

THE ESTABLISHMENT OF BRITISH COMMERCE WITH ARGENTINA

The primacy of British commercial interests in the Río de la Plata began as soon as Spain's monopoly was broken, at first by contraband trade, later by the independence of the colonies. In early times the region developed slowly, because of the Spanish preference for mining,¹ and the restriction of commerce to goods brought from Spain by the costly route of Panama, Callao, the passes of the Andes and the pampas. From its foundation, the Portuguese settlement of Colonia do Sacramento naturally became a center for smuggling cheaper manufactures direct from Europe across the river to restricted Buenos Aires,² in defiance of many Spanish attacks³ and the watchfulness of the Spanish outpost, Montevideo,⁴ nearer the sea. In this illicit trade the English shared, especially in times of war.⁵

The British became seriously interested in Buenos Aires after the Peace of Utrecht. They had already visited South America during the war, with ships' papers forged by one Don Fernando Guzmán in London.⁶ By the peace they gained a two-fold advantage: Colonia was restored to their friends the Portuguese, and the English were granted a legitimate position in the Spanish colonies by the Asiento.⁷ They were

¹ S. H. Wilcocke, *History . . . of the Viceroyalty of Buenos Aires . . .* (London, 1807), p. 503.

² B. Mitre, *Historia de Belgrano y de la Independencia Argentina* (6th ed., Buenos Aires, 1913), I. 37.

³ R. Levene, ed., *Documentos para la Historia Argentina* (Buenos Aires, 1915), V. xxvii (cited hereafter as *Documentos*). For the repeated capture and return of Colonia, see D. Antokoletz, *Histoire de la Diplomatie Argentine* (Paris, 1914), I. 54-60.

⁴ S. Arcos, *La Plata. Étude historique* (Paris, 1865), p. 144.

⁵ Public Record Office, London, C.O. 388/53 (Lisbon merchants to Pitt, June 6, 1760).

⁶ *Documentos*, V. p. 3.

⁷ *British and Foreign State Papers*, I. 611-627.

permitted to send a limited number of slaves to Buenos Aires, where not over six Englishmen might live to supervise the sale. Royal decrees ceding rights to build houses, till the soil, etc., for the maintenance of the slaves until sold, gave them a foothold.⁸ When later they were permitted to import goods to clothe the slaves, they used the privilege as a pretext for shipping further supplies for sale.⁹ In such fraudulent practices they were helped by the venality of the local officials¹⁰ and the connivance of the civil inhabitants, many of whom entered secret but loyal partnership with them. The British traders even learned something of the interior, for in August, 1725, the South Sea Company was given the right to take inland a few unsold slaves.¹¹ English goods penetrated far into the country, being carried by Spaniards in small wagons into Paraguay,¹² and later in large covered ones as far as Chile.¹³

Friction over British encroachments led Spain into war with Great Britain and, when that proved unsuccessful, to a more liberal commercial policy in hopes of undermining the English by fostering Spanish competition with them.¹⁴ Permission to send specially licensed "register-ships" anywhere at any time (in contrast to the fixed sailings of the old *flota* and galleons) rapidly encouraged legitimate trade at Buenos Aires, which was stimulated further by the establishment in 1767 of a service of packet-boats from Coruña,¹⁵ with Spanish produce as half their cargoes.¹⁶ The change was timely, for, as Bougainville recorded in 1766, commerce had greatly declined at Buenos Aires after carrying European goods

⁸ *Documentos*, V. 11-13.

⁹ D. de Alcedo y Herrera (ed. by J. Zaragoza), *Piraterías y Agresiones de los Ingleses* (Madrid, 1883), p. 208.

¹⁰ *Ibid.*, p. 79.

¹¹ *Documentos*, V. 97.

¹² [J. Campbell], *The Spanish Empire in America*. By an English Merchant. (Ed., London, 1747), p. 275.

¹³ *An Account of the Spanish Settlements in America* (Edinburgh, 1762), p. 285. T. Falkner, *A Description of Patagonia* (London, 1774), p. 2.

¹⁴ *Documentos*, V. xxvii.

¹⁵ *Ibid.*, p. 204.

¹⁶ Wilcocke, *op. cit.*, pp. 515, 519; *Documentos*, V. xxxiv, 204-205.

overland to Chile and Peru had been stopped and Colonia had been cut off by Spanish fortifications.¹⁷ After Colonia was ceded to Spain by the peace of San Ildefonso in 1777, trade was permitted with any Spanish possessions.¹⁸ Undoubtedly the English were injured by the invigorated Spanish competition, but as late as 1774 Brazil was still a busy center of smuggling into nearby Spanish territory, many ships sailing there from London, Deal, Liverpool, and Bristol, laden with British manufactures.¹⁹

Decrees for the establishment of a viceroyalty at Buenos Aires in 1776 and for a new commercial code in 1778²⁰ were expected to bring added vitality to Spanish commerce and to lessen the incentive to contraband. But, while duties were lowered, preference was still given to Spanish goods (about 19 per cent *vs.* 43 per cent)²¹ and to Spanish ships, licenses were still required to enter the colonies, and detailed though simplified regulations continued.²² Real effects of the change were difficult to gauge because of the wars, which interfered, but Buenos Aires continued to grow (according to one estimate, from 38,000 inhabitants in 1778 to 72,000 in 1800);²³ helped by added concessions to neutral commerce in wartime,²⁴ freer exportation of hides after 1789,²⁵ and rapidly increasing intercourse with the interior. On the other hand, in 1781, English goods were barred from Buenos Aires²⁶ even if

¹⁷ L. de Bougainville, *Voyage autour du Monde* (Paris, 1771), pp. 40-41.

¹⁸ Sir Woodbine Parish, *Buenos Ayres* (London, 1839), p. 22; M. A. Pelliza, *Historia Argentina* (Buenos Aires, 1888-1889), I. 251-252; R. Antunez y Acevedo, *Memorias históricas sobre la Legislacion, y Gobierno del Comercio de los Españoles con sus Colonias* (Madrid, 1797), p. 37.

¹⁹ *Documentos*, V. 364-366.

²⁰ *Ibid.*, VI. 3-132.

²¹ F. R. J. Depons, *Travels in South America* (London, 1807), II. 24.

²² Pelliza, *op. cit.*, I. 239-241.

²³ R. G. Watson, *Spanish and Portuguese South America* (London, 1884), II. 214.

²⁴ R. Levene, *Los Orígenes de la Democracia Argentina* (Buenos Aires, 1911), pp. 157-158, 302-303.

²⁵ Arcos, *op. cit.*, p. 178.

²⁶ A royal decree of June 24, 1779, forbade admission of British goods or any goods that had touched at any British port (*Documentos*, VI. 157).

they had been imported first into Spain in time of peace,²⁷ and in 1784, very severe restrictions were placed on the entry of foreign vessels under pretense of distress.²⁸ Yet England, by command of the seas, finally almost severed communication between Spain and its colonies,²⁹ until shortage of supplies caused many in Buenos Aires to listen to the pleas for freedom of commerce of Mariano Moreno and Manuel Belgrano, who paved the way for independence.³⁰

In 1803, an English naval officer, Sir Home Popham, revived an old idea,³¹ namely, that England should attack Buenos Aires to break the Spanish monopoly.³² When he carried out the plan in 1806, he had an economic as well as a political purpose. In October, 1804, he had written to Pitt of the great advantages to England if the latter were to help the Spanish colonies gain their independence, "the riches that it would bring in, the new sources that it would open for our manufactures and navigation".³³ Already English merchants were active there. In 1804, Mark Riley of London succeeded in selling British manufactures in Buenos Aires,³⁴ although John Mawe, a year later, was arrested in a similar attempt, and lost his property and his liberty.³⁵

The unauthorized capture of Buenos Aires by Popham and General Beresford in May, 1806,³⁶ removed the risks of such illegal trading. In July, Popham wrote enthusiastic let-

²⁷ R. Levene, *Investigaciones acerca de la Historia económica del Virreinato del Plata* (La Plata, 1927-1928), I. 307; *Documentos*, VI. 197.

²⁸ *Documentos*, VI. 269.

²⁹ Depons, *op. cit.*, II. 49.

³⁰ J. M. Estrada, *Lecciones sobre la Historia de la República Argentina* (Buenos Aires, 1898), I. 230-231; Levene, *Los Orígenes*, pp. 165-166.

³¹ Mitre, *op. cit.*, I. p. 98; Campbell, *op. cit.*, p. 278; V. F. López, *Historia de la República Argentina* (Buenos Aires, 1883-1893), I. 460.

³² W. S. Robertson, *The Life of Miranda* (Chapel Hill, 1929), I. 257-258.

³³ "Miranda and the British Admiralty, 1804-1806", in *American Historical Review* (April, 1901), VI. 513.

³⁴ Public Record Office, London, B.T. 5/15, p. 235.

³⁵ J. Mawe, *Travels in the Interior of Brazil* (London, 1812), p. 9.

³⁶ C.O. 324/68, pp. 1-7. The military history is given at some length in M. Lobo, *Historia general de las antiguas Colonias Hispano-Americanas* (Madrid, 1875).

ters to the officials of the manufacturing and commercial centers of England, pointing out the new opportunities, not only in Buenos Aires and Montevideo but also in the whole vice-royalty.³⁷ To encourage commerce, Beresford abolished all prohibitions and reduced duties, previously 34½ per cent on English products, to 12½ per cent for British subjects and 17½ per cent for others.³⁸ There was eager response in England. On September 17, 1806, by order in council, Buenos Aires was declared British and open to trade in British or Argentine ships.³⁹ According to *The Times*,

Such unexampled generosity and moderation will doubtless make the inhabitants of the Spanish colonies wish to be connected with Great Britain. By such an union we should have a never-failing market for our commodities, and our enemies would be forever deprived of the power of adding the resources of these rich provinces to their other means of annoying us.⁴⁰

The merchants of Great Britain, perplexed to find outlets for the goods choking their warehouses because of the war on the continent, welcomed the new opening. By October, one hundred ships were being fitted out for South America.⁴¹ Government aided by permitting delays of six weeks to a year in the payment of duties, in order to circumvent the exorbitant premium of 10 per cent charged for advancing them by local Spanish houses,⁴² and by setting aside the monopoly of the South Sea Company.⁴³

Visionaries now recommended a permanent colony on both banks of the Plata and the Paraná rivers as far as Santa Fé,

³⁷ Holt & Gregson MSS., Liverpool Public Library, XIII. 15; *The Times*, September 20, 1806.

³⁸ Beresford held the same views, although less confidently (B.T. 1/30. Beresford to Castlereagh, July 11, 1806).

³⁹ *The London Gazette*, September 20, 1806.

⁴⁰ *The Times*, September 16, 1806.

⁴¹ B.T. 1/30 (Mark Summers, October 1, 1806).

⁴² B.T. 5/16, p. 371.

⁴³ B.T. 1/100 (Petition of September 14, 1815); Parliamentary Papers, 1814-1815, VII. (93), 365.

and British protection to an independent Paraguay beyond.⁴⁴ Such dreams were soon ended. Angered by subjection, and more interested in overthrowing the English than in commercial prosperity, the citizens of Buenos Aires suddenly attacked and forced Beresford to surrender. As the British fell back on Montevideo, Maldonado, and Colonia, to await help from England,⁴⁵ the merchants suffered heavy losses, but tried to continue business in the new centers on a lesser scale. On April 25, 1807, Sir Samuel Auchmuty, commanding officer, wrote:

In the present unsettled state of the country, it was not to be expected that British goods would find their way into the interior, but there is reason to believe that some Channels have been opened for their introduction.⁴⁶

For protection against foreign competition, he levied a duty of 10 per cent on tallow and an extra duty on hides exported by neutrals. In May, he estimated that goods (chiefly British manufactures) worth at least £1,209,600, had been sold, largely in retail shops set up in Monte Video by English Merchants, the Spaniards being fearful of effecting any wholesale bargains lest English goods in their possession should be confiscated in case of the Country being given up.⁴⁷

Unfortunately

old rubbish, that had been lying up for years in the warehouses, were [*sic*] shipped off, and disposed of at Monte Video, to the country dealers, who, on opening the packages for the retail trade, found the articles not only far inferior to the samples, but, in many instances, totally unfit for use. . . .⁴⁸

Thus a prejudice arose against British manufactures which continued for some time.⁴⁹

⁴⁴ *A Summary Account of the Vice-royalty of Buenos-Ayres* (London, [1806]), p. 39; Wilcocke, *op. cit.*, pp. 554-555.

⁴⁵ B.T. 1/35 (Petition of merchants, June 9, 1807); J. P. and W. P. Robertson, *Letters on Paraguay* (London, 1838-1839), I. 102.

⁴⁶ C.O. 324/68, p. 55.

⁴⁷ *Ibid.*, p. 62.

⁴⁸ . . . *Narrative . . . Craufurd . . .* p. 200.

⁴⁹ A. Gillespie, *Gleanings and Remarks . . . Buenos-Ayres* (Leeds, 1818), p. 71.

There could be no hope of normal trade until the question of ownership of Buenos Aires was settled. The delicate diplomatic situation into which the British government had been forced by the capture, caused division in the cabinet, delays and a half-hearted attitude when help was finally given.⁵⁰ The commander of the new expedition, Whitelocke, was instructed to establish English authority in the Plata basin, but otherwise to make as little change as possible.⁵¹ The commercial importance of the expedition was emphasized by the number of merchantmen which it convoyed, but the confidence of the merchants in England was soon changed to bitter disappointment. The bad strategy of the English and the courage of the natives caused such losses of men that Whitelocke agreed to leave the whole river Plata if all English prisoners were returned. His abandonment of Montevideo without an effort surprised even the Spanish-Americans, but he explained it on the ground that the city "can never be of any advantage while the capital of the Province and the great entrepôt of commerce remained in the hands of the enemy".⁵² His promise that "the merchants will be able to dispose of their goods advantageously before the evacuation"⁵³ was not fulfilled. English ships were forbidden by the authorities at Buenos Aires to sell their cargoes there,⁵⁴ and at Montevideo all was confusion,

owing to a recent order . . . for the re-embarkation of the British merchants and their goods, which was most unfortunately premature, for even until the last, adventures were hurrying down from the Upper Country to have made their purchases, as the whole of the interior was in the utmost want of European manufactures. . . .⁵⁵

The judge-advocate⁵⁶ at Whitelocke's trial agreed with the bitter feeling in England that withdrawal from Montevideo

⁵⁰ Baron Holland, *Memoirs of the Whig Party* (London, 1852), II. 113-115.

⁵¹ *Trial of Lieutenant-General Whitelocke* (London, 1808), Appendix, p. 2.

⁵² C.O. 324/68, p. 89.

⁵³ *Ibid.*, pp. 92-93.

⁵⁴ . . . *Narrative . . . Craufurd*, p. 171.

⁵⁵ Gillespie, *op. cit.*, pp. 278-279.

⁵⁶ *Trial of . . . Whitelocke*, p. 3.

was needless,⁵⁷ most of the inhabitants being considered friendly to the English.

In spite of the set-back, British ships continued to visit the river, providing almost the entire supply of the country,⁵⁸ largely through smuggling.⁵⁹ British warships called at times and gave protection to the merchants.⁶⁰ When, in 1808, the viceroy reluctantly permitted foreign trade,⁶¹ a number of British traders settled in Buenos Aires under special license from the Spanish government.⁶² Some even tried Paraguay, but they found the capital better suited for their purposes than backward Asunción.⁶³ The dumping of goods after the failure of the expedition proved, in fact, beneficial in the long run, for the excessively low prices brought once prohibitive luxuries into ordinary consumption, and even far inland a permanent taste was formed for "light, showy, thin and low-priced" goods of British manufacture.⁶⁴

Political unrest caused the chief problems of the merchants. Colonial self-confidence had been aroused by success against a British army, while the occupation had taught the benefits of freedom of trade. Local agitators, led by Moreno, pointed out the fiscal loss from smuggling, and the advantage to the treasury as well as to agriculture, if export of hides, tallow, and grain were permitted, replacing clandestine shipments of money.⁶⁵ The attitude was encouraged by an English newspaper, published at Montevideo, which advocated

⁵⁷ *Notes on the Viceroyalty of La Plata* (London, 1808), p. 102.

⁵⁸ M. Moreno, *Escritos políticos y económicos* (Buenos Aires, 1915), p. 9, quoting the *Gaceta de Buenos Aires* of September 30, 1809.

⁵⁹ D. L. Molinari, *Antecedentes de la Revolución de Mayo* (Buenos Aires, 1922-1926). Publications of the *Instituto de Investigaciones históricas*, Nos. 14, 20 (p. 9, note), 33.

⁶⁰ J. Lucecock, *Notes on Rio de Janeiro* (London, 1820), p. 143.

⁶¹ B.T. 6/32 (Merchants' report of July 29, 1824).

⁶² M. G. Mulhall, *The English in South America* (Buenos Aires & London [1878]), p. 325.

⁶³ Lucecock, *op. cit.*, p. 155.

⁶⁴ W. Walton, *Present State of the Spanish Colonies* (London, 1810), I. 349.

⁶⁵ Moreno, *op. cit.*, pp. 119, 127; B. Levene, *Los Orígenes*, p. 159.

rebellion from Spain.⁶⁶ In November, 1809, the newly created junta at Buenos Aires decreed free trade. All ships might unload, paying a duty of 24 per cent on the cargo at local prices, but goods must be consigned to resident Spanish merchants. No duty was payable on exports.⁶⁷ The Spanish viceroy, Cisneros, approved the decree.⁶⁸ For the moment, the British merchants profited, but soon they were ordered to leave, and sold their property at a loss of 40 per cent for fear of confiscation.⁶⁹ Hope was revived when the patriotic government in Spain offered to permit British trade in South America in return for British mediation with the rebellious colonies.⁷⁰ Spain soon cancelled the agreement, but now England refused to give up the right to trade.

Difficulties continued to increase. When, in May, 1810, a revolutionary government was set up at Buenos Aires, the Spaniards used Montevideo as a base for a blockade of the city.⁷¹ In the autumn, Admiral De Courcy insisted that the port be open to the English at least while the British minister at Cadiz was attempting mediation.⁷² Later, British merchants assisted in fitting out a fleet which helped capture Montevideo for the rebels in June, 1814. Officially, England and Spain were at peace and Spain continued spasmodically to offer concessions in America for English help. In 1812, Spain proposed direct commerce between England and Spanish America for three years in return for permission to raise a loan of £10,000,000 in London. England objected to the conditions imposed, repudiated special privileges, and recommended opening the ports to all nations, with fair rates of

⁶⁶ J. E. Guastavino, *Inglaterra y la Diplomacia de la Revolución de Mayo de 1810* (Buenos Aires, 1918), p. 45.

⁶⁷ B.T. 1/49 (Decree of November 3, 1809).

⁶⁸ *Documentos*, V. cxvi.

⁶⁹ B.T. 1/52 (De Courcy to Croker, May 3, 1810).

⁷⁰ *British and Foreign State Papers*, XI. 51 (Polignac Memorandum, October 9, 1823).

⁷¹ Robertson, . . . *Paraguay*, II. 132; Moreno, *op. cit.*, p. 222.

⁷² Public Record Office, London, F.O. 63/103 (De Courcy to Viceroy Elio, September 7, 1811).

duty and a preference for Spanish goods.⁷³ As no agreement was reached, the old restrictions continued, legal but ignored. Buenos Aires published its own regulations for registering merchants, fixing commissions,⁷⁴ and levying a duty of 25 per cent on foreign manufactures⁷⁵ which it admitted freely. As peace approached in Europe in 1814, merchants and manufacturers in Great Britain begged their government to remember their interests in any negotiations with Spain.⁷⁶ When the treaty of July 5, 1814, was published, it was seen, however, that Spain agreed merely to make a treaty of commerce as soon as possible, although it did promise most favored nation treatment to England if it ever opened the colonies to any foreign nation.⁷⁷ Meantime Spain preferred the status of 1796 and earlier and succeeded in binding England to try to stop the shipment of contraband to the rebels.⁷⁸ The British government faced a dilemma. The merchants favored Spanish-American independence, the ministers wished to keep the friendship of Spain, but desired not to antagonize the organized and influential commercial groups at home. The cabinet decided to persist in its old policy of urging Spain to open colonial trade, while refusing to help that country put down the rebellion with force in return for commercial concessions. For a time, in 1815, it withdrew protection from the trade to La Plata,⁷⁹ because of threats of a Spanish invasion there and reports of local antagonism to the British.⁸⁰ Once a rumor that an English frigate was sailing to Buenos Aires to embark English merchants and their property, worth perhaps £1,600,000, caused great alarm,⁸¹ but the government did not send it. In general, their policy was benevolent toward commerce.

⁷³ B.T. 1/64 (Hamilton to Chetwynd, May 6, 1812). B.T. 3/11, pp. 325-330.

⁷⁴ *Liverpool Mercury*, July 23, 1813. ⁷⁵ *Ibid.*, May 20, 1814.

⁷⁶ B.T. 1/89 (Petition of London merchants, May 19, 1814, etc.); B.T. 5/23, pp. 280-294, 345; B.T. 3/12, pp. 418-419, 436-438.

⁷⁷ *British and Foreign State Papers*, I. 274-275.

⁷⁸ *Ibid.*, pp. 202-203.

⁷⁹ B.T. 1/100 (Petition of September 14, 1815).

⁸⁰ B.T. 1/101 (Captain Fabian to Croker, October 24, 1815).

⁸¹ *Liverpool Mercury*, September 1, 1815.

Private enterprise was now active. Woolens, cottons, hardware, and pottery⁸² were sent to Buenos Aires to be exchanged for native produce, the value in 1816 being £388,487,⁸³ and in 1818, £730,808.⁸⁴ By 1817, a dozen prominent English merchants had establishments there,⁸⁵ of whom J. P. and W. P. Robertson were among the most active. In 1815, the former was at Corrientes, buying hides, wool, cotton, sugarcane and timber, in exchange for specie and manufactures.⁸⁶ The firm sent an adventurer, Campbell, to the villages and estates, where he made contracts with the inhabitants,

or he drove them into Corrientes or Goya, to replenish their shops from our warehouses, or with the money we advanced to lend increased activity to their *esquinás* or *pulperías*. . . .⁸⁷

As transportation was lacking, they organized a system, using covered carts.⁸⁸ Later Robertson wrote:

Often have I seen a landed proprietor . . . drive off himself, with six or eight mules, laden with our merchandize, to his estate. There he retailed out articles of clothing to his peons and neighbours; and brought back, under his own superintendence, the waggon-loads of hides which he had to give in return.⁸⁹

Disliking to continue so speculative an activity too long, Robertson closed this in 1817, and visited England. As he found the manufacturers ready to take the risks of export, he became a merchant in Liverpool, with branch agencies in Buenos Aires, Paraguay, Corrientes, and Santa Fé,⁹⁰ and connections with the Barings, Gladstones, and other leading English houses.⁹¹ Less profitable but equally enterprising was the coastal trading of Allsopp along Patagonia, from 1815 to

⁸² S. Haigh, *Sketches of Buenos Ayres and Chile* (London, 1829), p. 30.

⁸³ A. Caldcleugh, *Travels in South America* (London, 1825), I. 161.

⁸⁴ B.T. 6/32 (Merchants' report, July 29, 1824).

⁸⁵ M. G. Mulhall, *op. cit.*, p. 325.

⁸⁶ J. P. and W. P. Robertson, *Letters on South America* (London, 1843), I. 22-23.

⁸⁷ *Ibid.*, I. 177.

⁸⁸ *Ibid.*, I. 181-182.

⁸⁹ *Ibid.*, I. 237.

⁹⁰ *Ibid.*, III. 33-39.

⁹¹ *Ibid.*, III. 101.

1819, successful until the shipwreck of the vessel.⁹² Many Englishmen kept retail shops in Buenos Aires and elsewhere, and commercial houses multiplied, most having correspondents in Chile and Peru as well as Rio de Janeiro and Montevideo.⁹³ Far inland they pushed their speculations,⁹⁴ for temporarily connections were unrestricted with Upper Peru, Paraguay, the Banda Oriental and other parts of the former viceroyalty.⁹⁵

The greatest hindrance remained the political uncertainty. Contraband was so easy along the shallow shores of the broad river, that possible restoration of the Spanish power and monopoly caused no great concern,⁹⁶ but instability within South America was disturbing. Upper Peru fought for Spain. Paraguay isolated itself under the dictator, Francia. Montevideo engaged in hostilities with Buenos Aires in a series of episodes, in which British and Brazilians took occasional part, disorder continuing until the Banda Oriental became the Republic of Uruguay in 1828. Buenos Aires suffered from the strife of its own rival leaders except under Rodríguez from 1820 to 1824.⁹⁷ At times, also, warfare and robberies on the pampas contributed to make trade with the interior almost impossible.⁹⁸

Great Britain, nevertheless, endeavored to encourage commerce with South America, for it offered a virgin field at a time when the old European markets were being contracted by the growth of native manufactures. Following a petition of merchants in 1822, the government altered the procedure

⁹² B.T. 1/138 (Lieut. W. Allsopp to Admiralty, July 10, 1819).

⁹³ Englishman, *A Five Years' Residence in Buenos Ayres* (London, 1825), pp. 34-35.

⁹⁴ B.T. 1/140 (Petition of S. McAlister, November 27, 1819).

⁹⁵ B.T. 6/32 (Merchants' report, July 29, 1824). Duplicates in F.O. 6/4, F. O. 54/3, F. O. 54/8).

⁹⁶ F.O. 83/81 (Foreign Office Circular, September, 1819).

⁹⁷ [Ygnacio Nuñez], *An Account . . . of the United Provinces of the Rio de la Plata* (London, 1825), p. 20.

⁹⁸ [Edward Hibbert], *Narrative of a Journey from Santiago de Chile to Buenos Ayres* (London, 1824), p. 63.

under the navigation laws to admit Spanish-American ships.⁹⁹ At one time, a British fleet was sent to Spanish-America to secure indemnity for losses to English merchant-shipping and prevent future injury. Finally, Spain felt compelled to cancel its prohibition of foreign trade with Spanish America.¹⁰⁰ The foreign office became more friendly to the merchants' plea for full recognition of Argentine independence, and when France invaded Spain and, it was said, planned to help reimpose the old colonial system, Canning¹⁰¹ announced that England could not withdraw interests long legally established in South America.¹⁰² He appointed Woodbine Parish consul-general to Buenos Aires "to protect, to support and to further the lawful Trade . . . and trading Interests of the united Kingdom by every fair and proper means. . . ."¹⁰³ Although English interests had previously been guarded by Robert Staples, acting semi-officially as consul in 1811, and by naval officers on the station,¹⁰⁴ the economic importance of the new step is shown in the increase of British exports to Buenos Aires from £639,121 in 1822 to £1,161,765 in 1823.¹⁰⁵ In 1825, Parish signed a commercial treaty with the Argentinians. It provided for mutual freedom of trade, complete protection of rights and property, equality under the law, and most favored nation treatment. It granted, also, freedom of worship, the right to dispose of property by will, and consular administration of estates of British subjects dying intestate.¹⁰⁶ It was perpetual, hence the legal basis of all later English commer-

⁹⁹ *British and Foreign State Papers*, IX. 897-898.

¹⁰⁰ *Ibid.*, XI. 864-865.

¹⁰¹ See H. W. V. Temperley, *The Foreign Policy of Canning, 1822-1827* (London, 1925), pp. 131-156; also, his introduction to F. A. Kirkpatrick, *A History of the Argentine Republic* (Cambridge, 1931).

¹⁰² *British and Foreign State Papers*, XI. 51.

¹⁰³ F.O. 354/1 (Canning to Parish, October 10, 1823).

¹⁰⁴ C. A. Rodney and J. Graham, *The Reports on the present State of the United Provinces* (London, 1819), p. 98.

¹⁰⁵ H. Smithers, *Liverpool, its Commerce, Statistics* (Liverpool, 1825), p. 164.

¹⁰⁶ L. and E. Hertlet, *Collection of the Treaties* (London, 1827-1895), III. 44-49.

cial relations with the region, as well as a pattern for other South American treaties. It came fully into effect when, by an order in council of September 3, 1827, Great Britain gave Argentine vessels equality with British in British ports.¹⁰⁷

Improved communications also aided commerce. The packetboats which began to connect England and Buenos Aires in April, 1824, carried mails for Chile and Peru as well.¹⁰⁸ Thanks to Parish, the fortnightly postal service to Chile became weekly,¹⁰⁹ and its route, via Mendoza, was now used by English traders who encouraged the growth of an increasing variety of produce to be exchanged for English goods.¹¹⁰ By 1825, the list included hides, lambskins, otter and chinchilla skins, wool, horse-hair, ostrich feathers, horns, skins of wolf, lion and tiger, tallow, hung beef, wheat, etc.¹¹¹ Three thousand Scots or English¹¹² had been attracted to the country, and forty British houses now existed in Buenos Aires.¹¹³ To their own competition was added that of native merchants. Indeed, speculation was so much overdone that, at times, prices of English manufactures were lower there than at home.¹¹⁴

Seeing the chief hope for increased consumption in the interior, Parish urged the sending of consuls to Corrientes, Salta, and Mendoza, but the foreign office approved only temporary agents to make inquiries at Corrientes and Salta.¹¹⁵ Parish himself tried to reopen communication with Paraguay. Robertson had gone there in 1811, and later had been alternately encouraged and harassed by the erratic Francia.¹¹⁶ John McFarlane had entered in 1820, sold his goods and received

¹⁰⁷ *Ibid.*, IV, 192.

¹⁰⁸ Englishman, *op. cit.*, p. 39.

¹⁰⁹ F.O. 354/3 (Parish to Canning, December 10, 1824).

¹¹⁰ C. Brand, *Journal of a Voyage to Peru* (London, 1828), p. 269.

¹¹¹ Nuñez, *op. cit.*, pp. 215-216.

¹¹² F.O. 354/3 (Parish to Canning, April 25, 1824).

¹¹³ M. G. Mulhall, *op. cit.*, p. 328.

¹¹⁴ Englishman, *op. cit.*, pp. 91-93.

¹¹⁵ F.O. 354/3 (Parish to Canning, February 18, 1825); F.O. 354/2 (Planta to Parish, November 16, 1825).

¹¹⁶ Robertson, *South America*, I, 283-284, 301-302, II, 283-285, III, 118-119.

permission to take out a return cargo, when suddenly silence fell. Nor had word come from Robertson's brig, sent in 1821 to seek his property.¹¹⁷ Parish won the release of the detained Englishmen and their goods,¹¹⁸ but failed in negotiations to open trade.¹¹⁹ The country remained closed until 1841, except by a costly overland route through Brazil.¹²⁰

Even the coast now proved an uncertain area for business, owing to war. In 1825, a Brazilian squadron blockaded the Río de la Plata as far as San Pedro,¹²¹ when the Banda Oriental revolted from its conqueror, Brazil, and tried to join the United Provinces. At first, the British admiral stationed there insisted upon communication with the shores for his ships and the packets but, with legal advice, the home government reversed his orders.¹²² Inefficiency in the blockade permitted smuggling, however, and goods were even brought overland from the Pacific via Arica,¹²³ although high prices limited consumption. Heavy losses resulted also from deterioration of hides held in storage for export,¹²⁴ and from the fall of exchange from 45d. to 12d. in two years.¹²⁵ Trade was further disrupted by privateers from Buenos Aires.¹²⁶ In fact, conditions were so bad that only two British vessels arrived in 1827, and even when the blockade was lifted at the end of 1828, recovery was very slow, although fortunately speculators had been eliminated. The average declared value of British goods sent to the River Plate from 1822 through 1825 was £909,330 a year. In 1827, it was only £154,895, in

¹¹⁷ F.O. 6/4 (Montgomery, Robertson, and Watson to Sir Thomas Hardy, February 17, 1823).

¹¹⁸ F.O. 354/3 (Parish to Canning, February 18, 1825).

¹¹⁹ B.T. 1/254 (Ponsonby to Dudley, December 20, 1827); F.O. 354/3. *Passim*.

¹²⁰ J. R. Rengger and I. Longchamp, *Essai historique sur la Révolution du Paraguay* (Paris, 1827), p. 137.

¹²¹ Pierre Denis, *The Argentine Republic* (New York, 1922), p. 207.

¹²² F.O. 354/2 (C. Robinson, opinion of Doctors' Commons, February 25, 1826).

¹²³ F.O. 354/8 (Circular of Lezico and Co., Buenos Ayres, February, 1829).

¹²⁴ F.O. 354/4 (Report of merchants, Buenos Aires, December 31, 1827).

¹²⁵ W. McCann, *Two Thousand Mules' Ride through the Argentine Provinces* (London, 1853), I. 221.

¹²⁶ B.T. 1/247 (Petition of merchants trading to Brazil, February 4, 1828).



1828, £312,389, and from 1829 to 1837, £643,291.¹²⁷ Falling prices meant, however, greater importations than these figures would indicate, for the average importation of cotton goods from 1822 through 1825 was 10,811,762 yards, and from 1834 through 1837, 18,151,764 yards.¹²⁸

The years during and following the Brazilian blockade were filled with much diplomatic activity over the status of Montevideo.¹²⁹ In spite of the fact that union with Buenos Aires would have caused automatic application at Montevideo of the favorable commercial treaty with England of 1825, Lord Ponsonby, British mediator, preferred the erection of an independent state of Uruguay, for separation would mean that Montevideo would be available for commerce when civil wars closed the rival port.¹³⁰ Montevideo was also valued as giving access to a rich hinterland and as being a good port for transferring goods to smaller vessels which traded up the rivers.¹³¹ Uruguayan independence was therefore recognized, but the lack of a treaty proved an unexpectedly difficult stumbling-block.¹³² Repeated and prolonged negotiations resulted only in vexation until Uruguay took the initiative for reasons of its own, and asked for one in 1842.¹³³

Meanwhile, further blockades, bringing the total to 2,953 days between 1826 and 1848,¹³⁴ continued to impede commerce. France intervened against Buenos Aires¹³⁵ in March, 1838,

¹²⁷ Parish, *op. cit.*, pp. 340, 349-350.

¹²⁸ *Ibid.*, p. 352.

¹²⁹ See E. J. Pratt, "Anglo-American Commercial and Political Rivalry on the Plata, 1820-1830", in the *Hispanic American Historical Review*, XI. 302-335 August, 1931).

¹³⁰ A. de Brossard, *Considérations historiques et politiques sur les Républiques de la Plata* (Paris, 1850), pp. 124-125.

¹³¹ J. A. B. Beaumont, *Buenos Ayres* (London, 1828), p. 70.

¹³² B.T. 1/265 (Petition of Liverpool merchants, October, 1829); B.T. 5/40 (Minute of March 23, 1832); B.T. 3/23 (Lack to Shee, August 18, 1832).

¹³³ F.O. 6/47 (Hamilton to Palmerston, July 23, 1835); B.T. 3/26 (Lack to Fox Strangways, November 27, 1835); F.O. 51/21. *Passim*.

¹³⁴ Parish, *op. cit.* (1852 ed.), p. 358.

¹³⁵ *Ultimatum adressé par Mr. Aimé Roger, Consul de France, au Gouvernement du Buenos Ayres* (Buenos Aires, 1838), pp. 21-31; J. F. Cady, *Foreign In-*

and again in September, 1845, each time for nearly three years. The original issues concerned the rights of French citizens, but soon the local strife between federalist and unitarian parties became entangled in the quarrel. The injured British merchants resented the blockade as a deliberate French attack upon their interests, and took advantage of Rosas's reduction of duties at Buenos Aires, to run the blockade.¹³⁶ They suffered, however, from the growing poverty of the population, increased by the war then going on with Bolivia.¹³⁷ In March, 1839, the warehouses in Buenos Aires were nearly empty and business was stagnant.¹³⁸ Some imports were made into the upper provinces and Paraguay by the Uruguay River and parts of Brazil, but French restrictions made this route increasingly difficult.¹³⁹ Resentment against the French grew in England at the loss of a commerce involving £2,000,000 a year,¹⁴⁰ and a crisis threatened, but before it was reached, a changed situation in Europe led to a settlement, which left English prestige in South America higher than ever.

In January, 1841, Buenos Aires followed the European example and blockaded Montevideo. Uruguay sought British aid by an offer of great exclusive commercial concessions. These were rejected by Aberdeen, who re-asserted the now traditional English position of neither admitting nor desiring any special privilege. He did make a commercial treaty,¹⁴¹ and promised to strive for the tranquillity of the republic.¹⁴² Its enemy, Rosas, however, refused his offer of mediation, as

intervention in the Rio de la Plata, 1838-1850 (Philadelphia, 1929), pp. 31-37; C. Pereyra, *Rosas y Thiers: la Diplomacia Europea en el Rio de la Plata (1838-1850)* (Madrid, 1919).

¹³⁶ B.T. 1/344 (Mandeville to Palmerston, June 14, 1838).

¹³⁷ B.T. 1/344 (Griffiths to Palmerston, May 14, 1838).

¹³⁸ B.T. 2/5 (Griffiths to Palmerston, March 10, 1839).

¹³⁹ B.T. 1/354 (Hood to Palmerston, May 26, 1839).

¹⁴⁰ Hansard, *Parliamentary Debates*, 1839, 3d ser., XLVII. 1397; *ibid.*, XLIX. 385-387; *Parliamentary Papers*, 1839, XLVII. (202), 31.

¹⁴¹ F.O. 6/82 (Aberdeen to Mandeville, December 6, 1842).

¹⁴² F.O. 51/21 (Ellaury to Aberdeen, August 20, 1842).

well as the later joint British-French demand for an armistice to end the war. Commerce, which had begun to revive at Montevideo within twenty-four hours after this demand,¹⁴³ was crushed again by an eight-year siege of Montevideo by Rosas's ally, Oribe. England's policy was now definitely one of friendship with France and opposition to Buenos Aires. British merchants in Montevideo made most unfavorable representations about Rosas,¹⁴⁴ who was trying to give Buenos Aires a monopoly of the commerce of the region and contrasted the liberal commercial policy of Uruguay,¹⁴⁵ which now opened all its six ports by law, charged no transit duty, and granted equality between foreigners and natives. The foreign office preferred non-interference, if possible, but recognized that, "the Commercial interests of Great B^r. are so intimately mixed up with her Political strength, that it becomes necessary to support the one in order to maintain the other."¹⁴⁶ The government, nevertheless, did not see fit to send naval reinforcements to support the Franco-British demands in behalf of Uruguay, although the local British commander succeeded in keeping the ports open to British ships for an additional six months.¹⁴⁷ The merchants tried to take advantage of such openings as there were, such as the concession made by Buenos Aires, in hopes of raising money, of substituting duties for prohibitions in the case of many foreign manufactures.¹⁴⁸ The gain was unfortunately more than offset by heavy losses following a speculation in hides there, when the Montevideans broke the market by selling great quantities unexpectedly through the Río Grande. The consequent bankruptcy of several native houses at Buenos Aires in 1844 produced a general

¹⁴³ F.O. 51/20 (Dale to Aberdeen, December 29, 1842).

¹⁴⁴ T. Baines, *Observations on the present State of the Affairs of the River Plate* (Liverpool, 1845), p. 11.

¹⁴⁵ F.O. 51/20 (Memorial of April, 1842, in Hood to Aberdeen, April 15, 1842).

¹⁴⁶ F.O. 97/284 (Memorandum of December 31, 1841).

¹⁴⁷ Cady, *op. cit.*, p. 111.

¹⁴⁸ F.O. 6/83 (Mandeville to Aberdeen, January 14, 1842, enclosing ordinance of December 21, 1841).

upheaval in which British merchants lost much and manufacturers who had sent goods on consignment, still more. The closing of the upper Paraná river brought further contraction of business, leaving open to foreign imports only a part of the interior of the United Provinces, that consumed about one-third of the entire normal supply.¹⁴⁹ The business world in England was much agitated over the situation. William Ewart acted as its spokesman in the house of commons, urging joint Franco-British action to enforce peace.¹⁵⁰ Peel, answering for the government, agreed on the great importance of the region for British commerce, and declared the cabinet ready for anything "short of armed mediation".¹⁵¹ Later he limited his promise to naval protection for British subjects against violation of the rights of neutrals or the law of nations.¹⁵² By January, 1845, however, England was prepared to join France in the first of a series of missions to Argentina, although still using its influence separately, as well.¹⁵³ In September, the emissaries jointly declared a strict blockade of Buenos Aires, and soon after, a Franco-British fleet forced its way up the Paraná River, to open the route to Corrientes and Paraguay. It escorted one hundred merchantmen, with cargoes worth \$1,600,000,¹⁵⁴ but achieved neither its political nor its economic objects because of the united opposition of all parties of natives to foreign intervention.¹⁵⁵ The English ships were soon ordered withdrawn from the blockade, partly, it was charged in France, owing to the influence of the house of Baring which had made a large loan to the government of Buenos Aires,¹⁵⁶ the interest on which could not be met so long as the blockade continued. Meantime the blockade of the

¹⁴⁹ J. MacGregor, *Commercial Statistics* (London, 1844-1850), III. 1382.

¹⁵⁰ Hansard, *Parliamentary Debates*, 1844, 3d ser., LXXXIII. 755.

¹⁵¹ *Ibid.*, p. 757.

¹⁵² *Ibid.*, 1844, 3d ser., LXXIV. 1259.

¹⁵³ *Colección de Documentos oficiales sobre la Misión de los Ministros de S. M. Británica, y S. M. el Rey de los Franceses cerca del Gobierno de Buenos Aires* (Buenos Aires, 1845).

¹⁵⁴ Hansard, *Parliamentary Debates*, 1849, 3d ser., CIV. 609.

¹⁵⁵ Cady, *op. cit.*, pp. 156-159.

¹⁵⁶ Brossard, *op. cit.*, p. 343.

city had been somewhat relaxed and there had even been connivance at smuggling, since it benefited the finances of Uruguay as well as the profits of the foreigners.¹⁵⁷ Diplomatic efforts at settlement of the dispute continued, with decreasing harmony between English and French. The English withdrew from the blockade in July, 1847,¹⁵⁸ and the French gave it up in June, 1848. The British minister to Buenos Aires, Henry Southern, now made a pact by which the Argentinians should retire from Uruguay as soon as the French made peace and departed.¹⁵⁹ France signed a treaty in 1850,¹⁶⁰ but the siege of Montevideo by local combatants continued until Urquiza forced its surrender in October, 1851, after which he drove Rosas into exile in 1852, and established peace for a time on the rivers.

Commerce had already revived. In April, 1849, although many ships laden with British manufactures had previously arrived at Buenos Aires, goods were still sold on board, the moment the vessels anchored. One house alone sold cloth worth £20,000, and the average profits were said to be 40 per cent. The authorities gave every encouragement, including equality of Europeans and natives as to duties, charges, etc.¹⁶¹ British exports to the River Plate which had fallen to £187,481 in 1846, then risen to £490,504 in 1847 and £605,953 in 1848, now jumped to £1,399,575 in 1849 and remained at £909,280 the year after.¹⁶²

The accession of Urquiza opened a new era for Argentine commerce. Both he and his successor, Mitre, were eager to develop the resources of the country. Most important was the fact that he made treaties with Great Britain, France, and the United States, in order to internationalize the navigation

¹⁵⁷ W. Latham, *The States of the River Plate* (2d ed., London, 1868), p. 267; Hansard, *Parliamentary Debates*, 1849, 3d ser., CVIII. 94.

¹⁵⁸ Cady, *op. cit.*, p. 225.

¹⁵⁹ Hertlet, *Commercial Treaties*, VIII. 105.

¹⁶⁰ *British and Foreign State Papers*, XXXVII. 7-11.

¹⁶¹ F.O. 6/143 (Southern to Palmerston, April 4, 1849).

¹⁶² Parish, *op. cit.*, p. 369.

of the rivers Paraná and Uruguay within Argentine territory. He promised to mark the channels, and to establish a uniform system of dues at the ports. In case of war, the rivers were to be open for all commerce except in contraband of war. Brazil, Bolivia, Paraguay, and Uruguay, now all recognized as independent, were invited to join in the guarantee.¹⁶³ Freedom of commerce on one of the great water systems of the world was assured.

The use of steam-boats on the rivers, the building of railways, and the development of the pampas, caused more spectacular advances in the next half century, but the foundations of British commercial preëminence in Argentina had already been laid. In spite of occasional fumbling diplomacy, the policy of the British government had in the long run built up prestige and had secured all necessary privileges for its subjects. Mercantile houses had long established connections and sound knowledge of conditions, for pioneers had explored the country thoroughly for commercial prospects. The years of risk and hardship and losses had weeded out the irresponsible adventurers of the early days. A club of British merchants at Buenos Aires had become a clearing-house of information,¹⁶⁴ and, by taking a large share in Argentine banking, the English facilitated credit,¹⁶⁵ so necessary in a developing country. From its opening, the Río de la Plata had proven the most valuable of the Spanish-American markets to Great Britain,¹⁶⁶ and British goods were preferred to all others. A limitation had arisen from the problem of returns, but efforts had been made to meet it. Hides and tallow had been exported since the seventeenth century, and enormous quantities were now available since the cattle had multiplied undisturbed in the pampas while the ports were closed. English ranchers had

¹⁶³ Hertslet, *op. cit.*, IX. 191 ff. Other documents in S. G. Kerst, *Die Plata-staaten, und die Wichtigkeit der Provinz Otuquis* (Berlin, 1854), pp. 109-138.

¹⁶⁴ Englishman, *op. cit.*, p. 91.

¹⁶⁵ L. H. Jenks, *The Migration of British Capital to 1875* (New York, 1926), p. 55.

¹⁶⁶ Parish, *op. cit.*, p. 368.

improved wool so much that exports rose from 30,359 pounds in 1832, to 2,207,951 pounds in 1837,¹⁶⁷ and 5,000,000 pounds in 1844.¹⁶⁸ Indigo found a market, and it was proven that cotton could be grown, although peace was necessary for the culture to be profitable. England profited by the almost complete lack of local manufactures, and sent textiles, cutlery, hardware, glass, pottery, and even coal at prices that long precluded serious competition from other nations.¹⁶⁹ Protected by treaties and assured by international agreement of the free navigation of the great rivers, British merchants cautiously pressed forward, asking only for internal peace in Argentina. Otherwise their position was secure.

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¹⁶⁷ *Ibid.*, p. 359.

¹⁶⁸ Hansard, *Parliamentary Debates*, 1844, 3d ser., LXXIII. p. 756.

¹⁶⁹ Parish, *op. cit.*, pp. 362-363.