

# Mauá and Anglo-Brazilian Diplomacy, 1862-1863

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THE COURSE of nineteenth-century diplomatic relations between Great Britain and Brazil was marked by a gradual increase of Brazilian independence.<sup>1</sup> While Great Britain could almost write her own ticket in Brazilian affairs in 1808, when the Portuguese court was transferred to Brazil, or in 1825-1826, when Brazilian independence was recognized by the European powers, this ceased to be the case somewhere along the way in subsequent years. A landmark in this development was Brazil's refusal in 1862 to comply with British demands it deemed unjust, going so far the next year as to risk war in defense of this policy.<sup>2</sup> Ireneo Evangelista de Souza, *Barão* and later *Visconde* de Mauá (1813-1889), played an important role in these incidents during a brief forty-eight hour period from December 31, 1862, to January 1, 1863. It is his actions at this time and their effect on the diplomatic relations of the two countries that concern us here.

Little has ever been said about Mauá's connections with Anglo-Brazilian diplomacy. His entrepreneurial activities have attracted considerable attention, as have his efforts in behalf of Brazilian diplomacy in the Río de la Plata region; but no notice has been taken of his interest in Brazilian diplomatic policy toward Britain. This is especially surprising in view of his many well-known contacts with Englishmen and the extent to which his business life was related to the British financial world, factors that naturally impelled Mauá to concern himself with the relations of the two countries.<sup>3</sup>

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<sup>1</sup> Research Training Fellowships from the Social Science Research Council, 1959-1961, enabled me to do research in Brazil and in the United States relating to this article.

<sup>2</sup> The general setting for these events can be found in Alan K. Manchester, *British Preëminence in Brazil: Its Rise and Decline. A Study in European Expansion* (Chapel Hill, N. C., 1933), pp. 54-108, 159-284.

<sup>3</sup> The background for any study of Mauá is to be found in his *Autobiografia* ("Exposição aos credores e ao público") seguida de "O meio circulante no Brasil," ed. by Claudio Ganns, 2d ed., Depoimentos Históricos (Rio, 1942). The chief biographer of Mauá is Alberto de Faria, *Mauá: Ireneo Evangelista de*

The British played a dominant role in the commercial life of Brazil during his lifetime, and it was natural that a Brazilian businessman should have fallen under their influence. Regular steamship service had been established to England in 1851, and within a year there were two British companies plying this route. At the same time, British goods flooded the Brazilian market, and the import trade became the major concern of Britons in Brazil. Although statistics are scant, it is clear from available data that no other nation was even a close competitor in the Brazilian market. The chief item of this trade was textiles, especially cotton goods, which, during the period under discussion, consistently represented over half the value of British exports to Brazil. British merchant houses were set up to handle both the wholesale and retail aspects of this import business and to engage in the export trade. These merchants prospered as a result of their enterprise, the industrial superiority of their home country, their control of Brazilian shipping, and their entrenched position, dating in a sense, from the Methuen treaty of 1702. They so dominated Brazilian commerce at this time that even the market quotations in the *Jornal do Comércio* of Rio were given in English as well as in Portuguese. Furthermore, most of the credit for Brazilian exports was supplied by British banks operating in Brazil. The London and Brazilian Bank was one of the most important of these, and, after its creation in 1862, it quickly proceeded to absorb other British banks in existence there.<sup>4</sup> British control of Brazilian

*Souza, barão e visconde de Mauá, 1813-1889*, 2d ed., Biblioteca Pedagógica Brasileira, série 5: Brasiliana, 20 (São Paulo, 1933); his panegyrist tendencies are sharply corrected by E. de Castro Rebello, *Mauá, restaurando a verdade* (Rio, 1932); a balanced view is given by Claudio Ganns, "Introdução," in Mauá, *Autobiografia*. Other studies include Lídia Besouchet, *Mauá e seu tempo* (São Paulo, 1942) and the brief summary by Ennor de Almeida Carneiro, *Mauá (Ireneo Evangelista de Souza)*, Serviço de Documentação do DASP, Publicação Avulsa, 545, Pequenos Estudos Sobre Grandes Administradores do Brasil, 8 (Rio, 1956). Also see the articles in Instituto Histórico e Geográfico Brasileiro, *O Visconde de Mauá (no cincoentenário de seu falecimento)* (Rio, 1940), and Anyda Marchant, "A New Portrait of Mauá the Banker: a Man of Business in Nineteenth-Century Brazil," *HAHR*, XXX (Nov., 1950), 418. One of the rare references to Mauá's connection with Anglo-Brazilian diplomacy is made by Heitor Lyra, *História de Dom Pedro II, 1825-1891, Vol. I: Ascensão, 1825-1870*, Biblioteca Pedagógica Brasileira, série 5: Brasiliana, 133 (São Paulo, 1938), pp. 383-386.

<sup>4</sup> On shipping, see Thomas A. Bushell, "Royal Mail," *a Centenary History of the Royal Mail Line, 1839-1939* (London, 1939), pp. 59, 62; and Manchester, *British Preëminence*, p. 320. On the predominance of British imports, see Agostinho Victor de Borja Castro, *Descrição do porto do Rio de Janeiro e das obras da doca d'alfandega* (Rio, 1877), p. 49. On the importance of cotton goods, consult Great Britain, Board of Trade, Customs and Excise Department, Statistical Office, *Annual Statement of the Trade of the United Kingdom with*

trade was summarized by the Brazilian minister in London who wrote in 1854, that "the commerce between the two countries is carried on with English capital, on English ships, by English companies. The profits . . . the interest on capital . . . the payments for insurance, the commissions, and the dividends from the business, everything goes into the pockets of Englishmen."<sup>5</sup>

Mauá's wealth indicates that not "everything" found that destination. It is true, however, that much of Mauá's success was the result of his British contacts. At an early age he worked as a clerk for a British importer in Rio and, rapidly rising to the position of partner in the firm, he learned the methods of business practice, the values of the entrepreneur, and the belief in order of the British businessman. Eventually, Mauá became so Anglicized that he even swore in English. He made several trips to Great Britain, and it was there that he acquired his determination to work toward a modern and industrialized Brazil.

His first enterprise was an iron foundry and shipyard. Soon there followed urban services, railroads, steamship companies, and banking establishments. Most of them were closely linked to the British commercial and financial complex. The British minister to Brazil referred to Mauá in 1863 as "one of the greatest capitalists and most spirited and patriotic citizens of Brazil, who is at the same time largely connected with British commerce and a friend to Great Britain."<sup>6</sup>

His interest in diplomatic activities began in 1850 and was a direct consequence of his position as a financier. At that time, Brazil, as part of her effort to defeat Juan Manuel de Rosas, the Argentine dictator, and simultaneously to insure her preponderance in Uruguayan affairs, decided to oppose Manuel Oribe, the caudillo then besieging Montevideo with the aid of Rosas. Mauá was sent to Montevideo as Brazil's diplomatic representative and was espe-

*Foreign Countries and British Possessions* (London, 1853- ). The position of British importing houses is especially evident in the *manifestos* published in the *Jornal do Comércio* at the time, giving the amount of goods consigned to each merchant. On banking, see Bank of London and South America, Limited, *A Short Account of the Bank's Growth and Formation* (London, 1954), pp. 10-11.

<sup>5</sup> Sérgio Teixeira de Macedo to Clarendon, May 16, 1854, copy encl. in Teixeira de Macedo to Antonio Paulino Limpo de Abreu (Brazilian minister of foreign affairs), London, May 30, 1854. Arquivo Histórico do Itamarati (hereafter AHI), 217/3/8, no. 21.

<sup>6</sup> William D. Christie to Lord John Russell, Rio, Jan. 8, 1863. No. 72, "Correspondence Respecting the Plunder of the Wreck of the British Barque 'Prince of Wales'; and the Ill-treatment of Officers of Her Majesty's Ship 'Forte,'" in Great Britain, House of Commons, *British Sessional Papers* (Readex Microprint Edition, ed. Edgar L. Erickson), 1863, LXXIII, 239.

cially charged with the task of giving financial support to the beleaguered government. He lent it vast sums both through the Banco Mauá and from his personal fortune, and Oribe was defeated. Mauá then made an effort to insure the government's ability to repay these loans by investing widely in the Uruguayan economy, thus attempting to stabilize its society. Eventually, to jump ahead in our story, he lost all of this when Brazil decided in 1864 that her best interests would be served by supporting the revolutionary, Venancio Flores. At the end of 1862, however, Mauá still felt secure in his Uruguayan position and certain of the Brazilian government's willingness to listen to his advice on diplomatic affairs.<sup>7</sup>

It had also been in 1850 that Mauá had his first taste of Anglo-Brazilian diplomatic relations. At that time, as part of Britain's effort to end the slave trade, Admiralty cruisers were ordered into Brazilian ports in pursuit of slaving ships. When Brazil passed a stringent law against slave trading in September of that year, these orders were temporarily suspended. They were re-imposed in January of 1851 and remained in force until June, 1852.<sup>8</sup> Mauá subsequently claimed some of the credit for the temporary suspension in 1850, for he had approached the British minister in a straightforward, businesslike manner and so conducted the conversation that the British minister told Mauá that half an hour's conversation "between two honest men, in a friendly way, does more to settle a difficult question than one year's correspondence between Ministers distrustful of each other." Furthermore, Mauá later distributed, among British businessmen in London, 10,000 copies of a pamphlet explaining the Brazilian delay in ending the slave trade; and he asserted that, as a result, British public opinion began to regard the Brazilian case more favorably.<sup>9</sup>

Relations between the two countries remained bitter, however,

<sup>7</sup> Mauá's position as an agent of Brazilian economic imperialism in Uruguay is apparent in the *Autobiografia*, pp. 247-262, and in his letter to the *Jornal do Comércio*, Apr. 22, 1864, given in full by Claudio Ganns in a note to Mauá, *Autobiografia*, pp. 252n-257n. Also see *Correspondência política de Mauá no Rio da Prata (1850-1885)*, ed. Lídia Besouchet, Biblioteca Pedagógica Brasileira, série 3 [i.e., 5]: Brasiliana, 227 (São Paulo, 1943). His role in the Río de la Plata region has been studied by Besouchet, *Mauá e seu tempo*, and Teixeira Soares, "Mauá, o Uruguai e o Brasil (1851-1875)," *Revista do Instituto Histórico e Geográfico Brasileiro*, CXXIX (Oct.-Dec., 1950), 2-213.

<sup>8</sup> James Hudson to Paulino José Soares de Souza (Brazilian minister of foreign affairs), Rio, Jan. 11, 1851, and Soares de Souza to Hudson, Rio, Jan. 28, 1851. *Relatorio da Repartição dos Negocios Estrangeiros*, [1851] (Rio, 1851), Annex B., pp. 23-36. See also Manchester, *British Preëminence*, pp. 254-256.

<sup>9</sup> Mauá to Marquês de Olinda, Rio, Jan. 1, 1863. Arquivo do Museu Imperial de Petrópolis (hereafter AMIP), Mago CXXXIII, Doc. 6546.

and it is doubtful that there was any such change in British public opinion. The Foreign Office pointed to isolated incidents of slave trading as evidence of continued bad faith on the part of the Brazilians. The British were also interested in fostering the freedom of all slaves imported since Brazil first agreed to end the slave trade in 1831. This move threatened the institution of slavery itself, for these Africans represented a large proportion of the slave population, and it was obviously impossible to know which ones had been smuggled in. The Brazilian reaction to this policy is reflected in the words of the Brazilian minister in London in 1852 who said such a move would "produce general revolution . . . and annihilate the Brazilian empire."<sup>10</sup>

There were other sources of friction as well. Efforts to settle British pecuniary claims against Brazil through a court of arbitration were frustrated by Brazilian insistence that the court should also consider Brazilian claims resulting from the search and seizure of Brazilian merchant ships by the British Admiralty in the days before the end of the slave trade. Brazil also rebuffed British pressures toward a commercial treaty.<sup>11</sup>

At the end of 1862, relations between Brazil and Great Britain reached a point of crisis. This intensification of old controversies was partly a result of the appointment in 1859 of the irascible William D. Christie as British minister to Brazil. He had just come from Argentina, where he had served with some similarly sour results. His motto was "Trust no Brazilian," and he later wrote that it was his conviction that "the Brazilian Government would not do justice except through fear." The Brazilian emperor and the Brazilian foreign minister were both struck by his unnecessarily belligerent temper, and a similar judgment was rendered by members of the opposition in the British Parliament. His general attitude was summed up when he wrote that "English friends of Brazil will best befriend her by advising her to attend promptly and respectfully to the just demands of the English government."<sup>12</sup>

<sup>10</sup> Teixeira de Macedo to Soares de Sousa, London, Oct. 8, 1852. AHI, 217/3/7, no. 18.

<sup>11</sup> Manchester, *British Preëminence*, pp. 266-273, 285-297; Teixeira de Macedo to Soares de Sousa, London, Aug. 22, 1853. AHI, 217/3/7, no. 19.

<sup>12</sup> Henry S. Ferns, *Britain and Argentina in the Nineteenth Century* (Oxford, 1960), pp. 318-321; James R. Scobie, "Los representantes británicos y norteamericanos en la Argentina (1852-1862)," *Historia VI* (Buenos Aires, 1961) no. 23 (Apr.-June), 122-166, no. 24 (July-Sept.), 85-128, *passim*, especially no. 24, pp. 93-96; Christie to Anti-Slavery Society, Uxbridge, June 26, 1864, Copy. AMIP, Maço CXXXIV, Doc. 6576; William D. Christie, *Notes on Brazilian Questions* (London and Cambridge, 1865), p. lxvii; Diário de D. Pedro II, 1861-1863, Dec. 10, 1862. AMIP, Maço XXXV, Doc. 1055; Pedro II to Marquês

Christie threw himself with energy into all the unpleasant matters that were pending between the two nations. He brought to the attention of the Brazilian government clippings he had carefully made of advertisements from the Rio newspapers for slaves said to have been born in Africa, yet of such an age that they must have been imported after 1831. He presided over the dismissal of the court of arbitration. He even went out of his way to defend the right of a British missionary to import religious tracts.<sup>13</sup>

Christie finally seized upon two incidents in order to formulate an ultimatum and, then, since Brazil did not comply with his demands, he ordered the British admiral there to carry out reprisals. In protest, Brazil broke off diplomatic relations with the United Kingdom. It is in this drama that Mauá played his brief but important role, and, therefore, these events must be described in greater detail.

The two questions that Christie used as a basis for an ultimatum were, first, the plundering of a wrecked British vessel off the coast of Rio Grande do Sul, the suspected murder of the survivors, and the alleged failure of the Brazilian authorities to take the necessary measures in the apprehension of the culprits; and, second, the arrest and ignominious treatment of three British officers—none of them in uniform—arrested for drunken behavior in the city of Rio de Janeiro.<sup>14</sup> Christie demanded pecuniary indemnification for the wrecked ship and punishment of those responsible for the arrest of the officers.<sup>15</sup> Christie's attitude when he delivered this ultimatum

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de Abrantes, n.d. [1863]. AMIP, Maço CXXXIII, Doc. 6546, no. 16; Abrantes to Carvalho Moreira, Rio, Jan. 8, 1863. AHI, Casa Forte, 410/5/93, unnumbered; Speeches of Bramley Moore and Buxton, House of Commons, Mar. 6, 1863. *Hansard's Parliamentary Debates*, 3rd series, CLIX (Feb.-Mar., 1863), 1138 and 1160.

<sup>13</sup> Christie, *Notes on Brazilian Questions*, pp. 83-84; [Christie], "Introduction," *The Brazil Correspondence in the Cases of the "Prince of Wales" and the Officers of the "Forte"* (Reprinted from the Papers Laid before Parliament); with an Introduction Telling Some Truth about Brazil (London, 1863), pp. vi-vii; *Esboço histórico da escola dominical da Igreja Evangelica Fluminense, 1855-1932* (Rio, 1932), p. 97.

<sup>14</sup> These questions are discussed in detail in my article, "The Basis for the Rupture of Diplomatic Relations between Brazil and Great Britain in 1863," now appearing in Portuguese translation in the *Revista de história* of São Paulo, in a series starting with the issue of July, 1961.

<sup>15</sup> Three letters taken together form the ultimatum: Christie to the Marquês de Abrantes, Petrópolis, Dec. 5, 1862, enclosed in Christie to Russell, Rio, Dec. 15, 1862. No. 70, "Correspondence Respecting . . .," *Sessional Papers*, 1863, LXXIII, 233-234; Christie to Abrantes, Petrópolis, Dec. 5, 1862, enclosed in same letter, *ibid.*, pp. 234-235; and Christie to Abrantes, Petrópolis, Dec. 5, 1862, enclosed in Christie to Russell, Rio, Dec. 8, 1862. No. 68, *ibid.*, p. 232. It is possible that Great Britain felt freer to act in this matter because the United States was embroiled in the Civil War.

is indicated by his statement that he expected "much benefit for British interests in Brazil from the lesson which may now be administered, and [it] may teach them that Her Majesty's Government, though patient and forbearing, will not in the end allow themselves to be trifled with."<sup>16</sup>

On December 29, 1862, the Brazilian foreign minister, the Marquês de Abrantes (Miguel Calmon du Pin e Almeida, 1796-1865), submitted Brazil's answer to Christie's demands. Deploring that reprisals should be adopted for such trivial matters, the Brazilian government denied the responsibility with which it was charged in the case of the shipwreck; but would—"if forcibly obliged to cede"—pay under protest whatever Christie or his government demanded. Regarding the officers, Abrantes said that he could not submit to the English demands, thinking it more honorable to suffer the consequences.<sup>17</sup>

On the morning of December 31 Christie announced that he was taking reprisals. Under his orders two Admiralty ships began seizing all Brazilian vessels coming in or out of the Rio harbor, keeping them in a bay near-by.<sup>18</sup> The tensions in Anglo-Brazilian relations had reached a climax.

Yet the very next day, January 1, 1863, we sense in the diplomatic correspondence a sudden change in Christie's tone. On that day he wrote Abrantes that he was ready "to entertain . . . any reasonable proposal . . . as, for instance, a reference of all the questions in dispute to an impartial arbitration."<sup>19</sup> This was considerably less than his earlier demands, and the published correspondence shows no evidence that it was Brazil that first backed down.

What was the cause of Christie's sudden retreat? At the Arquivo do Museu Imperial de Petrópolis there are two letters written by Mauá and addressed to the Marquês de Olinda (1793-1870), the head of the ministry, in which he claimed that it was because of his efforts that Christie began to see the matter in a different light.<sup>20</sup> Certainly

<sup>16</sup> Christie to Russell, Rio, Dec. 8, 1862. No. 68, *ibid.*, p. 232.

<sup>17</sup> Abrantes to Christie, Rio, Dec. 29, 1862. *Relatorio da Repartição dos Negocios Estrangeiros . . . 1863*, Annex I, pp. 122-123.

<sup>18</sup> Christie to Russell, Rio, Jan. 8, 1863. No. 72, "Correspondence Respecting . . .," *Sessional Papers*, 1863, LXXIII, 238-239; Warren (British Vice-Admiral) to Admiralty, *Forte*, Rio, Jan. 8, 1863, enclosed in Romaine to Hammond, Admiralty Office, Feb. 4, 1863. No. 75, *ibid.*, pp. 273-274.

<sup>19</sup> Christie to Abrantes, Rio, Jan. 1, 1863, enclosed in Christie to Russell, Rio, Jan. 8, 1863. No. 72, *ibid.*, p. 261.

<sup>20</sup> Mauá to Olinda, Rio, Jan. 1 and Jan. 3, 1863. AMIP, Maço CXXXIII, Doc. 6546. Hereafter these two letters taken together will be referred to simply as Mauá to Olinda.

Mauá played an important role in this respect, and it is probable that his efforts were a key factor in the diplomatic events of those days. Therefore, they merit close examination.

Mauá's action was motivated by a fear of the financial consequences of any difficulties with England. He foresaw that "The commercial interests of the country, profoundly shaken by the lack of confidence inherent in the existence of a grave complication with England, will suffer enormously."<sup>21</sup> At the end of 1862 Mauá was attempting to get his most important industrial enterprise, a foundry and shipyard, transferred to British hands.<sup>22</sup> He was, therefore, acutely aware of any threats to business stability. As he put it, "Those who have connections in Europe have obligations to be fulfilled at fixed times, and the remittance of necessary funds at the right time is indispensable."<sup>23</sup>

He was also worried about his banking interests. Eight years earlier he had organized the banking house of Mauá, MacGregor & Cia. By 1862 it was one of the chief private banks in Rio.<sup>24</sup> He now wrote that "The banking houses of this city . . . will be seriously embarrassed if the transmission of funds from one place to another is partially suspended." Furthermore, he was greatly concerned with the exchange rate: any "sluggishness in transactions or general uncertainty will cause the exchange rate to fall off."<sup>25</sup> He predicted that if the exchange rate in pence per *milreis* at Rio should dip below 26, there would be a run on the gold supplies of the Bank of Brazil on the part of speculators.<sup>26</sup> He had helped found this bank in 1853, still had an interest in it, and, therefore, was in a position to know it could not withstand such a blow.<sup>27</sup> He concluded that Brazil would face a "horrible cataclysm" if something were not done to avoid a break with Great Britain.<sup>28</sup>

<sup>21</sup> *Ibid.*

<sup>22</sup> Claudio Ganns, note in Mauá, *Autobiografia*, p. 112n.

<sup>23</sup> Mauá to Olinda.

<sup>24</sup> Ganns, note in Mauá, *Autobiografia*, pp. 237 n., 273n.; Faria, *Mauá*, p. 221; Marchant, "Mauá, the Banker," p. 426.

<sup>25</sup> Mauá to Olinda.

<sup>26</sup> The exchange rate at Rio in 1862 had fluctuated between 24.25 and 26.75, presumably being near the latter figure at the end of the year; in 1863 the corresponding figures were 26.63 and 27.88, J. F. Normano, *Brazil, a Study of Economic types* (Chapel Hill, N. C., 1936), p. 199. After relations had been broken off, Abrantes shared Mauá's fears and wrote that "The state of the treasury and the [money] market worry me. The London and Brazilian [Bank] proposed 26.75 for 50 or 100,000 pounds: I rejected it *in limine*. It all depends on Mauá and the other national [i.e., domestic] bankers." Abrantes to Pedro II, [after May 25, 1863]. AMIP, Maço CXXXIII, Doc. 6546.

<sup>27</sup> Mauá, *Autobiografia*, p. 228; Marchant, "Mauá, the Banker," p. 415.

<sup>28</sup> Mauá to Olinda.



Driven by these considerations, Mauá first tried to instigate a protest on the part of some British businessmen resident in Rio. He wrote that "I went to the principal English merchants and impressed upon them that it was up to them to demand an interview with their Minister and show him the disastrous consequences of his acts."<sup>29</sup> Christie reported to his government that "The Brazilians naturally made efforts to induce British merchants to remonstrate. . . . Some few who at first thought of taking some such step quickly yielded to good advice."<sup>30</sup> But Mauá spoke rather of the "large number of English merchants that spontaneously chose me as their leader in influencing the thinking of their Minister in order to overcome the difficulties of that moment." According to him, when presenting their case to Christie, they decided to bring Mauá directly into the conversation. After the British merchants had left, he found an opportunity to speak to Christie alone.<sup>31</sup>

In this private conversation Mauá stressed the possible financial and commercial consequences of Christie's actions, developments which would hurt the extensive British commercial interests as much as those of Brazil. "Seeing him impressed with the gravity of the situation which his own actions had created," wrote Mauá, "but noting his difficulty in retreating, it occurred to me to ask whether it would not be better to turn the solution of the questions over to the arbitration of a third power." After much hesitation, Christie agreed that, if Brazil proposed arbitration, he would accept the proposal. "I confess that I was exulted," exclaimed Mauá. He rushed with this news to Olinda, who took him to Abrantes, where Mauá's proposal was heard. Mauá expected the cabinet immediately to grasp this chance to end the crisis before any news arrived that Brazilian ships had actually been captured.<sup>32</sup>

The ministry, however, and especially the emperor, Pedro II, were shocked when they discovered these developments. In the emperor's personal diary we find that as early as December 24 he had recorded the cabinet decision to allow the British to use force before conceding a thing, much as the traveler will hand over his money to a highwayman without in the least implying that justice is with the latter. Now he also felt that this course should be pursued. Mauá's plan that Brazil should be the first to suggest arbitration he consequently

<sup>29</sup> *Ibid.*

<sup>30</sup> Christie to Russell, Rio, Jan. 8, 1863. No. 72, "Correspondence Respecting . . .," *Sessional Papers*, 1863, LXXIII, 239.

<sup>31</sup> Mauá to Olinda.

<sup>32</sup> *Ibid.*

viewed with alarm.<sup>33</sup> On that same night, December 31, he instructed Abrantes to inform Christie that, instead of proposing arbitration, Brazil would appeal to the British government through the Brazilian minister in London.<sup>34</sup> Mauá was “astonished” at this reaction to his efforts.<sup>35</sup>

The next day, still hopeful of a quick solution to the crisis, and unaware of the reasoning of the cabinet, Mauá approached Christie once again. The British minister told him that, indeed, he would refer everything to London, just as Brazil wanted, if Brazil were to propose arbitration. Abrantes, of course, remained adamant and, finally, informed Mauá that the council of state felt the proposal for arbitration must come from Christie.<sup>36</sup>

Mauá was not discouraged, however. He returned once more to the British minister and, after much discussion, convinced him at last to propose arbitration. The result was Christie’s conciliatory note of January 1.<sup>37</sup> A few days later Mauá wrote to his friend Andrés Lamas in Uruguay saying that “It was my thorny task to convince Mr. Christie of his error, and fortunately he conceded more than anyone expected, retreating completely.”<sup>38</sup>

Mauá, then, as a result of his position of friendship with both parties, acted at least as intermediary in these delicate negotiations; and, if Christie’s softening was really a result of Mauá’s influence, he must also be given credit for an active part in smoothing international relations. It is possible, however, that Christie would never have been the one to propose arbitration if it had not been for the persuasive arguments of Mauá, and, in this case, Brazil would not have emerged from the incident in nearly so strong a position.

It may be, on the other hand, that Christie was not motivated so much by Mauá’s urgings as by other developments. The announcement of the reprisals caused a great stir in the city of Rio. Speeches

<sup>33</sup> *Diario de D. Pedro II*, Dec. 24 and Dec. 31, 1862. AMIP, Maço XXXV, Doc. 1055. It should be pointed out here that the emperor took an active role in national affairs. At this time of crisis he read all the correspondence, attended all cabinet meetings, demanded additional papers, and at times even made corrections in the foreign minister’s replies to Christie on matters both of substance and detail. See, for example, AMIP, Maço CXXXIII, Doc. 6545, nos. 9, 23, 24, and 49.

<sup>34</sup> Abrantes to Christie, Rio, Dec. 31, 1862, enclosed in Christie to Russell, Rio, Jan. 8, 1863. No. 72, “Correspondence Respecting . . .,” *Sessional Papers*, 1863, LXXIII, 260; Mauá to Olinda.

<sup>35</sup> Mauá to Olinda.

<sup>36</sup> *Ibid.*

<sup>37</sup> *Ibid.*

<sup>38</sup> Mauá to Andrés Lamas, Rio, Jan. 6, 1863. Mauá, *Correspondência política*, p. 173, (see note 7).

were made at the mercantile exchange; Christie received threatening notes; the Brazilian government placed a guard near his residence; and he feared to go out on the streets.<sup>39</sup> Possibly it was these occurrences that prompted the British minister's action. It seems more likely, however, that it was Mauá's arguments concerning the threat to business stability and to British interests rather than the threat of mob action that convinced him to change his course.

Be that as it may, Christie did suggest arbitration. The diplomatic wheels began to turn, and by January 3 a memorandum had been worked out to serve as a draft of a settlement. Brazil still agreed to pay under protest whatever the British government demanded in the case of the wrecked ship, but the question of the officers would be referred to a third power.<sup>40</sup> Meanwhile, several ships had actually been seized, a fact of some importance later on.<sup>41</sup>

Our story does not end here, since a full evaluation of Mauá's accomplishment can be made only in the light of subsequent developments. It may seem surprising that Brazil did not submit both matters to arbitration as Christie had suggested in his note of January 1. In fact, when Abrantes asked Christie whether he meant both questions despite Brazil's previous indication that it would pay for one of them when forced to, Christie answered that he did.<sup>42</sup> It has been claimed that Brazil agreed to pay whatever was demanded in the case of the wrecked ship, instead of referring this part of the case to arbitration, because Brazil did not consider it proper to bother any arbiter with a mere matter of money—in contrast to national honor.<sup>43</sup> We may wonder, though, whether Brazil was not now laying the groundwork for later diplomatic action.

Brazil did not consider the matter closed. The Brazilian minister

<sup>39</sup> Christie to Russell, Rio, Jan. 8, 1863. No. 72, "Correspondence Respecting . . .," *Sessional Papers*, 1863, LXXIII, 239-240; João Manoel Pereira da Silva, *Memórias do meu tempo*, 2 vols. (Rio, [1895?]), I, 311; Wanderley Pinho, *Cotegipe e seu tempo; primeira fase, 1815-1867*, Biblioteca Pedagógica Brasileira, série 5: Brasiliana, 85 (São Paulo, 1937), p. 679.

<sup>40</sup> Memorandum of basis of arrangement, Jan. 3, 1863, encl. in Christie to Russell, Rio, Jan. 8, 1863. No. 72, "Correspondence Respecting . . .," *Sessional Papers*, 1863, LXXIII, 265-266.

<sup>41</sup> List of Vessels Boarded, encl. in Romaine to Hammond, Admiralty Office, Feb. 4, 1863. No. 75, *ibid.*, p. 274; and Christie to Russell, Rio, Jan. 8, 1863. No. 72, *ibid.*, p. 240.

<sup>42</sup> Abrantes to Christie, Rio, Jan. 2, 1863. *Relatório da Repartição dos Negócios Estrangeiros . . . 1863*, Annex I, p. 143; Christie to Abrantes, Rio, Jan. 2, 1863, enclosed in Christie to Russell, Rio, Jan. 8, 1863. No. 72, "Correspondence Respecting . . .," *Sessional Papers*, 1863, LXXIII, 264.

<sup>43</sup> Pereira da Silva, *Memórias*, I, 313; Manoel de Oliveira Lima, *O império brasileiro, 1822-1889* (São Paulo, [1927?]), p. 215.

in London, Francisco Ignacio de Carvalho Moreira (1815-1906), later Barão do Penedo, in delivering the required sum in payment of damages from the shipwreck, stated that the Brazilian government did so under pressure and reserved the right to demand satisfaction for the violation of Brazilian waters by British warships. He later suggested that the reprisals should have been carried out beyond the limits of Brazilian sovereignty and that, as it was, they could be considered only as acts of war. He demanded that the British government apologize and agree to pay for the damages resulting from the seizures.<sup>44</sup>

The British government, of course, did not accede to these demands. It had fully approved the measures taken by Christie and had accepted the settlement of early January. In the case of the officers the British government had agreed to arbitration by the King of the Belgians, as suggested by Brazil.<sup>45</sup> As to the shipwreck, the sum demanded had been paid, and Great Britain considered the entire question settled.

Brazil did not. On May 25 Carvalho Moreira asked for his passports, and diplomatic relations were thus broken off. Brazil risked war, a war which would have been disastrous. Mauá had early seen that "We have no might with which to oppose might."<sup>46</sup> Great Britain, however, chose not to call this bluff. The decision of the Belgian king in favor of Brazil gave the British the face-saving opportunity for restoring diplomatic relations in 1865, largely on Brazil's terms.<sup>47</sup> The end result, then, was a reaffirmation of Brazilian freedom from overt British interference. While the guiding lines of British policy toward Brazil probably did not change, the more blatant efforts to impose her wishes ceased after this point.<sup>48</sup>

Mauá did not follow these subtleties of Brazilian diplomacy, probably because he thought mainly in dollars-and-cents terms. His aim

<sup>44</sup> Carvalho Moreira to Russell, London, Feb. 26, 1863. *Relatorio*, 1863, Annex I, pp. 174-175; Carvalho Moreira to Russell, London, May 5, 1863. *Additamento ao relatorio da Repartição dos Negocios Estrangeiros . . . 1863* (Rio, 1864), Annex I, pp. 7-8.

<sup>45</sup> Russell to Carvalho Moreira, Foreign Office, Feb. 12, 1863. No. 79, "Correspondence Respecting . . .," *Sessional Papers*, 1863, LXXIII, 277.

<sup>46</sup> Mauá to Olinda.

<sup>47</sup> Decision of His Majesty the King of the Belgians. "Despatch from Lord Howard de Walden, transmitting the Decision . . . [Brussels, June 22, 1863]," *Sessional Papers*, 1863, LXXIII, 361-362; Manchester, *British Preëminence*, pp. 281-282. Leopold, the Belgian king, wrote Pedro II that "It appears that the personality of the English minister has been the principal cause of the unfortunate and regrettable questions that have arisen," Leopold to Pedro II, Lucken, Mar. 14, 1863. AMIP, Maço CXXXIII, Doc. 6546.

<sup>48</sup> Manchester, *British Preëminence*, pp. 283-284.

had always been to prevent the "disturbance of the important relations between England and Brazil that so closely affect the commercial and monetary interests of our country."<sup>49</sup> He was not, therefore, reconciled to the Brazilian unwillingness to propose arbitration at once, before any ships had been seized and commerce disrupted. He later wrote that "Unfortunately, our government proved its knack for blundering! It failed to agree to an honorable arrangement when it could have been made, before the insults to which we were victims."<sup>50</sup>

Nor were his actions, in turn, fully appreciated by some members of the government. Mauá was "deeply hurt" to discover that, "having tired myself out for three days," a member of the cabinet had "almost publicly stigmatized my behavior."<sup>51</sup> This was probably a reference to the Visconde de Sinimbu (João Lins Vieira Cansanção de Sinimbu, 1810-1906), minister of commerce, for on December 31 the emperor had written in his diary that Sinimbu threatened to resign if Mauá's suggestions were adopted and Brazil proposed arbitration.<sup>52</sup>

In spite of these misunderstandings, it seems clear that the actions of the businessman and the government were mutually complementary in achieving a diplomatic success. If Christie had not been the first to back down from his stand and suggest arbitration, Brazil would not have been in a position to make demands upon Great Britain for redress of grievances. Christie had thus given Brazil an opening for reasserting her independence of British tutelage. And Mauá may be given a large amount of credit for persuading Christie to take this action. He played a direct part, then, in the course of Anglo-Brazilian diplomacy in 1862-1863, and his contribution cannot be ignored.

<sup>49</sup> Mauá to Olinda.

<sup>50</sup> Mauá to Andrés Lamas, Rio, Feb. 6, 1863. In Mauá, *Correspondência política*, p. 175.

<sup>51</sup> Mauá to Olinda.

<sup>52</sup> *Diario de D. Pedro II*, Dec. 31, 1862. AMIP, Maio XXXV, Doc. 1055.