*, p. 88; Davis, *The industrial revolution*, pp. 21–22; P. Hudson, *The genesis of industrial capital* (Cambridge, 1986), p. 43.

²⁴ Hudson, *The genesis*, p. 44; E. M. Sigsworth, *Black Dyke Mills* (Liverpool, 1958), p. 38.

²⁵ By 1870, for machine-combing ‘the major technological inventions had been made’. Jenkins, ‘The western wool’, pp. 762–764; S. D. Chapman, ‘The pioneers of worsted spinning by power’, *BH*, Volume 7-2 (1965), p. 115.

²⁶ Landes, *The unbound prometheus*, pp. 169–170; Cottrell, *Industrial finance*, p. 27.

²⁷ Jenkins, ‘The western wool’, pp. 762–763; Davis, *The industrial revolution*, pp. 21–22; Chapman, ‘The pioneers’, p. 97; Hudson, *The genesis*, p. 43; Landes, *The unbound prometheus*, p. 87.

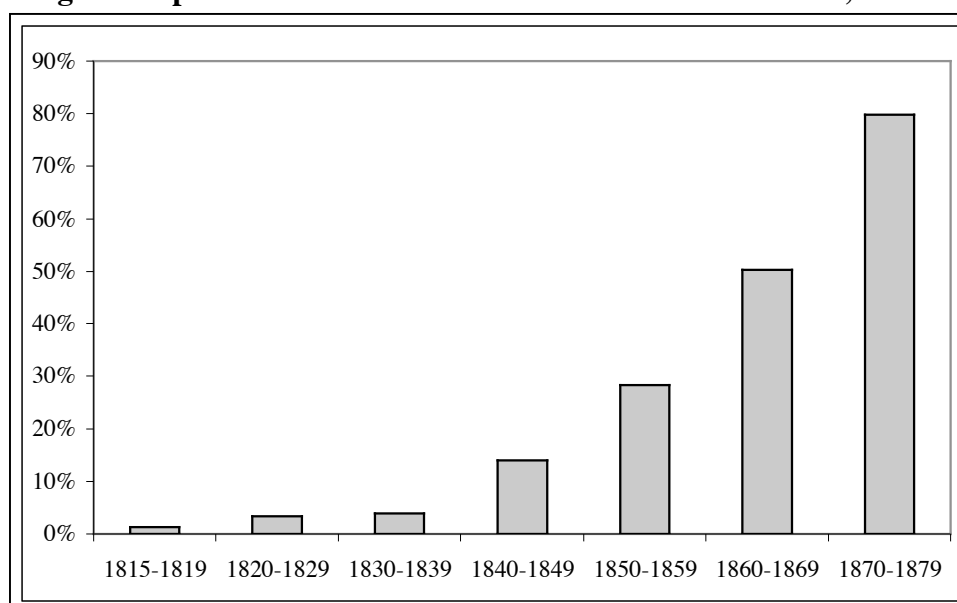
²⁸ Jenkins, ‘The western wool’, p. 763; Hudson, *The genesis*, pp. 37 and 44; Davis, *The industrial revolution*, p. 23; J. H. Clapham, ‘Industrial organization in the woollen and worsted industries of Yorkshire’, *The Economic Journal*, Volume 16-64 (1906), p. 518.

²⁹ Clapham, ‘Industrial organization’, p. 517.

³⁰ J. James, *History of the worsted manufacture in England* (London, 1968), p. 470, quoted in M. Llorca-Jaña, ‘Knowing the shape of demand’, MA Dissertation, University of Leicester (2005), p. 48 (see also pp. 46–47); R. Miller, *Britain and Latin America in the nineteenth and twentieth centuries* (London, 1993), p. 71.

importance of wool manufactures mixed with cotton within United Kingdom exports to the Southern Cone. Similarly, thanks to the introduction of shoddy and mungo from the mid-1810s, it was possible to produce cheaper woollens ‘utilizing materials of value, which were previously almost thrown away’.³¹ Just to give an idea of the importance of this improvement, it is estimated that ‘the implication for a manufacturer of blending one-third new wool and two-thirds recovered wool was perhaps of the order of one-third savings in raw material input costs and consequently as much as 13 per cent saving on total costs’,³² while the quality of the garment remained similar.

Chart 7.1
Share of wool manufactures mixed with cotton within declared values of United Kingdom exports of wool manufactures to the Southern Cone, 1815–1879



Source: own elaboration from CUST/8 as listed in Appendix 2.3

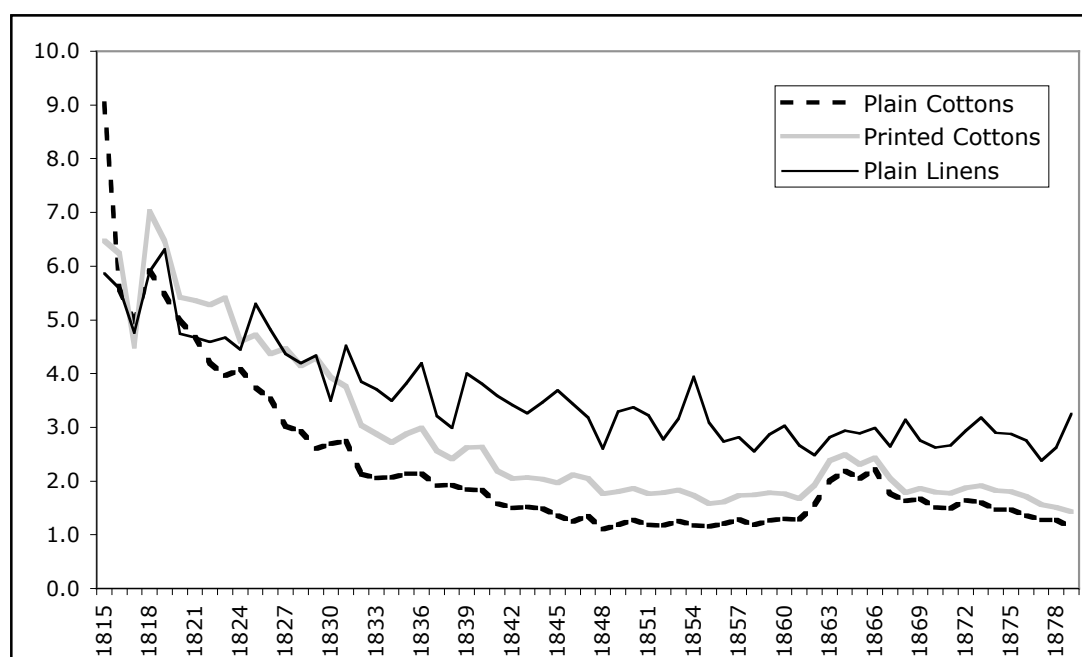
There is not room here to give more than a concise sketch of the developments that took place in the textile industries. Yet, in a competitive market, as the textile trade was, there is no better way to assess reductions in costs of production than by analysing sale prices. Charts 7.2 and 7.3 show a known but little examined development: Britain’s textile export prices fell systematically and dramatically during most of our period of study. Export prices of cottons declined to such an extent

³¹ S. Jubb, *History of the shoddy trade* (London, 1860), p. 4.

³² D. T. Jenkins and J. C. Malin, ‘European competition in woollen cloth, 1870–1914: the role of shoddy’, *BH*, Volume 32-4 (1990), p. 76. For more details see Llorca-Jaña, ‘Knowing the shape’, pp. 48–49.

that, in the 1850s, cottons fetched a quarter of the value at which they had been sold in the late 1810s. Plain linens prices fell by nearly 50 per cent over a comparable period. Prices of wool manufactures (except for those mixed with cottons, whose prices also fell dramatically) did not show an equivalent fall (see Chart 7.3 and Table 7.1), but there were still important reductions in their prices.

Chart 7.2
Selected United Kingdom cottons and linens export prices to the Southern Cone
(pence per yard), 1815–1879



Source: own elaboration from Appendix 7.1

In turn, during the 1850s, 1860s, and 1870s, there were no important price changes in cottons or linens, while wool manufactures underwent further price reductions. This is all consistent with the development of exports examined in Chapter 2: volumes of British exports to the Southern Cone were heavily influenced by the prices at which they were sold. The textile demand in the Southern Cone was price-elastic. Besides foodstuffs, there was no other product more important than clothing in the consumption basket of Argentineans and Chileans.

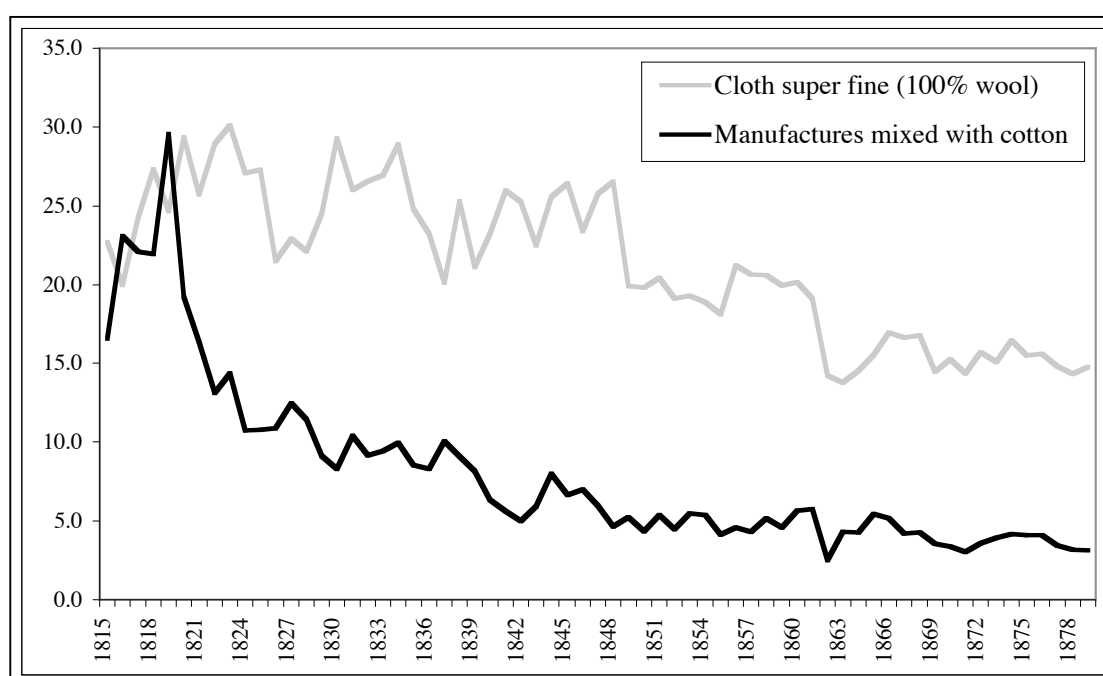
It is difficult to understand why a cumulative export price reduction of 77 per cent between the late 1810s and the 1840s in the most important British staple (cottons) sent to the Southern Cone has not previously been seen as a material point

explaining the booming exports to our markets. Only Platt, somehow contradicting himself, has written that

it was this fall in prices ... which really opened up the market for British textiles in Latin America ... But important though this was for the further development of British trade with Latin America, it was not a significant factor in the early years when British prices ... were still too high for a mass market.³³

Indeed, it is difficult to reconcile this statement with his thesis that 'Latin America could sell nothing to Europe'.

Chart 7.3
Selected United Kingdom wool manufactures export prices to the Southern Cone
(pence per yard), 1815–1879



Source: own elaboration from table Appendix 7.1

Without this dramatic price reduction in British textile exports to the Southern Cone, the volumes of exports could not possibly have expanded at the very high rates they did during the first half of the nineteenth century. Indeed, that the volume of exports of cottons and linens expanded much more quickly than exports of wool manufactures until the late 1840s is in part explained by the fact that cottons and

³³ D. C. M. Platt, *Latin America and British trade, 1806–1914* (London, 1972), p. 15.

linens export prices fell sooner and to a greater extent than export prices of wool manufactures.³⁴

Table 7.1
Prices of main textiles exported from the United Kingdom to the Southern Cone
Annual Averages (pence per yard), 1815–1879

Period	Cottons		Plain linens	Wool manufactures				
	Plain	Printed		Fine cloths	Cloths second inferior	Stuffs unmixed	Stuff mixed	Carpets
1815-1819	6.1	6.2	5.7	24.5	14.5	4.6	22.5	22.5
1820-1829	3.6	4.7	4.6	25.9	12.0	6.9	11.2	17.5
1830-1839	2.1	2.9	3.7	25.8	12.3	7.6	9.0	14.3
1840-1849	1.4	2.0	3.3	23.9	13.3	5.1	6.0	13.9
1850-1859	1.2	1.7	3.0	19.8	9.2	2.7	4.8	15.1
1860-1869	1.7	2.0	2.8	16.2	10.0		4.4	14.8
1870-1879	1.4	1.7	2.8	15.1	9.8		3.6	14.5
Period	Rate of Variation							
1815-1819/1820-1829	-41%	-24%	-19%	5%	-17%	49%	-50%	-22%
1820-1829/1830-1839	-41%	-39%	-21%	0%	3%	11%	-19%	-19%
1830-1839/1840-1849	-34%	-29%	-9%	-7%	8%	-33%	-34%	-3%
1840-1849/1850-1859	-13%	-15%	-10%	-17%	-31%	-47%	-20%	9%
1850-1859/1860-1869	44%	17%	-6%	-18%	8%		-7%	-2%
1860-1869/1870-1879	-18%	-15%	-1%	-6%	-2%		-19%	-2%

Source: own elaboration from Appendix 7.1

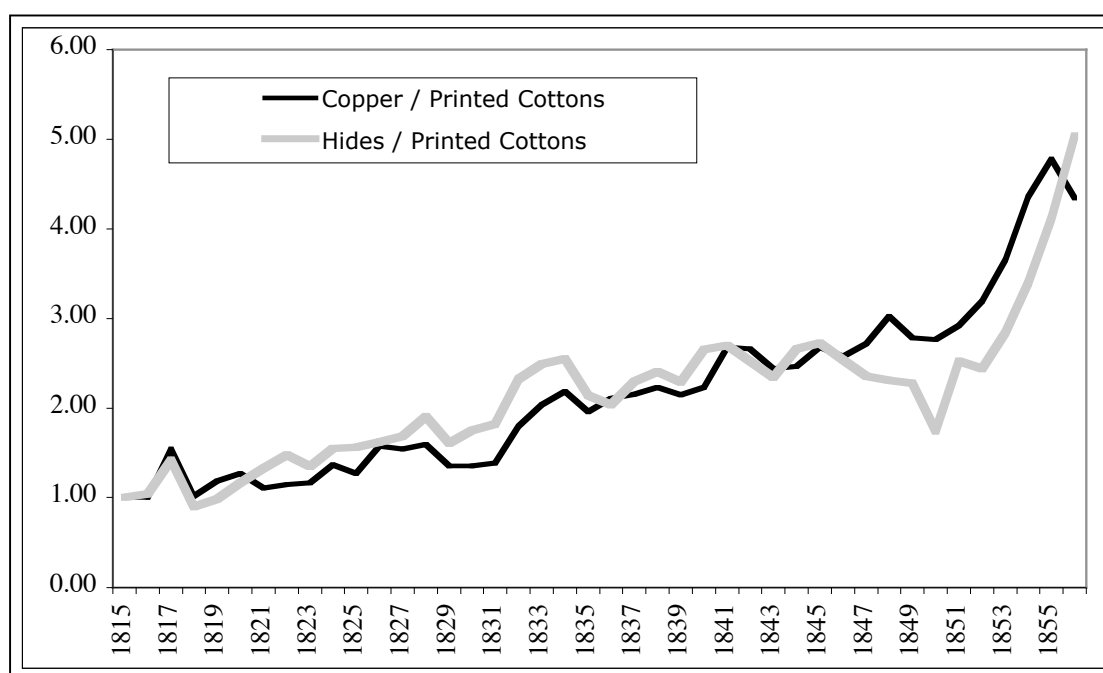
In turn, prices of the main Southern Cone products imported by Britain (i.e. copper and hides) remained relatively stable during c.1815–1840 and subsequently fell at a much slower rate than Britain's export prices of textiles.³⁵ As a consequence, relatively, prices of Southern Cone produce increased substantially compared to British textiles during most of the period 1815–1856. That is, the terms of trade improved dramatically for Chilean and River Plate native merchants. Chart 7.4 illustrates accurately the point being made. In 1836, the relative prices of both Chilean copper and River Plate hides to British printed cottons (the main staples) had improved around 200 per cent if compared to the prices of 1815 and, by the mid-1850s, by over 400 per cent if compared to the prices at the end of Napoleonic Wars. That is, by the mid-1850s, native merchants in the Southern Cone offering copper and hides in the market exchanged their local produce for four times more yards of British printed cottons than they would have received at the relative prices of the late 1810s.

³⁴ Yet, it is also true that it was in the wool industries where the British faced the strongest competition from local craft industries (Chapter 8). The long survival of the local craft woollen industry also explains the different pattern of growth between British exports of cottons and exports of wool manufactures.

³⁵ This author thanks Professor Marcello Carmagnani for his comments on this section.

This is an important point missed by the literature, because, as argued by Miller, ‘empirical evidence on terms of trade is sparse. Very few historians have attempted the difficult task of quantifying trends for individual Latin American countries’.³⁶

Chart 7.4
Terms of trade of the Southern Cone with the United Kingdom. Relative prices of main Southern Cone staples to British printed cottons exported to the



Southern Cone, 1815–1856³⁷

Source: own elaboration. For printed cottons as in Chart 7.2. For hides T. Halperín-Donghi, ‘La expansión ganadera en la Campaña de Buenos Aires, 1810–1852’, *Desarrollo Económico*, Volume 3-1 (1963) and *London Mercantile Price Current*. For copper M. G. Mulhall, *The dictionary of statistics* (London, 1899)

Improvements in the packing of textiles

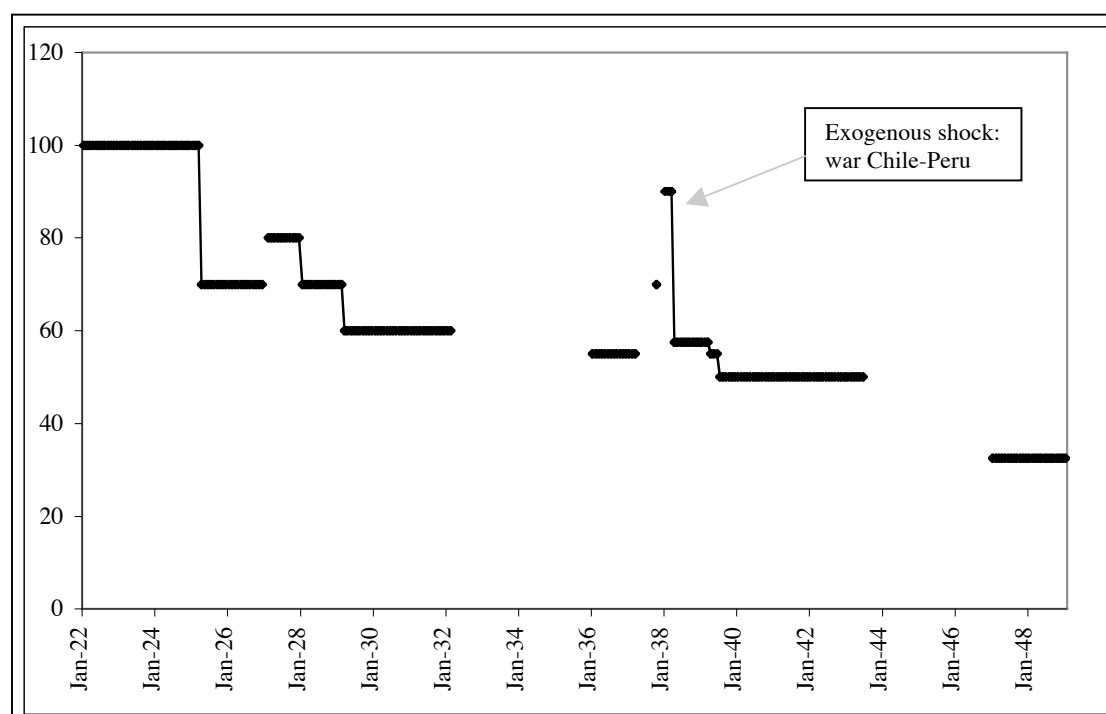
It is difficult to account for the historiography’s lack of attention to the packing of textiles; there seems to be not a single reference in the secondary literature. In contradiction, all the evidence within the business correspondence of houses exporting to the Southern Cone indicates that, from the 1810s to the 1830s, textiles frequently arrived greatly damaged by salt or fresh water. Thereafter, important

³⁶ Miller, *Britain and Latin America*, p. 110.

³⁷ For copper prices London prices of fine copper were taken. Similarly, for Buenos Aires hides, London prices were gathered. The series of printed cottons used is the same shown in Chart 7.2. All the series in levels were converted into indexes, where 1815 = 100. The series in index were used to calculate the ratios of ‘copper prices’ / ‘printed cottons’ and ‘hides prices’ / ‘printed cottons’.

improvements were developed in packing to protect the contents from water damage and, as a consequence, ‘particular averages’ were far less common. As a direct result of better packing and shipping advances (a point extended below), insurance premiums fell significantly. Charts 7.5 and 7.6 provide sound evidence in this respect. If during 1822–1824³⁸ premiums at Lloyds for shipments to Valparaiso were 5 per cent of the value of the cargoes,³⁹ in 1847 the rate had gone down to 1.625 per cent (Chart 7.5). Likewise, the particular experience of Huth & Co. confirms this (Chart 7.6).⁴⁰

Chart 7.5
Premiums at Lloyds for shipments to Valparaiso (shillings per £100), 1822–1849



Source: own elaboration from *London New Price Current* (1816–1821), *London Price Current* (1822–1828), *The British and Foreign Price Current* (1829–1832), *Shipping Gazette* (1836–1837), *Shipping Gazette and Commercial Advertiser* (1838), *Trade List and Mincing Lane Price Current* (1839–1843), and *Liverpool Telegraph and Shipping Gazette* (1847–1848)

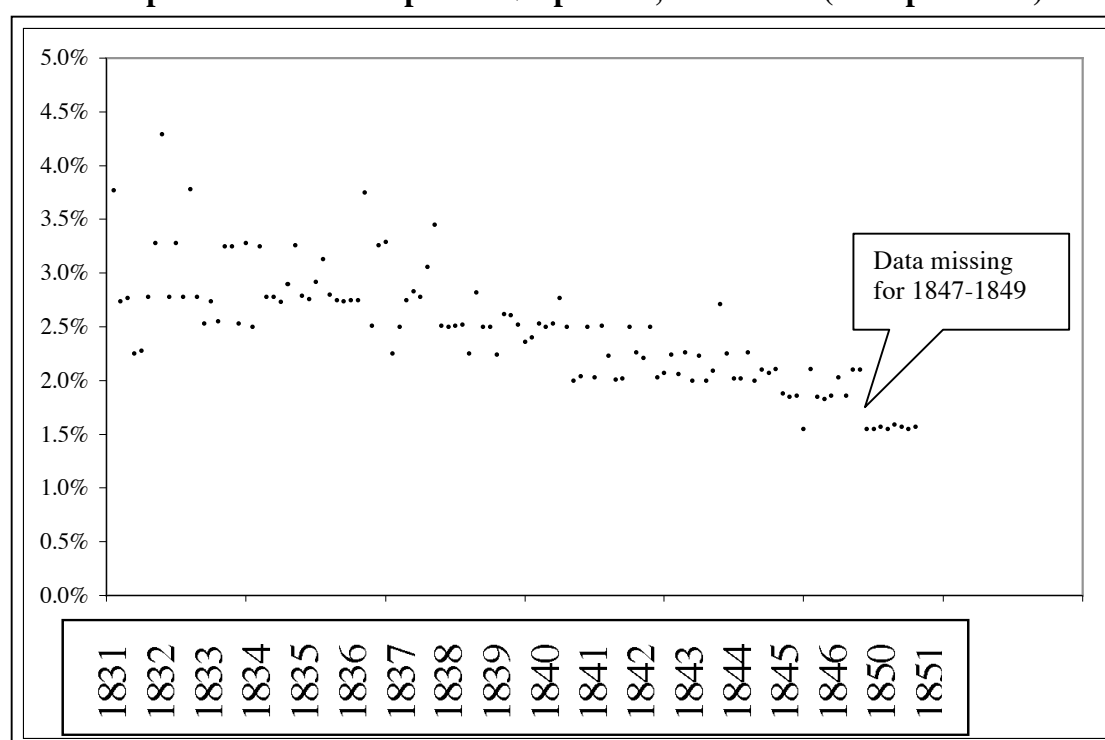
³⁸ Before this period, for textiles shipped from Liverpool to Rio de Janeiro (which had lower premiums than to Valparaiso), premiums quoted in the WLP (volumes 3 to 9) were 5.25 per cent in 1808, 4.5 per cent in 1809, 6–7 per cent in 1810–1811; 5.25 per cent in early 1812, 19 per cent in November 1812.

³⁹ Comparable rates for exports to continental Europe were 1.25 to 1.5 per cent during this period.

⁴⁰ As mentioned in Chapter 3, developments of other variables also affected marine insurance premiums. In particular, developments on shipping (which are treated below). It is believed, for instance, that in long hauls (e.g. Europe–South America), a cause for the fall in premiums was the introduction of bigger and more secure vessels. P. Schöller, ‘L’évolution séculaire des taux de fret et d’assurance maritimes 1819–1940’, *Bulletin de l’Institute de Recherches Économiques et Sociales*, Volume 17-5 (1951), p. 530.

Yet, the literature lacks reference to this significant reduction in the costs of insurance, an additional and material variable explaining the development of exports to the Southern Cone. There are not enough words, charts or tables to stress how serious an issue packing was for British exporters. During the early 1830s, many British underwriters ceased to accept policies against ‘particular averages’ for shipments to the Southern Cone if textiles were not packed in tin cases or good tarpaulin. In this context, the packing of textiles acquired a great importance, particularly for exporters reluctant to take risks.

Chart 7.6
A sample of insurances (as share of invoice costs) effected by Huth & Co. for textile shipments from Liverpool to Valparaiso, 1831–1851 (118 operations)



Source: own elaboration from individual transactions recorded at HPEL

The availability of waterproof packing was a very serious matter. The ‘envelope’ for textiles determined whether they would arrived dry, or partially wet or completely wet. There were two options: waterproofed or soaked:

It is difficult for the underwriters to point out the mode in which Messrs. Howard’s goods should be packed, but it is clear that their present method affords no protection whatever, for almost every shipment of theirs has been landed in a damaged state; there must be a great difference in the quality of packing, for the goods of Messrs. Du Fay & Co. have invariably arrived

sound for the last three years, although they have often been shipped in the same vessels with Messrs. Howard's, which shows that the fault must be in the packing.⁴¹

To better understand the importance of packing, we ought to assess how precarious the transportation and storage of goods in transatlantic trades was during the first half of the nineteenth century. Let us start with the physical path followed by a textile truss from a British manufacturer to the final consumer and identify the main risks of water damage during its journey. The first risk lay in the packing process itself, which presented some technical difficulties in reducing moisture. This was a matter of serious concern as reported by a local house to one of its suppliers:

you must be careful not to have the goods packed up in the slightest manner damp or heated. We say this because, although packed in tin & consequently impervious to moisture on the voyage, a number of pieces ... turned out slightly mildewed⁴² ... this mildewing evidently arises from the goods having been packed too fresh from the calendars, either in a heated or particularly damp state as neither the paper in which the pieces were wrapped nor the cases externally exhibited the slightest symptoms for access of moisture.⁴³

The next risk was to be found in the British storehouse. Once the goods were finished, they were usually stored for some time when not sent immediately to the Mersey. It would be reasonable to think that warehouses in early industrial Britain were good enough as to keep rain and moisture away from trusses. Though this may had been the most common case, textiles were damaged, as reported by a Liverpool merchant: 'five of the bales ... appear to have been placed in a damp warehouse as the hoops are rusted and the canvas discoloured. The master of the Fame refused to sign for them unless a letter of indemnity was given to him'.⁴⁴ Similarly, as late as 1840, it was complained, this time to a manufacturer, 'that nearly the whole ... of the bocking [a coarse woollen baize] delivered today have got wet by the rain which fell last night. The tillots are quite spoiled and they will require to be retillotted'.⁴⁵

Thirdly, both bales from Lancashire and Yorkshire were sent to Liverpool by canal, carriage or train. During our period of study we can reasonably assume that this phase was probably the least risky; nonetheless, some precautions had to be taken. For example, in 1824, an exporter to the Southern Cone reported to one of his suppliers

⁴¹ HPEL, Volume 32, Huth & Co. to Huth & Co. (Liverpool). London, 9 November 1841.

⁴² GHR/5/1/5, Hodgson & Robinson to Faulkner (Manchester). Buenos Aires, 16 June 1834.

⁴³ GHR/5/1/5, Hodgson & Robinson to Walker (Manchester). Buenos Aires, 16 July 1834.

⁴⁴ OWN/3/2/1/1, Latham Brothers to Owens & Son (Manchester). Liverpool, 14 December 1844.

⁴⁵ OWN/3/1/4, Owens & Son to D. & G. Ashworth (Todmorden). Manchester, 6 June 1840.

that ‘the flannels advised ... just arrived & have suffered some damage’ during transportation within Britain.⁴⁶ Fourthly, once the manufactures had arrived in Liverpool, they were most usually stored in dock warehouses or left on docksides before being loaded. In the latter case, the risks were obviously higher, as rain could easily damage a whole cargo that had been inadequately packed.

Until the trusses were nearly on board, it would seem that they did not require particular packing.⁴⁷ Indeed, it may be the case that packing has been so overlooked in studies of Anglo-South American trade because it was not an issue for exports to continental Europe or to North America, where the lion’s share of British exports went before the Napoleonic Wars. However, in the trades to South America, the main perils lay ahead. With the Southern Cone being so far away from Britain, shippers tried to maximise the tonnage taken on board, paying little attention to packages.⁴⁸ As explained by Huth & Co. to one of their suppliers after a long run of bad deliveries: ‘averages have been very numerous on the ships from Liverpool to the Pacific within the last few years, chiefly owing to the careless and injurious mode of storing the goods’.⁴⁹ Early on, Luccock had a similar opinion about shippers: ‘the Liverpool ships I am sorry to say discharge their cargoes in a very bad state ... I conceive the risk by them to be considerable more than by vessels from London’.⁵⁰

By overloading vessels, shippers generated unbearable pressure on the wooden hull’s joints, which resulted in leaks and, therefore, in ‘particular averages’. Because of this behaviour, in the mid-1830s, for example, there was a nasty turn in the relationships between Huth & Co. and some Liverpool shippers:

some underwriters can prove the damage to be chiefly owing to the mode of storage adopted at Liverpool by the persons who are in the habit of chartering the ships in the lumps, and have no other interest but to screw as many goods into them as they will hold, the necessary consequence of which is that the seams of the ship give way and admit the seawater.⁵¹

⁴⁶ WLP, Volume 14, Lupton & Co. to Schofield & Co. (Rochdale). Leeds, 25 September 1824. This manufacturer was also in the habit of supplying Huth, Gruning & Co. at Valparaiso.

⁴⁷ Another source of damage was liquids stored next to textiles. Once, it was reported some ‘bales slightly damaged, apparently from beer having been stowed upon them & leaking out upon them’. GHR/5/1/6, Hodgson & Robinson to Owens & Son (Manchester). Buenos Aires, 8 August 1837.

⁴⁸ In Chapter 3, it was shown that shippers were not accountable for particular averages.

⁴⁹ HPEL, Huth & Co. to Webster & Sons (Morley). London, 29 February 1836.

⁵⁰ WLP, Volume 4, Luccock to Luptons & Luccock (Leeds). Rio de Janeiro, 19 May 1809.

⁵¹ HPEL, Volume 14, Huth & Co. to Feilden & Co. (Blackburn). London, 28 December 1835.

The story ended with Huth & Co. ‘marking and punishing’ bad shippers ‘to correct the evil’.⁵² The strategy used is summarised as:

It is unfortunately not in our power to exercise much influence with the ship owners at Liverpool, who alone are the real authors of the evil, and who alone can effectually correct it ... We propose in the first place that our agents in Liverpool should ship no goods whatever in such vessels as we may point out to them ... In the next place we shall decline giving such ships any homeward freight whatever, either of specie, bullion or produce, as far as it may be possible to avoid doing so without delaying our remittances too much. With strict attention to these points we think they cannot fail to produce at least some change for the better ... We are quite sure that our refusal to ship money by the obnoxious vessels will prove of some avail as we are the largest exporters on the coast.⁵³

Until the 1840s, British exports to the Southern Cone were transported in relatively small wooden sailing vessels, sometimes of just 150 tons register and seldom more than 350 tons. These precarious vessels had to face, not only the usual hazards of any deep-sea passage, but also two other major natural perils. These were, on the one hand, the *pampero* winds in the River Plate area and, on the other, for those continuing to Chile, the ferocity of the weather at Cape Horn or in the Strait of Magellan. The *pampero*, or ‘hurricane of La Plata’, proved to be devastating for many vessels involved in the United Kingdom-Southern Cone trades. D’Orbigny, after arriving to Montevideo in 1826, was impressed by the great number of wrecked and damaged ships he saw in the River Plate after the port had been hit by *pampero* winds.⁵⁴ As noted by a US seaman after experiencing a terrible *pampero*: ‘a new and beautiful English bark, that had left her anchorage for Buenos Ayres the night before, we saw two days afterwards; but she was nothing but a dismantled hulk, with only the stump of her mizzenmast left: every spar had been blown away, and one of her men killed by a falling mast’.⁵⁵ This coincides with Beaumont’s more poetic narrative: ‘I can confirm the fact of the elasticity of the *pamperos*; their vigour is proverbial, blowing down houses, and destroying the shipping in the river – nay, it may seem blowing away the mighty river itself’.⁵⁶

⁵² HPEL, Volume 14, Huth & Co. to Stansfeld (Leeds). London, 10 December 1835.

⁵³ ‘Extract of a letter received from Valparaiso’, quoted in Ibid.

⁵⁴ A. D’Orbigny, *Viaje a la America meridional* (Buenos Aires, 1945), I: p. 44.

⁵⁵ N. H. Bishop, *The Pampas and Andes* (Boston, 1869), pp. 32–34.

⁵⁶ J. A. B. Beaumont, *Travels in Buenos Ayres* (London, 1828), p. 47.

If the *pampero* was respected, nothing caused more fear amongst sailors than Cape Horn, ‘a maritime graveyard for centuries’.⁵⁷ In the words of one of the most eminent British maritime historians: ‘no ship ever approached the latitude of the Horn without carefully preparing for the extreme limit to which bad weather could go’.⁵⁸ Indeed, clearly exaggerating but illustrative of the point being made, a British merchants’ newspaper stated that ‘being situated in the West of the American continent, beyond the tempestuous ocean which lashes Cape Horn, Chili has been neglected, with regard to commerce been always unknown’.⁵⁹ No doubt, then, vessels engaged in these trades were greatly exposed to seawater and rain, liable to unexpected and improvised repairs and, ultimately, to wreck (see Appendix 7.2). It can be safely stated that during the first decades of commercial intercourse between Britain and the republics, most bales arrived in the ports of Argentina and Chile after being in permanent contact with seawater and rain. Ordinary canvas provided no protection whatsoever to the staples exported by Britain.

Furthermore, the arrival of vessels did not mean that perils had now passed: bales were still subject to the precariousness of unloading. This was done by hand, using insecure lighters and carts,⁶⁰ which greatly exposed packages to more contact with seawater and river water, not to mention the perils of the rainy season.⁶¹ For an eminent Chilean historian, labourers unloaded vessels with the seawater covering half their bodies and sometimes even their shoulders, carrying bales of over two quintals each.⁶² After being unloaded, goods were kept in improvised stores, further exposing bales to rain damage. Finally, textiles were redistributed from Buenos Aires or Valparaíso to the interior, not in coaches, boats or trains as in Britain, but mostly on mule-back, which constituted an additional risk of rain and river water damage.

In summary, packing did matter and substantially. The question, then, is what sort of packing was required to keep out both fresh and salt water?⁶³ As mentioned

⁵⁷ R. A. Rydell, *Cape Horn to the Pacific* (California, 1952), p. 1.

⁵⁸ B. Lubbock, *The last of the windjammers* (Glasgow, 1927), I: p. 94.

⁵⁹ *The British Packet*, 12 January 1833.

⁶⁰ For an example of goods damaged by fresh water when lightering cargoes see GHR/5/1/3, Green & Hodgson to Fielden Brothers (London). Buenos Aires, 22 June 1829.

⁶¹ For examples of goods damaged during rainy season see GHR/5/1/5, Hodgson & Robinson to Walker (Manchester). Buenos Aires, 15 and 21 May 1834.

⁶² F. Encina, *Historia de Chile desde la prehistoria hasta 1891* (Santiago, 1945–1952), X: p. 185.

⁶³ Besides packing in tarpaulin, another strategy used by exporters was to stow bales in strategic places. As expressed by a merchant: ‘we shall make a point of seeing the bales stowed in such a position in the vessels’ hold as to prevent as far as possible the risk of sea-damage’. OWN/3/2/1/14, Latham Brothers to Owens & Son (Manchester). Liverpool, 7 April 1845.

above, the ordinary packing used for exports to continental Europe was not enough.

As stated by a Mancunian merchant to one of his Halifax suppliers:

we have delayed the remittances for the last four bales having on opening one bale found it insecurely packed and not agreeable to our orders. There is no oilcloth round the trusses, nothing but a single canvas. This you must know from your own experience is quite insufficient to secure the goods from damage.⁶⁴

Textiles heading for the Southern Cone had to be packed with more expensive materials, such as oilcloth, or tarpaulin, or in soldered tin cases. Oil cloth was extensively used and, though providing more protection than single canvas, it was not always good enough to keep water and moisture away from textile trusses.⁶⁵ Instead, a good tarpaulin was as waterproof as any of today's plastic materials.⁶⁶ Regarding the high reputation enjoyed by tarpaulin, a local merchant wrote to his headquarters:

if the goods be properly and honestly packed as we have suggested it is impossible they can become damaged, which it is evident from the baizes of Mr. Rawson which always come in the most perfect order. We have had in some instances bales of his goods which to all outward appearances were completely rotten but when the tarpaulins & linens and brown paper were removed the baizes appeared as fresh and dry as when they were first packed. We remember also that when the Collins & Mariana was wrecked few leagues south of us all the baizes which were washed on shore in entire packages were entirely uninjured.⁶⁷

Indeed, in the dispute between Huth & Co. and some Liverpool shippers, previously described, the head of this house had the idea that, rather than marking and punishing shippers 'a much better plan ... would be to recommend our friends to pack their goods in tarpaulins'.⁶⁸

Tarpaulin was so trusted that underwriters refused to pay compensations for seawater damage if the merchant had declared the bales to be wrapped in tarpaulin.

⁶⁴ OWN/3/1/2, Owens & Son to Hartley (Halifax). Manchester, 19 August 1834.

⁶⁵ As time passed, oilcloth was 'looked upon as affording little or no protection'. The main reason was that 'the slightest friction removed the oil at once'. Huth was even of the strong opinion that oilcloth was a material that by no means was 'calculated to keep out the sea water'. By 1844, there was, among underwriters, a decided 'objection to oil cloth packing', to such an extent that those able to insure against 'particular averages' for goods packed in oilcloth should consider 'fortunate in having been enabled to effect the insurance at all'. HPEL, Volume 34, Huth & Co. to Huth & Co. (Liverpool). London, 11 April 1842; Volume 39, 16 September 1843; Volume 40, 18 December 1843; Volume 42, 5 January 1844.

⁶⁶ In the early 1830s, Britain was already producing such a good, resistant and strong tarpaulin that it was used to cover cargoes in the Liverpool-Manchester railway to protect them against sparks and chunks of burning coke thrown off by the locomotives. T. J. Donaghy, *Liverpool & Manchester railway operations, 1831-1845* (New Abbot, 1972), p. 106.

⁶⁷ HPEL, Volume 14, 'Extract of a letter received from Valparaiso', quoted in Huth & Co. to Stansfeld (Leeds). London, 10 December 1835.

⁶⁸ HPEL, Volume 14, Huth & Co. to Stansfeld (Leeds). London, 10 December 1835.

For many underwriters, a good tarpaulin should be nearly 100 per cent waterproof, an opinion shared by Huth's head-office:

We were not aware that the Daniel Grant had been nearly full of water ... had this however been the case, we still think that goods packed in real tarpaulin might have escaped if not without damage certainly with much less deterioration than the now in question, as a proof we could mention that Messrs. Jacomb's goods shipped at the same time and insured in the same policy with Messrs. Garnett & Hornfall have escaped altogether, and we have known an instance of Mr. W. H. Rawson's goods were virtually under water some days and yet arrived in a sound condition.⁶⁹

While tarpaulin enjoyed such reputation, soldered tin boxes were regarded as a superior protection, though certainly more expensive. Due to the high costs, tin cases were largely confined to luxury textiles, such as silks, that could not bear a long oceanic passage if exposed to any moisture. Indeed, a local British merchant was of the opinion that silk goods 'could not stand the voyage from Europe unless in a tin case properly closed without arriving here full of stains and spots caused by damp'.⁷⁰

Last but not least, as suggested at the beginning of this section, there was a crucial link between packing and marine insurance which ought to be addressed. The better the packing, the lower the premiums for particular averages,⁷¹ though the crucial point was whether lower premiums compensated for the higher costs of packing. Insurances rates, as a share of the invoice value of the cargoes, could be as much as 4–5 per cent, if packed in canvas, or as little as 1.5 per cent, if packed in tin cases. In turn, the cheapest of all packages could cost 0.5–1 per cent of the invoice value of the cargoes, while the most expensive never cost more than 3 per cent.⁷² Adding these rates, the combined costs of cheap packing and expensive insurance were similar to those of expensive packing and cheap insurance, though, in the former case, there was a greater risk of being deprived of profits. It was certainly a matter of individual choice. Indeed, some exporters went for cheap packing and no insurance at all, while Huth & Co. always professed 'the necessity of using the best possible packing, the additional cost of which will be saved in the premium'.⁷³

⁶⁹ HPEL, Volume 40, Huth & Co. to Huth & Co. (Liverpool). London, 18 December 1843.

⁷⁰ ANCH-AJV, Volume 566-6, Yetts against Smith. Valparaiso, 19 November 1840.

⁷¹ In most cases, goods packed in soldered tin cases did not need to be insured against 'particular averages'. As instructed by Hodgson, if packing in tin cases, 'you will please only insure against total loss, thus packed there is not risk of the goods running out sea damaged'. GHR/5/1/6, Hodgson & Robinson to Faulkner (Manchester). Buenos Aires, 13 December 1837.

⁷² Tarpaulin cost around three times more than ordinary canvas. OWN/2/1/2, Packing book, 1837–1843.

⁷³ HPEL, Volume 40, Huth & Co. to Huth & Co. (Liverpool). London, 23 November 1843.

The costs of bad packing were, eventually, immeasurable. The losses could amount to over 50 per cent of the invoice values of cargoes (when the goods were not thrown away). It may be thought that, if cargoes were insured, exporters would escape a great deal of such losses. To a certain extent, this was the case.⁷⁴ Nonetheless, merchant and manufactures were automatically deprived of potential profits from the damaged goods had they been landed in good state. Besides, as noted by Huth: ‘we cannot forget that every claim of £100 causes us a loss of £12, which independent of other considerations, gives us as much interest in providing against their occurrence, as the underwriters themselves’.⁷⁵ Losses on account of insurance claims were due to brokerage fees, charges for producing a certificate of damage, a certificate of market value in a sound state,⁷⁶ and a certificate of exchange rate.⁷⁷ Furthermore, obtaining compensation from underwriters was always a long⁷⁸ and tedious process and, even if the goods arrived damaged, exporters had to pay all the associated import duties and sales commissions as if the goods arrived in a perfect state.⁷⁹

In addition, although damaged goods were usually sold at public auctions (a practice enforced by underwriters), guarantee charges (which supposedly only applied when selling on credit), as well as storage charges, could not be avoided by British exporters. As explained by Huth & Co. to one of their suppliers:

You may be sure that the charge for guarantee and storage would not have been made by our friends if no risk or expense had been incurred, but the

⁷⁴ In particular, during the early stages of direct legal trade, before underwriters reacted to frequent claims for particular averages due to seawater damage. In 1809, after a long run of cargoes delivered damaged by salt water, a merchant on the spot wrote that ‘I believe that some people make a good trade by the underwriters’. WLP, Volume 4, Luccock to Luptons & Luccock (Leeds). Rio de Janeiro, 19 May 1809.

⁷⁵ HPEL, Volume 27, Huth & Co. to Huth & Co. (Liverpool). London, 7 March 1840.

⁷⁶ Merchants were compelled by underwriters to provide evidence showing the difference between prices had the goods arrived in sound condition and auction sale prices of damaged goods. WLP, Volume 9, Lupton & Co. to Stansfeld (London). Leeds, 31 March; 9 and 25 May 1814. From the 1800s, merchants in Britain transmitted clear indications to the spot: ‘in case of average by salt water at any time occurring with any of our goods we will thank you to insert in the merchants survey what would have been the value had they arrived in a sound state as we find this necessary to the regular and amicable adjustment of such averages with the underwriters’. WLP, Volume 8, Luccock & Co. to McNeile & Co. (Buenos Aires). Rio de Janeiro, 9 August 1812.

⁷⁷ The necessity for this certificate is explained by a merchant: ‘another difficulty [in a claim] would have arisen from the exchange being calculated at par for as the sale was made for the underwriters they are certainly entitled to whatever that sale produces & if the exchange was below par they should not expect us to loss the difference. I therefore submit to you on whether in future it would not be better to state the exchange of the day & calculate accordingly’. WLP, Volume 5, Lupton & Co. to Luccock (Rio de Janeiro). Leeds, 6 March 1810.

⁷⁸ Very often, it took more than a year to recover monies from underwriters, who always requested additional evidence to delay payments.

⁷⁹ See for instance GHR/5/1/5, Hodgson & Robinson to Owens & Son (Manchester). Buenos Aires, 17 November 1834. See also R. Anguita, *Leyes promulgadas en Chile* (Santiago, 1912), I: p. 94.

fact is that although sales at auction are nominally for cash, yet credits for a fortnight, a month and longer are generally given ... As regards the storage we believe the goods in question have been in the store for more than a month, so that the charge could not be avoided.⁸⁰

More importantly, after being sold in public auctions at trifling prices, the damaged goods depressed the market prices of sound goods. Damaged goods were not perfect substitutes for sound goods, but there was still a significant degree of consumption substitution. Indeed, Huth's agent in Valparaiso reported that the *Dyson* arrived with great

quantities of damaged goods, which are now selling off at auction, and producing the most injurious effects upon our market. Our sales for home consumption of the same description of goods must naturally become more confined and our prices keep down by such an overflow of damaged fabrics.⁸¹

Associated with this problem, a further inconvenience was that underwriters enforced the sale of all the goods included in the policy, even if some of them had escaped damage, a point well explained in letter to the editor of *The British Packet*:

Another cause which has for a time materially affected our market has been the very extensive sales by public auction of damaged goods, or said to be so, for account of the underwriters, whereas about 7/8 of the contents of the packages have been as sound as the day they were shipped; this abuse is of long standing here, and always has the most pernicious influence upon our market, as at these sales the shopkeepers can supply themselves generally with sound goods, duty paid at lower rates than what they can be sold at in bond.⁸²

Besides water protection, packing had other functions which make it a variable worth examining. Good packing also ensured that, once the merchandise arrived at its destination, it could be quickly unloaded from British ships and re-loaded on local means of transport for redistribution. This was a matter of great concern for merchants on the spot, who transmitted clear indications to their agents in this respect. Textile trusses were specially designed to be put in horse carts and above all on mule back. As requested by a London merchant, textile bales should have a weight of no more than 150 lb, adding that 'this point is important as the packages are to form loads for mules and the goods must be carefully packed and wrapped ... so as not to

⁸⁰ HPEL, Volume 15, Huth & Co. to Webster & Sons (Morley). London, 29 February 1836.

⁸¹ HPEL, Volume 14, 'Extract of a letter received from Valparaiso', quoted in Huth & Co. to Stansfeld (Leeds). London, 10 December 1835.

⁸² *The British Packet*, 17 September 1842.

suffer injury from such a mode of carriage'.⁸³ As in many other aspects, exporters learnt as they went:

Mr. Zalayeta is quite in despair at this mistake, as the bales ... are too heavy for that part of the country where they are intended for, and he would therefore find himself under the necessity of having them opened and repacked, in the place of landing, which would be a very costly operation there, and would be attended with great trouble and inconvenience, if not altogether impossible in some places. We feel therefore under the absolute necessity of requesting your Halifax friends to have them repacked.⁸⁴

Small trusses⁸⁵ were preferred to facilitate not only loading mules but also to assist sales on board before import duties were paid.⁸⁶ Furthermore, as shown in Chapter 3, the army of small native merchants buying from the British houses could only take textiles in small amounts. In Hodgson's opinion: 'smaller packages are certainly more saleable'⁸⁷ as 'the smaller dealers and traders in general cannot take more than 600 to 1000 yards'.⁸⁸ Moreover, packing was also seen as an instrument to prevent robberies:

You are aware of the frequent robberies which take place in the launches in landing the goods here ... It will be well therefore for you to suggest to shippers some mode of packing their goods which externally will immediately show whether or not the packages have been open on its way.⁸⁹

Last but not least, packing also served the purpose of cheating the customs authorities to reduce the payment of import duties:

I therefore desire you to mark the two shortest pieces in the bale correctly. Pray have this done always, & what is more important pray desire the balers always to put the shortest pieces with their faces to the mark of the bale, [so] that they may be seen & they only see you ... This is of consequence as (without opening both sides of the bales) the Custom House Officer usually averages the length of the whole bale by the mean of those pieces which he sees, viz. those with the faces to the mark.⁹⁰

Adding that

[These] two centre pieces in each truss ... being of same width as the others & externally the same in every respect, might be of much more inferior

⁸³ HPEL, Volume 43, Huth & Co. to Webster & Sons (Morley). London, 11 July 1844. See also GHR/5/1/1, Hodgson to Sykes (Leeds). Buenos Aires, 16 February 1819. Hodgson recommended to made up packages 'in 4 small inner bales of 3 pieces each (for the conveyance of mule carriage)'.

⁸⁴ HPEL, Volume 8, Huth & Co. to Saltmarsh (London). London, 19 July 1831.

⁸⁵ The smaller the trusses, the more expensive the packing. Yet, the benefits of packing in small trusses more than compensated for the extra costs of packing. GHR/5/2/6, Owens & Son to Hodgson & Robinson (Buenos Aires). Manchester, 24 September 1834.

⁸⁶ HPEL, Volume 11, Huth & Co. to Pennington (Hindley). London, 28 February 1833.

⁸⁷ GHR/5/1/2, Green & Hodgson to Fielden Brothers (Manchester). Buenos Aires, 12 June 1823. See also GHR/5/1/1, Hodgson to Gould (Rochdale). Buenos Aires, 15 July 1818.

⁸⁸ GHR/5/1/5, Hodgson & Robinson to Owens & Son (Manchester). Buenos Aires, 17 November 1834.

⁸⁹ GHR/5/1/1, Hodgson to Sykes (Leeds). Buenos Aires, 6 November 1818.

⁹⁰ GHR/5/1/1, Hodgson to Rawdon. Buenos Aires, 24 October 1818.

quality. On despatching clothes you will observe they do not open the bales out entirely, & always open on the top or face of the bale, where the mark is placed.⁹¹

This was no isolated example. In neighbouring Brazil, Luccock advised his partners at Leeds:

It is possible perhaps to fold 3 stockings together instead of 2 so as to be counted for single pairs. By this mean if fortunate we may save 50 per cent in the duties, besides some other expenses ... In hardware also 15 are put in parcels instead of 12 for the dozen.⁹²

The preceding paragraphs have shown that packing was a material point, though more research is required. With the evidence provided in this section, it is clear that, thanks to the use of tarpaulin, British exporters avoided water damage at reasonable costs, which also reduced associated marine insurance charges. In turn, a better understanding of packing fostered British exports by facilitating quicker sales of smaller bales specially adapted for distribution on the spot.

Shipping developments

Trade between the United Kingdom and the Southern Cone was carried out predominantly by the British merchant fleet. It seems, therefore, logical to analyse the main developments that took place in British shipping and to assess if they fostered British exports to our market. Before that, two preliminary remarks should be made regarding the period 1815–1879. The freighting of goods was made, above all, in sailing vessels, steamers participating from the late 1830s and only taking mail, bullion, specie and passenger traffic (see Chart 7.7).⁹³ For the British Empire, in 1850, as much as 96 per cent of its merchant tonnage was sail. A decade later, even two, the situation was not much different,⁹⁴ the west coast of South America being one of ‘the

⁹¹ GHR/5/1/2, Green & Hodgson to Lupton & Co. (Leeds). Buenos Aires, 28 February 1824.

⁹² WLP, Volume 4, Luccock to Luptons & Luccock (Leeds). Rio de Janeiro, 25 May 1809.

⁹³ Even to closer markets such as the Caribbean ports, the freighting of ordinary cargo by the Royal Mail Steam Packet Company was negligible before the 1860s. The main gains came from passenger traffic, mail post, bullion and specie. R. Greenhill, ‘British shipping and Latin America, 1840–1930: the Royal Mail Steam Packet Company’, PhD Thesis, University of Exeter (1971), pp. 75–80.

⁹⁴ P. N. Davies, ‘British shipping and world trade: rise and decline, 1820–1939’, in T. Yui and K. Nakagawa (editors), *Business history of shipping* (Tokyo, 1985). As already noted: ‘the sailing vessel was under no threat at all until the development to commercial success of the compound-engined steamship in 1865 and not doomed until the widespread adoption of triple expansion engines between 1881 and 1885’. B. Greenhill, *The life and death of the merchant sailing ship* (London, 1980), p. 5. The great problem for early steamers ‘was their extravagant consumption of coal’. C. E. Fayle, *A short history of the world’s shipping industry* (London, 1933), p. 231. As a consequence, a great proportion of cargo space was destined to coal instead of saleable goods. The first steamers were thus confined to

last commercially profitable refuges of the sailing ship'.⁹⁵ Secondly, Chile was supplied with goods from Britain via Cape Horn, never via Panama, the isthmus being used only for the conveyance of passengers and intelligence⁹⁶ even after the laying of the Panama railway (1855).⁹⁷

It is clear, then, that we should focus our attention on developments in sail. Alas, there are no particular studies connecting developments in sailing vessels with the trades to the Southern Cone. General works are confined to the second half of the century and, in particular, the last quarter, when trade came to be dominated by steamers.⁹⁸ However, the period of expansion for sailing vessels was the 30 years after 1850, when high-pressure steam engines were reluctantly taken up by ship builders.⁹⁹ In spite of this, economic historians have been dazzled by the introduction of steam technology, neglecting the booming age of sail.¹⁰⁰

As for technological developments in sail, it has been established that in the 1830s, when compared with preceding centuries, 'neither the dimensions nor

coastal trade, rivers and canals or to short international hauls. G. S. Graham, 'The ascendancy of the sailing ship, 1850–1885', *EHR*, New Series, Volume 9-1 (1956), p. 76.

⁹⁵ R. Craig, 'British tramp shipping, 1750–1914', *Research in Maritime History*, Volume 24 (Newfoundland, 2003), p. 73. It has been suggested that steamships 'began to replace sailing ships from the 1850s'. R. Miller, *Britain and Latin America in the nineteenth and twentieth centuries* (London, 1993), p. 98. All the evidence found by this author for the Southern Cone suggests that this change did not take place until well afterwards, especially for Chile.

⁹⁶ At the moment of independence, there was not a formal system to tranship goods at Panama. Only the Californian gold rush started to change this situation. As late as 'in 1848 the first merchandise left England for the west coast of South America' transshipping at the Isthmus. Indeed, even for the west coast of the United States, the most profitable way to carry bulk cargoes from the Atlantic was via Cape Horn until 1869 when the inter-ocean railways started to operate. J. H. Kemble, *The Panama route, 1848–1869* (Berkeley, 1943), pp. 3 and 208; *The Economist*, 'Traffic across the isthmus of Panama', 21 October 1848. The Horn route not only had the advantage of being cheaper; exporters had also the certainty that their goods were carried on one ship from England to Valparaíso and not by a combination of two vessels, canoes, mules, human backs and railways.

⁹⁷ The Panama railways reduced the crossing time of the Isthmus, but not the cost of transhipment for cargoes. Kemble, *The Panama route*, pp. 11 and 209. Rail charges for a ton of coal were as high as £1. To that, the United Kingdom–Panama shipping rates, the cost of transhipment and the Panama–Chile shipping rates had to be added. This routed proved to be so unprofitable for bulky goods that it is estimated that in 1859 and 1860, when the Panama railway had been operating for years, only 198 tons and 1,130 tons of merchandise, respectively, were transported by the Panama railway from the Atlantic to the west coast. F. N. Otis, *Illustrated history of the Panama railroad* (London, 1862), p. 57. Scholars tend to forget a fact: the saving in distance of London to Panama to Valparaíso with respect to London to Valparaíso via Cape Horn was only 16 per cent. Own calculation from A. W. Kirkaldy, *British shipping* (London, 1914), p. 601.

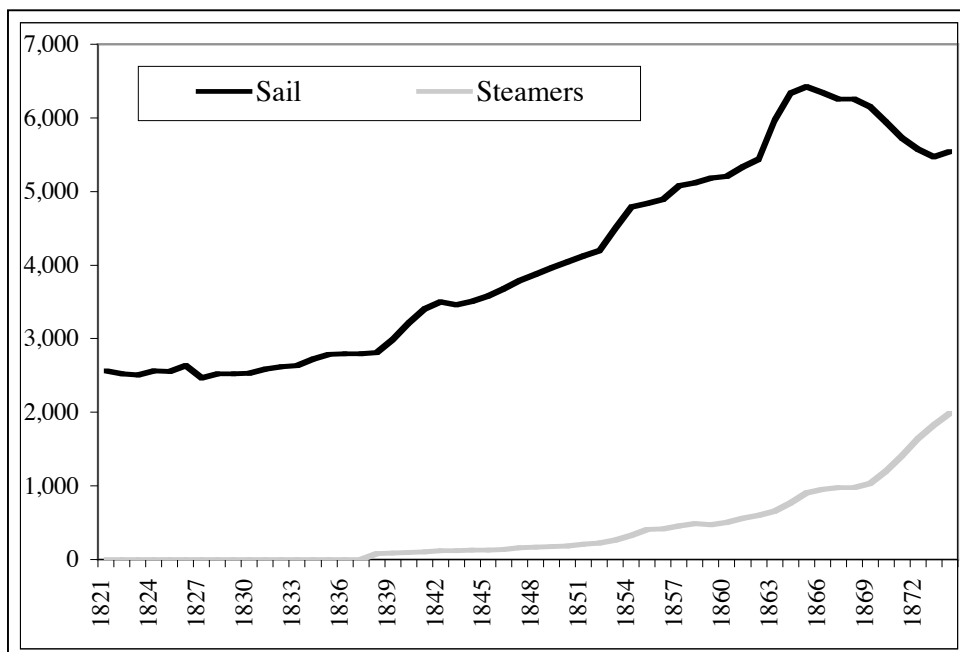
⁹⁸ R. Albion, 'Capital movements and transportation: British shipping and Latin America, 1806–1914', *JEH*, Volume 11-4 (1951). See also R. Greenhill's works listed in the bibliography.

⁹⁹ Kirkaldy, *British shipping*, p. 25; Graham, 'The ascendancy', p. 74.

¹⁰⁰ R. Davis, 'Maritime history: progress and problems', in S. Marriner (editor), *Business and businessmen* (Liverpool, 1978), p. 182.

construction materials of merchant ships changed greatly'.¹⁰¹ Subsequently, there were two major developments fostering United Kingdom's exports to the Southern Cone. Firstly, the introduction of iron into shipbuilding, made possible after the invention of the rolling mill.¹⁰² The initial applications of iron were in the form of small accessories,¹⁰³ followed by partial applications to hulls. Wooden vessels which incorporated iron into their hulls were called composite vessels (they were built with a wooden planking over a wrought-iron frame), but remained uncommon until the early 1850s.¹⁰⁴ Furthermore, iron was also used in bigger structural members such as masts, particularly from the 1850s.

Chart 7.7
Tonnage of the British Empire registered vessels (tons 000), 1821–1874



Source: own elaboration from W. S. Lindsay, *History of merchant shipping from 1816–1874* (London, c.1876)

In parallel, all-iron hulls were also built, but initially for vessels employed in coastal and canal routes. From the early 1840s, iron hulls became more generally used for bigger sailing vessels after the building of a few was interpreted by shippers and

¹⁰¹ F. Neal, 'Shipbuilding in the northwest of England in the nineteenth century', in S. Ville (editor), *Shipbuilding in the United Kingdom in the nineteenth century* (Newfoundland, 1993), p. 116; A. McGowan, *The century before steam: the development of the ship, 1700–1820* (London, 1980), p. 5.

¹⁰² Davis, 'Maritime history', p. 187; Kirkaldy, *British shipping*, p. 33.

¹⁰³ D. R. MacGregor, *Fast sailing ships. Their design and construction, 1775–1875* (London, 1988), p. 9.

¹⁰⁴ *Ibid.*, pp. 141–146.

merchants as conclusive evidence of their feasibility.¹⁰⁵ In 1842 ‘the *Ironside* was the first iron sailing vessel of any magnitude that was employed for sea voyages’, and which was used exclusively in the Anglo-South American trades.¹⁰⁶ For the west coast in particular, it is believed that *La Serena*, ‘built by the Neath Abbey Company in 1848 expressly for the copper ore trade, was the first iron sailing vessel to round Cape Horn’.¹⁰⁷

What was the impact of the introduction of iron into sailing vessels? To start with, iron made hulls stronger which, for the vessels facing Cape Horn and the *pampero*, was extremely important. Iron was better than wood for resisting strain, tension and compression. Iron vessels had no equal in resisting bad weather and the regular action of waves. Because of this, iron vessels sprung fewer leaks¹⁰⁸ which led, therefore, to fewer ‘particular averages’. They were also safer, more durable, cheaper to build¹⁰⁹ and cheaper to repair. More importantly, iron allowed the building of bigger ships: metal vessels exceeded ‘the practical size limit for wooden ships’.¹¹⁰ Though, theoretically, wooden vessels could reach over 1,200 tons, few shipbuilders had the technology, capacity and willingness to produce them. Big wooden vessels were an exception, apart from some belonging to the East India Company. Thanks to iron, from the 1840s, this situation started to change. If previously, few British vessels had cargo capacities of more than 500 tons, in a few years their size had doubled, then trebled.¹¹¹ Within a short time, iron vessels of 900 tons, 1,500 tons, 2,000 tons and 3,000 tons became very common.¹¹² At this time, steel was also introduced in

¹⁰⁵ Ibid, pp. 23 and 132.

¹⁰⁶ J. Grantham, *Iron as a material for ship-building* (London, 1842), p. 9. Earlier iron vessels used in inter-oceanic routes were East India Company steamers. J. Grantham, *Iron ship-building* (London, 1858), p. 13.

¹⁰⁷ Craig, ‘British tramp shipping’, p. 75.

¹⁰⁸ As remarked by Greenhill, ‘wooden ships were always flexible structures, built up of thousands of small pieces of timber secured together with fastenings. As should be expected of such structures, they could and did leak continuously after a few years of working life’. Greenhill, *The life and death*, p. 18.

¹⁰⁹ Grantham, *Iron ship-building*, pp. 86–88 and 96–97. British iron was cheaper than imported timber. Grantham estimated that the cost of producing an iron vessel was 10 per cent lower than a coppered-wooden ship of equal tonnage (p. 109). Iron vessels did not need to be covered in copper and, therefore, ‘the cost of that portion of her material is entirely saved’. Grantham, *Iron as a material*, p. 80.

¹¹⁰ C. K. Harley, ‘Ocean freight rates and productivity, 1740–1913’, *JEH*, Volume 48-4 (1988), p. 865; Fayle, *A short history*, p. 239.

¹¹¹ A. P. Usher, ‘The growth of English shipping, 1572–1922’, *The Quarterly Journal of Economics*, Volume 42-2 (1928), p. 476; MacGregor, *Fast sailing ships*, p. 129.

¹¹² Davis, ‘Maritime history’, p. 184; MacGregor, *Fast sailing ships*, pp. 134 and 137.

construction, being stronger and lighter than iron, but it was after the 1870s when such vessels became more popular, a period beyond the scope of this thesis.¹¹³

For our case of study, just to mention some examples, the average tonnage of British vessels on the Liverpool-Valparaiso route in 1823 and 1824 was 194 tons and 190 tons, respectively.¹¹⁴ Similarly, a consul reported that, by the mid-1830s, 300 tons was ‘an amount to which British ships employed in the trade to these coasts seldom reach’.¹¹⁵ In contrast, by 1870, the average tonnage of vessels entering Chilean ports was 500 tons¹¹⁶ which meant that the average size of British vessels arriving at Valparaiso had more than doubled in four decades. The experience of Balfour Williamson is also eloquent: in 1858, they launched a clipper of over 600 tons, the *Santiago*,¹¹⁷ and a new one of 740 tons¹¹⁸, the *Mendoza*, three years later, the *Arauco* had capacity of 900 tons¹¹⁹ and the *Valparaiso* over 1,000 tons.¹²⁰

Larger vessels were also faster: ‘it may be asserted in general terms, that the speed of vessels increases with the increase of their dimensions’.¹²¹ Putting numbers to crossing times in our trades, we know, for instance, that, if in the early nineteenth century, it took several weeks to round Cape Horn, in the early 1850s, passages of 7–10 days were common.¹²² For the whole of the United Kingdom-Chile route, during the 1810s–1830s, crossing times of 120–180 days were the rule. Not surprisingly, Lupton & Co., manufacturers and merchants of Leeds, maintained that ‘the very long time that necessarily elapses with consignments to so distant a part is a great drawback upon the trade’.¹²³ In contrast, at the end of 1858, Williamson reported very proudly to his uncle that ‘the *Santiago* had distinguished herself – having arrived in 71 days’.¹²⁴ For the same clipper, it was reported that the next trip was done in just ‘64 days, and would have done it in much less had she not had bad weather in the

¹¹³ MacGregor, *Fast sailing ships*, p. 135.

¹¹⁴ BPP, 1825, XXIV (450), ‘Pacific ocean trade’.

¹¹⁵ FO 16/23, Walpole to Palmerston (London). Santiago, 16 August 1834.

¹¹⁶ Encina, *Historia de Chile*, XIV: p. 642.

¹¹⁷ BWP, Box 4, Volume 2, Williamson to Duncan. Valparaiso, 1 August 1862.

¹¹⁸ BWP, Box 4, Volume 2, Williamson to Collie. Liverpool, 22 January 1861.

¹¹⁹ BWP, Box 4, Volume 2, Williamson to Balfour. Valparaiso, 17 July 1863.

¹²⁰ BWP, Box 4, Volume 4, Williamson to Balfour. Liverpool, 18 March 1868. Williamson reported vessels rounding the Horn of as much as 1,400 tons. Volume 2, Williamson to Anderson. 10 June 1862.

¹²¹ Grantham, *Iron ship-building*, p. 17; Greenhill, *The life and death*, p. 20; McGowan, *The century before steam*, p. 24.

¹²² Lubbock, *The last of the windjammers*, I: p. 107.

¹²³ WLP, Volume 13, Lupton & Co. to Begg, Barnard & Co. (Santiago). Leeds, 19 February 1823.

¹²⁴ BWP, Box 4, Volume 1, Williamson to Lawson. Liverpool, 2 November 1858.

Horn'.¹²⁵ The next clipper they launched was even faster, as noted by a proud captain: 'she sails very fast. She passed every ship going the same way'.¹²⁶ On a comparable long-haul route, for instance, in the Anglo-Australian trade, the average passage in 1810–1812 was 150 days, 20 years later 124 days and, in 1850, just 102 days.¹²⁷ All in all, sailing times were reduced by up to 50 per cent between the 1810s and the late 1850s for the trade between Chile and the United Kingdom,¹²⁸ a substantial saving, in particular, for those remitting in local produce.

Shorter sailing times meant cost reductions associated with ship depreciation, victualling, wages and credit. In the above-mentioned Anglo-Australian example, it is estimated that the cost savings associated with faster vessels amounted to 20–30 per cent.¹²⁹ Faster vessels were important in the textile trades for other reasons. Firstly, there was a seasonal element to be considered, as most goods were produced for particular times of the year and, therefore, 'an extra month on the passage may make a material difference in the sale'.¹³⁰ If the right season was missed, the results could be catastrophic: clothes had to be sold more cheaply or put in storage until the next season started. Storing was expensive, not only because of the cost of warehousing, but above all because of the capital invested in unsold goods. As commented by a local merchant: 'sales of European goods are made here according to the seasons ... for the great interest paid for money prevents the sale of any goods except for immediate consumption'.¹³¹ Finally, unsold goods had to be insured against fire at a rate of 2 per cent the value of the goods.

Bigger vessels also diminished the ratio 'ton of cargo per sailor' which, in turn, reduced labour costs.¹³² Furthermore, if compared to a similar wooden-hull ship,

¹²⁵ BWP, Box 4, Volume 1, Williamson to Patrick. Liverpool, 12 June 1860; Williamson to Duncan. Liverpool, 16 January 1860.

¹²⁶ BWP, Box 4, Volume 1, Williamson to Lonbrough. Liverpool, 26 March 1861.

¹²⁷ F. J. A. Broeze, 'The cost of distance: shipping and the early Australian economy, 1788–1850', *EHR*, New Series, Volume 28-4 (1975), p. 594.

¹²⁸ For the trade between Liverpool and the River Plate, in the early 1810s, passages of three to four months were the rule. FO 72/126, Mackinnon to the Marquis of Wellesley (London). Buenos Aires, 29 June 1811. During the 1820s and 1830s, according to *The British Packet's* shipping memorandums, the usual sailing times were 80–90 days; during the early 1850s, many ships arrived in less than 60 days (e.g. *Hermes*, *Seaton*, *Sappho*, *Commodore*, *Leopard*, *Lancashire Witch*, *Victoria*, *Mary Queen of Scots*, and *Daring*).

¹²⁹ Broeze, 'The cost of distance', p. 594.

¹³⁰ GHR/5/1/2, Hodgson to Green (Liverpool). Buenos Aires, 3 February 1825.

¹³¹ FO 354/8, 'Copy of a Mercantile Circular'. February 1829.

¹³² D. C. North, 'Sources of productivity change in ocean shipping, 1600–1850', *Journal of Political Economy*, Volume 76-5 (1968), p. 964; Harley, 'Ocean freight rates', p. 865. It is estimated that the 'tons per man on board' in British ships increased from 16 in 1830 to 27 in 1860. J. Lucassen and R.

iron vessels had a greater stowage capacity because their shell was thinner. For instance, if compared with a 200-ton wooden vessel, an equivalent ship in iron had an increased storage capacity of 25 per cent, just because of its thinner shell.¹³³ Furthermore, iron hulls, being lighter than wooden hulls, were also able to carry more produce.¹³⁴ This was particularly important in the United Kingdom-Southern Cone trade as local ports were not able to receive very large vessels. All these advantages brought lower freight rates. Finally, as iron vessels were safer and more resistant to leaks, insurance costs for ships and their contents were lower when compared to wooden vessels.

The reduction in sailing times was not only due to bigger vessels, but also advances in cartography, a better knowledge of winds, as well as a better use of oceanic currents. Because of Spanish trade restrictions, before the Napoleonic Wars the routes from the United Kingdom to Argentina and Chile were not familiar to most British captains. As late as the 1820s, few British masters had experience of the waters of the southern ocean and their ports; British sailors had little accumulated knowledge to share with their peers.¹³⁵ Previous experience accumulated by Spaniards and other Europeans was kept as a precious treasure; maps, notorious perils and safest routes were not shared. For instance, as late as the 1800s, the safest routes of access from the Atlantic to the River Plate were unknown to masters unfamiliar with the area. When the River Plate was opened to foreign traders, many British merchants at Rio de Janeiro reacted quickly and chartered vessels for Buenos Aires. Among them was Wylie, who forwarded textiles on board the *Amelia* but ‘owing to the stupidity of the Captain or crew, or the Lord knows what, the vessel was run upon some rocks off Maldonado, went to pieces & every sixpence worth of the cargo lost’.¹³⁶ Thereafter, until the 1850s, there was little information about the estuary and rivers.¹³⁷ Another illustrative example of the point being made was the publication in 1823, as a novelty,

W. Unger, ‘Labour productivity in ocean shipping, 1450–1875’, *International Journal of Maritime History*, Volume 12-2 (2000), p. 130.

¹³³ Grantham, *Iron as a material*, pp. 97–98.

¹³⁴ MacGregor, *Fast sailing ships*, p. 130; Fayle, *A short history*, p. 239.

¹³⁵ As late as in the 1840s, even the Caribbean ‘was badly charted at a time when ships’ instruments were unreliable ... Pilots often proved incapable of locating hazards ... Lighthouses and marker buoys were few and uncertain’. Greenhill, *British shipping and Latin America*, p. 67.

¹³⁶ UGD/28/1/1, Wylie to Hancock (Bahia). Rio de Janeiro, 7 March 1809.

¹³⁷ C. B. Kroeber, *The growth of the shipping industry in the Rio de la Plata region, 1794–1860* (Madison, 1957), pp. 25 and 114.

of instructions for a successful passage around the Horn.¹³⁸ Indeed, in a committee appointed to inquire into the causes of shipwrecks in 1836, it was observed that one of main reasons was imperfect charts.¹³⁹

As ‘there is no official record of the wrecks of British ships in other parts of the world until 1865’,¹⁴⁰ special efforts were made to gather information about British shipwrecks for vessels engaged in the commerce between the United Kingdom and the Southern Cone, which is summarised in Appendix 7.2. The results are striking. At least 85 British vessels were shipwrecked between 1816 and 1859. Considering that for this period, our sample does not contain data for 11 years, surely over a hundred British vessels must have been lost during this period. As can be seen in Appendix 7.2, many of the wrecks occurred on the banks of the River Plate during the first decades of the century, due to the lack of proper charts, signalling and lighthouses. In 1830, for instance, after returning to the River Plate from a business trip to Britain, Hodgson wrote to his Manchester friends that, ‘we arrived here last Monday, & with a sincerely grateful heart, I say, thank God, for it! as on entering the River we struck the English Bank & were in imminent danger of perishing’.¹⁴¹ Because of this, one of the first tasks undertaken by Consul Parish after arriving in Buenos Aires was to ask its government to undertake

the erection of certain lights, and land marks, with a view to facilitate the dangerous part of the navigation of this River, the want of which is very severely felt, and renders it very necessary that some immediate measures should be taken with respect to it. The number of wrecks which just appear above water between this [Buenos Aires] and Montevideo presents a melancholy spectacle, and increases daily the danger of the navigation.¹⁴²

In turn, winds and currents governing the United Kingdom-Southern Cone routes were not used to their full potential by masters, who in the early stages of direct and legal trade relied on ‘destiny’ rather than sound scientific knowledge. A good example of this is provided by Bader. In the 1840s, an experienced US Navy lieutenant sailed from Hull Island (Phoenix group) on his way eastward to Chile and, after few days of sailing, returned, unexpectedly, to the same point of departure.¹⁴³ Likewise, in 1825, while trying to cross the Strait le Maire, an expedition commanded

¹³⁸ D. Porter, *A voyage in the south seas* (London, 1823), pp. 16–17.

¹³⁹ Lindsay, *History of merchant shipping*, p. 466.

¹⁴⁰ *Ibid.*, p. 468.

¹⁴¹ FDN/1/1/5, Hodgson to Fielden Brothers (Manchester). Buenos Aires, 5 November 1830.

¹⁴² FO 6/5, Parish to Canning (London). Buenos Aires, 15 October 1824.

¹⁴³ T. Bader, ‘Before the gold fleets: trade and relations between Chile and Australia, 1830–1848’, *JLAS*, Volume 6-1 (1974), p. 37.

by Captain Beechey had mapped a route but, after a day of sailing, their ship was displaced 50 miles northward, which was classified as ‘quite an unexpected event’.¹⁴⁴ Fortunately, experience is the mother of all sciences and after a few decades of regular trade, a more profound knowledge of winds and currents improved sailing times.¹⁴⁵ As pointed out by an expert, it ‘may be said that the oceanography has contributed almost as much as to ship’s speed as has the study of hydrodynamics’.¹⁴⁶

Another important contribution to the reduction of sailing times was the introduction of ‘composite’ technology: not the combination of iron and wood, but sail and steam, in one vessel. From as early as 1818, sailing vessels were assisted by steam when leaving a port or when arriving at their final destination, to facilitate manoeuvring in docks and harbours, and when there was little wind.¹⁴⁷ Finally, if composite technology was not available, steamers assisted sailing vessels to cut formerly idle sailing time: ‘the gains came from the use of steamers as tugs to get sailing vessels in and out of harbours quickly’.¹⁴⁸

Changes in freight rates

Important as shipping freight rates were during the first half of the century (as a variable to explain trade development), it is inexplicable that there is not a single piece of scholarship dealing with the development of ocean freight rates in respect of emergent markets after the Napoleonic Wars.¹⁴⁹ The little interest paid by scholars may be due to the fact that there is a general belief that freight charges comprised a negligible cost in textile exports, as fabrics were light but valuable goods. Freight rates ‘were rarely more than a fraction of total commodity cost’¹⁵⁰ has been argued. In the same vein, North added that ‘historically, commodities such as textiles that have

¹⁴⁴ F. W. Beechey, *Narrative of a voyage to the Pacific* (Philadelphia, 1832), p. 20.

¹⁴⁵ Rydell, *Cape Horn*, pp. 127–129; Davis, ‘Maritime history’, pp. 179–180. It is interesting to note that many Chilean coastal points have been named, honouring British Navy officials that first put these points in European-made charts, sailing diaries and sailing guides.

¹⁴⁶ MacGregor, *Fast sailing ships*, p. 215.

¹⁴⁷ Davies, ‘British shipping’, p. 42; G. J. Milne, *Trade and traders in mid-Victorian Liverpool* (Liverpool, 2000), p. 23.

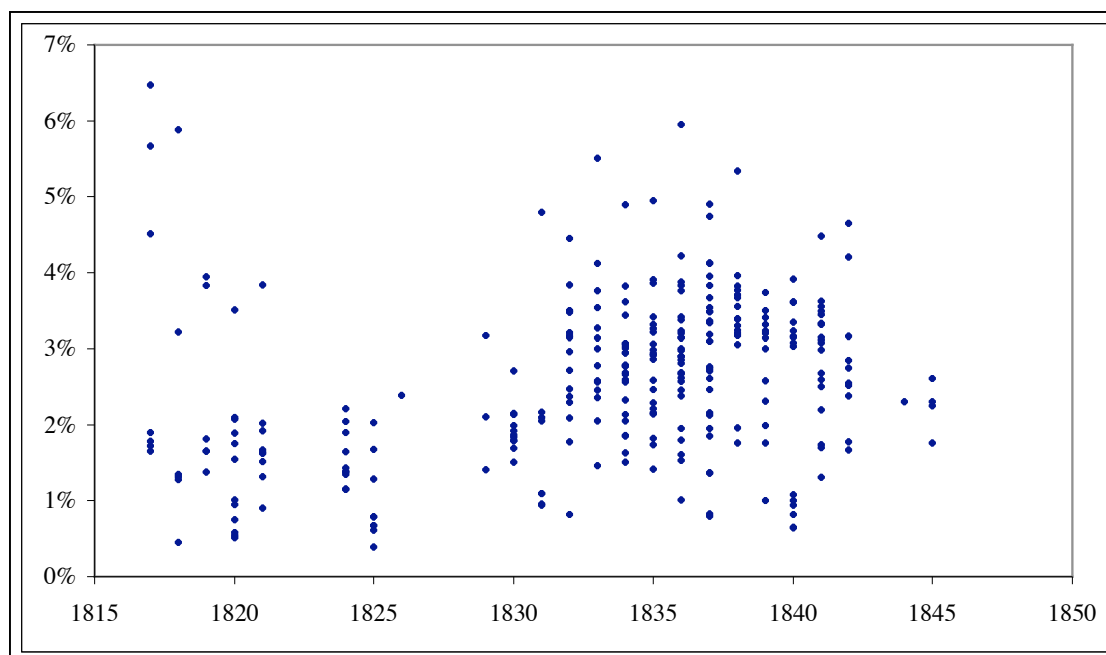
¹⁴⁸ Lucassen and Unger, ‘Labour productivity’, p. 139.

¹⁴⁹ The only exception would be Schöller, ‘L’évolution séculaire’. Though, for the period before 1850 it contains data from Antwerp to Rio de Janeiro only (neither from Britain nor to the Southern Cone).

¹⁵⁰ R. Greenhill, ‘Shipping, 1850–1914’, in Platt, *Business imperialism*, p. 154; J. Oribe, ‘Freight rates in the trade between Europe and South America, 1840–1914’, *JLAS*, Volume 21-1 (1989), p. 25.

been an appreciable percentage of the value of world trade have earned only a negligible share of world ocean freight'.¹⁵¹

Chart 7.8
Shipping freight rates as shares of invoice costs. A sample for 290 shipments from Liverpool to the River Plate, 1817–1845



Source: own elaboration from individual transactions recorded at GHR, HDP and OWN

The literature may have a case but textiles were not freighted for free. As noted by Brown: ‘a merchant might evade custom duties – but never freight charges’.¹⁵² British shippers between the 1810s and the 1840s had little else to put on board before departing to Valparaiso or the River Plate (Table 1.1), so textiles had to pay handsome rates. Chart 7.8 contains freights charged for nearly 300 operations from the Mersey to Buenos Aires, ranging from 0.5 per cent up to 6.5 per cent¹⁵³ of the invoice value of the cargoes, though more commonly it was around 1.5–4 per cent, which was certainly not a small fraction of total costs.¹⁵⁴ Finally, we are not

¹⁵¹ D. C. North, ‘Ocean freight rates and economic development, 1750–1913’, *JEH*, Volume 18-4 (1958), p. 538.

¹⁵² J. Brown, *A socioeconomic history of Argentina, 1776-1860* (Cambridge, 1979), p. 20.

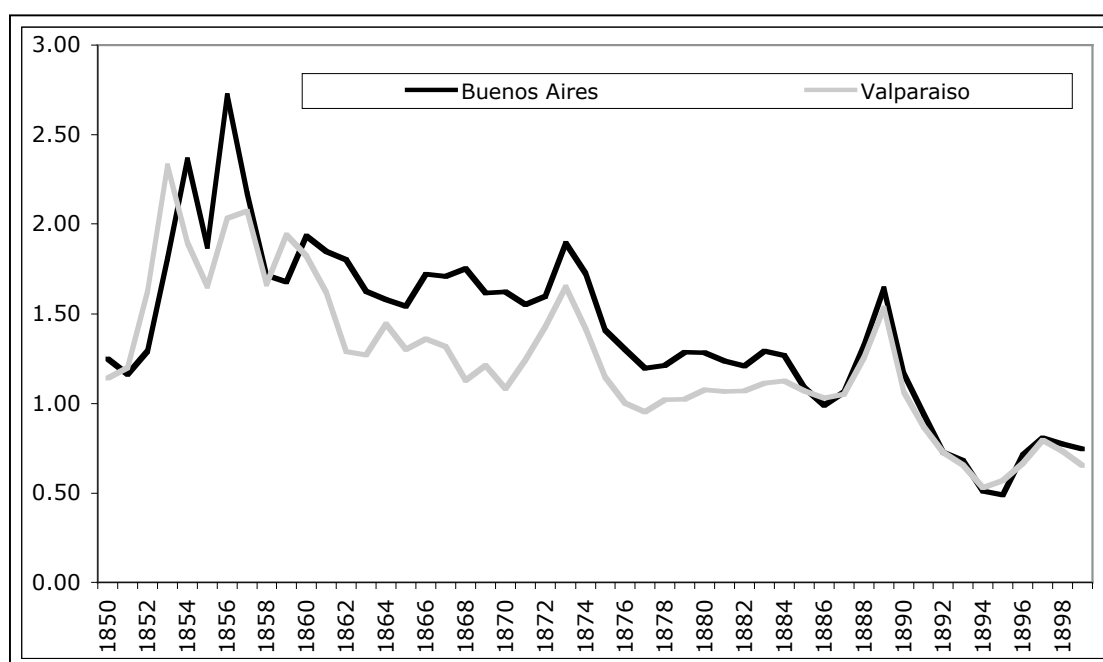
¹⁵³ For 1809 and 1810, this author has found freight charges for the trades Liverpool-Rio de Janeiro (a cheaper route than the United Kingdom-Southern Cone) of as much as 15–22 per cent. WLP, Volume 5, Lupton & Co. to Luptons & Luccock (Rio de Janeiro). Leeds, 4 December 1809 and 19 July 1810.

¹⁵⁴ As a proportion of invoice costs, freight rates were comparatively lower during the 1810s–1820s (if compared to the 1840s) on account of the high prices fetched by textiles at that time. In absolute terms, bearing in mind that 1810s’ cottons prices were four times higher than in the 1840s, ocean freight charges in the 1840s were lower than in the 1810s.

interested in the contribution of textiles to shippers' earnings, but the impact of freight rates on the final price textiles sold on the spot.

Freight charges, as shown in Chart 7.8, were comparable to packing costs, to marine insurances and to fees for guaranteeing credit sales on the spot: by no means can they be labelled as negligible. Furthermore, the literature tends to forget that though freights for textiles may have not accounted for a major cost, for remittances in Southern Cone produce, there was a different story. For hides, tallow and copper, ocean freights accounted for a high proportion of sale prices in the United Kingdom.¹⁵⁵ Therefore, variations in freight rates not only impacted directly on textile exports, but above all on remittances in local produce in a trade in which exports were closely linked to imports.

Chart 7.9
Coal shipping freight rates from the United Kingdom to Buenos Aires and Valparaíso (£ per ton), 1850–1899



Source: own elaboration from Appendix 7.3

Yet, despite the attention that should be given to the development of ocean freights, little is known about the evolution of this variable before the 1850s. As far as United Kingdom's exports to the Southern Cone are concerned, the only available

¹⁵⁵ For tallow, in particular, in the late 1810s, ocean freights accounted for 12–16 per cent the London's price of this product (own calculation from *London New Price Current* and Appendix 7.4).

study is that of Oribe,¹⁵⁶ that commences in the mid-1850s,¹⁵⁷ which is rather late for our period of study. Furthermore, Oribe's data for general cargoes (to which textiles belong) are very patchy; they include a few points for c.1853–1857, then jump to the mid-1880s. The only continuous data available in Oribe's article are for coal but from 1855. Another issue with Oribe's article is that it does not include a statistical appendix allowing use of the figures behind the charts.¹⁵⁸ To remedy the latter problem, Chart 7.9 contains continuous data from 1850 which is presented in Appendix 7.3. Apart from Oribe's study, most general works of shipping freights from Britain to distant markets deal with the period after 1869¹⁵⁹ and with the outward haul. There are no works on freight rates from the Southern Cone to the United Kingdom for our period of study, except again for Oribe's patchy data (shown in Appendix 7.5).

Based on Oribe's work, the literature has assumed that ocean freight rates from the United Kingdom to the Southern Cone declined sharply between the mid-nineteenth century and the First World War. However, change during the period c.1815–1855 is unclear while there are other important issues that have been overlooked. Firstly, Oribe's data start in 1855, an exceptional year that was affected by the Crimean War's impact on freights. As shown in Chart 7.9, during 1850–1852 (before the Crimean War), coal freight rates from the United Kingdom to the Southern Cone were around £1.2 per ton, but then increased by over 100 per cent when war broke out.¹⁶⁰ Thus, the spectacular decline in freight rates produced by Oribe from 1855 until the 1860s was but a return to pre-Crimean War rates. Thereafter, freight rates declined gradually to the 1880s to £1 per ton of coal. All in all, this implies a reduction of just 20 per cent in 30 years, well below the substantial decline implicit in the literature. It was only from the early 1890s that rates to the Southern Cone fell well below £1 per ton for long periods of time. In turn, there is a floating question that acquires ever greater importance: what happened before 1850?

¹⁵⁶ Oribe, 'Freight rates'.

¹⁵⁷ Except for a couple of points c.1847–1848.

¹⁵⁸ In his pioneering article, Oribe offered his freight series to any researcher interested in the subject. This author has contacted Oribe, who unfortunately lost all the data and notes because of the technological advances in computing in the last 20 years.

¹⁵⁹ E. A. V. Angier, *Fifty years' freights, 1869–1919* (London, 1920); L. Isserlis, 'Tramp shipping, cargoes and freights', *Journal of the Royal Statistical Society*, Volume 101-1 (1938); S. I. S. Mohammed and J. G. Williamson, 'Freight rates and productivity gains in British tramp shipping, 1869–1950', *EEH*, Volume 41-2 (2004).

¹⁶⁰ Similarly, freight rates from Antwerp to Mediterranean ports increased by more than 100 per cent after the outbreak of the Crimean War. Schöller, 'L'évolution séculaire', pp. 523–524.

Unfortunately, it has not been possible to obtain any data for coal freights which extend back the series produced in Chart 7.9. This may be due to Britain not exporting much coal then. This forces us to look elsewhere for other evidence. Within general works dealing with freight rates (not touching on the particular case of the United Kingdom-Southern Cone routes), Davis states that there was, from the early 1820s, ‘a brief phase of rapid decline, down to the end of the 1840s’, estimated at 55 per cent.¹⁶¹ If Davis is right, this would mean that the decline in freight rates c.1820–1850 was substantial and more important than that which occurred c.1850–1879. In another interesting work, and one so far rather ignored,¹⁶² it is estimated that freight rates between Antwerp and Rio de Janeiro (a shorter distance than United Kingdom-Southern Cone) fell substantially between the late 1810s and the late 1820s (around 25 per cent) and, thereafter, a greater reduction occurred, so that rates charged in 1842 were 50 per cent lower than in c.1819,¹⁶³ all of which agrees with Davis’s work.

However, caution is required when extrapolating remarks made for a particular product and market to the trades under study. For instance, based on a series of freight rates for Baltic timber imported by the United Kingdom, North extrapolated the main conclusions he drew to the world market of shipping freights.¹⁶⁴ In turn, Bader extrapolated North’s results to the trades between Chile and Australia¹⁶⁵ because ‘ocean freight rates tended to move in like fashion on all of the major commodity routes of the world which were competitive’.¹⁶⁶ This may be the case for comparable trades and products. However, North’s series are for a short haul in a very secure sea. Another material difference is that the timber trade involved steamers half a century before they carried textiles to the Southern Cone.

¹⁶¹ Davis, ‘Maritime history’, p. 179. For North, during the first half of the nineteenth century, there were freight reductions, but not as important as those suggested by Davis. North, ‘Ocean freight rates’, p. 542. Contrary to Davis and North, it has been said that ‘the general level of freight was essentially without trend until the mid-1860s’. C. K. Harley, ‘Coal exports and British shipping, 1850–1913’, *EEH*, Volume 26-3 (1989), p. 315.

¹⁶² This author has seen reference to Schöller’s article (‘L’évolution séculaire’) only in M. A. Irigoin and R. Schmit (editors), *La desintegración de la economía colonial* (Buenos Aires, 2003).

¹⁶³ Schöller, ‘L’évolution séculaire’, pp. 522 and 540. Freight rates for general cargoes from Antwerp to Rio de Janeiro fell from around £4 in 1820 to £1.4 per ton in 1842, not far away from the £1.2 per ton of coal charged in 1850 for shipments from the Mersey to the River Plate. Confirming this drastic reduction, in 1808, ocean freight rates from Liverpool to Rio de Janeiro were £6.3 per ton. WLP, Volume 3, Lupton & Co. to Luccock (Rio de Janeiro). Leeds, 5 September 1808.

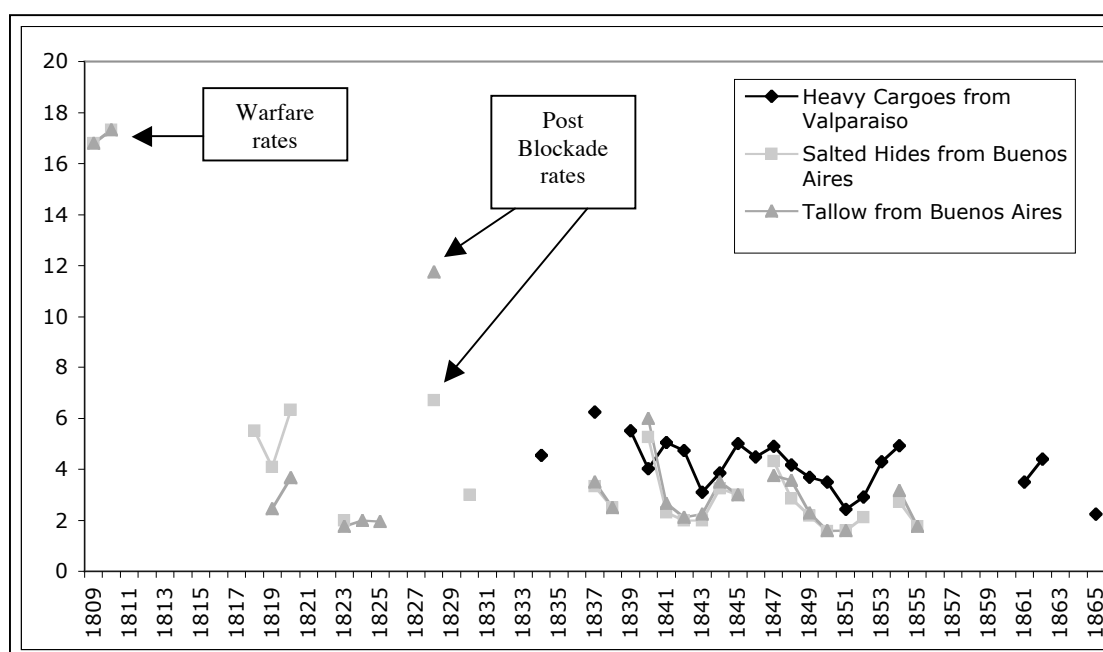
¹⁶⁴ According to North, ‘the data presented in this paper on ocean transportation costs are equally applicable to all other continents’. D. C. North, ‘The role of transportation in the economic development of North America’, *Les Grandes Voies Maritimes dans le Monde. XVe-XIXe Siècles* (Paris, 1965), p. 234.

¹⁶⁵ Bader, ‘Before the gold fleets’, p. 54.

¹⁶⁶ *Ibid.*, p. 215.

Some patchy data for general cargoes (always higher than for coal) have been collected within business records consulted during this investigation. Starting during the late 1810s, freight rates charged to Dallas (one of the first British houses operating in Buenos Aires) from Great Britain to the River Plate were as high as £6–9 per ton.¹⁶⁷ No information was found for the 1820s, while, for the mid-1830s, rates charged varied from £3 per ton to £4.5 per ton for Liverpool-Valparaiso.¹⁶⁸ For the 1840s, rates do not seem to have varied much as the few transactions found ranged from £3.75 per ton to £4.25 per ton.¹⁶⁹ For the 1850s and early 1860s, rates charged varied from £3.5 per ton to £4.5 per ton.¹⁷⁰ These data suggest that ocean freight rates for general cargoes from the United Kingdom to the Southern Cone declined sharply during the 1820s and early 1830s, as Davis and Schöller have suggested more generally.

Chart 7.10
Ocean freight rates from the Southern Cone to the United Kingdom (£ per ton), 1809–1865



Source: own elaboration from Appendix 7.4

¹⁶⁷ V. B. Reber, 'Speculation and commerce in Buenos Aires: the Hugh Dallas house, 1816–1820', *BH*, Volume 20-1 (1978), p. 29. Coincident with this, at the end of 1808 and, as above quoted, freight rates for general cargoes from Liverpool to Rio de Janeiro were £6.3 per ton.

¹⁶⁸ Transactions recorded at HPEL.

¹⁶⁹ *Ibid.*

¹⁷⁰ Transactions recorded at HPEL and BWP.

The lack of statistics is a more serious issue for homeward freights (Southern Cone to United Kingdom). For Chile-United Kingdom, it was not possible to find much information on ocean freight rates before the mid-1830s because high import duties in the United Kingdom made Chilean exports of copper to Great Britain impossible. For the River Plate the situation is equally discouraging as this port was blockaded for long periods of time (see Chapter 8) when no freight could be offered. This is an important handicap because, as highlighted by Harley, ‘outward and homeward freight are mutually dependant’ and ‘neither can properly be analysed independent of the other’.¹⁷¹

Despite all these difficulties, Chart 7.10 shows some patchy data obtained from diverse sources for 1809–1865 and whose trends are very difficult to summarise. It is only clear that there were great fluctuations in the freight market while long-term trends are difficult to discern. In 1852, for example, an euphoric consul stated that ‘the distance from Europe is not now that formidable obstacle which formerly presented itself to the exportation of produce from Chile to that great mart; freights are now low’.¹⁷² However, soon after with the outbreak of the Crimean War, freights went through the roof. Later on, Oribe’s data, presented in Chart 7.12 of Appendix 7.5, shows that there was a considerable reduction in freight rate for cargoes sent from the Southern Cone to the United Kingdom from the mid-1860s.

Related information on ocean-freights deserves to be highlighted. An aspect of the boom in British exports to the Southern Cone during the second half of the century was the increasing diversification of British exports through incorporating heavier goods of comparatively little value, such as coal and iron. This could not have occurred without the reduction in freight rates shown in Chart 7.9.¹⁷³ During the 1840s, coal, iron and steel accounted together for less than 3 per cent of all exports to the Southern Cone, while, during the period 1870–1899, the comparable ratio had increased to 20–25 per cent (Table 1.1). Because of this development, shippers could charge lower rates to textile exporters.

¹⁷¹ Harley, ‘Coal exports’, p. 318.

¹⁷² FO 16/79, Observations respecting the agricultural interests of the Republic of Chile, 29 November 1852.

¹⁷³ R. Fremdling, ‘European foreign trade policies, freight rates and the world markets of grain and coal during the 19th century’, *Jahrbuch für Wirtschaftsgeschichte*, Volume 2 (2003), pp. 93–94; Harley, ‘Coal exports’, p. 312.

There is another factor which impacted favourably on the development of freight rates in the trade between the United Kingdom and the Southern Cone. Thanks to the discoveries of gold in California and Australia, the Cape Horn route acquired a popularity not seen before, becoming a corridor for people and goods flowing from east to west and vice versa. Although the laying of the Panama railway (1855) resulted in a great number of passengers and a lot of mail making use of the isthmus route, most goods continued to be freighted via the Horn. Apart from the benefits Chile received for her exports of grain to California during the Gold Rush, Gibbs's agent at Valparaíso believed that it had to 'be added the advantage it will derive from the many outward bound ships that must call here for provisions'.¹⁷⁴ Indeed, in 1849, a 'forty-niner' estimated that there were 35 to 40 US vessels anchored at Valparaíso.¹⁷⁵ It is reasonable to believe that there was some freight reduction derived from this increasing traffic.

Moreover, the Australian gold rush also had a positive effect on freight rates charged for Chile and Argentina. The tonnage sent by Britain to Australia was inferior to the tonnage of raw materials Australia exported to her motherland and, in turn, the same imbalance characterised trade between the United Kingdom and the Southern Cone. British shippers trading with Australia had to seek freights elsewhere, including the Southern Cone, which no doubt benefited those exporting to Chile and the River Plate.¹⁷⁶ Finally, there are other 'miscellaneous' points that call our attention. To start with, if, from 1869, the Cape Horn route was less used because of the opening of the USA transcontinental railway, the opening of the Suez Canal created a 'buoyant market in used sailing ships, which were put to good use in South American' trades.¹⁷⁷ Finally, the increasing competition faced by British shippers from other European and US conveyers (see Appendix 8.3) is another factor that contributed to the falls in ocean freight rates in the trade between the United Kingdom and the Southern Cone.

Improvements in inter-oceanic communications

It has been established that steamers were unimportant for carrying goods over long hauls before the last quarter of the nineteenth century. This does not mean that steamers were unimportant for our trades. Indeed, steam mail-packets connecting the

¹⁷⁴ AGSP, MS 11469-1, Maverak to Davy. Valparaíso, 22 May 1849.

¹⁷⁵ E. Christman, *One man's gold* (New York, 1930), p. 49.

¹⁷⁶ Broeze, 'The cost of distance', pp. 583 and 591.

¹⁷⁷ Milne, *Trade and traders*, p. 26.

United Kingdom with the Southern Cone were responsible for the establishment of a more efficient means of channelling information, people and express freights (e.g. bullion, specie and textile samples). This was all part of a major world postal development led by the British.¹⁷⁸ Before the late 1830s, communications between the United Kingdom and the Southern Cone relied on letters¹⁷⁹ carried by merchant sailing vessels. As a consequence, delivery times varied from 80 to 180 days;¹⁸⁰ a postal embarrassment by later standards. If a Briton at Valparaíso wanted to send a letter to Liverpool, he was forced to rely on the services of a merchant vessel ('in many cases without passing through the British post office at all'¹⁸¹) or to post it to a friend at Buenos Aires or Panama, who would take charge of forwarding the post. Steam mail packets changed this all.

Particularly important for our markets was the chartering of the Royal Mail Steam Packet Company (RMSPC) and the Pacific Steam Navigation Company (PSNC) in 1839 and 1840, respectively. The RMSPC started its services in 1842 covering the routes from the United Kingdom to Caribbean ports,¹⁸² while the PSNC operated in the south Pacific.¹⁸³ In 1846, the RMSPC extended its services to Panama, connecting at that point with the PSNC. At this moment, Chile became entirely 'steam connected' with the United Kingdom.¹⁸⁴ Yet, the River Plate still depended on two sailing packets, one for the route United Kingdom-Rio de Janeiro and the other connecting Rio with the River Plate.¹⁸⁵ So bad was communication under this system

¹⁷⁸ Albion, 'Capital movements', p. 366; Fayle, *A short history*, p. 230. Furthermore, for the particular case of the Southern Cone, steamers played a material role redistributing both goods and information: 'in a country so widespread, and so dependent on internal communication by rivers, steam is now a primary necessity'. W. Hadfield, *Brazil and the River Plate in 1868* (London, 1869), pp. 143–144. See also Kroeber, *The growth*, p. 46.

¹⁷⁹ Soon after establishing on the spot, a merchant reported that 'by every packet I have between 80 to 90 letters to write, besides a great many by every vessel that sails for England, so that in fact I can get nothing else attended'. This shows clearly the importance given to letter-writing during our period of study. UGD/28/1/1, Wylie to Dalglish (Glasgow). Rio de Janeiro, 27 April 1809.

¹⁸⁰ Under this system, many more letters were not delivered at all. Just to mention an example, for about six months, a Liverpool merchant had not received any letters from his contact on the spot, even though the latter had written home several times during this period: 'how such a number of letters as I have first & last written you could have been miscarried is beyond my comprehension'. UGD/28/1/2, Wylie to Holland & Co. (Liverpool). Buenos Aires, 23 December 1809.

¹⁸¹ FO 118/65, Post Master General to Lord of the Treasury (London). London, 7 October 1850.

¹⁸² *The Times*, 'West Indian Mail Steam-Packets', 17 December 1841. The foundation of the company was in 1839, the acquisition of the contract in 1840 and the beginning of operations in 1842. Greenhill, 'British shipping and Latin America', pp. 5, 13, 16, 22 and 27–29.

¹⁸³ *The Brazil and River Plate Mail*, 'What steam has done for South America', London, 7 January 1864.

¹⁸⁴ Kemble, *The Panama route*, p. 3; Greenhill, 'British shipping and Latin America', p. 32.

¹⁸⁵ W. Hadfield, *Brazil, the River Plate and the Falkland Islands* (London, 1854), p. 1; *The British Packet*, 14 February 1835; FO 118/4, Shee to Griffiths (Buenos Aires). London, 27 December 1832.

that letters sent from the River Plate to England waited on average for over 10 days in Rio before being despatched to Falmouth.¹⁸⁶ Indeed, most of the time, sending mail by merchant vessels sailing directly to Britain, even via British diplomats, was preferred. As opined by Ouseley: 'this vessel going direct will probably reach England before the packet'.¹⁸⁷ In 1851, the RMSPC extended its services to the River Plate and, therefore, Britain and Buenos Aires became directly 'steam connected'.¹⁸⁸ Other companies followed and, by 1863, there were six steam-packet companies operating between Buenos Aires and Europe.¹⁸⁹

Furthermore, in 1855, when the railway across the Panama isthmus was completed, communications between Chile and the United Kingdom became faster. Before, it took 10 to 14 days to cross Panama, but the railway reduced the journey time to less than 12 hours, and it was more secure.¹⁹⁰ Security was often regarded as more important than speed. Indeed, despite Britain and Valparaiso being 'steam connected' from 1846, between that year and 1855 many merchants (e.g. Baring Brothers¹⁹¹ and Huth & Co.) preferred to send letters and most bullion via the Horn. Before the Panama Railway began operating, 'a canoe-and-mule line across to the Pacific'¹⁹² was the standard transport used by the RMSPC and the PSNC, which was not encouraging for those remitting in gold and silver. Finally, in 1868, after a dispute with the Panama Railroad Company,¹⁹³ the PSNC decided to go directly from the United Kingdom to Chile via the Strait of Magellan.

Following these developments, postal delivery times were greatly reduced, in a period when 'efficient postal services were almost as important as the efficient

¹⁸⁶ FO 446/1, British Merchants to Hamilton (Buenos Aires). Buenos Aires, 19 September 1835. FO 119/5, Hamilton to Palmerston (London). Buenos Aires, 22 October 1835; FO 6/55, McCrackan to Palmerston (London). Liverpool, 2 February 1836.

¹⁸⁷ FO 118/59, Ouseley to Palmerston (London). Montevideo, 12 November 1846.

¹⁸⁸ Albion, 'Capital movements', pp. 364–367; Greenhill, 'British shipping and Latin America', pp. 15 and 32. The route was: Southampton-Madeira-Tenerife-Cape de Verdes-Pernambuco-Rio de Janeiro-Montevideo-Buenos Aires. *The British Packet*, 27 April 1850 and 1 February 1851. In the early 1830s, there was a direct sailing packet between Falmouth and the River Plate, which operated for nearly two years, with an average passage of 67 days. Alas, this packet was made to call at Rio, which increased the average passage to 75 days. *The British Packet*, 2 July 1831.

¹⁸⁹ BPP, 1863, LXXI (3160), 'Report by Consul Hutchinson on the trade of Rosario'. Before that, in 1843, the French had launched a line of steam packets from Nantes to South America, touching at Montevideo, Buenos Aires, Rio de Janeiro and Chagres. *The Times*, 'French, West India, and South American steam packets', 8 September 1843.

¹⁹⁰ Kemble, *The Panama route*, p. 1.

¹⁹¹ BDP-RHL, Davidson to Rothschild & Sons (London). Valparaiso, 29 October 1848.

¹⁹² Kemble, *The Panama route*, pp. 3 and 166–175.

¹⁹³ Albion, 'Capital movements', pp. 367–368. Yet, British manufactures were not shipped through the PSNC steamers, as suggested by Albion. Sailing ships remained in charge for few years to come.

carriage of goods'.¹⁹⁴ For communications between Britain and the River Plate, during the 1810s and 1820s, as many as 80–120 days were usually taken to deliver a letter. In the 1830s, with sailing-packet companies operating via Rio de Janeiro, the average passage was 75–85 days,¹⁹⁵ though direct-sailing vessels could undertake it in 65–75 days. With the extension of the RMSPC in the early 1850s, Britain was just 35–40 days away from the River Plate.¹⁹⁶ For Chile, during the 1810s–1830s, the sailing passage usually took 120–180 days. The links between the PSNC and the RMSPC reduced postal times between England and Valparaíso to 75–80 days from the mid-1840s. The Panama railway cut it by two weeks, so that delivery times between Liverpool and Valparaíso fell to around 60 days. Thereafter, postal deliveries were completed in just 45 days in the mid-1860s and in as little as 40 days by the early 1870s.¹⁹⁷ That is, before telegraphic connections were introduced, speedier communications reduced postal delivery times by about two-thirds between the 1810s and the 1850s, which, including a return journey, meant a saving of over five months in total. That is how important steam was! These 'improved communications promoted closer relations between merchants and their markets and fostered the transmission of intelligence'.¹⁹⁸

Introduction of 'free trade' in the United Kingdom

There is general agreement that for peripheral countries their production of raw materials could have developed faster but, alas, 'exports to pay for British goods were excluded by the heavy tariffs'.¹⁹⁹ Yet, for the Southern Cone in particular, no detailed account of this issue has been written. Table 7.2 contains a concise summary of the United Kingdom's import duties for the main Southern Cone produce used as remittances during the first half of the century. For example, in the early 1820s, United Kingdom tariffs on copper ores of low purity were seven times higher than in the early 1840s and 350 times higher than in late 1840s. Likewise, for dry and wet²⁰⁰

¹⁹⁴ A. Redford, *Manchester merchants and foreign trade, 1794–1858* (Manchester, 1934), p. 188.

¹⁹⁵ FO 446/1, British Merchants to Hamilton (Buenos Aires). Buenos Aires, 19 September 1835.

¹⁹⁶ Hadfield, *Brazil, the River Plate*, pp. 2–3.

¹⁹⁷ J. L. Rector, 'Merchants, trade and commercial policy in Chile, 1810–1840', PhD Thesis, Indiana University (1976), p. 194.

¹⁹⁸ Greenhill, 'British shipping and Latin America', p. 56.

¹⁹⁹ P. Mathias, *The first industrial nation* (London, 1983), p. 271.

²⁰⁰ The higher duties imposed upon dry hides, if compared to wet hides, explain in part why most Buenos Aires hides exports to Britain were of the wet.

hides, United Kingdom import duties in the 1820s were over seven times higher than in the early 1840s.

Table 7.2
United Kingdom import duties on the main Southern Cone produce exported to Britain during the first half of the nineteenth century, 1823–1897

Period	Copper, £ per cwt						Hides, £ per cwt		Tallow, £ per cwt
	Ore, under 15 per cent pure	Ore, 16-20 per cent pure	Ore, over 20 per cent pure	In plates	Un-wrought	Part wrought	Dry	Wet	
1823-1824	1.050	1.050	1.050	3.000	2.708	3.775	0.23	0.12	0.16
1824-1825	1.050	1.050	1.050	3.000	2.708	3.775	0.23	0.12	0.16
1825-1826 to 1832-1833	0.600	0.600	0.600	1.500	1.350	1.750	0.23	0.12	0.16
1833-1834 to 1841-1842	0.600	0.600	0.600	1.500	1.350	1.750	0.23	0.12	0.16
1842-1843 to 1844-1845	0.150	0.225	0.300	0.500	0.438	0.500	0.03	0.01	0.16
1845-1846	0.150	0.225	0.300	0.500	0.438	0.500	0	0	0.16
1846-1847 to 1847-1848	0.150	0.225	0.300	0.500	0.438	0.500	0	0	0.16
1848-1849 to 1852-1853	0.003	0.003	0.000	0.125	0.125	0.125	0	0	0.08
1853-1854 to 1897	0	0	0	0	0	0	0	0	0.08

Source: own elaboration from BPP, 1898, LXXXV (C8706), ‘Report on the customs tariffs of the United Kingdom from 1800 to 1897’

At 1823 prices,²⁰¹ import duties on copper ores were equivalent to 82 per cent of London prices, thus, amounting to an import prohibition. Indeed, before 1825, there were no Chilean exports of copper to the United Kingdom of any note. Only in 1825–1826, when import duties on copper were halved, though still remaining very high, the first United Kingdom imports of copper on a sizeable scale entered the British market. In 1842, there was a further tariff reduction, though comparatively more important for wrought coppers than the best quality ores. The 1842 Customs Act reduced duties by 50 per cent for ores of 20 per cent or more purity (e.g. most Chilean

²⁰¹ Taken from J. R. McCulloch, *A dictionary, practical, theoretical, and historical of commerce and commercial navigation* (London, 1852).

ores), while more elaborated coppers attracted around a third of their previous taxes.

The result was summarised by a consul:

In consequence of the duties levied in England by the new tariff on foreign copper ores, the export of that article from this province is likely to decrease, as the mine proprietors will prefer smelting the produce of their mines unless they can obtain the prices formerly paid, and this measure will in the end be detrimental to the British trade here.²⁰²

Ross's forecast proved correct and, in 1845, consul Walpole reported that 'the number and importance of smelting works is gradually increasing throughout the Republic'.²⁰³

Before this distortion was corrected in 1848, a memorandum from merchants, copper smelters, ship-owners and others involved in the import of copper, requested to the Exchequer the repeal of import duties altogether. Merchants argued that tariffs on copper represented a tiny fraction of total government revenues, while greatly damaging their interests. They also maintained,

that Chili has for many years been an extensive and increasing customer for British fabrics; but not being a manufacturing country, possesses but few means of repayment for our manufactures, except by her copper ores. That the copper ores of Chili are, therefore, of great advantage to the British merchant, as a return for his exports of British manufactures, as well as to the British smelter ... In fact, our trade in copper ores with South America ... has all but ceased, and the copper smelting works in the neighbourhood of Liverpool ... have been deprived of their usual supplies ... we are now confined to silver as a means of return, which yields an exchange fully eight per cent inferior to bills drawn against copper ores ... As a natural consequence of the loss we have sustained in the means of return, we find a greatly increased competition with our British fabrics by the increased imports of those of the United States and Germany, who benefit by the facility of remittance, which we have been deprived of.²⁰⁴

These complaints were heard and, in 1848, Chilean ores entered the British market freely. As a consequence, in the 1850s, United Kingdom imports of copper more than trebled compared with the 1840s (see Appendix 6.2).

Customs duties were not only prohibitive for copper in the first stages of direct and legal commercial intercourse. Nichols left us this account: 'in 1820 a cargo of nitrates was shipped to England, but upon arrival was dumped overboard because the duty was too high'.²⁰⁵ River Plate hides or tallow never paid the high rates imposed

²⁰² FO 132/22, Ross to Walpole (Santiago). Coquimbo, 2 July 1843.

²⁰³ FO 133/12, Walpole to the Earl of Aberdeen (London). Santiago, 27 June 1845.

²⁰⁴ BPP, 1847-1848, XXXIX (186), 'Copy of all memorials in reference to the copper duties which have been presented to the Treasury or other Departments of Government since July 1847'.

²⁰⁵ T. E. Nichols, 'British economic activities in Chile to 1854', MA Dissertation, University of California at Berkeley (1946), p. 88.

upon Chilean copper, though no doubt the drastic reduction of duties in 1842 helped the *porteños*. For other products, before Britain reduced her import duties on foreign wools (1826), the tariff also amounted to a prohibition. Indeed, in 1819, when import duties were raised from 3/4*d.* to 6*d.* per pound, a London merchant wrote to his Buenos Aires agent that: ‘we do not recommend you shipping any more wool as the duty is now 6d p lb which amounts to a prohibition’.²⁰⁶

Finally, there is a related issue that has received little attention. As far as shipping volume and space were concerned, there was a clear imbalance in the outward and homeward hauls for British shippers. Britain’s exports were mainly light but valuable goods, while Southern Cone produce was comparatively heavier and cheaper. High duties on Southern Cone produce was very inconvenient for British shippers as native produce was ‘an advantageous mode of remittances for the British merchandise imported into Chile but also as return freights for the numerous British vessels frequenting the coast’.²⁰⁷ By preventing British shippers taking heavy goods homeward, Britain was also denying herself the possibility of exporting coal and iron. It is not a coincidence that coal and iron made firm appearance in exports to the Southern Cone during the 1850s (see Table 1.1). With shippers charging profitable freight rates for products of heavier weight and lower value, textile bales could have been forwarded at cheaper rates. In other words, lower import duties not only directly fostered Southern Cone exports and imports but also promoted bilateral trade between the United Kingdom and the Southern Cone by lowering freight rates. The increasing traffic that followed the introduction of free trade in Britain brought a huge demand for vessels of all kinds, including those engaged in the trade with the Americas. Such was the impact of the augmentation in the British tonnage that, for Oribe, the fall in freights before 1880 was mainly due to the expansion of shipping supply rather than to innovations in shipbuilding.²⁰⁸

²⁰⁶ HDP, Macintosh, Miller & Co. to Dallas (Buenos Aires). London, 30 October 1819. In a previous letter, quoting the head of the London house, it was remarked that: ‘our Government are to put a heavy duty on wool from Buenos Ayres, thus tell Dallas that he may not ship any more’. Miller & Co. to Dallas (Buenos Aires). Rio de Janeiro, 10 August 1819.

²⁰⁷ FO 133/12, Walpole to the Earl of Aberdeen (London). Santiago, 4 July 1845.

²⁰⁸ Oribe, ‘Freight rates’, p. 33

During the first half of the nineteenth century, British textile export prices to the Southern Cone decreased dramatically, in particular, for the main staple (cottons), greatly improving the Southern Cone's terms of trade. This was a material cause behind the spectacular growth in volumes exported from the United Kingdom to the Southern Cone during this period. Another variable explaining the increase in British exports to our outlets was the improvement in the packing of textiles to protect against salt-water damage, a point so far missed by the literature. Similarly, important shipping developments, such as the introduction of iron into shipbuilding, also fostered exports to South America. Linked to this, substantial falls in freight rates took place during our period and beyond, as well as great improvements in communications, all of which made it cheaper and easier to export to distant markets. Finally, the introduction of free trade in the United Kingdom cannot be ignored when explaining the growth of British exports. These were all developments that took place in the core of the British economy. Developments on the spot promoting British exports to the Southern Cone are considered in the following chapter.

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Appendix 7.1
Selected United Kingdom textile export prices to the Southern Cone (pence per yards), 1815-1879

Year	Cottons		Plain linens	Wool manufactures					
	Plain	Printed		Cloths super fine	Cloths second inferior	Stuffs, unmixed	Stuffs, mixed	Flannel	Carpets
1815	9.0	6.5	5.9	22.7	15.3	12.5	16.6	17.4	20.8
1816	5.6	6.2	5.6	20.0	13.2	5.2	23.1	7.0	18.9
1817	5.0	4.5	4.8	24.3	13.6	9.0	22.1	8.4	20.2
1818	5.9	7.0	5.9	27.3	14.4	5.1	21.9	9.5	20.3
1819	5.5	6.5	6.3	24.7	18.0	7.4	29.6	11.4	22.6
1820	5.0	5.4	4.7	29.3	17.1	7.9	19.2	7.5	21.1
1821	4.7	5.4	4.7	25.7	15.4	5.5	16.4	8.6	20.5
1822	4.2	5.3	4.6	28.9	12.7	8.3	13.1	6.6	17.0
1823	4.0	5.4	4.7	30.1	12.0	6.2	14.4	8.4	14.0
1824	4.1	4.6	4.5	27.1	11.2	6.8	10.8	6.2	16.1
1825	3.7	4.7	5.3	27.3	12.8	5.9	10.8	5.2	18.1
1826	3.5	4.4	4.8	21.5	10.9	8.7	10.9	3.9	18.4
1827	3.0	4.5	4.4	22.9	10.5	7.9	12.4	4.6	14.5
1828	2.9	4.1	4.2	22.1	9.8	6.3	11.4	5.7	15.2
1829	2.6	4.3	4.3	24.5	11.7	7.2	9.1	4.3	17.4
1830	2.7	3.9	3.5	29.3	13.4	9.2	8.3	5.5	14.5
1831	2.7	3.8	4.5	26.0	15.7	8.7	10.4	5.8	12.9
1832	2.1	3.0	3.9	26.6	12.9	10.1	9.1	4.5	14.3
1833	2.1	2.9	3.7	26.9	12.5	6.3	9.4	6.7	17.6
1834	2.1	2.7	3.5	28.9	12.4	8.8	10.0	3.7	16.4
1835	2.1	2.9	3.8	24.8	10.9	5.5	8.5	5.3	11.9
1836	2.1	3.0	4.2	23.2	12.1	7.4	8.3	10.9	13.9
1837	1.9	2.6	3.2	20.1	13.4	8.2	10.1	2.5	11.6
1838	1.9	2.4	3.0	25.3	10.9	6.8	9.1	3.8	15.2
1839	1.8	2.6	4.0	21.1	10.5	5.9	8.1		14.7
1840	1.8	2.6	3.8	23.2	13.3	5.7	6.3	7.9	16.4
1841	1.6	2.2	3.6	26.0	12.6	5.2	5.6	3.7	13.1
1842	1.5	2.1	3.4	25.3	13.2	5.8	5.0	5.6	15.1
1843	1.5	2.1	3.3	22.5	14.4	5.8	5.9	6.7	11.1
1844	1.5	2.0	3.5	25.6	13.8	4.8	8.0	5.2	14.3
1845	1.4	2.0	3.7	26.4	15.2	4.7	6.7	5.4	17.1
1846	1.2	2.1	3.4	23.4	13.2	5.2	7.0	4.6	16.3
1847	1.3	2.0	3.2	25.8	14.5	4.9	6.0	9.7	14.9
1848	1.1	1.8	2.6	26.5	14.4	5.0	4.6	5.0	15.0
1849	1.2	1.8	3.3	19.9	10.9	4.1	5.2	10.2	10.6
1850	1.3	1.9	3.4	19.8	8.4	2.9	4.3	7.5	15.0
1851	1.2	1.8	3.2	20.5	8.9	3.4	5.4	7.8	17.7
1852	1.2	1.8	2.8	19.1	9.0	2.9	4.5	3.9	17.5
1853	1.3	1.8	3.2	19.3	9.8	3.1	5.5	5.9	13.4
1854	1.2	1.7	3.9	18.9	9.4	2.4	5.4	3.8	12.0
1855	1.2	1.6	3.1	18.1	9.9	3.2	4.1	3.4	14.0
1856	1.2	1.6	2.7	21.2	9.8	2.4	4.6	4.5	15.4
1857	1.3	1.7	2.8	20.6	8.9	2.5	4.3	5.5	16.6
1858	1.2	1.7	2.5	20.6	9.6	2.3	5.2	3.6	16.7
1859	1.3	1.8	2.9	20.0	9.3	2.5	4.6	3.1	18.3
1860	1.3	1.8	3.0	20.2	9.9	2.9	5.6	5.0	14.9
1861	1.3	1.7	2.7	19.1	10.6	2.7	5.8	7.4	12.4
1862	1.6	1.9	2.5	14.2	12.1	3.6	2.5	4.0	15.5
1863	2.0	2.4	2.8	13.8	9.7		4.3	6.5	13.8
1864	2.2	2.5	2.9	14.5	9.7		4.3	5.7	14.4
1865	2.0	2.3	2.9	15.5	10.3		5.4	6.7	14.1
1866	2.2	2.4	3.0	17.0	10.4		5.2	5.9	16.2
1867	1.8	2.0	2.6	16.7	9.8		4.2	6.1	16.9
1868	1.6	1.8	3.1	16.8	9.7		4.3	5.3	14.9
1869	1.7	1.9	2.8	14.5	9.2		3.5	5.2	14.7
1870	1.5	1.8	2.6	15.2	9.7		3.4	5.1	14.9
1871	1.5	1.8	2.7	14.3	9.9		3.0	4.5	15.8
1872	1.6	1.9	2.9	15.7	9.8		3.6	5.1	16.5
1873	1.6	1.9	3.2	15.1	9.6		3.9	5.4	17.2
1874	1.5	1.8	2.9	16.5	9.7		4.2	6.2	15.2
1875	1.5	1.8	2.9	15.5	10.0		4.1	6.4	15.0
1876	1.4	1.7	2.8	15.6	10.2		4.1	6.9	13.6
1877	1.3	1.6	2.4	14.8	9.7		3.5	4.7	12.3
1878	1.3	1.5	2.6	14.3	10.1		3.2	5.7	12.7
1879	1.1	1.4	3.2	14.8	9.8		3.1	4.5	10.1

Source: own elaboration from CUST/8 (as listed in Appendix 2.3)

Appendix 7.2
Shipwrecks of British vessels engaged in the United Kingdom-Southern Cone routes, a sample for 1816-1859
(Years without information: 1820, 1821, 1822, 1825, 1826, 1836, 1838, 1839, 1851, 1854 and 1857)

No.	Date	Name	Location wreck	Observations and Source (in brackets)
1	February 1816	<i>Lady Hood</i>	Ensenada	Leaving Buenos Aires to Cadiz (BPP)
2	April 1816	<i>Ariadne</i>	Near Montevideo	Leaving Buenos Aires to the United Kingdom (BPP)
3	January 1817	<i>Acasta</i>	Unknown	Leaving Buenos Aires to the United Kingdom (BPP)
4	February 1817	<i>Mary</i>	Unknown	From London to the River Plate, three lives lost (BPP)
5	March 1817	<i>Doris</i>	Brazilian coast	Leaving the River Plate to London (BPP)
6	May 1818	<i>Catherine Griffiths</i>	Near Dungeness	From London to Valparaiso (BPP)
7	May 1818	<i>Rambler</i>	Unknown	Leaving Buenos Aires (BPP)
8	September 1818	<i>Jane</i>	Near Montevideo	Coming from Brazil to the River Plate (BPP)
9	December 1819	<i>Nancy</i>	English Bank (River Plate)	Going to Liverpool from Buenos Aires (GHR)
10	May 1823	<i>Prince Regent</i>	Unknown	Going to Liverpool from Buenos Aires (GHR)
11	February 1824	<i>Columbine</i>	60 miles off Buenos Aires	Coming from Liverpool to Buenos Aires (GHR)
12	April 1824	<i>Cossack</i>	Banks of the River Plate	Coming from Liverpool to Buenos Aires (GHR)
13	June 1824	<i>Margaret</i>	30 Miles off Montevideo	Coming from Liverpool to Buenos Aires (GHR)
14	November 1827	<i>Florida</i>	Off Buenos Aires	London ship, leaving Buenos Aires for London (FO)
15	1827	<i>Rob Roy</i>	Near Valparaiso	Liverpool A1 vessel (BPP)
16	1827	<i>Elizabeth</i>	Ensenada	Liverpool A1 vessel (BPP)
17	1827	<i>Lady Arabella</i>	Montevideo	London E vessel (BPP)
18	1827	<i>Briton</i>	Cape Corrientes	London A1 vessel (BPP)
19	January 1828	<i>Comeleth</i>	Unknown	Liverpool ship, going from the River Plate to Liverpool (OWN)
20	March 1828	<i>Saracen</i>	Off Mocha Island-Chile	London E1 ship, coming from Australia to Chile and then to the United Kingdom (FO, BPP)
21	1828	<i>Orpheus</i>	Montevideo	London A1 vessel (BPP)
22	July 1828	<i>Lord Eldon</i>	River Plate	Newcastle ship, burnt in the River Plate (BPP, FO)
23	October 1828	<i>Triton</i>	Off Buenos Aires	Liverpool vessel, consigned to Carlisle & Co. (BPP, FO)
24	February 1829	<i>Hope</i>	West Patagonia (Pacific Ocean)	London schooner, one live lost (FO)
25	September 1829	<i>Amelia</i>	Near Punta Brava	Merchant schooner, Hodgson & Robinson as consignees (FO, GHR)
26	November 1829	<i>Elvira</i>	Banks of the River Plate	London merchant ship, 160 tons (FO)
27	February 1830	<i>Henry Arnot</i>	Chico Bank-River Plate	Liverpool merchant ship, 245 tons (FO)
28	February 1831	<i>Collings & Marianne</i>	Nine leagues South of Valparaiso	Loaded with textiles from Liverpool (HPEL, GHR)
29	December 1832	<i>Lion</i>	River Plate	Coming from Liverpool to Buenos Aires (OWN)
30	February 1833	<i>Eliza</i>	Off Valparaiso	Coming from Orabeite (BPP)
31	May 1833	<i>Evergreen</i>	Off Maldonado-Argentina	Brig, coming from Liverpool (BPP, BP, GHR, OWN)
32	August 1833	<i>Intrepid</i>	Off San Antonio-Chile	British brig with Chilean flag (BP)
33	September 1833	<i>Prompt</i>	Mouth of the River Plate	Going to Liverpool from Buenos Aires, 13 lives lost (GHR, BPP)
34	October 1833	<i>William Spence</i>	Near Denia	Going to Buenos Aires (BPP)
35	December 1833	<i>Floraville</i>	Near Montevideo	Going to Liverpool from Buenos Aires, struck a rock (GHR)
36	September 1834	<i>Wave</i>	River Plate	Liverpool brig, cast ashore, 134 tons (FO)
37	September 1834	<i>Scott</i>	River Plate	Workington ship, 237 tons, cast ashore (FO)
38	October 1834	<i>William the Fourth</i>	Coast off Corrientes-Argentina	Ship destined to Valparaiso, from Liverpool, three lives lost (FO, BP, BPP)
39	February 1835	<i>Beatrice</i>	Off River Plate	Coming from Liverpool to Valparaiso, declared sea unworthy (BPP, FO)
40	March 1835	<i>Ann</i>	Near Point Lynas	Going to Liverpool from Buenos Aires (BPP)
41	May 1835	<i>Challenger</i>	Off Lebu, close to Talcahuano-Chile	Merchant vessel, two lives lost (FO)
42	May 1835	<i>Mail</i>	Near Rio Grande	After leaving Buenos Aires (BPP)
43	September 1835	<i>Cora</i>	English Bank, off Montevideo	Coming from Liverpool, loaded with textiles (BPP, GHR, OWN)
44	July 1837	<i>Norfolk</i>	Off San Antonio-Chile	Middlesex barque, no part of the cargo saved (BP, FO)
45	December 1837	<i>Gypsy</i>	Unknown	Merchant vessel (FO)
46	February 1840	<i>Henrietta</i>	Off Bahia Blanca	Merchant barque, caught fire (BP)

Appendix 7.2
Shipwrecks of British vessels engaged in the United Kingdom-Southern Cone routes, a sample for 1816-1859
 (Years without information: 1820, 1821, 1822, 1825, 1836, 1838, 1839, 1851, 1854 and 1857)

No.	Date	Name	Location wreck	Observations and Source (in brackets)
47	March 1840	<i>Manuela</i>	Strait of Magellan	London ship (FO)
48	October 1840	<i>Gadston</i>	Valantyne Bay, Tierra del Fuego	Loaded with a textile cargo from Britain (FO, BPP)
49	January 1841	<i>Margaret</i>	Dulas Rock	Liverpool barque, 269 tons (BPP)
50	March 1841	<i>Irish Lass</i>	Off Rio Grande-Brazil	Brig coming from Liverpool to Buenos Aires (BP, BPP)
51	May 1841	<i>Mary Scott</i>	Off Point Lynds	Liverpool brig, 248 tons (BPP)
52	July 1841	<i>Glanmolliere</i>	Mouth of San Antonio, Chile	Liverpool ship, from Sydney to Valparaiso (BPP)
53	August 1841	<i>Mohawk</i>	Banks of the River Plate	Coming from Liverpool to Buenos Aires (GHR)
54	March 1842	<i>Astrea</i>	Off Cape de Verdes	Coming from Liverpool to Buenos Aires (GHR, OWN, BPP)
55	July 1842	<i>Marjory Lyon</i>	Close to Campos	One live lost (BPP)
56	End 1842	<i>Thomas Bold</i>	Off Coquimbo-Chile (close to Carrisal)	Merchant vessel, to Huasco from Valparaiso, two lives lost (FO)
57	End 1842	<i>Harvest Home</i>	Off Rio Grande-Brazil	From Rio de Janeiro to the River Plate (BPP)
58	December 1842	<i>Jessie</i>	Condemned at Valparaiso	Covering the route Coquimbo-London, declared sea unworthy (BPP)
59	October 1843	<i>Addingham</i>	Strait of Magellan	Newcastle merchant vessel loaded with coal for PSNC, crew missing (FO, BPP)
60	October 1843	<i>Matilda</i>	Chilean coasts, Guataecas Islands-Chiloé	Merchant vessel, leaving Valparaiso for the River Plate (FO)
61	1843	<i>Sea Gull</i>	Off Montevideo	Liverpool AI vessel (BPP)
62	August 1844	<i>Artemis</i>	Off Chiloé, Puerto Inglés, Chile	Barque, to Liverpool from Valparaiso loaded with copper ores (FO)
63	September 1844	<i>Benjamin Hart</i>	Off Herradura-North Chile	Merchant vessel (FO)
64	May 1845	<i>Phillips</i>	Off Cape de Verdes	Heading to Valparaiso from Liverpool (HPEL)
65	July 1845	<i>Catherine</i>	Near Santa Teresa-Argentina	Merchant brig (FO)
66	November 1846	<i>New Pink</i>	Sopocalma Bay-Chile	Loaded with general cargo from Liverpool to Valparaiso (FO)
67	January 1847	<i>Canning</i>	Strait of Magellan	Destroyed by fire, three lives lost (FO)
68	July 1848	<i>Sappho</i>	English Bank (River Plate)	Schooner, loaded in Liverpool for Buenos Aires (BP)
69	September 1848	<i>Jane II</i>	Close to Salado-Argentina	Liverpool ship (FO, BP)
70	1849	<i>John Kenwich</i>	Off Chiloé-Chile	Merchant vessel (FO)
71	January 1849	<i>Edmond</i>	Off Paraiba	Insured by Huth & Co., from Havre to Valparaiso (HPEL)
72	July 1849	<i>Zuleika</i>	Off San Antonio	Merchant brig, departed from Buenos Aires (BP)
73	April 1850	<i>Queen Pomare</i>	Off Chiloé-Chile	Liverpool ship (FO)
74	June 1850	<i>Lady Lilford</i>	Chilean coasts	Dundee ship (FO)
75	September 1850	<i>Hope</i>	Off Chiloé-Chile	Sunderland ship (FO)
76	October 1850	<i>Prince Albert</i>	Strait of Magellan	London ship (FO)
77	December 1850	<i>Bessy Robertson</i>	Off River Plate	Condemned at Buenos Aires, declared sea unworthy (FO)
78	November 1852	<i>Lyra</i>	Cape Horn	Glasgow ship (FO)
79	Beginning 1853	<i>Arauco</i>	Talcahuano-Chile	Steamer (FO)
80	July 1853	<i>Quito</i>	Huasco-North Chile	Steamer (FO)
81	August 1855	<i>Enterprise</i>	Chilean coasts	Merchant barque, going from the West Coast to Liverpool (FO)
82	August 1856	<i>Western Bride</i>	Strait of Magellan	Merchant vessel (FO)
83	End 1856	<i>Walter Muncaster</i>	Off Chanaal- North Chile	Merchant barque (FO)
84	May 1858	<i>Cressida</i>	Off Chiloé-Chile	Merchant ship (FO)
85	Beginning of 1859	<i>Gentoo</i>	Chilean coasts	Merchant barque (FO)

Source: own elaboration from British Foreign Office correspondence with Argentina and Chile (FO 6 and FO 16 series); *The British Packet* (BP); Hodgson & Robinson papers (GHR); Owens & Son papers (OWN); Huth & Co. papers at UCL (HPEL); and British Parliamentary Papers (BPP)

Appendix 7.3

Freight rates for United Kingdom coal exports to the Southern Cone (£ per ton), 1850-1899

Year	United Kingdom- Buenos Aires	United Kingdom- Valparaiso
1850	1.25	1.14
1851	1.16	1.20
1852	1.29	1.63
1853	1.81	2.33
1854	2.36	1.90
1855	1.88	1.65
1856	2.72	2.03
1857	2.17	2.07
1858	1.71	1.66
1859	1.68	1.94
1860	1.93	1.82
1861	1.85	1.62
1862	1.80	1.29
1863	1.62	1.27
1864	1.58	1.44
1865	1.54	1.30
1866	1.72	1.36
1867	1.71	1.32
1868	1.75	1.13
1869	1.62	1.21
1870	1.62	1.08
1871	1.55	1.24
1872	1.60	1.43
1873	1.89	1.65
1874	1.73	1.41
1875	1.41	1.15
1876	1.30	1.00
1877	1.20	0.95
1878	1.21	1.02
1879	1.29	1.03
1880	1.28	1.08
1881	1.24	1.07
1882	1.21	1.07
1883	1.29	1.11
1884	1.27	1.13
1885	1.09	1.07
1886	0.99	1.03
1887	1.06	1.05
1888	1.32	1.25
1889	1.64	1.53
1890	1.17	1.06
1891	0.94	0.87
1892	0.73	0.73
1893	0.68	0.66
1894	0.51	0.53
1895	0.49	0.57
1896	0.71	0.67
1897	0.81	0.79
1898	0.78	0.73
1899	0.75	0.65

Source: own elaboration from *Goodliffe & Smart Freight Report* (1850-1856); *Mitchell's Maritime Register* (1856-1884); *Shipping Gazette & Lloyd's List Weekly Summary* (1884-1899). Annual figures were obtained from monthly or weekly averages

Appendix 7.4
Freight rates for Southern Cone exports to the United Kingdom (£ per ton), 1809-1865

Year	Valparaiso-United Kingdom		Buenos Aires-United Kingdom		
	Heavy cargoes	Source	Salted hides	Tallow	Source
1809			16.80	16.80	UGD
1810			17.33	17.33	UGD
1811					
1812					
1813					
1814					
1815					
1816					
1817					
1818			5.50		HDP
1819			4.08	2.45	HDP, GHR
1820			6.33	3.67	GHR
1821					
1822					
1823			2.00	1.75	GHR
1824				2.00	GHR
1825				1.94	GHR
1826					
1827					
1828			6.70	11.75	GHR, BP, FO 446
1829					
1830			3.00		HC
1831					
1832					
1833					
1834	4.55	HPEL			
1835					
1836					
1837	6.25	(*)	3.33	3.50	GHR
1838			2.50	2.50	GHR
1839	5.50	FO 132			GHR
1840	4.03	FO 132	5.25	6.00	GHR
1841	5.04	FO 132	2.30	2.66	GHR, BP, OWN
1842	4.74	FO 132	2.00	2.12	GHR, BP, OWN
1843	3.09	FO 16	2.00	2.25	GFDP
1844	3.86	FO 16	3.25	3.50	GFDP
1845	5.01	FO 16	3.00	3.00	GFDP
1846	4.49	FO 16			
1847	4.89	FO 16	4.31	3.75	FO 118; <i>The Times</i>
1848	4.17	FO 16	2.85	3.56	BP
1849	3.68	FO 16	2.18	2.29	BP
1850	3.50	FO 16	1.57	1.59	BP
1851	2.43	FO 16	1.60	1.60	BP
1852	2.90	FO 16	2.13		<i>Goodliffe & Smart</i>
1853	4.29	FO 16			
1854	4.92	FO 16	2.73	3.17	<i>De Lisle Brothers</i>
1855			1.75	1.75	<i>Goodliffe & Smart</i>
1856					
1857					
1858					
1859					
1860					
1861	3.50	BWP			
1862	4.40	BWP			
1863					
1864					
1865	2.25	BWP			

(*) C. A. Gosselman, *Informe sobre los estados sudamericanos en los años de 1837 y 1838* (Stockholm, 1962)

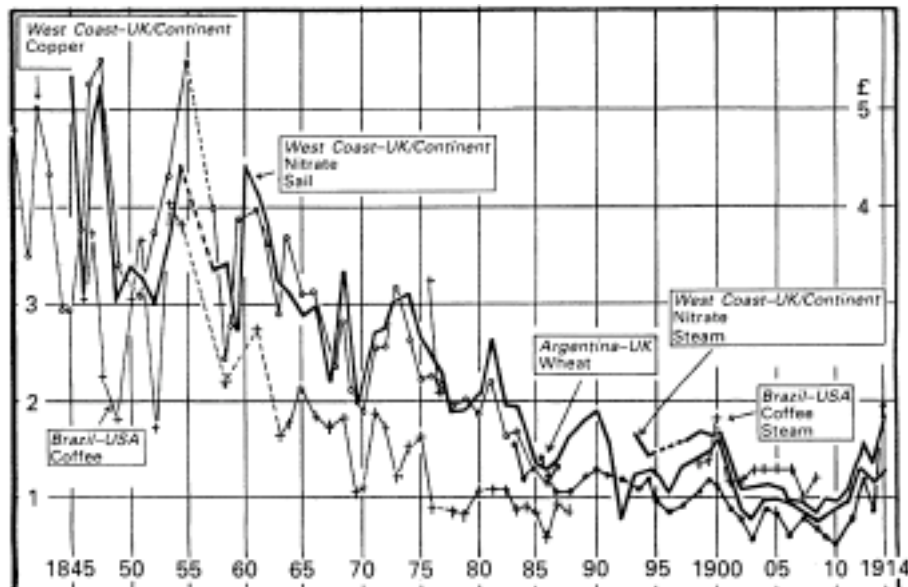
Source: as indicated for every year. When more than one data were available, averages were calculated

Appendix 7.5

Oribe's freight rates for the trades between the United Kingdom and South America, 1845–1914

Chart 7.11

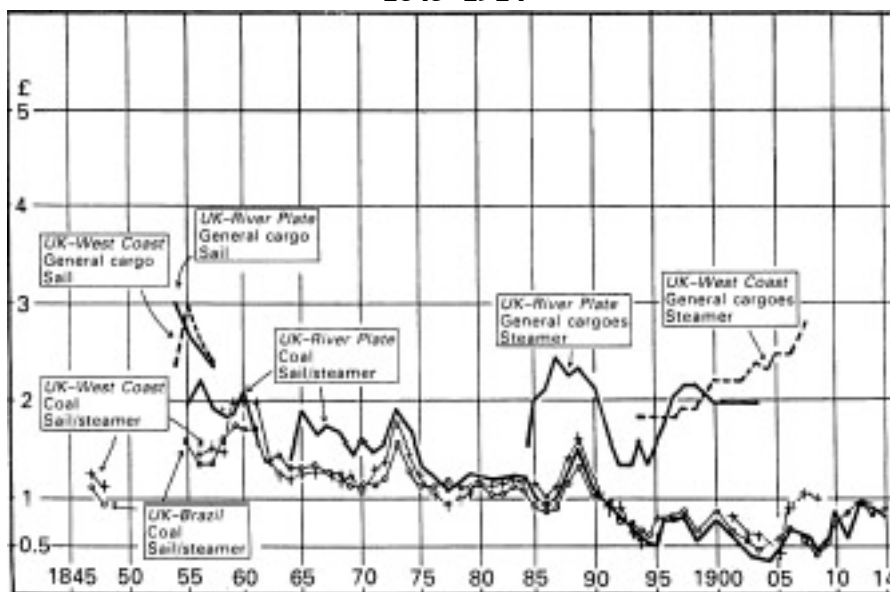
Oribe's freight rates from South America to the United Kingdom (£ per ton), 1845–1914



Source: image scanned from J. Oribe, 'Freight rates in the trade between Europe and South America, 1840–1914', *JLAS*, Volume 21-1 (1989)

Chart 7.12

Oribe's freight rates from the United Kingdom to South America (£ per ton), 1845–1914



Source: as in Chart 7.11

Chapter 8

Developments in the Southern Cone

In the previous chapter, attention was paid to important developments that took place in industrialising Britain and how they fostered exports to the Southern Cone. This chapter assesses complementary developments in the Southern Cone which also affected the development of British exports. When explaining the growth of British exports to our markets, most scholars have referred to a range of variables. This encompasses high internal costs of transportation on the spot, the low income of the population, the scattered population in rural areas, insufficient production of raw materials to give in exchange and the lack of investment.¹ Yet, significant as these variables may have been, they remained relatively unchanged during the first half of the nineteenth century. In turn, other developments that were equally important and which shaped the growth of British exports during this period have received insufficient attention. To remedy this, this chapter considers in detail: import tariffs and import prohibitions; internal discord and international conflicts; the state and the development of port facilities; and the resistance offered by local craft industries.

Import duties on the spot

An important variable conditioning the development of British textile exports to Chile and the River Plate was the tariff policy of the new republics. Soon after liberation, the Chilean and Buenos Aires governments imposed very high import duties, particularly on clothing. As textiles were one of the few manufactures produced locally in some volume, it has been said that this was the ‘first instance of truly systematic protection’ in the markets being studied.² For Consul Griffiths, high duties were imposed ‘upon such [goods] as now are or are hereafter likely to be of the growth and manufacture of this country’.³ Yet, the issue of whether these policies were intended to protect the domestic economy is a sterile discussion. Local governments neither had, nor could have, major sources of income other than customs duties. As stated by Gay, from emancipation, custom duties have been the only source

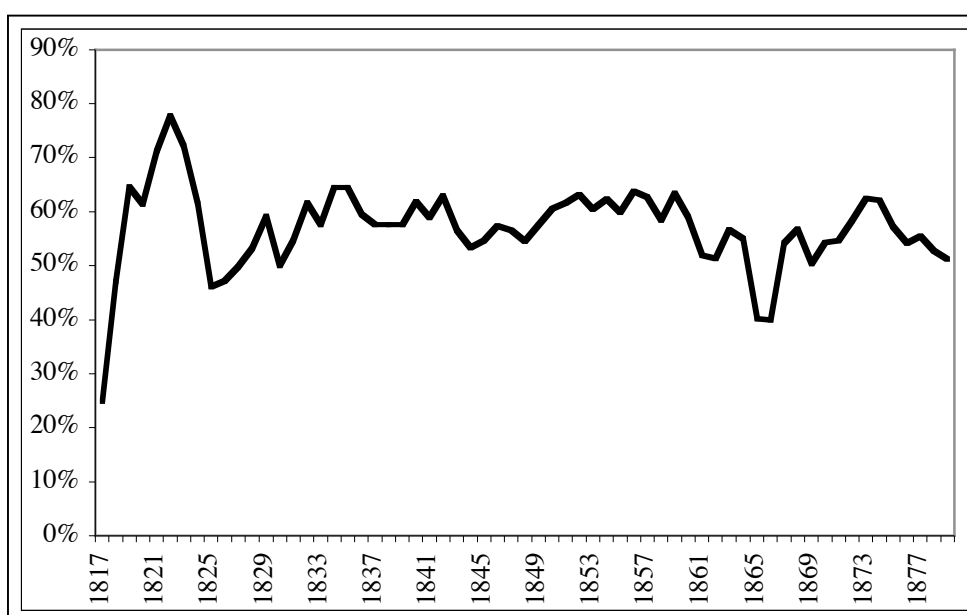
¹ The main works that have dealt in depth with these variables were identified in Chapters 1 and 2.

² D. Bushnell, *Reform and reaction in the Platine provinces, 1810–1852* (Gainesville, 1983), p. 61.

³ FO 6/49, Griffiths to Palmerston (London). Buenos Aires, 28 December 1835.

of income of the new republics: ‘*el que verdaderamente pagaba la existencia nacional*’ [the source of income that supported the whole nation].⁴ Chart 8.1 well illustrates this for the Chilean case. The high dependence on import duties applied equally for Buenos Aires. For the period 1822–1830, import duties accounted for 70–82 per cent of all government income,⁵ while an additional 8 per cent came from export duties (at least in 1823).⁶ Proud of the importance of import duties for his government’s revenues, Rosas, in a message to parliament, stated that the ‘Custom House is now regulated in such a manner that it reports every day to the government the sum total of its operations’.⁷

Chart 8.1
Share of import duties in total government revenues of Chile, 1817–1879



Source: own elaboration from J. Díaz and G. Wagner, ‘Política comercial: instrumentos y antecedentes’, *Documento de Trabajo*, Volume 223 (2004)

Alternative sources of taxation included donations, forced loans, port dues (indirect import/export duties), stamp duties and license taxes, a capital tax, rentals,

⁴ C. Gay, *Historia física y política de Chile* (Paris, 1844–1871), VII: p. 320.

⁵ FO 6/8, ‘Estado General del giro del caudal público de la Provincia de Buenos Ayres en el año de 1824’, undated; M. Burgin, *The economic aspects of Argentine Federalism, 1820–1852* (Cambridge-MA, 1946), pp. 47–49; J. C. Chiaramonte, *Mercaderes del litoral* (Buenos Aires, 1991), p. 45.

⁶ FO 354/7, ‘Report on the Gov. & Institutions of Buenos Ayres’, 15 June 1824.

⁷ J. M. de Rosas, ‘Mensaje a la Legislatura’. Buenos Aires, 31 December 1835. Translation available at FO 6/51.

sales of real estate and land, and interest on loans, among other minor sources.⁸ However, as stated by Burgin, it ‘is hardly necessary to emphasize that the government failed to find a substitute for customs duties’.⁹ Sanfuentes, 30 years after independence, maintained that ‘if we derogate custom duties, the government could not survive, as custom duties account for two thirds of the fiscal budget, which cannot have any other source of income’.¹⁰ At the same time, alternative options such as direct taxation were labelled as ‘horrendous and sad’ even by local governments.¹¹

This was the situation faced by foreign exporters after revolution, but how protective were the new republics? In Chapter 2, it was argued that the combination of post-liberation import prices and higher import duties were comparable to the wholesale prices prevailing during the last years of the Spanish Empire when import duties were lower but goods were imported at exorbitant prices due to colonial trade restrictions. Such was the constraint associated with post-liberation tariffs that for Caldcleugh ‘duties on manufactured goods were for some time so high, that it was scarcely possible to sell any large quantity’ of British manufactures, except by contraband trade.¹²

Had it not been possible to sell through contraband, many British exporters would have been excluded from the market because of the new tariffs. Fortunately for them, as the recently appointed agent in Chile of Gibbs & Sons reported ‘generally speaking things are disposed off at tolerable prices as there is at present a good deal of smuggling along the coast’.¹³ An earlier visitor observed in 1818 that ‘there exists the same system of smuggling, and the same degree of corruption in the revenue officers, that was practised under the old regime’.¹⁴ Seven years later, the first British Consul in Chile agreed that there was a ‘regular system of smuggling carried on throughout

⁸ Burgin, *The economic aspects*, p. 185; F. Encina, *Historia de Chile desde la prehistoria hasta 1891* (Santiago, 1945–1952), VIII: pp. 40–44.

⁹ Burgin, *The economic aspects*, pp. 47 and 70.

¹⁰ V. Sanfuentes, ‘La libertad de comercio’, in S. Villalobos and R. Sagredo (editors), *Ensayistas proteccionistas del siglo XIX* (Santiago, 1993), p. 57.

¹¹ *Boletín de las leyes i de las ordenes i decretos del gobierno* (Santiago, 1839), I: p. 9.

¹² A. Caldcleugh, *Travels in South America, during the years, 1819–20–21* (London, 1825), I: p. 359. Similarly, another visitor in the same period and country observed that import duties ‘in many cases amount to a prohibition’. M. Graham, *Journal of a residence in Chile during the year 1822* (London, 2003), p. 137.

¹³ AGSP, MS 19867, Moens to Gibbs & Sons (London). Valparaiso, 15 November 1820.

¹⁴ R. J. Cleveland, *A narrative of voyages and commercial enterprises* (Cambridge-MA, 1842), II: p. 139. About the real extent of contraband between 1811 and 1830 in Chile, see Encina, *Historia de Chile*, X: pp. 189–192; Gay, *Historia física*, VII: p. 322. The latter estimated that the volume of goods entered by contraband was the same than by legal means.

the country'.¹⁵ In Argentina, the situation mirrored Chile's. During the first years following Spain's imperial collapse, there was 'a most impolitic system of exorbitant duties on foreign commerce, which had led to a very considerable contraband trade'.¹⁶

Smuggling, though a solution, was not a free alternative.¹⁷ British merchants had to pay large bribes to customs officials or handsome fees to unscrupulous smugglers. These illegal charges were fixed according to the related legal duties that the importers were so saving. The higher the import duty, the larger the bribe:

Do you choose to run any risk of my attempting to smuggle any part of your goods inwards at any time? There is a great deal done in this way as the stake is worth venturing for, & it is very seldom that any seizures are made by the Custom House, the officers are all open to bribery so that it may be done securely enough. I have had a proposition made me by a Creole (respectable) that he would pass me my goods at the Custom House, he running the risk of seizure for one half the legal duties ... I wish you to give me a discretionary power in these respects.¹⁸

Thus, considering that import duties and smuggling costs were closely correlated,¹⁹ it seems sensible to examine changes in import duties. It can be seen in Table 8.1 that import duties in early independent Chile were established at the staggering level of 35 per cent for all textiles during 1815–1820, and further increased during 1821–1823. Between 1824 and 1834, taxes on fabrics were reduced to 27 per cent, but duties on made up cloths, carpets and blankets were increased to 40 per cent. There was little change before the mid-1840s when important reductions were made. Tariff reductions continued and culminated in the 1860s when a uniform duty of 25 per cent was established. Yet, 25 per cent was still considered very high by the British:

¹⁵ FO 16/2, Nugent to Canning (London). Valparaiso, 17 March 1825.

¹⁶ FO 6/4, 'General report on the rise and progress of the present government of Buenos Ayres'. Buenos Aires, 25 June 1824.

¹⁷ Besides being, at times, a risky adventure. In 1809, for example, there was 'a very serious misunderstanding between the Custom House officers and the Marine Department about the division of the money received for bribes and in consequence of the one informing against the other, some very considerable seizures were made' at Buenos Aires. UGD/28/1/1, Wylie to Hancock (Bahia). Rio de Janeiro, 23 June 1809.

¹⁸ GHR/5/1/1, Hodgson to Rawdon. Buenos Aires, 9 April 1818. Similarly, smuggled gold and silver paid half the legal export duties. Hodgson to Chester De Berckem & Castellain (London). Buenos Aires, 23 December 1818. When the risk of seizure was higher, bribe charges were lower to attract 'customers'. For example, during a particularly harsh period for smugglers, bribes were fixed at just 20 per cent the amount of legal duties. UGD/28/1/2, Wylie to Dalglish (Glasgow). Buenos Aires, 23 December 1809.

¹⁹ In the late colonial period, exporting to Buenos Aires 'was only contraband by name & in idea, but in reality not, a certain percentage being paid to the Custom House, which was shared from the Vice Roy down to the lowest officer'. UGD/28/1/1, Wylie to Hancock (Bahia). Rio de Janeiro, 23 June 1809.

It is to be observed however that the ad valorem duty of 25 per cent ... although not of an exorbitant character as regard certain classes of commodities, is nevertheless sufficient to restrict the consumption and importation of articles which are in demand among the lower ranks of the population of Chile, & especially of those cheap textiles fabrics with which England is able to supply.²⁰

Table 8.1
Chilean import duties on foreign textiles, 1815–1877 (ad valorem rate)

Period	1815-1820	1821-1823	1824-1833	1834-1843	1844-1850	1851-1863	1864-1871	1872-1877
Made up clothing	35%	Prohibited	40%	35%	35%	30%	25%	25%
Carpets and blankets	35%	36.5%	40%	30%	30%	25%	25%	25%
Fabrics for ponchos and carpets	35%	36.5%	27%	35%	30%	25%	25%	25%
Wool baizes	35%	36.5%	27%	27%	20%	25%	25%	25%
Other wool manufactures	35%	36.5%	27%	27%	25%	25%	25%	25%
Other cottons	35%	36.5%	27%	27%	20%	25%	25%	25%
Other linens	35%	36.5%	27%	27%	25%	25%	25%	25%
Silks	35%	36.5%	15%	15-30%	15-30%	25%	15%	25%

Source: own elaboration from FO 16/2; FO 16/24; FO 16/40; FO 16/52; FO 16/66; FO 16/75; FO 16/83; *Boletín de las leyes y decretos del gobierno* (Santiago, 1898–1901); R. Anguita, *Leyes promulgadas en Chile* (Santiago, 1912); *Sesiones de los cuerpos legislativos de la Republica de Chile* (Santiago, 1886–1889); Díaz and Wagner, ‘Política comercial’

In Buenos Aires, the story was similar, though with some contrasts. Duties on fabrics remained at a lower level than those imposed by Chile, but for made-up clothing, carpets and blankets they were very high until the mid-1850s. Particularly harsh for British exporters was the so called 1836 Tariff of Rosas, when import duties for some textiles were fixed at 39 per cent, a measure combined with total prohibitions on the most popular garments (Table 8.2). Foreseeing the imposition of this ban, Hodgson & Robinson, as many others, rapidly wrote to Britain:

by a new law or decree of this government the article of poncho stuffs & ponchos of all sorts, horse cloth stuffs, fancy rugs, fringes and edgings for same, respectively, & lacings are not longer allowed to be imported into this

²⁰ FO 16/83, Foreign Office to Harris (Santiago). London, 16 November 1853.

place from and after the period of eight months, counting from the first of the present year ... & in consequence of which desiring you to make all the haste you could in getting off for this place the remainder of the 1000 fancy rugs, as many packages ... of carpet stuffs, as many blue & white cotton striped ponchos stuffs, black & white worsted & cotton horse cloths, with respective fringes & edging, as you could get ready to arrive here in time, or before the above term expires.²¹

Once the prohibition had been imposed, British merchants vigorously sought its derogation, but with little success.²² The early 1850s, though, brought better times for British industrialists, summarised by Platt as ‘Argentine protectionism subsided with the fall of the dictator Rosas’.²³

Table 8.2
Buenos Aires’s import duties on foreign textiles, 1822–1860 (ad valorem rate)²⁴

Period	Made up cloth	Carpets and blankets	Luxury silks	Other silks	All other textiles	Textiles not allowed to be imported
1822-1824	25%	25%	5%	10%	15%	
1825-1828	30%	30%	5%	10%	15%	
1829-1835	30%	30%	5%	10%	17%	
1836	35%	35%	5%	10%	17%	Saddle cloths, fringes for ponchos, rugs and their cloths, garters and girders, ponchos and their cloths
1837-1841	39%	39%	5%	12%	19%	
1842-1848	35%	35%	5%	10%	17%	
1849-1853	37%	37%	7%	12%	19%	
1854-1857	20%	15%	5%	12%	15%	
1858-1860	15%	15%	5%	8%	15%	

Source: own elaboration from BT 6/32; FO 6/5; FO 6/49; FO 6/83; FO 6/150; FO 6/179; *Registro oficial de la provincia de Buenos Aires* (Buenos Aires, 1821–1856); *Leyes de impuestos para el año de 1860* (Buenos Aires, 1859); *Leyes generales de impuestos del Estado de Buenos Aires para el año de 1858* (Buenos Aires, 1857)

Tables 8.1 and 8.2 provide reasonable guides to the level of protectionism imposed by the new republics. A more accurate measure of protectionism could be built by making use of a counter-factual model. For this, we would need to determine, firstly, the value of Southern Cone imports for each category of textiles under free

²¹ GHR/5/1/6, Hodgson & Robinson to Faulkner (Manchester). Buenos Aires, 2 January 1836.

²² GFDP, Hughes to Garrett (London). Buenos Aires, 23 August 1841.

²³ D. C. M. Platt, *Latin America and British trade, 1806–1914* (London, 1972), p. 80.

²⁴ In 1814, import duties amounted to 25 per cent in all textiles, except for made up cloth, paying 35 per cent. J. M. M. Urquijo, ‘Aspectos de la política proteccionista durante la década 1810–1820’, *Boletín de la Academia Nacional de Historia*, Volume 37 (1965), p. 127.

trade (0 per cent import duties), then, apply to those values the percentages presented in Tables 8.1 and 8.2. Only thus could we obtain a weighted average of import duties that would have been paid by British exporters. Alas, it is impossible to build such model: we would need to know all price elasticities, as well as the functions behind the demands of the markets and their supply curves.²⁵ However, Chart 8.2 gives a reasonable substitute of such an ideal measure. It shows the effective import duties paid (weighted by value) by British exporters of woollens and worsteds to Chile (assuming all goods entered the market legally). The average import duty (AID) paid for wool manufactures was thus obtained:

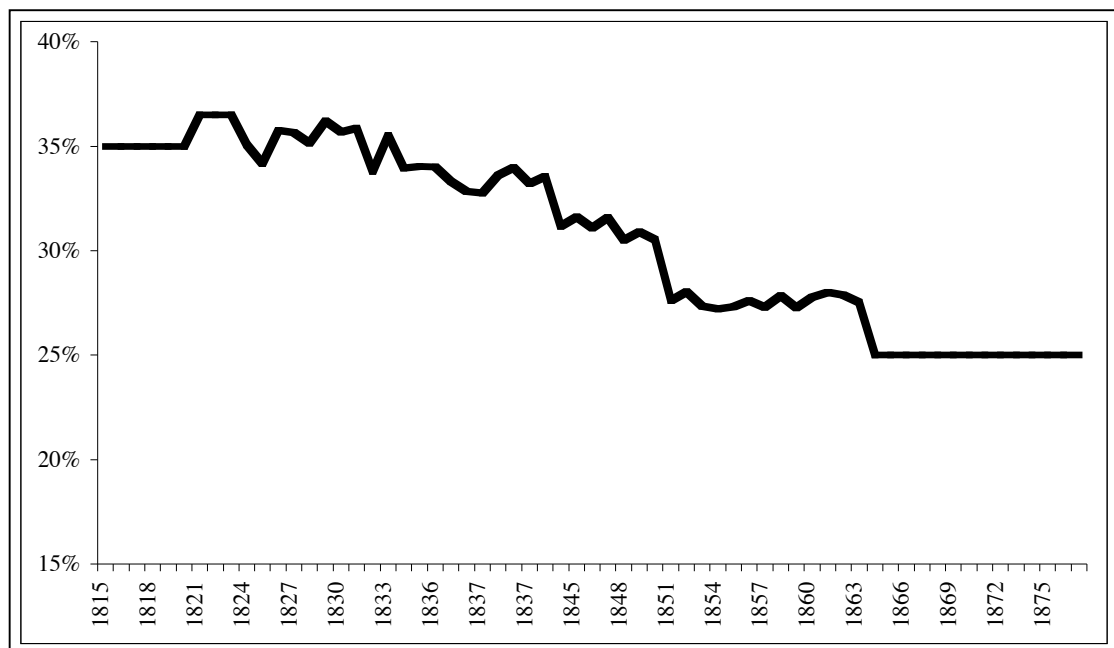
$$AID_{year(t)} = \left[\sum_{i=1}^n IDW_i(t) * WE_i(t) \right] / TWE(t)$$

IDW(i) is the import duty of wool manufacture (i), (n different categories)

WE(i) is the total value of wool manufacture (i) exported from the United Kingdom to the Southern Cone (n different categories)

TWE is the total aggregated value of all WE categories (n) exported from the United Kingdom to the Southern Cone

Chart 8.2
Estimated import duties effectively paid by British exports of wool manufactures to Chile (weighted ad valorem rate), 1815–1877



Source: as in Table 8.1 and Table 2.10

²⁵ Furthermore, how to account for an import prohibition?

Thanks to this simple calculation, Chart 8.2 gives a better idea than Table 8.1 of the gradual reduction that took place in import duties imposed by the Chilean government on foreign wool manufactures. Moreover, considering that, as shown in Table 8.1, this was roughly the same pattern followed by all other branches of the textile trade (i.e. cottons and linens), we can safely extrapolate the chart's findings to both cottons and linens. That is, Chilean import duties on textiles fell gradually from the early 1830s and, in particular, from the 1840s (while the fall in Buenos Aires import duties began a decade later).

High import tariffs *per se* were not the only cost associated with protectionism paid by British exporters. Import duties had to be paid on the spot well before returns for sales were received. As well put by some merchants in the River Plate:

according to the existing Custom House Laws, we shall have to pay the duties, at least many months, before we can, by any possibility, realise the requisite funds from the sales of the goods, especially as we have to give five or six months credit to the parties who buy from us, while the Custom House only gives us three months for one half, and six months for the other half of the amount of duties, calculating from the day of the vessels arrival.²⁶

That is to say, British exporters were extending credit not only to native merchants but, indirectly, to local governments. Other associated tariff costs were port dues²⁷ and, more importantly, export duties paid on gold and silver used to remit sale returns (as argued in Chapter 6).²⁸ Furthermore, export duties on local produce were imposed. Exported Chilean copper was taxed from independence until the end of our period of study.²⁹ In Buenos Aires, the regime was similar. For most of our period of study, tallow paid a 4 per cent export duty, while hides paid between one real and one peso per unit exported.

Finally, in a topic that has not received due attention, until Rosas's fall, foreign goods had to pay import duties not only at Buenos Aires but, if redistributed

²⁶ FO 6/152, British Merchants to Southern (Buenos Aires). Buenos Aires, 23 November 1850.

²⁷ Port dues included anchorage duty, vessel-tonnage duty and muster roll duty. FO 16/23, Walpole to Palmerston (London). Santiago, 16 August 1834.

²⁸ For Buenos Aires's export duties and prohibitions see *Registro oficial de la provincia de Buenos Aires* (Buenos Aires, 1821–1856). In particular: 28 August and 21 December 1821; 29 November 1822; 3 November 1825; 13 March and 20 July 1827; 7 April 1830; 4 October and 14 November 1831; 15 July 1833; and 24 February 1852.

²⁹ For export duties on copper see B. Vicuña-Mackenna, *El libro del cobre i del carbón de piedra en Chile* (Santiago, 1883), pp. 151 and 515. For the period 1813–1827, export duties were \$2 per quintal and, from 1827, \$1 per quintal. At the 1843 prices, these duties accounted for 6 per cent of the export price. FO 132/21, Returns of Trade. Valparaiso, 6 March 1843.

elsewhere, additional duties to the interior customs.³⁰ In the case of textiles, Córdoba and Corrientes were particularly protectionist.³¹ From 1815 until 1822, Corrientes's duty on foreign made-up cloth was 40 per cent. In 1832, the Corrientes government went further and banned imports of made-up cloth, ponchos, jergas, among other textiles, a measure that lasted until 1840.³² Entre Ríos, in turn, during 1821–1835, had moderate duties but, in 1836, established a protectionist tariff, even prohibiting some products such as ponchos.³³ Although Salta-Jujuy applied only moderate duties, they had to be added to those already paid in Buenos Aires.³⁴ Similarly, other provinces such as Mendoza³⁵ and Santa Fé charged extra duties on foreign cloth.³⁶

The impact of war on trade

The growth of British exports to the Southern Cone during the first half of the nineteenth century might have been faster had the new republics enjoyed a more stable political system. The historiography highlights some particular variables operating 'on the spot' as especially important in deterring the development of British exports. Among the most cited are the low-income demand of a mainly rural and scattered population, as well as high internal transportation costs. In this view, the impact that war had on trade is seen as secondary. New evidence suggests quite a different story: political instability was a very serious issue, if not the most important. After all, it should be 'evident that war is at all times & in every country decidedly unfavourable to commerce in a general point of view. No doubt sales must be paralyzed to a great extent'.³⁷

The new patriots of the recently emancipated republics were more concerned with power and wealth than economic development. There was agreement over being independent, but there was not concurrence regarding the way independence should be administered. The history of the Southern Cone following liberation has been

³⁰ M. A. Irigoin, 'La fabricación de moneda en Buenos Aires y Potosí y la transformación de la economía colonial en el Río de la Plata, 1820–1860', in M. A. Irigoin and R. Schmit (editors), *La desintegración de la economía colonial* (Buenos Aires, 2003), p. 78.

³¹ Burgin, *The economic aspects*, pp. 126–137; Bushnell, *Reform and reaction*, pp. 78, 92, 137, 142, 158 and 168; S. Mallo; M. Orruma and A. Latroubesse, 'El comercio entre Buenos Aires y las provincias entre 1830 y 1835', *Primer Congreso de Historia Argentina y Regional. Tucumán, 1971* (Buenos Aires, 1973), p. 265.

³² Chiamonte, *Mercaderes*, pp. 148–149, 189–190 and 269.

³³ Bushnell, *Reform and reaction*, pp. 74, 135 and 156; Mallo et al., 'El comercio', p. 265.

³⁴ Bushnell, *Reform and reaction*, p. 87.

³⁵ *Ibid.*, p. 139.

³⁶ Mallo et al., 'El comercio', p. 265.

³⁷ HPEL, Volume 17, Huth & Co. to Stansfeld (Leeds). London, 23 May 1837.

characterised as a ‘melancholy story of their intestine convulsions’,³⁸ or as stated by a merchant during the Chilean civil war of 1859: ‘what a pity there is a proliferation of bad feeling and hatred for our own brothers, and all in the name of patriotism!’³⁹ Before Rosas,

between the provinces of the Argentine Confederation there is the same jealousy and disunion which prevailed among the Italian Republics of the Middle Ages. They have not the patriotism to unite in defence of the common interests of society; they have not the strength to hold the country in subjection to any constituted authority. They are therefore at the mercy of the *condottieri* who have been trained in this desultory warfare, and have successively transferred their inglorious services to half-a-dozen ephemeral Governments ... War becomes the natural condition of a community in which every successive power exist not by law but by the sword.⁴⁰

This shameful situation led to a permanent state of war or, when at peace, of preparation for war. Whether war impacted heavily on British exports to the region is not a matter of opinion but of facts. Let’s see the evidence of how important the conflicts were.

The situation in Argentina could not have been worse. Appendix 8.1 lists the main conflicts that affected the country. The table is terrifying: between 1810 and 1852, in every single year there was at least one major conflict affecting the new liberated republic, if she may be called as such. Indeed, because of internal conflicts, it may not be possible to consider Argentina an economic and political unit for the first half of the nineteenth century. Instead, the provinces should be considered as separate entities.⁴¹ Internal conflicts led to a generalised warring, particularly between those who wanted Buenos Aires to be a powerful centre of the republic and those seeking autonomy for the provinces. The chief economic cause of these conflicts was the fight to control the main source of taxation: Buenos Aires’s customs. Yet, there were also inter-republic wars; wars against the Indians; and four long international blockades.

³⁸ A. Mallalieu, *Buenos Ayres-Montevideo and affairs in the River Plate* (Edinburgh, 1844), p. 15.

³⁹ BWP, Box 4, Volume 1, Williamson to Salomé. Liverpool, 24 June 1859. Original in Spanish: ‘*Que lastima ver el desenfreno de todos los malos sentimientos y odios del corazon humano contra hermanos, y todo bajo el nombre de patriotismo!*’.

⁴⁰ *The Times*, ‘The last arrivals from South America’, 16 August 1853.

⁴¹ Chiaramonte, *Mercaderes*, pp. 21–41. As stated by Irigoin: ‘independence in the 1810s resulted in fragmentation into 14 fiscally and politically autonomous provinces ... Political disunity made the identification of a unit of analysis for historical studies of the early nineteenth century difficult. This explain why little “national” economic history has been written for the 1810s–1860s period and why the bulk of the literature focuses on the second half of the century’. M. A. Irigoin, ‘Finance, politics and economics in Buenos Aires, 1820s–1860s. The political economy of currency stabilisation’, PhD Thesis, LSE (2000), p. 9.

The other object of study, Chile, a country which has long enjoyed a reputation for political stability,⁴² did not escape disruption. This reputation has been given in relation to Chile's neighbours. Yet, being less affected by post-independence revolts was not a guarantee of political stability. As stated by a nineteenth century historian 'Chile was in 1819 actually poorer than in 1810 ... nine years of revolution and revolts had paralyzed the productive forces of the country'.⁴³ The consolidation of independence was followed by the 'anarchy period' (1823–1830) which 'interrupted the recovery of trade'.⁴⁴ In the late 1820s, a Swedish lawyer observed: 'still the Chileans have not been able to advocate themselves to the industry, art and sciences. The war against the Spanish and their internal differences have absorbed all their time and activity'.⁴⁵ In the same vein, for Salazar 'the period 1810–1840 was, for one reason or another, one of almost permanent warfare, especially in the southern provinces'.⁴⁶ Appendix 8.2 lists the main conflicts that affected Chile and, though the list is shorter than for Argentina, conditions were not encouraging for British exporters.

Internal conflicts on both sides of the Andes were very damaging to British exporters. Firstly, there was a disruption of production as labour was forcefully conscripted into local armies. In the words of Gibson, during Rosas's time, 'every able-bodied man was taken to serve in the army'.⁴⁷ In 1829, in the middle of a serious internal discord, a provincial agent of a merchant at Buenos Aires wrote: 'I am actually alone, not one peon to be had'.⁴⁸ Sadly, many of these men never returned home. It is estimated that in Chile, by 1830, as much as 15–20 per cent of the population aged between 20 and 40 was lost during internal conflicts and independence wars.⁴⁹ Domestic production declined accordingly, which was immediately translated into a

⁴² For instance, for Miller, after Latin American independence 'liberal hopes of political stability and constitutional progress were almost everywhere quickly disappointed ... with the exception of Chile'. R. Miller, *Britain and Latin America in the nineteenth and twentieth centuries* (London, 1993), p. 7.

⁴³ D. Barros-Arana, *Historia jeneral de Chile* (Santiago, 1884–1893), XII: p. 365.

⁴⁴ J. L. Rector, 'Merchants, trade and commercial policy in Chile, 1810–1840', PhD Thesis, Indiana University (1976), p. 75.

⁴⁵ C. E. Bladh, *La República de Chile, 1821–1828* (Santiago, 1951), p. 103.

⁴⁶ G. Salazar, 'Entrepreneurs and peons in the transition to industrial capitalism: Chile, 1820–78', PhD Thesis, The University of Hull (1984), p. 423.

⁴⁷ H. Gibson, *The history and present state of the sheep-breeding industry in the Argentine republic* (Buenos Aires, 1893), p. 30. In 1843 Hamilton reported that 'the peons ... have disappeared in such numbers, that hands sufficient to gather in the harvest ... have not been left'. FO 6/46, Hamilton to Palmerston (London). Buenos Aires, 26 January 1835. See also FO 6/85, Griffiths to The Earl of Aberdeen (London). Buenos Aires, 31 July 1842.

⁴⁸ GHR/5/1/3, Quan to Hodgson, quoted in Green & Hodgson to Green (Liverpool). Buenos Aires, 16 March 1829.

⁴⁹ Encina, *Historia de Chile*, X: p. 105.

lack of means of payments for imported textiles. As stated by a Briton at Buenos Aires during the 1841 revolts: 'produce is scarce ... there is very little offering & peons are so scarce that it is with difficulty the saladeros can be supplied & there is scarcely any cattle brought in from the interior'.⁵⁰

Furthermore, armies had to be fed and, therefore, animals and crops were taken away, when not destroyed to prevent their use by rival forces. In the words of a local merchant: 'of all descriptions of warfare none can possibly be of so destructive a nature as a montonera war ... all the chacras & villages round deserted & plundered of their cattle by one party or the other'.⁵¹ Similarly, one of the earliest vice Consuls in south Chile maintained that:

The commerce of this province [Concepción] felt severely the effect of the insurrection of the previous year: the amount of animals, and cereals used and destroyed by the parties in arms, the paralización of all industry, loss of men, as well as the dislocation of all previous order, will be felt for years to come. The great number of animals destroyed created an advance in price of at least 50 per cent over previous years.⁵²

As well as affecting supply, wars reduced demand as they 'impoverished the middle and lower classes of the interior ... while the townspeople were subject to various military duties and decreased their income'.⁵³ It may be thought that farmers and peons enrolled in the armies were entitled to wages and therefore kept, somehow, their purchasing power to buy British textiles. This was not the case in the Southern Cone, as explained by Consul Griffiths in 1838:

A very considerable diminution in the value of the British goods imported for the consumption of these provinces ... may be attributed to the increasing poverty of the middle classes and lower orders owing to the war ... The country people have everywhere been compelled to take up arms ... while the towns people have also been subject to various military duties, which have prevented them from earning the usual wages of their personal industry. The pay allowed to the military by this government is so scanty that it scarcely suffices for the daily expenses of the officers and soldiers, and the purchase of our manufactured articles of the most ordinary kind is almost out of their power.⁵⁴

⁵⁰ GFDP, Hughes to Garrett (London). Buenos Aires, 13 August 1841.

⁵¹ GHR/5/1/3, Green & Hodgson to Green (Liverpool). Buenos Aires, 8 June 1829. For more evidence of cattle driven away and plundered farms during internal conflicts see A. D'Orbigny, *Viaje a la America meridional* (Buenos Aires, 1945), I: pp. 205 and 408; T. Whigham, 'Cattle raising in the Argentine northeast: Corrientes, c.1750–1870', *JLAS*, Volume 20-2 (1988), p. 323.

⁵² FO 16/84, 'Commercial Report for 1852'. Concepción, 1 May 1853. For the negative impact of war on Chilean agriculture before 1830 see Bladh, *La República*, p. 122; Encina, *Historia de Chile*, X: p. 116; Gay, *Historia física*, VII: p. 309.

⁵³ V. B. Reber, *British mercantile houses in Buenos Aires, 1810-1880* (Cambridge-MA, 1979), p. 15.

⁵⁴ FO 6/66, Griffiths to Lord Palmerston (London). Buenos Aires, 14 May 1838.

The editor of *The British Packet* made his own synopsis: 'with the exception of powder, ammunition, military equipments, and the absolute necessities of life, nothing has been in demand and nothing consumed'.⁵⁵

Furthermore, the channels for redistributing imported manufactures were greatly affected. Considering the material role played by Valparaiso and Buenos Aires as emporiums of their national economies, any internal conflict had catastrophic consequences. Buenos Aires was 'the only port for the introduction of British manufactures into the Argentine Republic',⁵⁶ from where imports were forwarded to the provinces. As a consequence, internal revolts 'paralysed all commercial operations'⁵⁷ of the country. During the Dorrego Crisis, for instance, Consul Parish reported that

the state of the interior is most deplorable. All trade and communication with several of the Upper Provinces, especially those bordering upon Chili, has been long cut off, and our commercial interest suffer in proportion to the diminution in the ordinary demand for European goods, and from the stoppage of those articles of native produce from the interior in which they want to make their returns.⁵⁸

During the 1843–1844 uprisings, Dickson's agent at Buenos Aires commented that 'Corrientes, one of our principal markets is closed on account of its still continuing in rebellion against the Confederation & no vessels are allowed to go up or come down from thence'.⁵⁹

The Southern Cone's population was primarily rural and scattered all over the republics. The populations of Buenos Aires, Valparaiso or Santiago were shadows of what they are today, both in relative and in absolute terms. Residents outside the main ports and capital cities were the prime consumers. When the markets they constituted were closed, foreign houses based in the national emporiums suffered over-stocking of goods, were forced to stop orders for further British goods, and ceased to extend credit in the local market. During the 1831 revolts, Parish reported:

The trade ... continues to fall off owing to the unsettled state of the political affairs ... The recent commencement of a civil war ... puts an end ... to any prospect of the usual demand for European goods for those districts. Should it continue a few months longer British imports will this year fall very short of what they generally amount to under ordinary circumstances. Much

⁵⁵ *The British Packet*, 1 January 1853. For Chile, see Encina, *Historia de Chile*, X: p. 115.

⁵⁶ FO 6/191, British Merchants to the Earl of Clarendon (London). Liverpool, 30 March 1855.

⁵⁷ FO 6/31, Gross return of British and foreign trade. Buenos Aires, 31 December 1829.

⁵⁸ FO 6/30, Parish to The Earl of Aberdeen (London). Buenos Aires, 14 January 1830.

⁵⁹ GFDP, Hughes to Dickson (London). Buenos Aires, 27 April 1844.

commercial distress is the consequence and the failure of several respectable houses which has increased the general want of confidence and has led to a total suspension of private credit, & to a complete stagnation of business.⁶⁰

In similar terms, 'the most intelligent merchants at Valparaiso ... assign as a reason the Revolution of 1851'⁶¹ to explain the fall of British exports to the Chilean market.

Buenos Aires was not only the entrance port, but also the exit door through which local produce was remitted to Britain. In turn, during our period of study, the provinces were the main producing centres of raw materials such as hides, tallow and jerked beef. Entre Ríos, Corrientes and Santa Fé were of material importance for remittances to Britain.⁶² Similarly, precious metals from the provinces closer to Bolivia and Chile provided most gold and silver exported from Buenos Aires during the first decades after liberation. Any break in the flows of goods or bullion and specie from the provinces meant that there was little with which to pay for imports. In the words of a pioneer merchant during the independence wars: 'our trade is ... much injured by a civil war that has been going on for some months past in the interior, which has prevented the dollars from coming down, and the goods from being sent up'.⁶³

Furthermore, the new republics become involved in grave international conflicts,⁶⁴ in particular, Buenos Aires which suffered four great blockades: the Brazilian (December 1825 to September 1828), the French (March 1838 to November 1840), the Anglo-French (September 1845 to June 1848) and another Brazilian in mid-1851. All in all, from the end of 1825 until mid 1848, Buenos Aires was blockaded for 103 months, or around 37% of the time during these years. Considering the uncertainty and slowness in communications during this period, the consequences of blockades can be extrapolated to a longer period of time. For instance, in the first of these sieges, London only got the news almost four months after the blockade had been raised.⁶⁵

Had Buenos Aires been freed from blockades, there can be no doubt that British exports would have been much greater although this view is not shared by most

⁶⁰ FO 6/32, Gross return of British and foreign trade. Buenos Aires, 30 June 1831.

⁶¹ FO 16/89-B, Harris to The Earl of Clarendon (London). Santiago, 25 September 1854. This was confirmed by Duncan few months before establishing a house in Chile. BWP, Box 17, Volume 3, Duncan to Williamson (Liverpool). Lima, 8 October 1851.

⁶² About the importance of Corrientes see FO 6/95, Mandeville to The Earl of Aberdeen (London). Buenos Aires, 16 April 1844.

⁶³ UGD/28/1/1, Wylie to Hancock (Manchester). Buenos Aires, 8 December 1809.

⁶⁴ Yet, as argued by Miller, the distinction between internal and international conflicts was many times difficult to make, as civil wars and international conflicts 'were often interconnected, since rebels received support from neighbouring countries'. Miller, *Britain and Latin America*, p. 50.

⁶⁵ HPEL, Volume 3, Huth & Co. to Fernández-Molina (Buenos Aires). London, 20 January 1829.

scholars. Reber, in the major study of British houses, acknowledged that ‘the nature of the Rio de la Plata itself made it relatively easy for neutral vessels to break the blockade’.⁶⁶ Likewise, it has been argued that ‘far from stopping completely, commercial exchange in the estuary, the blockades merely dispersed it and enhanced its speculative nature’.⁶⁷ Chart 8.3 and Appendix 8.3 suggest quite different experience: blockades were effective in impeding the entrance of British manufactures as well as the exit of local produce.⁶⁸ During the early 1820s, over 100 British vessels entered Buenos Aires every year but, during the first Brazilian blockade, only 18 British merchant vessels made their way into the port.⁶⁹ As stated by British merchants:

Up to the end of 1825 the foreign trade carried on at this port was in a very flourishing and increasing state. In December of that year a blockading squadron was stationed in the River Plate by the Brazilians, and since that period ... the demand has been supplied by the very precarious trade carried on by vessels breaking the blockade. In this manner there has been no actual want of foreign necessities, nor even of luxuries ... and substitutes have in many instances been found for the former in the production of the country, which have greatly diminished the inconvenience that the suspension of foreign imports would otherwise have occasioned.⁷⁰

Over the rest of the blockades, the situation was similar (see Appendix 8.3). In the middle of the French siege, Liverpool merchants and ship owners sent a memorial to the Foreign Office stating that ‘their trade with Buenos Ayres has been completely suspended, during a period of nearly two years, by the blockade of that port ... which has already caused them very great loss’.⁷¹ During the Anglo-French intervention, *The Times* correspondent at Montevideo reported that ‘during 1844 and 1845 ... 10 vessels

⁶⁶ Reber, *British mercantile houses*, p. 18. It has also been said that the Brazilian blockade ‘may have been a factor in the reduction of overseas trade. However, from all accounts, the blockade was not very effective’. K. Robinson, ‘The merchants of post-independence Buenos Aires’, in W. S. Coker (editor), *Hispanic American essays in honor of Max Leon Moorhead* (Pensacola, 1979), p. 121.

⁶⁷ J. Brown, *A socioeconomic history of Argentina, 1776–1860* (Cambridge, 1979), p. 91.

⁶⁸ The impact of the French blockade is not fully appreciated in Chart 8.3 because it is not possible to isolate exports to Buenos Aires of exports to Montevideo (see footnote 1 in Chapter 1). Thus, as exports for Buenos Aires were unloaded at Montevideo during the blockade, the actual impact of the siege on exports to Buenos Aires is not fully contained in the chart. In contrast, during the Brazilian and the Anglo-French blockades, the whole of the River Plate was blockaded.

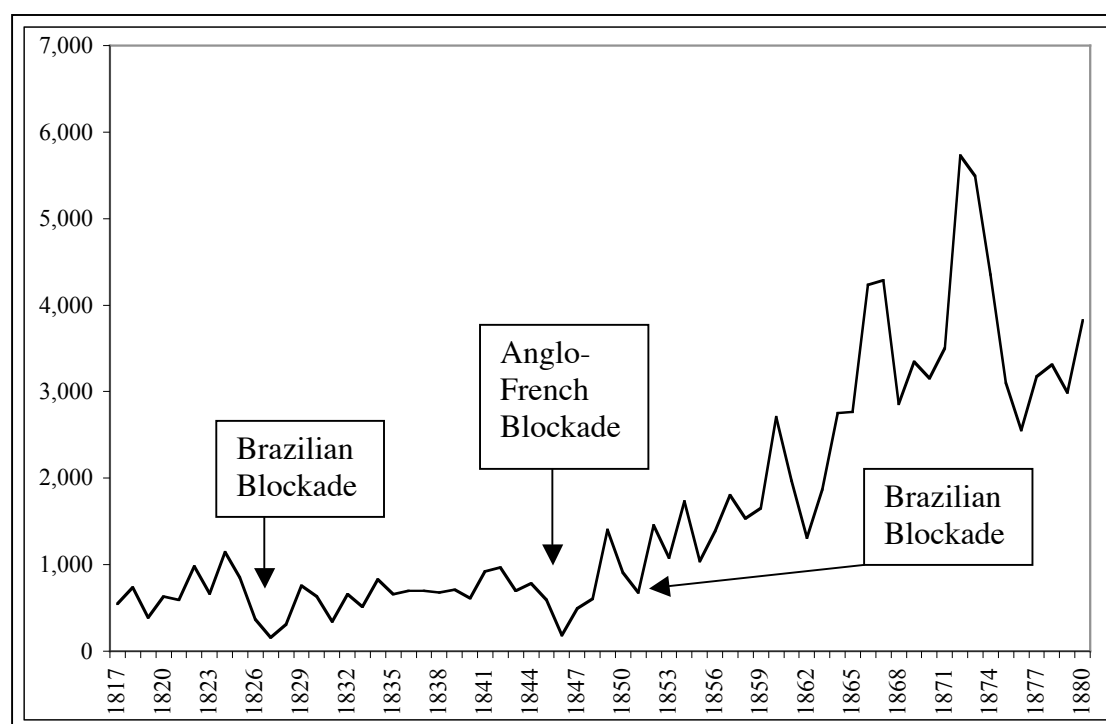
⁶⁹ Coincident with this point, Parish reported that during the first semester of 1826, only two British merchant vessels managed to elude the Brazilian Squadron and that during the second semester the situation was more dramatic. FO 6/11, Parish to Bidwell (London). Buenos Aires, 20 July and 31 December 1826. Close to the end of this blockade Parish reported that ‘the regular course of the trade of this country may be said to be entirely stopped’. FO 6/20, Return of Trade. Buenos Aires, 30 June 1827.

⁷⁰ FO 354/4, ‘Report from the Merchants Committee’, quoted in Parish to Bidwell (London). Buenos Aires, 31 December 1827.

⁷¹ FO 6/72, Memorial of British merchants and ship-owners to Lord Palmerston (London). Liverpool, December 1839.

only were laden at this port, 3 in the former year and 7 in the latter'.⁷² Such distress was caused that frequently merchants were forced to forward their goods to Chile, from where their textiles were expensively redistributed overland to Argentina.⁷³

Chart 8.3
United Kingdom exports to the River Plate, 1817–1880 (£000)



Source: own elaboration from Table A.2.2.1 of Appendix 2.2

In the Chilean case, there was also a blockade during the war with Peru (1836–1839) which greatly affected foreign trade. At the peak of this conflict, Britain's exports to Chile fell to £0.4m in 1838, their lowest level since the early 1820s (Table A.2.2.1 and Chart 8.4). With regard to the impact of this conflict Consul Walpole reported that the

trade of Valparaiso seems to have experienced a very considerable depression during the year 1840. During the continuation of the war between this country and Peru, that is from the end of 1836 to the middle of 1839, the exports from Europe were regulated by those principles of caution and of prudence which generally guide the British manufacturers in their

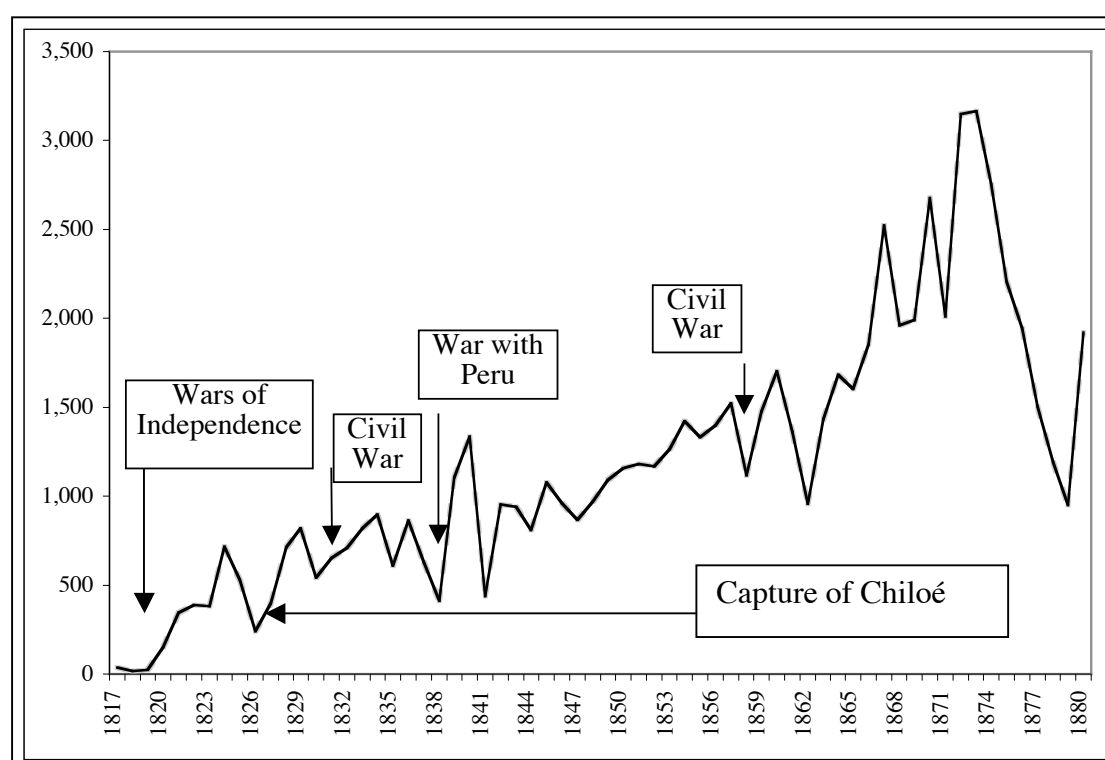
⁷² *The Times*, 'Affairs of Rio de la Plata', 19 February 1847.

⁷³ F. Walpole, *Four years in the Pacific in Her Majesty's ship 'Collingwood'* (London, 1850), pp. 85–86.

shipment to distant countries during periods of international warfare or intestine dissensions.⁷⁴

That exporters avoided sending goods to regions in conflict is confirmed in this extract: ‘Hall & Clarkson wrote to our Lima friends that you had discouraged them sending shawls to Tacna or Valparaiso on account of political disturbances in Peru ... [and they] had suspended shipments on your suggestion’.⁷⁵

Chart 8.4
United Kingdom exports to Chile, 1817–1880 (£000)



Source: own elaboration from Table A.2.2.1 of Appendix 2.2

During blockades, merchants were not only unable to import but also remittances to Britain were literally locked up on the spot. Six months before the raising of the Brazilian blockade, it was estimated that nearly 3m hides were waiting in Buenos Aires to be exported, while ‘there was not a single transaction of

⁷⁴ FO 16/43, Report of the state of trade. Santiago, 15 June 1841. For more evidence of the impact of the war with Peru see HPGL, MS 10700-6, Ward to Barnard (Liverpool). Valparaiso, 28 August 1837.

⁷⁵ HPEL, Volume 26, Huth & Co. to Huth & Co. (London). Liverpool, 28 January 1839.

Argentinean hides' in the English market.⁷⁶ No wonder merchants on the spot stated that:

The great mass of British property in the country consists of debts owing by the natives which it was impossible immediately to recover, and in goods imported which could only be realized by giving long credits for their payment. As these debts were afterwards gradually recovered and the goods realized the funds were either invested in hide & other produce or held over in the expectation that a speedy termination to the war would cause a reaction in the exchange and admit of their being remitted to Europe.⁷⁷

Being forced to invest sale returns in hides that could not be exported caused great losses on the capital so invested. Furthermore, the hides had to be protected against 'the heat of the sun and the ravages of insects', generating 'enormous expense attendant on its preservation from high price labour'.⁷⁸ On an investment of £1m in hides during the French Blockade, Liverpool merchants remarked 'that the expense of preserving the same from entire destruction is estimated at not least than £20,000 monthly'⁷⁹ (equivalent to 27 per cent per year).

International conflicts involved not only blockades but also inter-republic wars and conflicts with the Indians (see Appendices 8.1 and 8.2). Rosas had disputes with Uruguay, Brazil, Paraguay, Bolivia, Peru, Chile⁸⁰ and the unconquered Indians. Chile, in turn, had clashes with Rosas, Bolivia, Peru, and the rebel Indians.⁸¹ All caused an immeasurable drain of resources for the new governments, which expended a substantial part of their budgets on waging war.⁸² During the dispute with Bolivia, Consul Griffiths believed that 'the war ... must drain the resources of these States to

⁷⁶ HPEL, Volume 1, Huth & Co. to Sánchez (Buenos Aires). London, 8 March 1828. During the French blockade it was estimated that 'the amount of British capital now locked up in Buenos Ayres is not less than from a million to a million and a half sterling'. FO 6/72, British Merchants and Ship-owners to Lord Palmerston (London). Liverpool, December 1839.

⁷⁷ FO 6/19, British Merchants to Lord Ponsonby (Buenos Aires). Buenos Aires, 1 December 1827.

⁷⁸ FO 6/25, Glasgow merchants to the Foreign Office (London). Glasgow, 7 January 1828.

⁷⁹ FO 6/72, Memorial of British Merchants and Ship-owners to Lord Palmerston (London). Liverpool, December 1839.

⁸⁰ Conflicts between Buenos Aires and Chile during this time took the form of commercial wars. In 1842 there was 'a decree of the Chilian government prohibiting the exportation and importation by the cordilleras of all merchandize whether of Argentine or foreign manufacture, and also of cattle'. FO 6/84, Mandeville to The Earl of Aberdeen (London). Montevideo, 4 July 1842.

⁸¹ In 1849, a 'forty-niner' in Valparaíso remarked: 'the Chileans are now at war with the Araucanian Indians in the south, and large bodies of troops are being sent hither. On Saturday a regiment arrived here from Santiago to be sent to the theatre of war. Early this morning I went on shore to witness the embarkation of several hundred soldiers'. E. Christman, *One man's gold* (New York, 1930), p. 54.

⁸² For Burgin, 'protection against Indian attacks came to be considered an essential task of the government'. Burgin, *The economic aspects*, p. 27.

their lowest ebb, and will I fear cause a complete stagnation in our commercial business'.⁸³

Inter-republic conflicts generated a great deal of uncertainty in the mercantile community, affecting all links in the market chain. During clashes between Chile and Peru, for instance, the house of Huth & Co. decided that 'for the present we should not wish to enter into new engagements for advances on shipments to our friends on the West Coast'.⁸⁴ Advances being a key element in the making of consignments, not surprisingly, British exports to Chile declined markedly during 1837–1839. Indeed, Huth & Co. not only denied advances on consignment to most suppliers but also advised their closest friends that they 'would not recommend any shipments of cloths just now, until we hear what turn the political affairs between Chili and Peru have taken'.⁸⁵

There were other war-related implications discouraging British exports to the Southern Cone. These included the risk of British property being looted in the zones of conflict and the risk for merchants on the spot of losing their lives.⁸⁶ In late 1843, during the conflict between Buenos Aires and Montevideo, the chairman of the Mexican and South American Association stated to the Foreign Office that 'British interests are doomed, and British subjects endangered, even to death'.⁸⁷ During the Anglo-French siege of the River Plate, Fowler, a British subject who had 'occupied himself for some years in the barter of English goods for native produce', was asked to leave his property and lost everything.⁸⁸ Ruiz, one of Dickson's main customers, was less fortunate:

[He] was seated in his shop reading the *Diario de la Tarde* when three men entered with their faces masked wearing long ponchos & one of them lifting a pistol from under his poncho shot poor old Ruiz through the head ... It is said that one of Ruiz children seated on her father's knee was shot with him.⁸⁹

⁸³ FO 6/60, Griffiths to Palmerston (London). Buenos Aires, 2 September 1837.

⁸⁴ HPEL, Volume 17, Huth & Co. to Halliday (Sanquhar). London, 9 May 1837. See also Volume 18, Huth & Co. to Stansfeld (Manchester). London, 4 November 1837: 'we have no objection to receive consignments ... but under the existing state of warfare between Chili & Peru, we are sorry to have to decline all advances for the present'.

⁸⁵ HPEL, Volume 17, Huth & Co. to Rawson & Saltmarshe (Halifax). London, 30 May 1837.

⁸⁶ FO 6/104, Memorandum by Ouseley, July 1845.

⁸⁷ FO 6/93, Beley to Foreign Office (London). Liverpool, 1 December 1843.

⁸⁸ FO 6/183-B, Rivolla to Palmerston (London). London, 6 November 1846.

⁸⁹ GFDP, Hughes to Garrett (London). Buenos Aires, 31 March 1842.

Similarly, in Chile, the British steamer *Fire-Fly* was seized by rebels in Coquimbo during the 1851 civil war.⁹⁰ In the same year, another British vessel, *Eliza Cornish*, as well as a US vessel, *Florida*, were seized by rebels in southern Chile.⁹¹ After these incidents, alarm spread within the British community to such an extent that it was recommended to avoid using the Strait of Magellan until the rebels had been controlled. During the same revolt, British subjects reported that insurgents in the north of the country had looted their establishments at Copiapó and Tres Puntas and that they were ‘threatened with instant death’ if they refused to obey.⁹²

Finally, the impact of conflict on trade, whether a blockade, a war against the Indians, an inter-republic conflict or a civil war, was felt not only during the conflicts but also long after they had ended. The end of the conflict brought a great deal of confusion for the merchant community, both on the spot and in Britain.⁹³ Furthermore, the political instability induced many exporters to abandon the trade and, instead, to supply other niches. During the conflicts that preceded the Anglo-French blockade, a Rochdale⁹⁴ manufacturer assured Lord Aberdeen that ‘several of our oldest manufacturers have abandoned the trade and others are almost ready to do so’.⁹⁵ Changing lines of production to adapt goods for alternative markets was costly and, once the decision to leave a market was taken, there was little hope of returning to it. Because of the French blockade of Buenos Aires, for instance, Hodgson & Robinson lost their regular supplier of baizes, who had started to produce for the Dutch market.⁹⁶ In turn, potential suppliers were also kept away from the market. In late 1825, for example, Moore sent his first consignment of wool manufactures to Buenos Aires. To his bad luck, the Brazilians blockaded the port; the goods could not be sold and Moore never consigned again.⁹⁷

⁹⁰ FO 16/73, Varas to Sullivan (Santiago). Santiago, 16 September 1851.

⁹¹ FO 16/77, Varas to Sullivan (Santiago). Santiago, 12 January 1852.

⁹² FO 16/77, Tehovich & Abrines to Sullivan (Santiago). Copiapó, 15 February 1852. See also the cases of Abbot in La Serena, Manton in Central Chile, and Crossman in Talcahuano (all in FO 16/78).

⁹³ The negative impact of blockades lasted longer than the blockade itself: ‘owing to the confusion still prevailing in Buenos Ayres by the last accounts, our own market for hides has not received any pointed direction, and it is difficult to form an opinion as to the turn it is likely to take’. HPEL, Volume 31, Huth & Co. to Zimmerman, Frazier & Co. (Montevideo). London, 3 March 1841.

⁹⁴ Rochdale specialised in the production of baizes for South America. A. P. Wadsworth, ‘The history of the Rochdale woollen trade’, *Transactions of the Rochdale Literary and Scientific Society*, Volume 15 (1923).

⁹⁵ FO 6/110, Ashworth to Lord Aberdeen (London). Rochdale, 8 March 1845.

⁹⁶ GHR/5/2/13, Owens & Son to Hodgson & Robinson (Buenos Aires). Manchester, 14 July 1841.

⁹⁷ GHR/5/1/3, Green & Hodgson to Moore (Leeds). Buenos Aires, 19 October 1825. Listing this sort of example was suggested by Dr Bernard Attard during a postgraduate seminar paper given by this author at the School of Historical Studies (University of Leicester), for which the author thanks him.

Not only did manufacturers decide to quit politically unstable markets, but also merchants and shippers. During the French blockade, six vessels that had sailed from Liverpool to Buenos Aires without having notice of the conflict, were forced to discharge their goods at Montevideo, a market for which they were not intended.⁹⁸ Similarly, during the Anglo-French siege, the *Caledonian* was not allowed to enter Buenos Aires and was so forced to unload her textiles at Montevideo, which had 'been selected in England for the markets of Buenos Aires'.⁹⁹ At Montevideo, ship masters had to feed and pay their crews, while exporters bore the costs of credit and capital for unsold goods. Exporters were thus 'incurring a very heavy loss consequent on lapse of time, deterioration of quality from insufficient means of storage, and heavy expenses, besides loss of interests'.¹⁰⁰ Under these circumstances, there was a justified reluctance to serve politically unstable markets again.

Moreover, when the conflicts ended, markets overreacted and ordered more goods than could possibly be absorbed. As observed by Consul Griffiths, after 'the raising of the French blockade ... large supplies of merchandise of every description were instantly brought hither, and this market is now again overstocked with European goods of every description'.¹⁰¹ Similarly, in Chile, after the war with Peru, British exports in 1840 reached their maximum level in over 30 years of direct trade, a level only seen again 15 years latter (Chart 8.4). Consul Walpole, summarised magisterially the situation:

On the establishment of peace the small proportion of foreign supplies remaining in the warehouses of Valparaiso found a ready and profitable sale. The intelligence of the happy change having reached Europe, the scarcity of European goods, in consequence of the above mentioned limited supply during the war and the favourable prospects being reported, did, as was to be expected, create an increase in the exports to this country, but as on all similar occasions the manufacturers are rarely governed by the real demand in the market to which the goods are exported, but alone by their power of fabrication. Supplies from all parts, from England, France, Germany and North America, poured in during the latter end of 1839 and the whole of 1840 to an extent unprecedented, and infinitely disproportioned to the consumption calculated under the most favourable circumstances.¹⁰²

⁹⁸ FO 6/72, Dickson to Foreign Office (London). London, 11 March 1839.

⁹⁹ FO 6/183-B, Smith Brothers & Co. to Lord Aberdeen (London). Montevideo, 26 June 1846.

¹⁰⁰ FO 6/72, Memorial of British Merchants and Ship-owners to Lord Palmerston (London). Liverpool, December 1839.

¹⁰¹ FO 6/85, Griffiths to The Earl of Aberdeen (London). Buenos Aires, 31 July 1842.

¹⁰² FO 16/43, Report of the state of trade of Chili. Santiago, 15 June 1841.

Port facilities on the spot and freedom of navigation

In Chapter 7, within the section on shipping developments, it was established that there were substantial reductions in sailing times during our period of interest, which fostered British exports to the Southern Cone. As important as voyage times was the period spent loading and unloading vessels on the spot.¹⁰³ For example, in the late colonial period, the loading of vessels trading between Valparaiso and Lima very often took longer than the voyage.¹⁰⁴ Chart 4.1 (p. 146) gives a sample of the idle times of British vessels at Buenos Aires. Time in port was very long; it took from two to five months to unload and load small vessels on account of poor port facilities. In the words of a British merchant at Buenos Aires: ‘this being the worst place in the world for a ship to lay, and the most expensive to unload or load ... The unloading of a vessel here will come to as much as her freight in many instance’.¹⁰⁵

The high costs of loading and unloading were well explained by a visitor in the mid-1820s: ‘there is no harbour at Buenos Aires, nor even so much as a mole or wharf to facilitate the landing of boats ... The cargoes are taken out by lighters ... and are conveyed on shore through a little river ... where the merchandise is put into carts’.¹⁰⁶ Twenty years later, in a British directory of foreign ports the entry for Buenos Aires reads that ‘there is no harbour ... large vessels ... lie in the outer roads, about 7 to 8 miles from the shore’. Similarly, for Valparaiso it reported that ‘large vessels lie pretty far off from the shore, in case of northerly gales, the place being much exposed to danger therefrom’.¹⁰⁷ Before 1830, there was no proper dock in Valparaiso.¹⁰⁸

Before the mid-century, while there were no major developments in Southern Cone port facilities, some improvements were undertaken. The first proper *muelle* at Valparaiso was completed in 1830.¹⁰⁹ If in the eighteenth century ‘it took from one to three months to prepare a vessel for sailing’ in the main Chilean port, ‘by the early

¹⁰³ Even in Britain, during the first half of the nineteenth century ‘the poor port facilities in Wales acted as a constrain upon the employment of large vessels in the copper ore trade’. R. Craig, ‘British tramp shipping, 1750–1914’, *Research in Maritime History*, Volume 24 (2003), p. 74.

¹⁰⁴ Rector, ‘Merchants, trade’, p. 180.

¹⁰⁵ UGD/28/1/2, Wylie to Hancock (Manchester). Buenos Aires, 9 February 1810. See also Brown, *A socioeconomic history*, pp. 70–71; M. D. Bejar, *Buenos Aires y la aduana, 1809–1862* (Buenos Aires, 1984), pp. 87 and 92.

¹⁰⁶ B. Morrell, *A narrative of four voyages on the South Sea* (New York, 1832), p. 153. See also FO 354/8, Mercantile Circular, February 1829.

¹⁰⁷ J. Daniel, *Directory of the foreign port charges* (London, 1844), pp. 83 and 102.

¹⁰⁸ Encina, *Historia de Chile*, X: p. 185.

¹⁰⁹ Ibid.

1830s, the average stay of a ship in port had decreased to 18 days'.¹¹⁰ Similarly, around the same time 'the Rosas government built a pair of long, heavy wharves that lasted until the end of the century'.¹¹¹ From Chart 4.1, it is clear that c.1850 combined unloading and loading times at Buenos Aires fell to an average of three months, when vessels were bigger than in the 1820s. Thereafter, most scholars consider that from the 1850s, Southern Cone ports were further modernised and could cope economically with vessels of bigger tonnage.¹¹² Port facilities improvements were commented upon by a contemporary in 1868:

This is my second visit to Buenos Ayres, after a lapse of 15 years and, although from the sea no remarkable change appears to the eye, yet, after landing, the enormous increase of the city soon becomes apparent ... The mole and Custom House were new to me, as also the landing pier for boats – a very great convenience and improvement on the old carts, into which you had to get from the boat.¹¹³

Another important development which accelerated and cheapened the redistribution of goods on the spot was what could be termed 'freedom of navigation'. For many long periods of time, access to the tributaries of the River Plate was banned by the Buenos Airean government.¹¹⁴ As stated by local merchants during one of these periods: 'Rosas closed the navigation of both the Rivers Parana and Uruguay and enforced that severe measure with harassing decrees ... [which] during the whole period greatly impeded and injured British commerce'.¹¹⁵ This was a most serious matter that called 'the attention of those powers whose interest is to obtain the free navigation up the river'.¹¹⁶ Indeed, frustrated merchants thought that 'Paraguay would consume a considerable quantity of goods but no vessels are allowed to go there'.¹¹⁷ The fall of Rosas in 1852 started to change all this. Urquiza opened the River Paraná

¹¹⁰ *El Mercurio*, 20 May 1834, quoted in Rector, 'Merchants, trade', p. 197.

¹¹¹ C. B. Kroeber, *The growth of the shipping industry in the Rio de la Plata region, 1794–1860* (Madison, 1957), p. 35.

¹¹² J. Oribe, 'Freight rates in the trade between Europe and South America, 1840–1914', *JLAS*, Volume 21-1 (1989), p. 200. See also Kroeber, *The growth of the shipping*, p. 113; Salazar, 'Entrepreneurs and peons', p. 561; Reber, *British mercantile houses*, p. 81.

¹¹³ W. Hadfield, *Brazil and the River Plate in 1868* (London, 1869), p. 102.

¹¹⁴ J. L. Romero, *Breve historia de la Argentina* (Buenos Aires, 2002), pp. 67–68, 80 and 86; R. Schmit, 'Comercio y mercado en el litoral argentino durante la primera mitad del siglo XIX', *Cuadernos del Instituto Ravignani*, Volume 9 (Buenos Aires, 1995), p. 63.

¹¹⁵ FO 16/118, British Merchants to Ouseley (Montevideo). Montevideo, 9 May 1846.

¹¹⁶ HC/4/1/14, Falconnet to Baring Brothers (London). Buenos Aires, 18 January 1844.

¹¹⁷ GFDP, Hughes to Dickson (London). Buenos Aires, 27 April 1844. For other merchant, 'the inhabitants of Bolivia, Paraguay & Corrientes cry out for trade & the free navigation of their rivers'. OWN/3/2/4/10, Latham & Co. to Owens & Son (Manchester). Buenos Aires, 1 April 1846.

and the River Uruguay to ships of all nations,¹¹⁸ which gave a great impulse to the riverine provinces.¹¹⁹ The measure was greatly celebrated among British merchants¹²⁰ and soon afterwards, in 1853, the *Argentina* became the first steamer from Buenos Aires to enter the interior.¹²¹

In Chile, which has quite a different geographical shape and hydrographical structure, a comparable development was legislation concerning the coastal trade. After independence, the ports of Valparaíso, Talcahuano, Coquimbo and Valdivia were opened to international trade. However, the coastal trade was restricted to vessels flying the Chilean flag. By excluding foreign vessels, a great part of the country was left 'abandoned as far as the supplying of food and wares was concerned'.¹²² Under this system, the redistribution of goods was very expensive as most foreign wares consumed in the provinces were first sent to Valparaíso.¹²³ From the late 1840s, coastal trade was opened to foreign flags, which could only have benefited local customers.¹²⁴

Local industries

It was shown in Chapter 2 that the Southern Cone was, for a long period, a backwater of the Spanish Empire. No other colonial market imported European textiles at such exorbitant prices. While it was not the 'role' of a colony to produce manufactures, Spain was a net importer of textiles and, therefore, the local population was allowed to make essential clothing. This, in part, explains the existence of local craft industries in colonial Argentina and Chile. Yet, to attribute the existence of local craft industries to Spain's archaic textile industry would be inexcusable Eurocentricism. There was a textile tradition in the Southern Cone that predated the arrival of the Spaniards; an important Indian production, in particular, of Araucanian origin.

This section will not sketch the Southern Cone's textile production *per se*. Rather, it is devoted to the resistance of the Indians and Creoles to the invasion of

¹¹⁸ *Colección de las principales leyes y decretos promulgadas por el gobierno de Buenos Aires sobre el comercio exterior e interior, hacienda y rentas, desde el mes de noviembre de 1852, hasta julio de 1856* (Buenos Aires, 1856), p. 3. See also *The Times*, 'The last arrivals from South America', 16 August 1853.

¹¹⁹ Whigham, 'Cattle raising', pp. 331–332.

¹²⁰ FO 6/191, British Merchants to The Earl of Clarendon (London). Liverpool, 30 March 1855.

¹²¹ Hadfield, *Brazil and the River Plate*, p. 144.

¹²² C. Véliz, *Historia de la marina mercante de Chile* (Santiago, 1961), pp. 22 and 32.

¹²³ E. Cavieres, *Comercio chileno y comerciantes ingleses, 1820-1880* (Santiago, 1999), p. 87.

¹²⁴ J. Kinsbruner, 'A comment on the exclusiveness of protection in Chilean economics at mid-nineteenth century', *HAHR*, Volume 45-4 (1965), pp. 592-593; Véliz, *Historia de la marina*, p. 90.

British textiles after independence. The aim of the section is to show to what extent Britain's exports to our markets were affected by the existence of a local supply. As masterly put by Platt:

much of the academic discussion of relative trade performance has been Eurocentric ... Yet what was equally and often more important to the British traders at the time was the extent to which overseas customers were furnishing their own needs.¹²⁵

Unfortunately, as Platt has observed, not much is known about Southern Cone textiles. Most studies of Latin American textiles have concentrated on Mexico, Peru and Ecuador; little has been written about modern Argentina and Chile.¹²⁶

There are no figures for the volume or value of textiles produced in the Southern Cone before the 1870s, except for a few patchy estimates. The lack of data is a problem not only for Argentina, Chile and the Araucanians, but even for those areas of Latin America for which there is a richer literature on textiles. Miño, for instance, has maintained that it is totally impossible to obtain any series for production in Mexico (the most researched Latin American textile industry) in our period of study.¹²⁷ For our markets, in particular, this is a most serious issue with regard to Indian and Chilean production. As observed by Sagredo, the history of the textile industries in Chile have not received much attention, to such an extent that there is not a single piece treating the topic according to the exigencies of modern scholarship.¹²⁸ The case of the Araucanians is rather similar, as most scholars dealing with their economy have assumed that the textile industry was less important than other economic activities. As a consequence, there is a bias in the historiography in favour of agriculture, cattle farming and *malocas* to the detriment of textiles.

The Argentine case is comparable.¹²⁹ However, due to provincial customs, there are some estimates of internal trade in locally produced textiles and, in particular, of Buenos Aires imports. However, these are figures of partial provincial

¹²⁵ Platt, *Latin America*, p. 74.

¹²⁶ Similarly, 'no exhaustive study has been made of the Bolivian textile industry' in the colonial and early post colonial periods. E. D. Langer, 'Foreign cloth in the lowland frontier. Commerce and consumption of textiles in Bolivia, 1830–1930', in B. Orlove (editor), *The allure of the foreign* (Michigan, 1997), p. 96.

¹²⁷ M. Miño, *La protoindustria colonial hispanoamericana* (Mexico City, 1993), p. 153.

¹²⁸ R. Sagredo, 'Fuentes e historiografía de la manufactura e industrial textil. Chile, siglo XIX', *América Latina en la Historia Económica*, Volume 4 (1995), p. 29.

¹²⁹ Recently, it has been said for Argentina that 'we know very little about the evolution of artisan crafts after independence'. R. D. Salvatore and C. Newland, 'Between independence and the golden age: the early Argentine economy', in G. Della Paolera and A. M. Taylor (editors), *A new economic history of Argentina* (Cambridge, 2003), p. 23.

exports, not of production. For instance, there are statistics of Córdoba's exports to Buenos Aires, but not of Córdoba's exports to other consuming centres, nor of Córdoba's own consumption, nor of illegal trade. From solely Córdoba's legal exports to Buenos Aires, little can be concluded about Córdoba's total production. Furthermore, custom statistics do not account for all the inland contraband that took place. Moreover, figures based on the *alcabala* do not include most of the Indian trade which never entered legal accountancy.¹³⁰

When estimating Argentinean textile production most scholars have concentrated their attention on the consumption of Buenos Aires. In turn, they have assumed that this was so important that it could be extrapolated to the whole of Argentine. Brown, for example, stated that 'ponchos and cheap native textiles from Tucuman and Santiago del Estero found their biggest markets in the port city'.¹³¹ Similarly, Rosal argued that Buenos Aires was 'the main market' for Córdoba and Santiago del Estero's textiles.¹³² Yet, no figures are provided to sustain these statements. This is a serious issue as Buenos Aires was still thinly populated, so that it was a secondary market for provincial textiles. According to Hodgson, in 1829, Buenos Aires's consumption was 'trivial compared with the united demand for goods in the other provinces'.¹³³

Furthermore, being the closest consumer centre to the Atlantic world, Buenos Aires was supplied more cheaply from abroad than any other province. That is, it was in Buenos Aires where the local craft industry faced the fiercest competition from foreign textiles. Historians who have relied on the flows of goods from some provinces to Buenos Aires have provided evidence of Buenos Aires's consumption of domestic textiles, but they do not offer much information to assess total production in the provinces. In view of the size of the population outside Buenos Aires,¹³⁴ it is

¹³⁰ J. C. Garavaglia and C. Wentzel, 'Un nuevo aporte a la historia textil colonial: los ponchos frente al mercado porteño (1750-1850)', *Anuario del Instituto de Estudios Histórico-Sociales*, Volume 3 (1989), p. 218.

¹³¹ Brown, *A socioeconomic history*, p. 33.

¹³² M. A. Rosal, 'El interior frente a Buenos Aires. Flujos comerciales e integración económica, 1831-1850', *Cuadernos del Instituto Ravignani*, Volume 9 (1995), p. 13.

¹³³ GHR/5/1/3, Green & Hodgson to Worthington & Whyatt (Manchester). Buenos Aires, 22 June 1829.

¹³⁴ In 1810, Buenos Aires concentrated around 10 per cent of the Argentine population. L. Johnson, 'Estimaciones de la población de Buenos Aires en 1774, 1778 y 1810', *Desarrollo Económico*, Volume 19-73 (1979); J. Comadrán, *Evolución demográfica argentina durante el periodo hispano, 1535-1810* (Buenos Aires, 1969).

difficult, if not impossible, to provide any reliable quantitative estimates of national consumption, let alone production.

Despite the lack of quantitative evidence, before the 1960s, most historians believed that the earliest inflow of British textiles rapidly destroyed local craft industries.¹³⁵ This view started to be challenged by Halperín-Donghi, Bauer and many others,¹³⁶ to the extent that now it is considered that the apocalyptic version offered until the 1960s had little empirical support. However, no scholar has attempted to assess with precision for how long and to what extent local industries resisted the invasion of foreign textiles during the first half of the nineteenth century. There is no room in this thesis to pursue such a Herculean task. Indeed, it could be difficult to do any more on this subject. Yet, as stated by Platt, the position of local industries should be ‘shown clearly enough in the figures for the total exports of the United Kingdom’ and other foreign suppliers to these markets.¹³⁷ Thus, the material provided in Chapter 2, no doubt, sheds constructive light on this controversy.

Before providing new qualitative and limited quantitative evidence for the performance of local craft industries after the British textile invasion, some preliminary remarks are needed. Firstly, despite the lack of quantitative evidence, there is general agreement that the main textile centres in the Southern Cone were Córdoba, Santiago del Estero, Cuyo, Catamarca (in Argentina), Chillán, Talca (in Chile) and the Araucanía. Secondly, it is also possible to ascertain that the most important branch of the Southern Cone’s textile industry was wool manufacturing. Coarse cottons were produced in the Southern Cone, but they were better and cheaper in Peru, Bolivia and Ecuador.¹³⁸ Therefore, British cottons entered the market more easily than woollens not only because they were cheaper but also because there was no significant competition from local producers. Thirdly, and less recognised by the

¹³⁵ For some examples see Urquijo, ‘Aspectos de la política’, pp. 120–122; P. Santos, *Las industrias durante el virreinato, 1776–1810* (Buenos Aires, 1969), pp. 148–150; Burgin, *The economic aspects*, pp. 15–16; Encina, *Historia de Chile*, X: pp. 101–102.

¹³⁶ T. Halperín-Donghi, *Politics, economics and society in Argentina in the revolutionary period* (Cambridge, 1975), pp. 89–91; A. Bauer, ‘Chilean rural labor in the nineteenth century’, *The American Historical Review*, Volume 76-4 (1971), p. 1066; Brown, *A socioeconomic history*, p. 202; C. Sempat, ‘El sector exportador de una economía regional del interior argentino: Córdoba, 1810–1860’, *Nova Americana*, Volume 1 (Turin, 1978), pp. 86–88; Chiaramonte, *Mercaderes*, p. 38.

¹³⁷ Platt, *Latin America*, p. 21.

¹³⁸ Halperín-Donghi, *Politics*, p. 13. As many as 0.5m yards of coarse cottons, per year, were exported from Cochabamba to Argentina. Santos, *Las industrias*, p. 42. The figure seems plausible. During the first years of direct and legal commercial intercourse between the United Kingdom and the River Plate, the British exported there around 4m yards per annum.

historiography, within the 'Indian Territory',¹³⁹ there was a significant textile production. This has not been recognised in the literature, except for a few and recent exceptions (which have been gathering momentum).¹⁴⁰ Yet, well before the arrival of the Spaniards in the Southern Cone, the native population was in the habit of producing wool manufactures, employing as raw material wool obtained from camelidaes.

Fourthly, as far as raw materials are concerned, the conquerors brought with them new species such as sheep, whose numbers rapidly expanded in colonial and 'Indian Territory'. In 1670, Narborough was told at Valdivia that 'Indian Territory' was 'mighty good land, and the country very fruitful ... and much cattle that the Indians have, as horses and cows, and goats and sheep' had been 'taken from the Spaniards, since they came into this country'.¹⁴¹ Likewise, Byron, one of the first Britons who followed Narborough's path, was surprised to meet some Araucanian people who approached him bringing some sheep. Showing how little known was the 'Indian Territory' in Britain, Byron wondered 'from whence they could procure these animals in a part of the world so distant from any Spanish settlement cut off from all communication with the Spaniards by an unaccessible coast ... is difficult to conceive'.¹⁴²

By the mid-seventeenth century, natives had made sheep wool the main and essential input for their textile production. Though less fine than that obtained from camelidaes, it was cheaper and more abundant.¹⁴³ In turn, in spite of being newcomers to the art of flock raising, the Indians kept themselves distinct from colonial societies. While Spanish-Creole folk quickly interbred, Araucanians' folk remained a pure

¹³⁹ Terminology used by Leonardo León to refer to formerly independent Araucanian territory in the south of modern Chile and Argentina.

¹⁴⁰ G. Boccara, 'Etnogenesis mapuche: resistencia y reestructuración entre los indígenas del centro-sur de Chile (siglos XVI-XVIII)', *HAHR*, Volume 79-3 (1999), p. 439; R. Mandrini, '¿Solo de caza y robo vivían los indios?', *Revista de Historia*, Volume 15 (1994), p. 20. Within the British historiography, this has been acknowledged by Platt: 'in [modern] Chile the Indians manufactured large quantities of woollen ponchos and blankets'. Platt, *Latin America*, p. 189.

¹⁴¹ J. Narborough, 'A journal kept by Captain John Narborough', in *An account of several late voyages & discoveries to the south and north* (London, 1694), p. 92.

¹⁴² J. Byron, *The narrative of the honourable John Byron* (London, 1768), p. 34.

¹⁴³ The European sheep gave more wool per weight of animal than the Araucanian camelidaes, while sheep were also more resistant to local weather and diseases. M. A. Palermo, 'La compleja integración hispano-indígena del sur argentino y chileno durante el periodo colonial', *América Indígena*, Volume 51-1 (1991), p. 160.

race.¹⁴⁴ Moreover, the Araucanian people not only had a better raw material but also a better technique, as summarised by Gilliss:

all we have learned with certainty is that Araucania is a country in no respect inferior to the province of Concepcion; that its people ... live in far greater comfort than the laborers of the haciendas of central Chile; that ... their wives manufacture ponchos and coarse woollen cloth to a greater extent than the wants of their families demand ... and in the fineness of thread, evenness of weaving, durability and brilliancy of colors, and elegance of patterns, they far excel their more civilized neighbors.¹⁴⁵

This testimony displays resemblances with Vidal's comparison in 1820 of Salta's textiles with those made by the Pampa Indians:

At Salta ... which is famous for the manufacture of *ponchos*, they are made of cotton, of great beauty and high price; but those made by the humble Indians of the Pampas are of wool, so close and strong as to resist a very heavy rain, the patterns curious and original, the colours generally sober but lasting.¹⁴⁶

Not surprisingly, the Indians became important suppliers of textiles to the Spanish and Creoles economies. After the Napoleonic Wars, when compared with Argentinean and Chilean production, all the evidence suggest that Indian production survived European competition for longer. Visiting Chile in the early 1820s, a traveller remarked that 'the manufactures of the country are on a very limited scale, and may be said to exist more among the Araucanos than the descendants of the old Spaniards'.¹⁴⁷ Indeed, Indian textiles continued to be extensively exported to the Creole and white societies of Chile and Argentina.¹⁴⁸ Writing in the late 1830s, Gardiner observed that 'the principal trade [of the Chileans] with the Indians is in ponchos and cattle'.¹⁴⁹

The reason for the longer survival of Indian production may be due to the fact that, even when compared to European manufactures, contemporaries regarded the Indian production as high quality. In the words of a local merchant in the late 1830s:

¹⁴⁴ Spanish and Creoles' sheep were allowed to 'ran wild and deteriorated for over two hundred years'. J. H. Clapham, *Woollen and worsted industries* (London, 1907), p. 78; P. Schmidtmeier, *Viaje a Chile a través de los Andes* (Buenos Aires, 1947), p. 101; D'Orbigny, *Viaje a la America*, II: p. 509. Creoles also allowed an unfortunate blending of sheep with goats. See J. Andrews, *Journey from Buenos Ayres through the provinces of Cordova, Tucuman, and Salta, to Potosi* (London, 1827), p. 114.

¹⁴⁵ J. M. Gilliss, *The U.S. naval astronomical expedition* (Philadelphia, 1856), I: p. 63.

¹⁴⁶ E. E. Vidal, *Picturesque illustrations of Buenos Ayres and Monte Video* (London, 1820), p. 55.

¹⁴⁷ Caldcleugh, *Travels in South America*, I: p. 355.

¹⁴⁸ *Ibid.*, I: pp. 336 and 355; D'Orbigny, *Viaje a la America*, III: pp. 836 and 901; Boccara, 'Etnogenesis mapuche', p. 440; Palermo, 'La compleja integración', pp. 158, 168 and 184; Garavaglia and Wentzel, 'Un nuevo aporte', p. 218.

¹⁴⁹ A. Gardiner, *A visit to the Indians on the frontiers of Chile* (Surrey, 1840), p. 182.

Our very Pampa Indians, all isolated as they are, and with their scanty means of improvement, produce articles of manufacture, that for design, finish, and quality, leave one and all of these common articles of importation at an infinite distance. The skill and perseverance displayed in many of their productions, ought to cancel the charge of *barbarism*, we so unfeelingly, so unjustly, and so impolitically prefer against them.¹⁵⁰

Similarly, on a missionary trip to northern Patagonia, Father Coan observed that:

We went out today to see the process of weaving among this people ... [and] although the process is slow, the workmanship is marvellous. Many tints and a great variety of figures are wrought into texture. These figures are often tasteful, and show much native genius in the operator. Where and how did these savages get this skill and taste?¹⁵¹

In a previous work, it was also shown that Indian textiles were waterproof, to the surprise of Western travellers.¹⁵² Araucanian textiles were also regarded by Europeans in the 1830s as being made of very durable yarn.¹⁵³ Furthermore, not only was the yarn long lasting, but so were the dyes used to give the garments desired colours.¹⁵⁴

Very little is known about Araucanian exports, while most figures available relate only to ponchos. For instance, it has been said that the Diocese of Concepción in mid-eighteenth century imported 30,000 ponchos from 'Indian Territory'.¹⁵⁵ It has also been estimated that the Araucanians sent to the Chilean region of Maule as many as 40,000 ponchos per year in the early nineteenth century and that, on the frontier, as many as 60,000 Araucanian ponchos were sold annually.¹⁵⁶ Considering that producing a poncho required on average 2.5 yards of cloth, this would mean that the Araucanians could export to Chile, easily, more than 0.2m yards of wool cloth per year during the early nineteenth century, an amount close to British exports to Valparaíso during the late 1810s and early 1820s.¹⁵⁷

¹⁵⁰ *The British Packet*, 'Reflections on the present state and future prospect of Buenos Ayres', by Mr. Q., 16 February 1839.

¹⁵¹ T. Coan, *Adventures in Patagonia; a missionary's exploring trip* (New York, 1880), p. 194.

¹⁵² M. Llorca-Jaña, 'Knowing the shape of demand: Britain's exports of ponchos to the Southern Cone of Latin America, c.1820–1870', MA Dissertation, University of Leicester (2005), pp. 31 and 53.

¹⁵³ Gardiner, *A visit to the Indians*, p. 178; I. Domeyco, *Araucania i sus habitantes* (Buenos Aires, 1971), p. 76; Llorca-Jaña, 'Knowing the shape', pp. 31–32.

¹⁵⁴ Domeyco, *Araucania*, p. 76; Llorca-Jaña, 'Knowing the shape', p. 32.

¹⁵⁵ I. Inostroza, 'La economía indígena araucana y la frontera del Biobío, 1550–1880', MA Dissertation, Universidad de Santiago (1990), p. 134.

¹⁵⁶ Palermo, 'La compleja integración', p. 168. See also A. Taullard, *Tejidos y ponchos indígenas de sudamérica* (Buenos Aires, 1949), p. 65.

¹⁵⁷ Between 1817 and 1824 Britain exported, in annual averages, 389,000 yards of woollens and worsteds to Valparaíso, and never more than 3m yards before 1850. Own calculation from CUST/8, as listed in Appendix 2.3.

Besides Araucanian supply, in Argentina, there was a significant production of textiles in the province of Córdoba, particularly of coarse woollens such as rugs, ponchos, saddles, baizes and blankets,¹⁵⁸ as well as of some coarse cottons.¹⁵⁹ In the late 1810s, a wanderer observed that the inhabitants of Córdoba were ‘more industrious than usual in these countries; they manufacture very considerable quantities of coarse cotton and woollen cloths’.¹⁶⁰ Córdoba’s carpets were seen as ‘very like rich English rugs ... some of these were exhibited to us, of truly fine texture and colours’.¹⁶¹ Cordobés textiles were not only exported to Buenos Aires but also extensively consumed within Córdoba and nearby provinces. D’Orbigny, for instance, considered that most ponchos bought at Corrientes in the late 1820s came from Córdoba.¹⁶² Unlike other Argentine provinces, there is strong evidence that Córdoba’s textile industry continued vigorously until at least the mid-nineteenth century and even beyond.¹⁶³

With regard to figures of Córdoba’s production, these are only available for exports to Buenos Aires and Paraguay. Yet, despite their limitations (mentioned above) it may be worth considering them. During the 1770s, Córdoba exported 30,000 units of woollens per year to Buenos Aires and up to 100,000 units in the early nineteenth century, while the Paraguayan market was also an important destination. From 1822, because of disputes with Paraguay, exports there were almost reduced to nothing, while the cargoes for Buenos Aires decreased to 30,000 units per year during the early 1830s. They recovered quickly to 70,000 units, thanks to Rosas’s 1836 tariff. From the 1840s, there was a decline in exports to Buenos Aires, to less than 13,000 units per year in 1844–1846.¹⁶⁴ Unfortunately, we do not know, and probably never will, what happened to Córdoba’s trades to other outlets. Yet, we may conjecture that, if exports to Buenos Aires, where the Cordobeses faced the strongest competition

¹⁵⁸ J. Mellet, *Viajes por el interior de la América meridional, 1808–1820* (Santiago, 1959), p. 47; D’Orbigny, *Viaje a la América*, I: p. 355; Halperín-Donghi, *Politics*, p. 10.

¹⁵⁹ Marqués de Sobre-Monte, ‘Noticias sobre la intendencia de Córdoba del Tucumán, 1788’, *La Revista de Buenos Aires* (Buenos Aires, 1865), pp. 564 and 569; Mellet, *Viajes por el interior*, p. 47.

¹⁶⁰ H. M. Brackenridge, *Voyage to South America, performed by order of the American government* (Baltimore, 1819), II: p. 86.

¹⁶¹ P. Schmidtmeier, *Travels into Chile, over the Andes in the years 1820 and 1821* (London, 1824), p. 149.

¹⁶² D’Orbigny, *Viaje a la América*, I: p. 355; Chiaramonte, *Mercaderes*, p. 71.

¹⁶³ Brown, *A socioeconomic history*, pp. 216–217; Garavaglia and Wentzel, ‘Un nuevo aporte’, pp. 227–229; Brackenridge, *Voyage to South America*, II: p. 86; M. A. Irigoin and C. M. Lewis, ‘From colonial capital to global entrepot: Buenos Aires during the early national period’, *Primer Congreso Latinoamericano de Historia Económica* (Montevideo, 2007), p. 19.

¹⁶⁴ Sempat, ‘El sector exportador’, pp. 84–88; Miño, *La protoindustria*, p. 204.

from the British, remained important until the late 1830s, market conditions at other outlets should have remained far more encouraging.

The other important Argentine woollen producing centre that survived the British textile invasion was Santiago del Estero.¹⁶⁵ In the late 1820s, a wanderer observed that this province's trade 'consisted chiefly of cochineal, dyed worsteds, ponchos, and wooden stirrups; the two latter articles having, it may be supposed, a very extensive sale in a country where every man or boy wears a poncho and rides a horse'.¹⁶⁶ This coincides with testimony provided around the same time by a contributor to *The British Packet*, for whom most 'women [in Santiago del Estero] employ themselves in making ponchos'.¹⁶⁷ Consul Parish reported that Santiago del Estero's production was 'sold in great numbers to the people of Tucuman and Salta',¹⁶⁸ while two decades later, it was also reported that Santiago del Estero's 'ponchos, blankets, and coarse saddle-cloths are made and sent to the neighbouring countries'.¹⁶⁹ When trying to put some numbers to its trade, for ponchos in particular, total exports to the rest of Argentina can be estimated at the beginning of the nineteenth century at 16,000 units per year.¹⁷⁰ No other data are available but, as late as the 1860s, Consul Hutchinson still mentioned Santiago del Estero as exporting ponchos and blankets to other provinces.¹⁷¹

The region of Cuyo, better known for her wine production, also manufactured ponchos.¹⁷² Within Cuyo, the foremost province was San Luis,¹⁷³ followed some steps behind by Mendoza,¹⁷⁴ and to a lesser extent by San Juan.¹⁷⁵ For San Luis in

¹⁶⁵ J. A. B. Beaumont, *Travels in Buenos Ayres and the adjacent provinces of the Rio de la Plata* (London, 1828), pp. 95–96; T. Hutchinson, *Buenos Ayres and Argentine gleanings* (London, 1865), p. 220; Halperín-Donghi, *Politics*, p. 10; Brown, *A socioeconomic history*, p. 223; Santos, *Las industrias*, p. 47. Santiago del Estero was also known for her wool manufactures mixed with cotton.

¹⁶⁶ E. Temple, *Travels in various parts of Peru* (London, 1830), p. 132.

¹⁶⁷ *The British Packet*, 14 October 1826.

¹⁶⁸ W. Parish, *Buenos Ayres, and the provinces of the Rio de la Plata* (London, 1852), p. 291; I. Nuñez, *Noticias históricas y estadísticas de las provincias unidas del Río de la Plata* (London, 1825), p. 250.

¹⁶⁹ BPP, 1847, LXIV (769), 'Commercial tariffs and regulations of States of Europe and America'.

¹⁷⁰ S. Palomanque, 'La circulación mercantil en las provincias del interior, 1800–1810', *Anuario del Instituto de Estudios Histórico-Sociales*, Volume 4 (1989), p. 147.

¹⁷¹ BPP, 1863, LXXI (3160), 'Report by Consul Hutchinson on the trade of the Argentine republic'.

¹⁷² R. Puigross, *De la colonia a la revolución* (Buenos Aires, 1969), p. 205.

¹⁷³ Nuñez, *Noticias históricas*, p. 247; Mellet, *Viajes por el interior*, p. 45; Halperín-Donghi, *Politics*, p. 14; Rosal, 'El interior', p. 13.

¹⁷⁴ C. A. Rodney, *The reports on the present state of the United Provinces of South America* (London, 1819), pp. 237–238; A. Álvarez, *Breve historia de la provincia de Mendoza* (Buenos Aires, 1910), pp. 22 and 38; Platt, *Latin America*, p. 21; Santos, *Las industrias*, p. 123.

¹⁷⁵ T. P. Haenke, *Descripcion del Reyno de Chile* (Santiago, 1942), p. 56. In the early 1810s, there is evidence of fine woollens produced from vicuña wool. Mellet, *Viajes por el interior*, pp. 60 and 75. Similarly, in 1855 Bishop met a peasant, 'clothed in a heavy *frasada*, manufactured from wool of his

particular, there is evidence in 1808 of woollen ponchos and carpets enjoying great reputation, to such an extent that its carpets were considered to be of a superior quality to those produced in Europe.¹⁷⁶ More evidence for San Luis production was recorded by Proctor in 1823, who had the ‘opportunity of seeing a machine at work making coarse flannel ... which was a good substitute for that used in our British manufactories’.¹⁷⁷ Being close to Chile, and with easy access to other outlets, San Luis woollens were sent not only to Valparaiso but also as far as Buenos Aires.¹⁷⁸

The other important woollen supplier for the Argentinean market was Catamarca, a province also known for her cottons,¹⁷⁹ linens and silks.¹⁸⁰ Its production was mainly bought in the north-east of Argentina.¹⁸¹ In the village of Belén, an important range of wool manufactures were produced using sheep wool and vicuña wool, at least from mid-eighteenth century.¹⁸² As late as the 1860s, there is evidence of production in this area, as witnessed by Johnson: ‘I say the native wool has a local market. It is for the making of ponchos. It is much coarser, stronger, and better for ponchos, and is much preferred, at any rate at Belem [sic], where by far the best are made’.¹⁸³ Catamarca’s production had a strong Diaguita background, as observed by a USA’s commissioner in 1818: Catamarca ‘manufactures ... several kinds of cotton and woollen cloths ... and, in many respects, the native Indian mode of manufacturing, as well as the form of the fabric, has been retained’.¹⁸⁴ Finally, other minor Argentine centres of textile production, whose output was mainly destined for local consumption, were Corrientes,¹⁸⁵ Rosario,¹⁸⁶ Tucumán,¹⁸⁷ Salta,¹⁸⁸ Jujuy,¹⁸⁹ and La Rioja.¹⁹⁰

own shearing by the industry of his wife and daughter’. N. H. Bishop, *The Pampas and Andes* (Boston, 1869), p. 220.

¹⁷⁶ Mellet, *Viajes por el interior*, p. 45.

¹⁷⁷ R. Proctor, *Narrative of a journey across the Cordillera of the Andes* (London, 1825), p. 42.

¹⁷⁸ R. Corcuera, *Arte textil andino* (Buenos Aires, 1999), p. 24.

¹⁷⁹ Beaumont, travelling in Catamarca in 1826, observed that ‘the Indians, and females weave enough of it [cotton] for the use of the inhabitants of the province’. *Travels in Buenos Ayres*, pp. 95–96; Nuñez, *Noticias históricas*, p. 256; Santos, *Las industrias*, p. 48; Rosal, ‘El interior’, p. 14.

¹⁸⁰ Corcuera, *Arte textil*, pp. 96 and 97.

¹⁸¹ *Ibid.*, p. 24.

¹⁸² *Ibid.*, p. 47.

¹⁸³ H. C. R. Johnson, *A long vacation in the Argentine Alps* (London, 1868), p. 100.

¹⁸⁴ ‘Report of Theodorick Bland’, 2 November 1818, in W. Manning (editor), *Diplomatic correspondence of the United States concerning the independence of the Latin-American nations* (New York, 1925), I: p. 408.

¹⁸⁵ Nuñez, *Noticias históricas*, p. 232; D’Orbigny, *Viaje a la America*, I: p. 324; Puigross, *De la colonia*, p. 205; Chiaramonte, *Mercaderes*, pp. 65 and 122.

¹⁸⁶ For Rosario, it was observed that ‘women are extremely industrious: they spin wool very fine, and dye the yarn with beautiful colours ... Of this yarn they weave a strong and close fabric, of which they

In summary, the evidence presented in the previous paragraphs fosters the idea that Argentine textile craft industries survived for a long period after the foreign textile invasion that followed liberalisation. This resistance occurred not only in Córdoba but also in many other provinces. As late as in 1839, it was still observed that:

In Cordova, Tucuman and Salta, and other interior provinces ... ordinary articles both of wool and cotton are prepared to a considerable extent ... Many of the articles when finished are really good ... All the processes are conducted with primitive simplicity ... With all these disadvantages, they provide not only for the home consumption, but export considerable quantities annually to Buenos Ayres and other destinations.¹⁹¹

For Chile, in contrast with Argentina, most textile production was undertaken in the household: 'each house was a workshop, in which all the indispensables of life were produced'.¹⁹² Most of the population was poor and rural; Chilean peasants were their own spinners and weavers.¹⁹³ Yet, Chileans were well clothed by the products of this craft industry,¹⁹⁴ as observed by Graham:

the people of the country are still in the habit of spinning, weaving, dying, and making every article for themselves in their own houses ... The distaff and spindle, the reel, the loom, particularly the latter, are all of the simplest and grossest construction; and the same loom, made of a few cross sticks, serves to weave the linen shirt or drawers, the woollen jacket and *manto*, as well as the *alfombra*, or carpet.¹⁹⁵

To this household production has to be added the production carried out in *haciendas*, which became an important supplier of textiles for self consumption, while any surplus was sold nearby.¹⁹⁶ Moreover, there were market-oriented workshops that

make ponchos'. W. MacCann, *Two thousand miles' ride through the Argentine provinces* (London, 1853), II: p. 23.

¹⁸⁷ For Tucumán it was reported that 'women, besides their usual domestic activities, employ themselves in weaving cottons and woollens'. Nuñez, *Noticias históricas*, p. 254; Beaumont, *Travels in Buenos Ayres*, pp. 95–96; Puigross, *De la colonia*, p. 205.

¹⁸⁸ 'Report of Theodorick Bland', I: p. 403; Rodney, *The reports*, pp. 237–238.

¹⁸⁹ Beaumont, *Travels in Buenos Ayres*, pp. 95–96. The Indians there produced coarse woollen ponchos and blankets. Nuñez, *Noticias históricas*, p. 262.

¹⁹⁰ Sobre-Monte, 'Noticias', pp. 564 and 569; Santos, *Las industrias*, p. 45; Palomanque, 'La circulación mercantil', p. 177.

¹⁹¹ *The British Packet*, 'Reflections on the present state and future prospect of Buenos Ayres', by Mr. Q., 16 February 1839.

¹⁹² Encina, *Historia de Chile*, II: p. 221, V: p. 300.

¹⁹³ Gay, *Historia física*, I: pp. 159 and 191–192.

¹⁹⁴ Encina, *Historia de Chile*, IV: p. 277; Haenke, *Descripción*, p. 208; G. Salazar, *Labradores, peones y proletarios* (Santiago, 1985), p. 259.

¹⁹⁵ Graham, *Journal of a residence*, pp. 12–13.

¹⁹⁶ T. Guevara, *Las últimas familias y costumbres araucanas* (Santiago, 1913), p. 237; M. de Salas, 'Representación al Ministerio de Hacienda, 1794', in M. Cruchaga, *Estudios sobre la organización*

specialised in the production of coarse woollens. The main centres were in south Chile, but for which, unfortunately, there are few production statistics. Yet, qualitative evidence suggests that Chillán was the main exporter of ponchos, baizes and bayetas.¹⁹⁷ Probably exaggerating, in a report sent to a US Secretary of State, it was stated that all textile activity in independent Chile took place in Chillán.¹⁹⁸ Undeniable, from the eighteenth century, at least, Chillán's woollens were exported to most provinces of Chile and to some regions of Argentina.¹⁹⁹ In the 1790s, Salas estimated that the annual production of woollens in this province was 0.1m yards, an impressive quantity for that time.²⁰⁰ To have an idea of its importance, during 1815–1819, Chile, Argentina and Uruguay, all together, consumed 0.75m yards per year of British woollens.

Another important supplier of coarse woollens was the neighbouring province of Talca, whose production also resisted the early British invasion. As late as in the mid-nineteenth century, it was reported that there was a considerable woollen production in Talca,²⁰¹ confirmed by a US Naval officer:

on examining the goods exposed for sale, quite large proportions of the ponchos, blankets, church carpets or rugs, and coarser cloths, are found to be of domestic manufacture; showing that the poorer classes of women are not idle beside their spinning-wheels and hand-loom. Their ponchos and church mats are greatly esteemed at the north, and numbers are sent to Santiago for sale. It is estimated that the product of these and other wrought articles amounts to at least \$230,000 annually.²⁰²

El Alfa (Talca's newspaper) estimated the annual production of ponchos in Talca at 12,000 units circa 1848.²⁰³ According to a contemporary, the production of the Region of Maule (to which Talca belongs) was substantial. With respect solely to baizes, the main manufacture of the region, it was estimated that as many as 213,000 yards were

económica i la hacienda pública de Chile (Santiago, 1878), p. 282; S. Mezzano, 'La manufactura textil chilena en el siglo XIX', Undergraduate Dissertation, Universidad de Chile (1981), p. 43.

¹⁹⁷ M. Góngora, 'Vagabundaje y sociedad fronteriza en Chile (siglos XVII a XIX)', *Cuadernos del Centro de Estudios Socio-Económicos*, Volume 19 (1966), p. 21; Mezzano, 'La manufactura', p. 81.

¹⁹⁸ 'Report of Joel Roberts Poinsett', 4 November 1818, in Manning, *Diplomatic correspondence*, II: p. 1013. Haenke also believed that Chillán provided most of the cloths consumed by the poor in Chile. Haenke, *Descripcion*, p. 200.

¹⁹⁹ M. de Amat, 'Historia geographica é hidrographica con derrotero general correlativo al plan de el reyno de Chile', *RCHG* (Santiago, 1924–1927), LII: p. 361; A. Sors, 'Historia del Reyno de Chile, situado en la America meridional', *RCHG* (1921–1924), XLII: p. 333; J. Pérez, *Historia natural, militar, civil y sagrada del Reino de Chile* (Santiago, 1900), I: p. 96; Mezzano, *La manufactura*, p. 42.

²⁰⁰ Salas, 'Representación al Ministerio', p. 282.

²⁰¹ Bauer, 'Chilean rural labor', p. 1066.

²⁰² Gilliss, *The U.S. naval*, I: p. 57. If Gilliss' figures are right, Talca's production was equivalent to one-fifth of Chilean annual imports of woollens from the United Kingdom during comparable periods.

²⁰³ *El Alfa*, 10 January 1849, quoted in Bauer, 'Chilean rural labor', p. 1066.

produced per year circa 1845, and as much as 48,000 ponchos (approximately 125,000 yards).²⁰⁴ If these estimates are correct, then, around 0.34m of woollen yards per annum were produced in Maule during the 1840s. To put these figures in context, British exports of wool manufactures to Chile averaged 2.2m yards per annum in a comparable period.²⁰⁵

In southern Chile, there is also evidence of significant production at Concepción.²⁰⁶ It is believed that this province's exports at the end of the eighteenth century amounted to 40,000 ponchos per year.²⁰⁷ Closer to the 'Indian Territory', in Los Angeles, Smith observed that 'while rambling about, I came across a house where several girls were engaged in weaving ponchos of various kind'.²⁰⁸ In the same town, 30 years earlier, Poeppig provided a similar account: 'the neighbors of *Los Angeles* had the best ability to produce ponchos, and even though this art is now less appreciated ... the peasants still prefer their own woollens'.²⁰⁹

The island of Chiloé also became known from the early colonial period for exports of coarse woollens to other parts of Chile.²¹⁰ In the early nineteenth century, when the island was still in Spanish hands, it was reported that the *Chilotes* 'manufacture excellent camlets, coarse woollen stuffs and ponchos'.²¹¹ After independence this production continued. Indeed, in 1824, a US Captain observed that

this island is celebrated for manufacturing the best ponchos of any part of Chili. They are woven very thick, of a fine thread, and curiously wrought, in variegated colours. They are worn by the gentleman, as a protection from the weather; and are so thick and fine, that they turn off water nearly as well as leather.²¹²

However, two decades later, it was remarked that 'coarse woollen cloth of a very durable quality ... are made with hand-looms to supply the home demand –no more',²¹³ which would suggest that exports to continental Chile had ceased.

Finally, there was woollens production not only in southern Chile but even in the surroundings on the capital, where 'coarse, unfulled cloths, called bayetas, and ...

²⁰⁴ F. Urizar, *Estadística de la Republica de Chile: provincia del Maule* (Santiago, 1845), pp. 92–93.

²⁰⁵ Own calculation from CUST/8, as listed in Appendix 2.3.

²⁰⁶ Gilliss, *The U.S. naval*, I: p. 63.

²⁰⁷ P. Cerda, *Fronteras del sur* (Temuco, 1996), p. 88; Encina, *Historia de Chile*, II: p. 220.

²⁰⁸ E. R. Smith, *The Araucanians* (New York, 1971), p. 54.

²⁰⁹ E. Poeppig, *Un testigo en la alborada de Chile, 1826–29* (Santiago, 1960), p. 469.

²¹⁰ Amat, 'Historia geographica', LXXVII: pp. 408–409; Barros-Arana, *Historia*, VII: p. 171; Encina, *Historia de Chile*, V: pp. 62–64; Mezzano, *La manufactura*, pp. 40–41.

²¹¹ 'Report of Joel Roberts Poinsett', II: p. 1016.

²¹² Morrell, *A narrative*, p. 167.

²¹³ Gilliss, *The U.S. naval*, I: p. 75.

ponchos, trousers of men, and under-garments for women, are woven with hand-loom, owned by poor individuals – a rancho being its usual locale, and an old woman the operative’.²¹⁴ A few miles away, in a community that today is part of the Chilean capital, Melipilla, shortly after independence, Graham observed that the village ‘might be one of the most flourishing cities in South America ... its manufactures of ponchos and carpets infinitely increased, because its wool and its dyes are excellent and inexhaustible’.²¹⁵ A few decades later, the same village did not escape the eyes of Gilliss, who remarked that ‘ponchos, some coarse woollens, and blankets, are manufactured in the town’.²¹⁶ Further north, in the late 1810s, a French merchant commented on the important production of beautiful woollen and cotton ponchos in the Elqui Valley.²¹⁷

All this evidence confirms that household production survived in Chile for longer than anyone have thought. Imported British wool manufactures, except for those mixed with cotton, were very costly until the 1840s. Furthermore, British woollens could displace the produce of the local craft industry only if some obstacles inherited from the colonial economy were eliminated. In particular, the lack of monetarised-salaries, the making of payments in produce and the extended practice of bartering at all levels of economic transactions.²¹⁸

This chapter closes Part III and, with it, the main explanations behind the growth of British trade produced in Part I. As for developments in the Southern Cone, it is clear that political instability had a greater impact on imports from Britain than previously considered, in particular, during the first half of the century. Similarly, import duties added a substantial cost to imports from Europe, which was a very serious issue during the first decades of direct and legal commercial intercourse, when British exports were still expensive. Finally, the resistance offered by local craft industries was far more prolonged than most have suggested, in particular, that of the Araucanians, Córdoba and southern Chile.

²¹⁴ Ibid, p. 214.

²¹⁵ Graham, *Journal of a residence*, p. 117.

²¹⁶ Gilliss, *The U.S. naval*, I: p. 48.

²¹⁷ Mellet, *Viajes por el interior*, p. 111.

²¹⁸ The author thanks Professor Marcello Carmagnani for comments at this respect.

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Appendix 8.1
Main internal discords and international conflicts in Argentina, 1810-1852

Period	Major conflict
1810-1817	Wars for consolidating independence
1812-1825	Eleven invasions into Salta or Jujuy by <i>realistas</i> forces
1814-1818	Patriots' campaign in neighbouring countries (e.g. Chile)
1818	War between Entre Ríos-Santa Fé and Buenos Aires
1819-1820	Revolutionary Crisis. Anarchy period or war between Littoral and Buenos Aires
1821-1823	Social Revolution. Crisis between Entre Ríos and Littoral
1823-1825	First serious crisis between Buenos Aires and Banda Oriental
1825-1828	Brazilian blockade of Buenos Aires
1825-1826	Constitutional War
1826	Córdoba declares its separation from Congress
1826-1827	Isolation of Provinces
1829	Indian invasions, reaching Buenos Aires's surroundings
1829-1830	Lavalle-Rosas dispute. Interior versus Buenos Aires. Great revolts in Santa Fé, Córdoba and San Luis
1831	New war between Interior and Littoral provinces
1831-1832	New Indian invasions, also reaching Buenos Aires's surroundings
1832-1834	War between Corrientes and Paraguay
1833	Revolution in Córdoba
1833-1834	Desert Campaign (against the unconquered Indians)
1834	War between Salta and Tucumán
1835-1836	Second crisis between Buenos Aires and Banda Oriental
1837-1838	War against Bolivia and Peru
1838	War between Corrientes (Astrada) and Entre Ríos (Echague)
1838-1840	French blockade of Buenos Aires
1839	Revolution in the south of Buenos Aires
1839	Rosas-Echague invasion of Montevideo to restore Oribe
1839	New insurrection in Entre Ríos, Echague defeats Corrientes's Army
1839-1840	New internal crisis. Revolts in Rioja. Lavalle's incursion to Santa Fé, Entre Ríos and Corrientes. Lavalle is defeated by Echague and Oribe. La Madrid calling for subversion in Tucumán
1841	Great revolts in the interior provinces (La Madrid and Lavalle)
1841	War between Corrientes (Paz) and Entre Ríos (Echague)
1841	New tensions between Buenos Aires and Montevideo; fears of new blockade
1842	Commercial conflict between Chile and Argentina. Land trade suspended
1842	New internal conflicts. Alliance of Correntinos, Orientales and Santaferinos headed by Paz, Rivera and López against Rosas, plundering Entre Ríos
1842-1845	Escalating conflicts between Buenos Aires and Banda Oriental
1843-1844	New insurrection in Corrientes
1843-1845	New crisis between Montevideo and Buenos Aires, preamble of blockade
1845-1848	Anglo-French blockade of Buenos Aires
1845-1846	Revolution in Corrientes (Madariaga), which leaves the Confederation. New war against Entre Ríos (Urquiza)
1846-1847	New conflict with Brazil
1849	New campaign against the Indians
1851	Brazil blockaded the Parana and the Uruguay rivers
1852	Civil war Rosas-Urquiza, which ended with Rosas's fall

Source: own elaboration

Appendix 8.2
Main internal discords and international conflicts in Chile, 1810-1883

Period	Major conflict
1814-1817	Spain's re-conquest of Chile or wars for consolidating independence
1818	Peruvian blockade of Valparaiso
1819-1825	Guerra a muerte
1819-1820	Capture of Valdivia
1820	Tariffs dispute with Argentina over land trade
1821-1822	Patriot expedition to Peru
1822-1823	O'Higgins-Freire crisis. Overthrow of O'Higgins
1825-1826	Capture of Chiloé
1826-1832	War against Pincheira brothers
1827	Colonel Campino's revolt
1828	Attempt of revolution (Urriola)
1829-1830	Civil War. Revolts in South Chile. Freire-Prieto dispute
1833	Attempt of revolution (Zenteno and Ruiz Tagle)
1836	Freire's expedition to Chile
1836-1837	Conflicts with the Araucanians in the south
1836-1839	War with Peru
1837	Vidaurre's rebellion (tried to assassinate Portales and Blanco Encalada to stop the war with Peru)
1842	New commercial conflict between Chile and Argentina. Land trade suspended
1849	Conflicts with the Araucanians in the south
1850-1851	Civil War
1859	Civil War
1865-1866	War with Spain
1879-1883	War of the Pacific

Source: own elaboration

Appendix 8.3
Number of foreign merchant vessels arrived at Buenos Aires, 1816-1848 (*)

Period	Vessels' flag							Total	Observations	
	British	USA	French	Brazilian	Sardinian	Hamburg	Other flags			
August 1816 to July 1817	78	No data available								
August 1817 to July 1818	80	No data available								
August 1818 to December 1820	No data available									
1821	128	42	19	0	3	0	10	202		
1822	133	75	21	0	7	0	16	252		
1823	113	80	24	0	6	0	17	240		
1824	110	143	21	0	6	0	32	312		
1825	99	102	29	0	5	5	35	275		
January 1826 to September 1828	18	73	8	0	1	1	5	106	Brazilian blockade	
October 1828 to December 1829	132	143	41	20	22	4	20	382		
1830	73	83	16	38	23	3	21	257		
1831	44	77	10	42	20	2	12	207		
1832	48	55	22	44	26	4	14	213		
1833	74	91	17	47	30	9	26	294		
1834	61	67	10	43	43	14	23	261		
1835	54	51	14	42	23	8	21	213		
1836	49	37	19	39	21	5	30	200		
1837	61	40	24	42	20	7	34	228		
January to March 1838	18	20	6	8	2	5	11	70		
April 1838 to October 1840	0	0	0	0	0	0	0	0	French blockade	
November 1840 to December 1841	178	106	56	87	49	21	165	662		
1842	82	62	41	60	44	17	100	406		
1843	127	75	54	64	69	21	165	575		
1844	100	88	38	56	47	22	162	513		
January to September 1845	81	42	29	43	29	6	86	316		
October 1845 to January 1848	20	27	10	53	38	4	40	192	Anglo-French blockade	
July to December 1848	74	42	20	48	51	0	79	314		

(*) Excluding vessels engaged in local trade and vessels trading solely with Montevideo

Source: own elaboration from *The British Packet* (several numbers) and FO 72/215

Chapter 9

Conclusions

The sources used to prepare most of the tables and charts presented in this thesis, as far as United Kingdom exports are concerned, have been overlooked for more than a century. As noted in Chapter 2 and Appendix 2.1, the historiography has been timorous or mistaken when evaluating the statistical nature of these data. The information contained in the Customs ledgers of British exports for the period 1815–1879 is imperfect, as are most statistics of international trade, but is good enough to validate all the conclusions that have been drawn in this thesis.

Why have British export data to Latin America for the first half of the nineteenth century remained so overlooked? This is a question for the historiography on Anglo-Latin American trade to answer. Yet, this author would venture that it could be because the first half of the century is an under-explored period in the economic relationships between Britain and Latin America. In turn, it could be the case that scholars have been reluctant to use British foreign trade statistics altogether (including exports) because import data in value before 1853 are worthless; yet, this is not the case for both exports in values and volumes, nor for import data in volume. Another explanation for past myopia could be the lack of statistical training of historians and, more importantly, the time needed to construct databases such as those behind the outputs presented in this thesis, in particular, for volumes exported. For instance, to produce Chart 9.1, it took several months full-time to enter the data, a task which, understandably, few researchers are willing to undertake.

Despite the lack of robust data, the historiography drew strong conclusions about the development of British exports to Latin America, including the Southern Cone, our object of study. The literature is encapsulated in the reductionist idea that Latin American countries could sell little to Britain, so that they could buy British textiles only in insignificant quantities. The received view was that early British textile exports after the Napoleonic Wars glutted the markets and that, thereafter, the small, low-income and scattered rural population of the Southern Cone had little to offer in exchange. Furthermore, it was argued that high internal transport costs made this former backwater of the Spanish Empire nothing but a marginal market. In this

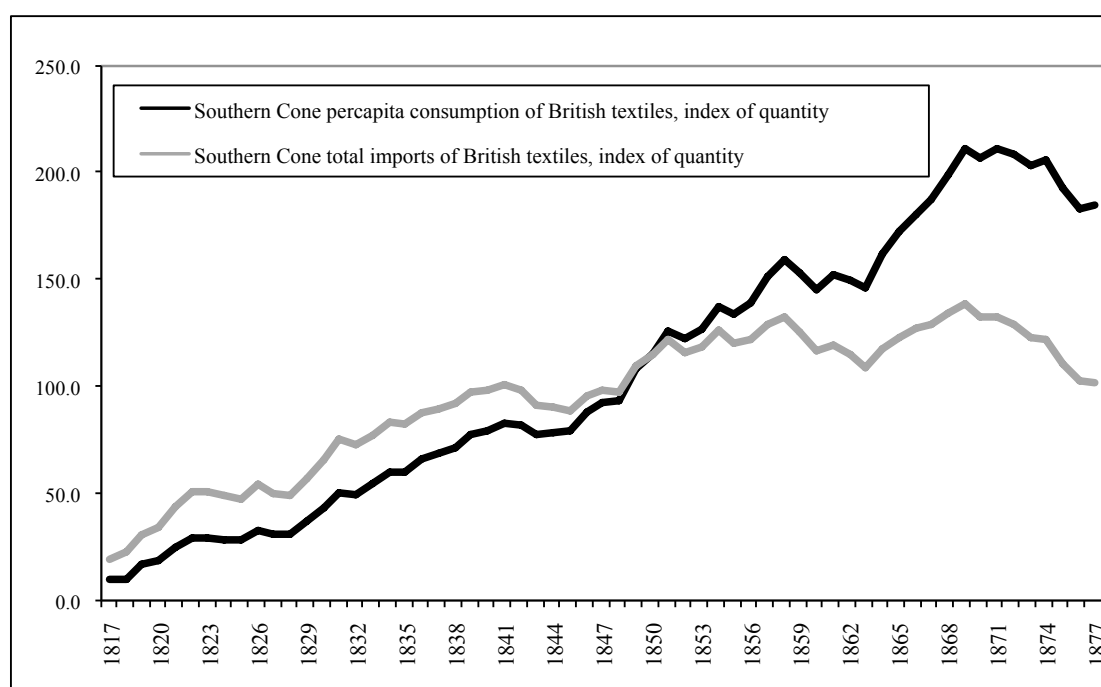
view, which considers the economies of the Southern Cone solely ‘responsible’ for the supposedly low volume of British exports to this region (which was not the case), post-1850 developments, such as an increasing European demand for raw materials, the laying of long-distance railways in the Southern Cone and European migration on a sizeable scale, were regarded as the reasons for a subsequent growth of Britain’s exports to Argentina and Chile.

In contradiction to this, and based on new data produced in Chapter 2, it is demonstrated in this thesis that, firstly, neither Latin America nor the Southern Cone were marginal markets during the first half of the nineteenth century, particularly for British exporters of cottons, woollens and worsteds. Secondly, British exports to Latin America, and especially to the Southern Cone, measured by value, behaved in a similar way to British exports to the rest of the world. There was nothing exceptionally ‘bad’ in the rate at which Latin America and the Southern Cone took British manufactures for the period between the 1810s and the 1850s. Indeed, rather than stagnation, there was continuous growth in British exports to the Southern Cone. Measured by value, the annual average exports of the 1840s were over three times higher than in the 1810s. No saturated market behaves in this way. Thirdly, though it is true that by the late 1870s the value of aggregated British exports to the Southern Cone had more than trebled, again, if compared with the 1840s, this was mainly due to a diversification of British exports, with exports of capital goods becoming increasingly more important (Table 1.1, Chart 2.4 and Chart 9.2).

Fourthly, if instead of analysing the development of exports in values, exports in volumes are considered, then the time path of textile volumes exported by Britain to the Southern Cone shows that, rather than a sudden and substantial change around the 1850s, 1860s or 1870s suggested by the historiography, there was continuous and very high growth between the 1810s and the 1870s. For the first half of the century, in particular, the compound growth rate of textile yards exported by Britain to the Southern Cone during the period 1817–1847 (for the series in five-year moving averages) reached a staggering 8 per cent per annum (Chart 9.1). Furthermore, if figures of the Southern Cone’s per capita consumption of British textiles in volumes are considered, it is evident that there was a spectacular growth between the 1810s and the 1840s, whereas there was no substantial change during the third quarter of the nineteenth century if compared to the 1840s. In per capita terms, during the 1840s, the

River Plate and Chile took seven times more yards of cottons and linens than in the late 1810s and nearly four times more wool manufactures. In comparison to the 1840s, there was no significant change in the average quantity of British textiles consumed by the inhabitants of the Southern Cone in the 1850s, 1860s and 1870s (Chart 9.1). Absolute growth of textile volumes exported by Britain from the 1850s to the 1870s was mainly due to an increase in population.

Chart 9.1¹
Southern Cone textile imports from the United Kingdom. Weighted indexes of total and per capita imports in volume, 1817–1877. Five-year moving averages of the series where 1850 = 100



Source: own elaboration from Tables A.2.2.2 and A.2.2.3 of Appendix 2.2

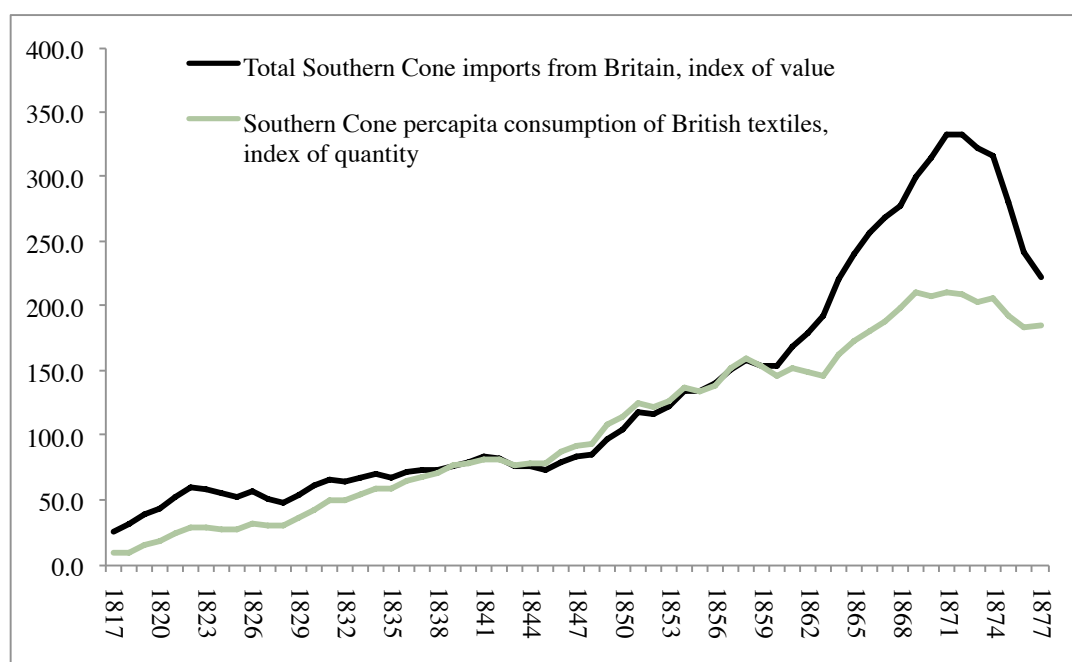
Copious qualitative evidence also contradicts the historiography. In the early 1830s, for instance, one of the main exporters to Chile wrote to his agent in northern England that ‘in all our late letters we have encouraged Messrs. Webster to ship to the

¹ This integrated index of United Kingdom textile exports in volume for all textile branches was constructed with weighted averages of the three individual indexes of quantum shown in Chapter 2 (Charts 2.4, 2.5 and 2.6 for cottons, wool manufactures and linens). The weights given each year to each textile branch were the associated shares cottons, wool manufactures and linens had in the value of United Kingdom exports to the Southern Cone for these three categories added together.

fullest extent of their means' as last shipments gave them 'more than 60% profit on the cost price'.² A few years later, Huth's branch at Valparaiso reported that 'we continue much in want of prints, we have at present not a piece on hand'.³ These are not isolated examples and, evidently, these were not reports sent from a glutted market.

Chart 9.2

Southern Cone imports from the United Kingdom. Weighted index of per capita textile imports in quantity and index of total values imported (including all products), 1817–1877. Five-year moving average of the series where 1850 = 100



Source: own elaboration from Tables A.2.2.1, A.2.2.2 and A.2.2.3 of Appendix 2.2

As already noted, and in strong contradiction, the historiography has accounted mistakenly for a supposedly poor performance of British exports to the Southern Cone during the period c.1810–1850 in terms already considered. In those explanations claimed by the literature, little had changed in the Southern Cone by the 1850s. The population was still scattered, mostly rural and poor and the region lacked investment. Yet, despite this, there was a high and continuous growth in the per capita consumption of British textiles for over 35 years before the timing suggested in the historiography and well before both the alluded increase in Europe's demand for Latin American raw materials and the establishment of long-distance railways. What

² HPEL, Volume 8, Huth & Co. to Stansfeld (Leeds). London, 23 September 1831.

³ HPEL, Volume 15, Huth, Gruning & Co. (Valparaiso) to Huth & Co. (London), quoted in Huth & Co. to George Peabody (Manchester). London, 11 January 1836.

happened? What variables explain the actual growth of British exports to the Southern Cone before 1850? Furthermore, how restrictive is a Eurocentric approach? Were British exports constrained solely by the ‘incapacity’ of the market to absorb more goods?

The contradiction between the results presented in Chapter 2 and the historiography posits the need to bring in new explanations. It was argued in Part III that a rounded account of the Southern Cone’s increasing absorption of British textiles from the 1810s requires not only an examination of other local aspects – besides those considered in the historiography– but, above all, the changing situation in Britain. As noted in Chapter 7, there were many positive and material developments taking place in Britain which promoted the growth of British exports to the Southern Cone. By 1815, Britain was not yet a fully industrialised power and, consequently, Southern Cone imports from Lancashire and Yorkshire were very costly. Thereafter, British textile manufacturers achieved great reductions in production costs which were translated into continuous and dramatic falls in export prices (Charts 7.2 and 7.3). Indeed, British plain and printed cottons were exported during the 1830s at a third and a half of the prices charged in the late 1810s, respectively. Similarly, the prices of both linens and woollens mixed with cotton halved during this period. During the 1840s, there were additional and substantial price reductions in textile export prices but, thereafter, the prices did not decrease significantly.

Furthermore, after the Southern Cone achieved independence, British textiles were marketed directly and legally to the local wholesaler for the first time. Both gaining knowledge of ‘new’ demands and how to operate in this novel situation took time (Chapter 4). Early British exports consisted, in part, of unsuitable goods for an exigent local demand. For instance, it proved difficult for local agents to make British manufacturers understand that the colour of textiles was a more important consideration to buyers than their quality. This problem was not only due to stubbornness on the part of manufacturers but also to the difficulties of understanding a new culture. Although British manufacturers and merchants had long used samples and pattern books in exports to nearby markets, their employment in a remote market, with which communication was both slow and difficult, required considerable improvement. Marketing know-how greatly improved during the first decades of

direct legal commercial intercourse with the Southern Cone, which could have only fostered British exports to this market during the 1820s and 1830s.

Improvements in the packing of textiles, which gave protection against damage from seawater and fresh water, were also a material positive development promoting exports, a point previously neglected by economic historians. During the early decades of commercial intercourse with the republics, a great deal of British textiles arrived soaked and had to be sacrificed at very low prices in public auctions. These were times when exporters packed their goods mostly in canvas or, at best, in oil cloth. Thanks to the introduction of tarpaulin for packing textiles, the extent of seawater damage was dramatically reduced during the 1830s and 1840s. Thereafter, textiles bales were further protected after the introduction of iron vessels in the trades between Britain and the Southern Cone. Better packing and improved shipping reduced marine insurance premiums from 5 per cent to 1.5 per cent of the invoice value of a cargo between the 1810s and the 1850s (Chart 7.5) which was another important change that fostered British textile exports during the first half of the century.

Moreover, there were considerable falls in ocean freight rates. During the 1810s and early 1820s, exporters of textiles had paid between £6 and £9 per ton for shipments from Liverpool to the Southern Cone. During the 1830s, rates charged by shippers for the same route had halved and, after the 1850s, there were new and substantial falls in freight rates. Furthermore, the sailing times in the Anglo-South American trades were reduced during the 1810s–1830s. This was due to British masters becoming better acquainted with the winds and currents governing the ‘new’ oceanic routes. Later on, after the introduction of bigger iron-built vessels and, thanks to the positive relationship between vessel size and speed, there were additional reductions in sailing times for textile cargoes, which further fostered British exports. There were also substantial improvements in communications, mainly due to the introduction of mail-packet companies for conveying passengers and information. As a result, commercial information travelled at a faster speed between Britain and the Southern Cone, especially from the 1840s. Indeed, the time for a letter to travel between Liverpool and Valparaíso was cut from no less than 120 days in the early days after independence to 40 days by the late 1860s.

Finally, and as far as positive developments taking place in Britain are concerned, from the early 1840s, there were substantial reductions in the British import duties on Southern Cone produce, which ‘paid’ for exported British manufactures. During the early 1840s, Chilean exporters of copper ore to Britain had paid up to £4.5 per ton in tariffs. In 1848, this duty was just £0.05 per ton. Similarly, in 1842, import duties on Argentine hides were reduced by 89 per cent compared to the tariffs of the 1820s (Table 7.2). Considering that, during the 1840s, British export prices of cottons and wool manufactures mixed with cotton were around a quarter of the prices charged during the 1810s and that, in turn, the international prices of the main Southern Cone exports had remained relatively stable, this was translated in substantial improvements in the terms of trade of the new republics that further promoted Southern Cone imports of British manufactures (Chart 7.4).

Equally, from the 1830s, there were positive developments taking place in the Southern Cone which also fostered British exports. Very high import duties and import prohibitions on British textiles were substantially reduced, or lifted, from the late 1830s in Chile (Chart 8.2) and, during the 1840s and 1850s, in Argentina. Local port facilities were also improved from the 1830s and more importantly around the early 1850s, which reduced unloading and loading times and, therefore, cut both shipping costs and capital costs associated with cargoes. In addition, riverine navigation was liberalised in Argentina after Rosas’s fall (1852) and, around the same time, Chilean coastal trade was opened up to foreign flags, which reduced the cost of the local redistribution of goods. All these developments contributed to even greater imports from Britain.

All in all, there should be little doubt that British exports to the Southern Cone expanded over the six decades after *c.*1810 and why it occurred. They might have grown faster had they not been constrained by local developments which occurred prior to the building of the railways and the start of substantial immigration. Before the fall of Rosas, Argentina, and Chile to a lesser extent, had experienced grave political instability. There had been almost permanent civil war, inter-republic wars, wars against the Indians and four long international blockades. All had adversely impacted upon imports from Britain and Southern Cone exports which paid for them. Comparatively, the second half of the nineteenth century was a more peaceful and favourable period for British exporters. Political instability during the first half of the

nineteenth century was far more important than has been previously assumed when explaining the development of British exports. Had the republics enjoyed greater political stability, the growth of British exports to these outlets during the first half of the century would have been more spectacular.

In the same vein, attention has to be paid to the performance of local wool, and cottons to a lesser extent, handicraft industries, including the Indian production of coarse woollens. They competed with European textiles for longer than argued in the historiography (even by the most optimistic), especially woollens of Córdoba, Santiago del Estero, Chillán, Talca and Araucanía. Indeed, there was not a major technological gap between local woollen producers and British manufacturers before the 1830s. British and Southern Cone wool-weaving processes were comparable (neither being mechanised) and both still used urine to degrease raw wool, just to mention two illustrative examples. This explains, in part, why British exports of cottons and linens expanded more quickly than exports of wool manufactures.

The self-explanatory Table 9.1 brings together the main variables mentioned above when explaining the development of British textile exports to our markets. It contains a summary for the main staple exported by Britain to the Southern Cone during the first half of the nineteenth century (printed cottons) and the main River Plate produce paying for it (hides). The specific market of Buenos Aires and four particular years were selected to simplify the table. Should the reader require more details, the preceding chapters and appendices contain plenty of them.

Finally, if exports grew continuously from the 1810s, then, so did return remittances and/or multilateral trades. Chapter 6 provides a rounded treatment of this subject. Not only has new quantitative evidence been provided but also previously unanalysed qualitative evidence. For example, it was demonstrated that Buenos Aires exported to Britain more gold and silver and for a longer period than most scholars have believed. Similarly, it was remarked that Argentine exports of hides to Britain were of material importance from the 1810s. This thesis also reassessed the importance of Chilean exports of bullion and specie, as well the substantial relevance of multilateral trades involving British exports of textiles to the Southern Cone and Southern Cone exports of raw materials elsewhere to pay for them. In particular, the importance of Chilean copper exports to Asia and the USA, as well as River Plate

Table 9.1
Printed cottons exported from Liverpool to Buenos Aires, c.1815–1875 (*)
Development of main variables explaining the growth of British textile exports to the Southern Cone

Variable / Year	c.1815	c.1835	c.1855	c.1875
FOB price of printed cottons (pence per yard)	6.474	2.880	1.582	1.804
Marine insurance (estimated pence per textile yard)	0.324	0.072	0.024	0.023
Ocean freights (estimated pence per textile yard)	0.117	0.081	0.055	0.036
CIF price of printed cottons (pence per yard)	6.914	3.032	1.661	1.863
Import duties on the spot (estimated pence per cottons yard)	2.420	0.910	0.332	0.373
Wholesale price of printed cottons, customs level (pence per yard)	9.334	3.942	1.993	2.235
Development of quantifiable variables explaining the growth of British textile exports (approximated values)				
Postal delivery times (days)	86	71	38	38
Sailing time for cargoes (days)	85	70	62	55
Average size of British vessels arrived at Buenos Aires (tons)	175	210	275	480
Wholesale prices of dry hides in Britain (pence per lb)	8.9	8.5	9.0	11.5
Import duties in Britain for dry hides (£ per cwt)	0.19	0.23	0.00	0.00
Development of other variables explaining the growth of British textile exports				
Know-how of British textile exporters to the Southern Cone	Poor	Good	Very good	Very good
Cartography and oceanography relevant to the routes	Poor	Good	Very good	Very good
Port facilities on the spot	Very poor	Poor	Mediocre	Mediocre
Resistance offered by local craft industry	Very strong	Strong	Low	Very low
Packing of textiles in Britain	Very poor	Good	Very good	Very good
Local political situation	Very instable	Very instable	Stable	Stable
Multilateral trades	Extended	Very extended	Very extended	Very extended
Riverine navigation	Restricted	Restricted	Free	Free
Level of investment (including railways)	Very low	Very low	Very low	Taking off
Average income of local population	Low	Low	Low	Low
Concentration of local population in rural areas	Very high	Very high	Very high	High

(*) Figures in decimal pounds (new pence; 240 pence = 1 pound)

Source: own elaboration

hides and jerked beef exports to the USA, the Caribbean and continental Europe, was highlighted.

In other aspects of this thesis, besides the development of British exports, it was already noted that, in the historiography, British exports had long been taken for granted to the extent that, before this thesis, there were no specific considerations of textile exports to Latin America. The textile trade is only mentioned in passing in a literature concerned predominantly with other issues such as the shambolic mid-1820s loans (which accounted for only £1.4m in real values). This is all the more surprising, as before the 1850s, textiles were the main manufacture traded on world markets and Britain was the foremost exporter. Indeed, the trade in textiles was not only the backbone of the businesses of British mercantile houses in the Southern Cone during the first half of the century but also their most profitable economic activity during this period.

To correct this historiographical neglect, as well as to better understand the patterns of trade produced in Chapter 2, the second part of this thesis (Chapters 3–6) sheds new light on the market chain of textile exports showing that goods do not move on their own; they are marketed by individuals. It considers in detail the process by which textiles were transferred from British manufacturers to local wholesalers. The various relationships between manufacturers, merchants, sales' agents, ship brokers, underwriters and import-export houses were assessed and analysed. New evidence was examined on the relative roles of the consignment system and own account operations. Part II also highlighted the roles of advances made against consignments, marine insurances, return remittances, and shipping strategies.

Hitherto, most topics covered in Part II have been largely ignored. The process and importance of packing textiles, for example, has not received any scholarly attention. Similarly, marine insurance, and its relevance, has attracted little interest among historians. With regard to the organisation of the market, a great deal of misconceptions has been previously claimed in the literature. For example, most scholars believed that all mercantile houses on the spot were branches of Liverpool or London houses. Chapter 3 provides quite a different situation. Before this thesis, it had also been assumed that British exports to the Southern Cone were marginal and, therefore, attracted few merchants' interest. This thesis shows that, if all actors are considered, then literally many thousands of white-collar workers – and labourers

behind production – were involved in the trades. For instance, over 250 British mercantile establishments opened houses in the Southern Cone before 1859 (Appendix 3.2).

The second part of this thesis also highlighted for the first time the peculiarities of the Southern Cone's demand, as well as the complexities faced by exporters when supplying a distant market under a precarious communication system. Though sampling and other market-managing tools, such as pattern books, had received some attention in works treating British exports to continental Europe or the North Atlantic, no work on this subject had dealt with exports to emergent and distant markets after the Napoleonic Wars. As a novelty, all the implications of a good sampling and reverse-sampling systems were assessed (Chapter 4). Similarly, before this research, there was no comprehensive treatment of all the contracts and commission charges related to British exports to the Southern Cone (Chapter 5).

Finally, and for future study, when explaining the main trends behind British exports, others factors, besides those analysed in this thesis, require further consideration. In particular, the negative impact on trade of the financial crises in Britain in 1825, 1837 and 1847 calls for additional research.⁴ During all these panics, advances on consignments were rarely effected, even by important merchant bankers, such as Huth & Co. Another unexplored topic which requires more attention is the introduction of railways in Britain during the 1830s and its impact on the textile export economy. As for the situation on the spot, the very last link of the market chain of British textiles also requires more research; how, exactly, did native wholesalers market British textiles to the final costumer in the Southern Cone and how were they retailed. Last but not least, the history of mercantile houses from the USA, Germany, Belgium and France which opened offices in the Southern Cone during our period of study is waiting to be written.

⁴ For instance, in the 1837 panic, Huth & Co. (one of the foremost British mercantile houses in Chile) lost 10 per cent of their capital. S. D. Chapman, *The rise of merchant banking* (London, 1984), p. 73.

MAPS

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Map 1
South America, c.1830



Source: image obtained from <http://www.lib.byu.edu/dlib/civ/>.
Accessed on 20 December 2008.

Map 2
Southern South America, c.1830



Source: image scanned from J. Lynch, *Simón Bolívar: a life*, Yale University Press (London, 2006)

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Ledgers of Imports Under Articles [CUST/5]: See Appendix 6.1

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