

“An Open Field and Fair Play”

**The relationship between Britain and the Southern Cone of America
between 1808 and 1830.**

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“I, Marcelo Somarriva, confirm that the work presented in this thesis is my own. Where information has been derived from other sources, I confirm that this has been indicated in the thesis.”

Abstract

This thesis explores the relationship between Great Britain and the Southern Cone of America between 1808 and 1830, from the perspective of the cultural representations which both regions developed about themselves and about each other. In order to do so, this work consulted newspapers, journals, pamphlets, prospectuses and books published in Great Britain and in the United Provinces, Chile and Perú between 1808 and the 1830's.

This work analyses the way in which cultural representations affected the possibilities for commercial and political relations between Great Britain and the Southern Cone, studying the formation and impact that some economic discourses, particularly about commerce, had in the mindscape of British explorers and South American elites. It also examines the consequences they had in the entangled relationships between Great Britain and the Southern Cone in the first stages of the arrival of global capitalism

The work is divided into five chapters. The first deals with the initial stage of the relationship between the Southern Cone and Great Britain during the wars of independence. The second intends to answer the question of what did the elites in the Southern Cone think about foreign commerce and the opening of their countries to commercial expansion. The third chapter shows how British reformists, such as Jeremy Bentham and Francis Place, and British travellers in South America viewed the Southern Cone as a newly opened market and as an ideological laboratory. The fourth chapter studies the process in which South American agents contracted foreign loans in the British market and later organized mining companies to develop South American mines, exposing the interests that shaped them. The fifth chapter analyses the public campaign developed in London against these foreign loans and mining companies.

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INTRODUCTION

This thesis explores the relationship between Great Britain and the Southern Cone of America during the first three decades of the nineteenth century from the perspective of the cultural representations which both regions developed about themselves and about each other between 1808 and 1830. That relationship was eminently commercial, even before it became political as the independence of the region was consolidated and the new republics tried to obtain diplomatic recognition from Great Britain. It was also a relationship profoundly shaped by culture, in which, from the British point of view, travel books and private letters published in newspapers were often the most valuable sources of information available for the public about regions which were becoming increasingly attractive. From the perspective of the Southern Cone, Great Britain became a powerful reference point and in relation to which many of their political, economic and cultural aspirations were modelled.

Most of the existing historical studies about early connections between Great Britain and the Southern Cone are based on diplomatic and economic history. Among the first, there is a robust and fruitful bibliography, from the pioneering work of William Kauffman to the more recent contributions of Klaus Gallo, which describes the intricate diplomatic efforts to build a relationship between these nations, analysing evidence which mainly comes from official documents.¹ Economic history during these first decades, on the other hand, has proved to be a harder task, because of the lack of official sources. D.C.M. Platt, for instance, argues that statistics on exports and imports give contradictory and inconclusive evidence,² and Leslie Bethell states, more eloquently, that “the measurement of foreign investment in Latin America in the nineteenth century is a historical minefield”,³ suggesting that this scarcity of sources had produced radically divergent interpretations of the character of British involvement in the region during that century. Moreover, existing statistics had proved to be seriously incomplete, considering, as Rory Miller observes, that British import figures before 1859 omit any mention of precious metals, whether they were un-minted

¹ William Kaufmann, *British policy and the independence of Latin America, 1804-1828* (New Haven: Yale University Press, 1951); Frederic L. Paxson, *The independence of the South American republics: a study in recognition and foreign policy* (Philadelphia: Ferris & Leach, 1903); Charles Kingsley Webster, ed. *Britain and the Independence of Latin America, 1812-1830*. (London: 1938); Robert A. Humphreys, ed., *British consular reports on the trade and politics of Latin America, 1824-1826* (London: Offices of The Royal historical Society, 1940); Klaus Gallo, *Great Britain and Argentina: from invasion to recognition, 1806-26* (Basingstoke: Palgrave, Oxford, 2001).

² Desmond C. M. Platt, ed., *Business imperialism, 1840-1930 : an inquiry based on British experience in Latin America* (Oxford: Clarendon Press, 1977), p.17.

³ Leslie Bethell, ‘Britain and Latin America in historical perspective’, in Victor Bulmer Thomas, ed., *Britain and Latin America: a changing relationship* (Cambridge: Cambridge University Press in association with the Royal Institute of International Affairs, 1989), p.7.

bullion or coined metals. Such an omission seriously compromised the reliability of statistics to evaluate the magnitude of British trade with the region during this period in which such metals played a crucial part in the economic life of the Southern Cone, attracting British attention to that region.⁴ The fact that most of British trade with South America during and before the independence period was mainly contraband or “secret trade”, which by its nature avoids leaving any traces,⁵ is another factor that contributes to turn the first three decades of British contact with the Southern Cone into an obscure period from the perspective of economic historiography. Jay Kinsbruner, in a more specific account, claims that existing analyses of commercial relations between Great Britain and Chile, during the 1820’s, are at best “speculative” or “largely inadequate”.⁶ However, even if we do not have reliable trade figures to sustain a rigorous analysis from the perspective of economic history there are many other sources to study the relations between these regions through other approaches. The analysis of the cultural representations and discourses developed reciprocally between Great Britain and the Southern Cone is a rather underexplored field of study, especially given that most of the works available deal almost exclusively with British perspectives, devoting little attention to views from the Southern Cone or to the interplay of representations.⁷

This thesis hopes to contribute towards filling that gap by studying the cultural representations of each other that were projected both in Britain and in the Southern Cone during this period, not only inside the closed quarters of power, but among the wider public. In order to do so, I have drawn upon a wide range of primary sources, regardless of their objectivity or factual accuracy, in an attempt to reconstruct the cultural context of their exchanges. The primary sources consulted were the newspapers, journals, pamphlets, proclamations, manifestos, prospectuses and books published in Great Britain and in the

⁴ Rory Miller, *Britain and Latin America* (London: Longman, 1993), p.73.

⁵ Adrian J. Pearce, *British Trade with Spanish America, 1763-1808* (Liverpool: Liverpool University Press, 2007), pp. 109, 218, 219, 237, 246-7.

⁶ Jay Kinsbruner, ‘The Political Influence of the British Merchants Resident in Chile During the O’Higgins Administration, 1817-1823’, *The Americas*, 29, (1972), p.56.

⁷ Some exceptions are: Eugenia Roldán Vera, *The British Book Trade and Spanish American Independence: Education and Knowledge Transmission of Knowledge in Transcontinental Perspective* (Ashgate Publishing, 2003); Karen Racine, ‘Nature and Mother: Foreign residence and the evolution of Andrés Bello American identity London 1810-1829’ in Ingrid Elizabeth Fey, Karen Racine, eds., *Strange Pilgrimages: Exile, Travel, and National Identity in Latin America, 1800-1990’s* (Rowman & Littlefield, 2000.); Karen Racine, ‘A community of purpose: British cultural influence during the Spanish American wars of independence’ in Oliver Marshall ed. *English-Speaking Communities in Latin America*. (Palgrave Macmillan, 2000) More recently Karen Racine, ‘“This England and This Now”: British Cultural and Intellectual Influence in the Spanish American Independence Era’, *Hispanic American Historical Review*. 90 (2010); Adolfo Prieto, *Los viajeros ingleses y la emergencia de la literatura argentina (1820-1850)*, (Buenos Aires: Fondo de Cultura Económica 2003); From a social approach, see Beatriz Dávila ‘La élite de Buenos Aires y los comerciantes ingleses: espacios de sociabilidad compartidos.1810-1825’ in Graciela Batticuore, Klaus Gallo, Jorge Myers, eds., *Resonancias Románticas. Ensayos sobre la historia de la cultura Argentina (1820-1890)* (Buenos Aires: Eudeba, 2005).

United Provinces, Chile and Perú between 1800 and the 1830's. These were basically the sources used to build this work that aspires to analyse the way in which cultural representations affected the possibilities for commercial and political relations between these two regions.

In 1965, the eminent historian Robert Humphreys wrote that “the stimulating, but also disruptive, effects of the rise of foreign trade, the arrival of the foreign merchant, and the beginnings of foreign capital investment, on the other”, in South America, “still await their historian”.⁸ Some decades later, Peggy K. Liss, in her work *Atlantic Empires: The Network of Trade and Revolution, 1713-1826*, claimed that there was still a lot of work to do in the study of the social impact of political economy and liberalism in South America during the late eighteenth century and the first decades of the nineteenth.⁹ An important contribution in the field came some years later with the publication of *Guiding the invisible hand: economic liberalism and the state in Latin American history*,¹⁰ a collection of essays edited by Joseph L. Love and Nils Jacobsen, which analysed different experiences in the adoption of economic liberalism in Latin America. More recently, Jeremy Adelman has pointed out the impact that the “Atlantic revolutions” had in shaping the economic thinking of the elites in Buenos Aires.¹¹

This study aims to follow up these suggestions by analysing cultural representations of the Southern Cone of America in Britain, and vice versa, particularly about economic practices, which materially linked the two regions, intending to build on what Nanora Sweet calls the “horizon for cultural desires” that established the context for British mercantile ventures in the Southern Cone of America, but also considering the way in which these experiences were perceived or received there by South American authors.¹² It offers an analysis of the formation and impact that some economic discourses, particularly about commerce, had in the mindscape or in the economic imagination of British explorers and South American elites, and the consequences they had in the entangled relationships between Great Britain and the Southern Cone.

⁸ Robert A. Humphreys, *British Merchants and South American Independence* (London: The Raleigh Center on History 1965), p.151.

⁹ Peggy K. Liss, *Atlantic empires: the network of trade and revolution, 1713-1826* (Baltimore: Johns Hopkins University Press 1983), p.225.

¹⁰ Joseph L. Love, Nils Jacobsen, eds., *Guiding the invisible hand: economic liberalism and the state in Latin American history* (New York: Praeger, 1988).

¹¹ Jeremy Adelman, *Republic of capital: Buenos Aires and the legal transformation of the Atlantic world* (Stanford, California Stanford University Press, 1999), p.74.

¹² Nanora Sweet, 'Hitherto Closed to British Enterprise: Trading and Writing the Hispanic World Circa 1815', *European Romantic Review*, 8 (1997), p. 139.

Following the revaluation of the concept of capitalism in its historical application proposed by historians P. J. Cain and A. G. Hopkins, in their major contributions on the history of British empire, it seems pertinent to propose that this research covers the first stages of the arrival of global capitalism in the Southern Cone, because capitalism as a historical concept is not entirely applicable at the time there. Some of its attributes can be identified, such as profit seeking, individualism, specialization, the emergence of a market economy, the growth of rational calculation and the postponement of present consumption for the sake of future returns; but others were definitively absent at the time, such as accumulation of riches, industrial development and technological innovation.¹³ Thus the period covered in this research is best characterized as one of transition, on the threshold of the arrival of global capitalism, and also of the republican consolidation of these nation states.

The transitional character of this period by no means diminishes the impact of those “stimulating” and “disruptive effects”, to which Humphreys alluded to, that capitalism had in this early phase. In fact, this study intends to understand precisely the way in which those effects could be “stimulating” but also “disruptive”. This entails challenging the controversial assumption developed by “dependency theory” and which was shared by its opponents, from Andre Gunder Frank to D.C.M. Platt, that the emancipation of the Southern Cone did not signify a major change in the economic horizon of its inhabitants.¹⁴ This work shows how such assumptions obliterate the impact that the opening of national markets had on the mindset of local elites in the Southern Cone, considering that they are deeply contradicted by local testimonies of businessmen, politicians and authors who viewed their political emancipation as the end of economic and cultural isolation, which was perceived as a fate imposed by colonialism that had lasting material and moral consequences in their economic and political life. In this sense this study of perceptions, cultural attitudes and assumptions intends to reveal facets of the relationships that an economic analysis would probably take for granted, such as for instance that South American elites considered that commerce, communication and circulation had a similar status as forces of improvement and how the political imagination of this people, and that national statistics, public credit and other economic institutions were “barometers of civilization”. This work

¹³ Peter J. Cain, Anthony G. Hopkins, *British imperialism: innovation and expansion 1688-1914* (New York: Longman, 1993), pp. 17,18.

¹⁴ André Gunder Frank, *Capitalism and Underdevelopment in Latin America: historical studies of Chile and Brazil* (Harmondsworth: Penguin, 1971), p.30; Stanley J. Stein and Barbara H. Stein, ‘D. C. M. Platt: The Anatomy of "Autonomy"’, *Latin American Research Review*. 15, (1980), pp. 131-146 ; James H. Street ‘The Platt-Stein Controversy over Dependency: Another View’, *Latin American Research Review* 16 (1981), pp. 173-180.

follows the suggested guiding lines proposed by historian Florencia Mallon to future studies of economic liberalism in South America, offering some perspectives that might illuminate its adoption and the “struggles that preceded its hegemony”.¹⁵ The main axis of this work is to analyse what Britons and South Americans wrote and expressed about commerce, considered in its broader sense, as the agent that brought together two world regions at a particular moment of their history in a complex exchange of people, commodities and ideas during the first three decades of the nineteenth century.

Any historical research about Great Britain and South America during this century has to address the issue of empire, considering that, as Leslie Bethell claims, “Britain was the dominant external actor in the economic and, to a lesser extent, the political affairs of Latin America”. He later adds that “the foundations of British commercial and financial pre-eminence in Latin America were firmly laid at the time of the formation of the independent Latin American states during the second and third decades of the nineteenth century”. If the nineteenth century was the “British century” in Latin America, as Leslie Bethell claimed, it is virtually impossible to evade the reality of empire.¹⁶ And whilst Great Britain did not exert direct political control over the affairs of these South American republics, which remained outside the formal area of British influence, it seems highly plausible to adopt the framework of British Informal Empire, notwithstanding that Gallagher and Robinson’s formula needs further qualifications and precisions to achieve applicability to this period in Spanish American history. Firstly, the relations and attitudes that Great Britain had with the Southern Cone were neither monolithic nor uniform during the nineteenth century. Different historians, in this respect, have placed special accent on particular periods: Gallagher and Robinson, for instance, probably overstated the extent of Britain’s informal empire in the Mid-Victorian era, while D.C.M. Platt, on the other hand underestimated its size during the Edwardian period.¹⁷

Furthermore this study intends to show that the British presence and interest in the Southern Cone was diffused in a myriad of different experiences, which can hardly be framed into one single category, considering the impact of the British Navy, the botanical exchanges encouraged by isolated individuals, and the educational and emigration schemes promoted by other explorers. This situation fits within a vision of British Informal Empire which necessarily entails a repertoire of pressures and influences exerted from the metropolis that were not necessarily or solely political. British perspectives on and

¹⁵ Florencia Mallon ‘Where we are and where we need to go’ in Love, Jacobsen, eds. *Guiding the invisible hand* (1988.), p.179.

¹⁶ Bulmer, *Britain and Latin America* (1989), p.12.

¹⁷ Cain, Hopkins, *British imperialism* (1993), p.313.

experiences in the Southern Cone were shaped by an interest in natural history which was a consequence of the link that then existed between the study of natural sciences, such as botany and geology, and the discourse of useful knowledge which in turn was inextricably linked with the aspiration of improvement.

This thesis has followed the insights proposed by Richard Drayton, particularly his notion of “imperialism of enlightenment”, which encompasses many of the British experiences of this period, which assumed the mission to improve the rest of world, preparing it “to become fully human”.¹⁸ The notion of “imperialism of enlightenment” can be subsumed in the concept of “*taxinomia universalis*” described by Michel Foucault in his classic work *The Order of Things*, and that he characterized as a new world vision in which knowledge, language, nature, economy, and commerce were integrated, in a “great grid of empirical knowledge”. Such “universal taxonomy”, from the mid eighteenth century onwards, according to Foucault, established connecting paths between theories of knowledge, of grammar, of the origins of wealth, and of natural classification opening the world for the imagination and exertions of the European mind, as a vast field displayed at their feet.¹⁹

The concept of British Informal Empire recently has been reshaped in an analysis that brings in approaches from cultural history, cultural studies, geography, history of science, comparative literature and postcolonial studies, disciplines that can convey the variety of experiences and contexts of these experiences. In a recent collective work, which is a notable manifestation of this last trend, Matthew Brown claims that the rather abstract notion of Informal Empire needs to be “refashioned” to achieve a stronger historical applicability by examining the kind of controls exercised by the metropolis, be they political, economic, cultural, or military in terms of their impact as infringements of national “sovereignty”.²⁰ In that same work Alan Knight suggests that where formal empire denotes “imperialism”, informal empire implies “hegemony”.²¹ The problem is that cultural matters do not often infringe upon national sovereignty; their impact being more subtle, immaterial or symbolic, if we follow E. P. Thompson’s concept of cultural hegemony that he developed in the context of the control that the British gentry exerted over “the whole life” of the subordinated classes during the eighteenth century, as a complete domination of their

¹⁸ Richard Drayton, *Nature’s Government: Science, Imperial Britain, and the Improvement of the World* (New Haven, London: Yale University Press, 2000), pp. 90-93.

¹⁹ Michel Foucault, *The Order of Things: An Archaeology of the Human Sciences* (London: Routledge, 2001), p.84.

²⁰ Matthew Brown, ed., *Informal Empire in Latin America: culture, commerce and capital* (Malden, MA; Oxford: Blackwell, 2008), pp. 3- 4.

²¹ Alan Knight, ‘Rethinking British Informal Empire in Latin America (Especially Argentina)’ in Brown, *Informal Empire* (2008), pp. 28-30.

symbolic capital.²² The key seems to be, following Brown, the measure in which any of these influences had such an impact in the internal affairs of these nations. Because, as Brown states, “if informal empire is to function as a working concept, then it must rest upon a three dimensional frame work, that posits commerce, capital and culture as three interdependent and mutually reinforcing influences that limited local sovereignty”.²³ So if we agree with Rory Miller that “economic and business trends and government policies in Britain [...] provide the cement to hold together the diverse experiences of individual Latin American countries,”²⁴ the question at stake is the extent to which culture plays a part in the conformation or shaping of those political and economic realities.

This thesis, by exposing the cultural dimension of economy, follows the work done by other studies which have been trying to reformulate, reshape and also enliven the category of Informal Empire, by introducing the analysis of the cultural factors that acted in the relationship between Britain and South America. The main works are the above mentioned volume edited by Matthew Brown and the studies done by Robert Aguirre about the perceptions of Mexico’s archaeological past in the perspective of the future economic resources that the country promised to British investors,²⁵ Rebecca Cole Heinowitz on the influence that cultural forms had on the shaping of audiences and their reception of British imperial power in Latin America,²⁶ Louise Gunther about British merchants in Brazil,²⁷ Karen Racine about Francisco de Miranda and the South American community of immigrants and refugees who were active in London at the beginning of the nineteenth century,²⁸ and Eugenia Roldán Vera, on the construction of transatlantic networks of culture and education.²⁹ These works of cultural analysis have generally contributed to answer the question of how culture plays a part in the conformation and shaping of politics and economy, while also reducing the simplicity of an analysis of empire and colonialism which often threatens to fall into a polarized scheme based on domination and submission,

²² Edward P. Thompson, ‘Patrician Society, Plebeian Culture’, *Journal of Social History* 7 (1974), pp. 382-405.

²³ Brown, *Informal Empire* (2008), p.21.

²⁴ Miller, *Britain and Latin America* (1993), p.xii.

²⁵ Robert D. Aguirre, *Informal Empire: Mexico And Central America In Victorian Culture* (Minneapolis; London: University of Minnesota Press, 2005).

²⁶ Rebecca Cole Heinowitz *Spanish America and British Romanticism, 1777-1826: Rewriting Conquest* (Edinburgh: Edinburgh University Press, 2010).

²⁷ Louise Guenther, *British Merchants in Nineteenth-Century Brazil: Business, Culture, and Identity, 1808-50*. See also, Guenther, ‘The Artful Seductions of Informal Empire’ in Mathew Browne *Informal Empire in Latin America* (Malden, MA; Oxford: Blackwell, 2008).

²⁸ Ingrid Elizabeth Fey, Karen Racine, eds., *Strange Pilgrimages: Exile, Travel, and National Identity in Latin America, 1800-1990’s* (Wilmington, Del.: Scholarly Resources, 2000), Karen Racine, *Francisco de Miranda: a transatlantic life in the Age of Revolution* (Wilmington, Del: Scholarly Resources, 2003).

²⁹ Roldán Vera, *The British Book Trade* (2003).

portraying a dominant and powerful British foreigner oppressing a brute, inane and submissive native.

Two concepts that are also relevant to this study that intends to analyse both British and South American perspectives are those of “Gentlemanly Capitalism” and “Collaborative elites”. The first one, developed by Cain and Hopkins –answering Gallagher and Robinson’s emphasis on industrial capitalism- considers the influential part played by the British gentry and their code of honour in the process of Imperial Expansion.³⁰ The second one can be considered as constitutive element of the early formulation of the concept of Informal Empire and it refers to the part that members of the local elites who adhered to a British world view might have played in facilitating British penetration of their countries.³¹ This work discusses these two notions by offering a characterization of British interests that was far from gentlemanly and a vision of South American elites as not exactly servile towards the British or their ideas.

This study confines itself to a geographical region formed by the countries which nowadays correspond to Argentina, Chile and Perú. This option was taken because the region was linked by geographical and historical ties in an era when national feelings were not yet developed. Moreover, from the perspective of Great Britain these three new republics were seen as a unit. It was not entirely coincidental that British travellers typically followed an itinerary including the main cities of this area, traveling from Buenos Aires, via Santiago and Valparaíso, to El Callao and Lima, nor that the main British commercial houses often opened branches in all of these cities. Thus, any historical research that aims to give an account of the nature of the relationship between Great Britain and any of these countries has to trespass national boundaries to offer a transnational perspective, especially when the countries in question had been geographically, historically and culturally integrated in colonial structures in the recent past and the region, out of this colonial past, evolved into a republican life sharing the same problems, solutions and remedies. Bolivia would also be covered in this study although only incidentally, as long as it constituted what then was called the region of Upper Perú, which achieved a republican status in 1825 and remained in a political turmoil through the following years.

³⁰ Cain, Hopkins, *British Imperialism* (1993).

³¹ John Gallagher, Ronald Robinson, ‘Imperialism of free trade’, *The Economic History Review New Series* 6 (1953), p.7; Ronald Robinson, ‘Non-European foundations of European imperialism: sketch for a theory of collaboration’, in Roger Owen and Bob Sutcliffe, (eds), *Studies in the Theory of Imperialism* (1972): pp. 117-42; ‘The Eccentric Idea of Imperialism, with or without Empire,’ in Wolfgang J.Mommsen, Jurgen Osterhammel, *Imperialism and after. Continuities and Discontinuities* (London: Allen & Unwin, 1986).

This work is divided into five chapters. The first chapter deals with the initial stage of the relationship between the Southern Cone and Great Britain during the wars of independence, analysing British representations of the Southern Cone of America when there was little reliable news and no recent first-hand British accounts of the area. This chapter identifies a first commercial “bubble” in the relation of Great Britain and the Southern Cone, which grew and burst because of a convergence between the speculative nature of representations of the region and the economic practices of “speculators”. This chapter also shows how the relationship between the Southern Cone and Great Britain was fundamentally built on trade, suggesting that the very practice of commerce was determined by the ideas that British businessmen, politicians, and activists had of this activity as a vehicle for civilization.

If Britons considered the Southern Cone from a commercial perspective the second chapter of this work intends to answer the question of what people in the Southern Cone – mostly the economic, cultural and political elites- thought about foreign commerce and the opening of their countries to commercial expansion. The point is to answer what South American elites did think about trade, while Britons were seeing this region as a new market or an outlet for their trade. This chapter shows that local elites in the Southern Cone also considered that commerce was a powerful agent of civilization, but it suggests that they reached that conclusion from a different intellectual trajectory from that of British authors. From the perspective of these elites, the notion of commerce was rooted in the idea of circulation –of foreign people, commodities and ideas- that was supposed to enliven these nations that had remained dormant after centuries of colonial domination.

The third chapter of this research shows how British reformists and British travellers in South America shared a similar ethos, and argues that both groups viewed the Southern Cone not only as a newly opened market but also as a laboratory in which to test their ideas. This chapter focuses in a moment of British radical involvement with the continent –between 1818 and 1824- when a group led by Jeremy Bentham and Francis Place planned two great projects to be developed in the Southern Cone. Meanwhile several British travellers were also exploring the region, with similar intentions and guided by ideas of social reform that echoed the liberal principles sustained by Bentham and his group. These British explorers were self-fashioned as “missionaries of civilization” and their aim was the improvement of the region, through the establishment of free trade, educational programs and emigration schemes, among other plans.

The fourth chapter deals with what came to be known as the second “bubble” of British dealings with South America during 1825, involving foreign loans and mining companies. This chapter studies the process in which South American agents contracted foreign loans in the British market and later organized Mining Companies to develop South American mines. This chapter exposed how these different projects were formed and how they were perceived by those who promoted them, characterizing the different interests that shaped these undertakings and that finally brought them to a dramatic end.

The fifth and last chapter is dedicated to analysing the public campaign developed in London about the failure of foreign loans and mining companies. The main question asked here is, how these undertakings and their failure came to embody a whole era of excess and irresponsibility? This chapter identifies a campaign directed against the republics of the Southern Cone and their agents, which was orchestrated by Francis Place between 1824 and 1826 after his own disappointments in the Southern Cone. The background to this press campaign, which also included the publishing of books, sheds light on why these mining companies became reviled by the British public as a “scapegoat”.

This organization of chapters intends to express the entangled character of these relations, combining the perspectives developed by Britons with the representations and aspirations of South American elites, intending to show how cultural representations and visions matched with economic practices and vice versa. Imaginary representations, such as the visions of El Dorado and other imaginary or fantastic tales, converged with economic structures and economic practices, thereby contributing to shape this first moment of the relationship between Great Britain and this region during their independent life that had important consequences for their future relationship. It also had a dramatic impact on the image that the republics of the Southern Cone projected in the British imagination where the claim that South America had framed John Bull, or as one contributor in the *Morning Chronicle* once wrote, inducing “John Bull to make a fool of himself for their advantage”,³² rang out for decades to come.

³² ‘La Plata Mining: Famatina’, *Morning Chronicle* 24 January 1826

CHAPTER I

A New World, a New Market: British Visions of the Southern Cone, 1808-1820

During the first decade of the nineteenth century, South America was an issue of public concern in Great Britain; its affairs were undeniably popular among the press and the publishing world.¹ There are no really systematic studies of the British press during the period from 1809, when the first news of revolutionary movements in La Paz and Buenos Aires arrived, to 1820, when there still were few first-hand accounts of the Southern Cone. It can be stated that this region caught the public's attention in Great Britain after the British invasions of Buenos Aires, first in 1806, by Captain Sir Home Popham, and again in 1807, by General Whitelocke. These events also signalled the nature of the attraction that the region awakened in Britain, because the booty of Sir Home Popham's expedition, ostentatiously paraded through the streets of Portsmouth, stimulated the appetite of the British merchants that watched it pass.² And the failure of both military attempts precluded any kind of direct British military and political intervention in the region. Ties between British merchants and Buenos Aires were older than these "buccaneering incursions",³ because British interlopers had been trading with Buenos Aires from the late eighteenth century, but soon after these two frustrated invasions the mercantile relations with the region began to grow considerably on a regular basis.

Seen from England, Buenos Aires appeared as the head of a whole geographical region which was integrated by political, economic and cultural ties. The city was not only an enclave for British commerce, attractive in itself, but, as Samuel Hull Wilcocke, one of the first British chroniclers of the history of Buenos Aires, then wrote, it was seen as an "emporium whence the whole of the interior of Spanish South America, excepting the sea coast of Peru and Chile, must be supplied with an innumerable variety of European articles". Wilcocke later added that the conquest of that city "excited in the public mind not only a desire to participate in the benefits that might be expected from it in a commercial point of view, but also a wish to be minutely acquainted with every particular relative to the

¹ Karen Racine, *Francisco de Miranda: a transatlantic life in the Age of Revolution* (Wilmington, Del.: Scholarly Resources, 2003), pp. 180,181.

² Alistair Hennessy, John King eds., *The Land That England Lost - Argentina and Britain, a Special Relationship* (London: British Academic Press, 1992), p.12.

³ Peter. J. Cain, Anthony G. Hopkins, *British imperialism: crisis and deconstruction 1914-1990* (London; New York: Longman,1993), p. 276.

extended regions to which it gives access.”⁴ At that time Buenos Aires was considered to be the key to access the markets of Upper Perú, Lima and Chile, and its commercial destiny seemed to depend on the westward expansion of the emancipation movement towards the Pacific. In fact, after the market of Buenos Aires became completely overstocked with British imports by 1808, the independence of these two regions was perceived as the only relief for that glut crisis they could have. In that sense, the reports in the British press announcing the collapse of this new market were soon followed by others diffusing news that the commercial prospects of the region were improving as its connections with Perú and Chile began to consolidate as the emancipatory movement progressed. By the end of February 1812, Henry Petty-Fitzmaurice, the Marquis of Lansdowne, reported in the House of Lords that “the trade in South America was fast reviving –remittances long withheld were now pouring in- and the effect was the revival of many of our manufactures”.⁵ A year before, on January 1811, the *Morning Chronicle* had published an *Extracts of a letter from Buenos Aires*, dated the 23rd of October of the previous year, which announced that “after the kingdom of Chili and Peru, have united to support the cause of Independence; it is impossible to describe the enthusiasm which these people have described on this occasion. The British commerce it appears will gain all the advantages it has lost by the decree in Bonaparte in Europe, in the free communication which has been opened to them by the inhabitants of those vast and rich countries”.⁶ But due to war and political upheavals the link with those newly opened markets was soon cut. By 1814, the Bourbon restoration in Spain had allowed the recovery of power by royalist forces in Upper Perú and Chile.

Commerce and humanitarian principles

Most of the information given by British newspapers on South American affairs came from private letters written by anonymous correspondents in the field or was extracted from local publications such as *La Gazeta de Buenos Aires*, credited as *The Buenos Aires Gazette*. A high proportion of these reports also came from North American newspapers, printed in the ports of Baltimore and Philadelphia. As this information was often mediated, newspapers were vulnerable to unknown influences and voiced unsuspected interests. At the same time, North American papers were also vulnerable to political distortions from South

⁴ Samuel Hull Wilcocke, *History of the viceroyalty of Buenos Ayres*. (H.D. Symonds, 1807), pp.548, 549.

⁵ ‘The House of Lords’, *Morning Chronicle*, 29 February 1812.

⁶ ‘Extracts of a letter from Buenos Aires’, *Morning Chronicle*, 22 January 1811. See also ‘Spanish America’, *The Times*, 25 March 1811.

America. There is evidence, for instance, that North American papers divulged a propaganda piece masquerading as news published in Buenos Aires against the local government which was supplied to them by the dissident leader José Miguel Carrera, who opposed the proceedings of San Martín.⁷ At the same time, in return, British papers such as the *Morning Chronicle* and *The Times* were usually a great source of information on South American affairs for their North American counterparts.⁸ The books printed in Britain during this decade about the Southern Cone also had a foreign origin, they were translations of foreign works like the *Travels from Buenos Ayres, by Potosí to Lima in 1789*,⁹ written by the German mineralogist Anton Zacharias Helms, or were versions of South American works, written by exiled authors in Europe such as *The Geographical, Natural, And Civil History Of Chili* by the Chilean Jesuit José Ignacio Molina (1809), Francisco Javier Clavijero's *The History of Mexico* (1807) and Juan Pablo Vizcardo's *Letter to the Spanish Americans* (1810)¹⁰. Other works had a more obscure origin such as Joseph Skinner's *The Present State of Peru*, published in April 1805,¹¹ which was a mere copy of some excerpts from *El Mercurio Peruano*. There were even some false travel books as *Letters from Paraguay*,¹² and *Letters from Buenos Ayres and Chile with an original history of the latter country*,¹³ supposedly written by a "travel liar" named John Constance Davy.¹⁴ Most of these and other books were the result of what Sidney Smith called "book making",¹⁵ the practice of constructing books by gathering information from previously published materials, instead of direct or personal experience. Such was the case of *The present state of the Spanish Colonies*, written by South American propagandist William Walton and published in 1810, which drew heavily on the work of

⁷ Henry M. Brackenridge, *Voyage to South America, performed by order of the American Government in the years 1817 and 1818, in the Frigate Congress*. (London: John Miller, 1820), p.204.

⁸ Arthur P. Whitaker, *The United States and the independence of Latin America: 1800-1830* (Baltimore: The Johns Hopkins press, 1941), p. 167.

⁹ 'On Monday next will be published Helms book of Travels from Buenos Ayres, by Potosí to Lima in 1789', *Morning Chronicle*, 26 September, 1806.

¹⁰ According to Karen Racine these books were published in England under the auspices of Miranda, as a "print strategy" to promote the South American cause in Britain. See Karen Racine, *Francisco de Miranda..* (Wilmington, Del.: Scholarly Resources, 2003), p. 187.

¹¹ 'The Present State...', *Morning Chronicle*, 14 April 1805, p.1.

¹² John C. Davie, *Letters from Paraguay describing the settlement of Montevideo and Buenos Ayres, the presidencies of Rioja Minor, Nombre de Dios, St. Mary and St. and St John & Co. with the manners, customs, religious ceremonies, & of the inhabitants*. (London: Printed for G. Robinson, Paternoster-Row, 1805).

¹³ John C. Davie, *Letters from Buenos Ayres and Chili. With An Original History Of The Later Country Illustrated With Engravings. By The Author of Letters From Paraguay*, (London, Rudolf Ackerman 1819). 'Ackermann...also just published, Letters from Buenos Ayres and Chili...12 shillings' *Morning Chronicle*, 5 January 1820 p.2.

¹⁴ 'Letters from Paraguay' *The New Annual Register, or The General Repository of History, politics and literature for the year 1805*, (London 1805.), p.323. Southey Robert, 'An Account of the Abipones', *The Quarterly Review*, January 22 (1822), p.322.

¹⁵ Sidney Smith, 'Present State of the Spanish Colonies', *Edinburgh Review* 17 (November 1810-February 1811), p.381.

Alexander Von Humboldt. This active literary industry revealed the existing need of reliable and fresh news from this region, considering that by 1819 there was not a single book written by a British traveller based on a direct experience on Chile and Perú or in the hinterland of the Southern Cone.

Among British newspapers of the period, the *Morning Chronicle* was clearly the most persistent promoter of South American affairs, mostly because its editor from 1789, James Perry, was an enthusiastic supporter of British involvement in the destiny of these regions during the 1810's. The most notorious feature of this paper's general coverage of South American independence was its persistent use of a rhetoric which mingled the invocation of humanitarian values, or human rights, such as liberty or fraternity, with a direct advocacy of British commercial interests. William Walton, who was a frequent contributor in the *Morning Chronicle*, expressed this duality clearly in 1814, when he remarked upon "the necessity of British interference, on the grounds of humanity, policy, and justice" mediating between Spain and its former colonies. "This is a question of no ordinary policy", he added, "but one that embraces our most lasting welfare, as a commercial people; and it rests with the British Government, to weigh well the various interests which its issue involves."¹⁶ The use of this humanitarian rhetoric not only provided the *Morning Chronicle* with a moral ground from which to chastise its rivals -*The Courier*, especially- accusing them of bigotry, but also allowed it to overcome the legal obstacles that restrained the intervention of Britain in Spanish American affairs by invoking general humanitarian principles. This was shown in an editorial which claimed how "important... will be the emancipation of South America to the general cause of humanity". However, it added that "no nation is so dearly interested as England, from the numerous advantages that would thence result".¹⁷ The *Morning Chronicle* was not the only publication that viewed South America as a commercial opportunity, nor was it the first one to do so. In fact commercial interests were invariably present in most of the coverage of South American affairs in Britain, not only in newspapers, but also in learned journals and books.

This prospect of South American independence as a commercial opportunity, with humanitarian undertones, might have been partly an outcome of the South American propaganda campaign orchestrated by Francisco de Miranda to obtain assistance from the British government in the emancipation of South America. His biographer, Karen Racine,

¹⁶ William Walton, *An exposé on the dissensions of Spanish America* (London 1814), p. 477. For William Walton's propagandistic business see María Teresa Berrueto *La lucha de Hispanoamérica por su independencia en Inglaterra: 1800-1830* (Madrid: Ediciones de Cultura Hispánica, 1989), pp. 113-114, 183-89.

¹⁷ 'The Emancipation of South America', *Morning Chronicle*, 17 February 1815.

observes that after 1805 “Miranda gave up trying to persuade Britain’s ministers that Spanish American emancipation was a lofty and humanitarian enterprise, and began arguing that it was in their own interest”, suggesting that Miranda replaced principles by business interests in its campaign. Racine added that this shift in Miranda’s plans was probably a consequence of the influence on him of utilitarian philosophers such as James Mill and Jeremy Bentham, who were profoundly interested in the destiny of the continent. So it was probably Miranda and his circle of associates who “offered” “the vision of a huge Spanish American market” to powerful Liverpool and London merchants, under the direct spell of utilitarianism.¹⁸ Although this commercial image of South America in British public opinion needs to be appreciated in the context of the economic crisis that the nation was suffering during that decade, because British industry and trade were in desperate need of relief after its exclusion from European and North American markets, since the emancipation of its former colonies in North America and the imposition of Napoleon’s continental system. In this sense, South America emerged as a kind of salvation. In October 1816, the *Morning Chronicle* drew attention to this situation, concluding that “no part of the globe offers so many advantages as South America does in this respect. The independence of that large and rich tract would, in a few years, multiply its means and its wants in so extraordinary a degree that it would afford a perfect equivalent for any injury we may sustain in the markets of Europe”.¹⁹ It is a remarkable fact how the editorials and commentaries from different papers which gave gloomy reports of the British economy, were usually accompanied by enthusiastic descriptions of what South America was to offer them instead. In November 1814, a paper from Hull stated that “a kind of terror seems to have arisen least we should be unable to rival the production of the continent in excellence and cheapness”, concluding enthusiastically that “what vast regions are about to be opened to the spirit of commercial enterprise in South America! The new world is of a form extremely favorable to commercial intercourse –their inhabitants possessing whatever can facilitate their progress in commerce and improvement.”²⁰

Two of the most important and influential cultural magazines of the period, namely the *Edinburgh Review* and the *Quarterly Review*, also covered these issues during the 1810’s from this economic perspective. It is of particular note that, although José Alberich claims that the views expressed in both *Reviews* were not monolithically constructed and evolved

¹⁸ Racine, *Francisco de Miranda* (2003), pp.154, 181. See also Berruezo *La Lucha de Hispanoamérica* (1989), pp. 55-61, 67-74.

¹⁹ ‘This day the Prince Regent is expected to hold...’, *Morning Chronicle*, 14 Oct 1816.

²⁰ ‘Our Commerce and Manufactures’, *The Hull Packet and Original Weekly Commercial Literary and General Advertiser*, 22 November 1814.

through the decade, they nonetheless showed a marked coherence of perspectives. There was no clear distinction between the opinions expressed by the reviewers of these two rival periodicals, all of whom seemed to have treated the subject with a tone that appealed to moderation and neutrality, while commerce appeared to have been at the core of their arguments. Even by the end of the 1810's, when the independence of Spanish America seemed to be a matter of certainty, both *Reviews* agreed that the independence of these former colonies was convenient mostly for the commercial interests of Britain.²¹ This agreement should not surprise anyone, bearing in mind that, as Marilyn Butler argues, these two *Reviews* reflected the consensus of this anti-revolutionary era.²²

Of the three main figures who contributed anonymously to the *Edinburgh Review* with articles dedicated to books about the Southern Cone of America, two deserve further analysis here. The first of them was John Allen, the librarian of Lord Holland house, who wrote a commentary on some extracts from *El Mercurio Peruano* where he went beyond the usual conventions of a review by suggesting that a British military expedition should conquer Perú. In other articles written by him between 1810 and 1811, he cooled his head and stated that the desire for independence was not universal in South America, proposing that the whole continent should remain under a regime of limited authority as a federation of American States subject to the Spanish Crown, but not ruled by them, thereby securing for Britain a regime of free commerce that might end the abusive Spanish monopoly.²³ The second case was philosopher James Mill, who with the assistance of Francisco Miranda,²⁴ wrote the article "Emancipation of South America", which was intended to comment on the book by Juan Pablo Vizcardo y Guzmán, *Carta a los españoles Americanos*, but in fact dedicated only a single page to summarizing it, while giving a lot more space to a lengthy biographical panegyric of the Venezuelan hero.²⁵ Mill's second contribution was a comment of Ignacio Molina's *The Geographical, Natural and Civil History of Chili* (an English translation which also included an excerpt of *The Araucana* by Alonso de Ercilla written in the sixteenth century), which likewise barely mentioned the book it was supposed to review, instead praising Miranda's projects of emancipation and devoting most of the space to exalting the commercial prospects opened up to British merchants in South America. In fact Mill's

²¹ José Alberich, 'English attitudes towards the Hispanic World in the time of Bello as reflected by the Edinburgh and Quarterly Reviews' in John Lynch ed. *Andrés Bello: the London years* (Richmond, Surrey: Richmond Publishing on behalf of the Venezuelan Embassy, 1982), pp.73-74.

²² Marilyn Butler, *Romantics, rebels, and reactionaries: English literature and its background* (Oxford: Oxford University Press, 1981), p.116.

²³ Alberich, 'English Attitudes Towards The Hispanic World', pp. 67-79.

²⁴ Alberich, 'English Attitudes Towards The Hispanic World', pp. 73.

²⁵ Racine, *Francisco de Miranda* (2003), p. 182.

words tend to encapsulate this commercial interest as he remarked how South America was a relief for the Old World: “the brilliant prospects which seem to be opened up for our species in the New World, and the cloud which still thickens over the fortunes of the Old, present, at the present hour, a subject of contemplation to the thinking part of the British people”.²⁶ And he paired the advantages that the continent had as a provider of natural resources with the present needs of “industrial” Britain:

If South America has the richest country in natural resources, the country to which the greater part of this prodigious demand will come, is unquestionably Great Britain. So far before all other countries, in respect to manufacturing advantages, does she stand, that were the circumstances of Europe much more likely to encourage industry than unhappily they are, we could meet with no rival.²⁷

One of the main targets of these writings which promoted the emancipation of Spanish America was the monopoly which Spaniards exercised over their former colonies, a practice which was condemned as illiberal and irrational, according to the principles of the doctrine of political economy. It was clearly stated that Britain did not want to establish any kind of monopoly in that region. One anonymous contributor affirmed, for instance, in the *Morning Chronicle*: “we wish no monopoly; we dread no competition: all that we dread is a countenance of the present arbitrary restrictions.”²⁸ But did they really “dread no competition”? The general attitude of the press, which denounced any intervention of France and the United States in South America, proved that the reality was different, and that there was a deep concern about any threat of interference in a region they were aiming to control themselves; an awareness which was betrayed by a rhetoric which had clear overtones of appropriation.²⁹ South America then was often represented as a kind of satellite market for English products and a source of raw materials. Lord Lansdowne, expressed in the House of Lords the need to have an “independent state on the other side of the Atlantic, that would have carried our commerce, and taken our manufactures every year; and their profits from that carrying trade, enabling them to purchase a still larger quantity of our manufactures, thereby increasing our own internal prosperity”³⁰

²⁶ James Mill, ‘Emancipation of South America’, *The Edinburgh Review*, January 1809, p. 279.

²⁷ James Mill, ‘Emancipation of South America’, *The Edinburgh Review*, January 1809 p. 281.

²⁸ ‘To the editor of ...’ *Morning Chronicle*, 9 November 1810.

²⁹ See Hugh Inglis on *Morning Chronicle*, 1813: “the whole of the carrying trade to the West Indies and the Southern settlements should be in our own hands”. Also *Morning Chronicle*, 20 January 1813; *Morning Chronicle*, 13 July 1818; *The Times* 14 July 1818; *The Caledonian Mercury*, 18 July 1818.

³⁰ “Parliamentary Intelligence”, *Morning Chronicle*, 29 February 1812.

The year 1817 marked a turning point in the making of images of the Southern Cone by the British press. Until then, the ebb and flow of the wars of independence of Chile and Perú had left the opening of their markets in suspense, and the British press waited for a patriotic triumph to define the independence of the whole Southern Cone. On the first days of April 1817, the *Morning Chronicle* announced that “Chile will be open to us, if the expedition fitted out at Buenos Ayres drives the Spanish troops from that kingdom, on which the most sanguine expectations were entertained”.³¹ Only a few weeks later, news from Buenos Ayres arrived in London announcing that these predictions were about to be fulfilled, because the insurgent army organized by generals José de San Martín and Bernardo O’Higgins had crossed the Andes, defeating the Spanish forces on the plains of Chacabuco on their way to Santiago. In a fit of enthusiasm the British press seized upon this victory as the definitive strike against Spain. the *Morning Chronicle*, hyperbolic as usual, stated that “the result of this victory was the complete downfall of Spanish power in this interesting portion of the South American continent.”³² The next day, the same paper published a report which affirmed that “a bolder and more interesting enterprise has not been undertaken in the New World, than the attempt to cross the Cordillera of the Andes” and announced that “the liberation of Chili opened the interior to the Buenos Ayres trade” giving “a new impulse to the energies of Buenos Ayres”. “The conquest of Peru”, it was added later, “was already in agitation”. According to this same article, “a number of traders had already followed the army with packages of goods, which had been deposited at Mendoza, in order to go over the Andes as soon as the Patriot armies were victorious”.³³ The same day, *The Times* announced in similarly triumphant tones that the victory of San Martín opened up promising prospects for the trade and manufactures of Britain: “The success of general San Martín, in the conquest of Chili”, the article declared, “has caused such a demand for British goods at Buenos Ayres, towards supplying the new markets which the arms of the independence have created, as the whole of the warehouses in the River Plate are unable to satisfy; and, in consequence, numerous orders were received yesterday for the forwarding to Buenos Ayres of fresh goods” In a manner that showed how *The Times* had departed from its habitually restrained tone, the paper ended stating “that considerable advantages may fairly be expected to result from the successes achieved by the Buenos Ayres army on the side of Chili and the western shore of South America”. The victory, the newspaper concluded, granted that “goods to the amount of 600,000 dollars were expected to be sent

³¹ “We yesterday alluded...”, *Morning Chronicle*, 5 April 1817.

³² “The event which we foresaw...”, *Morning Chronicle*, 27 May 1817.

³³ “Victory in Chili”, *Morning Chronicle*, 28 May 1817.

to Chili in the space of six weeks from the date of the last advices, which are to the 20th of March”.³⁴

The victory of this “liberation army” also inflamed imaginary prospects. “The military events of this country”, a Parisian contributor on the *Morning Chronicle* wrote, “have a greater resemblance to romance than to fact.”³⁵ A notice published by the radical periodical the *Examiner*, during May of that year, offered a “romantic” vision of this battle in which the Andes appeared as the sublime backdrop against which such a dramatic challenge to tyranny was enacted. One of the editors of the *Examiner* gave a striking fictional version of “the scene of warfare” of Chacabuco at “the highest chain of mountains in the globe”, a battle, that according to this vision, “in all its features, the scene, the cause, the importance of the result, and its own particular nature, was of a romantic description”. The author recreated the scene of the action with a rhetoric which echoed Walter Scott’s chivalric deeds:

The imagination follows the contending armies through forests and up green plains, down again into beautiful vallies [sic], and again up the sides of towering mountains; it fancies them appearing and disappearing, scattered among crags, crowding throw [sic] narrow passes, winding along narrow and horrible precipices, and alarming as they go the animals of those quiet regions with the clanking progress of soldiery, or the new thunder of drums and trumpets; till at last, the still more thunderous novelty of artillery commences; the smoke seems to shake and roll up the hitherto stationary clouds; a new lightning flashes; and you see men and horses riding at each other as if in the air, surmounting by turns crag above crag, and shaking out the wounded and the overthrown like warlike spirits tumbling from the clouds.

The article continues by outlining the consequences of the victory, observing how the celebration of freedom’s triumph ran in parallel with the enthusiasm for the opening of new markets:

The sensation which these great events have excited in South America, and must excite indeed all over the world will easily be imagined...they open new mines of resources to the Independents, and of a commerce, which already sets speculation bustling, to them and all the world; -they exhibit the grand pictures of men triumphantly shedding their blood for freedom, where they cannot help it, and of recovering it without bloodshed,

³⁴ “South American Affairs...”, *The Times*, 28 May 1817.

³⁵ “Buenos Ayres”, *Morning Chronicle*, 12 April 1817.

where they can...and lastly, their old friends, the monied interest, thinking all these things good, because new markets are opened to them.³⁶

The British press was equally enthusiastic one year later when it announced what again seemed to be the definitive victory of the liberating forces of San Martín and O'Higgins over the royalist forces in Chile. This time the *Morning Chronicle*, *The Times*, and the *Caledonian Mercury* published exactly the same report of the battle that took place in April 1818 on the plains of Maipú, near Santiago, stating that such an "action" has "secured for ever the independence of South America against any attempts that can be made by Old Spain with a view to re-establish her ancient dominion". "Among the subjects of congratulation", the letter continued, "there is one, which to us Englishmen is not the least, namely, that now a very large and populous territory is secured for a market for our national industry, and a little time must open much more, so that in a very few years the commerce of this country will be really valuable, and in our chief manufacturers without rival. We hope that our Government at home will shortly see the great importance this country is to our trade, and make haste to acknowledge manfully the independence of such a heroic people".³⁷ The field seemed to be open at last, and commerce mattered more than politics, because the political independence of the region was merely seen as warranty which secured that these new markets would remain opened. The following editorial of the *Leeds Mercury* eloquently claimed that "as far as the commercial interest of this country is concerned, the establishment of the independence of South America would be an event most desirable; for with free, just, and in the real sense of the word, legitimate government, this large and interesting portion of the globe would rapidly increase in population and wealth, and furnish, probably for ages to come, an immense mart for our manufactures, and new and increasing channels for our commerce".³⁸

British confidence in the destiny of this "immense mart" was suddenly stirred by the arrival of news that the US government was manifesting a much more determined interest in these new republics. In 1818, the policy of openness towards South American independence started under the presidency of James Monroe, who sent diplomatic missions to the Southern Cone, yielded some fruit when official reports of that mission were published in the British press. These writings were denounced as a threat to British interests, but also as

³⁶ "The Political Examiner. Revolution in the Brazils, and Conquest of Chili", *The Examiner*, 477 May 1817. No page number visible.

³⁷ "South America", *Morning Chronicle*, 13 July 1818; 'South American Affairs...', *The Times*, 14 July 1818. "Revolution in Chili", *The Caledonian Mercury*, 18 July 1818.

³⁸ "The Mercury", *Leeds Mercury*, 31 May 1817.

an example of what British authorities should to do. The *Morning Chronicle*, published one of these reports, commending it for “the knowledge that it displays of South American affairs, and the able and enlarged views which it takes of the contest with Spain”, two things that, so far, British authorities lacked, namely information and decision.³⁹ During 1818, as a note in a regional newspaper affirmed, “the state of South America becomes every day more important and interesting”,⁴⁰ and this interest was focused on the nations of the Southern Cone: Chile, Perú and the United Provinces. In relation to those countries, the most flamboyant expectations of richness, beauty and improvement were growing high. A private communication from a Liverpudlian merchant, then living in the capital of Chile, stated that the “country possesses great resources”, and that even though “the administration is yet young”, “government is improving, and civilization is making an astonishing progress”.⁴¹

Once these commercial ties were established, military conquest in the Southern Cone became totally unnecessary.⁴² Early in 1807, Castlereagh had presented a memorandum which determined that British relations with the region would be established only on economic interests, signalling the pre-eminence of economic affairs over politics.⁴³ A colonial system was to be discarded for practical reasons, because as William Walton wrote: it was “expensive” and “tended to retard our progress, rather than advance it”.⁴⁴ Walton considered that the provinces of South America would form a “commercial league”, “protected by a powerful naval force”, even if they were still incorporated with Imperial Spain. “No other nation”, he concluded, was more interested “in procuring an advantageous medium for the supply of their wants, and for the sale of the produce they may have to give in return”.⁴⁵ Commerce, Walton wrote elsewhere, “has always been looked upon as the very heart-blood of our national existence, and the course and essence of our greatness. And, where can we look for its increase, or combine its progressive growth, with such secure prospects, as in a country, yet in a virgin state, affording the products of all zones, besides

³⁹ *Morning Chronicle* 23 January 1818. See also *Morning Chronicle* 14 July 1818.

⁴⁰ *Trewman's Exeter Flying Post or Plymouth and Cornish advertiser* 5 November 1818.

⁴¹ *Morning Chronicle* 5 November 1818.

⁴² See John Lynch ‘British Policy and Spanish America, 1783-1808’, *Journal of Latin American Studies* Vol. 1, No. 1 (May, 1969), Cambridge: Cambridge University Press), pp. 29-30.

⁴³ Henry Stanley Ferns, *Britain and Argentina in the nineteenth century* (Oxford: Clarendon Press, 1960), pp.47-48, 98; See also D.C.M. Platt, *Finance Trade and politics in British Foreign Policy, 1815-1914*. (Oxford: Clarendon Press, 1968), p.48.

⁴⁴ William Walton, *Present state of the Spanish colonies: including a particular report of Hispaniola, or the Spanish part of Santo Domingo; with a general survey of the settlements on the south continent of America, as relates to history, trade, population, customs, manners, &c., with a concise statement of the Sentiments of the People on Their Relative Situation to the Mother Country*, vol. 2, (Longman, Hurst, Rees, Orme, and Brown, 1810.), p.189.

⁴⁵ *Ibid.*, pp.288, 289.

precious metals, and even already, opening to us a large consumption of fine and coarse goods?”⁴⁶.

A matter of speculation

But what did these British people who had such high hopes of the Southern Cone actually know about it? In more than one sense, British perception of this whole region at that crucial moment of its history was a matter of speculation, a word that according to Samuel Johnson’s dictionary meant a “Mental Scheme not reduced to practice”, while the *New Encyclopedic Dictionary on Historical Principles* defines the verb “to speculate” as “to observe or view mentally” or “to engage in thought or reflection, of a conjectural or theoretical character”.⁴⁷ So long this area remained unexplored it became the subject of imaginary visions of what William Walton aptly called “the fervid imagination” of the British public, who “examining the researches of a Humboldt, Molina, or Depons”, courted “scenes, vast and romantic” in order to admire “the sublime outlines, which nature has bestowed on the Andes and other places, and [to] worship the powerful hand of a Creator, in their varied mineral and vegetable productions.”⁴⁸

An active campaign of propaganda developed by early South American agents in London and by British enthusiasts, insisted on the riches of the region, which was pictured as a promised land. Hyperbole became the invariable tone associated with the coverage of South American affairs in general, during those days, following a trend started by Humboldt in his famously dramatic description of this continent where “everything is gigantic, the mountains, the rivers and the mass of vegetation”.⁴⁹ An article printed on the pages of the *Morning Chronicle* under the title of “South America” and signed by the initials of FM, claimed that: “Providence, with a bountiful hand, has bestowed its choicest gifts on that happy land”. Nothing was ordinary there, on the contrary, everything was superlative or excessive: its mountains were “the loftiest”, its rivers were “the finest of the universe”, its soil had a fertility “beyond comparison or conception”, its climate had “endless variety”, its vegetation was “perpetual”, its trees “of enormous size”, its mineral and agricultural productions were counted in the highest numbers, and their inhabitants were capable of consuming millions of dollars a year “in articles of foreign manufacture”. “Is that a

⁴⁶ Walton, *An Exposé* (1814), pp. 423, 424.

⁴⁷ Murray James A. H. ed. *A new English dictionary on historical principles...* (Oxford: The Clarendon Press, 1888-1928) 10 v.

⁴⁸ Walton, *An Exposé* (1814), p.444

⁴⁹ For Humboldt grand vision of South American nature see: Mary Louise Pratt *Imperial Eyes: travel writing and transculturation*. (London; New York: Routledge, 1992); Michael Dettelbach ‘Humboldtian science’ N. Jardine, J. A. Secord and E. C. Spary, eds. *Cultures of natural history* (Cambridge: Cambridge University Press, 1996.), p. 302.

country”, the article finally asked, “that we should look upon with indifference?”⁵⁰ This essay triggered a vivid debate between a group of correspondents who wrote disguised by the colourful pen-names of “Igyptus”, “Solomongundy” and “Anti-Igyptus”. It has been suggested that Igyptus was probably a Spanish correspondent and Anti-Igyptus a cover name used by Hullett and Co.⁵¹ Their exchange of letters in the British press conveyed the main lines of dispute at that time concerning the independence of South America: on one side there was a favourable point of view which called for republicanism and British intervention in the region, emphasising the economic capacities of this new market, while on the other side, there was an attempt to keep the region under the monarchical principles, proposing a new deal between the former colonies and the Spanish crown, signed by the Holly Alliance.

South America became again a New World, and all of a sudden, after being dormant for centuries, the old tales of Peruvian gold, El Dorado, and the legendary tales of the South Seas reawakened⁵². Fueled by the ongoing economic crisis of the 1810’s those visions which depicted the continent as an exuberant cornucopia gathered in conviction. At the root of such visions was the belief of statesmen and businessmen, as Rory Miller observes, that “the maladministration and inefficiency of the Iberian colonies in the New World concealed tremendous potential wealth, especially in the form of unexploited gold and silver deposits”⁵³. But these retellings of myths from the Spanish conquest and the refashioning of the New World might also be ascribed to a literary phenomenon that envisioned South America as the setting for an epic of conquest under the colours of early British romanticism.⁵⁴ From the end of the eighteenth century many romantic writings had been set in the period of South American Conquest. Works such as Helen Maria William’s *Peru* (1784); Robert Southey’s long poem *Madoc*, printed in 1805, and his series of short poems entitled *Songs of the American indians*, collected in his *Metrical tales*, published the same year, including a *Song of the Araucans during a thunder storm*; John Lister Bowes’s *The Missionary of Santiago de Chili*; and Anna Barbauld’s poem *1811*, which included verses such as these:

...*La Plata bears amidst her torrents' roar;*
Potosi bears it, as she digs the ore:
Ardent, the Genius fans the noble strife,

⁵⁰ F.M. ‘South America’, *Morning Chronicle* 22 July 1818

⁵¹ *Morning Chronicle* Sept 10 1818, *Morning Chronicle* 5 September 1818. See also *The British Review* 26, (1819).

⁵² Ferns, *Britain and Argentina* (1960), p. 134

⁵³ Rory Miller, *Britain and Latin America* (London Longman 1993), p.2.

⁵⁴ Rebecca Cole Heinowitz, *Spanish America and British Romanticism, 1777-1826: Rewriting Conquest* (Edinburgh: Edinburgh University Press, 2010).

*And pours through feeble souls a higher life,
Shouts to the mingled tribes from sea to sea,
And swears—Thy world, Columbus, shall be free.*⁵⁵

This cultural movement reached wide audiences and became the subject of popular shows and performances. During the decade of the 1810's, London theatres announced plays like *Cora or the Virgin of the Sun*, a piece taken from Marmontel's *Incas* or *Pizarro*, an adaptation of the famous play *Pizarro. The Spaniards in Peru; or The Death of Rolla. A Tragedy in Five Acts* of Augustus Von Kotzebue.⁵⁶ Newspapers even announced children's literature on these topics: "Spanish Colonies Instructive works for Youth, on Columbus, Cortez, Pizarro as related by a father to his children".⁵⁷ The fields of economy, imagination and adventure became increasingly intertwined as these new versions of El Dorado and the fables of Peruvian gold penetrated important economic debates of the era when British politicians and bankers invoked those visions to answer the demand for bullion.⁵⁸ And the speculative character of these images of the Southern Cone found a direct equivalent in British economic life which was intimately connected with that region: the figure of the speculator.

The crisis that the British economy experienced during the years 1812, 1816 and 1819, which the *Edinburgh Review* labelled as "three periods of universal distress", was considered to be a consequence of "the general practice of overtrading" that British merchants had practiced in the Southern Cone, provoking a Glut crisis.⁵⁹ In August 1819, an editorial on *The Times* blamed the opening of foreign markets, which "seemed to offer to British manufacturers a market unlimited and inexhaustible", while in fact, markets such as Brazil and Buenos Aires were "totally overloaded by imports". That excessive amount of

⁵⁵ Anna Barbauld, *The poems of Anna Letitia Barbauld edited by William McCarthy and Elizabeth Kraft* (Athens; London: University of Georgia Press, 1994), pp. 322, 324.

⁵⁶ 'Cora or the virgin of the sun'; 'For the benefit of Mr Farley, Wednesday next *Pizarro*...' *Morning Chronicle*, 13 August 1810.

⁵⁷ For this cultural phenomenon see: Nanora Sweet, 'Hitherto Closed to British Enterprise: Trading and Writing the Hispanic World Circa 1815', *European Romantic Review*, 8 (1997), p. 141. Almeida Joselyn M. 'Conquest and Slavery in Robert Southey's *Madoc* and James Montgomery's *The West Indies*' in Pratt Lynda *Robert Southey and the Contexts of English Romanticism* (Nottingham, University of Nottingham 2006), pp.148-153, 154. Leask Nigel 'Southey's *Madoc*: Reimagining the Conquest of America' in Lynda Pratt *Robert Southey and the Contexts of English Romanticism* (Nottingham, University of Nottingham 2006), p.133; Alan Richardson 'Epic Ambivalence' in Alan Richardson, Hofkosh Sonia, eds. *Romanticism, race, and imperial culture, 1780-1834* (Bloomington: Indiana University Press, 1996), p. 267. For another example see: 'Spanish Colonies Instructive works', *Morning Chronicle*, 26 December, 1811.

⁵⁸ 'Bullion', *Morning Chronicle*, 2 February 1810. 'Political upheaval in La Paz', *Morning Chronicle*, 5 February 1810. See also Walton, *Expose* (1814), pp. 432, 433, 457.

⁵⁹ 'Resolutions on Retrenchment of the Public Expenditure', *The Edinburgh Review*, 64 January 1820, p. 57. See also Davis Timothy, 'The Historical Context of the General Glut Controversy' in Kates Steven, ed, *Two Hundred Years of Say's Law: Essays on Economic Theory's Most Controversial Principle*. (Cheltenham UK: Edward Elgar, 2003) pp. 133-150. 'Monthly Commercial Inform', *The Blackwood Magazine*, 4. January 1819, p. 498.

British goods, so the editorial explained, had been produced by artisans who bought new machinery, which had been specially built to that end, and financed by a great investment of capital, which was founded in credit. According to the *Times*, the real guilty party in this affair were not the artisan, nor the wealthy man “of real and solid capital”, but rather “his adventurous neighbour” who commissioned these products for these supposedly inexhaustible markets. This individual became commonly known as the “speculator”, that is, someone who was able to run the greatest risks, while having nothing to lose, and who was capable of endangering severely those “who have means and capital”.⁶⁰ South American markets became one the favourite destinations of these adventurous businessmen, who actually blew the “bubble” of these new markets which were hardly able to cope with such massive British imports.⁶¹ The connections between “speculators” and this new Southern Bubble became explicit on April 23 1819 when a group of merchants led by one John Kinnear was sentenced on the charge of conspiracy. They were accused of “setting up” beggars as “opulent merchants” to defraud “various manufacturers of goods to the amount of more than 50,000 pounds.”⁶² From the evidence given by the prosecutor it appeared that Kinnear and his henchmen had sent three people disguised as rich men to commission “goods from various persons, paying for part with money given them by the conspirators and giving bills for the rest.”⁶³ Kinnear was accused of raising £200,000 fraudulently; he was, according to *The Caledonian Mercury* of 6 May, “formerly one of the most celebrated merchants of Liverpool” and “had agents for the receipt and remittance of goods in almost all parts of the world”. By the date of his incarceration, Kinnear was said to have earned “at least a million or two with his name attached, as drawer, receptor, endorser”. By then he had a few bankruptcies behind him, the first of which was declared during the year 1810, because, as the *The Caledonian Mercury* recalled, “it was principally the fault of John Kinnear, and those who helped him some years since, that the trade to Buenos Ayres and to South America generally was so overdone”. According to this last information, John Kinnear “was the main [person] responsible [for the fact] that those markets became so glutted with English manufactures, that at the end were sold at half prices”.⁶⁴ It was during the 1810’s that a new use for the word speculation began to appear, linked with business and money making: in *The New Encyclopedic Dictionary on Historical Principles* the verb “to speculate” also came to mean “To engage in the buying and selling of commodities or effects in order to

⁶⁰ ‘Public meetings continue throughout the manufacturing districts’, *The Times*, 6 August 1819.

⁶¹ ‘Monthly Commercial Inform’, *The Blackwood Magazine*, 31 October 1819, p.109.

⁶² ‘A general gloom...’, *Morning Chronicle*, 24 April 1819.

⁶³ ‘The late Conspiracy’, *The Examiner*, 25 April 1819.

⁶⁴ ‘Conspiracy...’, *The Caledonian Mercury*, 6 May 1819.

profit by a rise or fall in market value; to undertake, to take part or invest in, a business enterprise or transaction of a risky nature in the expectation of considerable gain”.⁶⁵ In the British press the word was often accompanied by adjectives such as “intrepid”, “irresponsible” or “inordinate”. The trial of Kinnear and his associates, according to contemporary reports, caused a real public commotion,⁶⁶ an excitement which might be explained because they represented a transgression to traditional and religious values linked with profit and wealth and embodied a threat to public trust, becoming something like the “enemy within” in a critical economic period. According to historian Boyd Hilton, the speculator was the opposite of the “rentier” or landed gentleman who invested responsibly in government stock. Speculators were seen as “people who took advantage of paper money to get rich too quickly by overproducing, over trading, and especially fictitious dealing”.⁶⁷

The first decade of British commercial relations with the Southern Cone had been generally represented as excessive, because the markets of Brazil and Buenos Aires were soon glutted by imports, which were also ill assorted.⁶⁸ South American markets were “glutted with all kind of British coarse goods, which have been battered with great disadvantage to our adventurers, and they now begin to find from experience that no goods will sell to advantage these but of the very first quality”.⁶⁹ William Walton claimed that these new markets were prematurely ruined by the “great avidity” with which British merchants “pressed forward to reap rich and tempting harvest, which they supposed was then open to them”, and by “the extravagance and dishonesty of their agents, many of whom became rich, while the owners were made bankrupts”.⁷⁰ Some years later, British witnesses recalled how the shores of Brazil and La Plata were full of extravagant but also “worthless” products. Mineralogist John Lister Mawe claimed that “in a few months, more things arrived than had been consumed in the course of twenty years preceding. No discrimination was used in the assortment of these articles, with respect either to quality or fineness”.⁷¹

⁶⁵ Murray James A. H. ed. *A new English dictionary on historical principles...* (Oxford: The Clarendon Press, 1888-1928) 10 v.

⁶⁶ A report published in the *Morning Chronicle* affirmed that “the interest excited in the commercial world by this trial was of the most intense description”. See also *Morning Chronicle*, 24 April 1819. According to *The Examiner*, this affair, “is likely to become as much a matter of public importance as our most interesting state trials”. *The Examiner*, 9 May 1819.

⁶⁷ Boyd Hilton, *A Mad, Bad, and Dangerous People?: England 1783-1846*. (Oxford: Clarendon Press, 2006), pp.254, 255.

⁶⁸ ‘Letter from Buenos Ayres’, *Morning Chronicle*, 30 March 1810. ‘Spanish America’, *Morning Chronicle*, 8 August 1810.

⁶⁹ *The Caledonian Mercury*, 11 February 1811.

⁷⁰ Walton *An Exposé on the Dissentions* (1814), p. 427.

⁷¹ John Lister Mawe, *Journal of a passage from the Pacific to the Atlantic: crossing the Andes in the northern provinces of Peru, and descending the River Marañon or Amazon*, (London: J. Murray, 1829), p.326.

Edmund Temple noted that “every sort of flimsy, tinsel, gewgaw, and cargoes of divers kinds of worthless articles, unsalable at home, were at first imported by European merchants, in the hope of finding a ready sale here”.⁷² There are many more testimonies of this unsound trade, that brought “elegant services of cut glass”, “brilliant chandeliers”, and even “Newfoundland fish” to Buenos Aires and Rio.⁷³ But these anecdotes should not distract attention from the great distress that these wild schemes were causing. A manuscript letter written by George Cood reveals that these first sales were painfully slow, and how often British traders were driven to despair among great losses which echoed bankruptcies at home.⁷⁴ On the other hand, those who happened to purchase these commodities, “suffered equally from their ignorance of the quality of the articles, as from their eagerness in purchasing them”.⁷⁵

Free trade, communication and civilization

This first phase characterized by its “wild”, “absurd” or of “ill-judged and excessive” speculations,⁷⁶ gave way to a second stage, in which trade grew gradually, advancing at a steadier pace through the Southern Cone. Despite these ill-fated first experiences, commerce remained as the most recurrent argument used by merchants to establish British relations with the republics of the Southern Cone, and the mixture of economic and humanitarian reasons persisted. Considering the complex and overreaching idea of commerce that then existed in Britain, it is possible to suggest that there were no contradictions or even “hypocrisy” in these arguments which encouraged British involvement in South American affairs through a mix of commercial interests and humanitarian principles.⁷⁷ The opening of British trade to overseas markets was one of the great economic debates of the 1810’s, which was based on the opposition of factions who believed that Britain’s strength laid in her “internal resources” and those who argued that Britain was inherently a commercial nation. It was a clash of different visions of British economic identity, which endorsed different meanings of commerce. Some believed that

⁷² Edmund Temple, *Travels in various parts of Peru; including a year’s residence in Potosi* (London: John Murray, 1830), p. 81.

⁷³ Henry L. Maw, *Expedition across Peru, down the river Marañón* (London: John Murray, 1829), p. 324-330

⁷⁴ George Cood, British Library, Additional Add. 48212 ff. 55-64b.

⁷⁵ Maw, *Expedition* (1829), pp. 324-330.

⁷⁶ John Mawe, *Travels in the interior of Brazil: particular in the gold and diamond districts of that country, by authority of the prince regent of Portugal: including a voyage to the Rio de la Plata and an historical sketch of the revolution of Buenos Ayres* (Printed for Longman, Hurst, Rees, Orme, and Brown, 1812), p.327.

⁷⁷ Although Arthur Whitaker observes that there was a contradiction or a latent hypocrisy in the campaign developed by *Morning Chronicle* that “displayed no greater devotion to the principles of freedom, justice and humanity than it did to the interest of British Commerce in Spanish America”, see *The United States and the independence*. p. 167.

commerce was “an intercourse that promoted the amity and well-being of human society” while others held “mere utilitarian notions that looked for the prosperity of England”. It was certainly not a coincidence that politicians like Henry Brougham and Sir James Mackintosh, who were among the champions of the “Spanish American cause” in British parliament, were also enthusiastic promoters of British expansion overseas.⁷⁸

By March 1824 the first direct testimonies of British travellers coming from the Southern Cone began to appear in Great Britain; travel narratives written by Captain Basil Hall, Maria Graham, Alexander Caldcleugh and Peter Schimdtmeyer. One of the first mentions which these books had in public was a speech that Sir James Mackintosh gave in the House of Commons on June of that year supporting a petition from 117 commercial houses of London⁷⁹, “for the Recognition of the Independent States established in the Countries of America formerly subject to Spain”.⁸⁰ According to Mackintosh, the main argument for Great Britain to recognise South American independence was its existing trade there, which was of a size that made the protection of the independent status of these republics imperative. British exports to Spanish America, Mackintosh claimed, were becoming a significant proportion of the sum of British exports and this commercial relation was the best available guarantee to secure the independence of these countries from colonial Spain.⁸¹ The arousal of self-interest, in a commercial sense, among the population of these regions, would keep their independent spirit alive, preserving this fruitful commercial partnership:

If America continues independent, our security is the strong sense of a most palpable interest already spread among the people,—the interest of the miner of Chili in selling his copper, and of the peasant of Mexico in buying his shirt.⁸²

Mackintosh backed his ideas by claims about the continent’s abundance of natural riches, not just meaning “the metals justly called ‘precious’ ”, but its huge population which, in his rather optimistic estimations created a vast consumer market; and the geographical advantages which the continent offered to world trade. The integration of South America into a vast network of communications and exchanges would also contribute to expanding the reach

⁷⁸ John E. Cookson, *The friends of peace: anti-war liberalism in England, 1793-1815* (Cambridge: Cambridge University Press, 1982), pp. 218-224.

⁷⁹ Frederic L. Paxson, *The independence of the South American republics : a study in recognition and foreign policy*. (Philadelphia: Ferris & Leach, 1903), p230.

⁸⁰ James Mackintosh, *The Miscellaneous Works of the Right Honourable Sir James Mackintosh* (New York: Phillips, Sampson and company; New York, J.C. Derby, 1858)

⁸¹ *Ibid*, p.560.

⁸² *Ibid*. p.553.

of British Empire. Mackintosh asked his audience to imagine for a moment the advantages that a “single communication cut through these territories between the Atlantic and Pacific”, might offer to Great Britain, that “would bring China six thousand miles nearer to Europe”, opening a new road for British commerce to the rest of the world⁸³.

Most of the information Mackintosh gave in his encyclopaedically long speech came from testimonies of British travel writers in South America. He particularly mentioned the recently published travel books of Maria Graham and Basil Hall –both of them old acquaintances of his- as proof of the significance of British trade with the independent nations of the Southern Cone. Mackintosh claimed that “whoever wishes to know the state of Chili” (...) “will find it in a very valuable book lately published by Mrs Graham, a lady whom I have the happiness to call my friend”. According to him, Mrs Graham, could virtually place the reader in the midst of Chile “by the faithful and picturesque minuteness of her descriptions”, introducing him “to the familiar acquaintance of the inhabitants”.⁸⁴ Beside her descriptive powers, the merit of Maria Graham’s book in Mackintosh’s eyes was its ability to expose the nature of the contemporary and future speculations which British merchants were placing in Chile. Mackintosh found attributes of a similar nature to those of Mrs Graham, albeit elevated to a superlative degree, in Captain Basil Hall, whose powers of description –capable of catching “small circumstances and expressions which characterize not only individuals but nations”- he equalled to those of Plutarch, and his reasoning or his ability to “weigh interests”, to those of Adam Smith. According to Mackintosh, Hall’s book was in its entirety “one continued proof of the importance of a Free Trade to England, to America, and to mankind”.⁸⁵ “If, Sir, I were further called to illustrate the value of a free intercourse with South America,” Mackintosh added, referring to Basil Hall’s book, “I should refer the House to a valuable work, which I hope all who hear me have read, and which I know they ought to read”.⁸⁶

Mackintosh’s ideas about the commercial prospects of the Southern Cone were in fact an echo of Hall’s reflections on the impact which foreign trade was having among the markets of the South American republics. It was Hall who had stated that this new and beneficial trade between Britain and South American was the only factor that really made the benefits of independence apparent for the majority of its population. Free trade, he claimed, had increased knowledge and “the power of free action” among the population. “The advantages of free trade”, or “the direct benefits of having a large and constant supply of useful merchandise at

⁸³ Ibid., p.558.

⁸⁴ Ibid., p.559.

⁸⁵ Ibid., p.562.

⁸⁶ Ibid., p.562.

low prices”, he claimed, were self-evident to anyone who has felt its contrasting benefits, contrasting the previous regime of restrictions and obscurantism.⁸⁷

Free trade was at the core of most of the British travel books about the Southern Cone, a region which William Bennet Stevenson called “another outlet to British manufactures”,⁸⁸ in a work published during the 1820’s. Independence, in this sense, was generally perceived as an opportunity for the exchange of British manufactures for natural resources, since these new-born nations had plenty of the last, and were almost completely destitute of any kind of industrial development. Commerce, in turn, was also the motivation behind these travel books, which were often written with the aim of providing useful information for future travellers, and were actually peppered with commercial advice or “tips” which were directed to future British traders. Every major city there was described as a trading point, characterized by its geographical position, the facilities it offered for sailing, or by its nearness to communication routes, such as navigable rivers or main roads. Nature in turn was often perceived, valued, and described according to what it could offer to the advancement of British trade. The three-volume book, *A historical and descriptive narrative of twenty years' residence in South America*, written by William Bennet Stevenson, is an apt example of this situation. Its author, a colourful character,⁸⁹ who had extensive experience in South America for more than twenty years, gave a testimony which is full of useful commercial information. His description of the Chilean port of Valparaíso, in this sense, is characteristic of how cities were basically seen as trading spots: “The market of Valparaiso”, he wrote, “is well supplied with meat, poultry, fish, bread, fruit, and vegetables at very moderate prices and of good quality. The climate is agreeable except when the strong winds prevail. In the months of June and July the winds from the northward are at times very heavy; on this account the anchorage is insecure, because the bay is not sheltered in that quarter”.⁹⁰

The terms of an eventual exchange between the republics of the Southern Cone and Britain were often suggested by listing the commodities that might sustain it. From the side of South American republics it consisted mostly of natural resources or “natural products”, as they were often called, specimens of the vegetable, mineral or zoological kingdoms which were

⁸⁷ Basil Hall, *Extracts from a journal: written on the coasts of Chili, Peru, and Mexico, in the years 1820, 1821, 1822*, fifth edition (Edinburgh: A Constable & Co. 1827), vol. 1, p. 51.

⁸⁸ William B. Stevenson, *A historical and descriptive narrative of twenty years' residence in South America: containing the travels in Arauco, Chile, Peru, and Colombia; with an account of the revolution, its rise, progress, and results*, (Liverpool: Longman, Rees, Orme, Brown and Green 1829), vol. 3, p.430.

⁸⁹ Maria Graham remembered his “singularity of dress”, his fondness for Cossack trousers, and golden buttons among other elegancies. See *Journal of a residence in Chile, during the year 1822; and a voyage from Chile to Brazil, in 1823*. (London, 1824.), pp. 307-308.

⁹⁰ William B. Stevenson, *A historical and descriptive narrative of twenty years' residence in South America: containing the travels in Arauco, Chile, Peru, and Colombia; with an account of the revolution, its rise, progress, and results* (Liverpool: Longman, Rees, Orme, Brown and Green 1829), volume 3, p. 161.

exhaustively listed in the expectation that they might find an industrial and commercial usage, according to the discourse of “useful knowledge”, which had established a line of scientific surveying and collection in the lines of natural improvement and profit.⁹¹ William Bennet Stevenson showed how this mercantile impulse could find commercial possibilities even in the remotest regions. Among the Mapuche in the South of Chile, Bennet Stevenson observed that although “a trade of no great importance might be established” among these community, their region was plentifully endowed with wool, timber and even some gold and silver that “would be given in return for knives, axes, hatchets, white and greenish coarse flannel, ponchos, bridle bits, spurs, etc”⁹². Over an equally remote locality, in Huaraz, in the centre of north Peru, Bennet Stevenson also cast his commercial eye, claiming that the place was “admirably well calculated for mercantile speculations: this town might constitute the general mart for the sale of European manufactured goods, as well as for the purchase of the produce of the provinces of Huailas, Coxatambo, Conchucos, Huamalies, Patas, and part of Huamachucos”⁹³.

The establishment of a regime of free trade was among the main concerns of these travellers who were prone to make political observations about the new republics. Even Maria Graham, among her Italianate musings on Chilean picturesque, gothic and sublime, was an ardent advocate of free trade. She admittedly was surprised to find herself immersed in the somewhat tedious reading of Chilean legal texts of the O’Higgins administration, but her interest in the development of free trade proved to be stronger than her desire for amusement. “To-day”, she noted in her diary, “I have been almost overwhelmed with details about the new regulations of trade, the taxes to be laid on, and the monopolies”.⁹⁴ In her book, Graham gives a detailed description of Chilean commercial law of 1820, concluding that although she did not “understand much of these things”, some passages of it seemed to be “so opposite to common sense, that a child must be struck with them.”⁹⁵

The crucial fact here is that for these British travel writers trade was a vehicle or an instrument of material and moral improvement, which was mutually beneficial for any of the parties involved in its transactions. Their convictions on this issue were clearly summarized in Mackintosh’s speech which stated that British trade was helping “mankind to “better their own condition by multiplying the enjoyments”. Commerce, he added, was “twice blessed: it blesses

⁹¹ Joseph Andrews, also claimed “I mean to an Englishman, the wood, the wool, the woollens, the dyes, gums, wines, borax, and the river of Santiago, ... a lucrative trade in some future time, and of a fine scene for immediate speculation” *Journey from Buenos Ayres: through the provinces of Cordova, Tucuman, and Salta, to Potosi, thence by the deserts of Caranja to Arica, and subsequently to Santiago de Chili and Coquimbo, undertaken on behalf of the Chilean and Peruvian mining association, in the years 1825-26*, (London: John Murray 1827) vol. 1, p.154.

⁹² Stevenson, *A historical and descriptive narrative* (1829), vol. 1, p. 19.

⁹³ Stevenson, *A historical and descriptive narrative* (1829), vol. 2, pp.77- 79.

⁹⁴ Graham, *Journal* (1824.), p.275.

⁹⁵ *Ibid.* p.287.

the giver as well as the receiver. It consists in the interchange of the means of enjoyment; and its very essence is to employ one part of mankind in contributing to the happiness of others". The nature of these mutual benefits was radically different for the parties involved in the exchange, which were in such unequal positions: commerce promised welfare for Great Britain, while it would help to civilize South America, raising each of its inhabitants "from a state in which he has nothing human but the form" (...) "exciting in his mind the desire of accommodation and enjoyment, and presenting to him the means of obtaining these advantages". The practice of commerce, Mackintosh foretold, would gradually raise the savage, climbing up the steps to "industry", "respect for property", "sense of justice" and "perception of the necessity of laws". Commercial intercourse, in the end, would not only diffuse "wealth, and therefore increase the leisure which calls into existence the works of genius, the discoveries of science, and the inventions of art", but would also correct "his prejudices against foreign nations and dissimilar races". Trade even raised "the importance of the middle and lower classes of society, and thus reforms social institutions, and establishes equal liberty". Commerce, he concluded, was "the real civilizer and emancipator of mankind".⁹⁶ Mackintosh's words echoed those of Lord Grenville in a speech he delivered in the House of Lords on the East India Question, in which he praised British trade in the Pacific, recalling the British mission to bring to those "countries yet unknown to science, and in tracts which British navigation has scarcely yet explored", "the tranquil arts, the social enjoyments, the friendly and benevolent intercourse of commerce".⁹⁷

This notion of a "benevolent" commerce was an expression of an economic discourse which the economist and thinker Albert Hirschman describes as one of the most important intellectual debates of the XVIII century. Among the first promoters of this idea Hirschman mentions the Baron de Montesquieu who affirmed that "commerce...polishes and softens barbarian ways".⁹⁸ Such idea was promptly divulged through Europe, and was reproduced almost verbatim some twenty years later in the work of Scottish historian William Robertson, who, in his *View of the Progress of Society in Europe* (1769), maintained that "commerce tends to wear off the prejudices which maintain distinctions and animosity between nations. It softens and polishes the manners of men".⁹⁹ As Hirschman stated, this concern with commerce and international relations was seen as an answer to Europe's endemic violence, as it opposed it with a vision of commerce which entailed communication and dialogue between trading

⁹⁶ Mackintosh, *The Miscellaneous Works*, (1858), p.564.

⁹⁷ Quoted in Walton, *An exposé* (1814), p.443.

⁹⁸ Albert O. Hirschman, *The passions and the interests, political arguments for capitalism before its triumph*. (Princeton, N. J. Princeton University Press, 1997), pp. 59-60.

⁹⁹ *Ibid.* p.60.

nations. Commerce was called upon to enhance the chances of international peace by suppressing the efforts of conquest which were assimilated to human passions unleashed.¹⁰⁰ As James A. Jaffe has remarked, during the eighteenth century there was a paradigmatic shift in political thought toward the recognition of commerce as an important civilizing and moral agent in the modern world. This idea had echoes that lasted “across the divide of the revolutionary period”, having a deep effect on radical thinkers who, according to Jaffe, “remained the most steadfast defenders of this intellectual tradition in which “fair” exchange was the mother of “good” character”.¹⁰¹ In this context of commercial republicanism, there was a probable influence of Thomas Paine, who inserted these notions of commerce into a republican context, offering a vision of trade between free, autonomous, sovereign and independent states, which remained in what he called a “new system of government” that was representative instead of monarchical. In *The Rights of Man* (1792) Thomas Paine considered that agriculture, manufacture and commerce were “peaceful arts”,¹⁰² and he was avowedly an “advocate” of the last, which he described “as a pacific system, operating to cordialize mankind, by rendering nations, as well as individuals, useful to each other”.¹⁰³ Paine defined commerce as a medium “of improving the condition of man by means of his interest”, which was called to fulfil a universal role in extirpating war among nations and producing “a revolution in the uncivilized state of governments”.¹⁰⁴ Commerce, for him, was the “the greatest approach towards universal civilization, that has yet been made by any means not immediately flowing from moral principles”.¹⁰⁵

At the end of the eighteenth century Paine visualized the situation of an eventually independent South America and the impact that its independence would have on global trade: “the opening those countries of immense extent and wealth to the general commerce of the world” would produce, according to him, a phenomenon similar to that of North America.¹⁰⁶ Although Paine did not think of commerce either in national or moral terms –because trade was for him essentially neutral-, during the first two decades of the nineteenth century there emerged a notion of British trade which had a nationalistic tone and an evangelical impulse in

¹⁰⁰ Ibid. p.79

¹⁰¹ James A. Jaffe, *The affairs of others: the diaries of Francis Place, 1825-1836* p. 45, 46. See also ‘Commerce, character and civil society critics of capitalism during the early industrial period’, *European Legacy*, 6 (2001) pp. 251-264.

¹⁰² Thomas Paine, *Rights of man* (New York , London: Penguin,1984) p. 222.

¹⁰³ Ibid., p.265.

¹⁰⁴ Ibid., p.265.

¹⁰⁵ Ibid., p.266.

¹⁰⁶ Ibid. p. 301.

its mission of diffusing progress across the seas.¹⁰⁷ The *Morning Chronicle*, even claimed that “to the commerce of Great Britain the world is highly indebted for affording the means of saving Europe, of liberating America, and probably civilizing Africa. It is the great engine of our national prosperity, and diffuses its advantages wherever it goes, by calling into action and giving value to the productions of every soil. Such are its titles to the proud eminence on which it stands!”¹⁰⁸ This mission, according to historian Christopher Bayly, emanated from the “triumphalist Anglicanism of the era”,¹⁰⁹ and was proclaimed in a discourse of imperial expansion that affirmed that the different cultures attained “civilization” by stages of moral awakening and material endeavour.¹¹⁰ Great Britain, of course, was at the height of it, as *The Quarterly Review* triumphantly claimed, stating that “the system by which our commercial relations are now directed is one of the most memorable events in the History of trade”. Commerce, the article continued, promised more benefit “to the general good than all the acts or treaties that ever were concluded”, and Britain was called to drag the less fortunate nations of the world into its march to prosperity, promising them a reciprocity of benefits according to their situation, as if a chain were bonding mankind in the direction of social progress in a gradual ascension, that was not only material but also moral, and which was drawn “firmly and steadily... by those who know how to manoeuvre it”: that is by the British people who enjoyed “the most enlightened of societies”.¹¹¹

Sir James Mackintosh captured the nature of this civilizing project as a British mission which entailed scientific exploration and commercial expansion. In his view, the British merchant houses that were spread throughout the ports of South America, and the miners, botanists, geologists, and zoologists who were ready to explore the region, were all “missionaries of civilization”. These missionaries, according to him, were “about to spread European, and especially English opinions and habits, and to teach industry and the arts, with their natural consequences —the love of order and the desire of quiet—, while at the same time opening new markets for the produce of British labour, and new sources of improvement as well as enjoyment to the people of America”.¹¹²

Maria Graham, John Miers, Joseph Andrews and many other British travellers who came to the Southern Cone during the 1820’s considered that commerce was called upon to

¹⁰⁷ Linda Colley observed how national pride or a sense of Britishness was fed by notions of the vastness and extensiveness of trade overseas and the purity of British religion see *Britons: forging the nation, 1707-1837* (New Haven, Conn.; London: Yale University Press 1992), pp.59, 60.

¹⁰⁸ ‘Editorial’, *Morning Chronicle*, 8 October 1818.

¹⁰⁹ Christopher Alan Bayly, *Imperial meridian: the British Empire and the World, 1780-1830* (London: Longman, 1989), p. 7.

¹¹⁰ *Ibid.*, p.7.

¹¹¹ ‘Letters sur L’Anglaterrre’ *The Quarterly Review*, 34 (June & September, 1826) pp 96-97.

¹¹² Mackintosh, *The works of Sir James McIntosh* (1858), p.560.

push these barbaric nations into a civilized stage, progressing through one level after the other, in an improvement which was material and spiritual at the same time. Miers observed that the late independence of that country from Spain, has facilitated commercial intercourse with the rest of the world, and “has broken the charm which had hitherto wholly impeded its progress towards civilization”.¹¹³ Joseph Andrews, for instance, anticipated the future development of a market in the hinterland of the Southern Cone, once the circulation of British goods had opened a circuit of exchanges with Great Britain to create a network of interconnected land and sea routes which might link the markets of the Atlantic, the Pacific and Upper Peru.¹¹⁴ In this way, the communication and circulation of commodities, people and ideas which commerce offered would break through colonial stagnation. “Rotten systems”, Andrews observed, “whether religious or political, must fall to pieces”, and the ignorance and indolence of the population would disappear.¹¹⁵ A similar attitude towards the civilizing impact of economic institutions was sustained by Maria Graham who considered that the lack of national currency and the obstinate protectionism of Chilean economy were not only obstructing commercial relations but “will, of course, at once retard civilisation”. From these and other observations it seems clear that a two-way street ran between barbarity and civilization, and just as a nation could advance towards an enlightened state, so a chain reaction in reverse would cause it to return to a darker age. Maria Graham, for instance, considered that the lack of British imports would drive the people back to their old habits of “wearing nothing but their household stuffs”, and then the production of these artefacts would leave less time to agriculture, so that in turn there would be less food, and consequently fewer people. The absence of imports would also reduce national revenue and import duties must fail.¹¹⁶

British travel books acknowledged that during the 1820’s imported British manufactures were found almost everywhere in that region, attesting to a remarkable preference for them over other commodities from different European countries. William Bennet Stevenson observed that “on entering a house in Lima, or in any other part of Peru that I visited, almost every object reminded me of England”, this came out not of homesickness, but because almost everything was British made. Edmund Temple observed a similar situation in La Paz, where “English goods are abundant, and are preferred to either French or German manufactures, which seem, however to have a very fair share of the market”. In Chile, Swiss traveller Peter Schmidtmeier stated that although the wealth of the country was not great and

¹¹³ John Miers, *Travels in Chile and La Plata*, (London: Baldwin, Cradock and Joy, 1826), volume 2 pp.128, 129.

¹¹⁴ Andrews *Journey from Buenos Ayres* (1827), vol. 1 p.39.

¹¹⁵ *Ibid.*, p.153.

¹¹⁶ Graham, *Diary of a residence* (1824), pp.275, 276.

was concentrated in few hands, “the sales of British manufacturers in the towns of Chile extend to great variety of articles, but most of them for a limited amount only”.¹¹⁷ The Southern Cone perhaps was not as rich as it was originally thought, but the arrival of British imports seems to have had an impact on South American habits of consumption. The consequences of this arrival can be analysed by stressing its impact on production, debating whether or not British imports destroyed local industries,¹¹⁸ attending to testimonies such as that of Edmund Temple, who observed that cotton manufacture from Manchester affected the female artisan industry of ponchos¹¹⁹. But they can also be studied by analysing the impact that these foreign commodities had on the habits of consumption of local communities who bought them. Among the first studies on Latin American material culture there is the work of Arnold J Bauer and Benjamin Orlove, which offer an analysis of “the internal social factors that created a strong appeal for foreign goods among many sectors of the Independent Latin American nations”, pointing towards the association that existed between foreigners and progress.¹²⁰ Some years later, Bauer returned to this field of study with *Goods, power, history: Latin America's material culture*, where he acknowledges the impact of the arrival of foreign merchants –British, French and North Americans- that established themselves in the first decades of the nineteenth century in the principal ports and inland cities of South America, noticing how British cotton and woollen fabrics “made up by far the largest volume of trade in the heady post-independence years”¹²¹. Notwithstanding their pioneering work, these studies do not offer an interpretation of the cultural significance that the irruption of these foreign commodities in South America might have had. The point to emphasize here is that commodities should be seen as the outcome of an exchange which was in itself perceived as a moral agent, or as “the real civilizer and emancipator of mankind”, so that the goods can be seen as emissaries of those values. Just as Asa Briggs, who followed T. S. Eliot’s warning that “even the humblest material artefact, which is the product and symbol of a particular civilization, is an emissary of the

¹¹⁷ William B. Stevenson, *A historical and descriptive narrative of twenty years' residence in South America: containing the travels in Arauco, Chile, Peru, and Colombia; with an account of the revolution, its rise, progress, and results*, (Liverpool: Longman, Rees, Orme, Brown and Green 1829), volume 1, pp. 349, 350. Edmund Temple, *Travels in various parts of Peru; including a year's residence in Potosí* (London: John Murray, 1830), p. 251.

See also Peter Schmidtmeier, *Travels into Chile, over the Andes in the years 1820 and 1821* (London: Longman 1824) pp. 299, 300.

¹¹⁸ Desmond Clarendon Platt, ed., *Business imperialism, 1840-1930: an inquiry based on British experience in Latin America* (Oxford: Clarendon Press, 1977), pp. 3, 4; See also Stanley J. Stein and Barbara H. Stein ‘D. C. M. Platt: The Anatomy of "Autonomy"’, *Latin American Research Review*, 15 (1980), pp. 131-146

¹¹⁹ Edmund Temple, *Travels in various parts of Peru; including a year's residence in Potosí* (London: John Murray, 1830), vol. 1, p. 129.

¹²⁰ Benjamin Orlove, Arnold Bauer eds. *The allure of the foreign: imported goods in postcolonial Latin America* (Ann Arbor : University of Michigan Press , c1997.) p.1.

¹²¹ Arnold Bauer, *Goods, power, history : Latin America's material culture* (Cambridge: Cambridge University Press, 2001) pp. 129, 130.

culture out of which it comes”, considered “Victorian things” to be “emissaries” of that world,¹²² British commodities in the Southern Cone can also be seen as emissaries of civilization, mostly as symbols of comfort, luxury and fashion, which according to these travellers were completely absent in these new republics. Many travellers observed how the arrival of British commodities gradually introduced a general appreciation of luxury and comfort into these regions, which, according to some of them, even reached the lower classes of society. Woodbine Parish observed that as foreign trade grew those objects which were “generally confined them to the rich” became affordable to poorer classes, even affirming that those British “articles of luxury and curiosity” become “articles of primary necessity”; Edmund Temple, observed that during the second half of the 1820’s luxury goods were easily “obtained by all classes of society” and that it has “occasioned a taste for them, which is very likely to be permanent” and William Bennet Stevenson wrote that “the advantages of commerce” “were apparent, not only among the higher and middle classes, but among the lowest”; adding that “those whom in 1803 wore only the coarsest clothing, of their own manufacture, are now dressed in European linens, cottons, and woollens”.¹²³ Another adjacent cultural phenomenon which was a consequence of these changes in the habits of consumption was the preference for British commodities and habits over other foreign articles or manners. The ladies of Santiago, for instance, as William Bennet Stevenson observed, left behind old colonial customs such as the “estrado” of their old social gatherings, and began to sit on chairs. He also noticed how they began to have their meals on tables and abandoned the practice of sharing one single dish among a group of people. “In many respects”, the traveller continued, “indeed, the Chileans here appear half converted into English, as well in their dress as in their diversions and manners”; “almost any thing *a la Inglesa* meets with approbation”, he concluded.¹²⁴ While in Lima, he noted, that in less than half a decade the men had changed their Spanish cloaks for coats so that “the English costume is now quite prevalent, and as many dandies crowd the streets of Lima as those of London”.¹²⁵ In Buenos Aires the “revolution” in tastes went so far that “the custom of drinking tea *a la Inglesa* is more fashionable”, but that was most likely a consequence of the British blockade which cut the regular supply of the local herb from Paraguay.¹²⁶

¹²² Asa Briggs, *Victorian things* (Harmondsworth: Penguin, 1990), pp. 11-51.

¹²³ Woodbine Parish, *Buenos Ayres and the provinces of the Rio de la Plata: their present state, trade, and debt; with some account from original documents of the progress of geographical discovery in those parts of South America during the last sixty years* (London: John Murray, 1839), p.338. See also, Temple, *Travels* (1830), p 251; Stevenson *A historical and descriptive narrative* (1829), vol. 3, pp. 161, 163.

¹²⁴ Stevenson, *A historical and descriptive narrative* (1829) vol. 1, pp. 164, 165.

¹²⁵ *Ibid.*, p. 300.

¹²⁶ *Ibid.*, pp. 35, 36.

Conclusion

This chapter has shown how British visions of the Southern Cone of America during the first decades of the nineteenth century were based on expectations of its commercial importance. From London the region was seen as an open market for the arrival of British speculators and entrepreneurs. Yet this chapter suggests that this emphasis on commerce must be qualified by taking into account the fact that commerce from the perspective of British writers, politicians and traders, was seen as a tool or agent of civilization. In this sense commercial activity was overlaid with a discourse that represented trade as mean for the improvement of habits and manners, particularly of this South American region, which was seen as dormant and lethargic after the long Spanish domination.

Whilst the region was indeed seen pragmatically as a new market, the continent also became, again, a New World and a profusion of imaginary visions of utopian character started to proliferate. Commercial prospects and imaginary visions dovetailed in a process which had many repercussions. This chapter suggests that while the attitude towards the Southern Cone was speculative, because there were no first hand testimonies available about the present state of the region, this situation had a counterpart in the commercial speculation of British foreign trade in the region. Thus there was a correlation between most of the information published about these regions, which was mostly of a speculative character, and the commercial practice of speculating in foreign trade. Cultural speculation, of an ignored region, mirrored an economic speculation which had disastrous consequences. Culture and economic practices could converge in surprising ways.

This chapter shows that the first stage of the relations between Great Britain and the Southern Cone was seen from the British point of view as a Bubble, suggesting that in the first three decades of the nineteenth century there were actually two commercial bubbles connected with the region, rather than one in the 1820s, as is usually assumed. In this sense the inter-related processes between culture and economy proposed here might provide a context for the understanding of what was the first economic crisis of the British involvement in South America, and will also provide a background to understanding of the second crisis of 1825.

Not everything was a consequence of fervid imaginations. As this chapter suggests, fraud was a significant cause of this first South American crisis in the British market. Fraud has been generally overlooked in these proceedings, but in fact the imaginary visions of El Dorado, with all their colourful nonsense, seemed to have engulfed other nefarious activities: from false promises of payment made by fraudulent merchants; counterfeit textiles that did not meet the minimum standards required by the law, and also false travel books which were the result of

“book making”. Some evidence of the fraudulent nature that encircled this commerce even reached the House of Commons¹²⁷ and the crisis had a severe social impact.¹²⁸

The process described in this chapter had many consequences in South America. First, there was a coincidence between the ideas of commerce and civilization exposed by British politicians and travellers and the general notion of commerce that learned elites and politicians of the Southern Cone endorsed at the time, a convergence that will be explored in chapter 3. Secondly, the many impulses which converged in turning South America into an expanded horizon for British exploits and ended up representing it through a speculative lens that aggrandized or deformed its own capabilities, distorting its reality, had ruinous consequences for the image of the region. But if Britons considered the Southern Cone from a commercial perspective what did people in the Southern Cone –mostly the economic, cultural and political elites- think about foreign commerce and the opening of their countries to commercial expansion. What did these elites think about trade while Britons were seeing this region as a new market or an outlet for their trade? That is the subject of the next chapter.

¹²⁷ ‘Parliamentary Intelligence’, *Morning Chronicle*, 17 June 1812. ‘House of Commons’, *The Times*, 11 March 1811. ‘House of Commons’, *The Times*, 12 March 1811, (The same report is in *The Caledonian Mercury* 16 March 1811; *Morning Chronicle* 12 March 1811).

¹²⁸ The sudden rise of the demand of cotton goods by speculators provoked an extension of the ordinary production and there was a need to employ “independent frames” to increase it. The fraud, and the absence of money to pay the work, triggered violent riots in cities as Nottingham, where the distress of workmen exploded in “acts of outrage and disturbance which had for a considerable time prevailed in and disgraced a part of the country”, recurring to “the destructive practice of braking up frames” in the *Luddist* tradition that characterized most of the riots of weavers and hosiers in England along the XIX century. See *Weekly political Register*. 21, 13 March 1811.

CHAPTER II

Commerce, Circulation and Civilization: Perspectives from the Southern Cone

This chapter intends to explore what local elites in the Southern Cone thought or imagined about foreign trade, during the colonial crisis and the first decades of their independent political organization. These visions of foreign trade –and of foreigners in general- are relevant to understanding the nature of their relationships with foreign powers. Historians have noted the importance of economic affairs for South American thinkers during the late colonial period and the wars of independence, suggesting that the economy might be linked with a sense of national affirmation,¹ and that it might have been instrumental in the adoption of a European Enlightenment worldview.² But this chapter aims to go further by suggesting that economy, and particularly commerce, was actually at the centre of the idea of Enlightenment developed in the Southern Cone. Apparently politics have engulfed any kind of economic debate in the field considering, for instance, how recent works about political ideas such as those edited by Noemí Goldman, Iván Jaksic and Eduardo Posada Carbó have expressly left aside any economic consideration in their analysis.³ Cultural studies, on the other hand, also tend to discard any consideration of economic discourses.⁴ Finally, a tendency to emphasize the national has postponed any regional analysis of the cultural framework of the learned elites in the Southern Cone during this crucial period.⁵ This work intends to follow the lines which Peggy K. Liss and Jeremy

¹ See for instance Tulio Halperin Donghi, *El Río de la Plata al comenzar el siglo XIX* (Buenos Aires: Universitaria de Buenos Aires, 1961) pp. 60,61. *Reforma y disolución de los imperios ibéricos 1750-1850* (Madrid: Alianza, 1985). pp. 80-85, Emilio Romero, *Historia Económica del Perú* (Buenos Aires: Ed. Sudamericana, 1949). Economy is notably absent in Arthur Whitaker *Latin America and the Enlightenment* (New York, London: Appleton 1942)

² See José Carlos Chiaramonte, *Pensamiento de la ilustración: economía y sociedad iberoamericanas en el siglo XVIII* (Caracas: Biblioteca Ayacucho, 1979) p.XIX. In another work José Carlos Chiaramonte, observes the abundance of economic writing in La Plata, but he does not acknowledge its importance, *La ilustración en el Río de la Plata: Cultura eclesiástica y cultura laica durante el virreinato* (Buenos Aires: Punto Sur, 1989), pp.90-92. Local studies in Chile also fail to acknowledge the cultural and ideological dimension of economic thinking and the ideas behind commerce. See Hernán Ramírez Necochea *Antecedentes económicos de la independencia de Chile* (Santiago: Universidad de Chile, Facultad de Filosofía y Educación, 1967) and Sergio Villalobos *El comercio y la crisis colonial: un mito de la Independencia* (Santiago: Universidad de Chile, 1968), and *Tradición y reforma en 1810* (Santiago, Chile: Universidad de Chile, 1961).

³ Noemí Goldman *Lenguaje y Revolución: Conceptos Políticos Clave en el Río de la Plata, 1780-1850* (Buenos Aires: Prometeo Libros Editorial, 2008), Ivan Jaksic y Eduardo Posada Carbó eds., *Liberalismo y poder. Latinoamérica en el siglo XIX*, (Santiago de Chile: Fondo de Cultura Económica, 2011).

⁴ Bernardo Subercaseux *Sociedad y cultura liberal en el siglo XIX: J. V. Lastarria* (Santiago de Chile: Ed. Universitaria, 1997). See also Graciela Batticuore, Klaus Gallo, Jorge Myers, ed., *Resonancias Románticas. Ensayos sobre la historia de la cultura Argentina (1820-1890)* (Buenos Aires: Eudeba, 2005).

⁵ For local studies from the perspective of history of ideas see: Tulio Halperin Donghi, *El Río de la Plata al comenzar el siglo XIX* (Buenos Aires: Universitaria de Buenos Aires, 1961)p. 152. Halperin Donghi, *Reforma y disolución* (1985). Halperin Donghi, *Tradición política española e ideología revolucionaria de mayo* (Buenos Aires:

Adelman had traced in their analysis of the commercial revolution that took place in the Atlantic world during the XVIII and the beginnings of the XIX century, focusing on the discourses about commerce.⁶ It intends to develop the intellectual roots of those “beleaguered liberals”, which Paul Gootenberg identifies in Perú,⁷ but broadening the focus including those of Chile and the United Provinces.⁸

Dying bodies

A close reading of the economic writings published in Lima, Buenos Aires and Santiago from the 1790’s onwards shows that they not only shared a political context, but also a vocabulary and an ideological background which guided most of the economic thinking of this period. In those three cities there were economic debates about the consequences of the gradual opening of their markets to foreign economies that had been proposed by the Bourbon reforms. In these debates, the early economists involved made general diagnoses of the economic and social decay into which their countries had sunk, even after those reforms – with glutted markets, lack of internal circulation, ruined public funds, and so on-- and they proposed different remedies to solve these problems. Such remedies came from a similar stock of concepts and visions, which can be encompassed in the nascent discourse of political economy, a “new language”, which had inspired the colonial reforms of the Spanish crown,⁹ and which also fomented many contemporary anti-colonialist works that denounced mercantilism, monopoly and slavery. By the beginning of the nineteenth century, political economy became the administrative discourse of choice for South American learned elites and politicians who adopted it as a tool of improvement.

Eudeba, 1961), pp. 104-154; Simon Collier *Ideas and Politics of Chilean Independence 1808-1833*. (Cambridge: Cambridge University Press, 1967).

⁶ Peggy K. Liss, *Atlantic empires: the network of trade and revolution, 1713-1826* (Baltimore: Johns Hopkins University Press 1983); Jeremy Adelman, *Republic of capital: Buenos Aires and the legal transformation of the Atlantic world* (Stanford, California: Stanford University Press, 1999); Jeremy Adelman, *Sovereignty and Revolution in the Iberian Atlantic* (Princeton; Oxford: Princeton University Press, 2006)

⁷ Paul Gootenberg, ‘Beleaguered Liberals: The Failed First Generation of Free Traders in Peru’ in Love and Jacobsen, *Guiding the Invisible Hand*, (1988), pp. 63-97. More recent studies focused mostly on political liberalism in Peru during the decade of the 1820’s are Mónica Ricketts, ‘Together or separate in the fight against oppression? Liberals in Peru and Spain in the 1820’s’ *European History Quarterly* 41 (3) 2011 and Natalia Sobrevilla Perea, ‘From Europe to the Andes and back: Becoming ‘Los Ayacuchos’ *European History Quarterly* 2011 41 (3). Peruvian liberalism from a social perspective has been analyzed by Christine Hunefeldt in *Liberalism in the Bedroom: Quarreling Spouses in Nineteenth-Century Lima*, (Penn State University Press, 2000) and *Paying the Price of Freedom: Family and Labor Among Lima’s Slaves, 1800-1854*, (University of California Press, 1994).

⁸ On Liberal ideas in Buenos Aires and the United Provinces see David Rock, “State Building and Political Systems in XIX century Argentina and Uruguay”, *Past and Present* 167 2000, and Ricardo Salvatore, “Tres Discursos de Mercado en América Latina 1750-1990”, *Revista de Historia de América* 117 January-June 1994.

⁹ John Elliott *Empires of the Atlantic World: Britain and Spain in America, 1492-1830* (New Haven; London: Yale University Press, 2006) p.307. Liss *Atlantic empires* (1983) pp.119-135; Adelman, *Sovereignty and Revolution* (2006), p14.

By 1792, the learned community in Lima had formed the *Sociedad Académica de los Amantes de Lima*, which published a learned journal called *El Mercurio Peruano*. At that time, the city was undoubtedly the intellectual capital of the Southern Cone, and even had a café where people met to talk and debate public affairs. One of the most distinguished members of that group was Hipólito Unanue (1755-1833) an eminent physician and colonial functionary who was among the first South Americans to propose the idea of commerce that this chapter intends to explore.¹⁰ As a physician and economist, Unanue made several diagnoses of Perú's decaying health, prescribing remedies that might cure it. In one of them, in the "prayer" he delivered at the opening of Lima's Anatomic theatre in November 1792, he introduced the literary figure of an enlightened spectator, a foreign "philosopher", who travels through the country witnessing how it was recovering after years of prostration by the arrival of a force which was destined to "electrify" the soul of nature, heralding the arrival of sciences –such as mineralogy, mechanics, architecture, physics and chemistry.¹¹ Such an enlivening force was commerce. Later in another public intervention, his "Historical discourse", which was written for the opening of the new road from Lima to El Callao, in 1801, Unanue developed this idea more clearly, describing the vivifying powers of commerce, comparing roads and canals through which it would progress with human arteries: "where the spirits that animated and vivified the political body, circulated". According to this vision, commerce was something bigger and more powerful than the mere exchange of things: it meant the communication of ideas and the generation of a force comparable to electricity which was called to stir and enliven the country, its population, its natural riches, and its industry.¹² As is clear from those examples, Unanue used physiological metaphors to build his economic arguments, a common practice among French economists, particularly François Quesnay, who might have been Unanue's inspiration, as he was a court physician and also an economist who wrote an economic analysis of the Inca Empire. Quesnay was among the founders of physiocracy, the French school of *economists* of the mid XVIII century which endorsed the rule, or government of nature, encouraging the development of agriculture as the main source of a nation's wealth.¹³ According to Adam

¹⁰ For a biography of Unanue see: Joseph Dager Alva. *Hipólito Unanue o el Cambio en la continuidad*. Convenio Hipólito Unanue Convenio Andrés Bello. For Unanue's ideas about commerce see: Jorge Cañizares Ezguerra 'La utopía de Hipólito Unanue' in Marcos Cueto ed. *Saberes andinos Ciencia y tecnología en Bolivia, Ecuador y Perú* (Lima: IEP Instituto de Estudios Peruanos. 1995).

¹¹ Hipólito Unanue, *Obras Científicas y Literarias* (Barcelona: La Academia de Serra Hnos. y Russell, 1914) vol. 3., pp. 5,6.

¹² *Ibid.*, p.180.

¹³ For physiocracy see: Michel Foucault, *The Order of Things: An Archaeology of the Human Sciences* (London: Routledge, 2001), pp.208-212; Albert O. Hirschman, *The passions and the interests political arguments for capitalism before its triumph* (Princeton, N. J. Princeton University Press, 1997), p.93.

Smith, Quesnay used the metaphor of the human body to describe the political body's ability to preserve its health "by a certain precise regimen of diet and exercise", correcting its own balance.¹⁴ Unanue's diagnosis of Peruvian economy through physiological metaphors, as a sick or "fantastic body", or even as a phantom,¹⁵ and his vision of commerce as a force destined to enliven the nation by electrical friction, were shared by other learned Peruvians gathered round the *Sociedad Académica de los Amantes de Lima* and who contributed to *El Mercurio Peruano*. These two institutions were promoted by Francisco Antonio Cabello y Mesa (1764-ca. 1831), a Spanish lawyer from Extremadura who held a post in the Real Audiencia in Lima,¹⁶ and who had earlier founded the first journal to be printed in Lima – indeed, in South America -- the short lived *Diario Curioso Erudito Económico y Comercial*, which appeared on 1 October 1790. *El Mercurio Peruano* was designed to discuss issues such as local history -oriented to describe "monuments", mostly of the indigenous past, economy, especially discussing commerce, mining and agriculture, arts and public instruction.¹⁷ It was written by a group of learned Peruvians formed by Cipriano Gerónimo Calatayud, Pedro José Méndez y Lachica, Diego Cisneros, José Baquijano y Carrillo and Unanue. According to this last, *El Mercurio* was intended to be "the organ" to announce "the rare and noble productions of this vast Empire",¹⁸ although it was rather a programme of future development, inspired by economic thought. A clear example of this was the famous "Disertación Histórica y Política sobre el comercio del Perú", written by José Baquijano y Carrillo or "Cephalio", which, as its introduction stated, was an attempt to establish "analytically" the main sources of the nation's wealth, or to determine "which were the resources that could make its happiness".¹⁹ In that essay Baquijano was answering the Spanish's crown adoption of a new regime of trade through "galeons" across the Atlantic Ocean by a study of Peruvian economic crisis.²⁰ The starting point of his dissertation was a defence of free commerce and a praising of the British supremacy that controlled the seas through commerce, which tacitly entailed a condemnation of Spanish policies, which had neglected commerce by concentrating exclusively on mining.²¹ The crisis in Peru, Baquijano

¹⁴ Adam Smith, *An Inquiry on the Wealth of Nations* (London: Routledge 1898), pp.528, 529.

¹⁵ Unanue, *Obras* (1914), vol. 3., p.7.

¹⁶ Antonio Zinny, *Efemeridografía argyrometropolitana hasta la caída del Gobierno de Rosas* (Buenos Aires: Impr. del Plata, 1869), p.130. See also Mónica Patricia Martini, *Francisco Antonio Cabello y Mesa : un publicista ilustrado de dos mundos (1786-1824)* (Buenos Aires: Instituto de Investigaciones sobre Identidad Cultural,1998)

¹⁷ "Sociedad Académica de Amantes de Lima, 'Prospecto'" *El Mercurio Peruano* 1 (1791), p.1-2.

¹⁸ Unanue, *Obras Científicas y Literarias* (1914), p.140.

¹⁹ José Baquijano y Carrillo, 'Disertación histórica y política sobre el comercio del Perú', *El Mercurio Peruano* 23, (1791), pp.209, 210.

²⁰ Eduardo Arcila Fariás, *El pensamiento económico hispanoamericano en Baquijano y Carrillo* (Caracas: Centro de Estudios Latinoamericanos Rómulo Gallegos, 1976.) p.30; Adelman *Republic of Capital* (1999), p.29.

²¹ "Sociedad Académica de Amantes de Lima" *El Mercurio Peruano* tomo I (1791), p.209.

claimed, was a consequence of Spanish irrational greed for metallic riches, and of their vain neglect of commerce as an ignoble occupation, which had led to an ignorance of the actual state of the country's economic resources. Following Unanue's physiological metaphors Baquijano aspired to write a "real anatomy of commerce in Perú", facing up to the decaying state of the country. He described the "causes" of Peru's "prostration and decadence", suggesting the remedies that might be applied to achieve its restoration. One of main causes of this ruin was the lack of population which was indirectly caused by mining.²² Baquijano advocated an active free trade which should benefit all, multiplying the "division of utilities in a greater number".²³ He stated that mining was clearly Perú's main source of wealth,²⁴ but asked for the adoption of scientific and enlightened methods of work.²⁵

In Santiago and Buenos Aires the economic debates of this period orbited round the "Tribunal del Real Consulado", a collegiate institution envisaged by Spanish authorities to solve commercial conflicts and to study means to improve agriculture, commerce and industry. The Consulado was a "knot" of different interests, which often quarrelled on their attitude towards Spanish monopoly.²⁶ In a series of reports or memoirs the members of these organisations in Santiago and Buenos Aires analysed the economic situation of their countries addressing the Spanish Crown with different projects of improvement. According to a member of the Chilean Consulado, these memories were called to "awaken the population, agriculture, industry and commerce of this kingdom from the state of languor in which it was". These memories, he added showed how "the deep and watchful spirit of philosophy has extended over public administration, commerce and the arts", even "reaching the shacks of the farmers."²⁷ These institutions and the works they produced were among the most representative documents of Chilean and Argentinean enlightened thought at the time.²⁸

In Santiago, Chile, the memories presented to the Consulado by early economists and traders, such as Manuel de Salas (1754-1841), José de Cos Iriberry and Anselmo de la Cruz (1777-1833) can be characterized by certain common features. They generally describe

²² Ibid., p.248.

²³ José Baquijano y Carrillo, *El Mercurio Peruano* 27, (1791), p. 245

²⁴ For *El Mercurio Peruano* and mining see John R. Fisher, *Minas y mineros en el Perú colonial, 1776-1824* (Lima: Instituto de Estudios Peruanos, 1977) p.21

²⁵ José Baquijano y Carrillo, *El Mercurio Peruano* 30; Sociedad Académica de Amantes de Lima *El Mercurio Peruano* 31 1791, pp. 283, 284

²⁶ Bernard Hausberger ed. *Comercio y poder en América colonial: los consulados de comerciantes, siglos XVII-XIX*. (Madrid: Iberoamericana; Frankfurt am Main: Vervuert : México, D.F. : Instituto Mora, 2003), p12. See also Liss *Atlantic Empires* (1984), pp. 216, 255-257 and Adelman *Republic of Capital* (1999), pp. 43-46.

²⁷ José Cos de Iriberry, "Tercera Memoria leída por el secretario en propiedad don José de Cos de Iriberry en Junta de Posesión de 30 de setiembre de 1799", in Miguel Cruchaga *Estudio sobre la organización económica y la hacienda pública de Chile*. (Santiago: imprenta de los tiempos. 1878), p.313.

²⁸ Chiaramonte, *Pensamiento de la ilustración*. (Caracas: Biblioteca Ayacucho, 1979)

the Chilean crisis, assuming that the country was a kind of terrestrial paradise which was totally wasted. Salas, for instance, considered that Chile should have a population, commerce, and industry in accordance with that preeminent status, abandoning the shameful prostration in which it remained.²⁹ Such economic “diagnosis” were commonly built using physiological metaphors: Salas considered that Chile “lacked the arms” –that is, population- to make a profit from this privileged position, and Anselmo de la Cruz, more eloquently stated that the country was like “a delirious sick man, that in the midst of a crisis, had cut his veins losing his blood and strength”³⁰. These descriptions agreed that Chilean economic crisis was a consequence of the country’s lack of population, and of the general ignorance in which the surviving inhabitants remained. This idleness, Salas claimed, was not an influence of Chilean climate, as foreign travellers had stated, but a consequence of the lack of useful occupation, so that there was an urgent need to develop local industry, and to instruct the population in useful knowledge to find out local resources and new industrial uses for them. Later, José de Cos Iriberry, added that to attribute national indolence to local climate was a “superstition” diffused by travellers and some authors³¹. According to these last writers, Chilean decline was a consequence of its economic “constitution”, which was the work of Spanish policies which since the beginnings of colonization had focused their pursuits exclusively in the search of mineral riches, neglecting agriculture and commerce. Just as happened in Perú these dissertations were also aimed to determine which should be the definitive source of the nation’s wealth, but Chilean economists concluded that it should be agriculture, “the most essential of the arts” and “nurturing mother of the humankind”³². “Public happiness” –Manuel de Salas declared- depended entirely on the “culture of the land”, any other source was “artificial and unstable”³³. Agriculture was also an exemplary way to achieve public instruction because it helped to educate and discipline the population in working and patriotic habits.³⁴ A state that was well cultured, he concluded, “could produce men by the fruits of it and wealth by their men”.³⁵ But, agriculture should be

²⁹ Manuel de Salas, ‘Representación al ministerio de hacienda hecha por el señor don Manuel de Salas, síndico de este real consulado, sobre el estado de la Agricultura, industria y comercio de este reino de Chile. Santiago 1 de enero de 1796’ in Cruchaga *Estudio sobre la organización*. (1878), p.274.

³⁰ Anselmo de la Cruz, ‘Memoria que don Anselmo de la Cruz, secretario en propiedad del Real Consulado de Santiago de Chile leyó en la Junta de posesión celebrada el día 19 de enero de 1807’ in Cruchaga *Estudio sobre la organización* (1878), p.339.

³¹ José de Cos Iriberry, ‘Segunda Memoria leída por el mismo señor secretario en Junta de Posesión de 1ero de octubre de 1798’ in Cruchaga, *Estudio sobre la organización* (1878), p.303.

³² *Ibid.* p. 303.

³³ *Ibid.*, p. 303.

³⁴ Manuel de Salas, ‘Representación hecha al ministerio de Hacienda 10 de enero 1796’ in Cruchaga *Estudio sobre la organización* (1878), p.290.

³⁵ José de Cos Iriberry, ‘Segunda Memoria leída por el mismo señor secretario en Junta de Posesión de 1ero de octubre de 1798’, in Cruchaga *Estudio sobre la organización*. (1878), p.303.

improved, and these authors proposed a series of measures as the introduction of new seeds, the knowledge and recognition of the territory and its natural productions, and the instruction of the people.³⁶ All these arguments generally entailed a tacit critique of Spanish methods of occupation during the conquest while they were an enthusiastic encomium of commerce. If the Spaniards, instead of submitting the natives by violence pushing them into the destructive work on the mines, had civilized them by means of agriculture and commerce, their occupation should have been least violent, destructive and expensive. José de Cos Iriberry celebrated the Crown's declaration of free trade in 1778, but claimed the economy has not progressed proportionately, observing the contrast between those few who lived in luxury and the many that remained poor. "The shameful nakedness", he claimed, of this vast majority of the population was proof of how free trade only granted "the comfort of the few and the misery of the many".³⁷ Such trade was only passive and resembled smuggling, because it did not contribute to the progress of the nation. Chile's economic constitution was crippled and it could only prosper slowly, by an active trade.³⁸ Meanwhile, Cos de Iriberry asked for the arrival of the lights of experience and practice from the Old World and the removal of any obstacle to improve commerce through the development of local agriculture and industry.³⁹ Both Salas and De la Cruz directly called for foreign immigrants to teach the population. In this vein, Salas censured those expensive scientific expeditions that briskly circumnavigated the world collecting species, taking measures and notes, leaving nothing behind them⁴⁰. What the country needed, he declared, were enlightened travellers who remained in the country, contributing to its development, bringing useful knowledge in natural history and the laws and principles of commerce⁴¹.

An active or "useful" commerce, according to Salas, would make the country "bloom" by the direct export of its own productions into foreign markets, stimulating the knowledge of local resources.⁴² Salas considered that the restriction of exports imposed by the Spanish court thwarted the knowledge of the nation's real productive capabilities. Spanish monopoly, according to him had tied the country's economy in a restricted or limited "circle" which was easily glutted with foreign imports and which ignored the

³⁶ Ibid., p.302.

³⁷ Ibid., pp. 301, 302.

³⁸ Ibid., p.302.

³⁹ Ibid., p.303.

⁴⁰ Manuel de Salas, 'Representación hecha al ministerio de Hacienda 10 de enero 1796' in Cruchaga *Estudio sobre la organización* (1878), p. 289.

⁴¹ Manuel de Salas, 'Representación del señor síndico don Manuel de Salas sobre fomentar algunos artículos útiles al comercio de este reino' in Cruchaga, *Estudio sobre la organización* (1878), p.295.

⁴² José de Cos Iriberry, 'Primera memoria leída por el secretario en Junta de Posesión de 30 de septiembre de 1797', Cruchaga *Estudio sobre la organización* (1878), p.299.

distribution of riches that “nature” had bestowed. The Spanish crown had even stimulated a “ruinous rivalry” between Chile and its neighbours, instead of allowing a natural order of cooperation.⁴³ Under these circumstances, Salas claimed, the declaration of free trade by Spain had only fostered the crisis, because the kind of activity promoted by the Spanish authorities was not an active trade.⁴⁴ Salas used the notions of private and public interest, as impulses destined to bind people in the common pursuit of public prosperity, and he stated that local interest and metropolitan interests should mingle, opening Spanish gates to Chilean natural productions, and vice versa.⁴⁵ Salas claimed that Spanish policies had established a kind of legitimate contraband, perpetuating the country’s decay and blocking the local circulation of money by draining away all the available silver, which was “just like oil to a machine”.⁴⁶ Commerce, in Salas terms, did not only mean the arrival of imports but a powerful instrument of improvement which was called to make “common happiness”.⁴⁷ Another member of Chilean “Consulado”, Tomás Lurquín, even stated that commerce had preternatural powers, as it was “a talisman” or “the precious link, established by the Maker for every country according to its climate, different productions and resources” to foment “society and the arts” and to “soften manners”.⁴⁸ Lurquín expressly stated the relation that existed between this vision of commerce and political economy, as a “science that teaches men to reach their happiness”. In his view, commerce was also an agent of individual reaffirmation which not only granted subsistence, but also comfort and distinction.⁴⁹ Another member of this institution, Anselmo de la Cruz, showed an even deeper coincidence with Unanue’s vision of commerce in his memorials of 1807 and 1808 where he affirmed that commerce will revitalize arts and agriculture in a process of friction that remitted to electricity.⁵⁰ “Agriculture, industry and commerce”, he claimed, “formed the great sun (“luminar”) that vivifies, that animates the body politic of the state. How admirable are the pieces and springs of this machinery!” The “elasticity, circulation, power and strengths” of this machinery, he stated, forwarded the interests of the State and also

⁴³ José de Cos Iriberry, ‘Segunda Memoria leída por el mismo señor secretario en Junta de Posesión de 1ero de octubre de 1798’ in Cruchaga *Estudio sobre la organización* (1878), p.304.

⁴⁴ Manuel de Salas, ‘Representación hecha al ministerio de Hacienda 10 de enero 1796’ in Cruchaga *Estudio sobre la organización* (1878), p.276.

⁴⁵ *Ibid.*, p. 277.

⁴⁶ *Ibid.*, p. 282.

⁴⁷ *Ibid.*, p. 277.

⁴⁸ Tomás Lurquín, ‘Cuarta Memoria leída por el secretario sustituto don Tomás Lurquín en Junta de Posesión de 12 de enero de 1801’ in Cruchaga *Estudio sobre la organización* (1878), p.315.

⁴⁹ *Ibid.* p.315.

⁵⁰ Anselmo de la Cruz, ‘Memoria que don Anselmo de la Cruz, secretario en propiedad del Real Consulado de Santiago de Chile leyó en la Junta de Posesión celebrada el día 19 de enero del año 1807’, in Cruchaga *Estudio sobre la organización* (1878), p.340.

secured the circulation of the money.⁵¹ De la Cruz explicitly linked commerce with a general idea of communication and civilization, claiming that trade bonded the extremes of the earth, enriching every human institution -“jurisprudence, politics, military strategy, philosophy, etc.”-; connecting them “with the history of discoveries, with genius, enlightenment and linking the academic centres of the globe”. Commerce, De la Cruz concluded, was “a benign star” which influences everywhere⁵².

The economic debates that took place round the “Real Consulado” in Buenos Aires by the end of the XVIII century were preceded by older requests of farmers, tillers, cattle raisers and merchants to the Spanish Crown asking for permission to export their own fruits.⁵³ In this economic debate the works of Manuel Belgrano (1770-1820) and Mariano Moreno (1778-1811) became representative. Belgrano was 24 years old when he returned to Buenos Aires after a long stay in Spain, where, as he declared in his memories, learned the ideas of the French Revolution and of Political economy, which by 1793 were high in fashion.⁵⁴ Belgrano studied Spanish political economists such as Campomanes, Moncada, Martínez de Matta, Osorio and Ward, and the works of Adam Smith and François Quesnay. One of the main lessons he learned then was the economic and political importance of collegiate institutions such as Economic Societies and the “Tribunal del Consulado”, which he was commissioned to organize at his return to Buenos Aires. Belgrano claimed that the sole idea of contributing to his country’s welfare by using an economic rationality “opened” a “field” “to his imagination”. His mind, he added, became filled with “visions of his native land’s happiness”.⁵⁵ Belgrano was appointed secretary of this Tribunal, although it was mostly constituted by Spanish merchants, whom, as he remembered, were only concerned with their own monopolistic trade.⁵⁶ In 1796, he presented what was probably his most influential writing: a memorial addressed to the Spanish Crown asking for the removal of prohibitions that hindered grain trade, entitled as “Medios generales de fomentar la agricultura, animar la industria y proteger el comercio de un país agricultor.” In that work Belgrano expressly reminded Spanish authorities their duty to promote agriculture, industry and commerce, claiming that countries should develop their own resources by recognizing their capabilities. Such knowledge was one of the main objectives of public instruction,

⁵¹ Tomás Lurquín, ‘Cuarta Memoria leída por el secretario sustituto don Tomás Lurquín en Junta de Posesión de 12 de enero de 1801’, in Cruchaga *Estudio sobre la organización* (1878), p.346.

⁵² *Ibid.*, pp. 346, 347.

⁵³ Ricardo Levene, *El mundo de las ideas y la revolución hispanoamericana de 1810* (Santiago, Chile: Jurídica de Chile, 1956), pp. 7, 8.

⁵⁴ Manuel Belgrano, *Los años de la emancipación política* (Rosario: Ed. Biblioteca, 1974.), pp.26,27 See also Liss Atlantic Empires (1984), pp.256, 277.

⁵⁵ Belgrano, *Los años de la emancipación*, (1974), p. 27.

⁵⁶ *Ibid.*, p. 27.

which should help to form an “industrious population”. Consequently, Belgrano considered that commerce should be developed with the country’s own fruits, according to the dictates of nature, and not to satisfy metropolitan needs.⁵⁷ He believed that agriculture was called to be “the real destiny of men” claiming that “everything depended and was a consequence of the cultivation of land⁵⁸”. Agriculture should be the base of industry and foreign trade, because any other source of riches was precarious and unstable. Belgrano encouraged the development of learning institutions, such as an academy of agriculture, which would lead youths to botanical and geographical studies, natural studies which would redeem his land from the curse of its own abundance which had encouraged an idleness which he also considered was a share of the Spanish legacy.⁵⁹ Just like his Chilean colleagues, Belgrano claimed that “interest” should be the only engine of “human heart”,⁶⁰ and like them he asked for the establishment of an active commerce –instead of one exclusively based in the export of hides to Europe- claiming that if the nation’s economy should remain reduced to such limits, free trade would ever remain unsatisfactory. Belgrano proposed to expand this restricted circle of exchanges by education.⁶¹ Considering that commerce was a science with its own principles and something that a simple merchant could not learn from his restricted experience, he proposed the foundation of a school of commerce to instruct the population to keep their accounts, calculating, exchanges, rules of navigation, insurances, commercial post offices, merchant’s laws and costumes, geography, and the different productions of all countries.⁶²

Belgrano’s ideas found an echo in the movement of learned men in Buenos Aires who published a journal and formed a society, two institutions which were also the outcome of Francisco Antonio Cabello’s initiative. Almost a decade before, while writing in *El Mercurio Peruano*, Cabello made a curious prophesy foretelling that Buenos Aires and Chile, by the year 1800 or even before, will have their own newspapers, “a Mercurio or a Gaceta”.⁶³ More than a prophesy, his words became a statement of his own intentions, because he founded a learned journal in Buenos Aires, *El Telégrafo Mercantil rural político económico e historiográfico* and in 1800 he obtained an exclusive privilege to establish in Buenos Aires a Sociedad Patriótico Literaria, following the example of the “Sociedad de Amantes

⁵⁷ Chiaramonte, *Pensamiento de la ilustración* (1979), p. 304.

⁵⁸ Ibid., p. 304.

⁵⁹ Ibid., pp.306, 307.

⁶⁰ Ibid., p. 308. See also Liss, *Atlantic Empires* (1984), p.277.

⁶¹ Chiaramonte, *Pensamiento de la ilustración* (1979), p. 304.

⁶² Chiaramonte, *Pensamiento de la ilustración* (1979), p. 316.

⁶³ Francisco Antonio Cabello, *El Mercurio Peruano* N54, 1793, p. 38.

del País” and *El Mercurio Peruano*, which he had promoted in Lima⁶⁴. *El Telégrafo Mercantil rural político económico e historiográfico*, started on April 1st 1801 and lasted until October 15th 1802, among its main contributors were Manuel Belgrano, Juan Manuel Lavarden, Domingo de Azcuenaga, José Joaquín de Araujo, Gregorio Funes and evidently Cabello (under the pseudonym of Narciso Fellobio Canton).⁶⁵ The resemblance between *El Mercurio Peruano* and *El Telégrafo* was evident: both were learned journals rather than newspapers; most of their contributions were on commerce, natural history and history –a shared a range of interests that can be connected with political economy-. As *El Mercurio Peruano* had done previously, *El Telégrafo* published a significant number of geographical and natural descriptions of Upper Perú and the North of the Viceroyalty of La Plata, written by the botanist Thadeus Haënke about the possibility of navigating the great rivers of the Amazonas and Marañón to connect the Pacific and the Atlantic Oceans⁶⁶. The connections between *El Telégrafo* and the circle of Peruvian learned men became explicit when it published Hipólito Unanue’s historic discourse on the opening of a road from Callao to Lima⁶⁷, in which the vivifying powers of commerce were described in terms of an electrical force. In a preliminary analysis of *El Telégrafo’s* contents, Cabello announced that “commerce, whose practice is the most useful for the state in general, would always be the object of my studies and incubation”. “A state without commerce”, he added, “was a lifeless body, disfigured and horrible”.⁶⁸ In the third issue of the *Telégrafo*, there was a “General idea of commerce in the provinces of La Plata”, which described commerce as a science and compared it with an “inextinguishable tree of fecundity”, adding that it would not be difficult for him to prove how almost every feature in the nation –police, manners, arts, sciences, business and military power- were based on the richness of its commerce. In that same issue, there was even an “Ode to commerce”, where an inspired poet praised the virtues of traders as exemplary citizens.⁶⁹

The second pillar of the movement towards the opening of trade in Buenos Aires was Mariano Moreno’s “Representación de los Hacendados” written in September 1809, as

⁶⁴ Antonio Zinny, ‘Bibliografía’, *Revista de Buenos Aires* 13, 1896, pp.129-158.

⁶⁵ *Ibid.*, p.133.

⁶⁶ Tadeus Haënke, *Telégrafo Mercantil: rural, político-económico e historiográfico del Río de la Plata* 27 (1801) (Buenos Aires: Compañía Sud-Americana de Billetes de Banco, 1914-1915) See also, Haënke, *Telégrafo Mercantil* 28, 29, 30 (1801).

⁶⁷ Hipólito Unanue, ‘Discurso Histórico sobre el nuevo camino del Callao a Lima’, *Telégrafo Mercantil: rural, político-económico e historiográfico del Río de la Plata* 28 (November 1801), Hipólito Unanue, ‘Discurso Histórico sobre el nuevo camino del Callao a Lima, continuación’, *Telégrafo Mercantil: rural, político-económico e historiográfico del Río de la Plata* 29 (November 1801).

⁶⁸ Francisco Antonio Cabello *Telégrafo mercantil, rural, político económico e historiográfico del Río de la Plata* 12, 13.

⁶⁹ Francisco Antonio Cabello ‘Oda al comercio’ *Telegrafo mercantil, rural, político económico e historiográfico del Río de la Plata* 3 (1801). pp.19- 22.

a part of the legal proceeding opened by Viceroy Cisneros to respond the request made by a group of British merchants to open local commerce while Spain was under Napoleon's rule and at war with Great Britain. Moreno acted on behalf of a group of landowners who were interested in the opening of trade and his document was directed to the viceroy. The core of his arguments was a reaction against the proposals delivered by the delegate of the Cadiz consulate, Miguel Fernández de Agüero, who sought to protect Spanish monopolist interests in Buenos Aires, a city that after the British invasions was facing increasing contraband.⁷⁰ In his "Representación" Moreno encouraged the introduction of British manufactures into Buenos Aires to solve the critical state of public funds of the Viceroyalty, assuming that the Custom House was the only remaining source of income during the ongoing crisis⁷¹. These proposals found a decided opposition from monopolists who considered that their business was in peril. In return Moreno accused them of hypocrisy, of pretending to care about public interests and local artisans –whom they ultimately despised-, and of affecting a concern with contraband –while they were selling foreign goods underhand in their own shops. It was these merchants' inability to see beyond their own affairs, and their affectation of public concern that most irritated Moreno and gave his representation a characteristic tone of denunciation.⁷² He also attacked the Spanish authorities, claiming that the viceroyalty was yielding fruits which only benefitted the metropolis and not their natural proprietors or the hands that worked them, forgetting the "dignity" and "importance" of the colonies. In a rhetorical figure introduced by Unanue, Moreno imagined a foreign traveller in La Plata who observed the riches of the province but was astonished to see its inhabitants sentenced to live in misery⁷³. Only after these accusations, which quoted Jovellanos and Adam Smith, did Moreno remind his readers that the main duty of any governor was to foment public happiness by every possible mean, removing obstacles or "breaking chains" that might obstruct it.⁷⁴ Moreno accused merchants of ignorance of political economy and inability to discern the "true principles that influenced the prosperity of each province". He considered commerce to be a profession and a science, with principles and rules of its own which deserved to be studied.⁷⁵ In the

⁷⁰ Diego Luis Molinari, *La representación de los Hacendados de Mariano Moreno: su ninguna influencia en la vida económica del país y el los sucesos de mayo de 1810* (Buenos Aires: Baiocco y Cía., 1939) pp. 150, 151. See also Levene, *El mundo de las ideas* (1956) p.223.

⁷¹ Manuel Moreno ed. *Colección de arengas en el foro y escritos del Doctor Dn. Mariano Moreno : abogado de Buenos Ayres y secretario del primer gobierno en la revolución de aquel estado*. (London: Jaime Pickbenn, 1836), p.76.

⁷² *Ibid.*, pp. 81-90.

⁷³ *Ibid.*, pp. 80- 81.

⁷⁴ *Ibid.*, pp. 115-116.

⁷⁵ *Ibid.*, pp.105, 106, 107, 115, 129, 130.

case of Buenos Aires, the springs of wealth, according to the principles of this economic system, were the fertile fields of the province, which was a “self-evident” truth, he claimed.⁷⁶ Underneath these ideas ran the assumption that Spanish colonial authorities had neglected the culture of South America by fostering mining and by establishing a monopoly, which he characterized as “tyrannical”.⁷⁷ Also using a physiological metaphor Moreno described the economic situation of Buenos Aires as a “skeleton”.⁷⁸ However, he claimed that good policies, which he saw as the medicine of the state, could heal and improve the situation of this “political body”.⁷⁹ In that situation the only source of public revenue was the custom house, and local fruits were waiting at the port for a Spanish vessel to take them abroad, while local merchants were unable to do it by themselves.⁸⁰ In the meantime, British contraband, against all prohibition, was increasing.⁸¹ Commerce, Moreno claimed, was naturally destined to heal this situation because it was the biggest source of public happiness and the key to opening an “inexhaustible” source for the “rapid circulation” of exports and imports.⁸² Everyone, Moreno claimed, who was able to submit his private interests to public good, and who was open to the opinion of “enlightened men” would know that “there was nothing better for public happiness than the introduction of free commerce”.⁸³ Moreno dismissed those who thought that an abundance of foreign goods would ruin the country, because the market would naturally find a balance.⁸⁴ Free commerce, he claimed, would produce a rapid circulation of goods, which would in turn create a climate resembling a declaration of peace after a devastating war.⁸⁵ The only concern of a good government, Moreno stated, should be the benefit of its people and its acts should be restricted to removing any obstacles that obstructed this goal. Only then would “interest, which knew more than zeal” –an idea that he repeated twice– “produce a circulation that would raise agriculture, the only basis for national prosperity”.⁸⁶ Moreno believed in an “active” or useful commerce, the riches of which were based on the extraction of local products, or an export trade based on surplus.⁸⁷ An “active” or “useful” commerce meant a kind of trade based on the development of local agriculture and industry, and which contributed to their

⁷⁶ Manuel Moreno ed. *Colección de arengas* (1836), p.83.

⁷⁷ *Ibid.*, pp.134-135.

⁷⁸ *Ibid.*, p. 86.

⁷⁹ *Ibid.*, p.93.

⁸⁰ *Ibid.*, pp. 86, 87.

⁸¹ *Ibid.*, pp. 89, 90.

⁸² *Ibid.*, p. 104.

⁸³ *Ibid.*, p. 101.

⁸⁴ *Ibid.*, p. 102.

⁸⁵ *Ibid.*, p. 104.

⁸⁶ *Ibid.*, pp. 107, 116.

⁸⁷ *Ibid.*, pp. 105, 106.

development in turn. Producers, or the creators of what would be exchanged –farmers and artisans-, were those who contributed to national welfare. Merchants who did not produce were closer to smugglers and could even become enemies of trade.⁸⁸ Thus he distinguished between commerce and merchants, in order to highlight the difference that there was between an active and a passive kind of trade. Following his image of the traveller as an observer, Moreno stated that the opening of commerce was a way to improve the international image of the province, mainly in front of “enlightened British merchants that so attentively were watching”, and who considered that monopoly was an unequivocal sign of “barbarity”.⁸⁹

Part of Moreno’s presentation was phrased in mechanical images, such as the removal of barriers which would animate the springs that enliven public finances, by the circulation of goods. Such a mechanical prospect, Moreno declared, just as Belgrano had done before, inflamed his imagination. Enraptured he exclaimed: “My imagination is transported”⁹⁰ and he claimed to be unable to process the “multiplicity of ideas” that were running around in his head.⁹¹ In Moreno’s terms, commerce was linked with peace or a climate of “tranquillity” in which “laborious people” would work, expelling “all those vices that came from idleness”. Concluding with his mechanistic vision, he declared that “the vivifying blow of industry will animate all the reproductive seeds from nature”; the work of the land will be eased and enriched by the exertion of laborious men working under the auspices of powerful incentives. He envisaged that the innumerable ships that the opening of commerce would call to Buenos Aires would build a “suspended bridge” between the Provinces and the metropolis, thereby allowing “the spread of the seeds of population and abundance by a thousand of channels” across the country. “That is”, he affirmed, “the image of commerce”: a gigantic lever that would raise the massive circulation of goods, men and ideas.⁹²

This vision of commerce, as an agent of civilization, was not exclusive to economic debates. It was used in different contexts. Gregorio Funes, (1749-1829) for instance, who was also a contributor to the *Telógrafo*, in his *Ensayo de la historia civil del Paraguay, Buenos-Ayres y Tucumán*⁹³ did so, when he argued that the contemporary crisis of the United Provinces was a consequence of the ruinous Spanish policy that neglected commerce. Funes claimed that

⁸⁸ Ibid., p.145.

⁸⁹ Ibid., p.121.

⁹⁰ Ibid., p.130.

⁹¹ Ibid., p.105.

⁹² Ibid., pp.130, 131.

⁹³ Gregorio Funes, *Ensayo de la historia civil de Paraguay, Buenos-Ayres y Tucuman* (Buenos Aires: Impr. de M. J. Gandarillas y Socios, 1816-1817).

during three centuries of “tyranny” and “destructive projects” the Spaniards had forgotten that governments should only make their peoples flourish by promoting industry, agriculture and trade.⁹⁴ Funes concluded that if Spaniards, instead of conquering natives, had pursued trade and established relations based on “the force of interest”, the indigenous peoples would have become docile and friendly, because, as he stated, “men grew docile by trade, just as pebbles on rivers get rounded by continuous friction”.⁹⁵ This was a tacit, but evident allusion to Montesquieu’s famous formula of “doux”, or “gentle”, commerce, developed in *L’Esprit des Lois*, where he sustained that trade would soften human manners, acting as a purveyor of peace and understanding.⁹⁶ “Commerce would heal destroying prejudices”, he claimed and then introduced a circular argument in which: “it is almost a general rule that wherever manners are gentle there is commerce, and that wherever there is commerce, manners are gentle”. Commerce, according to Montesquieu, was the only antidote to polish and sweeten barbarians.⁹⁷

The most ardent defence of commerce, as a powerful civilizing agent in the context of a direct call for South American emancipation was done by the Peruvian Jesuit Juan Pablo Vizcardo y Guzmán Juan Pablo, (1748-1798) in *La Paz y la Dicha del Nuevo siglo: exhortación dirigida a todos los pueblos libres o que quieren serlo, por un americano español*, written in 1797, during his exile in Italy.⁹⁸ Commerce was the central issue of this work, which he introduced as an “Essay about the present state of commerce in the Spanish American colonies”.⁹⁹ Vizcardo described commerce as a “happy innovation”, which would end the ages when “terror and slaughter”, “conquest and territorial annexation had dominated”.¹⁰⁰ In fact, this work was meant to introduce commerce, something “ignored and grand”,¹⁰¹ to a South American audience.¹⁰² Vizcardo listed the many attributes that he associated with commerce: a herald of peace; a go-between based on reciprocity, mutual dependency and equality; a cure for prejudice and a softener of people’s manners (here Vizcardo built another circular argument stating that wherever there were gentle manners, there was

⁹⁴ Funes, *Ensayo* (1816-1817) vol. 3 pp. 212, 213, 217.

⁹⁵ *Ibid.*, pp. 349, 551, 552.

⁹⁶ Hirschman, *The passions and the interests*, (1997), pp.59,60.

⁹⁷ Charles de Secondat Baron de Montesquieu, *De l’esprit des loix, ou, Du rapport que les loix doivent avoir avec la constitution de chaque gouvernement, les mœurs le climat la religion le commerce* (Geneve: Barillot, & Fils, 1745) pp. 174, 175.

⁹⁸ Juan Pablo Vizcardo y Guzmán, *Obra completa* (Lima: Ediciones del Congreso de la República del Perú, 1998) 2 vol.

⁹⁹ Anthony Pagden *Spanish Imperialism and the political imagination* (New Haven; London: Yale UP. 1990), pp. 117-132.

¹⁰⁰ Vizcardo, *Obra completa* (1998) vol. 2. p.129.

¹⁰¹ *Ibid.*, p.201.

¹⁰² Vizcardo’s ideas in his *Carta a los Españoles Americanos*, were reprinted later. See Juan Pablo Vizcardo ‘Carta a los españoles americanos’, *El Correo Mercantil* Lima 28 February 1822.

commerce and vice-versa¹⁰³). All this suggests that Vizcardo considered commerce as a kind of “philosopher’s stone”, so powerful and important that –given the adequate circumstances- “it will have been found to be the solution to the greater problem of humanity.”¹⁰⁴ This catalogue of virtues was also a strategy to denounce Spain’s colonial policies, which kept its American possessions exactly under the opposite system of monopoly, and which preferred the encouragement of destructive work on the mines to the improvement of other beneficial resources such as agriculture. It also served to build a parallel with Britain which followed the opposite path, and was gradually correcting its mistakes by the slow removal of barriers that obstructed the free development of its commerce. It is worth remarking that Vizcardo observed that “England still has many considerable mistakes to repair in its commercial system” by listening to the corrections that “the wise Smith” has formulated in his “estimable work”¹⁰⁵. Smith was among the many authors quoted by Vizcardo, along with Montesquieu, William Robertson, Antonio de Ulloa, Raynal, Campomanes, Gerónimo Ustáriz, and Bernardo Ward, to name only the most recurrent.¹⁰⁶

What this list of references suggests is that this vision of commerce entered the political vocabulary of South American authors during the early stages of the wars of independence mainly by two ways: the Spanish political economists, on the one hand, such as Pedro Rodríguez de Campomanes, José Campillo y Cosío, Bernardo Ward –along with Neapolitans like Antonio Genovesi or Gaetano Filangieri-, and on the other hand, by anticolonial authors, who built up a critique of colonialism, mainly of the Spanish empire, from the middle of the eighteenth century onwards from an economic perspective. Both groups of authors advocated Montesquieu’s ideas of the “doux” or “gentle” commerce as a civilizing agent and proposed a commercial image of society, but there were significant differences among them. While one group claimed the need to open South American markets to the world -criticizing Spanish systems of economic control-, the other asked that they should be opened only to the states within the Spanish monarchy.¹⁰⁷ The authors studied in this chapter read both groups –Spanish legitimist “economists” and anti-colonialists- but there were differences between them which evidently determined their

¹⁰³ Vizcardo, *Obra completa* (1998) p.132.

¹⁰⁴ *Ibid.*, p.133.

¹⁰⁵ *Ibid.*

¹⁰⁶ Vizcardo, *Obra completa* (1998), pp. 132-170.

¹⁰⁷ Anthony Pagden ‘Liberty Honour and comercio libre: the structure of the debate over the state of the Spanish empire in the Eighteenth century’ in *The Uncertainties of Empire: Essays in Iberian and Ibero-American Intellectual history* (London: Valerium 1994). See also Anthony Pagden, *Señores de Todo el Mundo: Ideologías Del Imperio en España, Inglaterra y Francia (en Los Siglos XVI, XVII y XVIII)* (Madrid: Península, 1997), p.206.

reception and impact. Spanish political economists such as Pedro Rodríguez de Campomanes and José Campillo y Cosío, as Anthony Pagden observes, did not take “much account of the wishes and self-images of the criollo elite”, and did not propose “a reform program which deprived them of their political privileges, nor in one which explicitly denigrated their claims to natural rights of possession”.¹⁰⁸ Jeremy Adelman characterises the work of these Spanish reformers in terms of a “workable compromise”, without considering any claim of autonomy or independence for the colonies, but a new foundation of the empire in terms of centralization.¹⁰⁹ The reform programs of these Spanish economists were designed to reverse Spanish decline, not to fulfil the aspirations of the colonies.¹¹⁰ On the other hand, anti-colonial works often addressed South Americans in terms of individual emancipation or self-realization, becoming much more attractive and effective to them.

Among these anti-colonialist authors, nobody developed these two ideas of commercial freedom and anti-colonialism more thoroughly than Guillaume Thomas Raynal (1713-1796) in his *Histoire philosophique et politique des établissements et du commerce des Européens dans les deux Indes*.¹¹¹ Raynal in fact became one of the harshest critics of Spanish Colonialism during the XVIII century, and the most enthusiastic believer in the powers of trade. There are traces of Raynal’s influence in the writings of Unanue¹¹², Baquijano¹¹³, Salas¹¹⁴, Funes and Mariano Moreno. Raynal was in fact Moreno’s main inspiration in writing his “Representación”, although he does not mention him. It was Raynal whom Moreno called “the most fertile genius of our century”, and the “image of commerce” he reproduced in his text was exactly like his.¹¹⁵ Commentators who have analysed the figure of Moreno, whether confirming his romantic stature as a hero, a lonesome and visionary leader ahead of his times, or despising him as a contradictory and impulsive amateur, neglecting his intellectual

¹⁰⁸ Pagden, ‘Liberty Honour and comercio libre’ (1994).

¹⁰⁹ Adelman, *Sovereignty and Revolution* (2004), pp. 24-28.

¹¹⁰ See Elliott, *Empires of the Atlantic* (2006), p.303; Jorge Cañizares-Esguerra, *Nature, Empire, and Nation: Explorations of the History of Science in the Iberian World* (Stanford: Stanford University Press, 2006), pp.96-111.

¹¹¹ Guillaume-Thomas-Francois Raynal, *Histoire philosophique et politique des établissements et du commerce des européens dans les deux Indes* (Haye: Gosse fils, 1774).

¹¹² Jorge Cañizares Ezguerra, ‘La utopía de Hipólito Unanue’ Marcos Cueto ed. *Saberes andinos Ciencia y tecnología en Bolivia, Ecuador y Perú* (Lima: IEP Instituto de Estudios Peruanos. 1995)

¹¹³ Sociedad Académica de Amantes de Lima, *El Mercurio Peruano* N27 (1791), p. 245.

¹¹⁴ The reading of Raynal was often controversial among South American elites, because he followed Pauw and Buffon ideas of American degeneration; however he expressly excluded Chile from this last dictum and presented the country as a promised land of riches. It was probably this optimistic view of Chile, what induced Manuel de Salas and his colleagues to state that their country was probably the richest in the continent. See Guillaume-Thomas-Francois Raynal, *Histoire philosophique et politique* (1777), pp.237-239.

¹¹⁵ Moreno followed Raynal. Raynal, *Histoire philosophique et politique* (1774) vol. 7, pp. 294, 295.

credentials, have generally dismissed the importance of Raynal's influence in his writings, stressing his links with Spanish legalist tradition of Villalba, Solorzano and Pinelo.¹¹⁶

Raynal's multi-volume *Histoire* has been considered one of the emblems of eighteenth-century Enlightenment.¹¹⁷ It was one of the bestsellers of the era, and one of the most execrated books at the time, particularly by the Spanish crown. One of the most singular features of the book is that it actually was a collective work, one of its most important contributors being Denis Diderot, who has been credited with the most appealing, poignant, and, as P. N. Furbank declared, memorable passages of Raynal's book.¹¹⁸ Since its first edition, the *Histoire* had many later versions which varied significantly from the original, and as J. G. A. Pocock observes, also embrace several internal contradictions,¹¹⁹ although the notion of active commerce, that is a kind of trade that encourages the development of agriculture and industry, remained as one of its main themes. In one of the early versions of the *Histoire*, Raynal claimed that Europe was divided by the effects of a "great moral revolution" commanded by commerce and Spain was among those kingdoms which remained outside it, because of its "slow, toilsome and tyrannical march" in the New World.¹²⁰ Meanwhile other nations with their commercial practices have flourished through trade, but Spain –Raynal stated- only looked for silver and gold, considering these metals as "a matter of commerce in themselves."¹²¹ While the rest of Europe was taking care of their colonies, he added, Spaniards had "learned at their own cost, that the industry they were losing was worthier than all the riches they were gaining", forgetting that it was not gold, but "the love of labour, which at present constitutes the chief strength of a state".¹²² He added that it was better to "enervate humans under the roof of workshops" than to kill them on the battlefield.¹²³

Diderot's interpolations to Raynal's *Histoire* came to a fulfillment in the 1780's edition of the book.¹²⁴ It has been said that he used Raynal's structure to hang his own ideas upon, so that almost a fifth of the book might be his work, and as P.N. Furbank has stated,

¹¹⁶ See also Levene, *El mundo de las ideas* (1956); Manuel Giménez Fernández 'Las ideas populistas en la independencia de Hispanoamérica'. *Anuario de estudios americanos*. 3 (1946), pp. 517; Halperín *Tradición política española e ideología de mayo*; Molinari, *La representación* (1939), pp. 149.

¹¹⁷ Philip Nicholas Furbank, *Diderot: a critical biography* (London: Secker & Warburg, 1992), pp. 415-471; See also Pagden *Señores* (1997) p.209.

¹¹⁸ Furbank, *Diderot* (1992), pp. 417, 418.

¹¹⁹ John Grenville Agard Pocock, 'Commerce, Settlement and History: A reading of the *Histoire des deux Indes*' in *Articulating America: Fashioning a National Political Culture in Early America: Essays in Honor of J.R. Pole* (Rowman & Littlefield, 2000), p.35.

¹²⁰ Guillaume-Thomas-Francois Raynal, *Histoire philosophique et politique* (1774) vol. 7, p. 189.

¹²¹ *Ibid.* pp. 285-287.

¹²² *Ibid.*, p. 293.

¹²³ *Ibid.*, p. 294.

¹²⁴ Furbank *Diderot* (1992) p.417.

it was actually Diderot who turned Raynal's book into an anti-colonialist manifesto: "The message" of Diderot's "interpolations", Furbank claimed, was "that colonialism, in its very nature, was a crime; it brought its victims none of the famed benefits of "civilization".¹²⁵ Raynal's opinions about commerce, particularly the long reflection on it in the *Histoire's* last volume, have been attributed to Diderot,¹²⁶ a fact which is confirmed by the important alterations that existed between the editions of 1774 and 1780 concerning that section. So it was Diderot who stated that commerce was "the engine of the world", and who claimed that commerce should promote the development of agriculture and industry,¹²⁷ considerations which were added to the following vision of commerce, which remained unaltered:

The same spirit that Newton had to calculate the motion of the stars, he employs in tracing the march of the commercial people that fertilize the earth. His problems are the more difficult to resolve, because their circumstances are not simple, abstract and determined, as in geometry, but they depend upon the caprices of men, and the uncertainty of a thousand complicated events...the merchant also... takes in both worlds at one view, and directs his operations upon an infinite variety of relative considerations, which it is seldom given to the statesman, or even to the philosopher, to know and estimate. Nothing must escape his sight; he must foresee the influence of seasons, the abundance, the scarcity, and the quality of provisions; the departure or return of his ships; the influence of political affairs upon those of commerce; the revolutions that war or peace must occasion in the prices and demands for merchandise, in the quantity and choice of provisions, in the state of the cities and ports of the whole world.¹²⁸

Diderot's economic ideas were engulfed in a discourse which eloquently encouraged South American settlers to gain personal freedom, and to tear down the walls which kept them isolated, in a state of physical and moral stagnation. He praised the emergence of a new citizen for an era of freedom and peace through the practice of commerce, which he considered to be a scientific occupation which needed the knowledge of men and things.¹²⁹ These new sciences and professions were unifying the whole world, building ties to gather

¹²⁵ Ibid., p. 417.

¹²⁶ Pagden *Señores* (1997) p. 209.

¹²⁷ Raynal, *Histoire philosophique et politique des établissements et du commerce des Européens dans les deux Indes* book 10 (Geneve : Chez Jean-Leonard Pellet, 1780), p.231.

¹²⁸ Ibid., pp. 246, 247.

¹²⁹ Ibid., p.248.

“a big family”,¹³⁰ so that tradesmen ought to be proud of their occupation, which replaced the values of honour by those of good faith and personal credit.¹³¹ Commercial activity would intertwine the fortunes of peoples in a delicate equilibrium of exchanges which would affect every part of what Diderot described as a symbolic body, but to achieve this they must “tumble down” the “ill fated” walls that enclosed nations and impeded their free communication.¹³²

Jeremy Adelman considers that defences of local commercial interest such as those of Buenos Aires, exposed in this chapter were completely harmless in terms of defiance to the Spanish Crown, and that “at no point translated into a challenge to crown authority”, without being necessarily a defence of free trade.¹³³ However, it is worth considering that these economic notions inspired by the influence of anti-colonial thought might have plausibly encouraged a feeling of autonomy, and other ideas, among local elites. It is only by considering such influence that we can understand the prominence that the idea of circulation –of people, ideas, and things- acquired in the political and economic vocabulary of the period, in which the material and moral powers of commerce were often represented through physiological or mechanical metaphors. It is not a coincidence, for instance, that many pioneers and early leaders of emancipation on the Southern Cone, such as Hipólito Unanue, Felix Devoti, in Perú, or Camilo Henríquez in Chile and Buenos Aires, were medical men who discussed economic affairs just as they were discussing the blood that circulated in the body, or even who combined the fields of physiology and electricity, like Felix Devoti, who particularly experimented with electrical medicine. It is perhaps useful to remember that by 1802 Humphry Davy in his lectures on Agricultural Chemistry in London was discussing human activity and promoting a visionary view of science in which he compared the awakening of man from slumber with the impact of a political revolution.¹³⁴ A close reading of the writings of these and other authors shows how several instruments of communication or circulation became emblems or barometers of civilization, such as commerce, the press, roads, navigable rivers and even canals, because they shared a power to irrigate and revitalize the land and its inhabitants.¹³⁵ This is why commerce, in its effects, was assimilated with the press, to a point that both words became almost interchangeable as

¹³⁰ Ibid., p.251.

¹³¹ Ibid., p.252.

¹³² Ibid., pp. 275, 276.

¹³³ Adelman *Republic of Capital* (1999), p. 46.

¹³⁴ Richard Holmes, *The Age of wonder: How the Romantic Generation Discovered the Beauty and Terror of Science*. (London: Harper Collins, 2008), pp. 288, 289.

¹³⁵ Juan García del Río, ‘Progresos de la civilización’, *El Telégrafo* 66, 11 February 1820. See also: *La Abeja Argentina* 4, 15 July 1822.

“agents” destined to enliven a dead or decaying body with the energizing impact of communicating what had so far remained isolated. Only by considering this it is possible to understand how the “image of commerce” displayed by Raynal and his followers was able to ignite their imaginations as a breath of life which was able to invigorate a metaphorical body with its infinite powers to propagate a sequence of enchained benefits, just like Adam Smith pictured the political body: “like a great, immense machine, whose regular and harmonious movements produce a thousand agreeable effects”.¹³⁶ These visions of circulation gave these authors an expressive rhetoric of change so that against an image of lethargy attributed to colonial times they raised an opposite image of independence as an awakening of an electric kind, which is peculiar, considering that electricity was then a phenomenon reduced to thunderbolts and closer to a chimera than to any kind of practical device. It certainly had something to do with the image of Benjamin Franklin taming the thunder, with all its revolutionary implications. In a tribute to Francisco Antonio Cabello published in the pages of *El Telégrafo*, the commercial journal he founded in Buenos Aires in 1801, Ennio Tullio Gropf, one of its contributors, celebrated Cabello’s foundation of commercial journals and societies in Lima and Buenos Aires as beneficial influence that he compared to the “exciter of an electric machine” which threw sparks of life everywhere, bringing life where nobody thought there was any sign of activity. Images of commerce, light and electricity converged here into an imaginary -and improbable- sparkling artefact.¹³⁷ The image of electric shocks which enliven what was apparently inert, described different phenomena and institutions associated with general notions of circulation, so that the ideas of commerce, electricity, communication and lights became connected with the image of Independence –which was also seen as some kind of electric shock-. According to this polarized frame, during the Spanish regime things were fixed by different restrictions and also isolated. Spanish economic impositions were not only interpreted as material but also as barriers that blocked the circulation of foreign ideas, so that by the beginning of the XIX century several authors considered that Spanish colonialism had kept the Southern Cone benighted, out of the “luces del siglo” –the lights of the century-, imposing a monopoly on “scientific” and “experimental knowledge” by placing barriers between the region and the civilized world.¹³⁸ This system of isolation not only had a geographical impact but also a temporal one, because Spaniards had managed to keep the continent out of time, deep in centenary

¹³⁶ Adam Smith, *The theory of moral sentiments* (Edinburgh: A. Millar, 1761), 2 vol., p.389.

¹³⁷ Ennio Tullio Gropf “Encomio” *Telégrafo Mercantil* (IV ,7) 23 March, 13 June 1802 pp.97, 98.

¹³⁸ Bernardo Monteagudo claimed that “scientific knowledge”, “experiments” and the advances of “physic and moral sciences” did not reached Spanish America. See *El Censor de la Revolución* 1 Santiago, Chile 20 April 1820.

slumber, unaware of that general movement and dynamism that was stirring Northern Europe, and particularly Great Britain, a nation which was perceived as the epitome of trade, civilization and liberty, virtues that were generally ascribed to the British Empire. Bernardo O'Higgins's words, in this sense, can be considered as paradigm of the anglophile reaction of these times: "the more I meditate and reflect about the British Empire, and about the circumstances that had raised it to an incomparable height in modern history", he wrote, "the more I convince myself that Great Britain has been chosen in this age by Divine Providence to be the useful instrument that takes to the highest level of progress and happiness the human race".¹³⁹ From this perspective, it is possible to suggest that Spanish American authors viewed the political emancipation of their countries as a "commercial revolution", considering for instance how in Buenos Aires José Antonio Valdés proclaimed that commerce's "moral revolution" was even bigger than the political revolution.¹⁴⁰ Valdés characterized this revolution in terms of circulation by the communication of arts, idioms, and travellers, a correspondence of ideas and peoples which have "changed their life": the constant arrival of new commodities had caused admiration among its customers and awakened a spirit of comparison and emulation among local artisans. This circulation was a discovery that had occasioned "a spiritual enhancement, or an apprenticeship similar to the awakening of children when they start their school life".¹⁴¹

A belief in the civilizing powers of trade is a common feature in the writings of the learned elites of the Southern Cone from the colonial crisis into the 1830s, as shown by the work of a wide range of authors such as Hipólito Unanue, Camilo Henríquez, Mariano Moreno, José Antonio de Irisarri, Juan García del Río, Andrés Bello, Manuel Lorenzo Vidaurre and Manuel Belgrano. Many of these authors can be characterized by a kind of mindset whose lines are proposed by Peggy K. Liss,¹⁴² and who Paul Gootenberg,¹⁴³ - described in the Peruvian context as "beleaguered liberals"-, and Simon Collier - in the Chilean one,¹⁴⁴ characterize as cosmopolitan, enlightened, reformist and anglophile. The underlying agreement in all these authors is their belief in the civilizing powers of commerce and the influence that political economy as an intellectual discourse had among them, which eventually converged in a vision of society as fundamentally commercial or "privatized".

¹³⁹ Patricio Estellé, 'Documentos: Epistolario de don Bernardo O'Higgins', *Historia* 11, Santiago (1972-1973), p.439.

¹⁴⁰ Juan Antonio Valdez, 'Finaliza el artículo Colonias' *El Censor* N39, 23 May 1816, pp.3, 4, 9.

¹⁴¹ *El Censor* N40, 30 May 1816, p. 3.

¹⁴² Liss, *Empires Atlantic* (1984), p.270.

¹⁴³ Gootenberg, *Guiding the invisible hand*. (1988.), pp. 63-97. See also Paul Gootenberg, *Caudillos y Comerciantes. La formación económica del Estado peruano, 1820-1860*, (Cuzco: Centro de Estudios Regionales Bartolomé de Las Casas, 1997), pp. 63-70.

¹⁴⁴ Collier, *Ideas and Politics*, pp.131-137.

This was a new worldview which encouraged the development of private interests and that saw society as an entanglement of exchanges, and citizens as consumers. A process that Jeremy Adelman describes in the Buenos Aires, where at the turn of the century, Spanish creoles began “to sort out the intellectual principles of an alternative political community”, where interests were begging to obey the market instead of political rules.¹⁴⁵ More than a century before, Juan María Gutierrez observed how “the men of progress” of that city, who pursued the rational emancipation of the citizen, put the “patria” “in free contact with the rest of the world through commerce and the open and favoured arrival of men of every nation”.¹⁴⁶ Argentina, following Tulio Halperín’s tantalizing formula, might have been “born liberal”,¹⁴⁷ although that did not happen automatically or instantly, but after a long process of intellectual and cultural debate.

A lever and a compass

El Mercurio Peruano and *El Telegrafo Mercantil* introduced into Lima and Buenos Aires an economic analysis of society which spoke in terms of reform. From then on, political economy was assumed to be the best tool available to organize the new republics of the Southern Cone. There was a transition from Physiocracy, which was the clear inspiration of most of the early economic writings of the region, towards a classic vision of political economy, which in the definition proposed by Adam Smith was considered “as a branch of the science of a statesman or legislator, (which) proposes two distinct objects: first to supply a plentiful revenue or subsistence for the people, or, more properly, to enable them to provide such a revenue or subsistence for themselves; and secondly, to supply the state or commonwealth with a revenue sufficient for the public services”.¹⁴⁸ The term classical political economy is actually a wide umbrella that deserves further elaboration to clarify its principles. It has been considered a decidedly different approach to the traditional visions of economic theory that offered specific responses to analyse decisions of production and distribution during the formation of economic theory. In that sense the term covers a wide range of authors from Quesnay to McCulloch, and even beyond, although it proposed a thematic coherence on key aspects such as a labour theory of value, a theory of rent, the introduction of class analysis, technical change, and the role of profit rate as a determinant

¹⁴⁵ Adelman, *Republic of Capital*, (1999), p.74.

¹⁴⁶ Juan María Gutiérrez *Los poetas de la revolución* (Buenos Aires: Academia Argentina de Letras, 1941), pp.371, 372.

¹⁴⁷ Tulio Halperín Donghi, ‘Argentina: Liberalism in a Country Born Liberal’ in Love and Jacobsen, *Guiding the Invisible Hand*, (1988) pp. 99-117.

¹⁴⁸ Adam Smith *An inquiry into the nature and causes of the Wealth of nations*, (London: George Routledge 1888) p.323.

of accumulation¹⁴⁹. It also seems useful to follow Foucault's notion of this term as a stage previous to the arrival of David Ricardo's ideas, a period he characterizes by its optimism in terms of resources and population. This fits with Smith's vision of a "plentiful revenue or subsistence for the people", and with the economic imagination of South Americans who insisted on seeing their countries as paradises of inexhaustible riches, that lacked population –or were indeed calling for immigrants- and where industry was virtually inexistent.¹⁵⁰

Newspapers, journals and the few books published in the major cities of the Southern Cone during the first decades of the XIX century show that an economic perspective permeated the analysis of public affairs and reveal a general aspiration to achieve an economic rationality in those issues. Most newspapers and learned journals published in Buenos Aires and Santiago de Chile announced that political economy would be a prominent feature of their pages.¹⁵¹ Most of these journals presented themselves as literary, industrial or commercial, in a formula that designated a selection of topics which comprised commerce, agriculture, medicine, hygiene, police (in the French sense of the institution which supervised streets, hospitals, markets, and public order, among many other activities), geography and statistics, a pattern which was early established by *El Mercurio Peruano* and *El Telégrafo de Buenos Aires*. The case of *La Abeja Argentina*, the learned journal published by the "Sociedad Literaria de Buenos Aires", is illustrative: its headings were Economy, Public credit, History, Medicine, Poetry, Chemistry, Meteorology, Agriculture, Public instruction, Hygiene, Geography, Statistics and Exact sciences. In this magazine, whose name reminded its readers of its industrious intentions, there were few political articles, although this learned journal always had a political sting. All these issues were generally connected by a commitment to develop useful knowledge that had an economic intention. In an essay published in *La Abeja*, Esteban De Luca proclaimed that the journal would give a "rapid view of the most general means available to increase the country's productions" to attend to the demands of public instruction, the relief of the poor, the building of ports and canals

¹⁴⁹ Gerard Dumenil, Dominique Levy 'Classical political economy' Phillip Anthony O'Hara *Encyclopedia of Political Economy* Volume 1 (London, New York: Routledge 1999) pp. 109-111

¹⁵⁰ Foucault *The Order of Things* (2001), pp. 280, 281.

¹⁵¹ For the case of Buenos Aires see: 'Advertencia' *Los Amigos de la Patria y la Juventud* (Buenos Aires Imprenta de Gandarillas y socios 1815), *El Censor*, 29 14 March 1816, p. 2, Julián Segundo de Agüero *La Abeja Argentina*, 1, Buenos Aires 15 April 1822, p.4. See Gutiérrez *Los poetas de la revolución academia argentina* (1941), p41; Los ecónomos, 'Economía política' *Gaceta de Buenos Aires* 12 September 1827, 'Economía política' *Argos de Buenos Aires* (40) 5 June 1822.

In the case of Santiago see: 'Economía Política', *El Chileno*, 1, 22 July 1818, answering previous notices published in *El Argos*, *El Sol* and *El Duende* in 1818; 'Hacienda', *El Despertador Araucano Periódico Político y Literario* N1, 3 May 1823, pp.10, 11; 'Fragmentos de Economía Política' *El Cosmopolita* N3 Santiago, August 1822. 'Economía Política', *El Liberal*, 31, Santiago 20 September 1824.

and the advancement of industry and national trade.¹⁵² De Luca's statement suggests how scientific development, and industry –or “arts”- ultimately converged in the fields of social reform and economy, which were actually orientated to the achievement of public and private prosperity, through commerce, industrial development and an education based on the principles of useful knowledge. There were *Abejas* in Chile and Perú: the *Abeja Chilena*, written by Juan Egaña, closely followed the model of her Argentinean homonym. The Peruvian version, *La Abeja Republicana*, as its title announced, was more political in its intentions than the others.

Public prosperity became the administrative priority of these republics, signifying a fusion of the traditional vision of “Public happiness” with the direct pursuit of material wellbeing, which blended private interests into public good. Political economy, in this sense, offered a way to make both ends meet. By the last decade of the XVIII century, that discipline had become a sign of the times, particularly among British reformers who were equally concerned with the destinies of South America. It was exactly from this perspective that José Joaquín de Mora, the Spanish emigré in London who was deeply influenced by Bentham and Mill's ideas, and who pursued an important educational labour in the Southern Cone, announced that the new South American republics were experiencing “one of the greatest and important experiences that political combinations could offer”. It was an argument which rested on the apparent riches of the “new world” and their capacity to “become able new markets willing to receive foreign manufactures, mainly British, in a charming perspective of mutual development”.¹⁵³ As Thomas Love Peacock's novel *Crotchet Castle* ironically suggests, by the 1810's political economy had become a “sublime science”, which also was “a technology” and “a compass”,¹⁵⁴ that is, the exact instrument to direct humanity towards a greater stage of improvement. That was exactly what political economy meant for South American learned elites: the epitome of a rational or enlightened way to organize national resources and expenses to access the circle of civility. But political economy also became an emblem of reaction against the immediate “gothic” past. Bernardo Monteagudo, a journalist and revolutionary leader of the region's Independence, expressed this opposition when he wrote that “economic science was absolutely in opposition to colonial laws”.¹⁵⁵ In this sense political economy fuelled an opposition between Spain and its former colonies which characterized their emancipation as the opportunity to follow a

¹⁵² Esteban de Luca, ‘Reflexiones económicas’, *La Abeja*, (14) 15 June 1823 pp. 161, 162.

¹⁵³ José Joaquín de Mora, *El Mercurio*, 1 May 1828, p.60.

¹⁵⁴ Thomas Love Peacock, ‘Crotchet Castle’ in *The works of Thomas Love Peacock* (London: Dent 1911) p.362.

¹⁵⁵ Bernardo de Monteagudo, *Memoria sobre los principios políticos que seguí en la administración del Perú, y acontecimientos posteriores a mi separación* (Santiago de Chile: Imprenta Nacional, 1823), p15.

model offered by Anglo-Saxon countries.¹⁵⁶ Great Britain, which was seen as the commercial and civilized nation *par excellence*, emerged as the best social and economic model to follow. The anti-colonialist discourse of the era was inflamed by a rhetoric of antagonism. Camilo Henríquez and Joaquín Campino claimed that “nobody ignores that economic science had been forbidden to our education, because its precious documents would have satirized the bad governments we so far have had”. That order of things had fortunately finished, the argument went on, through the arrival of freedom and the circulation of things and knowledge. “Lights grow with communication”, they stated.¹⁵⁷ In this context, political economy also became an emblem of patriotism, a credential of one’s commitment to raise the country, just as Jovellanos, the influential Spanish political economist once wrote: political economy was the “science of the patriot and the citizen”.¹⁵⁸ Political economy did not comprise only the financial organization of these countries. Andrés Bello claimed that political economy “had been generally adopted as the base of legislation and administration among cultured peoples”.¹⁵⁹ This connection between political economy and legislation and administration, signalled how political economy also entailed the promotion of social order. The duty of political economy was, in fact, to do the work of civilization.¹⁶⁰

Springs of wealth and free trade

The challenge of the economic administrations in Perú, the United Provinces and Chile was enormous and similar, because the three countries shared the same problems which can be summarized as a general bankruptcy. There was a great lack of means of circulation, agriculture, mining, and any kind of local industry were abandoned; local population had decreased and there was a flagrant contraband which violated custom houses. Moreover, British economic influence was becoming greater as they were consolidating their role as the biggest trading partner of these nations. One of the first duties assumed by the new administrations was to define which economic activity ought to be the main source of national wealth to provide a solution for this crisis. This was considered as a crucial step in economic development. Manuel Moreno, for instance, in his “Vista Político Económica de la Provincia” remarked that these new republics were facing a decisive moment to determine their economic future. Once national independence was

¹⁵⁶ Collier, *Ideas and Politics* (1967), p.201.

¹⁵⁷ Camilo Henríquez *El Despertador Araucano Periódico Político y literario*. 3 May 1823.

¹⁵⁸ Gaspar Melchor de Jovellanos, *Obras: publicadas e inéditas* (Madrid Ribadeneyra, 1859) Vol. 2, p.439.

¹⁵⁹ ‘El Araucano’, *El Araucano*, 30 April 1841.

¹⁶⁰ Gutiérrez *Los poetas* (1941), p. 357.

granted, he stated “the most interesting question that needs to be answered is which orientation it will give to its capitals and industry. That is, if the government’s attention will be set on commerce or agriculture”. “Very few times”, he added, “had the world’s politicians such an occasion to discuss this great subject, because there are few examples of a nation that had gathered to quietly examine its destinies.”¹⁶¹ Manuel Lorenzo Vidaurre, in his *Plan del Perú*, agreed with that opinion and stated that “all nations were examining which should be the spring of their wealth”.¹⁶² Such decisions ultimately pointed towards a definition of each nation’s economic or productive self-image. Peruvian learned élites made an early statement of their nation’s destiny as a mining country, when Baquijano y Carrillo, in *El Mercurio Peruano*, contradicted political economy’s dogma which considered mining a ruinous activity and asked for the introduction of mineralogy and scientific ways to work the mines. Decades later, in 1821, Hipólito Unanue, as a minister in San Martín’s “Protectorado”, affirmed that while “other countries were destined to the prosperity of agriculture”, “mines were Perú’s patrimony”, but such a destiny demanded public and private application to develop scientifically an activity that had been practiced in a rudimentary manner¹⁶³. If Perú made clear and early statements of its mining destiny, most of the opinions tended to define Chile as an agricultural country,¹⁶⁴ although there was an underlying tension between agriculture and mining parties. By the end of the 1830’s, voices that sustained Chile’s mining destiny gathered strength when the Northern district gradually began to be explored by miners and adventurers.¹⁶⁵

In the United Provinces there were debates between people who stated the prominence of agriculture, livestock, and industry. In 1816, Antonio José Valdez in *El Censor* observed that the country was a nation of shepherds and farmers, rather than manufacturers or industrialists. Every manufactured commodity available, he stated, came from abroad, in what he considered was an assault against national honour.¹⁶⁶ In this view of things, agriculture was the root of industry and commerce, producing staples and allowing farmers to export their surpluses to the rest of the world. The fact that the United Provinces was actually a nation of shepherds worried the secretary of the Agricultural Commission formed

¹⁶¹ Manuel Moreno, ‘Vista Político Económica de la Provincia’ *La Abeja Argentina* 1 Buenos Aires 15 April 1822, pp.5-10.

¹⁶² Manuel de Vidaurre *Plan del Perú, defectos del gobierno español antiguo, necesarias reformas obra escrita por el ciudadano Manuel de Vidaurre a principios del año de 10 en Cadiz, y hoy aumentada* (Philadelphia: Imprenta por Juan Francisco Hurtel, 1823). P. 177.

¹⁶³ Hipólito Unanue, *Gaceta del gobierno*, 31 october 1821.

¹⁶⁴ ‘Decreto de Santiago’ *El Araucano* N 19, 22 January 1831; see also ‘Interior: “La agricultura es sin disputa el principal elemento de nuestro comercio”’ *El Mercurio de Valparaíso* N86, 11 October 1831.

¹⁶⁵ *El Telégrafo*, 24, 6 August 1819.

¹⁶⁶ Antonio José Valdez, ‘Lujos’, *El Censor* (51)15 August 1816, pp.2, 3, 4. See also, ‘De la extracción de granos, y de la tasa y medida a qué debe sujetarse’ *El Censor* (139) 16 May 1818 pp.2, 3.

in Buenos Aires, Mariano Zavaleta, who considered that La Plata's vast plains, instead of being developed by cultivation had been used to grow the most "primitive" of all industries: livestock raising. *La Abeja Argentina* and *El Argos* were active in the promotion of agriculture as the main source of the nation's income. In April 1822, Rivadavia invited the members of the Literary Society, which was mainly concerned with economic affairs, to propose the best plan to develop agriculture. The administration, Rivadavia concluded, preferred agriculture over any other source of wealth considering that the country "still was in its cradle".¹⁶⁷ Despite these wishful statements, agricultural development still lagged behind. Felipe Senillosa denounced in *La Abeja Argentina* that the nation's biggest problem was the contrast formed between the "traffic and agglomeration" of Buenos Aires and the dilated and abandoned fields of the hinterland.¹⁶⁸ Senillosa was one of the most notorious promoters of industrial development in Buenos Aires from the pages of the journal he edited, *Los Amigos de la Patria y la juventud*, between 1815 and 1816, demanding the diffusion of useful knowledge to develop local production instead of importing foreign artefacts that could be developed in the country, asking for the "obstruction" or taxation with high duties of those foreign products.¹⁶⁹ Development of local industry was usually associated with the arrival of qualified or learned immigrants. *El Censor* followed *Los Amigos de la Patria y la Juventud* in its promotion of a development of manufacturing through the introduction of qualified immigrants in the country.¹⁷⁰ In July 1822, *El Argos* announced the arrival in Buenos Aires of the French mathematician and geographer Charles Ambroise Lozier to establish an industrial school inspired by the development of useful arts and sciences. It was not emigration that actually mattered but the arrival of ideas. What these new nations craved were not just foreign people, but their knowledge and insight. In this sense Britons were seen as necessary to local development. In Buenos Aires, *El Censor* declared that although it might hurt national pride, it should be admitted that the United Provinces needed foreigners, much more than they needed Argentineans. The state, the article added, should invite useful or skilled workers and manufacturers to stay in the country, granting them all the protection and privileges it could.¹⁷¹ In Perú, there was a similar situation and immigration was also considered to be a key factor for industrial development. The author of a letter published in *El Correo Mercantil* stated that he did not offend any liberal lover of

¹⁶⁷ *El Argos* (26) 17 April 1822.

¹⁶⁸ Felipe Senillosa, 'Economía Rural' *La Abeja Argentina* 8 Buenos Aires 15 November 1822 p.298

¹⁶⁹ 'Del apremio que debe hacerse de las artes y las ciencias... Industria y comercio' *Los Amigos de la Patria y la juventud*, Buenos Aires, May 1816.

¹⁷⁰ 'De los medios de introducir en la campaña brazos e industria. Continuación' *El Censor*, (171), 26 December 1818 p.3.

¹⁷¹ *El Censor*, (32) 4 April 1816.

his country by declaring that Perú needed qualified foreigners, not only Britons (which apparently were the natural choice) but also French and Germans.¹⁷² A later issue of the same journal affirmed that the arrival of foreigners would bring more products, occupations, and workers so that local costumes and habits would be consequently reformed; ultimately local fortunes would also grow (hopefully not in a disproportionate degree).¹⁷³ Foreigners played a similar part in Chilean industrial development. Mariano Egaña, for instance, the agent who signed the contracts to establish mining companies during 1825, considered that those undertakings were also a medium to establish colonizing companies in Chile. Some years later, in 1829, *El Mercurio de Valparaíso* declared that the increase of foreigners would make a poor state rich, by allowing the arrival of “knowledge in sciences, the diffusion of industry, and what is more, [the coming] of great capitalists”. Truly liberal Governments (meaning generous ones), the newspaper added, should attract foreigners with adequate and fair laws. If the soul of commerce was freedom, the article concluded, foreign traders and entrepreneurs, “seeing that there is no freedom for their speculations, because they are loaded with taxes, would not want to establish themselves among us”.¹⁷⁴

Freedom of trade was the other main concern faced by the economic governments in the United Provinces, Perú and Chile, which debated how open its markets should be to foreign imports. Such debates were ultimately focused on the role that commerce was supposed to play with agriculture and industry and there were three basic answers to this dilemma. The first of these visions considered that commerce was an activity conditioned to the previous development of agriculture. This was a legacy of French physiocracy which considered trade as an ancillary occupation. The second vision claimed that agriculture and industry were both truly productive activities, while trade’s only mission was to move their products. This vision of commerce –tied to agriculture and industry- was clearly elaborated by Raynal. These two first lines of argument gravitated towards the idea of “useful” or “active” commerce, a concept which had a lasting presence in the economic thinking of the Southern Cone during this period, in Perú, Chile and Buenos Aires.¹⁷⁵ These arguments may have a neo-mercantilist appearance, although there was also a liberal principle underneath,

¹⁷² ‘Artículo comunicado Referencia al Imparcial’ *Correo Mercantil Lima*, (56) 9 November 1822.

¹⁷³ ‘De la libertad de Perú’, *El Correo Mercantil Político y literario* (2) 19 December 1819.

¹⁷⁴ *El Mercurio de Valparaíso* (46) 31 January 1829.

¹⁷⁵ Ascensión Martínez Riaza, *La prensa doctrinal en la independencia del Perú: 1811-1824* (Madrid: Ediciones Cultura Hispánica, 1985) pp. 256, 257. See also Camilo Henríquez ‘Observaciones sobre la población del reino de Chile’ *La Aurora de Chile* (27) February 1812. Bernardo Monteagudo ‘Sobre la revolución de Sud América Continuación’, *El Censor de la revolución* (147), 11 July 1818; ‘Variedades’ *La Abeja Argentina* 1 Buenos Aires 15 April 1822, pp.29, 32, ‘Agricultura’ *La Abeja de Buenos Aires* 3, 15 June 1822, p. 90; *Gaceta de Buenos Aires* 72 12 September 1821; *El Argos* 25 29 Septiembre 1821. For a general overview in Chile: Robert. M. Will. ‘The Introduction of Classical Economics into Chile’, *The Hispanic American Historical Review* 44 (1964), pp. 1-21.

considering they usually asked for the development of the citizen as an industrial actor, aspiring to break the restricted circle of an economy exclusively based on the export of silver. It is important to consider that “passive” commerce was also equated with contraband, a practice which was publicly reviled as the cause of the economic nightmare these nations were enduring and as a relic of the colonial past they were desperately trying to leave behind. In general this line of argument was framed into a question that said: Imports or exports? Foreign or local manufactures? Such questions were often formulated adducing examinations on the actual meaning of national sovereignty and entailing critics of the excessive prerogatives given to foreigners, particularly Britons.¹⁷⁶ A common reproach endorsed by those who sustained this opinion was that governments had started where they should have ended, establishing libraries, museums, academies of mathematics and drawing, and universities, instead of institutions to foment national industry.¹⁷⁷ No matter if these authors encouraged prohibitions and obstructions to commerce, they still believed in its physical and moral powers. Take for instance the case of Hipólito Unanue, who considered that the state’s “public wealth” “was a tree whose roots were agriculture and its branches were industry that produced the fruits; foreign trade was the leaves under whose shadow people found “pleasure and voluptuousness”. “Commerce”, he affirmed, “was the useful and necessary union of all social beings”, by a physical correspondence and a moral communication. “Everything is commerce and barter in mankind”, Unanue declared. Commerce, he added, had formed families and then empires, uniting the whole universe with their mutual communication. Local commerce was another tree, with its own branches and fruits that were the local particularities, customs, usages and laws. Thus, commerce was at the root of political laws, of social rites and of the rights and duties of every citizen. Commerce, according to this ideal vision, was intended to be an equal exchange of superabundant commodities for those superabundant foreign goods that the country needed, and vice versa.¹⁷⁸

The third vision of commerce emerged between 1821 and 1823 claiming that commerce should be encouraged independently from the development of local agriculture and industry in the context of a free market. The main source of these ideas was the French economist Jean Baptiste Say in his *Treatise of Political economy* which can be considered as the most popular work on political economy in the Southern Cone during the first half of the

¹⁷⁶ See particularly the case of Hipólito Unanue in Luis Alaysa Paz Soldán, *Hipólito Unanue (Unanue, San Martín y Bolívar)* (Lima: Impr. Santa María, 1952), pp.114-118.

¹⁷⁷ ‘Economía Política comunicado’, *El Argos de Buenos Aires* 24, 15 September 1821.

¹⁷⁸ ‘Reflexiones sobre el comercio’, *Correo Mercantil Político y literario* 10 Lima 25 January 1822, pp. 1, 2.

century.¹⁷⁹ One of Say's most significant contributions in this field was his proposition that commerce was a kind of industry in itself, the "commercial industry" as he called it. Say affirmed that commerce really contributed to production by creating value, narrowing the gap that separates producers and consumers, forming new markets, and new relations between peoples.¹⁸⁰ He considered that neither Adam Smith nor Raynal had a clear idea of the real importance of trade, and failed to acknowledge its power, considering it as an auxiliary force to agriculture and industry.¹⁸¹ In fact Say made the most eloquent case to enhance the powers of circulation and free trade, assuming that money was like oil smothering the movements of a complicated machine, encouraging the circulation of capital.¹⁸² Say expressly condemned any restrictive or prohibitive system to favour national exports, and disapproved of any sort of governmental intervention to promote local industry.¹⁸³ In doing so, governments might have the best of intentions, but they could end up giving lethal blows to local production.¹⁸⁴ Nations, Say concluded, as human bodies had a "vital principle", and they were better left alone, because they were capable of recovering their health and balance naturally without any assistance.¹⁸⁵

Say claimed that every kind of industry –be it rural, manufacturing or commercial– was composed of three phases: theory, application and execution. Each of these phases implied a different kind of activity which was executed by a specific type of worker. Theory belonged to men who studied the laws of nature, that is, the sages or savants. Application was done by those who took advantage of this last knowledge to produce useful objects, such as farmers, industrialists, merchants and business men. Execution was done by those who acted according to the directions given by the first two groups, these were the workers¹⁸⁶. While examining the phases of "commercial industry" Say observed the importance that geographers, travellers and astronomers had in the development of foreign trade.¹⁸⁷ In this way Say advised public involvement in scientific endeavours promoting travel, exploration and the foundation of museums, libraries and universities¹⁸⁸. Consequently if the government was not an active economic agent it should intervene

¹⁷⁹ For Say's influence see Robert M Will (1964) and Steven Topik, Allen Wells *The Second Conquest of Latin America: Coffee, Henequen, and Oil During the Export Boom, 1850-1930* (Texas: University of Texas Press, 1998) p.33.

¹⁸⁰ Juan Bautista Say, *Tratado de economía política: exposición sencilla del modo con que se forman, se distribuyen y se consumen las riquezas: con un epítome y un índice razonado de las materias* (Paris: Lecoq, 1836) p.115.

¹⁸¹ *Ibid.*, p.116.

¹⁸² *Ibid.*, pp. 126, 127.

¹⁸³ *Ibid.*, pp. 57, 65, 66, 90.

¹⁸⁴ *Ibid.*, p. 96.

¹⁸⁵ *Ibid.*, pp. 97, 98, 99.

¹⁸⁶ *Ibid.*, pp. 147, 148.

¹⁸⁷ *Ibid.*, pp. 148, 149.

¹⁸⁸ *Ibid.*, p. 157.

through public establishments, building and maintaining roads, canals and ports and other means of communication.¹⁸⁹ According to this vision, academies, libraries, schools for public instruction, and museums established by “enlightened governments, contributed to the formation of wealth” and had a direct influence on industry, just as travels did.¹⁹⁰ Say also advised the government to promote immigration plans, attracting learned and useful foreigners.¹⁹¹ In that way even if the largest part of the productive economy rested on private property and private enterprise, the state still retained a considerable amount of power as the purveyor of cultural and scientific institutions orientated to achieve prosperity.

Say’s influence on the debate on free trade became evident by 1822. The penetration of his ideas is easily discernible as in the case of Manuel Lorenzo Vidaurre who changed his opinions in these matters between two of his major works, his *Cartas Americanas Políticas y Morales*¹⁹² and his *Plan del Perú*, both written in 1810 and published in 1823. In the first book Vidaurre gave a paradigmatic exposition of the second line of reasoning discussed in this chapter, endorsing the notion of “active commerce”.¹⁹³ Even so, that same year, in his *Plan del Perú*,¹⁹⁴ he sustained exactly the opposite ideas. This change can be attributed to the influence of Jean Baptiste Say, because Vidaurre abandoned his former opinions on foreign influence, claiming that Perú should attract immigrants following the model of Great Britain,¹⁹⁵ and praised foreign commerce as a purveyor of happiness and enlightenment, and as the ultimate promoter of local industry.¹⁹⁶ He condemned any restrictions on free trade which he even claimed could damage the nation’s “public health”.¹⁹⁷ He quoted Raynal,¹⁹⁸ Smith,¹⁹⁹ and Say,²⁰⁰ to sustain the elimination of anything that might obstruct the free circulation of people, ideas and things. He reproduced almost verbatim Say’s arguments to encourage the circulation of metallic riches,²⁰¹ but applied them to the improvement of Lima, a city that should follow the advancement of great enlightened cities, such as London or Amsterdam, whose commerce and industry transformed them from “tender beings, little

¹⁸⁹ Ibid., pp. 176, 177.

¹⁹⁰ Ibid., p. 178.

¹⁹¹ Ibid., p. 213.

¹⁹² Manuel de Vidaurre, *Cartas Americanas Políticas y Morales que contienen muchas reflexiones sobre la Guerra Civil de las Américas escritas por el ciudadano Manuel de Vidaurre*, (1823: Juan Francisco Hurtel), vol. 1

¹⁹³ Ibid pp. 221- 225.

¹⁹⁴ Manuel de Vidaurre *Plan del Perú, defectos del gobierno español antiguo, necesarias reformas obra escrita por el ciudadano Manuel de Vidaurre a principios del año de 10 en Cádiz, y hoy aumentada* (Philadelphia: Juan Francisco Hurtel, 1823.)

¹⁹⁵ Ibid., p. 145.

¹⁹⁶ Ibid., p. 167.

¹⁹⁷ Ibid., p. 169.

¹⁹⁸ Ibid., pp. 160, 163.

¹⁹⁹ Ibid., pp. 169, 177.

²⁰⁰ Ibid., pp. 172, 173, 174.

²⁰¹ Ibid., p. 173.

children that could hardly stay on their feet” to “giants that stretched their arms to the four corners of the world”.²⁰²

Just like Vidaurre, many other authors adopted Say’s key concepts and formulas, such as “mercantile industry” or “commercial industry”.²⁰³ Bernardo Monteagudo, for instance, clearly followed him in the memoir he wrote in 1822 where he proposed the free circulation of capital, considering money to be a commodity which should circulate freely. He also called for a division of industrial work between sages or ideologues; entrepreneurs and workers.²⁰⁴ A similar situation can be found in other actors of Peruvian public debate,²⁰⁵ particularly in José Larrea y Loredó who in July 1825 changed the provisional law of 1821 that ruled commerce intending to open it up to foreigners, claiming that there was no use on insisting in the industrial destiny of the country.²⁰⁶ Such liberal principles were praised in the first issue of *El Peruano*, which declared how “individual interest” was “evidently” “the main agent of enterprises.”²⁰⁷ In its sixth issue *El Peruano* finally declared that foreign commerce should be preferred because it smothered exchanges, stimulated work, and provoked acquisitiveness in the population, by showing delights everyone could attain by buying on a free market. Peruvian ports, the article concluded, should be opened to any foreign speculator.²⁰⁸ Say’s influence in Buenos Aires can be measured by the adoption of his *Treatise* as the textbook on the university course of political economy, replacing the work of James Mill. In Chile, Say’s book also had a considerable influence on authors such as Juan García del Río,²⁰⁹ Carlos Mullen de Za²¹⁰, Camilo Henríquez²¹¹ and Joaquín Egaña.²¹² In Santiago, just as happened in Buenos Aires, the course of political economy imparted by the “Instituto Nacional” was deeply inspired by Say’s ideas. Its program of studies been organized through more than a hundred propositions or maxims which followed the

²⁰² Ibid., p. 177.

²⁰³ ‘Influjo de la revolución sobre la moral pública’ *La Abeja de Buenos Aires* N 7 Buenos Aires 15 October 1822. p.277. For the general influence of Say in Perú see Emilio Romero, *Historia Económica del Perú* (Buenos Aires: Ed. Sudamericana, 1949), pp. 263-270.

²⁰⁴ Monteagudo, *Memoria sobre los principios políticos* (1823), pp. 17, 18.

²⁰⁵ ‘Editorial’ *El Peruano* 13, 15 March 1823.

²⁰⁶ José Larrea y Laredo *Principios que siguió el ciudadano Jose de Larrea y Loredó en el Ministerio de Hacienda: y Sección de Negocios Eclesiásticos de que estuvo encargado* (Lima: Imprenta Rep. por J.M. Concha, 1827), p.5

²⁰⁷ *El Peruano* 1, 13 May 1826.

²⁰⁸ ‘Reglamento de comercio del 6 de junio de 1826’ *El Peruano* 17 June 1826.

²⁰⁹ *El Telégrafo* 7, 25 May 1819.

²¹⁰ Colección Manuscritos Diego Barros Arana, 26, Vol. 63, pp. 519-538. Carlos Mullen de Za, *Memoria con que se establecen bases análogas al fomento de la agricultura e industria y comercio en Chile*. Santiago de Chile 31 January 1822, pp.526-532.

²¹¹ Camilo Henríquez, *El Mercurio* 14, 1822 October pp. 368, 369.

²¹² ‘Economía que puede interesar a Chile’ *Miscelanea Política y literaria* N1 Santiago 31 July 1827 pp. 3-6.

scheme offered by Say's "Catechism", a digested version of his ideas through axioms that students should learn and repeat by heart.²¹³

This rhetoric was symptomatic of an increasingly dogmatic attitude towards political economy.²¹⁴ Debate about free trade, accordingly, became increasingly acute and bitter as both parties indulged in personal recriminations. On the one hand promoters of free trade accused their opponents of ignorance and bigotry. On the other, those who reacted against absolute free trade confronted theories with social evidence, and pointed towards the paradoxes and contradictions of following Great Britain as an exemplary model. From 1823 onwards, in Chile there were claims that poorer classes were "punished" by the excessive protection granted to foreigners,²¹⁵ and demands for the encouragement of local industry were aimed to give occupation to a growing number of unemployed people.²¹⁶ Between 1827 and 1828, some authors even began to denounce the alarming fact that Chilean workers were emigrating to Perú, searching for better opportunities. By then they were directly asking for the prohibition of foreign imports which could be developed locally. Polemicists described pathetic scenes of urban poverty and accused their opponents of being deluded fools who misconceived foreign theories and principles.²¹⁷ Authors also denounced the fact that Great Britain, "the classic land of liberty, economy and industry", applied a protective system of trade which "prohibited in their islands the entrance of any foreign manufacture that could be produced there" and that "the cradle of economic science", was trying to repeat old Spanish practices in South America, "holding privileges that contradicted its liberal principles which were incompatible with the enlightenment, and other spectres, that like vampires, were constantly announced but never appear".²¹⁸ Miguel José Zañartu even affirmed that no other place in the world venerated "so superstitiously the dogma of absolute commercial freedom" than the "retarded" South American countries,

²¹³ Jean Baptista Say *Catecismo de Economía Política o instrucción familiar, que manifiesta como se producen, distribuyen y consumen las riquezas*. (Madrid: Alban, 1822).

²¹⁴ In Buenos Aires *El Centinela* endorsed the plan of reform of Rodríguez administration, voicing an admiration for British institutions and defending the liberalization of foreign trade by the application of the "axioms" of political economy. See *El Centinela* n1 Buenos Aires 28 July 1822.

²¹⁵ *Redactor de las sesiones del soberano congreso* 9, September 1823 p.90.

²¹⁶ 'Sociedades públicas' *El despertador araucano* N 2 17 May 1823, See also 'Comunicado SS editores' *Década Araucana* 14, December 20 1825.

²¹⁷ 'Sobre la protección a la industria y comercio del país', *El Monitor Imparcial* N 16 Santiago November 24 1827; Miguel José Zañartu Santa María, *Nociones elementales sobre las cuestiones económicas que actualmente se promueven en Chile: las dedica a su dignísimo presidente jeneral don Francisco Antonio Pinto* (Lima: Impr. Republicana de José María Concha, 1828), p.3.

²¹⁸ *El Monitor imparcial* 19 14 December 1827; see also, Zañartu, *Nociones elementales* (1828) pp. 6, 7.

foretelling that the continent would pay dearly for that “sin”, with “the ruin of its population”.²¹⁹

A similar situation happened in the United Provinces where debate about free trade was framed as an opposition between the Capital and the Provinces. In 1825, *El Eco de Los Andes*, in Mendoza, bitterly criticized the system of political economy established by the authorities in Buenos Aires claiming that they had been “victims of theories”²²⁰. Buenos Aires, the journal claimed, had neglected the provinces, which silently suffered “the ruin of (their) commerce”. The capital, the journal added, should do as Great Britain, which does not follow its own economists who denounce those commercial restrictions in which that country has based its prosperity.²²¹ A further development of this debate emerged in 1832 when provincial authorities confronted Rosas’s administration in the capital. That debate was summarized in the clash between Pedro Ferré, the political leader of Corrientes, and Pedro De Angelis, the editor of *El Lucero* and Rosas’s advisor on economic affairs.²²² Ferrer, and his party, claimed that the state was unable to govern the whole country, and remarked upon the inadequacy of a regime of free trade which ruined local industries’.²²³ This reaction was fuelled by a regionalist and nationalist spirit which asked for the protection of “national treasures” against foreign intrusion, implying that Rosas had surrendered to foreign influence.²²⁴ Local industry, Ferré claimed, which was not decimated by war, had been annihilated by foreign competition. According to him, the nation’s misfortune began when the huge amount of silver available during the independence permitted to keep an unbalanced regime of imports which became unsustainable once all the silver had gone.²²⁵ Central authorities, on the other hand, claimed that the government in Buenos Aires really aimed at public happiness with no geographic distinctions,²²⁶ and De Angelis, from *El Lucero*, even claimed that the regime of taxes on imports in Buenos Aires was in fact exceedingly high.²²⁷ De Angelis, who after the fall of Rivadavia and Dorrego became an active advisor of Rosas wrote a *Memoria sobre el estado de la hacienda pública*, published in 1834 which can be considered as an epitome of the discourse on circulation and free trade

²¹⁹ Ibid. pp. 5, 6.

²²⁰ *Eco de los Andes*, 54, Mendoza 31 July 1825.

²²¹ *La Década Arancana* 13 Santiago December 10 1825 pp.320-322; ‘Remitido al señor editor del eco de los andes “víctima de las teorías”’ *La Década Arancana* 15 January 9 1826 p. 194, 198. This last answer was actually copied from Las Cases *Santa Helena* (second volume p. 167), the memories of Napoleon Bonaparte in exile.

²²² Zinny, *Efemeridografía argireparquiótica* (1868) p.149.

²²³ Pedro Ferré, *Colección de documentos relativos a las especies vertidas contra la benemérita provincia de Buenos Aires y su gobierno por los señores Ferré, Marín y Leiva*. (Buenos Aires 1832) p.42.

²²⁴ Ibid., p.10.

²²⁵ Ibid., pp. 53, 54.

²²⁶ Ibid., p.15.

²²⁷ Ibid., p. 118.

exposed by the followers of Jean Baptiste Say.²²⁸ In that document De Angelis claimed that if Buenos Aires wanted to fulfil its “manifest destiny” to become “the centre of mercantile relations on that part of the world” and to achieve its status of herald of a “commercial revolution”, it should remove any obstacle to free trade.²²⁹ Following the usual metaphor of commerce as a river, De Angelis observed that if commerce was diverted from its natural course it would never recover.²³⁰ He proposed that the government should follow Great Britain’s “race of progress”, which Buenos Aires was also called to run, and, eventually, lead. Commercial liberty, he declared, was inseparable from political freedom and the restrictions invoked by Ferré and his party, were threatening to dry the state fountains forever.²³¹

A few years before De Angelis wrote that “Memoria”, Andrés Bello published in Chile an ardent defense of free trade and an attack on its detractors. Bello refused to argue “scientifically” against what he called the “absurd system of prohibitions”, claiming that to do so would finally reveal that Chileans were victims of a “mania for the old”, unable to observe reality and “totally” ignorant of “political economy”, which he considered was the ultimate rationality. Bello claimed that prohibitions only benefited a few producers while damaging the greatest number of consumers, whose comfort was the measure of the nation’s administrative success. He expressly connected freedom of commerce with the achievement of civilization, by reforming manners and domestic habits, teaching unknown needs to new consumers, opening immense channels of riches and the multiplication of the fields of occupation. Foreign competition, instead of ruining local industry, really encouraged the progress of Chilean manufactures of shoes, hats and other objects. At the same time, Chilean people had been “freed” of their old and rustic clothing and they could dress properly and cheaply in European attire. Bello even celebrated that the lower classes had learned that “pernicious vice of luxury”, which, he added, has diminished their use of alcohol with the effort they were making to dress properly.²³² Bello’s ideas of the civilizing impact of trade can be complemented with other contemporary articles in Chilean press which praised the figure of the merchant as a new kind of citizen.²³³ An editorial of *El Araucano* claimed that since the revolution nobody had given due recognition to traders,

²²⁸ Pedro De Angelis, *Memoria sobre el estado de la hacienda pública*. (Buenos Aires: 1834), pp. 190- 213.

²²⁹ *Ibid.*, p.133.

²³⁰ *Ibid.*, p.134.

²³¹ *Ibid.*, p.182.

²³² Andrés Bello, ‘Sistema prohibitivo’, *El Araucano* 36 Mayo 21 1831.

²³³ ‘Consideraciones sobre el comercio’, *El Araucano*, 30 October 1830; ‘Deberes de los comerciantes, fabricantes, artesanos, labradores’ *El Mercurio*, 60 January 20 1834.

whose occupation “was the immediate cause of civilization in the world”.²³⁴ Every progress achieved by the country in the last 20 years, it stated, must be entirely attributed to them.

Conclusion

This chapter shows how the learned elites of the Southern Cone assumed that commerce was an agent of civilization, because of its powers to circulate people, commodities and ideas through a region which was considered as benighted after years of colonial dominance. The image of circulation became the knot that tied the economic, cultural and political aspirations that creole elites had in the Southern Cone towards the achievement of civilization. Especially because civilization became the keyword of the early process of nation building in the United Provinces, Perú and Chile, when the prospect of gaining access to a circle of civility, which entailed material prosperity and the polishing of manners, was the main political and economic priority of the era.

At the same time, the perspective that the opening of the region promised the arrival of foreign influences, which were considered necessary for its improvement, tied these aspirations to the presence of foreigners, particularly Britons. There was a coincidence between what British enthusiasts of South American emancipation and the learned elites of the Southern Cone thought about trade. Both considered it as a global panacea, although they had arrived at that belief from different intellectual trajectories, and it had diverse implications for them. South Americans often saw Britons as the embodiment of the values of civilization, commerce and freedom, that is, they saw them just as they pretended to be. This fact naturally compromised the vision that the elites of Southern Cone had about foreigners trading on their shores, particularly Britons, who were playing a predominant position in the economic life of Southern Cone. And it also introduced elements of division and polemic among the governing classes which debated the reach of these ideas and the validity of many of these assumptions. The following chapter will study several of the projects that British reformers and travellers envisaged for the Southern Cone, a region which was seen as an open market and as a laboratory in which to test their ideas.

²³⁴ ‘Consideraciones sobre el comercio’, *El Araucano*, 30 October 1830.

CHAPTER III

Reformism, Philanthropy and Profit: The British as Missionaries of Civilization in the Southern Cone

In the conservative scenario that was taking shape in Europe during the monarchical revival after Napoleon's defeat; British reformists were among the few Europeans who looked at South American independence, and the early stages of their republican life, with enthusiasm. This group, guided by the figures of philosophers Jeremy Bentham and James Mill, encouraged these processes from London and got directly involved in them. This chapter will reconstruct the relation between British reformists and the Southern cone, showing its influence and some of the consequences of their involvement in the affairs of the region.

Radicals and reformers

There were two key moments when British radicals took an interest in South America. First, and well known, was during the years 1807 and 1810, when a group of thinkers and politicians that orbited around the pivotal figure of Francisco de Miranda campaigned for the independence of the continent.¹ A decade later, between 1818 and 1824, there was a second lesser known moment of intense British radicalism in South American affairs which was mainly focused on the Southern Cone. Many factors might have stimulated this second moment. News published during 1818 of the independence of Chile and Buenos Aires may have been relevant,² considering that from the middle of that year the governments of Buenos Aires and Santiago sent two "Manifestos" or proclamations addressed to the international community in search of legitimacy and recognition of their independence. These were published in the British Press, suggesting to British audiences that the independence of these two nations was an accomplished feat and that even Perú, the Spanish stronghold of the region, seemed on the point of liberation.³ One paper expressed this clearly: "The approaching fall of Perú is evident, not only in consequence of

¹ Mario Rodríguez, *"William Burke" and Francisco de Miranda : the word and the deed in Spanish America's emancipation* (Lanham: London, University Press of America, 1994); Karen Racine, *Francisco de Miranda, a transatlantic life in the Age of Revolution* (Wilmington, Del. : Scholarly Resources, 2003); María Teresa Berrueto, *La lucha de Hispanoamérica por su independencia en Inglaterra, 1800-1830* (Madrid: Eds. Cultura Hispánica, 1989) pp. 45-80.

² 'Chilean Manifest' *Morning Chronicle* 6 January 1818, *The Times* 6 January 1818. News of Maipú battle that "brilliant action gained by the combined Buenos Ayres and Chili forces", appeared in *Morning Chronicle* Monday 13 July 1818, *The Times* 14 July 1818, and *The Caledonian Mercury* 18 July 1818.

³ *Morning Chronicle* 15 June 1818, *Morning Chronicle* 23 July 1818, *Morning Chronicle* 5 August 1818, *Morning Chronicle* 12 August 1818.

the powerful army by which that country stands in awe at the present moment, but also owing to the want of trade”.⁴ These manifestos might have also transmitted the feeling that an inflamed political will was ready to establish these new nations according to republican and liberal principles. During 1818, the enthusiasm for South America among British press reached a climax and the Independence of the Southern Cone was seen as a grand human deed which equalled the exuberance and splendour of the continent’s nature, which was invariably described as potent and vast.⁵ Nevertheless, the enormous magnitude of South America and its terrific forces did not deter the British in their will to reap the many fruits that the region supposedly offered them. During that year a note in a regional newspaper affirmed that “the state of South America becomes every day more important and interesting”.⁶ This interest was focused on the nations of the Southern Cone, round which the most flamboyant expectations were growing. A private communication from a Liverpudlian merchant, then living in the capital of Chile, claimed that the country had great resources, that “civilization is making an astonishing progress”, and “liberal ideas are now rapidly gaining ground, and the minds of the people are expanding”. These last benefits, the letter claimed, were partly attributable to the “prodigious influx of foreigners” coming to Chile.⁷

An important element in this connection between British radicalism and the Southern Cone was that during 1818 Lord Cochrane, the famous sailor and radical politician (in disgrace), departed from England to develop the Chilean navy. The circumstances of Cochrane's agreement with Chilean agents in London: how, and in what circumstances he was contacted by Chilean delegates in London is something that remains unknown⁸. Cochrane might have been contacted by 1817, when he publicly announced his wish to command the Chilean navy and departed there a year later. Antonio Alvarez Jonte and José Alvarez Condarco, were among the South Americans agents who were recruiting military forces in Britain.⁹ They were commissioned in London by the governments of Buenos Aires and Chile and although they did not achieve the level of success of Bolívar’s recruitment of military forces, documented by Matthew Brown’s research,¹⁰ they attracted several soldiers

⁴ *Morning Chronicle* 17 October 1818.

⁵ See ‘Original on the present condition of affairs in South America’ *Liverpool Mercury* Friday 24 January 1817.

⁶ ‘South America’ *Trewman’s Exeter Flying Post or Plymouth and Cornish advertiser* 5 November 1818.

⁷ ‘Private letter’ *Morning Chronicle* 5 November 1818.

⁸ Brian Vale, *Cochrane in the Pacific: fortune and freedom in Spanish America* (London: I. B. Tauris, 2008).

⁹ On Alvarez Condarco see Gerald S. Graham and R. A. Humphreys, *The Navy and South America 1807-1823: Correspondence of the Commanders-in-chief on the South American Station* (Navy Records Society, 1962), pp. 198, 205.

¹⁰ Matthew Brown *Adventuring through Spanish Colonies: Simón Bolívar, Foreign Mercenaries and the Birth of New Nations* (Liverpool: Liverpool University Press, 2006).

who followed Cochrane with similar expectations of plunder mixed with genuine political idealism. Cochrane himself might have been contacted by Alvarez Condarco or by Alvarez Jonte on exactly those terms. Alvarez Jonte was a close acquaintance of Jeremy Bentham and Francis Place, so that it was probably him who contacted the sailor. Cochrane delayed his departure to Chile, perhaps because of the project he developed with Alexander Galloway, the brilliant radical engineer who was a close friend of Place, of building the “Rising Star”, a pioneering steam ship that the sailor planned to take to Chile, uniting the wonders of industry with other achievements of human spirit, in the pursuit of an improvement based on liberal principles.¹¹ Cochrane’s arrival in Valparaíso in December 1818 was quite an incident in Britain: one newspaper described it as one of the remarkable events of the year 1818-1819,¹² a period which was stirred by debates about the promulgation of the “Foreign enlistment bill” a law that intended to prevent the sudden migration of British soldiers and sailors, forbidding the transport of men, arms and ammunition to fight among the insurgents in South America, on the grounds of British neutrality. According to the *Morning Chronicle*, “the Bill has made a great sensation in every part of the country, where goods have been manufactured or shipments made for South America”, a statement which shows how close military and commercial opportunities were, considering that the most ardent enemies of that bill were merchant men. The note on the paper concluded stating that “to the immense and populous part of the world our merchants look with confidence for the extensive consumption of British goods...an open field and fair play are all that the British people with British feelings demand.”¹³

The ambiguities of Lord Cochrane's controversial experiences in the South Pacific, his military exploits and his insatiable mercantile ambitions which made San Martín nickname him as “El metálico Lord”,¹⁴ have blurred the original reasons that drove him there, although his pecuniary ambitions were as clear –or at least as well known- as his links with British radicalism. Cochrane’s presence on the shores of the Pacific which was a consequence of his radical connections in London, also had the mark that signalled this second moment of radical involvement in South America: an impulse to pass from political or intellectual debate to direct involvement in the affairs of these republics, so that commercial or intellectual speculation gave way to British projects in the region.

¹¹ James Hamilton, *London lights: the minds that moved the city that shook the world, 1805-51* (London: John Murray, 2007), pp. 159-160.

¹² ‘1819’, *The Newcastle Courant*, 15 January 1820.

¹³ ‘Foreign enlistment bill’, *Morning Chronicle*, 22 June 1819

¹⁴ See Vale, *Cochrane in the Pacific* (2007), p. 145.

The main figures of this second phase of British radicalism in the Southern Cone were Jeremy Bentham and Francis Place, who became interested in these affairs through the mutual influence that James Mill had on them. Mill's influence on Bentham, as historian John Rowland Dinwiddy remarks, started from 1808 and “was a crucial factor in turning Bentham into a radical.” The influence that Mill exerted on Place was equally relevant in turning him into an ardent defendant of South American Independence. As Dinwiddy also suggests, the influence of events in South America was crucial in changing the character of Bentham's politics, turning him, during these first two decades of the nineteenth century, into an active radical and an ardent republican.¹⁵ In this second involvement of radicalism in South American affairs, Francis Place took the role that was previously occupied by James Mill. In his position as an entrepreneur and man of action, Place helped to define the character of this moment. And just as happened in the first decade of the nineteenth century, when the closeness between Bentham and Mill made it “difficult if not impossible to distinguish between their respective contributions” in intellectual and political affairs¹⁶; during this second period of Radical intervention Bentham and Place's acts and ideas were tightly intertwined. The utilitarian philosopher's influence on Place started in 1812 and grew stronger by 1817, when they became neighbours and had almost daily contact¹⁷. As secularist G.J. Holyoake remembers, Bentham “took his utilitarian walks with Place, and accompanied him on his business calls to take orders from his customers, or deliver the garments he had made for them. While Place was engaged within, Bentham would walk outside until his friend emerged again, when they would continue their walks and their political conversation.”¹⁸ Mary Thale, in her edition of Place's *Autobiography*, adds that his feelings towards Bentham were almost reverential and that he addressed him as “my good master from whom I learned I know not how much.”¹⁹ The political activities of this group of thinkers, activists and politicians can be characterized by their Republican commitment, their hostility to any form of hereditary monarchy and their firm belief in the powers of free trade.²⁰

¹⁵John Rowland Dinwiddy, *Radicalism and reform in Britain, 1780-1850* (London: Hambledon Press, 1992), p.282.

¹⁶ *Ibid.*, p.287.

¹⁷ *Ibid.*, p.290.

¹⁸ George Jacob Holyoake, *Sixty years of an agitator's life* (Fisher Unwin, 1906.), p. 215.

¹⁹ Mary Thale ed., *The autobiography of Francis Place*; (London: Cambridge University Press, 1972.), pp. 98-99.

²⁰ James A. Jaffe specifically claimed how Robert Owen and Francis Place, among other radicals, made an effort to reconcile “the social and psychological promise of eighteenth-century commercial theory with the reality of nineteenth-century poverty and inequality”. See James A. Jaffe, *The affairs of others: the diaries of Francis Place, 1825-1836* (Cambridge: Cambridge University Press for the Royal Historical Society, 2007.), p. 45, 46 and ‘Commerce, character and civil society critics of capitalism during the early industrial period’, *European Legacy*, 6 (2001), pp. 251-264.

British radicalism's involvement in the Southern Cone between 1818 and 1824, particularly that of Bentham, has been discussed previously by different authors²¹, but a closer look at this process reveals significant details that have remained unnoticed. It is important not to exaggerate the magnitude of this radical interest in the Southern Cone, considering that it was momentary and short lived, although its consequences and influence in the region were longer and deeper. South America was one of the many things that called upon the attention of these two figures who had an enormous range of interests and an absolutely encyclopaedic mind, in which there was hardly an aspect of useful knowledge which was not covered.²² Place's life and doings during the 1820's are mostly remembered for his efforts in launching the birth control movement, the foundation of the London Mechanic Institute and the promotion of the legislation of trade unions. South American projects took their place among all these initiatives, although they kept him busy for a couple of years only. On the other hand, while Bentham was planning to move to Chile, he was also thinking about plans for the industrial development of Tripoli.

The sources of this section are mostly Bentham's correspondence, Place's archive kept in the British Library, and the British press from 1818 to 1826. Place kept an impressive amount of documents, press cuttings, pamphlets and ephemeral publications, and his own annotations as well, in a personal archive that reflects the vast array of his interests. Sadly, his papers concerning South America (there is evidence that he did have some South American notebooks) are no longer available and were probably censored by his inheritors. However, the British Library holds the diary he kept from the year of 1826 onwards –recently edited and published in book form- which is extremely revealing about his relationship with South America. The closeness between Bentham and Place, who were neighbours in permanent and direct contact, has left few letters between them. Place noted in his diaries that he expressly did not mention Bentham's visits to his house because they were so common: “they entered each other's houses as freely as their own.”²³ An example of this closeness is this letter written by Bentham in which he asked Place for a book, the report of Judge Bland about Chile, “I should be glad to have it”, stated Bentham, “and perhaps my having it may supersede the need of your having it”.²⁴

²¹ Mary Williford *Jeremy Bentham on South America* (Baton Rouge: 1980), John Diwindy 'Liberal and Benthamite circle in London 1819 1829' in John Lynch ed. *Andrés Bello the London years* (Richmond: Richmond Publishing, 1982).

²² Dudley Miles, *Francis Place 1771-1854: the life of a remarkable radical* (Brighton: Harvester, 1988), pp. 3, 47.

²³ *Ibid.*, p.98.

²⁴ Jeremy Bentham *The correspondence of Jeremy Bentham volume 9, january 1817 to june 1820 edited by Stephen Conway*. (Oxford, Clarendon Press, 1989), p. 391.

As happened in 1809, when Jeremy Bentham seriously considered going to live in Mexico, or to a utopian independent state that would be established by his American friend Aaron Burr and in which he would be the legislator, in 1819 he seriously wanted to settle in Chile with his extended family. A confirmation of these intentions comes from a letter addressed to him by his nephew George Bentham, who later became a celebrated botanist, which also suggests Bentham's plans to move there with the rest of his family: "The Chili where you propose going with us", wrote his young nephew, rather scared.²⁵ This plan confirms that William Hazlitt was being nearly literal when he wrote that "the lights" of Bentham's understanding "are reflected, with increasing lustre, on the other side of the globe. His name is little known in England, better in Europe, best of all in the plains of Chile and the mines of Mexico".²⁶

Botany and legislation

Jeremy Bentham and other members of his circle of friends and relatives planned to form an agricultural colony in the Southern Cone. The first time Bentham alluded what he called his "little project" was in a letter he wrote to Rivadavia – in Spanish, in an effort to solve the language gap that always disturbed their communications. In that letter, Bentham recommended to Rivadavia, the names of William Effingham Lawrence, David Barry and Charles Hammond who were interested in forming a colony in South America. As Bentham revealed, the project was originally intended to be realised in Australia, but he chose to replace that destination with Chile or Buenos Aires. The project, as he told Rivadavia, was intended to settle an agricultural colony in an uninhabited spot, while he was aiming to find a market for its products. Bentham concluded his recommendation adding that his friends were aiming to do things in a "British way, under the premises of British morality", without actually specifying what this meant.²⁷ The projected agricultural colony was directed by Bentham's friend and amateur botanist, the rich merchant William Effingham Lawrence, who later ended up colonizing Tasmania. The first part of the plan contemplated sending David Barry to check out the conditions of the region before the commencement of the works. Barry was born in 1780 in Ireland and had worked as assistant surgeon in the army during the wars in Spain, where he later stayed after the end of the conflict. As he later wrote in the prologue of the book he edited and published in 1826, under the title of *Noticias Secretas de America*, after spending some years in Spain, he later travelled to the seaside of

²⁵ Ibid., p. 343.

²⁶ William Hazlitt, *Lectures on English poets and The Spirit of the Age* (London: Dent 1929), p.167.

²⁷ Jeremy Bentham, *The correspondence* (1989), pp.279-281.

Venezuela, and during the years 1820 to 1822 he travelled through Chile, Río de la Plata, and Perú, “to learn personally about the political state of those republics, their climate, the quality of their lands, and their capacities to form an agricultural colony there”.²⁸ Few more notices about David Barry’s connection with these agricultural undertaking were given by a review of the book he edited in 1826, published in *The Quarterly Review*, where the anonymous reviewer stated that

It is no secret that Mr Barry (who being a Catholic, had been educated in Spain, and who had an earlier period of life, travelled extensively in the Spanish Colonies) was the person chosen to conduct one of the greatest of the recent schemes for applying English capital to the improvement of the new states.²⁹

As Bentham later informed his brother Samuel, William Effingham Lawrence had chartered a boat, wherein, alongside Barry, also sailed the young couple of Elizabeth Place and William Bridges Adams. Elizabeth was Francis Place’s daughter and William was the son of William Adams, a coach maker who was Place’s friend and ally in Westminster politics, and also a close relative of Jeremy Bentham³⁰. From Bentham’s correspondence it seems that his main interest in this agricultural establishment was to obtain a permanent delivery of South American seeds, plants, and bulbs, each one with detailed information to acclimatise these species in Europe, and to sell them later in the British market. It was a scientific and lucrative project, which also had a philanthropic side that aimed to improve crops for the nourishment of the poor. In one of his letters Bentham stated that some bulbs and tubers should be sent to New Lanark Company.³¹ Bentham divided the components of his botanic adventure in the following categories:

- Plants of any fruit trees that are unknown here and would ripen their fruit here would be a capital article.
- Plants that would succeed here with only a green-house are much more valuable than those that require a hot house.
- Plants that would not need a green-house would be still more so.³²

²⁸Antonio de Ulloa, *Noticias secretas de América: sobre el estado naval, militar, y político de los reynos del Perú y provincias de Quito, costas de Nueva Granada y Chile* (Londres: R. Taylor, 1826)

²⁹ ‘Review of Noticias Secretas de America, sobre el Estado Naval, Militar...’ *Quarterly Review* vol 34 (January & March 1827), p.350.

³⁰ Bentham, *The Correspondence* (1989), p. 382.

³¹ *Ibid.*, p.125.

³² *Ibid.*, p.317.

In 1822, William Effingham Lawrence, whom as Bentham said to his brother, was “as fond of Botany as we are”,³³ sailed off in the direction of Van Diemens Land, where he was planning to purchase some land to develop a colony, and stopped in Rio where he spent some months. It was then, perhaps, that the pioneers of the colony might have made their way to their destination. This agricultural project was apparently connected with a plan Bentham and his brother, then living in the South of France, had concocted of obtaining a piece of land in the locality of Pézenas where they intended to acclimatize the seeds, bulbs or plants obtained from the Southern cone. He seemed to have had this project of a landholding in Pézenas in the highest estimation: “my appetite for Pézenas all accounts taken together had become quite canine.”³⁴ When it seemed to fail, his whole botanic project was undermined: “Since such a cloud has hung over the Pézenas purchase,” he wrote to his brother, “seeds have lost no small part of their value.”³⁵

As his correspondence shows, Bentham was an enthusiastic botanist and botany played a part in his interest in South America. This might have grown out of his connection with Antonio Alvarez Jonte, who according to him was also an amateur botanist. Bentham introduced Alvarez Jonte to Joseph Banks, then the highest authority in natural sciences in England³⁶. Botany also seems to have played a part in other relations he had with South Americans, considering for instance that his attachment to Andrés Bello had something to do with plants, as there is a letter from James Mill to Bello in which he mentions Bentham’s intentions of taking the Venezuelan to see Botanic Gardens.³⁷ Bentham’s interest in South American botany might have also been rooted in his idea that it was the only field of useful knowledge available there which might have not been censored, “nor even I believed intentionally discouraged in Spanish Ultramarina”. His friend Antonio Alvarez Jonte was a living proof of this situation: “Botany having nothing to do with religion or politics, there must (not) have been wanting in any of the capitals of South America priests or medical men, more or less acquainted with it.”³⁸ There were other practical reasons involved in his interest, such as that most botanists in South America would be able to express themselves for these purposes in Latin and he also thought that, to these apothecaries or religious people interested in this field, “it would be matter of amusement to communicate to this

³³ Jeremy Bentham, *The correspondence of Jeremy Bentham volume 10 July 1820 to December 1821 edited by Stephen Conway*. (Oxford: Clarendon 1995), pp.61-63.

³⁴ Bentham, *The Correspondence* (1989), p.377.

³⁵ *Ibid.*, p. 377.

³⁶ *Ibid.*, pp. 196, 207.

³⁷ Iván Jaksic, *Andrés Bello: Pasión por el Orden* (Santiago, Chile Editorial Universitaria 1998), p.69.

³⁸ Bentham, *The Correspondence* (1989), pp. 118, 377.

quarter of the globe specimens of the natural riches of the vegetable kingdom” from America.³⁹

In that ship also travelled John Gillies –a Scottish surgeon and amateur botanist– who was briskly contacted by Lawrence who, as Bentham recalled, obtained his promise of sending him “the seeds of which I gave him a list, and any others of curious or useful character that he might meet with”.⁴⁰ Bentham later informed that Gillies was an older acquaintance of Mill and even an early disciple of Francis Place.⁴¹ Gillies, a Scottish Naval surgeon who had pulmonary tuberculosis, had decided to move to South America, indeed specifically to Chile, following the advice of John Parish Robertson and the example of Lord Cochrane.⁴² He had obtained a two-year leave from the Navy and made plans to establish himself in Chile, although further events made him to settle in Mendoza. He was more than an amateur botanist, because before departing to South America he had promised to send species to Joseph Banks, Ayme Bonpland, and, most importantly, to the botanist William Jackson Hooker, who persuaded him to give him preference in his deliveries.⁴³ Soon after his arrival in Buenos Aires, Gillies started to send Williams the seeds collected by himself and also by David Barry.⁴⁴ In Mendoza, Gillies built a Herbarium to accommodate the plants and seeds he had collected, and started a medical practice to supply his pension⁴⁵. In 1821, Gillies travelled to Chile, collecting botanical samples and taking barometric observations. In Valparaiso he met Captain Basil Hall, who was also taking similar measurements for the British Navy. Back in Mendoza, Gillies was instrumental in the establishment of several projects of improvement, such as his sadly unsuccessful attempt to introduce silkworms into Mendoza.⁴⁶

Further details of Bentham’s botanical enterprise can be found in an anonymous manuscript note found among the miscellaneous papers of Antonio Alvarez Jonte, kept in the archive of Chilean historian Diego Barros Arana. That note, written in English, in a neat calligraphy, and addressed to Chilean authorities announced that:

Certain individuals entertaining a desire, from a variety of motives, of directing their attention to the cultivation and improvement of a new territory, and impressed with the

³⁹ Ibid., p.118.

⁴⁰ Ibid., pp.400, 401.

⁴¹ Oliver Dawe, *Piedras de Afilar: the unfulfilled dream of a 19th-century Scottish botanist in South America*. (Skilton, 1988) p.80.

⁴² Ibid., p.13.

⁴³ Ibid., pp.14, 24.

⁴⁴ Bentham, *The correspondence* (1995), pp. 284, 285, 400.

⁴⁵ Dawe, *Piedras de Afilar* (1988), p.33.

⁴⁶ Ibid., p.46.

idea that Chile affords a soil calculated to reward the effort of industry, and a climate congenial to British constitutions; have it in contemplation to settle there under the new government with a view of cultivating the land, in a manner presumed superior to the accustomed practice of the country, and upon a system embracing all the latest improvements arising from modern discoveries; and generally entering upon such pursuits, as afford best opportunity for scientific improvement.⁴⁷

According to that letter the colony planned to transport two or three hundred settlers, “a number of their countrymen selected from all classes of labourers” and highly qualified people, adding that “no pains or capital will be spared” in their establishment in Chile.⁴⁸ The company also contemplated to establish a scientific society among its members, using the best machinery available in Britain to achieve the “grand leading object, upon which their own remuneration and the national advantage must depend –that is to say, improvements in Agriculture, commerce and the arts”.⁴⁹ The planners of the company asked for the cooperation and protection of Chilean government, on the understanding that the success of the project would benefit them reciprocally. Considering the amount of capital involved they asked for a grant “in free gift” of a tract of land between the rivers Maule and Bio Bio,⁵⁰ and for the concession of “such facilities (but no monopolies)”, to secure their pursuits.⁵¹ The plan also comprised the working of the mines and even the establishment of whale fisheries.⁵² Accordingly, they also suggested that the concession should also reach the coastline to build a port⁵³. That note, which Alvarez Jonte was supposed to show to O’Higgins or another authority, asked for some information about the country which may “influence” the minds of the projectors “upon the subject,” through a questionnaire formed by 10 queries.⁵⁴ These questions reveal the reformist ethos of the project. The first one, for instance, asked:

What form of government is to be established in Chile by the new constitution? If representative, is the right of suffrage in the election of the legislative assembly or congress to be universal –If not, how far will it extend, and what class will be excluded

⁴⁷ Colección de Manuscritos Diego Barros Arana 25 vol. 62, pp. 514-523.

⁴⁸ Ibid., pp.514-519.

⁴⁹ Ibid., p. 515.

⁵⁰ Ibid., p. 523.

⁵¹ Ibid., p. 515.

⁵² Ibid., p. 522.

⁵³ Ibid., p. 522.

⁵⁴ Ibid., p. 515.

from it? How will the Chief magistrate or director general be elected; what will be the term prescribed for his holding the office?⁵⁵

The next questions covered judicial, religious, social and economic aspects of Chilean administrations, suggesting that these projectors were asking for the establishment of certain democratic, egalitarian and liberal conditions in Chile before deciding to promote their establishment. These questions point to issues which Bentham developed in his legislative and political projects such as legislative assemblies, judicial procedures, freedom of belief, the end of monopolies, and any other restriction to free trade.

Botany was not anecdotal in Bentham's interest in South America, which as his correspondence shows, went beyond legislation and penal institutions. In 1818, Bentham knew of some Spanish exiles living in France who admired his work on legislation and were translating his book to distribute it in South America, and recommended them to Bernardino Rivadavia and Antonio Alvarez Jonte, the agents of the government of Buenos Aires and Chile, in Paris and London, respectively⁵⁶. Simultaneously, Bentham found out that Rivadavia was supposed to be working on his own translation of Bentham's "immortal works".⁵⁷ It was in his next communication with Rivadavia that Bentham announced his "little project" of an agricultural colony. Bentham's offers of legislative assistance were often peppered with many suggestions about various matters that revealed the scope of his interests in this continent. In 1820, while the philosopher was campaigning to convince the Spanish Crown to "Emancipate your colonies",⁵⁸ he wrote to Simón Bolívar asking for information about a vegetable species called "Arrachaca" which was supposed to have an even greater utility than the potato. Bentham apparently realized that his petitions were rather whimsical, and he clearly warned Bolívar that he did not have "any such meaning as that the president of Columbia (sic) should, in person, stop to pick up seeds for Britain", but that he would well ask a "well-disposed person, Botanist or no-Botanist, situated within the field of his influence", to do the collection for him.⁵⁹ Two years later, Bentham repeated his enquires about this "hyper potato" in a letter he wrote to Thomas Foley, Bolivar's aide de camp.⁶⁰ Just as happened with his planned agricultural colony there was an evident philanthropic intention behind his enquiries about this unknown and marvellous crop that

⁵⁵ Ibid., p. 516.

⁵⁶ Bentham *The Correspondence* (1989), p.251.

⁵⁷ Ibid., pp. 255, 256.

⁵⁸ Ibid., p. 458.

⁵⁹ Bentham, *The correspondence* (1995), pp.248-250.

⁶⁰ Jeremy Bentham, *The correspondence of Jeremy Bentham. Volume 11, January 1822 to June 1824* edited by Catherine Fuller (Oxford: Clarendon, 2000), pp. 91, 93.

would help to nourish thousands. Another project that Bentham suggested to Bolívar and Rivadavia that may look extravagant from a distance, but that a closer examination reveals to have been perfectly attuned to the spirit of the age, was his plan of forming a transnational province of “Junctiana”.⁶¹ In the same letter that he addressed to Thomas Foley asking for the hyper potato and proposing the rebuilding of Bogota’s botanical garden, Bentham mentioned what he considered the “inexpressibly useful and supremely glorious idea” of uniting the Pacific and Atlantic Oceans.⁶² A day later, Bentham wrote to Bolívar a letter (now missing) in which he proposed his project of building a canal in Central America to join the Pacific and Atlantic. Later he insisted on this “Junctiana Proposal” in another letter to Bolivar in which he presented his scheme of building a canal through Mexico and Colombia under the management of a joint stock company and the protection of the United States.⁶³ In a letter to Rivadavia, Bentham described this proposal he had already presented to Bolívar, adding that if there were not enough capital available to implement it, “my plan is that they should have recourse to a Joint Stock Company say the Junctiana Company”. Bentham’s pieces of advice reached the most varied fields of useful knowledge and they generally had an industrial and lucrative element attached. In a letter he sent to Simón Bolívar on June 1823 he suggested to the liberator a plan to organize Colombian diplomatic missions with a dual set of Colombian and British agents, in which the first should provide a list of national wants while the second should help to provide “means or sources of improvement” or what he called “the instruments of national felicity”, meaning methods, tools, machinery, “persons, who in adequate degree possess capital, and the spirit of enterprize” concerning the fields of agriculture, mining, fishing, banking, public instruction, prisons, hospitals, societies for the advancement of knowledge, newspapers, circulating libraries and other institutions.⁶⁴ Bolívar seemed to have appreciated this advice, because in September 1822 he wrote to Bentham acknowledging that he was “particularly indebted” to him, “for the direct communication without any particular merit of my own, of a part of those sacred truths, which you have scattered over the earth to fecundate the moral world”, calling him “the geometrician of Legislation.”⁶⁵

Bolívar’s praise of Bentham as sower and geometrician may sound odd to modern ears, but it was an accurate description of his role in South American affairs. It is possible to

⁶¹ See Williford *Jeremy Bentham on South America* (1980); Dinwiddy ‘Liberal and Benthamite circle in London 1819-1829’, (1982).

⁶² Bentham, *The correspondence* (2000), p.91.

⁶³ *Ibid.*, pp. 110-117.

⁶⁴ *Ibid.*, p.238.

⁶⁵ *Ibid.*, p.,155.

trace a bridge between Botany and his legislative projects which certainly aspired to achieve a degree of certainty commonly enjoyed by exact sciences, such as mathematics and geometry. As an amateur botanist, Bentham's notion or practice of this science was inserted into the ideas of Biogeography, a scientific discourse that saw the plants of the world distributed in different groups according to their geographical location on earth. Each of these groups was composed according to certain climatic zones that were determined by geography, latitude and altitude. The botanic colony that Bentham and his friends planned during the 1820's can be considered as a manifestation of this last discourse. One of the members of these undertakings, William Adams, wrote, under the pretentious pen name of Junius Redivivus, a curious poem called *A Tale of Tucumán*, published in 1831, which depicted, between dazzling digressions, the region of Tucumán as a phytogeographical utopia, where –as the author of the following verses claimed– the vegetation of cold, temperate and tropic climates “all thrived within a short distance of each other”:

*The view was such as is but rarely seen;
Upon the mountain slopes, on either hand,
Patches of wheat, and bearded barley green,
With other products of a colder land,
The carrot, turnip, and the sweet flowered bean,
Were, by the snow-cooled breezes, gently fanned,
From which a rocky mountainous projection
Served to the orange bower, to give protection.*

*Far in the distance, on the valley plain,
The Tropic climate's wealthy crops were spread
In green luxuriance, the rich sugar cane
Up reared its tall and waving feathery head;
The rice grounds crossed by many a water drain,
Served as a refuge to the insect breed;
The cotton plant displayed its bursting pods,
Clothing with floating filaments the clods.*

*The cochineal Tuna marked the bounding lines,
Which intersected all the varied crops,*

*of melons, pumpkins, indigo and pines,
and maize, with full and golden-coloured tops...*⁶⁶

Each group of plants described in this poem – for instance, the carrot, the turnip and the sweet flower bean-- acted as “coherent entities” located in given latitudes and altitudes of the country, and each of these groups had characteristics which revealed the geographical and climatic conditions of their environment, that, in turn, were also determining them. These groups could be compared and contrasted “according to their physical characteristics and locality”.⁶⁷ Botanic geography was linked with the exchange of plants around the world through a network of communications which was often provided by the expansive arms of the British Empire. This idea was at the core of Linnaeus’s economic vision of botany, in which the role of economy was to distribute plants from different places of the world and to cultivate them, if they do not grow naturally by means of acclimatization.⁶⁸ Biogeography was crucial on the work of Alexander Von Humboldt where, as Janet Browne explains, the plants of the world were organized into different groups according to the geography of their location. These groups or “plant assemblies” were “coherent entities”, which, according to Humboldt’s designs, ought to be compared and contrasted by the botanist “according to their physical characteristics and locality”. In this way, botanical geography organized a vision of the world and provided a mode of “comparative biological thinking” that could reach wide conclusions, considering as Humboldt did, “that the plant life found in any region was very much a feature of the particular circumstances that region had to offer”. Granted these premises it was not at all strange that botanical knowledge of a given region could help the understanding of the human character of the people living there. The gathering of information about the national character of people and nature of the Southern Cone was a major concern for Bentham, who read travel books on the region, which at that time were greatly obsessed with formulations of the national characters of these often ignored regions.

Geographical botany, according to Humboldt’s conception was also the foundation of a cultural and biological discourse which proposed a planetary and comparative vision of world’s nature, whose aim was to detect global patterns across the continents, establishing

⁶⁶ William Adams, *A Tale of Tucuman; with digressions, English and American. By Junius Redivivus.* (London: 1831), pp. 96, 97.

⁶⁷ Janet Browne, *The Secular Ark: studies in the history of biogeography* (New Haven; London: Yale University Press, 1983), pp. 46, 47.

⁶⁸ Lisbert Koerner ‘Carl Linnaeus in his place and time’, N. Jardine, J. A. Secord and E. C. Spary eds. *Cultures of Natural history* (Cambridge: Cambridge University Press, 1996), p.151.

rules of behaviour that could help the understanding of nature and the obtaining of economic profit. So it is not a mere coincidence that during the years 1818 and 1820 Bentham promoted a kind of global legislative project while he was day-dreaming of establishing a global network for the exchange of seeds, plants and bulbs. Bentham acknowledged that the idea “of a man’s proposing laws for a country he never saw” was “ridiculous”, but his “legislation plans were intended to circulate in all the states he had in view”, and the field of action for his plans was “the population of the whole earth...Buenos Ayres, Chili, Upper Canada, Spain”.⁶⁹ His legislative plans were devised as mechanisms to work everywhere, but they could most exactly be seen as bulbs that could be transplanted and grow up in different environments through a process of acclimatization and adaption. Studies of acclimatization, Browne has added elsewhere, “were a further significant aspect of this kind of practical distribution based natural history”, in which “commerce, colonialism and social enterprise”, “intersected dramatically”.⁷⁰ As Dinwiddy has noted, Jeremy Bentham had a passion for classification and was a great admirer of Linnaeus, believing that his “method of classifying botanical phenomena by division and subdivision could be fruitfully applied to human behaviour in order to produce an exhaustive classification of, for example, the offences”.⁷¹ Bentham most likely shared the planetary vision of the botanical work that Linnaeus and Humboldt had, and might have adapted it to his different plans and projects, of which the most famous were his legislative works. Mary Louise Pratt establishes a connection between Linnaeus and Humboldt’s world visions in terms of the building of a “planetary consciousness” that aimed to categorize and classify the globe.⁷²

The interest that Bentham and his circle had in acquiring South American seeds, bulbs and plants was part of a then widespread attitude towards botany that saw the exchange of plants between different hemispheres of the world as a part of the work of imperial “improvement” that Britain was called to promote and orchestrate. According to British historian of science Richard Drayton, from the second half of the eighteenth century onwards there was a biological discourse in England that included the development of a mission of survival by the conquest of foreign crops. At the same time this “idea of cosmopolitan progress” can also be considered as an international projection of the project

⁶⁹ Bentham, *The Correspondence* (1989), p.309.

⁷⁰ Janet Browne, ‘Biogeography and Empire’ in N. Jardine, J. A. Secord and E. C. Spary eds. *Cultures of Natural history* (Cambridge: Cambridge University Press, 1996), p.316.

⁷¹ Dinwiddy J. R., *Radicalism and reform* (1992), p.296.

⁷² Mary Louise Pratt, *Imperial Eyes Imperial eyes : travel writing and transculturation* (London; New York: Routledge, 1992), pp.15-37.

of national improvement developed in England from the middle of the eighteenth century, considering that the notion of “improvement” was originated in agriculture.⁷³

There was certainly a utopian element in these projects developed between the years 1818 and 1824, but there was also a lucrative aspect as well, which is one of the most peculiar features of the plans British reformers promoted in South America. Bentham for instance, talked about the South Americans as his “customers”. In that sense these “reformers” differed from those “improvers” categorized by Richard Drayton who were organizing “the best possible future, both for those they expropriate and subordinate, as for themselves”,⁷⁴ because in this case there was neither expropriation nor subordination, and these projects were developed off the margins of the British Empire. However, the extensive British presence overseas formed a network that permitted the development of horticultural exchanges around the world, but that web was even bigger than the reach of British Empire. Britons, such as John Gillies, who were located beyond the borders of the Empire silently contributed to its development or improvement. In 1821, in Valparaíso, Gillies met James Stewart of the merchant house of “Roderick Robinson and Co.”. Stewart was a close acquaintance of Gillies’ friend Doctor Wallich, an English botanist in Calcutta, who had asked Stewart to send him any seed he might encounter on his South American wanderings. Stewart persuaded Gillies to send a box of his Chilean and Argentinian seeds through him to Wallich in Calcutta, then one of the main buyers of Chilean copper. In return, Gillies asked Wallich to send him seeds from Calcutta that he might grow in South America. After the first delivery, Gillies and Wallich established a lasting exchange.⁷⁵ The network established by Gillies, from his remote post of Mendoza, involving Joseph Banks, Francis Place, Jeremy Bentham, William Hooker, Ayme Bonpland and Dr Wallich was actually bigger than the British Empire, but it could have not been established without this sense of imperial mission, which also moved Jeremy Bentham, to “transplant” his ideas through a similarly global net. Bentham’s codification projects could be equally transplanted and acclimatized.

The other project concerning the Southern Cone in which Jeremy Bentham was also involved was an industrial scheme developed by Francis Place, who was also known as “the tailor of Charing Cross”. South American emancipation played a part on Place’s many concerns, as is revealed in an extract of a letter he sent to his mentor James Mill, referring to

⁷³ John Gascoigne, *Joseph Banks and the English Enlightenment: useful knowledge and polite culture* (Cambridge; New York: Cambridge University Press, 1994).

⁷⁴ Richard Drayton, *Nature's Government: science, imperial Britain, and the 'Improvement' of the World* (New Haven: London: Yale University Press, 2000), pp.86,87.

⁷⁵ Dawe, *Piedras* (1988), p. 32.

the recent death of Francisco de Miranda, Sunday 15 September 1816, in which he wrote: “I always loved Miranda as much as I could do a man of whom I know nothing but his public acts, he was one of those men on whom I constantly kept my eye, and you must have observed that I had watched him constantly.”⁷⁶ But Place’s involvement in South America went beyond statements of support. In 1824, when he was called to make a declaration before the Parliamentary Select Committee on Artizans and Machinery, which was examining the laws that forbade the emigration of qualified artisans and restricted the import of British machinery overseas, he publicly revealed that he had smuggled more than one hundred tons of machinery into Chile. Those laws were against Place’s beliefs in free trade and the circulation of British industry around the world.⁷⁷ They seemed also to have been against the spirit of the age, as *The Caledonian Mercury* attacked their “injustice and impolicy”. “It farther appears”, stated that Scottish paper, “that, were it not for these prohibitions, we could supply most of the continent with machinery, and, of course all the markets now opening to South America; because, owing to greater cheapness of iron and coal in this country, and to the great facilities of carriage by our canals and rail roads...we could furnish the articles wanted at a much cheaper rate”.⁷⁸ Interrogated by the Select Committee, Place admitted that he had willingly broken the law and sent to Chile “a flattening mill of great power, and a mint”, adding that he had sent four coining presses because Chile and Peru’s only sources of public revenue were the customs duties and “coining”. As there was a prohibition against taking silver, copper or any metals in a natural state out of these countries and because mint houses had been destroyed in both countries during the recent wars, Place added that his plan was to propose that both governments should rebuild them with his help⁷⁹. From his depositions, it can be inferred that his business seemed to be, in theory at least, well grounded in the needs of those countries, and ultimately beneficial to them. Place’s enterprise did not involve himself only, but also part of his family. His daughter Annie and his son in law, John Miers, travelled to Chile to implement this project. In a letter he wrote to George Ensor, during the last days of 1818, Place revealed the nature of his venture, and how much this meant for him emotionally and financially –the letter gives a clue of what it meant to a father to see his daughter departing to the other side of the world and how he had spent a good deal of his fortune on this adventure:

⁷⁶ British Library Additional Mss 35, 152.

⁷⁷ Miles *The life of a remarkable* (1988) p.172. See also Francis Place, *The Affairs of others: the diaries of Francis Place, 1825-1836, transcribed, edited, and annotated by James A. Jaffe* (Cambridge: Cambridge University Press for the Royal Historical Society, 2007), p.45.

⁷⁸ ‘Exportation of Machinery’ *The Caledonian Mercury*, 5 April 1824.

⁷⁹ *Ibid.*

Why did you let them go?” he asked and answer himself rhetorically, “patience, patience and you shall (see) Miers is going there to set up a mill to flat copper for the Chilean navy and to flat silver also and then to coin it for the Chilean Government. He takes with him, a more powerful apparatus than any in England...for his copper works, and a more powerful apparatus, and more simple also for coining.⁸⁰

Annie Place, his eldest daughter, had been taken up by James Mill and until her marriage and departure to South America she had worked as a governess. In 1818, she married John Miers, who was born on 25 August 1789 in London. Miers’s career started with his father, a jeweller and miniaturist, but he soon left him to pursue his scientific inclinations, which drove him to different fields such as mineralogy and chemistry.⁸¹ These pursuits might have determined his father in law’s decision to include him in the plans he envisaged to be developed in Chile. Another partner in Place’s entrepreneurship in Chile was Lord Cochrane, who was connected with Place and Miers in a kind of partnership. From the beginning, Cochrane’s presence in South America was seen as instrumental to the projects of Bentham and Place. On the 27 December 1817, the former wrote to the latter stating: “Lord Cochrane not yet gone: I hope he will go: he would be of such unspeakable use”. Bentham wanted to send with Cochrane, “papers relative to Codification and Public instruction”. “I should be obliged to Lord Cochrane”, he stated later, “to take out for me to Bolivar in such number as might be deemed convenient. They might go upon occasion not only to Bolivar for Venezuela but to Buenos Ayres and Peru.”⁸² The utilitarian philosopher did not know Cochrane personally, but Place did, being a close acquaintance of his since their days of political campaign in the election of the radical hero Francis Burdett for the Constituency of Westminster.⁸³ It is also probable that Place played an active part in Cochrane’s links with the Chilean government’s offer to join their navy. Place was in such a position in relation to Cochrane that he was entitled to give him advice (in a letter to James Mill, Place said he had cautioned Cochrane against his impetuosity⁸⁴). The latest of Cochrane’s biographers, Brian Vale, affirms that the famous sailor was a partner of John Miers in his projects of building a mint and in a kind of agro-industrial undertaking that he later developed in his country estate by the sea-side in Quintero, where Cochrane planned to locate a naval base. According to Vale, Cochrane intended to run a huge cattle ranch with Miers who provided certain machinery “to produce salt beefs in barrels, flour and biscuits

⁸⁰ British Library, Add. Manuscripts 35. 153, pp114, 115.

⁸¹ Miles *The Life of a remarkable* (1972), p.53.

⁸² Bentham *The correspondence* (1989), pp.141,142.

⁸³ Edward Palmer Thompson *The making of the English working class* (Harmondsworth: Penguin, 1984) p.84; See also Miles *The Life of a remarkable* (1972), p.3.

⁸⁴ Miles *The Life of a remarkable* (1972), pp. 114,115.

with a view to become the principal supplier of the Chilean navy and visiting merchant ships” and “the two had gone into partnership with a view of obtaining contracts for revising the coinage”.⁸⁵ Vale does not provide any reference to back up this last statement, but it might have been true, for there is evidence in a letter written by Robert Mac Farlane to Cochrane, after he had left Chile, that his farm in Quintero was dedicated to cattle to be salted or dried to supply the British, Chilean and North American armies, and that John Miers was working there.⁸⁶

Bentham also had some influence in Place’s business, or at least he was interested in lecturing Miers on utilitarian principles before his departure to Chile. In a letter he wrote to Place he asked him to send to his house “either Miers or Hodgkian (meaning another of Place’s disciples, Hodgkins) to walk with me on Saturday.” In the same missive, Bentham asked Place to send him books about Buenos Ayres, probably British travel books about the area.⁸⁷ The philosopher provided Miers with letters of introduction to Rivadavia and O’Higgins, in which he also might have promoted his own schemes.⁸⁸

The group that sailed from London to develop Place’s projects was formed by John Miers and his wife Annie Place (27 January 1796), five engineers (among whom travelled M. Martin), Miers’s sister, Sophie Miers, the medical doctor Thomas Leighton (hired as a surgeon by Cochrane) and Charles Carter Blake. Once they were in South America, Bentham asked Place, in a letter of 1 January 1819, to remind his relatives to send him information concerning life in Santiago:

Forget not to let my good friends the Miers know how material it is for me to be informed of the mode and expense of living at St Iago: What is the minimum for which a good gentleman and his wife with a maid from England two or three small children could live there in tolerable comfort...what would be the cost of the least sufficient stock of furniture for a house: what articles could be obtained there, and what others, if any might be imported from hence to best advantage. So also in regard to clothing. Whether a decent livelihood might be earned there by teaching English and French...I have written to Jonte to ascertain whether any employment might be obtained from the Supreme Director for a man in quality of Secretary in Correspondence in French and

⁸⁵ Vale *Cochrane in the Pacific* (2008) pp. 171,182.

⁸⁶ Bernardo O’Higgins, *Archivo de Bernardo O’Higgins volumen 37* (Santiago. Ediciones de la Academia Chilena de Historia, 2008), pp. 208, 209.

⁸⁷ Bentham *The Correspondence* (1989), pp.281-290.

⁸⁸ *Ibid.* p.324.

English and giving advice and assistance in legislation and education on the ground of MY ideas.⁸⁹

John Miers was also connected with Bentham's botanical schemes. It was John Gillies who introduced Miers to botany, and who put him into contact with William Jackson Hooker. This is not trivial because Miers ended up earning a living from botany. In 1828, Gillies travelled back to England carrying Miers's massive collection of herbs and plants and drawings to London, where Gillies lodged at the house of Francis Place at 16 Charing Cross.⁹⁰ There is also evidence that John Gillies, David Barry and John Miers also sent seeds, bulbs and plants to Bentham and Place. In several of his letters from the beginning of the 1820's Bentham acknowledged the receipt of seeds from the Southern Cone sent by Lawrence or Place by their connections there.⁹¹ Another botanist that was then connected with Miers, Blake, and Cochrane was Alexander Cruickshank, who resided for years between Chile and Perú.⁹² By that time there were more botanists active in the region, such as Hugh Cuming, botanic collector and renowned conchologist,⁹³ and Thomas L. Bridges, who kept botanical gardens in Valparaíso that were sadly flooded. Bridges also made explorations in the Bolivian Andes, and passed some years on the Amazon, where he made his most celebrated find: the famous water flower "Victoria regia".⁹⁴

"Missionaries of civilization"

Some of the reformist spirit of Bentham and Place can also be found in most of the British travel writers who came to the Southern Cone during the 1810's and 20's, who, following the words of Sir James Mackintosh, can be considered as "Missionaries of civilization". Most of these British travellers who visited the region and wrote about their experiences expressed a general wish to improve the economic, political and social situation of these countries. The tools to achieve that were deemed to be the establishment of free trade, public instruction, colonization plans, and other projects based on the premise that the region offered capabilities to foster the interests of the British Empire, which in turn

⁸⁹ Ibid., p.37.

⁹⁰ Dawe, *Piedras*, (1988), p. 80.

⁹¹ Bentham, *Correspondence*, (1995), pp. 124, 284.

⁹² Charles Blake, Alexander Cruickshanks, and John Miers appeared as contributors from Quintero, Chile, to the Society for the encouragement of arts, manufactures and commerce. See *Transactions of the Society instituted in London for the encouragement of arts, manufactures, and commerce with the Premiums offered in the year 1821*. Vol 39 London 1821. pp. v, x, xxv.

⁹³ *The American journal of science and arts* 121, 122, 123. (1866), (New Haven 1866), p. 265.

⁹⁴ *Transactions of the botanical society* 8 (1863) (Edinburgh botanical society: 1866), p.434.

For an account of some British botanists active in the region see also W. J. Hooker *Contributions towards a flora of South America and the islands of the Pacific*. Volume 3 (London: John Murray 1833), pp. 129,130,131.

might prove beneficial for itself. This reformist ethos entailed a notable degree of optimism about the region. Consider for instance the case of Captain Basil Hall who, in his journal written after an official journey surveying the Pacific coast from Chile to Mexico between 1821 to 1823, wrote that “there has seldom, perhaps, existed in the world, a more interesting scene than is now passing in South America”.⁹⁵ That “interesting scene” was the transition the region experienced from an old colonial regime to a new republican life, particularly by the opening of those barriers that hitherto had kept the former colonies under Spanish rule. According to Hall, international commerce and the circulation of foreigners would connect South America with the rest of the world bringing civilization to those remote shores. Hall declared that “the motives, indeed, to industry, and to improvement of every kind in South America, are innumerable” and that they “baffled all calculation”.⁹⁶ Such prospects of improvement seemed inevitably connected with the aggrandizement of the British Empire, because they were conditioned by it, and were also connected to the adoption of the supposedly liberal ideas that this process entailed. Joseph Andrews, the agent of the Chilean Peruvian mining Association, claimed that Great Britain should unite “indissolubly”, “to the emancipated states, in bonds of mutual self-interest”, through the work of British “merchants, manufacturers, and ship owners”.⁹⁷ He insisted that it was Great Britain’s duty not to leave these republics to their fate, but to “improve those fine countries by our influence and example”.⁹⁸

Throughout the initial approach of British explorers to the Southern Cone, which was inevitably disappointing, most of them remarked that the region lacked any sign of civilization. Such defects, “the scantiness of the population”, “the roving, semicivilized, anti-domestic habits of the people”, as one of these travellers observed,⁹⁹ were generally considered to be a consequence of Spanish domination, and would supposedly vanish after a consistent connection with Great Britain. Captain Francis Bond Head, for instance, in his rapid notes taken on the pampas, observed that the inhabitants of the territory knew no industry or trade, because they had been kept in a “very lamentable situation”, which was a consequence of the isolation in which the region had remained during the colonial regime. “Away from all practicable communication with the civilized world”, people in South

⁹⁵ Basil Hall, *Extracts from a Journal written on the Coasts of Chile, Perú and Mexico in the years 1820, 1821, 1822*, (Edinburgh Archibald Constable and co 1824), vol. 2, p. 127.

⁹⁶ *Ibid.*, pp. 262, 263.

⁹⁷ Joseph Andrews, *Journey from Buenos Ayres: through the provinces of Cordova, Tucuman, and Salta, to Potosi, thence by the deserts of Caranja to Arica, and subsequently to Santiago de Chili and Coquimbo, undertaken on behalf of the Chilean and Peruvian mining association, in the years 1825-26*. (John Murray, 1827), vol. 1, p. X.

⁹⁸ *Ibid.*, p. XIII.

⁹⁹ Edward Hibbert, *Narrative of a journey from Santiago de Chile to Buenos Ayres: in July and August, 1821*. (London: John Murray 1824), pp.7-8.

America, Head stated, had been “unable to partake of the improvements of the age, or to shake off the errors and disadvantages of a bad political education. They have not the moral means of improving their country, or of being improved by it; and oppressed by these and other disadvantages, they naturally yield the habits of indolence and inactivity”.¹⁰⁰ John Miers expressed a similarly dismal vision of the state in which he found these new republics, but notwithstanding his disappointment, he claimed that “illumination and liberalism, the destruction of fanaticism, and the downfall of priestcraft are working their way with rapid strides” through these regions, timidly foretelling their future recovery.¹⁰¹ The cause of this rapid improvement, Miers stated, was the influence of “numbers of our intelligent countrymen who are engaged in different parts of this immense continent”, meaning those British travellers, who, just like himself, were exploring these territories to gather those “necessary observations and matters of fact” which would finally enable Britons “to give to this country its true value, and to appreciate its actually existent available resources”, thereby contributing to sustaining British commerce in the region and ultimately helping to spread civilization.¹⁰² Commerce, as has already been stated, was seen as a vehicle of communication with the civilized world, through the circulation of commodities, people and ideas. Edmund Temple pictured this process as that of a powerful stream, which flowing from Great Britain would penetrate into these yet unconquered regions. The “semi-barbarous” habitants of the hinterlands of the United Provinces and Bolivia would change, because “the stream of living waters having gushed forth, will assuredly flow on; and even the next generation may see it diverge in a thousand channels, diffusing its fertilising effects through every class of society, and converting many a dreary desert into a scene of happiness and joy”.¹⁰³

As Janet Browne observes, Great Britain commissioned different hydrographical expeditions to the Southern Cone in an effort to secure the establishment of “footholds” in the region. In the meantime, British explorers there were building a network of personal connections and correspondence which overlapped the other web which would materially connect the region with a wider network of foreign trade springing from Great Britain.¹⁰⁴

¹⁰⁰ Francis Head, *Rough notes taken during some rapid journeys across the Pampas and among the Andes*. (London, 1826), pp. 11, 12.

¹⁰¹ John Miers, *Travels in Chile and La Plata*, (London: Baldwin, Cradock and Joy, 1826), vol. 1, p.241.

¹⁰² John Miers, *Travels in Chile and La Plata*, (London: Baldwin, Cradock and Joy, 1826), vol. 2, p. 264.

¹⁰³ Edmund Temple, *Travels in various parts of Peru; including a year's residence in Potosi*, (London: John Murray, 1830), pp.337, 338.

¹⁰⁴ Janet Browne, *Charles Darwin: Voyaging*, (London: Jonathan Cape, 1995), p.181; see also ‘Biogeography and empire’ in N. Jardine, J. A. Secord and E. C. Spary eds. *Cultures of Natural history*, (Cambridge: Cambridge University Press, 1996).

The work of Woodbine Parish, who was British Consul in Buenos Aires between the years 1825 and 1832, shows how these nets of interests and connections matched. His book, *Buenos Ayres and the Provinces of the Río de la Plata, their present state*,¹⁰⁵ was not exactly a travel book, but a historical, geographical and economic treatise about the region elaborated from different experiences in the Southern Cone that gathered scientific and geographic information to foster British commerce. British travel and economy were intimately related, in a relationship which was exposed by Jean Baptiste Say in his *Treatise on Political economy*, where he claimed that “travels might be considered as industrial experiences”,¹⁰⁶ a formula which might echo Linnaeus’s vision of the ideal voyager as “an industrial spy”.¹⁰⁷ Woodbine Parish confirmed these perceptions of the economic dimension of travel in his praise of the hydrographical works directed by Captains Parker King and Fitz Roy, whose importance was, as he stated, “difficult, indeed, to estimate”, “as they may tend to influence the future development of the resources and trade of the new States of America”. His literary work and his diplomatic mission were also planned with the advancement of science and the circulation of useful knowledge in mind.¹⁰⁸ Woodbine Parish’s official position put him in the middle of a web of informers and contributors who helped him to achieve his commitment to geographical discovery and the recognition of the economic resources of the region through the study of botany, geology and zoology. He admitted that, given the impossibility of “obtaining further information from the local authorities”, he was obliged to maintain a correspondence with “two of my more intelligent countrymen”, John Gillies and Joseph Redhead. These two doctors, “collected and sent” him a “variety of information”, which, as he stated, he could have never “obtained from any other sources”.¹⁰⁹ But there were more persons on whose knowledge or experience Woodbine Parish did rely, such as John Miers, Alexander Caldcleugh and Charles Brand. Woodbine Parish commissioned John Gillies in 1827 to discover areas which were not “been described by anyone else”,¹¹⁰ reconnoitring connections between La Plata and Chile through the Andes or by navigable rivers¹¹¹. Woodbine Parish himself was also an active explorer; he travelled to the river Diamante, on the southern boundary of the province of Mendoza,

¹⁰⁵ Woodbine Parish, *Buenos Ayres and the provinces of the Río de la Plata: their present state, trade, and debt; with some account from original documents of the progress of geographical discovery in those parts of South America during the last sixty years* (London: John Murray, 1839).

¹⁰⁶ Jean B. Say, *Tratado de economía política: exposición sencilla del modo con que se forman, se distribuyen y se consumen las riquezas: con un epítome y un índice razonado de las materias*, (Paris: Lecointe, 1836), vol. 4, p. 157.

¹⁰⁷ Lisbert Koerner ‘Carl Linnaeus in his time and place’ in N. Jardine, J. A. Secord and E. C. Spary eds. *Cultures of Natural history*. (Cambridge: Cambridge University Press, 1996), p. 152.

¹⁰⁸ Woodbine Parish, *Buenos Ayres* (1839), pp. Xxxviii.

¹⁰⁹ Ibid. p.xxxv.

¹¹⁰ Ibid. p.323.

¹¹¹ Ibid. p.326.

moving southwards to the border with Chile,¹¹² and then through the Andes of Upper Perú in the company of Joseph Barclay Pentland, the private secretary of Charles M Ricketts, British Consul at Lima. Pentland was another member of Parish's network. Trained as geologist under the guidance of the French eminence George Cuvier, Pentland made an important survey of the new Republic of Bolivia, commissioned by Consul Ricketts.¹¹³

Parish was an avid collector who prided himself on some extraordinary findings, such as a "remarkable specimen of native iron", which he sent to Humphry Davy and which ended up in the British Museum¹¹⁴, and the celebrated remains of a Megatherium¹¹⁵. But he did not only collect natural specimens, he was mainly a collector of facts and useful information of all kinds, which he included in his book. Parish was interested in gathering old manuscripts with historical and geographical information from the colonial authorities and explorers that he transcribed from old archives in Buenos Aires or from the private collections of local sages as Saturnino Segurola, Pedro de Angelis, and Gregorio Funes.¹¹⁶ He also searched for maps and topographical surveys of the province of Buenos Aires were drawn for him at the instigation of General Rosas, then governor of that capital. At the end of his journeying Woodbine Parish had amassed "a considerable collection of manuscripts, maps and of inedited papers respecting countries of which the greater part of the world is; I believe in almost absolute ignorance".¹¹⁷ It resides nowadays in the British Museum. Most of the papers he collected were journals of exploration intended to establish settlements in Patagonia and, most importantly, to identify navigable rivers across the country.¹¹⁸ Canals, navigable rivers and roads were a peculiar concern of his, because they were the means to establish a fluent network of communication and trade between these regions and Great Britain. He projected a line beginning from the advantageous geographical position of Buenos Aires and connecting the city with the interior through a web of roads, canals, and navigable rivers that reached the Andes, the northern plains, and the south, stretching its arms towards Upper Perú, Brazil and Chile.¹¹⁹ Navigable rivers were the solution, he stated, "in a country where the roads are just as nature has made them and where the only means of transport for heavy goods are the most unwieldy of primitive wagons, drawn by oxen". Later, he advised the introduction of steam navigation along these rivers to allow an easier

¹¹² Ibid., p.325.

¹¹³ Joseph B. Pentland, *Report on Bolivia edited by Valerie Fifer*, Camden Miscellany, vol. 25. (London: Royal Historical Society 1974), pp. 174, 175.

¹¹⁴ Woodbine Parish, *Buenos Ayres* (1839), pp.257, 258.

¹¹⁵ Ibid., pp. 171-174.

¹¹⁶ Ibid., p. iv.

¹¹⁷ Ibid., p.268.

¹¹⁸ Ibid., pp. v- vii.

¹¹⁹ Ibid., pp.16, 333.

supply of commodities from Europe to the different regions of the Southern Cone, promoting “prosperity and civilization”.¹²⁰ From his writings it seems clear that Woodbine Parish did not only consider the economic consequences of these means of communication,¹²¹ but also their political ones because this network would, he thought, firmly consolidate the federation between Buenos Aires and the provinces.¹²² Political stability would also clear the way for the march of civilization into these regions, which he saw as deserts or “waste lands”.¹²³ He stated that “education, the press, a daily intercourse with the rest of the world” would “all [tend] gradually to enlighten the inhabitants of these new countries, and to prepare them for their future destinies.”¹²⁴ Woodbine Parish considered that the development of a fluent and substantial commerce between Great Britain and the Southern Cone would turn the wild inhabitants of the pampas into a useful – and obviously cheap- labour force.¹²⁵ This commerce would also attract “intelligent” foreigners who might give “a stimulus to the industry of the native population”. These intelligent people would teach the natives which of their products were valuable in other countries, which resources they should introduce, and how to use machinery. “It would be folly”, he noted, “to disguise that these new countries are in the very infancy of civilization; studiously brought up by the mother country in entire ignorance of all that could teach them their own value and importance, no wonder they now have all to learn”.¹²⁶

Although this book can be seen as a testimony of the imperial reach of Great Britain trying to engulf the Southern Cone into a wider network of exchanges centred on London, what Woodbine Parish wrote was also an encouragement to the inhabitants of this region to “open their eyes to the importance of their own resources” and their own ability “of calling them into action”. So that, although he considered that the country was somewhat cursed by its colonial past, his work was an affirmation of the capacities of its population, worded in an entrepreneurial rhetoric which saw free circulation as requisite to human fulfilment.¹²⁷

Good examples

Two important concerns of these “missionaries of civilization” were immigration and education, which were supposed to have a civilizing function by the introduction of

¹²⁰ Ibid., p.245.

¹²¹ Ibid., p.333.

¹²² Ibid., pp. 245, 293.

¹²³ Ibid., p.372.

¹²⁴ Ibid., p.11.

¹²⁵ Ibid., p.56.

¹²⁶ Ibid., pp. 356, 357.

¹²⁷ Ibid., p.289.

working hands and models or examples among the population of the manners, habits, and costumes of the Old World. Edmund Temple, for instance, observed that future British colonies established in the hinterland of the Southern Cone should develop “improvements that must necessarily follow the steps of a more refined civilization”. The establishment of a British colony, he claimed, entailed the development of “arts and every encouragement to industry”, by “improvements in roads, carts and carriages”, “the navigation of rivers”, “the construction of canals”; among other “future advances” that were to be the object of future speculations.¹²⁸ In many of the travel books analysed here, immigration became an issue which was integrated with the visions of futurity that these travellers often expressed, so that the customary descriptions of unoccupied lands were accompanied with a correlative prescription advising the arrival of immigrants, as the best remedy for improvement. While travelling through the pampas, Robert Proctor, for instance, lamented the “dreary and uninteresting appearance” of the land, but he instantly acknowledged that a deeper glance would reveal how under that barren appearance, there was “still sufficient matter for speculation”. “All that is wanting”, he claimed, “is an active population to cultivate the soil, and sufficiently numerous to resist the incursions of the Indians”.¹²⁹ A couple of years later, while travelling through the same land, Francis Bond Head, observed that it was almost as if “the whole country” was waiting for the sudden irruption of “cities and millions of habitants”.¹³⁰ “The great desideratum of these countries”, he concluded at the end of his *Rough Notes*, “is population”.¹³¹ The idea behind these observations was that an increase in population would bring scarcity and need, which would encourage industry. In an age when Malthus’s “principle of population” was highly discussed, Head observed that “the overplus population of the Old World will undoubtedly flow towards these countries, bringing with it different habits, languages, and customs. The language, religion, habits, and occupations of the different provinces will of course be influenced and affected by the quantity of foreign settlers, and the laws must vary with the exigencies which require them.”¹³²

These travel books often provide useful information for future immigrants, addressing their metropolitan audiences with emigration schemes to the Southern Cone. William Bennet Stevenson, for instance, remarked how Peruvian society needed the assistance of “good steady mechanics —carpenters, cabinet makers, millwrights,

¹²⁸ Temple, *Travels* (1830) pp. 233, 234.

¹²⁹ Robert Proctor, *Narrative of a Journey across the Cordillera of the Andes, and of a residence in Lima, and other parts of Peru, in the years 1823 and 1824*, (London: John Murray, 1825), p. 17.

¹³⁰ Head, *Rough notes* (1826) pp. 6,7.

¹³¹ *Ibid.*, p.309.

¹³² *Ibid.*, p.310.

blacksmiths, whitesmiths, silversmiths, watchmakers or repairers, shoemakers, and tailors”, which “would meet with constant work and good wages; but it would be advisable for each artificer to take a supply of tools with him”.¹³³ Joseph Andrews considered that the province of Tucumán was probably the best part of the world for an industrious Englishman to settle in, with “the possession of a moderate estate in land”.¹³⁴ This was an opinion shared by Edmund Temple, who considered that, “there is not a spot, perhaps, in the New World, I doubt if I may not say in the world at large, that holds out prospects more inviting to emigrants with small capital than the province of Tucuman”. These immigrants, he affirmed, would recover “the blessings which nature has lavished upon this long-neglected land.”¹³⁵ Temple proposed that families or individuals from Ireland and England should be diverted towards the Southern Cone. The issue seemed to have been very relevant to him, as he admitted to “have taken considerable pains to inquire into the prices of everything concerning the establishment of a family in either the fine provinces of Cordoba, Tucumán or Salta, and having in view the object of giving information at some future day to persons at home, whose circumstances might induce them to leave their native land and to adopt another, in the hope of finding an easier”.¹³⁶ Temple gave some details of the plans that Colonel Francis Burdett O’Connor had of establishing a “utopian colony” of “New Erin” in Tarija, Upper Perú. He even called to “some more competent person to turn out of the beaten track of South American travellers, to examine whether or not a colony of importance might settle there”.¹³⁷ Francis Burdett O’Connor, who was then a secretary of General Sucre, in the newly born Republic of Bolivia, even published a proclamation in Britain to the “People of Ireland!” exhorting them to go to South America.¹³⁸

Education was another key element in the plans of improvement these travellers envisaged. Alexander Caldcleugh, for instance, considered that establishments, “for juvenile education in the city and in the country”, would serve as a stimulus to multiply similar ones throughout the region, they “give us reason to look forward to the prospect of a rising generation much surpassing that which has preceded it”.¹³⁹ Edmund Temple observed that this “rising generation of educated South Americans” were “to imbibe the spirit of

¹³³ William B. Stevenson, *A historical and descriptive narrative of twenty years' residence in South America: containing the travels in Arauco, Chile, Peru, and Colombia; with an account of the revolution, its rise, progress, and results*, (Liverpool: Longman, Rees, Orme, Brown and Green 1829), vol. 3, pp.353.

¹³⁴ Andrews, *Journey* (1827), p. 239.

¹³⁵ Temple, *Travels* (1830), pp. 140, 141.

¹³⁶ *Ibid.*, p. 228.

¹³⁷ Temple, *Travels* (1830), p. 388.

¹³⁸ *Ibid.*, p.396.

¹³⁹ Alexander Caldcleugh, *Travels in South America, during the years, 1819-20-21: containing an account of the present state of Brazil, Buenos Ayres, and Chile*, Volume 2 (London: John Murray, 1825), p.341.

tolerance, and acquire the principles of a liberal education”, which was the opposite of what previous generations, had been learning, in regions that for centuries had been the “gloomy abode of intolerance, indolence, and superstition”.¹⁴⁰ Some authors suggested a connection between learning and the advancement of foreign trade, because consumption of British commodities entailed an apprenticeship in civility, the learning of new needs and the polishing of older ones. At the end of his travel book Basil Hall observed that the greatest threat to the immediate future of South America was not what system of government would end up prevailing, “but rather the absence of those wants, tastes, and habits, the hope of gratifying which is, in every country, the surest stimulus to industry”.¹⁴¹ He observed that “the desire to enjoy the luxuries and comforts” of civilization was far more “extensively felt” than the “wish for independence”. From this perspective, these changes meant an apprenticeship, just as Alexander Caldceugh observed that people might “acquire that taste for comfort”, prophesizing that “English manufacture will supersede the use of the poncho”.¹⁴²

Education and immigration were two matters in which the interests of British travellers and those of South American authorities converged. Colonization was behind the first acts of the revolutionary governments of The United Provinces, Chile and Perú, which proclaimed that their countries were open to the arrival of “persons of all nations”.¹⁴³ But, immigration was not an open invitation, because local authorities preferred the arrival of Northern Europeans, rather than the naturals of Mediterranean or Southern European countries. Rivadavia made this clear in the instructions he sent to his agents in London to promote immigration schemes of European families, “but especially of Northern Europe”.¹⁴⁴ The first diplomatic missions of these nations in Britain had emigration projects among their main priorities and even the foreign loans they contracted were intended, partly at least, to finance future schemes of immigration projects.¹⁴⁵ In the end, the United Provinces of Río de la Plata were actually the only place in the Southern Cone where these colonization schemes achieved a degree of fulfilment or rather a brief existence.

On 9 September 1818, Bernardino Rivadavia, then in Europe as an unofficial agent of the United Republics of the Río de la Plata, wrote a letter to Juan Martín de Pueyrredón,

¹⁴⁰ Temple, *Travels* (1830), pp., 334,335.

¹⁴¹ Hall, *Extracts from a Journal* volume 2 (1824), p.68.

¹⁴² Caldceugh, *Travels in South America*, Volume 1 (1825), p.161

¹⁴³ Sergio Bagú, *El plan económico del grupo rivadaviano, 1811-1827: su sentido y sus contradicciones, sus proyecciones sociales, sus enemigos. Con una sección documental* (Buenos Aires: Universidad Nacional del Litoral. 1966), p.46.

¹⁴⁴ *Ibid.*, p.149.

¹⁴⁵ Javier González E. *Documentos de la Misión de Don Mariano Egaña en Londres (1824-1829)*, (Santiago: Edición del Ministerio de Relaciones de Chile. 1984), p. 448.

the Supreme Director of that state, remarking how important it was for the prosperity of the Nation and to his international duties, to “excite (foreign) tradesmen, farmers and useful men to go and establish themselves in that country”. Rivadavia considered that the increase of the population of the nation “was the most efficient and most probably the only way of destroying the degrading Spanish *habitudes* and the fatal graduation of their castes, and of creating a homogeneous, industrious and moral population, the only solid base of the nation’s Equality, Liberty and consequently its prosperity.”¹⁴⁶ In 1821, Rivadavia had a chance to promote his wishes for colonization, when John Thomas Barber Beaumont asked his help to form a British Colony in the Rio de la Plata. Barber Beaumont had earned a considerable fortune as a consummate miniature painter, which allowed him to start a successful career as a business man and distinguished philanthropist. In the first position he developed the “Provident Life Office” and the “County Fire Office”, two successful insurance enterprises which helped him finance different philanthropist undertakings such as the Philosophical Institution, his keen promotion of boxing as a disciplinary and corrective practice among adult males, and this emigration project to Buenos Aires.¹⁴⁷ Rivadavia commissioned his agents, the House of Hullet Brothers, to deal with Barber Beaumont,¹⁴⁸ and also asked them to insert promptly in the main British and French newspapers articles to promote this and other European emigration schemes to the United Provinces”.¹⁴⁹

Barber Beaumont’s plans followed the fashion of the day, and took the shape of a Joint Stock Company of Emigration and a Rio de la Plata Agricultural Association. The Buenos Aires Government guaranteed its support for both schemes, granting a temporary cession of the land while these companies, in turn, guaranteed that they would be dissolved once the settlers had achieved a certain degree of progress and prosperity. Rivadavia’s idea was to rent the lands under a regime of *emphyteusis*, which meant to assume that the territory of the nation belonged entirely to the State, and was not to be sold or donated. But, notwithstanding Rivadavia’s original enthusiasm, these plans did not fare well. The book *Travels in Buenos Ayres and the adjacent provinces of the Rio de la Plata. With Observations intended for the use of persons who contemplate emigrating to that country or embarking capital in its affairs* written by

¹⁴⁶ Bagú, *El plan económico*, (1966), p.127.

¹⁴⁷ Robin Pearson, ‘Beaumont, John Thomas Barber (1774–1841)’, Oxford Dictionary of National Biography, Oxford University Press, Sept 2004; online edn, Jan 2008 [http://www.oxforddnb.com/view/article/1877, accessed 10 Aug 2010.

¹⁴⁸ Bagú, *El plan económico*, (1966), p. 147.

¹⁴⁹ John A. Baber Beaumont, *Travels in Buenos Ayres and the adjacent provinces of the Rio de la Plata. With Observations intended for the use of persons who contemplate emigrating to that country or embarking capital in its affairs* (London: J. Ridgway, 1828) p.181.

John Thomas Barber Beaumont, son of the philanthropist, is a testimony of this failure, and it is half a libel against Rivadavia, and half a travel book recounting his journey through the United Provinces. Its main purpose is to give an eloquent and lively warning to dissuade any speculator that considered the New World as an open field for his endeavours. The book narrates the difficulties its author found during the years 1825 and 1826 establishing three groups of immigrants in the United Provinces, chiefly constituted by “men of the labouring class, with their families”.¹⁵⁰ The original plan, according to Barber Beaumont, involved “implanting on the fruitful shores of the Rio Plata, the race, the habits, and the energies of industrious Englishmen; and of materially contributing to the improvement, independence, and power of that fine country”. His philanthropist father provided almost anything these companies needed: tools and machinery –including “a large flour mill, saw mills, forges, building materials, clothing, arms and equipment for companies of volunteers; and a library, consisting of several hundred selected volumes”. The colony was evidently utopian, combining the material and moral improvement of its settlers, whose daily life was to be organized by a code of rules, which included “instructions and advice composed for their guidance”, whose “cardinal points” were fair dealings with the natives and to lead a personal industrious and frugal life”. There was an emphasis on social control which is shown in their plan. An image of it, included in Ackermann’s *Museo Universal*, a British magazine destined for South American audiences edited by José Joaquín de Mora, shows how the colony was shaped as a wheel, in the centre of which there were institutional buildings, such as the church, hospital, and police. The wheel’s spokes formed the divisions of the parcels of land granted to the colonists. In the narrower end of each slice, houses were supposed to be built, facing the town’s centre, which was meant to act as a control point. The borders of the circle, and the four straight lines which converged on the centre were channels, which apparently conducted water and provided defence.¹⁵¹

Things started well for the company in London. Barber Beaumont claimed that there were more volunteers than places to fill,¹⁵² and Rivadavia, who became a close acquaintance of the family, offered his complete support for the project, promising that everything should be at their disposal on arrival in Buenos Aires.¹⁵³ Such expectations and promises of success only added to the bitter disappointment of their failure.¹⁵⁴

¹⁵⁰ Ibid., p. 1.

¹⁵¹ Jose Joaquin de Mora, *Museo Universal* Second volume (London: Rudolf Ackermann 1826) p.1

¹⁵² Beaumont *Travels* (1828), p. 113.

¹⁵³ Ibid., p.113.

¹⁵⁴ Ibid., p.123.

J. A. B. Beaumont attributed the failure of these colonies generally to the “partial representations” of the region’s actual situation which had deluded him and some of his friends, and which “largely contributed to draw the attention of the British public to the advantages of Buenos Ayres for agricultural emigrants”.¹⁵⁵ He blamed the promotional campaign developed by Buenos Aires authorities in London and specially the book *An Account, Historical, Political, and Statistical, of The United Provinces of Rio de La Plata* published in 1825 and written by Ignacio Nuñez to “exhibit merely the peculiarities of a new and naked country, wherein much is wanting”, calling “the artizan, the labourer, the mechanic, the man who works with his hands”.¹⁵⁶ Barber Beaumont mocks Nuñez’s scientific pretensions, and suggests that his statements were “undeserving of the least credit”.¹⁵⁷ In many ways, his own book seems to have been written to contradict the optimistic view projected by Nuñez.¹⁵⁸ It seems that geopolitical interests had replaced the former emphasis on agricultural pursuits of Rivadavia’s administration, due to the war between Buenos Aires and Brazil, which consumed attention, not to mention the funds, of the government. Immigrants were beset by government agents to join their army or navy to fight against Brazil and the ship’s captain also received many offers to sell his vessel to the government and to enlist in the navy.¹⁵⁹ But Barber Beaumont also suggests other reasons that might have contributed to this failure, which raise doubts about Rivadavia’s actual commitment to the enlightened ideas he pretended to endorse, when he claims that his enthusiasm waned once he found out that the immigrants belonged to the most destitute classes of British society. The author also claimed that, in the end, the government of Buenos Aires “never was intended to allow the formation of any agricultural settlements in the country!”¹⁶⁰, accusing the striking contrast that existed between Rivadavia’s promises in London, and his attitude towards the companies back in Buenos Aires. In the midst of his disappointment Barber Beaumont rhetorically asked: “Why bring Europeans to these lands?” a question that his father had asked Rivadavia while they were in London, trying to convince him “of the preferable policy of conciliating the Indians” instead of “destroying them, and peopling their country with emigrants from Europe”. Rivadavia’s reply was, as the author recalled, that natives were “bad people—they must be got rid of”. Barber Beaumont claimed that Rivadavia ought to have had a “more liberal and just policy” towards the natives, which actually were the

¹⁵⁵ Ignacio Nuñez, *An Account, Historical, Political, and Statistical, of The United Provinces of Rio de La Plata. Written originally in Spanish*. (London: Rudolf Ackermann 1825), p. Viii.

¹⁵⁶ Ibid., pp. 168, 171.

¹⁵⁷ Beaumont, *Travels* (1828), pp. 47, 48, 98, 94, 96.

¹⁵⁸ Ibid., p.99.

¹⁵⁹ Ibid., p.122.

¹⁶⁰ Ibid., p. 120.

“lawful proprietors of the soil” that he publicized as deserted.¹⁶¹ Why then, he asked rhetorically, were these supposedly “enlightened” rulers of Buenos Ayres, who desired to increase the population of their country, beginning a process of “war and extermination”?¹⁶²

While the colonization plans projected by the philanthropist J A B Beaumont were wrecked on the shores of the River Plate, John and William Parish Robertson were also planning another emigration project which became known as the “Scotch agricultural colony of Monte Grande”. This project, which had a better beginning, also ended badly. The initial success, according to Henry Stanley Ferns, might be attributed to the fact that the venture was “directed by men who knew the country and were capable of quick decisions on the spot”. The Robertson brothers, in fact, had deep connections in Buenos Aires, Lima and Santiago and were actually involved in almost every major project developed by the government in Buenos Aires and the British community there. The agreement they settled with the government followed the line of the one established by Barber Beaumont’s failed schemes, although they decided to locate their colony nearer the capital, where they arranged the establishment of 16,000 acres where farmers, bricklayers, carpenters, blacksmiths, sawyers, coopers, gardeners, clerks, one doctor and one architect, all of them Presbyterians, went to settle during May 1825.¹⁶³ Unfortunately, John and William Parish Robertson did not give any account of this experience in their highly disappointing *Letters on South America: comprising travels on the banks of the Paraná and Rio de la Plata* published in 1843. The colonization project lasted until 1828 and got to manage 1000 acres of orchard and plantations, 2000 lands cultivated with of cereals and 125000 of pasture. Its failure was certainly precipitated by the spectacular bankruptcy which affected the merchant house of these two brothers during 1825. According to Ferns, the end was a circular trail of misunderstandings which involved the members of the colony, local farmers and the Robertson brothers, none of whom were actually providing what they had promised to do. In the end, the Robertson ended up blaming the local government.¹⁶⁴

The most important educational project developed by a British explorer during the 1820’s was the establishment of schools of mutual education or the Lancasterian “program” of elementary instruction by James Thomson. Juan García del Río called Thomson “a distinguished philanthropist” and he can also be considered as a missionary who travelled to South America diffusing the “monitorial method” of instruction, supported by the

¹⁶¹ Ibid., pp. 58, 59.

¹⁶² Ibid., pp. 243.

¹⁶³ Henry S. Ferns, *Britain and Argentina in the nineteenth century* (Oxford: Clarendon Press, 1960), p.139.

¹⁶⁴ Ibid., p. 140.

authorities in the Southern Cone.¹⁶⁵ The Lancasterian or monitorial method of instruction was developed in England by Joseph Lancaster at the beginning of the nineteenth century to educate poor children by a practice of mutual education where the more advanced students taught the younger elementary lessons of grammar, mathematics and other disciplines. The method was progressive, comprising 8 levels of learning in a space of two years, after which it was expected that a normal child of eight years old should be able to learn to read and write. During the final course the teacher introduced the class to the reading of the Bible and other books, although Lancaster was against the use of his schools for evangelical indoctrination. The method soon began to be disseminated internationally, eventually to the rest of the world, from its centre in London. As Marcelo Caruso and Eugenia Roldán Vera have observed the world expansion of the mutual or Lancastrian school method of instruction was an unprecedented process of diffusion in the history of education, becoming a kind of “epidemic” and the first proper global movement of educational methods and didactics centred in London.¹⁶⁶

The main advantages of the Lancasterian method were its simplicity and cheapness. In fact it was meant to be free. The classes were held in big halls where students, aligned in rows and divided into groups of ten, learned under the guidance of a monitor and the general control of a master, who supervised the proceedings of the class from a platform facing the classroom. The master gave his orders by blowing a whistle and communicated with the monitors by ringing bells and making hands signals. These features, which made the method military,¹⁶⁷ mechanical or even industrial,¹⁶⁸ were among its greatest attractions, and not surprisingly, its most fatal shortcomings.¹⁶⁹ None of these defects retarded the progress of this method, however: at the height of his fame Lancaster enjoyed the favours of the British Crown and some reformist members of the nobility, as well as the sponsorship of reformers and radical thinkers such as Jeremy Bentham and Francis Place. The latter even became a member of the Royal Lancastrian Institution and contributed to the perpetually shaky finances of Lancaster (Place even helped to write the constitution of

¹⁶⁵ Juan García del Río, ‘Estado anterior i actual de la instrucción pública en América’ *El Repertorio Americano* volumen 1 (London: Bossagne, Barthés i Lowell, 1826), p. 252.

¹⁶⁶ Marcelo Caruso, Eugenia Roldán Vera 'Pluralizing Meanings: The Monitorial System of Education in Latin America in the Early Nineteenth Century', *Paedagogica Historica*, 41: 6, (2005), pp. 649,650.

¹⁶⁷ Edgar Vaughan, *Joseph Lancaster en Caracas, 1824-1827: y sus relaciones con El Libertador Simón Bolívar, con datos sobre las escuelas lancasterianas en Hispanoamérica en el siglo XIX* (Caracas: Ministerio de Educación, 1989), pp. 23, 24, 25.

¹⁶⁸ Webster E. Browning 'Joseph Lancaster, James Thomson, and the Lancasterian System of Mutual Instruction, with Special Reference to Hispanic America', *The Hispanic American Historical Review*, 4, 1921 p. 62.

¹⁶⁹ Webster E. Browning, 'Joseph Lancaster, James Thomson, and the Lancasterian System of Mutual Instruction, with Special Reference to Hispanic America', *The Hispanic American Historical Review*, 4, 1921 p. 62.

the society).¹⁷⁰ In 1810, as Edgar Vaughan stated, Joseph Lancaster met Simón Bolívar in London when he was just arriving as a foreign agent of the newly established Junta of Venezuela, alongside Luis López Mendez and Andrés Bello. The meeting was promoted by the intercession of Francisco de Miranda, who was an early enthusiast of Lancaster's teaching methods.¹⁷¹ It was from this initial connection that, almost a decade later, emerged Bolívar's invitation to Lancaster to establish schools in Venezuela.¹⁷² While Joseph Lancaster was in Caracas trying to develop his method of education, the Scottish Baptist James Thomson was travelling through South America pursuing the double objective of promoting the reading of the Bible and the establishment of the Lancasterian method of instruction. Thomson was an independent representative of "The British and Foreign School Society" and "The British and Foreign Bible Society". The former institution had assumed control of Joseph Lancaster's schools –in Britain and abroad- after the financial collapse of its founder and his departure to Caracas. Both institutions shared the reading of the Bible, in the first case as a teaching instrument, and a devotional familiar practice in the second, as the core of their disciplinary practices. Both societies apparently sponsored Thomson's journey to South America and the first of the seven years he spent there. The rest were funded by local governments. Thomson visited Buenos Aires, Chile, Perú, and what then was Great Colombia, following a trail of official invitations to develop his schools. His experiences in South America were registered in the book *Letters on the moral and religious state of South America*, which was made up of the many reports that he periodically sent to the two institutions to which he was remotely linked. According to him, he decided to publish these *Letters* "with the view of creating a greater interest in this country on behalf of that quarter of the world"¹⁷³.

Thomson combined his duties as a missionary distributing Bibles among the population and as an educational propagandist among local authorities. According to Browning, Thomson played this double act to such a degree "that it is difficult to separate" these two missions,¹⁷⁴ although he seemed to have been aware of the double game he was playing, claiming that he "freely and openly" professed his educational plan, which granted him a warm reception everywhere, and discreetly hid his load of Bibles, whenever the zeal of Catholic priests who forbade the private reading of the Scriptures among the uncultivated

¹⁷⁰ Vaughan, *Joseph Lancaster en Caracas*. (1989), pp. 23, 39.

¹⁷¹ Ibid., p.29.

¹⁷² Ibid., p.60.

¹⁷³ James Thomson, *Letters on the moral and religious state of South America: written during a residence of nearly seven years in Buenos Aires, Chile, Peru, and Colombia* (London: J. Nisbet, 1827), p.i-x

¹⁷⁴ Webster E. Browning, 'Joseph Lancaster, James Thomson', (1921) p. 65.

population, made it advisable.¹⁷⁵ Otherwise, Thomson viewed himself as a kind of missionary, or an instrument of a greater design provided by God,¹⁷⁶ an apostolic zeal which was strong enough to make him fantasize about the prospect of bringing his Bibles into the Amazon. He did not go that far.¹⁷⁷

Thomson found a warm welcome in Buenos Aires, Mendoza, Santiago de Chile and Lima, where his projects were supported by San Martín and O'Higgins (later by Rivadavia). In all those cities there were "Lancasterian Societies", founded by authorities and private supporters of these schools. Thomson became nominally a South American as he was rewarded with the citizenship in Buenos Aires and Santiago.¹⁷⁸ Before leaving Santiago towards Lima, Thomson visited Mendoza and San Juan, following an invitation given to him by the British Navy surgeon John Gillies, who was then living in Mendoza convalescing from a pulmonary illness. In that city, Thomson was gratified to find a very amiable reception and an enthusiastic attitude towards his establishments. Gillies combined the practice of botany with efforts to improve the education of the city's inhabitants, encouraging the formation of the Lancasterian establishment and sponsoring the public library, asking every passing traveller to donate any book they could spare.¹⁷⁹ A few days after the arrival of Thomson in Mendoza, a Lancasterian Society was formed there, with John Gillies as an honorary fellow.¹⁸⁰ San Martín considered that the introduction of mutual education was an important event, a deed "which philosophy applauds and which spring from the noblest principles of all human society, namely, the love of glory, founded on the promotion of the prosperity and happiness of mankind"¹⁸¹. O'Higgins, in turn, claimed that by adopting this method, his government was following the nations of "the civilized world", which had adopted it for the "improvement in their habits". "The propagation of this system", he concluded, "holds out the surest means of extirpating those principles formed among us in times of darkness".¹⁸²

While in Perú, Thomson wrote to his sponsors in Great Britain a report in which he showed his usual enthusiasm, revelling in the prospects that South America, as a New World, offered either to the missionary or the man of science: "What an immeasurable field is South America;" he wrote, "and how white it is to the harvest! I have told you this

¹⁷⁵ Thomson *Letters* (1827), p.15.

¹⁷⁶ *Ibid.*, p.13.

¹⁷⁷ *Ibid.*, p. 93.

¹⁷⁸ *Ibid.*, p.167.

¹⁷⁹ Dawe, *Piedras* (1988), p. 33.

¹⁸⁰ *Ibid.*, p. 273.

¹⁸¹ Thomson, *Letters* (1827), p.39.

¹⁸² *Ibid.*, p.78.

repeatedly, but I have a pleasure in telling it to you again. I do think that, since the world began, there never was so fine a field for the exercise of benevolence in all its parts. The man of science, the moralist, the Christian, has all fine scope here for their talents. God, who has opened such a door, will surely provide labourers.”¹⁸³ Thomson probably went farther than any other reformist traveller in his enthusiasm for South America, which “in a few years will far outstrip many of the nations of Europe”.¹⁸⁴ He considered that South Americans were enacting a “great revolution”, which was not only political but also moral in terms of their general improvement. Rephrasing the words of Jeremiah, Thomson stated, rather enigmatically, that “those who have eyes to see this goodly prospect, and those who have ears to hear the harmony of this moral change, meet on every hand with indications of its approach”, concluding that “a change has been begun, a happy change. Let us put our hand to this work. Let us bear it onward, and God Almighty will consummate it in due time”.¹⁸⁵ In another odd passage Thomson compared America with “a young man just come of age and inexperienced” who was placed at a vantage point where he was able “to learn wisdom from seeing the stubbornness of old age on the one hand, and from the true principles of philosophy on the other.” In the next paragraph, in a rather surprising turn, Thomson exclaimed: “We are not fettered down by old habits, and we are endeavouring therefore, and I think with some success to look upon the subject of government philosophically, and as free as may be from the influence of prejudice”. It is remarkable how he changed his authorial persona and adopted the first person plural, as if he were another South American, which in fact he was, by grace of Buenos Aires and Chilean governments. In a study of Thomson’s mission in South America, Eugenia Roldán Vera considers Thomson’s educational project as a part of a strategy of modernization, an interpretation which might perhaps exaggerate his intentions, but which nonetheless remarks his position as a missionary of improvement.¹⁸⁶ Karen Racine even suggests that there was a link between Thomson’s missionary plans in South America and the British spirit of commercial enterprise. According to her, just as “Britons were as keen to export their Christian Faith abroad as they were to sell manufactured bolts of cotton and sets of porcelain china”, commerce and religion were equally “entangled” in Thomson’s mind.¹⁸⁷

¹⁸³ Thomson, *Letters* (1827), p.37.

¹⁸⁴ *Ibid.*, p. 54.

¹⁸⁵ *Ibid.*, p. 69.

¹⁸⁶ Eugenia Roldán Vera, Marcelo Caruso eds. *Imported modernity in post-colonial state formation : the appropriation of political, educational, and cultural models in nineteenth-century Latin America* (Frankfurt am Main; Oxford: Peter Lang, 2007), pp. 246, 247.

¹⁸⁷ Karen Racine ‘Commercial Christianity: The British and Foreign Bible Society’s interest in Spanish America. 1805-1830’ in Matthew Brown *Informal empire in Latin America: culture, commerce and capital* p.78.

In Chile, Thomson's plans of material and moral improvement entailed a project of bringing Protestant artisans and agriculturalists which he proposed to Chilean authorities.¹⁸⁸ This proposal was deeply resisted by local priests such as the Franciscan friar and historian Juan Javier Guzmán. Although he was aware of the advantages that foreign colonization could carry to Chile: "a country which is almost desert, and which is in need of population, of arms to cultivate its fertile fields, of skilled labour to utilize its raw materials, and of men who are fitted to establish commerce, both foreign and domestic, is all that our young republic could desire and that is what the proposition seems to represent", Guzmán was equally conscious of the dangers that these plans poised to his faith. "It would not be prudent", he concluded, "to receive these devouring vipers into the bosom of a state which deserves to conserve pure, clean, and inviolable the religion in which it profess"¹⁸⁹ Friar Guzmán was not mistaken in his view that Protestant colonies had an implicit missionary intention. This aspect of the colonist or emigration plans is clearly expressed in the reflections on the colonization plans developed in Britain during the year 1825 written by Henry John Boulton while he was advocating emigration to Canada. According to him, Great Britain should send its superabundant poor population overseas to "replenish the earth", "to reclaim the forest, and teach its inhabitants the arts of civil life". "Is it not the duty of this great nation", he wondered, "to extend to the uttermost parts of the earth, by all legitimate means not injurious to herself, the advantages of those civil and religious institutions which have placed her on the pinnacle of human greatness?"¹⁹⁰

Conclusion

For different reasons, the projects envisaged by these different "missionaries of civilization" did not come to fulfilment. Henry Stanley Ferns considers that the failure of British immigration schemes in the United Provinces could be generally attributed to the fact that they "were the victim of the optimism concerning human affairs and the simple minded theories of human nature which characterized the utilitarian enthusiasts so numerous among the enterprising classes of Great Britain that engaged in revolutionizing the world."¹⁹¹ This chapter shows that this "optimism concerning human affairs and the

¹⁸⁸ Webster E. Browning, 'Joseph Lancaster, James Thomson', (1921), p. 76.

¹⁸⁹ Ibid. pp. 76, 77.

¹⁹⁰ Henry John Boulton, *A short sketch of the province of Upper Canada: for the information of the labouring poor throughout England, to which is prefixed thoughts on colonization* (London: John Murray, 1826), pp. 14-18.

¹⁹¹ Ferns, *Britain and Argentina* (1960), p. 141.

simple minded theories of human nature”, was not confined to Barber Beaumont’s philanthropic endeavours, but was, far more, an attitude which might define British interest in the Southern cone as a whole. Utilitarians, as Cain and Hopkins suggest, treated the empire as a vast laboratory for experimenting with scientific principles of human settlement,¹⁹² and this chapter has intended to show how the Southern Cone of America became such a thing, in the broadest sense.

Nature and human agency conspired against these plans. The earthquake of 1822, for instance, badly damaged Miers’s mill and he also became entangled in a sequence of trials that thwarted his original plans.¹⁹³ It is also probable that Miers’s fate was connected with Cochrane’s misfortunes, and his growing disagreements with Chilean and Argentinean authorities, that finally pushed him to Brazil. Most of these projects did not only end in failure but also in disappointment when the original optimism vanished. In some respects reality corrected much of the highly exaggerated accounts about the Southern Cone which were available in Britain before their arrival. It is also possible to attribute these failures to a general change of atmosphere in the Southern Cone, where the initial political and social conditions which appeared so tempting for reformers turned into others far less receptive to their cultural, social and political projects. The resignations of two of the most important supporters of the British reformists, O’Higgins and Rivadavia, in Chile and the United Provinces respectively, were a severe reversal for many of them. John Miers, for instance, claimed that during O’Higgins’s government, “the country was more respected abroad during his short reign than any other state of South America; and since his removal, there has been a gradual but extensive retrogradation in its political character and importance”.¹⁹⁴ That reference to a reversal to the previous state of things most likely meant the slow revival of Catholic influence which took place in these societies.¹⁹⁵ During the same year of O’Higgins’s resignation, for instance, there was a strong catholic reaction from the clerical party in Mendoza, which frustrated every liberal initiative proposed by the reformist group there. Thomas Rowcroft, the first British consul appointed to Lima, who adventurously decided to gallop across the continent from Buenos Aires to Valparaíso on his way to Lima, observed how in Mendoza the Catholic reaction had succeeded in defeating the Lancasterian school and its associated institutions, closing the newspaper *El Verdadero Amigo*

¹⁹² Peter. J. Cain, Anthony G. Hopkins, *British imperialism: innovation and expansion 1688-1914* (New York: Longman, 1993), p.35.

¹⁹³ John Miers, *Travels in Chile and La Plata*, volume 2 (London: Baldwin, Cradock and Joy, 1826), pp.158-160.

¹⁹⁴ *Ibid.*, p.37.

¹⁹⁵ For conservative reactions to liberalism of Rivadavia’s experiments see Ferns *Britain and Argentina*, (1960) pp.111-118.

del País, the public library, and the public theatre. Even books ought to be hidden from the reactionary zeal of priest José Andrés Pacheco de Melo, who threatened to burn such an impious library.¹⁹⁶ Rowcroft claimed that “inclinations to the old system of habits, manners, religion, etc, still prevail in the state; and the young people, reformers, and creole, and foreign improvers, are for the present put down by the old school of opinions”.¹⁹⁷

However, it was not only a reversal to a conservative past that disheartened improvers and reformers. The general climate of misrule and confusion which pervaded the region during these years of political disorder should also be taken into account. Sadly, Rowcroft became an example of this when he was murdered, just after his arrival in Lima, in an extremely confused incident. The fact that he had not been assassinated by Spanish forces, but perhaps by patriotic soldiers, demonstrated how violent and chaotic things could become, increasing the anxiety and fear of the British local community.¹⁹⁸

There were also other causes of disappointment from the reformist perspective, which point to the precariousness of the liberal convictions of some of the authorities in Spanish America. Consider, for instance, the distressing news that authorities in the Southern Cone were discreetly searching for a European minor noble to be crowned as their monarch, a plan which was behind the diplomatic missions that gathered Irisarri, García Del Río and Rivadavia in London.¹⁹⁹ Such news might have appeared to be a serious betrayal of republican principles; at the very least they caused a premature blemish in the, actually never really smooth, relations between Jeremy Bentham and Rivadavia.²⁰⁰ In general, Bentham’s relations with O’Higgins and Rivadavia never evolved into a fluent and consistent dialogue, although the influence of his ideas in the social, political and cultural institutions implemented by these leaders and their followers was significant, at least theoretically. The supposed friendship or discipleship of Rivadavia with Bentham has generated some debate based on the content and tone of their correspondence. Klaus Gallo has traced the story of this polemic, admitting that if the relation was not that of master and disciple –as he thinks it actually was- Bentham was indeed very influential in the Plan of Reform that Rivadavia and Manuel José García tried to develop in the 1820’s²⁰¹. Even so, the evidence of Bentham’s letters to Rivadavia suggests that their relation was brief and unsystematic, been

¹⁹⁶ Ibid., p.277.

¹⁹⁷ Thomas Rowcroft, ‘Letter from South America’ *The Morning Post* 21 December 1824.

¹⁹⁸ See ‘Thomas Rowcroft funerales’. *El Depositario* (Callao), 119, 17 December 1824.

¹⁹⁹ *The Liverpool Mercury* 12 February 1819; *The Caledonian Mercury* 11 February 1819; *Morning Chronicle* 30 June 1820; *Morning Chronicle* 3 July 1820.

²⁰⁰ Jeremy Bentham, *The Correspondence* (1996), p.428.

²⁰¹ Klaus Gallo, ‘Jeremy Bentham y la feliz experiencia Presencia del utilitarismo en Buenos Aires 1821-1824’ *Prismas Revista de Historia intelectual* 6 2002, pp. 79-96. See also Gallo, *The Struggle for an Enlightened Republic: Buenos Aires And Rivadavia*. (Institute of Latin American Studies University of London 2006)

permanently forwarded by the philosopher's anxiety to see his ideas and projects implemented in The United Provinces. The relation also seems to have been under the constant threat of total misunderstanding, because Rivadavia never did get to manage the English language fluently, and Bentham's whimsical and often sardonic prose did not contribute to making things any clearer.²⁰² However their relationship ended drastically after the Bubble of 1825, which is the topic of chapter 5. Bentham's function in Latin America has been evaluated critically from the perspective of his contributions to political and legal institutions, concluding that his work may have provided South American liberals with "a source of legitimation" "in their conflict with various conservative powers" or that he may have encouraged the adoption of "a modernizing, innovatory spirit" in the establishment of their institutions.²⁰³ The evaluation here considers Bentham's role in broader cultural and intellectual terms, taking into account the diversity of his proposals, which overflowed the sphere of legislation and included the fields of public instruction, penal reform -the development of the Panopticon-, and those of botany and geology. As has been shown above, while he was proposing codes of law Bentham was also discussing the establishment of botanical gardens and schools of mutual instruction, and these institutions also belonged to the general plan of improvement that many other self-fashioned missionaries of civilization had. All these projects and visions of improvement might be considered as an expression of what Richard Drayton calls the "imperialism of the Enlightenment", whose "benevolent and emancipatory hopes" were imposed worldwide by British "improvers", who acted out of a powerful trust in their own views, their prospects of gain, their own moral superiority and their unshakeable conviction that "they ultimately knew better than those on the ground",²⁰⁴ what was better for them.

Philanthropy played a great part in the connection that reformers developed with the Southern Cone, mostly through the general assumption that its cause, just like that of Greek independence, was perceived as a contribution to the general welfare of humanity. Notwithstanding these generous intentions, reformist projects were also lucrative, and that did not contradict, from their point of view, their altruist motivations. Such a relation between philanthropy and lucre was not unusual at the time among Britons who were involved in this spirit, considering, for instance that Lord Byron while he was in Greece also planned to travel to the Southern Cone. Trelawny in his famous *Records of Shelley*, tells how Byron, in a moment of dire need of money, envisaged establishing himself in Chile or Perú

²⁰² On Rivadavia and Bentham see: Jonathan Harris, 'Bernardino Rivadavia and Benthamite "Discipleship"', *Latin American Research Review* 33, (1998).

²⁰³ Dinwiddy, *Radicalism and reform*, (1992), p.304.

²⁰⁴ Drayton, *Nature's* (2006) p.90

to continue romantic deeds in the south. But “Byron’s spirit”, as Trelawny recorded, “always fretting for action” remarked that it should be a “province in Chili or Perú”, “of course with a gold or silver mine to pay usance for my monies”.²⁰⁵ Jeremy Bentham, by the way, as Trelawny recalled, also wrote a Constitution for the Greeks, without any success.²⁰⁶ A key to the understanding of this entrepreneurial spirit was the deep belief that these thinkers had in the forces of the free market as a tool of reform, because in the end, the real foundation of these projects was the market. So, following Richard Drayton, it can be affirmed that these projects were emanations of a “secular utopia”, “that depended on the market”²⁰⁷. Nature was supposed to yield commodities or natural products that should be improved to obtain the best of them and that were destined to feed British industry. Commodities and industrial developments should travel around the world in a constant flux. It is not a coincidence that the projects developed by this circle of radicals were contemporary with several initiatives that were trying to expand the scope of British trade by encouraging imports through reducing taxes, such as the leather tax and cooper taxes or by rising prohibitions against the import of machinery²⁰⁸. British trade was far more closed than was commonly thought.

From this perspective the visions of the region as a new market and as an ideological laboratory converged smoothly, because the region was generally seen as an open field in which British entrepreneurs, projectors and philanthropists alike were to develop their ideas of improvement, which were basically practiced through commerce, education and colonization. The fact that commerce was considered as a vehicle of civilization was deemed to elide any contradictions between those apparently antagonistic representations of the continent as a new market and a laboratory for reform. In this way this chapter offers a new understanding of the formula of “Gentlemanly Capitalism”, proposed by Cain and Hopkins, which couples British imperial mission with the export of a gentlemanly order, a concept which offers little space for reformers such as those discussed here who advocated republicanism, secularization and free trade.²⁰⁹ At the same time, to consider British travellers from the perspective of reform, might also lead us to temper Mary Louise Pratt’s formula of “anti-conquest”, in which the vision of the dilapidated territory of South America serves to legitimate British expansion overseas, and her general vision of these

²⁰⁵ Edward J. Trelawny, *Recollections of the last days of Shelley and Byron* (London: Routledge, New Universal Library, 1905), pp.151, 155.

²⁰⁶ *Ibid.*, p.215.

²⁰⁷ Drayton, *Nature’s* (2006), pp.86, 87.

²⁰⁸ ‘Parliamentary’ *The Leeds Mercury*, 18 May 1816.

²⁰⁹ Cain, Hopkins, *British imperialism* (1993), pp.31, 34.

travellers as mere triumphant imperialists. This chapter suggest another view of these British experiences in the region, not only because these travels were not necessarily triumphant in any sense –in fact they were utterly disappointing- but also because the people involved in them seemed to have been moved by a certain optimism on the possibilities of the region, and an ethos of social reform, fostering plans and projects that looked forward for the region’s future. This optimism contradicts the generally negative vision that the rhetoric of anti-conquest entails, with explicit accusations of racism. In this sense it seems pertinent to consider the generally positive vision that these self-proclaimed missionaries had on natives, and even their different suggestions of social reform.²¹⁰ This might blur the limits between the categories of the “capitalist vanguard” and “social exploratives” which Mary Louise Pratt establishes to categorize travellers in South America during the 1820’s, in a male/female pattern. Because these British travellers -Maria Graham, included- were equally concerned with the opening of the South American markets and with the promotion of social reform.²¹¹ The conviction these travellers had that South American improvement would come about through a British way of doing things, and their intentions of redeeming the continent as well, were fundamentally an expression of “imperialism of intent”,²¹² which was grounded in premises which do not necessarily match with Mary Louise Pratt’s reading of their experiences. In this sense is crucial to bear in mind what Richard Drayton calls “the serious errors of parallax which have arisen from looking back from the Victorian climax of British power”. Drayton plausibly claims that our thinking about British expansion is distorted by later experiences where the imperial attitude –jingoist, triumphant, and overpowering- are fully implemented,²¹³ can be applied to Pratt’s interpretation of these experiences.

The year 1824 was a turning point in the relations between the Southern Cone and Britain. Paradoxically enough, it marked the beginning of a press campaign against the Southern Cone²¹⁴ and of the publication of the first travel books written by these reformist travellers who gave the first hand testimonies of Chile and the Southern Cone, which were actually written by these authors one or two years earlier. At the beginning of March the

²¹⁰ See for instance: Peter Schmidtmeier, *Travels into Chile, over the Andes in the years 1820 and 1821* (London: Longman 1824), pp. 185, 186.

²¹¹ Pratt, *Imperial* (1992) pp.144,172; See also Maria Soledad Caballero, ‘For the Honour of Our Country’: Maria Dundas Graham and the Romance of Benign Domination’, *Studies in Travel Writing* 9 No 2 (2005).

²¹² Cain, Hopkins, *British imperialism* (1993), p. 43.

²¹³ Richard Drayton ‘Maritime networks and the making of knowledge’ Empire, David Cannadine, ed., *The Sea and Global History: Britain’s Maritime World, c.1760-c.1840* (London: Palgrave Mcmillan, 2007), p. 73.

²¹⁴ ‘Private letter’, *The Caledonian Mercury*, 26 January 1824; *Morning Chronicle*, 30 January 1824

press announced the imminent publication of Basil Hall's *Extract of a Journal*,²¹⁵ a book which perhaps epitomized the cheerful optimism of the first years after the independence of Chile and Perú. A clear sign of this general shift of attitude towards the Southern Cone is the dramatic change of mind that Basil Hall expressed about his opinions on South American independence. In a book of memories and travels he published during 1830 he stated:

I am sorry to say, was not nearly so correct. I certainly was deceived, by what I saw in South America, into a belief that the new states might enjoy more political happiness, and be less subjected to the caprice of despotic authority, when self-governed, as it is called, than when under the administration of the mother country, bad as that was. I am now, however, obliged to acknowledge, and I make the recantation with sorrow, that the change has turned out greatly for the worse.²¹⁶

The following chapters will expose how the affairs between Great Britain and the Southern Cone reached a climax of delirium and precipitated into a crash.

²¹⁵ 'Books' *Morning Chronicle*, 1 March 1824.

²¹⁶ Basil Hall *Fragments of voyages and travels by captain Basil Hall, R.N.* Second series (London, Edinburgh: R Cadell and Whittaker and co. 1832) Volume 1, pp.130, 131.

CHAPTER IV

Loans and Mines

The purpose of this and the following chapter is to study the different consequences of the British obsession with South American gold and silver discussed in chapter one. The legends of “El Dorado” and the ghosts of the “South Sea Bubble” haunted the first British undertakings in the area and the first financial incursions into South America: the foreign loans and the mining companies of the first half of the 1820’s. It has often been claimed that the failure of these ventures was the main cause of the great financial slump that shook British markets at the end of 1825 however historian Claudio Véliz suggests that the failure of these South American undertakings was a consequence of that slump and not a cause of it¹. The established consensus about this topic has normally avoided any discussion on this field, and particularly has not questioned the origins of that assumption. One of the questions that this chapter intends to resolve, following Veliz’s tantalizing suggestion, is precisely why that happened. In order to answer this inquiry this chapter aims to understand how these different undertakings began, assuming that a comprehensive study of them should analyse the floating of foreign loans and then the formation of mining companies, assuming that both processes are deeply connected and that must be understood together.² This chapter will study how these undertakings were perceived by the parties involved, and how the interests that shaped them –the expectations of “improvement” from South American agents on the one hand, and the hopes for financial gain of London speculators, on the other- merged into a tragic combination.

El Dorado and the smuggling Navy

During the first decades of the nineteenth century commerce between Britain and the Southern Cone naturally meant an exchange of British manufactured goods for primary products. British traders were not interested in South American manufactures, which, as traveller Alexander Caldcleugh observed, were “of trifling importance, and they possess

¹ Claudio Véliz, ‘Egaña, Lambert, and the Chilean Mining Associations of 1825’, *Hispanic American Historical Review*. 55, N4 (1975). p.640

² See, for instance, María Teresa Berrueto, whose book has one single mention of mining companies. *La lucha de Hispanoamérica por su independencia en Inglaterra: 1800-1830*. (Madrid: Ediciones de Cultura Hispánica, 1989.), p.446.

neither sufficient capital nor enterprise to enter into commercial speculations”.³ The most wanted staples of these regions were minerals, mostly silver and gold, coined or not. The nature of this trade and the preference for minerals signalled the first consequences of the opening of South American ports to foreign trade in the years immediately after Independence, because from 1818 onwards, British merchants, with the aid of the British Navy, actually took shiploads of gold and silver from these shores, in what historian John Lynch suggests was a “draining of bullion”⁴ This phenomenon, which Lynch mentions only in passing, has not been studied enough, partly because of the absence of statistics or reliable commercial information. Rory Miller observes that among the consequences of the arrival of British merchants in South America was “a considerable outflow of bullion, both in payment for imports and accompanying the retreating Spaniards”.⁵ But what none of these authors commented on was that the obscurity surrounding these affairs arose from the fact that this trade was forbidden by Spanish ordinances. Smuggling was illegal and compromised the integrity of British officers of the Pacific naval station, who were supposedly involved in a mission based on their strictly neutral position in countries that were at war with an allied nation.⁶ However there is some scattered evidence that suggests the existence of this illegal trade that was indeed a very relevant aspect of the first stage of the British presence in South America, which had important future consequences for the region’s economy.

Many travellers who visited these regions at the beginning of the 1820’s give details of these practices. John Miers, for instance, in his book *Travels in Chile and La Plata*, presented the case under the heading of “Smuggling of Bullion” in Chile. According to him, since the revolution there had been continuous remittances of bullion from “foreign commissioned agents, in return for the numerous cargoes sent to their consignations, and introduced by them into the country, it being notorious that Chile is incapable of producing any commodity marketable in Europe: it follows that such remittances can be effected only in the precious metals, either in the shape of coined money or bullion”.⁷ This exchange, exclusively based on South American silver or gold, made smuggling much more profitable

³ Alexander Caldcleugh, *Travels in South America, during the years, 1819-20-21: containing an account of the present state of Brazil, Buenos Ayres, and Chile*, (London: John Murray, 1825), Vol. 2, p.341.

⁴ John Lynch, *Andrés Bello: the London years* (Richmond Pub. Co., 1982) p.13, although the term “drain of bullion” might have been probably used for the first time by Robert Humphreys, *British Merchants and south American independence* London, (The Raleigh center on History 1965), p.173.

⁵ Rory Miller, *Britain and Latin America* (London: Longman 1993), p.45.

⁶ See Gerald Graham, R. A. Humphreys eds. *The Navy and South America 1807-1823 Correspondence of the Commanders-in-Chief on the South American Station*, (Publications of the Navy Records Society) p.xxix; See also John Mayo ‘The development of British Interests in Chile’s Norte Chico in the Early Nineteenth century’ *The Americas* 57 (2001), p. 394.

⁷ John Miers, *Travels in Chile and La Plata*, (London: Baldwin, Cradock and Joy, 1826), vol. 2, p.452.

than regular trade through the custom house. High taxes or custom house duties made the economic difference between trading bullion or coined money a big incentive to smugglers. Local authorities and mining capitalists were also involved in this evasion of custom duties and encouraged this exchange because they obtained a higher price for their remittances too. Smuggling became so common in Chile, Miers observed, that it was “wonderful” “some bullion has found its way to the mint”.⁸

The smuggling of bullion happened in all the new republics of the Southern Cone. In Buenos Aires John and William Parish Robertson affirmed in their letters that while the port was blockaded by English ships then at war with Spain: “the English ships-of-war were continually carrying off large sums in dollars, all smuggled; and we had a consul there, already mentioned, stationed for the purpose chiefly of drawing bills for the precious metals”.⁹ British traveller Maria Graham, widow of one of these British Officers on the Pacific station, attributed this irregular situation to the insistence of South American Republics on confining their trade to the export of precious metals. It was “surprising”, she added, how South American governments had not learned from “the experience of centuries” and insisted on basing their economies on mining. This was a classic judgment against mining taken from political economy, and Maria Graham later gave more hints of her connection with that economic discourse when she exposed her free market inspired indictment of South American governments for laying “so heavy a duty on the exportation of gold and silver, that it would amount to a prohibition”. It was not surprising, she concluded, that “all nations combine to smuggle it away”. Maria Graham expressly remarked how British war ships were openly involved in this practice, which “elsewhere would be accounted scandalous”, but which apparently was legitimized, at least in her opinion, because it was the only possible exchange in the prevalent order of things in South America, where a British merchant was willing to receive anything but gold or silver in exchange for his goods.¹⁰ It is remarkable to observe how Maria Graham used the British self-image as a free trading nation to mask this rather mercantilist impulse to accumulate gold and silver. Another traveller, while passing through the inner regions of the United Provinces, observed the lack of capital in the country, which, as he stated, “has been literally drained in every possible way of the precious metals”, while the mines had been abandoned during the

⁸ Ibid., pp. 454, 455.

⁹ John Parish Robertson, *Letters on South America: comprising travels on the banks of the Parana and Rio de la Plata*. Volume 2 (London: John Murray, 1843), p. 272.

¹⁰ Maria Graham, *Journal of a residence in Chile, during the year 1822; and a voyage from Chile to Brazil, in 1823*, (London: Longman, Hurst, Rees, Orme, Brown, and Green and John Murray, 1824), pp. 51, 52.

revolution”, and their work had never been resumed “owing to the want of capital”.¹¹ The situation in Peru was comparable. John Parish Robertson wrote that his admired uncle, an illustrious merchant of Bath, and other colleagues of his were sending from Britain “their ships laden with the beautiful, ingenious, and useful handiwork of the loom to every quarter of the globe; and they return richly freighted with the gold and silver of Perú”.¹²

On the other side of the world, British newspapers announced the influx of South American dollars into the British economy. The *Morning Chronicle* of May 30 1820, for instance, announced the arrival of HMS *Andromache* from Valparaíso, loaded with South American silver; *The Caledonian Mercury* of July 24 1820 reported that “dollars from South America have also been imported into England in large quantities”.¹³ Even apparently normal arrivals from South America appeared to be supplemented with dollars and silver bars, such as the case of the *Thomas* from Valparaíso registered in *The Liverpool Mercury* on 25 February, which beside a cargo of tallow, Peruvian bark, saffron, clover seed, bird seed, wheat, wool, chinchilla skins, ox hides and hemp carried 78 boxes of dollars and silver, for different British merchant houses, including Baring Brothers and John Parish Robertson.¹⁴ All this smuggling would not have been possible without the help of the officers of the Naval Station on the shores of the Southern Cone, who were in charge of diplomatic duties with these countries, although their independence was still unacknowledged by British authorities. In August 1817, the Admiralty decided to increase the South American squadron with five more vessels.¹⁵ Their discreet departure from London was a matter of speculation in the press: What was their destination? What were those ships loaded with weapons supposed to do in times of peace, at least for England? Rumours circulated that the ships were heading to South America, which sounded plausible given the military agitation of the region and the antecedent of previous British missions in the area. *The Newcastle Courant* of 17 September 1819 announced that Commodore Thomas Hardy had sailed from Plymouth on the 9th of that month with the *Superb*, the *Vengueur* and the *Hyperion* frigates. Another ship, the *Owen Glendower*, was soon to follow. Their mission was to carry Mr. Thornton, the Ambassador to the Court of Rio Janeiro, as a passenger: their destination, reported the newspaper, was still unknown, although it appeared that they “will remain longer in the coast of South America than was first intended”. The final destination and the mission of

¹¹ Edmund Temple, *Travels in various parts of Peru; including a year's residence in Potosí* (London: John Murray, 1830), pp. 495, 496.

¹² John Parish Robertson, *Letters on South America: comprising travels on the banks of the Parana and Rio de la Plata*. Volume 3 (London: John Murray, 1843), p.35.

¹³ ‘Imports’, *Morning Chronicle* 30 May 1820; *The Caledonian Mercury* 24 July 1820 p.4.

¹⁴ ‘Imports: South America’ *The Liverpool Mercury*, 25 February 1820.

¹⁵ Brian Vale, *Cochrane in the Pacific: fortune and freedom in Spanish America*, (London: I. B. Tauris, 2008), p.15.

the travelling squadron were, as the paper concluded “involved in mystery”. Sir Thomas Hardy, it is stated:

sailed with sealed orders, which are not to be opened till he reaches certain latitude. Each ship is a fine fighting trim being put upon the full war establishment, both as to seamen and marines with an extra supply of stores. This, at a period of profound peace, bespeaks not only a long and active service, but a distant station. It is supposed the Pacific Ocean. It is generally believed in the City, that the object of the expedition of Admiral Thomas Hardy, is to preserve an undisturbed communication to British trading vessels with all the ports of South America, and to prevent the blockade of such ports...either by Spanish or Independent flags.¹⁶

That blockade was indeed a reality, but surprisingly enough it was not a measure taken either by South Americans or Spaniards at war, but on the initiative of a British sailor, Thomas A. Cochrane, who was then serving as the Vice Admiral of the Chilean fleet. News of that blockade hit British papers on 29 July 1819 and was even cheered by the *News Register*, which considered it a definitive measure to stop the British helping the Spaniards to take their gold from Perú.¹⁷ *The Examiner* denounced the fact that “there has been a practice going on for some time of conveying Spanish property on board of English ships of war, which in any alarm of the Royalists would of course be rendered still more frequent, and deprive the Patriots of the lawful reward of their exertions”.¹⁸

While there were no regular British consuls in South American nations, the British squadron was supposed to act as a floating embassy on the shores of Argentina, Perú and Chile. Their mission, in general terms, was to protect the interest of British merchants in the area, acting, theoretically at least, on grounds of strict neutrality, although this kind of naval presence has been called a kind of “Gun Boat diplomacy”¹⁹ in which the rotund argument of cannons always tacitly conditioned any kind of dialogue between the parties. As Historian Jay Kinsbruner observes, among Chilean authorities, “the lack of recognition exacerbated fears over the fleet’s ominous powers and may further have enhanced the merchants’ position”.²⁰ The duties of this station, as it appears in a descriptive *Sketch*, were “of a delicate nature” and “mostly ignored by the public” in Britain. According to this description

¹⁶ ‘Commodore sir Thomas Hardy...’, *The Newcastle Courant*, 17 September 1819.

¹⁷ *The News Register* 29 July 1819.

¹⁸ ‘The intelligence from South America’, *The Examiner*, 1 August 1819.

¹⁹ For gunboat diplomacy see: Andrew Graham-Yooll. *Imperial skirmishes : war and gunboat diplomacy in Latin America* Second edition, (Oxford: Signal, 2002)

²⁰ Jay Kinsbruner ‘The political influence of the British merchants resident in Chile during the O’Higgins administration, 1817-1823’, *The Americas*, 29, I, July 1972, p.26.

the existence of the station was justified by the increasing presence of British merchants on these shores: “as much commercial capital was floating about, it became necessary that some protection should be afforded to those interests, and a watchful eye kept over the proceedings of States which, though still in their infancy, were nevertheless respectable from their wealth and extent”.²¹ This *Sketch* added “there wasn’t anything extraordinary in the presence of station of British men-of-war in any area where British commerce was in activity”. The importance of the duties of these officers afloat grew as these new States became stronger, and also more “inclined to give trouble, either by oppressive commercial laws, or by interfering with the personal liberty, and sometimes by detaining the ships, of our countrymen”.²² But there was also a consideration of how this confused state of things “was greatly augmented by the eagerness of commercial speculation, which led many individuals to despise all prudence, and all local regulations, in order, at every hazard, to force their trade”.²³ It is also important to observe that this *Sketch* emphasized how the naval station in the Pacific was “called to prevent injustice on their compatriots from local authorities” and to preserve British “national honour” in places where confusion and misrule prevailed. In these countries, the note concluded: “nothing was flowing in its natural course” and there was a “total-dislocation of society”, that ran along the shores of the Southern Cone, from Buenos Aires to El Callao, “threatening” social order, personal security and commerce. In that general state of confusion, it was claimed British officers succeeded in keeping themselves “pure and disinterested, and in avoiding all share in what was going on”.²⁴

As Samuel Haigh remarked, the officers of the British Station, “were men extremely well adapted to further the British interests, by the ability they displayed in treating with the Chile Government. On many occasions both firmness and conciliation were requisite to prevent improper exactions being levied upon the property of the English merchants” The above-named officers were also supposed to be a model by “their gentlemanly manners in private life”, that should encourage the forming of a favourable impression of ‘los ingleses’ amongst ‘the chilenos’ ”.²⁵ This delicate equilibrium between neutrality and political intromission was not always preserved and sometimes they pursued British interest way too far into the internal affairs of these Republics. Maria Graham recalled, for instance, how

²¹ In Basil Hall, *Extracts from a journal: written on the coasts of Chili, Peru, and Mexico, in the years 1820, 1821, 1822*, fifth edition volume 2 (Edinburgh: Constable 1827), pp.iii. See also *Navy Admiralty Minute of 25 August*. 1817. P 199.

²² *Ibid.*

²³ *Ibid.*

²⁴ *Ibid.*, p. iii, viii.

²⁵ Samuel Haigh, *Sketches of Buenos Ayres, Chile, and Peru* (London: Effingham Wilson, 1831), p.313, 314.

Captain Vernon of HMS *Doris* pressed hard on the custom-house of Santiago de Chile, claiming a mitigation of the duties announced on British goods.²⁶

In spite of these words, many sources show how British officers were not always that honourable or gentlemanly, as these testimonies show, particularly considering their involvement in an illegal smuggling of bullion that meant corrupting officers and breaking their own codes of behaviour. Smuggling and the British Navy were so bound up with each other that Maria Graham expressed her wish for a prompt acknowledgement of Chilean independence by the British authorities, so that consuls could be appointed to guard British trade and stop this smuggling. “How easily”, she concluded, “might it have been settled, for instance, that the brute metals of this country should be legal returns for the manufactured goods of Europe, India, and China; instead of, as now, subjecting them to all the losses and risks of smuggling: for, as they are the only returns the country can make to Europe”.²⁷ Beside these traveller records, the most eloquent evidence of the involvement of the Navy in the smuggling of bullion comes from the memories of Thomas Collings, the clerk on board of the *Owen Glendower* while it was on the Pacific shore. In his memories Collings declared how “British merchants trading in Chile accumulated an enormous amount of specie and other valuables for which there was no safe repository locally, so an arrangement had been made whereby the Captains of British warships were allowed to accept, on their own account, such freight for transfer either to the east coast or home to Europe”.²⁸ The captains involved in this trading, the clerk noted, were paid on a percentage basis of the remittances they carried so that they all eagerly opened “Registers of Freight” and the Naval Station became a very lucrative destination. According to Collings, Captain Shiriff registered on board of the *Andromache* no less than 3,000,000 dollars (which were later pillaged by Captain Searle) and the *Owen Glendower* sailed happily back home with a freight that amounted to 1.600.000 dollars. Thomas Collings further noted the odd ways in which this supposedly legal freight was loaded: a canoe surreptitiously brought an anonymous bag of dollars and then disappeared, or some visitors came into the cabin where they took off their clothes to reveal how their bodies were stretched by belts loaded with doubloons.²⁹

Collings’s testimony is corroborated by John Miers’s remark about how “the interest of the commander was in some degree identified with that of the trading class; the great

²⁶ Maria Graham, *Journal of a residence in Chile, during the year 1822; and a voyage from Chile to Brazil, in 1823*. (London, John Murray 1824), p.279.

²⁷ *Ibid.*, p.280.

²⁸ Janet Blarcay Hedderwick, *The Captains Clerk: A biography of Thomas Collings, First class clerk in the Accountant General’s department of the Admiralty*. (London: Hutchinson, 1957) pp.117, 118.

²⁹ *Ibid.*, p. 129.

object of our adventurers was to push immediate trade and the quick return of capital to Europe, without regard to the ultimate fate of British commerce". Miers added that apparently British officers were also liable to fraud, committed behind them by purser's clerks in charge of counting the money and examining the bills of lading, which the Captain later signed, trusting them. Miers tells the case of Captain Mackenzie, of the *Superb*, who signed two different bills for a load of gold which was placed on board his ship by a trading house in Perú. "On his arrival in England the different bills of lading were presented and paid at the bullion office, when there appeared in the amount of bags of dollars a deficiency of 80,000 dollars, which captain Mackenzie was called upon by the bank to make good: he died shortly after, and it is generally believed that this heart-breaking circumstance contributed to the termination of his existence".³⁰

This bullion drain had disastrous consequences for Chile, Argentina and Perú, whose economies promptly faced a chronic lack of currency, which hindered local commerce and reduced local revenues. On the other hand, the arrival of South American dollars to England also had relevant effects. *The Caledonian Mercury* of July 24 1820 reported that "in consequence of this influx into England, we have heard it accounted for, that dollars are so far below par as to afford a profit on importation into this country. We may therefore expect to see more of them brought in. This is not the only remarkable circumstance of these times. Business is so stagnant that we hear of much idle capital afloat".³¹ William Jacob, who was an early explorer of the commercial possibilities of the Southern Cone and an important source of information about the region,³² observed how the "commotions" of South American independence "have had the effect of expelling whatever capital was moveable" and inserting it into British economy. He stated:

Silver and gold were the chief produce, and from their compendious nature could, either by law or against law, be easily carried away. We know that from Peru, in seven years, more than double as much silver was sent to Europe by British ships of war alone as all the mines afforded.³³

In the end it was ironic that the blockade imposed by Lord Cochrane on the shores of Chile and Perú had finally become a serious headache for British merchants involved in

³⁰ John Miers, *Travels* (1826), pp. 60, 61.

³¹ *The Caledonian Mercury* 24t July 1820.

³² For notices on William Jacob see John Lynch 'British Policy and Spanish America 1783-1808' *Journal of Latin American Studies* 1 (May, 1969), pp. 6,7, 9 (Cambridge University Press).

³³ William Jacobs, *An Historical Inquiry into the Production and Consumption of precious metals*. Volume II. (John Murray, Albermale Street. 1831), pp. 360, 361.

this smuggling of metals. The blockade was actually his idea, and put the British Officers of the Naval Station in a truly delicate position. As naval historian Brian Vale has observed, Admiral Thomas Hardy was forced to acknowledge the blockade while he rejected it privately because he knew that many of the British ships of his squadron were liable to be seized on the grounds that they were engaged in “dubious commercial practices”, and he could not stand that sort of public humiliation in the name of British Navy.³⁴

Agents, merchants and loans

Great Britain’s diplomatic recognition of South American independence was a process that took a long while to materialize. In March 1822, when the intentions of the United States to recognize Buenos Aires, Chile, Perú, Colombia and México were announced in the British press, authorities there reacted by permitting in June of that year the entrance of South American ships into British ports, in what has been considered a kind of *de facto* recognition of South American independence.³⁵ In 1824, the Foreign Office sent a group of consuls to South America to make reports of the general state of affairs of these republics prior to any official pronouncement of recognition. The growth of British interests in the area, which had motivated the sending of bigger naval squadron to enforce the Pacific base with the prospect of future peace in Argentina, Chile and Peru, now demanded the presence of official observers. The consuls sailed south in 1824, on board HMS *Cambridge*, with envoys destined for the cities of Buenos Aires, Montevideo, Valparaíso and Lima. Among the crew of the *Cambridge* was Chaplain Hugh Salvin, who kept a journal of this mission.³⁶ Long before the appointment of these British Consuls to the Southern Cone, the governments of Buenos Aires, Chile, and Perú had sent unofficial agents to London to recruit military forces, buy weapons, and mostly to encourage the cherished, and much delayed official recognition of their independence; and to negotiate loans for their countries in the British Market.³⁷

The administration of Bernardo O’Higgins sent to London Antonio José de Irisarri, a colourful mixture of business man, politician and journalist, who was born in Guatemala

³⁴ Vale, *Cochrane*, p.106.

³⁵ Robert A. Humphreys, *Liberation in South America, 1806-1827. The career of James Paroissien* (London: Athlone Press, 1952.), p. 118.

³⁶ Hugh Salvin, *Journal Written on Board of His Majesty’s Ship Cambridge, from January, 1824, to May, 1827* (London: E. Walker, 1829).

³⁷ See Berruezo *La lucha de Hispanoamérica* (1989), pp. 405-411, 438-451.

but married in Chile to a lady of the oligarchic family of Larraín.³⁸ Irisarri had spent a period of self-exile in London from 1816 until he received the news of the triumph of Chacabuco at the end of May of 1817, when he decided to return.³⁹ It was actually him who in a letter from London suggested to Bernardo O'Higgins, then Chilean "Director Supremo", the need of having a well prepared commissioner in that city,⁴⁰ and also the plan of negotiating a loan there.⁴¹ In November 1817, Irisarri finally returned to Chile where he did not remain long, because exactly one year later he was in his way back to England, this time appointed as a Minister of Foreign Affairs to the nations of Great Britain and France. On his way to Europe, the agent stopped at Buenos Aires, where he signed a treaty between the governments of Chile and the United Provinces of River Plate, where they assumed their commitment to liberate Perú. Irisarri carried with him a set of instructions, written by his own hand, which commanded him to spread favourable news about Chile in London, the authority to contract a loan in any country of Europe, and the less republican duty of offering to any reigning house there the chance of establishing a monarchy in South America.⁴² *The Freeman's Journal* of Dublin, published a "prospectus of a Loan for Chile and the United Provinces of the River Plate" emitted by agents Antonio Jose de Irisarri and Bernardino Rivadavia, which was, perhaps, the first notice of the intentions that these nations had of contracting a Foreign Loan together: "In order more speedily to carry this object into execution, and to put an end to a contest which afflicts humanity and obstructs the channels of commerce, the two Governments have resolved to raise, on their joint security, a Loan of six millions of dollars (...) A loan of £1,200,000 sterling, in money, to be raised on bonds issued by the two governments jointly (...) bearing an interest of 7 ½ % per annum, to be paid half yearly in London".⁴³ The prospectus also added that to secure the payment of the national debt, both countries offered "a mortgage on the whole revenue of both states and on the national lands and mines, to be executed by the governments and deposited in the bank of England". There are no more traces of this early project of a joint loan between Chile and the New Republics of River Plate because finally each country negotiated its own separately a couple of years later. Irisarri and Rivadavia met very often in

³⁸ There are two main biographies of Irisarri: Ricardo Donoso *Antonio José de Irisarri, escritor y diplomático 1786-1868* (Segunda edición Santiago Facultad de Filosofía y educación de la Universidad de Chile, 1966) and J.D. Browning, *Vida e ideología de Antonio de Irisarri* (Guatemala: Editorial universitari 1986).

³⁹ Browning, *Vida e ideología* (1986) pp.63, 66.

⁴⁰ Bernardo O'Higgins, Archivo de Bernardo O'Higgins tomo cuarto, preparado por Ricardo Donoso. (Santiago: Nascimento, 1948) p. 234.

⁴¹ Antonio José de Irisarri *Empréstito de Chile* (Santiago de Chile: La Opinión, 1833) p.3.

⁴² Donoso, *Antonio José de Irisarri* (1966), p.70.

⁴³ 'By the kindness of a commercial friend...' *The Freeman's Journal of Dublin* 9 February 1820.

London, but they did not form a united front of action. The former complained bitterly about the conduct of the later. Privately Irisarri despised Rivadavia, horribly.⁴⁴

On his arrival in London Irisarri dedicated his efforts to answering the Spanish campaign against the new South American republics, which still posed a serious threat to their affairs. Accordingly, he wrote two pamphlets answering Spanish critics to the new Chilean government *Memoria sobre el estado presente de Chile* in 1820 and a year later *Carta de un americano a un diputado de las Cortes Extraordinarias de España*, under the pseudonym of Jose Isidro Inana y Torre. Previously, in 1819, he had written the *Carta al observador de Londres*, under the pseudonym of Dionisio Terrasa y Rejón, which he probably sent from Buenos Aires (since it was published before his arrival into that city). All these pamphlets were written in Spanish and were addressed to the Spanish envoys acting in London. He also set to work on the great task of trying to achieve the recognition and sponsorship of the British government, which was mainly a social affair, contacting and asking for audiences with people of influence, a duty that found little response in the stiff administration of Lord Castlereagh.

On the beginning Irisarri thought that the Chilean foreign loan might finance the war against Spain in Perú, but when that military action had ended Chilean authorities considered that his project was unnecessary. Irisarri thought otherwise and tried to convince them of the need for such a loan in a letter he sent them in 1821 explaining its eventual advantages, meaning further improvements that the loan could finance. After a serious study, the Chilean authorities rejected his project and sent Irisarri a negative answer that arrived in London far too late, because on 18 May 1822, Irisarri had agreed a loan with the commercial house of Hullett Brothers –the agents of the government of Buenos Aires in London- for £1,000,000 with a 6% of interest in 10,000 shares of 100 pounds each.⁴⁵ The business, according to Irisarri, was very auspicious; in fact after the first four hours the first emission of bonds sold out completely. To promote their business Irisarri and Hullett published a pamphlet entitled *Chilean Loan*, which drew attention to Chilean political stability, “under the wise and temperate administration of the supreme director D. Bernardo O’Higgins”; pondered the richness of its soil and the healthy state of national revenue, which “is equal to nearly fourteen times the amount of the yearly interest of the loan”. The loan, added this prospectus, was destined “to accelerate that progress, and to reform the

⁴⁴ Browning, *Vida e ideología*, p.72.

⁴⁵ Donoso, *Antonio José de Irisarri* (1966) p.73. See also Frank Griffith Dawson, *The first Latin American debt crisis: The City of London and the 1822-25 Loan bubble* (New Haven: Yale University Press, 1990), pp. 31- 33.

financial system” by the creation of a National Bank.⁴⁶ The security of the loan was precisely the revenue of this country that Irisarri painted in such bright tones.

A few months after the Chilean loan was signed, in September 1822, the first legation of the Republic of Perú, formed by James Paroissien and Juan García del Río, arrived in London⁴⁷. On 5 November 1822, the Peruvian agents presented to the British government “a memory of the State of Perú”, and published articles on several newspapers.⁴⁸ Later they published *The Peruvian Pamphlet*,⁴⁹ a document formed by contributions of García del Río and William Walton, added to the exposition of the political plan of San Martín’s government prepared by Bernardo Monteagudo, who with the addition of Juan García Del Río was a close advisor of San Martín’s regime.⁵⁰ In that document, Monteagudo gave an exceedingly optimistic description of the state of Perú. Although he had to admit that Peruvian public funds were exhausted by war, Monteagudo added that local industry was thriving with the removal of old barriers and by the increase of circulation. The country, he stated, offered an “immense field for speculation”, “to the enterprising and laborious mind”.⁵¹ Monteagudo’s optimistic picture clearly hid a much gloomier situation to attract foreign investors and immigrants. In this context these words were sheer propaganda to promote Peruvian unexplored mineral riches and its – temporarily- stable politics among British politicians, merchants and men of science. The *Peruvian pamphlet* was in fact clearly formulated as an open invitation to foreigners.⁵² To improve this communicational strategy, García del Río and Paroissien hired the journalist and writer William Walton, always willing to put his pen at the service of South America, “to sustain the Peruvian case in England”.⁵³ Walton had also offered his services to Irisarri, but they did could not come to an agreement on expenses and they ended up on bitter terms.⁵⁴ Like Irisarri, García del Río and Paroissien had instructions to raise a loan to relieve the exhausted reserves of Perú, and on 11 October 1822 they signed an agreement for a loan

⁴⁶ This text was included as an appendix in Miers, *Travels* (1826) vol. 2, pp.518- 521.

⁴⁷ For James Paroissien see R. A. Humphreys, *Liberation in South America, 1806-1827: the career of James Paroissien* (London: The Athlone Press, 1952).

⁴⁸ Juan García del Río *Justificación de la conducta pública seguida por Juan García del Río y D Diego Paroissien ex ministros* (London 1825); see also, Berruezo, *La lucha de Hispanoamérica* (1989.) pp.357-360.

⁴⁹ Bernardo Monteagudo, *Peruvian pamphlet: being an exposition of the administrative labors of the Peruvian government from the time of its formation, till the 15th of July, 1822* (London A. Applegath, 1823).

⁵⁰ Berruezo *La lucha de Hispanoamérica* (1989), pp. 367-372.

For Monteagudo and García see Carmen Mc Evoy, ‘El motín de las palabras’ in Carmen McEvoy, *Forjando la nación: Ensayos de historia republicana* (Lima, IRA, 1999), pp16, 17.

⁵¹ Monteagudo, *Peruvian pamphlet* (1823), pp.43, 44.

⁵² *Ibid.*, p.40.

⁵³ Humphreys, *Liberation* (1952), p.120.

⁵⁴ O’Higgins, *Archivo* (1948), p.139.

with Thomas Kinder, pledging the revenue from Peruvian mint and customs. The emission of the Peruvian shares in the market provoked a great impact in the city of London.

On 19 August 1822 a law decreed in the province of Buenos Aires authorized the government to negotiate a loan between 3 and 4 million pesos with the purpose of building a port for the city, three cities in the coastline between the capital and Patagonia, and to secure a supply of drinking water to Buenos Aires. The loan was finally contracted on 30 March 1824 by Martín García with the House of Baring Brothers. Just as was the case with the Chilean and Peruvian loans, the deal was signed with the greatest hurry. The contractors did not even wait for the proper authorization to arrive, which was on its way with special commissioner Felix Castro. On 30 March, Baring Brothers registered the first subscriptions for the loan and a few days later all the bonds were sold. The house of Baring, however, was still accepting conditional subscriptions, even when there were no bonds left to sell.⁵⁵

The loan crisis

The South American loan boom has been studied before,⁵⁶ most famously perhaps by Frank Griffith Dawson in his work *The First Latin American Debt Crisis: The City of London and the 1822-25 Loan Bubble*, where he analysed some of the economic implications of that process when “Latin American nations –even before their independence was secured or recognized by Great Britain –issued over £20,000,000 in bonds in the City of London. The manner in which the loans were launched precipitated banks in the Stock Exchange, accusations of fraud, and lawsuits”.⁵⁷ Griffith Dawson particularly concentrates on how extravagantly controversial these South American business became, detailing for instance the famous, or rather infamous anecdote of the “Poyais swindle”. In October 1822 a Company formed in Paris called for subscriptions to raise a loan of £200,000 in the name of the Poyais kingdom, an imaginary Central American country in the Mosquito Shore. This ephemeral Poyais swindle, according to this author, “illustrates more than any other incident the absurdities into which gambling investors could be tempted”. Tempted, we may infer, by unscrupulous South Americans,⁵⁸ because Griffith Dawson seems to take for granted that fraud and extravagance were somehow natural to South America and its people.

⁵⁵ Ernesto Fitte, *Historia de un empréstito*. La emisión de Baring Brothers en 1824. (Buenos Aires, 1962), pp. 71, 72, 106, 122.

⁵⁶ Frank Griffith Dawson, *The first* (1990); Barry Gordon *Economic doctrine and Tory liberalism, 1824-1830* (Macmillan, 1979), pp39-51; Boyd Hilton *Corn, cash, commerce: the economic policies of the Tory governments 1815-1830* pp.202-231; W. M Mathew ‘The First Anglo-Peruvian Debt and its Settlement, 1822-49’ *Journal of Latin American Studies* Vol 2 No 1 may 1970; Berruezo *La lucha de Hispanoamérica* (1989.) pp.325-332, 355-356, 360-364, 406-408.

⁵⁷ Dawson, *The first* (1990), p.1.

⁵⁸ *Ibid.*, p.59.

Historians have also considered that South American loans signalled the beginning of the investment boom that shook the London market during the first half of the decade of 1820, Bishop Carelton Hunt, in a classic study on the origins of this activity, for instance states that the speculative movement of the mid 1820's in Great Britain apparently began with Foreign Loans and spread to Mining Companies and other schemes to be developed in South America.⁵⁹ Forgetting perhaps, that in those years loans were made to Russia, France, Greece and many other nations.⁶⁰

Economic historian Ron Harris states that in the transaction of South American loans, in general, there was a confluence of two different interests in particular circumstances: on the one hand, there were “the newly independent states...looking for financial resources” and, on the other, “European financiers who were seeking for new investment outlets”. The meeting of these two interests, according to him, might have ignited the development of a feverish loan market in London.⁶¹ However, neither him nor any other author have studied how did these two interests were shaped, their ideological and economic contexts into which they converged. The history of these foreign loans has usually remarked the irresponsibility and rapacity of their contractors, as well as the corruption that the arrival of these loans awakened back in Santiago, Lima and Buenos Aires, considering that these businesses floated in an ideological vacuum. However they were developed in a specific economic context, and were inspired by ideas, which might have exerted a powerful influence.

The loans contracted by Chile, Perú and Buenos Aires followed the model established by the Colombian loan, contracted in March 1822, by Francisco Zea, the agent of that Republic who negotiated the first South American loan on the British market for £2,000,000 with the house of Herring, Graham, Powles. This first contract took the form of a joint company, settling the trend for other South American republics to follow in their future undertakings.⁶² In Joint stock ventures a group of financiers gathered an initial capital with the idea of obtaining profit by issuing bonds that were sold among the public, who was also able to sell their property whenever they wanted. The price of these bonds was supposed to rise or diminish according to the progress of the planned undertaking or by external reasons that augured successful results. At the beginning of the nineteenth century,

⁵⁹ Bishop Carelton Hunt *The development of business corporation in England* (Cambridge Mass: Harvard University Press 1936) p.30.

⁶⁰ Ron Harris, “Political Economy, Interest Groups, Legal Institutions, and the Repeal of the Bubble Act in 1825”, *Economic History Review* 4 (1997), p 677.

⁶¹ *Ibid.*, p.678.

⁶² Dawson, *The first Latin American debt.* (1990), pp. 22-33.

joint stock companies were becoming increasingly popular, helping the development of a variety of undertakings in British and foreign markets. The formation of corporate business was sanctioned, theoretically at least, by the Bubble Act, which was promulgated in 1720 after the massive ruins caused by the South Sea Bubble with the purpose of preventing people to contrive “dangerous and mischievous undertakings or projects under false pretence of public good”, which acted “as if they were corporate bodies” “who had pretended to make their shares transferable without legal authority”.⁶³ Since the end of the eighteenth century the application of this act was considerably relaxed and Joint Stock Companies began to proliferate, thriving in the canal industry, the banking and insurance business. From there companies began to propagate, reaching “every branch of trade and manufacture”.⁶⁴ As the application of the Bubble Act diminished, the establishment of these joint companies was simplified and it was only necessary to publicize the undertaking by printing a prospectus or inserting an announcement in the newspapers calling for subscribers.⁶⁵

South American agents in London played a crucial part in preparing such colourful announcements of their business or highly optimistic reports of their countries. As it has already been shown there was an evident coincidence in their methods and attitudes, which was not fortuitous, because Bernardino Rivadavia, Manuel García, José Antonio de Irisarri and Juan García Del Río, the agents involved in these transactions, had an ideological background and many other issues in common. All of them had been ardent promoters of the foreign loans they finally contracted in London through press campaigns they developed in their countries. For them, foreign loans were intimately connected with the idea of public credit, a two folded concept that meant the capacity of a republic to anticipate expenses by loans or taxes, and also their national prestige abroad. In other words, public credit meant the ability that these nations had to pay its debts on time, and also their political stability and general safety. It was in these terms, that José Joaquín de Mora defined it, in *El Mercurio Chileno* as “the trust” a government, “inspires in metallic matters, and the mass of wealth, it can dispose of”.⁶⁶ Public credit was a keyword in the political vocabulary of these republics which was associated with the official recognition of their independent status by enlightened nations, such as Great Britain. British recognition, as Klaus Gallo has observed, was among

⁶³ Hunt, *The Development* (1936), p.7.

⁶⁴ *Ibid.*, p.14.

⁶⁵ Harris, *Political Economy*, (1997), pp. 675-696.

⁶⁶ José Joaquín de Mora, ‘Economía Política Del crédito público, de su naturaleza, de sus ventajas y de sus principios’ *El Mercurio Chileno* Santiago Chile 1 April 1828. p.6

the most important political operations of these republics.⁶⁷ Public credit and foreign recognition were based in the notion that these republics were called to integrate an international community which was connected by means of international commerce, in relations cemented by profit, and mutual trust. The Chilean jurist, Juan Egaña expressed this situation clearly in his *Cartas Pebuenches* where, perhaps following Raynal, he stated that Europe and all “the cultured and sailing nations formed a family united by with tight relations, in which any novelty and movement in them could alter the economy and interest of the rest”. In that sense, he added –through the fictional character of a native- that it was crucial to “keep permanent relations with them that might have any influence in Chilean affairs”.⁶⁸ Public credit, in that sense, was a sort of certificate of existence under the eyes of this international community or family. In 1822, *La Abeja Argentina*, stated that Public Credit was something that foreign markets gave to these republics based not only on their material riches, but also considering “its political constitution, the stability of legislation, the government’s character, the morality of its authorities, the influence of opinion over general resolutions, and public affairs,” adding that “it was necessary to convince that over all these points, Argentina, have had an eminent advantage from the other nations”.⁶⁹ If public credit rested greatly in foreign public opinion, *El Argos de Buenos Aires* and *El Avisador Universal* triumphantly announced that a paper in London, *The Courier*, asked if South Americans were offering warrants and enough utilities to induce sensible speculators to lend them their money, and stated that Buenos Aires, and Chile as well, had excellent institutions to grant that.⁷⁰ Some issues later, *El Argos de Buenos Aires* added that South American states gave equal and even better securities to satisfy their present needs than any other European states which were also asking for foreign loans.⁷¹ In Trujillo, 1824, the journal *El Nuevo día del Perú*, edited by Hipólito Unanue, observed that the eyes of old nations, well trained on politics, were cast upon Perú, and that nothing could blemish the favourable opinion they were forming about it, even if their enemies were only pointing at its disturbances and internal conflicts. Perú, he stated had “four times more credit that the rest of the interested countries”.⁷²

Public credit was also connected with the project that these republics shared of building a national statistic; that is the gathering of measurable data or “facts” about the

⁶⁷ See Klaus Gallo, *Great Britain and Argentina: from invasion to recognition, 1806-26* (Basingstoke: Palgrave, Oxford, 2001).

⁶⁸ Juan Egaña, ‘Carta sexta from Melillanca to Guanalcoa’, *Cartas Pebuenches* 10, 1819.

⁶⁹ ‘Public Credit’ *La Abeja Argentina*, 1 Buenos Aires 15 April 1822.

⁷⁰ See ‘Editorial’ *El Argos de Buenos Aires* 24 March 1824 and *El Avisador Universal*. 17 March 1824.

⁷¹ ‘Editorial’ *El Argos de Buenos Aires* 19, 24 March 1824.

⁷² Hipólito Unanue ‘El Perú en el año 1824’, *El Nuevo día del Perú* 6, 5 August 1824.

actual resources of their countries. Statistics was considered as a prerequisite for the development of political economy or the establishment of rational administration of national public finances, and became one of the greatest intellectual aspirations of these nation's elites.⁷³ But statistics were also conceived as a portrait these nations projected to the world. In Buenos Aires in 1801 *El Telégrafo Mercantil* described statistics as a physical and moral view of the body politic, a vision of what the nation actually was, and what it could ultimately be.⁷⁴ According to that journal statistics were a condition for economic development, a patriotic imperative, and the best manner of introducing these new republics to Europe, offering reliable information about these countries to a European audience, preferably to Great Britain. Underneath this process, laid the need these republics had of obtaining the diplomatic recognition of their independence, and also to call for immigrants. The case of the *Noticias históricas, políticas y estadísticas de las Provincias Unidas de Río de la Plata* written by Ignacio Nuñez (1792-1846), is a clear example of this situation, considering that the work was written after the suggestion of British Consul Woodbine Parish, whom advised that such a work would help to foster the agreement of foreign commercial treaties between Britain and the United Provinces. The many guides, almanacks or “repertorios” written in Lima and Santiago were equally destined to foreign readers, with similar intentions. The *Repertorio Chileno*, for instance, written in 1835 by Fernando Urizar Garfias (1804-1876) was intended to “attract” useful foreigners for their science, industry or money, showing them, if it was possible, the true state of a country blessed by a benign climate, plenty of natural resources, a hospitable and docile population, and a liberal regime which secured the individual and its properties. This purpose of showing an image of the country to foreign observers was ultimately connected with the deep concern which some learned men of the period manifested about foreign opinions about their nations. Considering, for example, how often these authors used the rhetorical device of a hypothetical foreigner, a “philosopher observer”, who travelled through these countries judging their political, social

⁷³ For Peruvian calls to build a national statistic, see: Bernardo Monteagudo (1785-1825) *Memoria sobre los principios políticos que seguí en la administración del Perú, y acontecimientos posteriores a mi separación* (Quito: 1823) p.16; José Larrea y Loredó, *Documentos históricos del Perú colectados y arreglados por el coronel de caballería, Manuel de Ódrizola* Volume 7 (Lima: imprenta del estado 1875) pp. 6, 7; ‘Bases para la estadística del Perú’ *El Peruano* 1826 Lima 1 November 1826; José Gregorio Paredes, *Almanaque peruano y guía de forasteros para el año bisiesto de 1816* (Lima: Por D. Bernardino Ruiz, 1815) which was reprinted, at least until 1833, with additions done by Eduardo Carrasco and Nicolás de Piérola. For the Chilean case see Juan García del Río in the ‘Prospectus’ *El Telégrafo*, May 1819; Bernardo Monteagudo, *El Censor de la Revolución* N2 Santiago de Chile 30 April 1820; Camilo Henríquez, ‘Estadística’ *El Mercurio de Chile Periódico histórico, científico, económico literario* (N1 1822) p.12; Juan Francisco Zegers and Bernardino Bilbao, ‘Estadística’ *El Amigo de la Verdad*, 2, Santiago de Chile 11 April 1823. Francisco Antonio Pinto, *La Década Araucana* 2 Santiago 22 July 1825. In 1835, Andrés Bello in ‘Variedades, Consideraciones sobre estadística, conclusión’, *El Araucano*, N 228 Santiago Chile 23 January 1835. For the case of Buenos Aires, José Antonio Valdéz, *El Censor* 24 April 1817, 84 pp. 5,6.

⁷⁴ *El Telégrafo Mercantil*, Buenos Aires tomo 2 n10 2 September 1801, pp. 64, 65.

and economic situation, as a kind of imaginary arbiter of civilization and good taste.⁷⁵ The revolutionary priest José Ignacio Gorriti, for instance, coined the image of a “philosophical eye”, a voyager that watched the state of industry, population, agriculture, urban conditions and many other developments in The United Provinces.⁷⁶ Public credit, statistics and this “philosophical eye” were considered as barometers of civilization.

Theoretically, at least, foreign loans in these republics were considered as important parts of the plan of reform and moral regeneration which learned elites had been envisaging there. The port of Buenos Aires which the foreign loan was supposed to finance was one of the most cherished aspirations of the city’s authorities, embodying the commercial view of the capital as a world emporium.⁷⁷ In Buenos Aires the foreign loan ranked among the enlightened improvements proposed by Rivadavia and his group, alongside the formation of societies and educational institutions.⁷⁸ A similar situation happened in Perú and Chile where foreign loans were also a sign of material and moral improvement. In Chile, in 1823, when the money from the loan was finally available there were different proposals to use it, such as building a dock in Valparaíso, among other projects destined to organize the state, as a territorial division of the republic -in provinces and intendancies-, the making of plans, charts and maps, and of a general statistic.⁷⁹ Sadly, the funds obtained in these negotiations vanished almost instantly amid the confusion of the period, while a considerable portion of them ended paying the lavish expenses of flamboyant agents living in London.⁸⁰ In Buenos Aires the money of the loan apparently benefited only a few British and local merchants.⁸¹ The house of Thomas Kinder sent Robert Proctor as a special agent to Peru with the mission, as he later wrote in his book of his experiences in South America, of obtaining “the ratification of the loan by the government and congress, and to draw for the amount upon London.”⁸² Proctor sailed quickly on 8 December 1822 and arrived in Lima on 23 May 1823, where he found that the government had anticipated the funds in such a way that his “arrival had been most anxiously looked for, both by the public authorities, and by those

⁷⁵ See for instance Manuel Lorenzo Vidaurre in Manuel de Odriozola *Documentos históricos del Perú: colectados y arreglados por el Coronel de Caballería de Ejército fundador de la Independencia, Manuel De Odriozola* (Lima: Imp. del Estado, 1874), p.233.

⁷⁶ Juan Ignacio Gorriti, *Reflexiones sobre las causas morales de las convulsiones interiores en los Nuevos estados americanos examen de los medios eficaces para reprimirlas*, (Valparaíso 1833) pp. 93, 94, 95.

⁷⁷ On the port of Buenos Aires, see *El Centinela* n 44 25 May 1823.

⁷⁸ *El centinela* N 7, 8 September 1822, p.87.

⁷⁹ ‘Sesión del día 12 de septiembre 1823’ *Redactor de las sesiones del soberano Congreso* N6; ‘Sesión del día 15 de septiembre 1823’ *Redactor de las sesiones del soberano* 7.

⁸⁰ See Humphreys, *Liberation* (1952), pp. 117-132.

⁸¹ Fitte, *Historia de un empréstito*, (1962), pp. 106, 122.

⁸² Robert Proctor, *Narrative of a Journey across the Cordillera of the Andes, and of a residence in Lima, and other parts of Peru, in the years 1823 and 1824*. (London: John Murray, 1825), p.131.

who had advanced money on credit". In June, the contract of this loan, which was almost completely wasted, was formally ratified by the Congress.⁸³

The other relevant party in the negotiation of these first loans were London merchants or businessmen, whose part in these undertakings must be understood by considering the structure of corporate business. The evidence given from contemporary testimonies suggests that they used that frame to obtain the maximum profit available and that their doings were controversial. The following description of the scene that took place at the Royal Exchange published in the *Annual Register* of 1822 is an eloquent sample of how London merchants grossly manipulated the emission of bonds, in this case on the Peruvian debt. The Peruvian loan raised great expectations among the public, on account of the immense profits previously obtained from the Colombian and Chilean loans. When it was announced, literally hordes of people anxious to become subscribers waited at the doors of the office of Thomas Kinder at Basinghall Street in the City. But he remained silent and only answered that he and his brokers and agents would appear at the Royal Exchange on Saturday morning, at eleven o'clock. On the given day, at the door of the exchange, Kinder and his men were surrounded by a crowd anxious to know the "contractor's terms". The testimony continues as follows:

The confusion and pressure were so great, that nothing for some time could be distinctly heard, and the impression was, that the agents were playing on the eagerness of their customers, and did not in fact declare any price, at which they thought it proper to sell. Meantime different prices were audibly vociferated from various parts of the assemblage; but, as they did not reach the point desired by the agent, he remained silent, and did not close with any of the offers. At length 88 was named, being, as was understood, a premium of 8 per cent on the contract price, made not more than two days before, and was followed by a burst of indignation from the crowd, and the words "Shame, shame!", "Gross extortion!" resounded on all sides. Even at that price, however (such was the mania for speculating in foreign securities), bidders were to be found.⁸⁴

Mining companies

Ron Harris observes that such "optimism and enthusiasm soon spread from the bond market to the share market", and consequently in the summer of 1824 the first South

⁸³ Ibid., p.132.

⁸⁴ *The Annual register or a view of the History, politics and literature of the year 1822* Vol. LXIV. (London: Baldwin, Cradock, and Joy, 1823), pp.193, 194.

American mining companies, based on shares, were promoted in the city of London.⁸⁵ That year and the following one saw what Bishop Carelton Hunt has called an “avalanche of extravagant promotions and general speculation”, which were the outcome of an abundance of capital no longer taxed or absorbed by war expenditures. It was in fact a kind of paradox that while Britain was teeming with idle capital, which perhaps was partly the result of the influx of bullion from South America, these same republics were asking for financial assistance in this ebullient market. Some authors even stated that “most of the bullion circulating” in Britain in the 1820’s “was from South America”.⁸⁶ This excess of capital sought new channels of investment such as mines, canals, docks, bridges, rail roads, steam navigation, gas, insurance and building enterprises. It was what a contemporary account called “a remarkable period in British History”, when “in consequence of the abundance of capital in the kingdom, and the want of adequate employment for it, projects were presented daily, if not hourly in the city, for both of these purposes”.⁸⁷

There are some previous studies about South American mining companies. Claudio Véliz, in a pioneer study analysed the formation of mining companies in Chile and their influences in local politics, particularly in the conservative regime of the 1830’s. In Argentina there are some highly popular studies written by Rodolfo Ortega Peña, Eduardo Luis Duhalde, and José María Rosa that discuss these companies in the context of a general critical revision of Rivadavia’s administration and its alleged surrender to British domination, judging liberalism in terms of a betrayal of national sovereignty.⁸⁸ These last studies belong to the school of Argentinean “historic revisionism” that have been criticized for offering, what Tulio Halperín Donghi branded as a “decadent” vision of national history, marring their insights with an overpowering ideological bias and their tendency to see history as the development of a malignant foreign conspiracy.⁸⁹

This chapter intends to build on those works, examining the formation of all the mining companies for the Southern Cone, adding further details about this process and placing special emphasis in the business structure they shared. From this perspective this

⁸⁵ Harris, *Political Economy*, (1997), p.678.

⁸⁶ William Rawson (William Adams), *The present operations and future prospects of the Mexican mine associations analysed: by the evidence of official documents, English and Mexican, and the national advantages expected from joint stock companies, considered in a letter to the Right Hon. George Canning* (London: J. Hatchard and Son, 1825) p.67.

⁸⁷ John Williams, *An historical account of sub-ways in the British metropolis: for the flow of pure water and gas into the houses of the inhabitants, without disturbing the pavements: including the projects in 1824 and 1825*. (London, Carpenter & son, 1828), p. 190.

⁸⁸ Rodolfo Ortega Peña, Eduardo Luis Duhalde *Facundo y la Montonera*, (Buenos Aires: Ediciones Colihue SRL, 1999); José María Rosa, *Rivadavia y el imperialismo financiero* (Buenos Aires: A. Peña Lillo, 1974).

⁸⁹ Tulio Halperín D., *El revisionismo histórico argentino como visión decadentista de la historia nacional* (Buenos Aires: Siglo XXI, 2005); for a discussion on Argentine historic revisionism see Nicola Miller, *In the Shadow of the State: Intellectuals and the Quest for National Identity in Twentieth-Century Spanish America* (London: Verso, 1999), pp. 195-201.

chapter assumes that the study of the Foreign Loans these republics floated and the mining companies formed in London is deeply intertwined. However the most relevant sources available to study these companies are still their Prospectuses –some of which compiled in a *General Guide* written by broker Henry English⁹⁰, and the anonymously published *Inquiry*,⁹¹ actually written by Benjamin Disraeli. According to these documents the companies formed to work the mines located in Perú, Upper Perú, Chile and The United Provinces were the following: “The Anglo Peruvian”; “Famatina Mining Company”, “The General South American Mining Association”, “Potosí, La Paz and Peruvian Mining Association”, “the Pasco Peruvian”, “Río de la Plata or Buenos Aires Mining Company”, “United Chilean Association”, “The Anglo Chilean”, and “The Chilean and Peruvian”. Most of these companies were formed on the initiative of South American agents working in Europe and by local proprietors, who shared the growing interest in geology and mineralogy that then existed in Europe.⁹² It is therefore possible to suggest that in the formation of these mining companies there were genuinely scientific interests, mingled with serious aspirations for economic development and some extravagant ambitions of enrichment awakened by the recently revived legends of “El Dorado”.

The first notices of projected mining companies attest that they antedated the investment boom of the 1820's. Scottish traveller Alexander Caldcleugh observed that British investors were interested in working the mines of Famatina as early as 1814, “but upon mature consideration, thinking the country in too unsettled a state to preserve their property inviolate, they gave up the plan”.⁹³ Two years before that failed plan, mineralogist John Mawe gave some news of the state of Chilean mines during the years of the wars of independence, oddly enough in an appendix of a book about the diamond districts in Brazil. Mawe described “the method pursued in working the silver mines on the coast of Chili, which may be estimated to produce about a million of dollars annually”. But, according to his account, Chilean mines were deep, ill secured, and worked by natives in miserable conditions. He even stated that it was unadvisable “to introduce other methods”.⁹⁴

⁹⁰ Henry English *General Guide to the companies formed for working Foreign Mines, their Prospectuses, amount of Capital, number of shares, names of directors, &c., and an appendix, showing their progress since their formation with a table of the extent of their fluctuations in price, up to the present period.* (London, Boosey & sons, 1825).

⁹¹ Anonymous (Benjamin Disraeli), *An inquiry into the plans, progress, and policy of the American mining companies* (London, J. Murray, 1825).

⁹² Rudwick, Martin J. S. 'Minerals, strata and fossils' in Nicholas Jardine, James A. Secord and Emma C. Spray, eds. *Cultures of Natural History* (Cambridge: Cambridge University Press, 1997).

⁹³ Alexander Caldcleugh, *Travels in South America, during the years, 1819-20-21: containing an account of the present state of Brazil, Buenos Ayres, and Chile,* (J. Murray, 1825) Vol. 2, p.148.

⁹⁴ John Mawe, *Travels in the interior of Brazil, particularly in the gold and diamond districts...including a voyage to the Río de la Plata, and an historical sketch of the revolution of Buenos Ayres.* (London: 1812), pp. 363, 364.

Such a discouraging picture dissuaded the most enthusiastic of projectors.⁹⁵ In 1818, Bernardino Rivadavia, envoy of the Government of Buenos Aires in Europe, wrote to Juan Martín de Pueyrredón telling he had been trying to persuade French, British and German capitalists to form a society to invest in the mines of their nation, but the lack of accurate information available about the actual state of these mines and the neighbouring districts, had precluded any transaction. Rivadavia ended his note asking for an official report of the mineral production and the general situation of the mines to show any possible investor.⁹⁶ Later that year, Rivadavia insisted on telling Pueyrredón about his campaign for South American mines, but, as he stated, “a thousand obstacles” had been raised to frustrate his designs.⁹⁷

None of these obstacles was removed in the years that followed, but oddly enough, during the last months of 1824 joint stock companies destined to work on South American mines began to proliferate in the London market. At that moment, Bernardino Rivadavia, then minister of Foreign Affairs of the Government of Buenos Aires, informed his government that many Mexican Mining Companies were announced. What happened that South American mines, which at a closer look seemed reasonably unattractive, became suddenly the object of such wild enthusiasm? There is only one plausible answer to offer, which points directly to joint stock companies: mines were caught in the joint stock mania. The exact origin of these mining companies is not entirely clear, but, it seems reasonable to believe that this time were mostly British merchants, the household names of the controversial loans of a few years past, who encouraged South American agents to participate in them. Rivadavia gave to the firm of Hullett Brothers, then agents of Buenos Aires affairs in London, full liberties to form “a Company to exploit the mines located in the territory of the United Provinces of La Plata”. He secured the approbation of all their doings on the grounds that the intended plan was beneficial to all, the capitalists and the country, to which such a company would give: “the population, industry and movement of riches that it is so much needed”. In the meanwhile Rivadavia insisted on the government in Buenos Aires asking for a detailed exposition of the state of the mines, particularly of those of Rioja, San Luis, San Juan, Catamarca and Salta.⁹⁸ Rivadavia sent Hullett the answers he obtained from his queries to provincial governments in Mendoza and San Luis, showing

⁹⁵ Ibid.

⁹⁶ Sergio J Bagú, *El plan económico del grupo Rivadaviano, 1811-1827. Su sentido y sus contradicciones, sus proyecciones sociales, sus enemigos. Con una sección documental.* (Rosario: Instituto de Investigaciones Históricas, Facultad de Filosofía y Letras, Universidad Nacional del Litoral, 1966), p.126.

⁹⁷ Ibid., p. 127.

⁹⁸ Ibid., p.244.

him the general commitment that existed in the United Provinces to work these mines with foreign capital.⁹⁹ In June 1824 he travelled to London, without any official mission, to seal the destiny of his cherished project. A couple of months after his arrival he formed the “Río de la Plata or Buenos Aires Mining Company” with a capital of £1,000,000 to be divided in 10,000 Shares of £100 each. Some of the directors of this company were George Hibbert, John Hullett –from the firm Hullett Brothers and Company, contractors of the Chilean loan who were to act also as the agents of the Mining Company in London.¹⁰⁰ The prospectus of the company, just like the authorization given by Rivadavia to Hullett Brothers, revealed how the government of Buenos Aires granted concessions on mines which were placed in the whole territory of The United Provinces, including “those situated in what are called the Lower Provinces, such as Mendoza, San Juan, San Luis, Córdoba, Tucumán, Salta, Jujuy, Catamarca, Rioja, &c”, that, as the document stated were “nearly in a virgin state, having been worked only at intervals on a small scale by men of little skill or capital”.¹⁰¹ Notwithstanding all these considerations, the company was mainly concerned with working the mines of Famatina, which according to this information, were not only “little worked, but most, if not all, are surrounded by a fine and fertile country, abounding in Forests, furnishing timber and fuel,—in Pastures and Streams of water”.¹⁰² The document also declared that most of these mines were free and had no legal owners, and insisted on their supposed “virginal state”, adding that “the forced labour of Slaves or Indians, had never been used in the Mines”.¹⁰³ Hullett reported that the company was no “limitation to any particular province or territory”.¹⁰⁴

These unlimited pretensions soon produced a conflict of interests with another new one, which also aimed to work the mines of Famatina; the “Famatina Mining Company”, located in the district of La Rioja, where the mines were. According to the prospectus emitted by this company, it was constituted “by several of the most wealthy and respectable Merchants of Buenos Ayres”, who were authorized to work these mines by a grant signed on October 20 1824, between Don Ventura Vasquez, as a representative of the Company and the Governor of the Province of La Rioja, which was later sanctioned by the Constituent Congress of the United Provinces of La Plata, now holding its session in Buenos Ayres. These “wealthy and respectable merchants” were a joint company including

⁹⁹ Ibid.

¹⁰⁰ English, *General Guide* (1825), p. 56.

¹⁰¹ Ibid., p. 57.

¹⁰² Ibid.

¹⁰³ Ibid.

¹⁰⁴ Ibid., p.58.

some of the most conspicuous members of the British and local commercial community residing in Buenos Aires.¹⁰⁵ John Parish Robertson, who soon was to be designated as the representative of the Peruvian Government in London, received full powers from this Company in Buenos Ayres to transfer their rights and privileges in the Stock Market in that city.¹⁰⁶ It is important to notice that some of these merchants, particularly members of the Directory, had previously acted as go-betweens between Martín García and the house of Baring, in arranging the contract for the first loan of the government of Buenos Aires, “receiving commissions and generous compensations”.¹⁰⁷

This collision of interests between these two companies was partly a consequence of the political situation of Buenos Aires and the rest of the provinces, but also of the government’s ignorance of the real situation of its resources. This dispute soon reached the London press, and there was an exchange of letters in *The Times* between Mr. Robertson, representing “The Famatina Company” and Hullet Brothers from “The Rio Plata”, which ended up favouring “Mr. Robertson's claim”.¹⁰⁸ In describing the situation of Argentinean mining Companies Benjamin Disraeli’s *Inquiry* avoided mentioning this confrontation, although it admitted that by the time of its publication the provinces and Buenos Aires were no longer united. Then it somehow diverted attention away from this crucial fact, giving an enthusiastic vision of the region and declaring that “there are, perhaps, no regions on the surface of the globe whose resources have been more neglected from a want of population and capital, than the provinces of Río del Plata”.¹⁰⁹

Just as it happened with Famatina, in Perú there was also a collision of interests in relation to mines, particularly concerning those that constituted the minerals of Cerro Pasco. British press already knew about these mines, since the steam pioneer Richard Trevithick and other Cornish industrialists had worked there installing a system of drainage with the aid of steam machines, an endeavour which was extensively covered in British newspapers.¹¹⁰ Pasco was actually at the core of the first joint company of South American and British capital formed to work in South American mines, which was, moreover, the first venture of British machinery in Spanish America. This first company was formed in 1812 when Francisco Uvillé and Richard Trevithick joined Pedro Abadía and Arismendi in a society to install steam machines to drain the mines of Pasco, then in the hands of the Viceroyalty.

¹⁰⁵ Ibid., p. 28.

¹⁰⁶ Humphreys, *Liberation* (1952) p.129; see also, English, *General Guide* (1825), pp.27-29.

¹⁰⁷ Fitte, *Historia de un empréstito*, (1962), pp. 37, 38.

¹⁰⁸ English, *General Guide* (1825), p.30.

¹⁰⁹ Disraeli, *Inquiry into the plans* (1825.), p.61.

¹¹⁰ ‘Peruvian mines’ *The Derby Mercury* 9 September 1813, see also Anthony Burton Richard, *Trevithick Giant of Steam* (London: Aurum press, 2002), pp. 165, 67, 75.

The British press hailed Trevithick as a “New Columbus” and his work as an attempt to recover the fabled riches of the Incas with the aid of British technology, an enterprise which finally failed because war and nature interrupted any development of the area.¹¹¹ Since then the mines which constituted the minerals of Pasco had changed hands many times: after the death of Uville in 1818, the machinery of Pasco passed to Abadía, and up to 1821 Pasco was still controlled by Spanish forces. In 1825, after the battle of Ayacucho, when Bolivar’s forces secured the independence of Perú and Upper Perú, the mines that were mostly in the hands of the rich Spaniard Juan Vivas were confiscated and auctioned by the new independent regime.¹¹²

Francisco Quiroz, a son of Spaniards born in Pasco with no royalist affiliations, was designated as the first republican governor of Pasco by General Arenales. Soon afterwards, Quiroz travelled to London to join John Parish Robertson in the formation of this new joint venture between British and Peruvian capitals, the Pasco Peruvian Mining Company, the contract for which was signed on 13 January 1825. Quiroz had scientific interests: in June of that year he was elected a member of the “Geological Society” and in November he entered the “Linnaean” Society.¹¹³ He transferred some of his scientific connections into the mining undertaking he was helping to develop, and among the head figures of the Company there were two members of the Geological Society, the medical doctor John Bostock, author of a *History of Galvanism*, and H. J. Brooke, the secretary of that institution, also Fellow of the Royal Society and the Linnaean Society. The rest of the people involved in this undertaking were a mixture of members of the peerage and celebrated merchants, such as Joseph Clarke; the rocket inventor Sir William Congreve; banker Thomas Kinder and Samuel Williams. The honorary directors and agents in Perú of the company were Francisco Quiroz, William Cochrane, brother of Thomas Cochrane, and Joseph Andrews Fletcher. According to the Company’s prospectus, its directors had “secured contracts for a long term of years for some valuable Mines on the celebrated heights of Pasco, in the district of Yauricocha and Province of Tarma, which would alone be sufficient to justify its establishment”. As a native of Pasco with official connections, Quiroz himself was deemed to be a warranty of the Government’s involvement in the promotion of the enterprise, granting a preference for the company in any further contract with other parties. The company, according to the

¹¹¹ ‘A Cornish man’, *Morning Chronicle* 5 September 1817.

¹¹² José Deustua *La Minería Peruana y la iniciación de la República, 1820-1840* (Lima: Instituto de Estudios Peruanos, 1986) p. 129. For Don Pedro Abadía, see also María Graham *Journal* (1824), pp. 171-176.

¹¹³ Cristina Mazzeo, ‘Un proyecto económico en el siglo XIX: Un estudio de caso, Francisco Quiróz (1840-1863)’ Carmen Mc Evoy, ed., *La experiencia burguesa en el Perú, 1840-1940*. (Madrid: Iberoamericana, 2004), p.10.

prospectus, was not limited to the extraction of silver, “but shall extend to such other minerals and ores as may be wrought with advantage”.¹¹⁴

The unstable nature of property rights over these mines, and the unsecure political state of Perú’s independence, soon disturbed the establishment of this company. Most of the Pasco mines, that once belonged to Juan Vivas, which were actually the Company’s nucleus, were also disputed by John Begg, who claimed a right over them as a payment for the loans he had given to the Peruvian republican government. Begg, one of the first Britons to establish business on the Pacific shore between Valparaiso and Lima, asked the authorities that his credit might be cancelled on account of the second Peruvian loan contracted in London by John Parish Robertson, but the latter refused any payment on account of this loan. Accordingly, Begg asked for the payment of his debts on account of the mines that once belonged to Juan Vivas. These claims collided with those of William Cochrane, who was then in Perú as the agent of the Pasco Peruvian Company.¹¹⁵ In the meantime, Juan Vivas, then residing in Brussels, and his sons, were also claiming for his property rights in London.

Back in Lima, in May of 1825, the Government of Perú and a company formed by William Cochrane, representing the Pasco Peruvian Mining Association, Cristobal De Amero and Stanislas Lynch signed a contract for a lease of the Pasco Mines that belonged to Juan Vivas “for a term of twenty-five years, on paying every year the sum of 15,000 dollars, and a further sum of 30% upon the bars of silver which those mines may produce, all other duties included”. According to that contract the direction of the mines belonged to the contractors, who were subjected to Peruvian mining laws. The government made a series of concessions to the parties involved, allowing them to work coal mines freely, and to import machinery, instruments, and quicksilver at no cost. On the other hand, the authorities forbade any kind of smuggling. The contract was signed in Lima, on 20 May 1825 by the Minister of Finance, and the merchantmen, in the presence of Ministers Hipólito Unanue and Tomás De Heres.¹¹⁶

Given the long controversy occasioned by its formation the directory of the Pasco Peruvian Company published a pamphlet in 1825, answering some of the accusations that circulated about their enterprise. In that document they also reiterated what the company meant for the government of Perú: an improvement of local revenue and a general promotion of national welfare. They also attached testimonies that proved the mineral

¹¹⁴ English, *General Guide* (1825), pp. 49, 50.

¹¹⁵ Deustua, *La Minería Peruana* (1986), pp. 123, 137.

¹¹⁶ ‘Trade and commercial intelligence’ *The American Monitor, a monthly Political, and commercial magazine, particularly devoted to the affairs of South America*. Volume 6 (London: 1824), pp. 356, 357, 358.

riches of Pasco, from Alexander Von Humboldt, plus a letter from Major Hinde, who had entered with the patriot troops of general Arenales, and the testimony of the traveler Alexander Caldcleugh, who had just published his travel book stating that since “the Mines (were) cleared of water, the produce of silver was enormous”.¹¹⁷ The pamphlet concluded that the property of Cerro Pasco was allegedly not vested in Juan Vivas, and that the number of mines mentioned in the public debate had been exaggerated. Finally, the pamphlet admitted that the property was in some manner encumbered with other claims that might eventually disturb its management. It is most likely that the directors of the Pasco Peruvian had reached an agreement with Don Juan Vivas, which secured the right of purchasing a large mining property, at any period before January 30 1826.¹¹⁸

The Pasco Peruvian was not the only company formed to work Peruvian mines; there was also an Anglo Peruvian Mining Association destined to work unspecified “mines of Gold, Silver, Quicksilver, and other Minerals, in the extensive Kingdom of Perú, as well as for the purpose of smelting, &c. the ores of their own mines”. In practice, the company intended to work the mines of the province of Huancavelica, and although they invoked the learned authority of Helms, the German mineralogist, to sustain their purposes, the company was soon relinquished and the deposits for the shares were returned. A “Peruvian Trading and Mining Company” was also formed in London, on March 23 1825, the objects of which were to carry on a regular trading intercourse with Peru, and to work such Mines in that country as, upon careful investigation, shall be found worthy of attention. “The first of these objects”, the Prospectus stated, “will be immediately acted upon; and with a view to the second, Agents, fully competent to enter into arrangements for the Purchase or Lease of Mines, will be dispatched without delay”.¹¹⁹ But the plans of this last trading company were too risky or perhaps they were not very serious about fulfilling them. As the stock broker Henry English warned, “the operations of this Company, exemplify the necessity of attending to the old adage, ‘look before you leap’ ”.¹²⁰

Chile was the last country to form Mining Companies. In December 1824, the Chilean lawyer Mariano Egaña announced to Chilean authorities his plan of establishing a mining company, which had the objective to give capital to mine owners of Chile to work abandoned or neglected mines in the country. The company, as Egaña ascertained, did not ask for monopolies or special privileges, but a good reception and protection. Egaña

¹¹⁷ *Address from the Directors of the Peruvian Mining Companies to the Shareholders The Pasco Peruvian*. (London, 1825) pp.5, 6, 7.

¹¹⁸ English, *A General guide* (1825), p. 93.

¹¹⁹ *Ibid.*, p.119.

¹²⁰ *Ibid.*, p.95.

approved the company as a representative of the Chilean government and committed himself to recommend it to local authorities. But directors took Egaña's intervention for granted because the Mining Company was already formed when they were asking for his support, notwithstanding they were kind enough to make him president of the company, an honour, that according to him, he could not refuse.¹²¹

In January 1825, Egaña announced the formation of another establishment destined to work Chilean mines, which also asked for official approbation. This time he added in his report that new companies were formed every day with increasing advantages. "These first speculations", he wrote, "will continue attracting to those countries, industry, population, and capitals; so that from this part a horizon of prosperity appears in England for the America".¹²² The first company alluded to was perhaps the "Chilian Mining Association", with a Capital of £1,000,000, in 10,000 Shares of £100 each. Its president again was Egaña, and among its many directors were José Agustín De Lizaur¹²³ and John Diston Powles, a rich merchant of the City, who was the principal member of the firm J. A. Powles and Company, and also director of other mining associations, such as the Anglo Mexican and the Colombian. According to its Prospectus the company was formed "for contracting and working the mines of Chili", a country that contained "nine mining districts" that produced "gold, silver, copper, lead, tin, and iron". The mines, concluded the information, lay "in an unproductive state" and offered an "adequate inducement to the employment of British capital, skill, and machinery"¹²⁴. The second company alluded to was the "Anglo Chilian Mining Association, for working Gold, Silver, Copper, Tin, and other Mines, in Chili" with a capital of £1,500,000, in 15,000 shares of £100 each. Just as in the previous case, this prospectus mentioned the many and varied mineral riches of the country. These were mines that had "formerly been highly productive to the court of Spain, but by far the greater number of them has either not been worked, or wrought partially and inefficiently". The prospectus then added that: "Few countries are so well watered as Chili. Numberless rivers flow from the western declivity of the Andes, rendering the vallies fertile, and affording means of conveyance by water to the ports of the Republic in the Pacific Ocean. Chili also possesses Coal Mines, and a temperate and salubrious climate; and from the settled state of

¹²¹ Javier González E. ed. *Documentos de la misión Mariano Egaña en Londres (1824, 1829)* (Santiago, Edición del ministerio de relaciones exteriores de Chile 1984), pp. 84- 86.

¹²² *Ibid.*, pp. 114-119.

¹²³ Lizaur was also involved in Rivadavia's immigration schemes to La Plata and was also involved in the Potosí mining association, representing Marquis of Casa Palacio. See Bagú. *Viajes por Buenos Aires: Entre Ríos y la Banda Oriental, 1826-1827* "El Pasado argentino" p16; see also Enrique Tándeter, *Coercion and Market Silver Mining in Colonial Potosí 1692-1826* (University of New Mexico Press, 1993), p. 227.

¹²⁴ English, *A General Guide* (1825), pp. 19, 20; see also An. *An Inquiry* (1825), p. 70.

its government, and the value of its commercial intercourse with Great Britain, there is every probability of its independence being shortly recognized by the British Government". Among the plans of the company was to send "intelligent and well-qualified persons to examine its various Mines, and to contract with the government and individuals, for such Mines of Gold, Silver, Copper, and other Minerals, as may be most beneficially worked".¹²⁵

During 1824, the number of projected companies grew enormously, and by the end of that year there were 624 companies formed in Britain. The number of mining companies also grew, in January there were 6; in March 17 and in August 34.¹²⁶ Mining was not the only purpose of British undertakings in South America: there were other associations that involved trade, such as the short lived "Peruvian Trading and Mining Company", and the "United Pacific Association". The latter intended to implement a centre of operations on an island "situated at about an equal distance from the great Continents of Asia and America", somewhere "between China, Japan, New Holland, and the Republics of Chili, Peru, Columbia, Guatemala, and Mexico, within a short distance from California and North Western America, lying under the same northern parallel with the richest Mines of Mexico; and corresponding in the southern parallel with the metallic mountains of Perú and the Brazils, and containing, according to authenticated reports, considerable veins of various ore". The prospectus added that there was "no doubt" that "that under the auspices of a British Factory, and the encouragement of British Capital, the cultivation of the most valuable products of the Eastern and Western World may be advantageously introduced."¹²⁷ Another company that also had the Pacific Ocean in mind was the projected "American and Colonial Steam navigation", presided over by "the most noble the marquess of Lansdown". The aim of this company was to make use of the "power of steam" that already "brought to an entire new era the commerce of Great Britain", "to her intercourse with the New World" by establishing a line of Steam Vessels that travelled from Great Britain to North America, the West Indies and the New States of South America.¹²⁸ Similar purposes animated the "Atlantic and Pacific Junction and Central America Mining and Trading Association". Among the directors of this company was Felipe Bauzá, late director of the Hydrographical department of Madrid and the surveyor of the ill-fated Malaspina expedition, who was then living as an exile in London, where he kept his vast collection of South American maps and

¹²⁵ English, *A General Guide* (1825), pp.1, 2; see also An. *An Inquiry* (1825), pp. 70, 71, 72.

¹²⁶ 'Canals and railroads' *Quarterly Review* LVII March 1825, pp.349, 350.

¹²⁷ English, *A General Guide* (1825), pp.70-73.

¹²⁸ *Prospect of the American and Colonial Steam navigation company* (1825).

charts.¹²⁹ The prospectus of this Association, published on March 1825, announced that its main goal was the accomplishment of that “grand desideratum of commerce”, which was the union of the Pacific with the Atlantic Ocean through Central America. “British Capital”, the prospectus continued, “combined with British energy, will complete this important work; and it will be received for Englishmen, under the reign of George the Fourth, to carry into an effect an enterprise, the advantages of which every commercial nation has perceived and most writers of Spanish America have pointed out”.¹³⁰

From the perspective of the Southern Cone, foreign loans and mining companies formed in London were seen as promissory mechanisms to alleviate the critical economic situation these republics countenanced. Foreign loans were seen as the surest lifeguard available to rescue these bankrupted nations, which was not odd considering the extravagant notion of public credit that these people then had. To understand how foreign loan and public credit were perceived by the learned élites in the Southern Cone is important to consider it was often described using preternatural terms, as something endowed with magical powers. Prodigious adjectives became a common feature in the expositions about public credit published in the press of Buenos Aires, Santiago and Lima, during the decades of 1820's and 30's. *La Clave*, for instance, a paper published in Santiago Chile talked about “the prodigies of credit”, whose powers were “imaginary but fruitful, aerial and delicate, but irresistible”. If well managed, credit, the article went on, “could build treasures out of nothing and could transform a moral feeling such as trust into an everlasting spring of material riches, spreading prosperity, movement and life through every part of the social body”.¹³¹ José Joaquín de Mora in *El Mercurio Chileno* stated that deserted fields, abandoned industries, farms and schools were claiming for the arrival of the “energetic impulse, creating hand, and vivifying breath” of public credit.¹³² The Peruvian economist, José Larrea Laredo, even after the ruinous experience of the first Peruvian loan, talked of it as a “fecund spring of riches”, “that still has to teach us its mysteries”.¹³³ So, just as it happened with commerce, public credit was seen as a fantastic lever that would launch these republics right into civilization. But these rather alarming expressions of mystery and magic were not an early announcement of magic realism in South American imagination, but actual quotations of European economic treatises which circulated in the region, and were reviewed in the

¹²⁹ Ursula Lamb “The London Years of Felipe Bauzá: Spanish Hydrographer in Exile, 1823–34” *Journal of Navigation* 34 (1981), pp. 319-340.

¹³⁰ *Prospect of the Atlantic and Pacific Junction and Central America Mining and Trading Association*.

¹³¹ ‘Crédito Público’ *La Clave*, Santiago Chile 6 March 1828.

¹³² José Joaquín de Mora, *El Mercurio Chileno*, Chile 1 April 1828 p.25.

¹³³ José Larrea y Laredo, *José Larrea y Laredo Principios que siguió el ciudadano Jose de Larrea y Laredo en el Ministerio de Hacienda: y Sección de Negocios Eclesiásticos de que estuvo encargado* (Lima: Imprenta Rep. por J.M. Concha, 1827) p.12

local press. Books such as *La magia del crédito svelata*,¹³⁴ written by the Neapolitan Giuseppe de Welz or Albin Joseph Ulpien Hennemet's *Theorie du Credit Public*, which claimed that public credit was actually a “British science” or a “British invention” and talked about the “magic of credit”.¹³⁵ British imperial propagandist Patrick Colquhoun, for instance, claimed that the British Empire owed part of its greatness, again to “the magic of public credit”.¹³⁶ Another example can be found on the work of French economist and traveller Alexandre La Borde, who in his book *De l'esprit d'association dans tous les interet de la communauté* dedicated a whole chapter to public credit, in which it declared that “credit was wealth”, and a “vivifying spirit that animated the whole social body, multiplying the joys and means of production”.¹³⁷ But the magic and mystery of credit was useless in front of economic urgencies, and especially when time came to pay interests, an obligation that Chile, Perú, and Buenos Aires were unable to fulfil. Chilean economists desperately tried to capitalize the small amount that remained from the foreign loan to pay the monthly dividends on time, “otherwise”, Camilo Henríquez stated then, “poor Chile might have taken an unbearable and useless burden that will last 30 years...covering the country in ridicule”.¹³⁸ In fact, public credit magically turned into public ridicule, and the loans contracted in London became the greatest headache these new republics ever had. The ardent debate these loans provoked in London –which would be the subject of the next chapter of this work- had only a tiny echo in the Southern Cone where the affair of foreign loans made few, albeit extremely gloomy appearances in the press. In political terms, the foreign loans contracted by Chile, Argentina and Perú in the London market rested on a shabby institutional basis, and were transacted by countries that were not yet recognized as sovereign states by the British government. All these factors did not deter the contractors of the loan from abstaining in the making of these businesses that gave them a very considerable profit. Soon after the Chilean and Peruvian loan were contracted in the London market the powers of attorney of Paroissien and Garcia del Rio were revoked in Peru and Irisarri's loan was rejected by the Chilean Congress, and O'Higgins renounced power leaving the country in a state of political turmoil. These situations were noticed by the London press, bond holders and bankers, some of whom initiated a judicial onslaught destined to revise the legality of the transaction and the powers

¹³⁴ Giuseppe de Welz, *La magia del credito svelata istituzione fondamentale di pubblica utilita da Giuseppe De Welz offerta alla Sicilia ed agli altri stati d'Italia*. (Stamperia Francese, Napoli: 1824).

¹³⁵ Albin Joseph Ulpien Hennemet *Theorie du Credit Public* (Paris: Testu, 1816.) p.6.

¹³⁶ Patrick Colquhoun, *A treatise on the wealth, power, and resources, of the British Empire, in every quarter of the world, including the East Indies ... the rise progress of the funding system explained*. (London: J. Mawman, 1814) p.280.

¹³⁷ Alexandre de la Borde, *De l'esprit d'association dans tous les interets de la communauté* Tome 1 (Paris: Gide Fils, 1821.), p.195.

¹³⁸ Camilo Henríquez ‘De la deuda extranjera’ *Notas sobre las operaciones del Congreso de Chile* 1823.

of the South American commissioners. They ended up questioning the validity of these businesses contracted in England by representatives of unrecognized states or governments, particularly concerning the efficacy of “actions arising out of contracts with and loans to unrecognized states”; consequently there were two cases in Court where such issues were discussed –Hodgson v. San Martín, and Everett v. Kinder-.¹³⁹ All these incidents suggest how embarrassing these affairs became for South Americans who were virtually obsessed with credit. In Buenos Aires, *La Gaceta* accused the government of “wanting to show off a sumptuous pomp” while they were sinking in debt, contracting loans that were unable to pay in an anxiety to pretend or to affect an importance which they did not have.¹⁴⁰ Public ridicule was embodied in the satirical figure of the “political economist gaucho”, which *La Gaceta Mercantil* described in 1828 in verses that mocked his cowboy that talked about economy and banks like an Edinburgh student, who has read and annotated his “Adam Smith’s”.¹⁴¹ In Perú, Hipólito Unanue declared that the only solution to recover public credit and to achieve recognition of the independence of his country was by the establishment “of a regular and stable form of government”.¹⁴² In Chile similar diagnosis were made, especially by those newspapers whose editors had access to fresh information from London, via Mariano Egaña, the Chilean unofficial agent who moaned from a distance asking for a solution to the critical situation that he faced constantly. *La Clave*, which was written by Juan Egaña, Mariano’s father, stated that “the nation’s power and wealth were nothing without its credit”.¹⁴³ In one of those letters Egaña simply asked for “stability!” suggesting that Chilean inability to fulfil its compromises was a consequence of the nation’s misrule. If the country is unable to pay, he added, “Chile’s name would be erased from the list of the world nations”.¹⁴⁴

British mining companies were also subject of great optimism, as a promise of future improvement, especially in Perú, where there was a wide agreement about the mining nature of the country’s wealth. Mining companies promised capital and scientific development. In 1822, years before the mining companies were formed, Bernardo Monteagudo, declared that

¹³⁹ P.L. Bushe-Fox M. A ‘Unrecognized States: Cases in the Admiralty and Common Law Courts, 1805-26’ *British year book of international law* 13 1932 (Oxford: 1932) pp.40-48.

¹⁴⁰ *La Gaceta Buenos Aires*, 22 September 1829. See also *La Gaceta Mercantil* Buenos Aires, 19 October, 1829.

¹⁴¹ ‘Primera Carta a Fabio’, *La Gaceta Mercantil* 1 April 1828.

(“Te entró por ser campestre la manía
Y forjar un gaucho majadero
Que habla de banco y de economía
Mejor que si en un curso verdadero
En Edinburgo hubiera repasado
A Adam Smith con notas todo entero”)

¹⁴² ‘El Perú en el año 1824’ *El Nuevo día del Perú* 6, 5 August 1824.

¹⁴³ ‘Exterior’ *La Clave*, 12 July 1827.

¹⁴⁴ ‘Exterior Inglaterra, Londres (22 de junio 1827)’ *La Clave* 25 October 1827.

the government was “waiting for the arrival of foreign scientific companies” to extract, “with the combined action of light and force” the “immense treasures that ignorance and laziness” had let remain hidden in the “heart of the Andes”.¹⁴⁵ Four years later the Finance minister, José de Larrea y Laredo, asked for the establishment of mineralogical schools with the aid of foreign professors hired by Peruvian representatives in Europe. These and other measures continued the plans and projects developed since colonial days by Uvillé and others, but the new political authorities changed the situation by confiscating dilapidated mines from their Spanish proprietors. On 2 August 1825, Simón Bolívar decreed that deserted mines should pass into government hands, “opening the gates to local and foreign entrepreneurs who want to obtain them from the government”, to what he called the “universal exploitation” of Peruvian mines.¹⁴⁶ Simón Bolívar, himself involved in vast mining schemes, commissioned the sale of Peruvian mines on the British market by his foreign agents, to develop mineralogy and also to pay for the foreign loans.¹⁴⁷ In Chile, as in Perú, different articles in the press announced the arrival of mining companies with jubilation and relief, an article in *La Década Araucana* compared them with “a kind of crusade” which would soon put Chilean mines to work, and would establish banks. Although mining, the article stated, would only give a temporary solution to the country’s problems, because mineral riches were illusory and precarious, if it did not help the development of agriculture, which would truly “cultivate” land and people. Mining, the article stated, would only become fruitful when the miner has achieved a certain degree of civilization renouncing to his drinking and gambling inclinations.¹⁴⁸

Conclusion

The foreign loans floated by South American agents and the mining companies formed in London were both caught up in a speculative mania which was centred on the development of joint stock business in Great Britain. Corporate businesses were extremely controversial at the time for various dubious practices destined to obtain the maximum profit at the expenses of bond and share-holders. The legend of “El Dorado”, which so far had haunted the image of the Southern Cone projected in Great Britain, with all its tales of

¹⁴⁵ Bernardo Monteagudo, *Exposición de las tareas administrativas del Gobierno desde su instalación hasta el 15 de julio de 1822. Presentada al Consejo por el Ministro de Estado y Relaciones Exteriores en cumplimiento del decreto protectoral de 18 de enero*. (Lima: 1822).

¹⁴⁶ See *El Peruano* 2 20 May 1826.

¹⁴⁷ Simón Bolívar, ‘Otro Oficio del secretario general del libertador al ministerio de relaciones exteriores del Perú...República Peruana Ministro de Hacienda Lima 13 de Diciembre 1825’ in Ódrizola *Documentos históricos* (1874). pp. 326- 328.

¹⁴⁸ ‘Remitido’ *La Década Araucana* 6 12 September 1825.

supposedly fabulous riches, fuelled this frenzy until it turned into a bubble, actually the second one, of this first stage of British relations with the Southern Cone. For South American agents foreign loans were intimately connected with the notion of public credit, which was considered as a kind of barometer to measure the degree of civilization their nations had achieved. Mining companies in turn, were seen as powerful instruments of improvement. The embarrassment which the nations of the Southern Cone felt after the ruinous business of the first loans can only be measured from this perspective. However, the worst was yet to come, because soon after these republics proved their inability to pay the dividends on their loans, came the fatal crash of the end of 1825's, which was attributed to the Companies formed to work the mines of South America. The responses to these crises in Britain and the campaign of discredit that emerged against the republics of the Southern Cone are the subject of the next chapter.

CHAPTER V

The Campaign: Francis Place

As the number of mining companies increased, they awakened more public attention. British press covered the phenomenon extensively with a negative tone that ranged from derision to hostility. A closer look at newspapers during 1824 and the following years, suggests that this hostile coverage was led by the *Morning Chronicle*, which in contrast with the enthusiasm it showed during the previous decade, from the middle of the year 1824 began a consistent denunciation of the Southern Cone republics and their affairs. It is possible to talk about an actual campaign against these Republics and their agents and several clues suggest that it was orchestrated by Francis Place, who wrote or commissioned a series of articles and contributions which were published in that and other newspapers, first against the Chilean Loan in London, and then against the mining companies formed to be developed in Chile, Perú and La Plata. As was usual in all of Place's public interventions of this kind, they were mostly anonymous and often written by third parties who voiced his arguments. At one point, this campaign reached the Houses of Parliament.

The diary that Francis Place started in 1826, which also included a summary of his activities of the previous year, is the starting point of this assumption.¹ Their pages reveal how he was behind the campaign that John Cam Hobhouse pursued against the Pasco Peruvian Mining Company in the House of Commons during the month of March 1825, and they also show how in January of that same year he started to write articles for the *Morning Chronicle* against the Mining Companies for the Southern Cone. In general, Place's diary shows how deeply involved he was in denouncing what he termed as "gaming funds". A close reading of these newspapers, with the guidance of Place's diary, suggests that he started his campaign against South American republics by denouncing the business of the Chilean Loan as fraudulent, during the second half of 1824.

To understand Place's involvement in these affairs it is necessary to consider his fame in parliamentary manoeuvring, his involvement in the reform group of the 1820's and 1830's and also the astonishing range of his interests. Among all these activities his concerns with South America emerged as a mixture of political campaign, a manner of social and cultural research (at one point Place was also interested in writing a History of North America) and some kind of personal revenge for the bad experiences he had there, which

¹ Francis Place, *The affairs of others: the diaries of Francis Place, 1825-1836, transcribed, edited and annotated by James A. Jaffe* (Cambridge: Cambridge University Press for the Royal Historical Society, 2007), p. 45.

ended showing his organizational skills, that as E.P. Thompson observed, were “a remarkable feat of intelligent wire-pulling and of enormously industrious and well informed lobbying”.² Another feature of Place’s activities was his tendency to remain in the shadows, which responded to his own restraints from publicity or his habit of influencing people to act according to his intentions, while remaining in the background.³

It is impossible to grasp Place’s campaign without remembering the failure of his business in South America and the many personal implications involved. Place not only lost a fortune sending machinery to Chile, but also one of his daughters, Elizabeth, died there in unknown circumstances. The magnitude of his financial failure was colossal: his losses in this business, as he recalled, “reduced his incomes by nearly £300 a year”.⁴ Although there was no manifest link of cause and effect between these personal affairs and his denunciations, it is highly probable that they must have affected his opinions about these issues, considering he started this campaign when part of his family was still striving to make a living in Chile and Argentina.⁵ These family issues may have reinforced Place’s decision to act anonymously, and they may also explain why the notebooks on South America that he kept during his lifetime –which he often mentioned in his diary-, are not available among his papers held in the British Library. Despite these gaps, Place’s archive in the British Library still holds valuable information on these affairs, particularly his diary and can be used as an extremely useful guide to follow his influence in the press coverage of the affairs of the Southern Cone during the years 1824, 1825 and 1826.

From the year 1819 onwards, Francis Place became the recipient of a constant flow of correspondence from South America sent by his many relatives and connections there, becoming an exceptional source of first-hand information about Chile, Perú and Argentina in London. “Private Correspondence” such as this, was the source of most of the information from South America on the press, and it seems that Place’s “private” letters somehow reached the offices of newspapers, particularly the *Morning Chronicle*, whose editor John Black was a close acquaintance of his. Place’s archive clearly shows that he had the inveterate habit of sending letters and contributions to him and other editors, always anonymously or barely disguised under the initials of his name. During the second half of 1824 is possible to notice that he started to resend some of the letters that he received from his connections in South America to that paper, mostly with the purpose of correcting or completing some information previously published.

² Edward P. Thompson, *The Making of the English Working Class*. (Harmondsworth: Penguin, 1984), p.564.

³ Mary Thale ed., *The autobiography of Francis Place*; (London: Cambridge University Press, 1972.), p. 244.

⁴ Dudley Miles, *Francis Place 1771-1854: the life of a remarkable radical* (Brighton: Harvester, 1988), p.54.

⁵ Francis Place, *The Affairs* (2007), p.116.

By April 1824, as Place's depositions before the select Committee of that date revealed, he still had hopes in the possibilities of the Southern Cone for British business, and had a rather optimistic opinion of the mining companies. However by July of that year his opinions seemed to have radically changed. On 30 July, the *Morning Chronicle* published what perhaps was the first direct denunciation of the conduct of South American agents in London that appeared in the British press. It came in a rather curious anonymous private letter sent from Madrid dated in June of that year which had two purposes: on the one hand it announced the finding in Madrid of some old manuscripts about Spanish America, and in the other it denounced South American Foreign loans. The letter warned that "South American agents in London, called ambassadors, should be closely watched by the friends of liberty; they are for the most part very corrupt; those who have got rich by peculations will be wanting titles and decorations".⁶ Before that, the letter revealed the finding of "very valuable manuscripts relating to Perú, Buenos Ayres, and Paraguay" and called for anyone interested in buying and publishing them in London. The documents were expensive, so the letter said, but it added that four or five thousand pounds "of the Chile or Peruvian loan money be employed fully as well in purchasing these interesting materials for history". This usage, the letter concluded, seemed much more convenient than "sending out anchors and cables for men of war that are gone to the bottom years ago".⁷

This was a clear reference to Irisarri's and García del Río's plans of buying second hand war supplies for the Chilean navy. It is very likely that the author of that letter was David Barry, then living in Madrid (there is a letter written by him from Madrid to Francis Place on the 1st of July of that same year) and who, two years afterwards, edited and published an extraordinary Spanish manuscript in London, the famous *Noticias Secretas de América*, written by Jorge Juan and Antonio de Ulloa, which had remained unknown until then. In one of the notes that Barry included in that edition he affirmed that he owned an important collection of manuscripts concerning Spanish America, which seems to be the collection alluded in the *Morning Chronicle*.⁸ Barry also knew Irisarri, well enough to lend him 200 pounds, just before he left for South America to join the botanic expedition planned by Bentham.⁹ The authorship of this book, the *Noticias Secretas*, and the actual existence of his editor had been a small riddle in South American historiography, until Ricardo Donoso, and

⁶ 'Private letters. Madrid June 1824' *Morning Chronicle* 30 July 1824.

⁷ Ibid.

⁸ Antonio de Ulloa, *Noticias secretas de América: sobre el estado naval, militar, y político de los reynos del Perú y provincias de Quito, costas de Nueva Granada y Chile* (Londres: R. Taylor, 1826) p v.

⁹ Bernardo O'Higgins, *Archivo de Bernardo O'Higgins tomo cuarto, preparado por Ricardo Donoso*. (Santiago: Nascimento, 1948) p. 234. See also Bernardo O'Higgins, *Archivo de Bernardo O'Higgins*. (Santiago: Nascimento, 1961) p. 117.

Julio César González,¹⁰ proved that both the manuscript and his author were real. Barry is an almost daily presence in Francis Place's diary of 1826, and these pages also show that the criticism of the Chilean loan and condemnation of the Hullet Brothers's business were among his main concerns during that year.¹¹ Place's direct involvement in this polemic against the Chilean Loan started in August 26 1824, when the *Morning Chronicle* published three private letters from Chile about this loan and the general affairs of that country. The first letter was a direct response to a notice previously published in the same paper some months before, about how Chile was managing the loan funds and planning to arrange its payment in London,¹² and it stated that the Chilean government or "the odd sort of thing we have here under the name of government" was totally ineffectual and did not had a single penny left from the loan.¹³ The Chilean loan, the letter added, was a "concoction" or "a job all through -a job in England for the advantage of a few individuals- a job here among the natives high in office, who have appointed the proceedings to their own use...and now that it is all spent, people call out against the loan. My own opinion is, that no arrangement to pay the interest will be made, and consequently it will remain unpaid".¹⁴ The letter also stated that "the Chileans are sorry legislators" and that the affairs of the country were "conducted or misconducted by a vile Aristocracy". The letter gave an outline of the country's new Constitution and delivered a ferocious diatribe against its inhabitants, who did not have "correct notions of government, no settled opinions on any subject, except religion, and their opinion on that subject is, that implicit obedience is a duty". The letter depicted a very distressing vision of Chile, immersed in anarchy and under the threat of secession by the provinces of Coquimbo, in the north, and Concepción, in the south.¹⁵

It is almost certain that these three last letters were written by John Miers, because they resemble exactly what he later wrote in his book published on 1826, particularly about the Chilean Loan¹⁶ and the 1823's constitution.¹⁷ The recipient of them certainly was Francis Place, who may have sent them to the *Morning Chronicle*. It is easy to figure out that these three letters had a disarming effect on the offices of Irisarri and Hullett, who did not wait too long to send an answer. The day after the publication of the three letters, another one

¹⁰ Julio Cesar González 'Existencia real de Mr. David Barry, editor de Las Noticias Secretas de América', *Historia*, Buenos Aires, 1967, p., 125-134.

¹¹ Francis Place *The Affairs* (2007), pp.78, 114.

¹² 'Santiago Chili, April 1824', *Morning Chronicle* 26 August 1824, 'City Monday evening: At Valparaíso' *Morning Chronicle* 23 March 1824.

¹³ 'The last new Constitution of Chili: Discontents Santiago May 14 1824', *Morning Chronicle* 26 August 1824.

¹⁴ *Ibid.*

¹⁵ *Ibid.*

¹⁶ John Miers, *Travels in Chile and La Plata*, (London: Baldwin, Cradock and Joy, 1826), vol. 2 pp. 210, 217

¹⁷ *Ibid.*, p. 111.

was published in the same newspaper, signed by “a holder of Chili bonds”, denying their authenticity claiming that they were “manufactured not a hundred miles from the Foreign Stock exchange, with the laudable intention of frightening some nervous holders of Chili stock, to bring their bonds into the market”. It also affirmed that what the letter had offensively called that “odd sort of thing under the name of government” was only a “new and unexperienced” government like any of those of South America, and proudly concluded that the Chilean loan had been punctually paid.¹⁸ The editor of the *Morning Chronicle* added a notice to that answer stating that the previous letters were actually from Chile, “written without even the slightest view to publication, by a gentleman of the most honourable and upright character in Chili, totally unconnected with loans to his family in this country”.¹⁹ The polemic continued the following day with a response signed by “Plain Dealing” that simply asked if the government of Chili had provided the “punctual payment of the dividends” by their own means, with funds raised “out of their revenue” or by “the net proceeds of the loan negotiated in London?”, suggesting that the four dividends of the credit that been paid already, actually came from money obtained by the same loan. “Plain Dealing” accused “A holder of Chili bonds” of being “in the secret”, and admitted that he was “bold enough to slip forward to combat the contents of two of the best letters the public ever read from Chili”.²⁰ The next day there was another letter from “A holder of chili bonds” which –without answering the previous questions- asked another one instead. Suppose, he wrote, “for argument’s sake”, that Chile had paid the dividends from money from the loan, as it was suggested by “Plain dealing”, “what does it prove?”, he asked: “Does it prove any precipitancy in the government of Chili to get possession of the money for remedying the crying distress of the finances, or does it show the eagerness of corrupted men in office to secure plunder as soon as possible?”.²¹ In that same edition of the paper the editor published another letter that ultimately answered “A holder of Chili bonds” and “Plain Dealing”, giving a great deal of information about the loan which hitherto had remained unpublished. The letter announced that there was no “formal recognition of the loan” from the Chilean government; which did not have enough revenue to develop any public project; that the money of the loan had been “misapplied”, stating that most of it had “been divided among the ministers of State; that the dividends paid on the loan were definitively from money raised by the loan, and that they will continue doing so “as long as

¹⁸ A holder of Chili bonds, ‘Chili’ *Morning Chronicle* 27 August 1824.

¹⁹ ‘Chili’ *Morning Chronicle* 27 August 1824.

²⁰ Plain Dealing, ‘Chili: To the editor...’ *Morning Chronicle* 28 August 1824.

²¹ A holder of chili bonds, ‘Chili’ *Morning Chronicle* 30 August 1824.

any money remains to pay”.²² The letter added a terrible judgement of Chile and the Chileans affirming that “everything” there was “venal and corrupt”, that the *Chilenos* were “mild, inoffensive, quiet people, in a semi barbarous state, carrying little so they are left alone, obeying their local authorities without murmuring, and without inquiring how or by whom those authorities are appointed”.²³ The letter then added some particulars of the recent events in Chile, in a narration that was actually continuing the information given in the letters published some days before in the same newspaper, under the heading of “New Constitution of Chile”. According to the letter, the reconstruction plans of the new government of Freire were thwarted as he “was foiled by some half dozen leading families, by the bishop and the priesthood, and the management of the affairs of state fell into the hands of a very few ignorant and corrupt persons, who made the thing described in your paper as the New Constitution of Chile”.²⁴ The letter concluded addressing the suspicions aroused by “a holder of Chilean bonds” claiming that the initial letters did not come from Chile, but had been written not far from the Stock Exchange, stating that the original letter was not written with “stock jobbing purposes”, just as might happen between “one knowing rich jobbing Jew” trying to “cajole another jobbing Jew, to purchase foreign stock, which he knows will fall”.²⁵ The letters were authentic and far from being a stock jobbing deal were meant to protect the interest of common people: “If things had been reduced between the sphere of dealers and jobbers”, he concluded “no harm would probably be done to society”, “but much mischief has been done, and more will be done by these dealers and jobbers and persons whom savings may be lost, and themselves reduced to poverty by false representations, or by what is much the same thing, by withholding the truth”.²⁶

There are enough connections between this letter written from a supposed third party and the letters written by “Plain Dealing” to ascertain that they might belong to the same hand. It seemed to have been composed from private communications from John Miers, with further commentaries added by Place, particularly the last paragraph, which reveals exactly the final objective of this campaign that intended to denounce a speculation that has been injuring or threatening the poor. Considering Place’s opinion about speculation it is sensible to consider his statement about “stock-jobbing Jews” as anti-Semitic, although, as it will come out later, his prejudices were shared by others. These words were also the last of this exchange of letters. The silence, from the side of Chilean

²² X, ‘To the editor of Morning Chronicle’, *Morning Chronicle* 30 August 1824.

²³ *Ibid.*

²⁴ *Ibid.*

²⁵ *Ibid.*

²⁶ *Ibid.*

agents, may be explained by an item of information published the following day in *The Morning Post* announcing the recent arrival to London of the new Chilean agent in London, Mariano Egaña and his secretary José Miguel de la Barra, adding that his arrival was in answer to “Irisarri’s repeated calls and requests to be recalled from office”, to pursue some private dealings.²⁷ The *Morning Chronicle* later stated that Irisarri was the president of the new “United Provinces of Central America Association for working the mines, for the Pearl Fishery and for Trading and commercial objects”.²⁸ Egaña arrived in London to revise the controversial transactions made by Irisarri, however, on his arrival he found that his predecessor, and all his papers related to the affair of the Chilean Loan had vanished, as Irisarri’s secretary, Andrés Bello told him.²⁹ Only a few weeks after Egaña’s arrival in London, Bernardino Rivadavia made his entrance in the city to encourage colonization plans in La Plata, and the establishment of the “Rio Plata Mining Company”.

During 1824 Place kept sending the letters that John Miers sent him from Chile, which progressively revealed the political distress of that country. On the 6 of January, the *Morning Chronicle* published an “extract from a letter from Santiago Chile, 26 August 1824”, under the lapidary heading of “Anarchy in Chile”. An editorial commentary attached observed how Chile was passing through the greatest revolution of its history, and denounced that the greatest obstruction to the development of Chilean commerce “was the almost unlimited power and wealth of the church”. Priests, the editor denounced, “falsified all exertion, and kept the people in poverty, ignorance, and misery”. The country, the article ended, would become “industrious rich and happy” only if it was able to free itself from the “benumbing influence of an enormously rich, and the exceedingly numerous priesthood”.³⁰ This letter might have also been originally written by Miers, because it has a similar tone and clearly continues the narrative started in the letters previously published in that same paper. Again, its content is almost identical to that of the book he published later in 1826.³¹ It is evident at least, that the author of this letter is the same one that wrote the previous one, because it alludes to its contents, declaring that he had already given “an outline of the absurd measures”, such as the Chilean New Constitution which was the main topic of one of those letters.

²⁷ *The Morning Post*, 31 August 1824.

²⁸ *Morning Chronicle*, 15 March 1825.

²⁹ Javier González E. *Documentos de la misión Mariano Egaña en Londres (1824, 1829) Edición y Estudio Preliminar por Javier González Echeñique* (Santiago, Edición del ministerio de relaciones exteriores de Chile 1984), pp. 48, 50.

³⁰ ‘Extract from a letter from Santiago Chile’, ‘Anarchy in Chile’ *Morning Chronicle* 6 January 1825.

³¹ Miers, *Travels* (1826), pp.113, 114.

A remarkable fact about this publication that helps to understand Place's campaign can be founded not in the text of this letter, but in its context, because in that same newspaper, a few lines before, there was a news item telling how shares in mining were thriving and their prices swelling, and that a new "powerful company has also been formed under the sanction of the Chilean minister".³² The fact that such news was published while distressing reports about Chile and the Southern Cone were reaching the press must have infuriated Place, and helps to illustrate the character of these businesses. This situation was noticed by the *Caledonian Mercury* in a commentary stating that despite bad news: "The mania for making purchases in the shares of the different mining associations still continues unabated, and even appears to be spreading over all parts of the country".³³

By the beginning of 1825 South American mining companies were seriously under attack on several fronts. A review published –anonymously as usual- in the *Quarterly Review* condemned and satirized the rise of companies to develop projects in South America. It's author, John Barrow, attributed the bursting of "multifarious projects" to "a mania for speculation" that responded to "the unparalleled prosperity of the country", where there was a "great amount of surplus capital" and denounced that there were no requirements needed to form a new joint stock venture.³⁴ The core of Barrow's invective was that this "rage for speculation" had driven citizens to seek employment for their capital exploring foreign investments instead of finding developments at home. The spectacular growth of these foreign projects, Barrow stated, was mostly caused because they were "least understood", and were "generally the offspring of cunning upon credulity", and were "nourished by folly and avarice".³⁵ By these foreign investments Barrow especially meant the loans to foreign countries, and what he called the "pretended associations for working the mines of, the various new governments of South America –Columbian, Mexican, Brazilian, Chilian, Peruvian –to all of whom immense sums of money, in hard dollars, have been sent out –sent to those very spots from whence they originally came, but from which, we fear, they are not likely soon to return". This "frenzy of speculation", he added, "appears to rage highest among the mines of South America, from whose bowels the "aurum irreperitum", which the Spaniards have left, because the Spaniards had ceased to find it profitable, is to be dug out by means of English capital, English men, and English machinery; and in such

³² *Morning Chronicle*, 6 January 1825.

³³ *The Caledonian Mercury*, 13 January 1825.

³⁴ John Barrow 'Canals and railroads' *The Quarterly Review* 31 (March 1825), pp. 349, 350

³⁵ *Ibid.* p.351.

abundance, that certain political economists are already lamenting the probable depreciation of the precious metals”.³⁶

Barrow related these last speculations -“by name and situation”- with the ill-fated South Sea Bubble, and guessed that some “unpleasant reminiscences” must have come to the minds of those who had been involved in the last. Mockingly, he added that it was rather surprising that no one had come with any “prospectus for connecting the Great South Sea with the Atlantic, by a ship canal cut through Nicaragua or the isthmus of Panama”, only to advert that he was wrong, because while he was finishing his article he realized that a similar project had been announced for credulous investors.³⁷ Barrow supported domestic projects over foreign schemes because he was “convinced that, as a national benefit, it would be preferable that the surplus wealth of the country should be expended at home, upon the most unpromising and unprofitable projects that the perverted ingenuity of man can devise, than be sunk in loans and speculations, which benefit only needy foreigners and domestic sharpers, at the expense of British folly and British capital”.³⁸ The phantom of the South Sea Bubble was in the air, that same year Adam Anderson published a book reviving such bad memories.³⁹

Sense of Place

By the beginnings of 1825 newspapers were also giving considerable space to this issue, and just as had happened with the foreign loans, the main instigator of these publications was Francis Place who had then started a press campaign against South American Mining Companies that this time reached the House of Commons. As Place observed in an outline of his activities during that year, included in his diary under the heading of “Gaming funds”:

The passion for gaming transactions in the funds and in joint stock companies which had become almost general and was pursued with an ardour little short of insanity, brought numbers of people to me and in January led me to take up the matter in the *Morning Chronicle* an account of which may be seen in the papers relating thereto, occupied my spared time, until after the meeting of parliament early in February and then all the middle of March.⁴⁰

³⁶ Ibid., p.352.

³⁷ Ibid.

³⁸ Ibid., p.355.

³⁹ *The South Sea Bubble and the numerous Fraudulent Projects to which it gave rise in 1720, historically detailed as a beacon to the unwary against modern schemes...equally visionary and nefarious* (London: T Bous: 1825)

⁴⁰ Francis Place, *The Affairs* (2007), pp. 39, 40.

Francis Place put a lot of his energy and time into this double-headed campaign that, as he said, “checked some of these fraudulent gambling speculations, and saved the property of thousands of persons from destruction”.⁴¹ As he remarked in his diary, he became involved in these affairs mostly by the requirement of several persons who approached his house in Charing Cross asking for help. During this campaign, Place, as was usual in his public proceedings, collected a considerable amount of papers and correspondence on these affairs, which was sadly lost, although, the sequence of his campaign can be traced by revising the press. In January 1825, in the midst of this speculative frenzy, *The Leeds Mercury* sounded a note of common sense warning their readers to examine cautiously the information available of the actual state of the South American mines in which they intended to spend their money. The note was republished on January 17 by the *Morning Chronicle*, with an added commentary which stated that these remarks were “extremely sensible”, perhaps too much so, considering that “the temperature of the London Exchange is yet too high for them”.⁴² These observations remarked that the mining speculations would fare well only in those mines where “English skill, capital and machinery” were to be applied, but not in those where the old system of working the mines prevailed. “The hazard of these speculations is therefore considerable”, continued the article, “and it is very much increased by the state of most of the countries where the mining companies are going to work.” The editorial strongly recommended “all the purchasers of shares in Mining Companies, to examine with scrupulous caution the “authorities” under which the directors act, the nature of their contracts with the American authorities or proprietors, and the grounds on which this offer the speculations to the public as advantageous”, adding that most of the information available about these mines was “vague and defective”. Being a provincial paper, *The Leeds Mercury*, commended their readers to consider that Londoners were much more familiar with “the arts of stock-jobbing” than the people within the country, and that “we have no hesitation in saying, that many most imprudent frauds have been practised by adventurers, and even by large capitalists, especially in loans and speculations”, “innumerable and inconceivable are the tricks practised to raise the shares in these schemes to a premium; fictitious sales, false reports, bribery of the press, and various other arts, are practised with marvellous ingenuity and success”. The *Morning Chronicle* made a public call to anyone that had actual and contemporary information about the state of these mines to send it to their offices.⁴³

⁴¹ Ibid., pp.39, 40.

⁴² *Morning Chronicle* 17 January 1825.

⁴³ Ibid.

A few days later, on 26 January 1825, the *Morning Chronicle* published a notice about the mines of La Plata, preceded by an editorial commentary expressing the paper's commitment to give detailed information about these issues, and which presented the author –who signed only with a “P”- as “a friend who is in possession of much valuable information respecting several parts of South America, the theatre of Mining speculations, and who is unconcerned in any of them”. “It will be seen at a glance”, the editor concluded “that the information is derived from skilful examination and experience and not gleaned from common place tours and travels”.⁴⁴ The article, which seems to have been written by Francis Place, is a surprising denunciation of these schemes and a description of these mines according with the reports he had from South America. Place accused two set of persons of trying to obtain profit, “large fortunes!” as he stated, from these speculations: one of them will make a fortune out of the other, while the other will make fortune out of the mines in South America. The first set of people, who would make a fortune first, were what he called the “fool catchers”, whose only work in this business was to transfer “small bits of papers called receipts, or receipts for shares”. The second group were the “fools”, who waited “for the gold and silver when is to be dug out of the mountains”. After this introduction Place takes the reader on an imaginary journey to those “invaluable mines” of Famatina in Cuyo. He did not invited the “first set” of people, because as he said, “they have already found their mine near the Royal Exchange”, but those “fools” that expected the mines to be worked, by a company of industrialists, geologists and engineers. This imaginary journey is set to describe the difficulties and dangers of travelling and working those deficient mines: hundreds of miles on mules’ back across deserts, up and down the mountains just to reach desolated mines in which there is no source of fuel or food nearby. After this voyage Place reached the crucial question of “how were these mines worked?” only to answer that: “not at all in a way we should call mining”. According to his description South American mines were worked by a few persons in a regime that was next to slavery, and that “ages will pass away”, he concluded, “before the mines of Famantina can be worked in any other manner”. He then concluded his note stating:

There can be no working of mines at Famatina, no, nor at any other place in La Plata by any English Company. If any man who knows anything of the country can shew the contrary let them do it.⁴⁵

⁴⁴ P., ‘South American Mining: La Plata’ *Morning Chronicle* 26 January 1825.

⁴⁵ Ibid.

Place's article provoked different reactions. The day after its publication, the *Morning Chronicle*, published a note complaining against the editor who had allowed "such articles to be inserted in your valuable columns, as it tends to alarm the timid and encourage the designing speculator". The "reader" also attempted to correct Place's article on the basis of the Prospectus published by the Río Plata Mining Company, which stated that the mines in the lower provinces were "abounding in forests furnishing timber and fuel." The author added, that "may have the effect of damping that noble spirit of independence so happily gaining ground on South America". As was becoming usual, the editor of the *Morning Chronicle* added a commentary to this last letter that somehow annulled it, stating that it had left "the question just where he found it", without adding anything new. "Alas", he added, "this is the way in which the thinking people of this most thinking metropolis are duped" asking the author if he was capable of naming only one mine "in a fine and fertile country in the neighbourhood of wood?" People purchasing shares, the editor recalled, were "taking a leap in the dark, for they have no evidence with respect to those points which must decide the character of their bargain".⁴⁶

Place's own answer to this letter came the next day, mocking his rival with implacable logic:

One fault he finds with me is -that mine is a "long article". Long and short are words of comparison; my article is long compared with his note; short, as he well knows, compared with the subject. He sends what he calls "a brief answer to general statements"; brief it is, sure enough -answer, it is none: brief is not the opposite of general, and this he also knows. He could not use the right word, particular, as opposed to general, because his communication is general, while mine, of which he complains, is particular, not general; it is full of particulars which he cannot disprove, which, with the knowledge of the country he and his coadjutors possess, he will not venture to disprove. The statement consists of facts; the inferences are few, but correct.⁴⁷

The answer insisted in the eventual consequences that these Mining speculations might have for Britain and South America, adding that his correspondent well "knew" his "commitment with the advancement of the people in South America", suggesting that Place and his correspondent knew each other well. Finally, Place declared his intentions to break his anonymity: "I do not mean to fight in the dark, and you may give my name to anybody

⁴⁶ Your Constant reader, 'La Plata mines' *Morning Chronicle*, 27 January 1825.

⁴⁷ 'South American mining: La Plata', *Morning Chronicle*, 28 January 1825.

who has the curiosity to request it”, he claimed.⁴⁸ More answers to Place’s article kept coming on the following days, although the *Morning Chronicle* declined to publish them stating that most of them dealt with generalities leaving “the question exactly where it was”.⁴⁹

After this article about “the mines of La Plata”, Place proceeded against the Pasco Peruvian Association, reacting against a previous publication done in that paper by an interested party. This time it was the campaign placed in *The Times* and the *Morning Chronicle*, on 31 January by the promoters of this company complaining the mistreatment that newspapers were doing of South American mining speculations “in the lump”, and begging the public to discriminate between companies which did not even have mines to work and those that aimed to work mines which were known and tried. The Pasco Peruvian, the insertion stated, was among these last. “Every mining company”, it added, “ought to be examined on its own particular merits.” The paper quoted official Spanish reports about the riches of Pasco, the testimony of Helms and other sources, and official information from local archives and journals.⁵⁰ Two days later, the *Morning Chronicle* published another article again signed by “P”, about the Pasco mines.⁵¹ Once again, the article combined satire with exhaustiveness. Place ironically praised the manly bravura of the promoters of this company that were facing public opinion -“it has the air of honesty about it”, he observed-, but also claimed that their address was “a little defective” and he challenged them to be more particular answering a maddeningly exhaustive questionnaire, so that the Company might be judged by “their merits”. There were 20 long questions about the mines and working conditions in Pasco, ranging from the number of journey days from Lima to Pasco, to the way in which the labourers were lodged, provided, and fed. There were also another set of queries especially concerned with the destiny of the steam engines brought from England by Francis Trevithick, and others specially addressed to the “Peruvian Gentleman” who assisted the Company, about other practical affairs such as fuel, distances, engines, animals, woods, accommodation and climate. “When all this information has been given”, Place finished, “everyone will, no doubt, be satisfied of the property of forming an association to work” these celebrated mines of Pasco. He encouraged the mining company to furnish all the particulars requested in three or four days: “lest the public should be left to conclude that, after all, they have not the information necessary to justify their pretensions”.⁵²

⁴⁸ Ibid.

⁴⁹ ‘The Pasco Peruvian mines’, *Morning Chronicle* 31 January 1825.

⁵⁰ Ibid.

⁵¹ P. ‘Peruvian mining: Pasco’ *Morning Chronicle* 2 February 1825.

⁵² Ibid.

Evidently Place knew that the answers were not convenient to the purposes of the Pasco Peruvian Company. Anyway, nobody answered them.

Place then continued his campaign on the House of Commons with the assistance of John Cam Hobhouse, the Westminster radical who became an instrument to voice his concerns. In March of 1825 the controversy towards the mining companies had reached the House of Lords, when the Earl of Grosvenor used his tribune to denounce the “numerous Mining speculations afloat, which might be attended with ruinous consequences to many”.⁵³ The issue touched him directly because there were rumours that he had made a fantastic profit on them –a significant amount between £300.000 and £400.000- which he denied emphatically, adding that “he had not engaged in any of these speculations or in speculations of any kind, for many years past”. Nevertheless, he admitted that he had nothing against speculation, as long as it was carried out honestly, nor against foreign investments.⁵⁴

Two weeks later, the polemic about Mining Companies arrived to the House of Commons in a debate about the petition raised by the Pasco Peruvian Mining Company to function under parliamentary sanction. That Wednesday, 16 March the debate was heated between those members of parliament that opposed the measure and those who were in favor. The protagonist of the session was John Cam Hobhouse, who admittedly used the Pasco Peruvian company as a “scapegoat” to immolate the whole speculative mania of the Joint Stock Companies. He apologized for intervening into what he considered was a private bill, but this was “the first opportunity that had offered for his making any observations on the spirit of gambling that now existed in the city”, promoting “schemes” such as this company that had “monstrous” effects consuming “the hard earnings of years” in “plans which, he had no doubt, would, in the end, come to nothing”. Hobhouse even revealed that some people had tried to bribe him to impede the attack that he was about to launch.⁵⁵

The arguments he employed can be divided into two lines of attack. First he accused the companies of being mere businesses, denouncing how “projectors” made enormous profits by only selling their shares at a price that was a hundred times bigger than their original deposit, turning these companies into bubbles that swelled for their profit, only to burst ruining thousands of innocent buyers. Hobhouse opposed these companies of “gaming and rash speculation”, in which the gains of one man meant the ruin of the other, against plain commerce, which “fairly and honourably conducted”, benefited both the buyer

⁵³ T. C. Hansard *The Parliamentary debates, vol XII. Comprising the period from the third day of February, to the Eighteenth day of April 1825*. (London: Baldwin: 1825), p. 752.

⁵⁴ *Ibid.*

⁵⁵ *Ibid.*, p. 1049.

and seller.⁵⁶ The second line of argument was directed at denouncing the three prospectuses published about the Pasco Peruvian Mining Company, accusing Francisco Quiroz as “an expatriated patriot; a man who had actually been driven from the country”, and manifested that the last change of authorities in Perú left these declarations groundless, because the only authority reigning in that country was the Spanish viceroy. Hobhouse then exposed the tone in which the prospects described the riches of Pasco mines. “In the usual empirical manner”, he remarked, the prospect told a tale “of unbounded wealth which opened itself to the shareholders”. He then quoted one prospectus that stated “that even the building stones of the small town of Mignapampa were rich with silver ore”,⁵⁷ and another that informed that “there were more than 3,000 mines in Pasco”, which he concluded, meant that, considering that the whole population of Pasco was only 5,000 individuals, there must be about a man and a quarter for each of these mines.⁵⁸

In his intervention Hobhouse displayed a surprising amount of knowledge about Cerro Pasco which certainly came from Place. He reviewed the history of the mines since 1814, when the project implemented to drain the mines by Peruvian and British efforts had ended up in nothing but a waste of money and human lives. The mines, he stated, still belonged to Juan Vives (sic) and his descendants denouncing that Uville and Trevithick had asked for a credit from the house of Dubois and Co, who had sold shares of this loan to “thoughtless speculators” for an enormous amount that turned out to be nothing: “Messrs, Dubois and Co, he concluded, never received even a ratification of any of their agreements with the Peruvian Draining Company”.⁵⁹

Hobhouse proposed to delay the concession of the bill for a year or two to prove whether or not the Directors were acting on good faith and if their plans, which he considered to be mere delusions, were finally practicable. However, he strongly believed that this was impossible, because just as the German mineralogist Anton Z. Helms had written in his travel book: “no European, nor even a negro, could endure the effects of that climate, and work in the mines for the space of one year; and yet the reward of their toil was a scarcely sufficient pittance of potatoes and maize for their food”.⁶⁰ These proposals were not unanimously shared by the rest of the House. The session had started when one member denounced that the opposition to the Pasco mining company was only founded in

⁵⁶ Ibid. pp. 1050, 1051.

⁵⁷ Ibid., p.1051.

⁵⁸ Ibid., pp. 1053, 1054.

⁵⁹ Ibid. p.1055.

⁶⁰ Ibid., p. 1056; for Helms see *Travels from Buenos Ayres, by Potosi, to Lima: With notes by the translator, containing topographical descriptions of the Spanish possessions in South America* (London: R. Phillips, 1806) p.14.

rumours that the company derived its name from one of the members of that house: Mr Pascoe Grenfell, and that there was no right to interfere in how people disposed of their money, remarking that the company had “the authority of no less a man than M. Humboldt for believing all they proposed to do practicable”.⁶¹ Another member of Parliament, Fowell Buxton, said that he had some highly respectable friends connected with this company and that there was no reason to think that the projectors of it had any intention to “delude the public”, and he also remembered Humboldt’s writings. Thomas Wilton, for his part, stated that Hobhouse seemed “to be little acquainted with the real nature of the transaction, and has distorted the facts in the most ungracious manner”.⁶² There was nothing wrong, he said, in forming a company without a contract for a mine and if “the climate was very unhealthy” it was not an obstacle because, as he understood there was no intention of sending “whole corps of English miners to work those mines. They would still be worked by the natives, but under the direction and superintendence of a few English”. Wilton added that he could also mention the names of respectable individuals well acquainted with mining transactions unrelated with the directors, who had purchased shares in this company.⁶³ Other members of the house sided with Hobhouse was fellow radical Francis Burdett, who said that from “all the projects which he had ever heard or read of, this scheme most deserved the name of a bubble”, but the blame was not on the directors, who were honest people, but on Peruvian agents who had deluded them with the information provided.⁶⁴ John Gibson Lockhart shared this opinion and rejected the approbation, because if the House authorized the company, it would appear that the project itself had its support. Afterwards Lockhart added that “no mining scheme which he had seen made a better show upon paper than this Pasco Peruvian scheme”.⁶⁵ Alexander Baring also agreed with Hobhouse’s observations, declaring that he had no interest in the fate of this bill, but he censured “the gambling speculations which were now so prevalent”. As, a well-known financier, he was, however horrified by the present situation:

It was deplorable to see the gambling mania that was at present abroad; it had seized upon all classes, and was spreading itself in all parts of the country. If it was to be lamented that men of the first rank and family in the country haunted gaming-houses at the west-end of the town, it was still more to be lamented, that merchants at the east-

⁶¹ Ibid., p. 1048.

⁶² Ibid., p. 1058.

⁶³ Ibid.

⁶⁴ Ibid., p. 1063.

⁶⁵ Ibid.

end of it should imitate their example, and make a gaming-house of the Royal Exchange.⁶⁶

Baring added that more than 28 members of parliament were either chairmen or directors of more than three of these Associations each. He thought that such Associations would not add either to the wealth, or to the interest, or to the honour of the nation; and, of the many schemes which they had put forth, the Pasco Peruvian mining scheme was by far the most delusive.

While this debate was taking place on the House of Commons, mining companies kept flourishing at full speed. In March 1825, a “Chilian and Peruvian Mining Association” was formed,⁶⁷ and less than a month after, “The Potosí, La Paz and Peruvian Mining Association” was formed to work what was probably the most famous mine in the world. This last plan belonged to José Antonio de Irisarri, who in 1824 wrote a letter to his father in law, Joaquín Trucios, asking him to sell his mines in Upper Peru and Chile or advising him to join him forming a mining company. The plan, according to him, was to reactivate the abandoned mines with the most up to date machinery available in England.⁶⁸ Irisarri later shared his intentions with James Paroissien and Juan García del Río, the former agents of the Peruvian government, who became the vice president and president of the association respectively. Irisarri’s name was cautiously omitted. The object of this Association formed during the last days of April 1825, was to employ its capital in working mines in Potosí, La Paz, “and generally in Upper and Lower Peru”. At the moment of its formation the Association allegedly had secured part of the mines of the Marqués Casa Palacio in Potosí for 99 years, and had made measurements to sign a contract to work some gold mines in La Paz, belonging to Don Joaquín de Trucios.⁶⁹ The last Mining Company to be formed that year was the “United Chilian Association for Mining and other Purposes in Chili” whose contract was signed in May by Lord Teynham, its president. Among its directors and agents figured Alexander Caldcleugh who had been to Chile, and who wrote a travel book that gave theoretical support to the Pasco and Chilean mining companies. The company had also commercial intentions, because the directors intended to send out, by the

⁶⁶ Ibid., p.1064.

⁶⁷ Henry English *General Guide to the companies formed for working Foreign Mines, their Prospectuses, amount of Capital, number of shares, names of directors, &c., and an appendix, showing their progress since their formation with a table of the extent of their fluctuations in price, up to the present period written by broker Henry English.* (London, Boosey & sons, 1825), pp.20, 21, 22. See also, Anonymous, *An inquiry into the plans, progress, and policy of the American mining companies* (London, J. Murray, 1825). pp. 73, 74.

⁶⁸ J.D. Browning, *Vida e ideología de Antonio de Irisarri* (Guatemala: Editorial universitaria de Guatemala 1986) p. 86.

⁶⁹ English, *A General Guide* (1825), pp. 46, 47, 48.

vessel in which their agents were to travel, a small assortment of British and other manufactures.⁷⁰

The campaign against South American Mining Associations was not left unanswered. At least four books, or rather pamphlets, were published in London to contest them. The first was *Remarks on joint stock companies*, signed “by an old merchant” which was mostly dedicated to contradicting Lord Liverpool and Lord Eldon’s proposals of reinforcing the Bubble Act to hinder the proliferation of corporate business. The pamphlet barely mentioned the Mining Associations but tacitly endorsed them, encouraging British foreign undertakings such as them, instead of national ones. The “old merchant” announced that the capital employed in foreign countries –he did not mention South America- will increase the wealth and the advancement of civilization in foreign countries, creating a wider demand for the articles of comfort or luxury, which British industry could supply. The argument drew on a combination of self-interest and philanthropy that would foster “in the improvement, the happiness, and the prosperity of all the nations of the earth”, while at the same time securing profit for Great Britain, remarking its imperial destiny:

We shall have acquired the revenue of colonies without the burden of defending them; and rendered nations tributary to us by conferring on them substantial benefits, which our arms could never have reduced to subjection.⁷¹

It is very likely that this “old merchant” was John Diston Powles, director of the Anglo Mexican, the Colombian, and Chilean mining associations. As Robert Blake notes in his biography of Benjamin Disraeli, John Diston Powles had written a pamphlet to praise the corporate business in which he was involved that passed virtually unnoticed. To give some notoriety to his ideas, Powles hired the services of Disraeli to write an improved version of his pamphlet.⁷² Disraeli, then a flamboyant man barely in his twenties, was working as an assistant and reader for John Murray, the famous editor and publisher, and was heavily involved in the financial speculations, mostly on the South American mining companies which Powles was trying to puff. Disraeli wrote two pamphlets anonymously for Powles during 1825, *An Inquiry into the plans, progress and policy* and *Lanymers and legislators or notes on the American mining companies*. He also wrote a short introduction to the book *The Present State of Mexico*, published to promote Mexican mines, which was in fact a translation of a

⁷⁰ Ibid., pp. 64, 65.

⁷¹ Anonymous, *An Old Merchant Remarks on Joint-Stock companies* (London, John Murray 1825), pp.65-66.

⁷² Robert Blake *Disraeli* (London Taylor & Francis, 1978), p.25.

book written by Lucas Alamán. All these works were published by John Murray, who also bought shares following Disraeli's advice.⁷³ At the end Disraeli's debts in these speculations rose spectacularly to £7000, a terrifying sum that he could only redeem twenty years after.⁷⁴ Soon after these dealings, Powles, Disraeli, and Murray, entered into some kind of society to publish a daily newspaper, *The Representative*, that would benefit from their income on mining shares, that also was a failure –it only lived a month. At end, it was had been said, it was a miracle Disraeli ended up alive after these eventful and ruinous years.⁷⁵

The first book that Disraeli concocted was a complete reformulation of the arguments previously displayed by John Diston Powles, although they were directly focused on mining companies.⁷⁶ Apparently “the old merchant” obtained the notoriety he was craving for, because this book had three editions during the year of his publication. This was Disraeli's literary debut and it had been unanimously reviled as an obnoxious fraud. One of his most important biographers despises this work “couched in grave tones of apparent impartiality and appealing to high principles of liberty and national property”, as only “an elaborate puff to South American companies in general, and those promoted by J. and A. Powles, in particular”.⁷⁷ Notwithstanding, these early exercises in treachery, have not been entirely dismissed as biographical information because they reveal aspects of Disraeli's personality and even can offer clues to understand his later political career. Just as Blake observed “for one destined to be a master of fiction”, these works might be not an inappropriate beginning. Another author analyses the political writings of this eminent Victorian observing the appalling sense of confidence that these propagandistic efforts exuded, suggesting that they showed the germs of some ideas that will characterize his later economic and political views.⁷⁸ Disraeli's works also reveal interesting details about the context in which the polemic of the mining companies developed. His *Inquiry* commenced under the disguise of a serviceable work which intended to gather most of the information available about these companies, their plans and, as far as it could, their progress on the field. By its last edition that book had transmuted into an answer to the many critics that these companies had gathered along the way, particularly focusing in all the vitriol expelled in *The Quarterly Review* and in the debates that took place on the House of Commons.⁷⁹ In its

⁷³ Ibid.

⁷⁴ Ibid.

⁷⁵ William Kuhn *The Politics of pleasure a portrait of Benjamin Disraeli* (London: Pocket books 2007) pp. 47-67

⁷⁶ Anonymous (Benjamin Disraeli), *An inquiry into the plans, progress, and policy of the American mining companies* (London, J. Murray, 1825).

⁷⁷ Blake *Disraeli* (1978), p.26.

⁷⁸ Ibid., pp.5,6.

⁷⁹ Disraeli *An inquiry* (1825) p.9.

informative aspect *The Inquiry* merely reproduced the prospectuses of these companies, adding few observations from the author, especially in those issues susceptible to raise the alarm of shareholders. The most interesting features of this *Inquiry* are its strident notes of propaganda, which were designed to influence British public opinion.

Disraeli introduced himself as an impartial and disinterested spectator in these affairs, who was animated by a “spirit of sincerity, with no other view than that of enabling the public to form an opinion on a very important subject”.⁸⁰ This was evidently untrue, considering that Disraeli, while he was preparing the publication of the third edition of this *Inquiry* wrote a letter to a friend admitting that he was “in possessions of shares in all the great mining companies to the amount of many thousand pounds”, and that “all the information which is now received from America passes thro’ my hands...I have perused secret reports which have not even been seen by many of the Directors themselves. I have read every book on the subject”.⁸¹ Disraeli aimed to convince the public of the utility of these undertakings: “El Dorado”, he stated, “was no longer an idle dream”.⁸² His main argument was that these mining businesses were to be mutually beneficial for Britain and America, because they would give considerable profit to the first nation and will inject a large quantity of capital in the second. South America, wrote Disraeli, was impelled to trust for the first time in its own resources and energies, and desperately needed a greater circulation of capital that could only come by the working of their mines. At this point Disraeli was thinking exactly like any South American agent in London, especially when he wrote that the capital obtained by mining will allow these new republics “to discover new and better sources of wealth than the mines”, nominally agriculture, which would produce future staples to be exchanged for British manufactures. By this expedient South American republics will “increase...their civilization, their riches, and their power”. In turn new “nations of consumers” will be “created for Great Britain” and they will be linked, not by colonial ties or monopolies, “but by the natural wants of a great and flourishing population”.⁸³ Disraeli then connected mining companies with the highly debated question of bullion, claiming that if the production of gold and silver was increased it would not provoke the depreciation of existing reserves.⁸⁴ He claimed skilfully that, if an immense quantity of bullion was to be poured into Europe, the value of gold and silver would not diminish proportionately because they would be usefully employed in the new American

⁸⁰ Ibid.

⁸¹ Jane Ridley *The young Disraeli 1804-1846* (London: Sinclair-Stevenson, 1995) p. 33.

⁸² Disraeli, *An Inquiry* (1825) p.8.

⁸³ Ibid., pp.81, 82.

⁸⁴ Ibid., p.82.

republics, not altering European economy, because they will be fully used in the New World, where the mint houses of these new republics “will work no longer to supply the necessities of a court, or load the treasury of its viceroy, but to contribute to the encouragement of national industry and the support of national power”.⁸⁵

A second argument expounded by Disraeli in this pamphlet was to endorse foreign undertakings of British entrepreneurs, following the arguments previously exposed by Powles in his work, attempting to dissuade Lord Eldon legislate on corporate business to “check certain ruinous and unwarrantable proceedings”.⁸⁶ Disraeli distinguished between domestic and foreign undertakings, claiming that Legislators might well intervene in first, but not in the last ones, in which there was no chance of injuring private interests. Foreign undertakings, he added, could only support and expand the interests and resources of great nations. Discussing the ruinous effects that mining companies might produce among the British citizens Disraeli distinguished between the two causes that lead people to speculate: their own opinions or the representations that come from a third person, meaning, in other words, that ruin might come from human folly or fraud. Human folly, he affirmed, was out of the competence of the law, and Fraud, he concluded, was punished by the common law.⁸⁷

Disraeli’s arguments were peppered with intriguing, oblique self-deprecations that have no reasonable explanation. For instance he condemned speculators as “individuals” “who are very desirous of gaining property without working for it”, or as “financial suicides” that only looked for self-annihilation,⁸⁸ and also criticized those writers who propagated “false statements in a flippant style”. Michael Flavin has observed that all these “accusations” “would be better directed against him” than to anybody else.⁸⁹ Among these contradictions and disingenuous puffs, Disraeli throws light on the cultural and social context of South American speculations. Speculation, as he recalled, was nothing new in London. “If you take a look at The City” –he wrote– “you will see that they have been speculating for the last 10 years”.⁹⁰ There was nothing extraordinary in the profits of the mining companies, he stated. So: why?, he then asked, are these undertakings causing such a sensation? In his opinion the answer to this question was the mines, because until their appearance nobody seemed to have paid much attention to what was going on among the speculators in the City. Disraeli declared that “there was something invidious in the

⁸⁵ Ibid., p.89.

⁸⁶ Ibid., pp. 91, 92. ; see also Blake *Disraeli* (1978) p.25.

⁸⁷ Disraeli, *An Inquiry* (1825) pp.94, 95, 96.

⁸⁸ Ibid., p.96.

⁸⁹ Michael Flavin, *Benjamin Disraeli: The Novel As Political Discourse* (Sussex: Sussex Academic Press, 2005) pp. 6,7.

⁹⁰ Disraeli, *An Inquiry* (1825) p. 97.

character of a stock-jobber, there was something disreputable in the character of a loan-monger, there was something, in short, in watching the turn of the market that would never have suited Upper Brook Street or Grosvenor Square”.⁹¹ But mines, he stated, changed everything because they were different and “there was nothing ungentle in watching the turn of a mine market; it was compared to purchasing an estate”, and “there was something gorgeous and aristocratical” about rich South American mines. Disraeli considered that these “new speculations”, were “published not for the Jews only, but for the Gentiles also” and the West End rushed to participate in the anticipated spoil of these golden undertakings. “Then began the game”, Disraeli declared, and “mines were *la chose*; they were the subject at concerts, conversaciones, and clubs”, until “The University” looked with that supercilious yet anxious air with which its members, chiefly young barristers and “alternate evening lecturers”, are so conversant with”. Mines, in Disraeli’s opinion made the speculations that hitherto had been taking place in the City, mostly among Jews, visible. Mines opened speculation to the “Gentiles”, becoming an interest of the nobility and a topic of high society. Mining companies turned into a subject of scandal when the peerage and the aristocracy became involved in their boards of directors. Disraeli’s remarks on “The University”, which looked these undertakings with a disapproving look, can be taken as a nod to Francis Place who was involved in the establishment of the University of London, and whom, by the way, had also claimed that stock-jobbing was a Jews affair.⁹² In a clever final move, Disraeli connected this gossip and scandal of high society with the main purpose of his pamphlet, which was to thwart the reinforcement of the Bubble act, adducing that it was meaningless to activate the legislative machinery because of silly rumours, producing a law that, in the other hand “will tend to enervate, perhaps to destroy, the energies of this country. “We shall see the prosperity of Great Britain”, he foretold, “and of a whole hemisphere, sacrificed to Fear which is founded on falsehood”.⁹³

Disraeli firmly believed in corporate business, and consequently was hostile to open economic competition. These two statements, as Michael Flavin observes, became relevant aspects in his future political development, prefiguring, he stated, “the system of larger feudalism which was to occupy a significant place in his late political creed”, were, “Industry becomes beneficial to country and individual, creating a mutual symbiotic financial relation”.⁹⁴ The *Inquiry* also defended the integrity of the directors of these companies, ascertaining that they were really committed with their development, because they were the

⁹¹ Ibid., pp. 97, 98.

⁹² Ibid., pp. 98, 99.

⁹³ Ibid., p. 106.

⁹⁴ Flavin, *Benjamin Disraeli: The Novel* (2005), p.7.

most considerable holders of the shares of the respective companies. Disraeli also discarded any comparison between the present speculations and the South Sea Bubble of the past century. Things have changed since then, he claimed. Better information and better international relations have opened more means of employing British capital. Mining companies, he concluded, were ultimately a consequence of the ongoing years of peace that had left a quantity of momentarily inactive capital that proprietors answering “to mightier ends” were trying to employ in foreign countries: “The merchants of Great Britain”, he declared triumphantly, “have disseminated the advantages, which capital bestows, throughout other climes besides the British Isles”.⁹⁵

The next work prepared by Disraeli was entitled *Lanyers and legislators or notes on the American mining companies*,⁹⁶ and was humbly dedicated to George Canning. The book had similar intentions than the first one, although this time there was no information about the mining companies and the author directly addressed the parliamentary debates about corporate business and the Pasco Peruvian company. He insisted in his plea that legislators should “leave the mining companies unmolested”. The ideas behind these two works were identical, although the strategy was slightly different. Disraeli encouraged foreign investments by remarking the greatness of Great Britain in the most flattering manner, praising its civilized state as the greatest in the world, affirming that it was the consequence of the spirit of “COMMERCIAL ENTERPRISE”,⁹⁷ which animated its inhabitants. Simultaneously, Disraeli presented mining companies as the key that South American republics had for the arrival of “science, capital and labour”.⁹⁸

Disraeli encouraged British foreign investment, emphasizing the greatness of its commercial and international relations, which dramatically contrasted with the geographical limitations of the island. Addressing Great Britain’s imperial destiny as something which was deeply intertwined with the progress of companies of these companies, he stated:

We intend to employ in a small island, wealth, which was acquired, and could only be acquired, by the universality of our international relations, by making the whole world the theatre of our actions. We might with equal sagacity, take a huge Chilean fir out of a tropical forest, and expect it to flourish in a bed of daisies. How different may be the effect which a Company may produce, who, possessing the same capital as these domestic undertakings,

⁹⁵ Disraeli, *An Inquiry* (1825), p.126 127.

⁹⁶ Anonymous (Benjamin Disraeli), *Lanyers and legislators: or Notes on the American mining companies*. (London: John Murray, 1825), p.8.

⁹⁷ *Ibid.*, p.3, 4 (his capital letters).

⁹⁸ *Ibid.*, p.7.

has for the sphere of its action, immense countries, abounding in undeveloped resources, with a population hourly increasing, and consequently with increasing and unsatisfied wants; Companies, whose purposes are to establish fisheries, to work mines, to cultivate rich and hitherto uninhabited tracts.⁹⁹

Disraeli directly criticised Alexander Baring, who had so eloquently deplored “the gambling mania” at the House of Commons, tacitly revealing the hypocrisy of his denunciations that reviled mining companies exactly in the same terms which were used to condemn his dealings in the French loan, the base of “a great portion of that fortune”. Baring Brothers were also the contractors of the Buenos Aires loan and were also projecting their own mining undertakings in that country.¹⁰⁰ Finally, in a show of his abilities –or of his wooden face- Disraeli twisted the debate on speculation calling his opponents to speculate for a while “on the effect, which may be produced on the metallic depositories of America, by the machinery, the science and the enterprise of Europe”.¹⁰¹

Another pamphlet in defense of mining companies as foreign enterprises was *The present operations and future prospects of the Mexican Mine Associations...*¹⁰² written on May 1825 by William Rawson, a famous optician. The work was mostly promoting Mexican Mine Associations, in which Rawson was heavily involved, although it also encouraged mining associations in general. The pamphlet included the text of a “private” letter written by Rawson to George Canning. Rawson’s connection with Mexican Mining undertakings was a curious consequence of the exercise of his profession, because he became an active investor in those shares after he treated a rich Mexican miner, who suffered from cataracts. Rawson was so impressed by these mining undertakings that he left his medical office and invested most of his considerable fortune in shares of the Mexican mining association. Rawson’s arguments were identical with those previously exposed by John Diston Powles and Benjamin Disraeli, although he also advocated for the recognition of the Spanish American independence by British Authorities. At the end, as he observed, these joint stock companies were “the main spring to effect the early regeneration, and prosperity of the New World, and consequently thereby contributing most essentially, to that degree of prosperity in this country”.¹⁰³ Rawson based his endorsement to these South American enterprises in

⁹⁹ Ibid., pp.25, 26.

¹⁰⁰ Ibid., pp.60, 62.

¹⁰¹ Ibid., p.68.

¹⁰² William Rawson, *The present operations and future prospects of the Mexican mine associations analysed: by the evidence of official documents, English and Mexican, and the national advantages expected from joint stock companies, considered in a letter to the Right Hon. George Canning* (London: J. Hatchard and Son, 1825).

¹⁰³ Ibid., p.7.

political and vaguely philanthropic grounds. Although his arguments were pragmatic at the end, as he remarked that to “bring into activity” “the energies of the new world”, “and to elicit her natural resources as early as possible” was also a way to promote British interests: “there being no axiom in political economy no better established”, he added, than ‘that the consumption of a free country is proportionate to its means of payment’, and as we have it in our power to create her prosperity by supplying capital and machinery to work her mines, and by favouring her productions in our import duties, we thereby at the same time, ensure a corresponding mart for our manufactures”.¹⁰⁴

After John Cam Hobhouse’s intervention in the House of Commons on March 1825, Place kept denouncing the South American mining companies and the irregularities of the South American foreign loans. His diary shows that he kept involved in these affairs during 1825 and 1826 and how his library over his Taylor shop in Charing Cross, which was frequented by many people in the manner of a Coffee Shop or an informal radical head quarter’s –“where MP's, middle class-radicals and working men came to exchange advice and information”¹⁰⁵ - turned into a meeting point for people returning from the Southern Cone or for anyone interested in the region, such as, for instance, the mother of the defunct George Cood that came to his office consulting on the best procedure to recover the property of her son that had died in Peru.¹⁰⁶

In June 1825, John Miers, Francis Place’s son in law, returned suddenly to London. As Place noted in his diary he came after being “contracted with the government for Buenos Ayres to set up a mint in that city” and returned searching for “the necessary machinery” to build his project.¹⁰⁷ At the unexpected arrival of his son in law, Place lost no time to inform him about his proceedings against the Pasco Peruvian mining company. Place wrote a letter to John Cam Hobhouse on June 17 asking him to:

Have the goodness to send me by the bearer the whole of Pasco Peruvian papers, you may have them again tomorrow if you wish so, I want them just now for an especial purpose, occasioned by the unexpected arrival of my son in law Mr John Miers from South America.¹⁰⁸

¹⁰⁴ Ibid., pp.43, 44.

¹⁰⁵ Mary Thale ed., *The autobiography* (1972) p.3.

¹⁰⁶ Place, *The Affairs* (2007) p.61.

¹⁰⁷ Ibid., pp.39, 40.

¹⁰⁸ British Library, Additional Manuscripts, 36461.

In August 1825, Irisarri had initiated a proceeding for a libel against the proprietors of the *Morning Chronicle*, because they had suggested that there was collusion between the Chilean agent and the house of Hullett in fraudulent acts. *The Times* announced these proceedings on August 19 and the next day the *Morning Chronicle* commented on the incident, rhetorically asking if this “signor Irisarri” alluded to by *The Times* was the same conspirator who in 1819 had tried to destroy “the freedom of South America, by supplying its place by a French despotism, in the person of a Bourbon prince of Lucca.” They also wondered, ironically, if this “signor Irisarri”, whom they had documents enough to charge as “a traitor to his country”, was the same person who had raised “a million sterling in London, and called it Chile loan?”¹⁰⁹ The trial that Irisarri started was an indirect consequence of his frustrated appointment of Hullett as a representative of Chilean affairs in London, a designation that was denied by the Foreign Office. Irisarri’s polemic intentions to appoint a City merchant as a National agent in London were soon followed by the governments of Perú and Buenos Aires who also commissioned British merchants to act as representatives of their nations in London, the same house of Hullett Brothers for the government of Buenos Aires and John Parish Robertson for Perú.¹¹⁰

As *The Morning Post* of November 25 reported, Hullett and Irisarri claimed reparations from the *Morning Chronicle*, particularly because of an editorial comment made to a speech of Lord Canning, the Secretary of State for foreign affairs, in the House of Commons denying the appointment of Hullett as Chilean agent, stating that “he would not receive any communication on a diplomatic subject from a person who was no more than a commercial agent, and not furnished with a diplomatic character”, remarking “that the person and character of Hullett were obnoxious” and that his application would be “met with a positive refusal”. Some days later an anonymous letter, published in the *Morning Chronicle* stated that Hullett had been refused an audience in Downing Street because of his fraud in the negotiation of the Chilean loan and asked why the South American government had not removed such “obnoxious minister?”, concluding that this omission could only imply that the Chilean government had connived in the malpractices of this agent.¹¹¹

The case of Irisarri against the *Morning Chronicle*, which had accused him and Hullett of publishing a false account of Chile’s finances, was a popular event. On trial Irisarri

¹⁰⁹ *Morning Chronicle* 20 August 1825.

¹¹⁰ R. A. Humphreys, *British Merchants and South American Independence* (London: The Raleigh Center on History 1965) p.168. Klaus Gallo, *Great Britain and Argentina from Invasion to recognition 1806-1826* (London Palgrave 2001), pp. 143-144.

¹¹¹ ‘Court of Kings Bench: Thursday Nov 24 Criminal information libels’, *The Morning Post* 25 November 1825.

claimed his innocence, stating that he had published that information by mistake, and challenged the accuser to show the truth of his charges. In the end, the defendant failed to prove the truth of his assertions, and was condemned to pay for damages.¹¹² John Miers, who was Francis Place's main source of information, and the probable source of the charges that the *Morning Chronicle* had exposed against Irisarri and Hullett, was called to declare as a witness in the trial, but he was absent, perhaps back in Buenos Aires. By the end of 1825, South American loans were again on the front pages of newspapers, because Perú and Buenos Aires were negotiating a second one. In the meantime, the belated remittances of the fourth instalment of the Chilean loan were causing alarm. All these incidents fuelled a renewed campaign from Francis Place, more intense and poignant than the previous. The *Morning Chronicle*, of November 18, published an anonymous letter, written by someone who was presented as "a writer who seems to have his motives for giving an unfavourable view of the South American loans as possible". The objectives of this denounce were similar to previous letters: its author considered that the loans "have now become of such magnitude, that any elucidation of the actual condition and value of this securities must be important to the public". The tenants of these bonds, according to this letter, "were females, retired tradesman, and other persons of small property" and "the distress", it added, "which that class must inevitable suffer, when the interest upon these securities shall cease to be paid, may be more easily imagined than described." Although this time the author particularly accused British merchants of fraud dating the commencement of "this era of speculation" in 1822, when London merchant houses, such as "Messrs Hullet and Co", "Messrs Herring Graham and Powles" and "Chapman", transacted loans on behalf of the republics of Chile and Perú. The letter ended declaring that

The whole story indeed of these loans, is a continued series of delusions, a plan devised by large bond holders, by the contractors and South American governments, to mislead the British public; hence their finances are presented as flourishing, without a dollar in the treasury; and their mines as being full of wealth, when they are overflowing with water.¹¹³

Although the *Morning Chronicle* had lost in court, its campaign of denunciation continued. On December 1st it informed that the contractors of the Chilean loan were out of funds to pay the next dividend, and that the revenues of the Chilean government were

¹¹² Law: Court of Common Pleas, Monday Dec 19 Libel Yrisarri v/s Clement', *The Examiner* 25 December 1825.

¹¹³ 'South American loans', *Morning Chronicle* 18 November 1825.

exhausted. It was even probable, the paper added, that “it will be a long time before the South American government will be able to remit money.” The article ended giving an announcement that whole story of “the appropriation of the Chile loan”, and other details, “will soon be laid before the public”, exhibiting “an extent of profligacy beyond example”.¹¹⁴

A few days after the *Morning Chronicle* published another letter which asked Hullett to give an explanation, about how “his friend, Don Jose Yrisarri (sic), with whom he contracted for a loan to Chile”, “could have the unblushing hardihood to state” in a Prospectus entitled *The Chilean Loan that the Chilean revenues* that the country’s business had a base that amounted to four millions of dollars a year, while official documents from that Government stated that their revenues for the last year amounted to less than a million dollars. “Surely”, ended the article: “the respectability of an English merchant would not be at all diminished by his affording a little of the knowledge he must possess, of the precise degree in which Don José exceeded the truth”. The notice concluded denouncing there was collusion between South American agents and British merchants to “pledge revenues that never existed, and sell mines without a title”.¹¹⁵

There are reasons to believe that these last letters were written by Francis Place. The announcement made that the whole story of “the appropriation of the Chile loan”, “will soon be laid before the public”, was alluding the future publication of the travel book written by his son in law, *Travels in Chile and La Plata* where Place included the famous Prospectus entitled *The Chilean Loan that the Chilean revenues* and many other documents which, in his terms, proved that Irisarri and Hullett had deluded the public about Chilean finances.

Travels and secret news

Before his departure to Buenos Aires, John Miers left in Francis Place's hands a work he had been composing about Chile and La Plata “from his letters, journals and notes.”¹¹⁶ That work would become Miers’s famous travel book *Travels in Chile and La Plata*, which is perhaps one of the most celebrated British travel books on South America. From the evidence on Francis Place’s diary it is possible to deduce that he had a profound influence in its composition. In fact Miers’s book can be considered as another instrument in Place’s campaign against the republics of the Southern Cone, and their loans and mining companies. As Place declared in his diary, his son in law “had no time to revise” the book

¹¹⁴ ‘A morning paper of yesterday...’, *Morning Chronicle*, 1 December 1825.

¹¹⁵ ‘To the Editor of’, *Morning Chronicle* 6 December 1825.

¹¹⁶ Francis Place, *The Affairs*, (2007), p.45.

he was preparing and left it to him to revise. Place noted that Miers read him the book once, and then corrected it at his “suggestions as he went on”. As Miers was unable to revise the work, Place stated that he “was obliged to undertake that long and tedious job and see it through the press.”¹¹⁷ His diaries showed how he was truly absorbed in its composition between April and July of 1826. It is highly probable that his contributions to this book, which was partly a narrative of his own financial failures in South America, went beyond proofreading. In an entry to his diary for Thursday April 13th 1826, he complained that the publisher of this work Mr Baldwin, of the house of Baldwin, Cradock and Joy, had told him that the book “should contain something libellous”,¹¹⁸ surely to increase its sales in the general polemical atmosphere of those days. It is almost likely that Place contributed to the imprint in these pages the acrimony of the polemic that he had been orchestrating. He clearly added to the original book –which was a mixture of travel narrative and a treatise on the political history and manners of the region and its inhabitants–, some commentaries, reflections and even whole sections which gave the book another perspective. Place also commissioned the engraving of the maps and images that illustrated his son in law’s book, sending the proofs of maps, and plans from the engraver, and of the sheets to Buenos Aires for Miers to check them. He also attached a travel journal provided by Thomas Leighton, another of his correspondents from Chile,¹¹⁹ and packed the book with various appendixes of original documents, which were gathered and translated under his supervision, such as the report of Portales to O’Higgins opposing the Chilean loan. Those sections of Miers’s book concerning the Chilean Loan and the Chilean Mining Companies are certainly construed from the perspective of Place’s campaign in London. It is also relevant to add that Place also took care that the book should be reviewed in the most important publications such as the *Edinburgh Review*.¹²⁰ All these things considered, it is not unreasonable to think that Place turned his son in law’s travel account into another weapon of his campaign.

While Place worked on Miers's book he kept sending more of his “private letters” to the press revealing the misinformation and frauds of loans and mining companies, and also worked closely with other members of those failed projects of 1818 and 1820 that were back in London and were interested in denouncing some of these schemes, and also planning to publish works concerning that region. During the year 1826, Place was visited almost daily by David Barry and Charles Blake, whom came to visit him absorbed in some affairs concerning Argentina, Chile or Perú.

¹¹⁷ Ibid., p.46.

¹¹⁸ Ibid., p.59.

¹¹⁹ Ibid., pp.184, 185, 188.

¹²⁰ Ibid., p.97.

After his failed excursion to the Southern Cone David Barry had spent some time in Spain from where he went back to London in 1826. From the evidence given in Place's diary it seems that Barry spent a good deal of that year working in the publication of one manuscript he had acquired in Madrid, the famous *Noticias Secretas de América*, the harsh denunciation of Spanish mistreatment of their colonies during the XVIII written by Spanish surveyors Jorge Juan and Antonio de Ulloa. As regular as Barry in Place's offices (and dairy) during 1826, was Charles Blake, another participant of those failed projects of 1819 that had returned from South America and that also planned to write a book about his experiences there. Blake changed his mind after hearing some excerpts of Miers's book. Place wrote in his diary how he read his son in law's book to Blake, with the purpose of hearing his observations on the subject, and that when he finished his reading, Blake observed that he had been "wholly anticipated" by Miers, in what seemed to him a "remarkably clear and true account" of the topic.¹²¹ Blake abandoned his projected book, but not at all his interest in the Southern Cone. He and Barry helped Place with his work on Miers's book, providing him with original documents, that they also translated for him and added more information of South American mining and foreign loans. It seems clear that Barry and Blake were somewhat involved with the Chilean and Peruvian mining companies, and consequently gave Place direct information of those affairs. They attended the meetings of Directors and shareholders, and played their part denouncing the proceedings of the contractors of the Chilean loan,¹²² particularly David Barry who prepared an affidavit in the cause of Irisarri against Clement.¹²³ On the other hand, Place helped Barry and Blake to prepare their own contributions to newspapers and magazines concerning these polemic South American affairs. In May, David Barry prepared an article on Chilean Mining which Place corrected and sent to *The Morning Herald*,¹²⁴ and on July, Place corrected another article of his on South American matters for the *Morning Chronicle*; during that same month, Place also helped Blake to write an article concerning Chilean mines that he intended to send to the *Morning Chronicle* and a series of six articles he planned to write for *The New Monthly Magazine* or to *The Morning Herald*.¹²⁵ In general, Place's journal shows that he spent a great deal of his time during 1826 literally immersed in South American affairs, suggesting also that David Barry was an active component in his campaign.

¹²¹ Ibid., p. 61.

¹²² Ibid., pp. 88, 134.

¹²³ Ibid., p. 149.

¹²⁴ Ibid., pp. 84, 92.

¹²⁵ Ibid., pp. 108-11.

On January of 1826, just one year after he began his campaign against the Rio Plata and the Pasco Peruvian Mining Companies, Place addressed a renewed attack to the “Rio Plata Mining Company” with a contribution for the *Morning Chronicle*, which gives a key evidence of his previous campaign on the pages of that newspaper. In the letter signed with his initials “F. P.” he asked the editor to republish some of his contributions of the previous year. “It would be well”, he wrote, “if the several articles which about that time appeared in your paper were now reprinted”. Because, he added, “they would shew how extensively and correctly some of your correspondents were informed on these subjects”.¹²⁶ After this petition, Place added the *Prospect of the Rio Plata Mining Association* and an anonymous letter sent to him by a British agent of this Association which showed that the company had failed to secure “a single mine” in the region, and that the directors had sent a team of workers to the Southern Cone “to shew they were in earnest, if not in working mines, at least of making a display”.¹²⁷ Place denunciation was extremely controversial because it showed how this Company, in which important authorities and British merchants were involved, was embarked in groundless operations, risking shareholders’s money, making movements that were only displays of activity with no useful end in sight. A couple of days after these revelations, the *Morning Chronicle* published a private contribution which was probably a letter from William Adams to Francis Place. It seemed to be an excerpt of a longer travel narrative from the environs of Mendoza to Potosí, which in fact coincided with the first half of the itinerary that William Adams actually followed on September 1825. In that letter, the author wrote how the people in Rioja were laughing at these mining adventures, “and every possible scheme is set on foot to induce John Bull to make a fool of himself for their advantage”.¹²⁸ One of these laughable stories was precisely that of the Rio Plata Company that had bought or obtained grants for mining districts that had already been sold or granted “two or three times over” to different persons.¹²⁹ Adams’s letter continued with an account of the situation of South American mines and how they were worked. Some of these mines, the author observed, were “undoubtedly rich”, but they were worked in inhuman conditions. Potosí for instance was described as a place where human life was almost impossible. The author concluded his letter informing that he had collected “a great deal of information, etc. on my journey to Potosí. I shall collect much more. I am very careful in collecting all the information I can, and examine everything on the spot. I have many

¹²⁶ F.P., ‘Rio de la Plata Mining’ *Morning Chronicle* 12 January 1826.

¹²⁷ Ibid.

¹²⁸ ‘La Plata Mining: Famatina’ *Morning Chronicle* 24 January 1826.

¹²⁹ Ibid.

specimens. Much of the information I have procured is entirely unknown in England...and I am sure will be very useful when it comes before the public in the shape of a book".¹³⁰

William Adams returned to London from Chile and La Plata, on Friday 9 June 1826, with Place's grandson in his arms (the boy had lost his mother in Chile) and a draft of a book that he planned to entitle as "Journal of a journey from Mendoza to Potosi by a route never before travelled by an Englishman -and from Potosi to Buenos Ayres, by the common road." Soon after his arrival, Place started reading his narrative, but his opinions about it -and also about the author- were far from enthusiast. Place judged that the text needed "great amendment and extension before it can be fit for part of a book",¹³¹ and observed that neither Adams nor his father were "honest men".¹³² To make things worse, Place found out that Adams had been making advances to his younger daughter Jane.¹³³ By Sunday 13 August, Place's verdict on his son in law was demolishing: "Adams is half crazy", he stated.¹³⁴ Notwithstanding his unfavourable opinions, Place introduced Adams to Mr Baldwin, the publisher to print his book, but he apparently was equally uninterested and the book was never published. However Adams later followed a remarkable career as an inventor and man of letters, and found alternative ways to express his views about South America writing and publishing the poem, *A Tale of Tucuman*, dedicating one of his *Modern Voyager* series dedicated to America, where he included his experiences on the Southern Cone, and also writing an extraordinary chronicle of Chile's earthquake of 1822 for *The New Monthly Magazine*.¹³⁵

John Miers's book, *Travels in Chile and La Plata...* appeared in June 1826. One month later it was the turn of *Noticias Secretas de América*. By then, many of the Mining Companies and any other project linked with South America in London were irremediably crumbling down. Many years ago, the American historian Arthur P. Whitaker wondered about Barry's intentions in editing Ulloa's *Noticias Secretas*.¹³⁶ Barry's connection with Place, his involvement in South American projects envisaged by Place's radical associates, and their eventual mutual contributions in each other's work, provides a context that sheds a new light on the understanding of this famous book as a piece in Place's campaign against loans, and mining companies. Barry included a long footnote in Ulloa's work which is actually a

¹³⁰ Ibid.

¹³¹ Place, *The Affairs* (2007) p.108.

¹³² Ibid., p. 127.

¹³³ Ibid., p. 130.

¹³⁴ Ibid.

¹³⁵ Junius Redivivus, (William Adams) *A Tale of Tucumán with digressions English and American*. (London H. Fisher, Son, and P. Jackson, 1828); see also *The Modern Voyager & Traveller Through Europe, Asia, Africa, & America*. Volume 3 pp. 384-407; 'Chile's earthquake of 1822' *New monthly magazine*, Volumen 34 pp. 480-490.

¹³⁶ Arthur P. Whitaker, 'Antonio de Ulloa' *Hispanic American Historical Review*, XV, (1935).

whole essay about mining in South America, and a bitter denunciation of mining companies. The connection between Miers and Barry's books was early suggested in *The Quarterly Review*, where the reviewer claimed that, Barry's book on Perú, was equivalent to Miers's one on Chile: "we know (we have, of course, proper authority to make such a statement) that Mr. Barry's opinion on this subject is quite as strong as that of Mr Miers; and that of Perú, in particular, he speaks altogether as unfavourably as the other does of Chile".¹³⁷

Crash

By September 1825, there were signs of growing distress in London's financial world,¹³⁸ which finally collapsed in the month of December, in a crash of such magnitude that even had global consequences.¹³⁹ According to Boyd Hilton, this financial crisis, in which many major banks failed and there were more than a thousand individual bankruptcies, had an unprecedented ferocity and inaugurated a concern for cyclical and much feared crisis through the century.¹⁴⁰ This slump, which has commonly been described using expressions that convey its psychological magnitude, such as panic, mania, intoxication, and collapse, has been generally attributed by tacit agreement to the failure of South American ventures.¹⁴¹ Underneath this statement there are two general assumptions, first that South America did actually frame John Bull –in a kind of Second South Sea Bubble-, and secondly the that these undertakings were a consequence of the greatness and exuberance that then was associated with this continent. The testimony of Harriet Martineau, whose father was among those ruined by this crisis, points to this last argument:

It was not altogether rapacity which instigated the follies of 1824 and 1825. Too many were eager for gain, making haste to be rich; and of those the sharpers of society made an easy prey; but will many more, the charm was in the excitement –in the pleasure of sympathy in large enterprises- in the rousing of the faculties of imagination and conception, when their field of commerce extended over the pampas and the Andes and beyond the furthest seas, and among the ice-rocks of the poles.¹⁴²

¹³⁷ 'Noticias secretas de América: sobre el estado naval, militar, y político de los reynos del Perú y provincias de Quito, costas de Nueva Granada y Chile' *The Quarterly Review* vol xxxv n 70 (January & March 1827), p.350.

¹³⁸ See James Hamilton *London Lights: The Minds That Moved the City That Shook the World, 1805-51* (John Murray 2008), pp. 257-259.

¹³⁹ Asa Briggs *The Age of Improvement* (London: Longman 1983), p. 223.

¹⁴⁰ Boyd Hilton, *A Mad, Bad, and Dangerous People? : England 1783-1846* (Oxford: Oxford University Press, 2006), p.130.

¹⁴¹ Claudio Véliz, 'Egaña, Lambert, and the Chilean Mining Associations of 1825'. *Hispanic American Historical Review*. Volume 55, N4 November 1975. p.640.

¹⁴² Harriet Martineau, *A History of the 30 years peace AD 1816-1846*. (London: George Bell and sons 1877) Vol. 1 1816-1824. p.123

Harriet Martineau built an idealized version of the entrepreneur as a kind of adventurous poet of enterprises, attracted by South American grandness just like Humboldt. Her redemption of the speculator as an adventurer, or as a man looking for access “into a society where at other times they could have obtained no admittance”,¹⁴³ was not widely shared at the time. Boyd Hylton observes that this great crash was accompanied by a general spiritual atmosphere that interpreted it as design of Divine Providence.¹⁴⁴ Moralists, he states, had been for decades warning the population against this moment of doom, preaching the fall of a city, which like Babylon or Gomorrah in Biblical times was corrupted by sin.¹⁴⁵ The evidence that this crisis affected the guilty (of frauds, of overtrade and speculation) and the innocent alike, contributed to an image of events as a sign that pointed towards the end of the world, with bankruptcies perceived as moral trials sent by God.¹⁴⁶ It was, as he remarked, a general millenarist feeling that announced the Second Coming of Christ, which among other things, supposed the conversion of Jews.¹⁴⁷ So, it was the reviled figure of the speculator who was blamed as the main cause of awakening God’s avenging fury, and South American undertakings were their business of choice. Even so, given the prominence of South American affairs it is important to consider that at the time there was an “avalanche of extravagant promotions and general speculation”, that reached “every branch of trade and manufacture”,¹⁴⁸ “from Gas to oysters”, as James Hamilton notes. Hamilton expressly points towards the excessive building projects that architect John Nash and his partners were promoting as the main actors of this crisis.¹⁴⁹ Claudio Véliz convincingly observes that it was the crisis which prevented most of these mining associations from operating, and not the other way round, so that mining Companies, far from being the cause of the crisis were mostly interrupted by the collapse of the London market.¹⁵⁰ He argues that very few mining companies had time to commence their activities before the news of the slump reached South America.¹⁵¹

So again, the question is why these companies were perceived as the general cause of the crisis? To answer this question it is necessary to return to Francis Place’s campaign and

¹⁴³ Ibid.

¹⁴⁴ Hilton, *A Mad, Bad* (2006), p.131.

¹⁴⁵ Ibid., p. 130.

¹⁴⁶ Ibid., pp. 130-134.

¹⁴⁷ Ibid., p.131.

¹⁴⁸ Bishop Carelton Hunt *The development of business corporation in England* (Cambridge Mass: Harvard University Press 1936), p.14.

¹⁴⁹ Hamilton *London Lights* (2008), p.259.

¹⁵⁰ Véliz, *Egaña, Lambert, and the Chilean Minning* (1975) p.640, 640, 644.

¹⁵¹ Ibid., p.643.

to understand his motivations. There were both personal reasons, which can be attributed to his economic and emotional losses, and ideological ones, which were based on his views of corporate business. As Elie Halévy observes, corporate business occupied “an anomalous position in the organization of the British industry”, since traditional manufactures were out of their field of action.¹⁵² The dominant view that prevailed among economists and journalists during the late eighteenth and early decades of the nineteenth century was that corporate enterprises were only suitable to pursuit big projects or investments that surpassed the capacities of the individual, be it because vast sums of money were needed (and an individual fortune was not enough) or that the undertakings concerned required many years to complete, and returns were slow or even uncertain. People mistrusted these companies because of a deeply rooted prejudice that they were not properly conducted as private affairs were, assuming that there was a gap between the responsibilities of directors – who managed the business and controlled great sums of money- and shareholders who owned the shares, and that they had completely different interests.¹⁵³ Corporate businesses were also controversial because they usually rang the alarm bell of eventual monopoly, since old corporations were actually guilds granted by royal authority.¹⁵⁴ But joint stock companies were not only unpopular on economic grounds; they were also ethically suspicious because they were considered as highly speculative undertakings. Historian James Taylor observes: “For much of the nineteenth century, buying and selling shares in joint stock companies was an activity commonly perceived to be fraught with dangers for the morality of the individual”.¹⁵⁵ Such companies were seen as a refuge for speculators who could get rich by a simple twist of fate, just like gamblers did. Joint stock companies were also accused of encouraging idleness, as they drew men from the regular exercise of work or traditional trades into speculation and betting, two notions that became synonymous. Accusations against corporate business were also based on the nature of their transactions, which, unlike “legitimate business” that was based in a mutual benefit of the parties involved, were characterized as a business that invariably had “winners and losers”.¹⁵⁶ Speculation, on the other hand was considered as another manifestation of the betting fever which seized London life during Regency years, and in the case of mining companies these accusations were doubled in force because mining as an economic activity was thought to be gambling

¹⁵² Elie Halévy, *A history of the English people in the nineteenth century* Volume 1, *England in 1815* (New York: Barnes & Noble, 1961), p.16 .

¹⁵³ Taylor *Creating Capitalism* (2006), p.33.

¹⁵⁴ *Ibid.*, p.17.

¹⁵⁵ *Ibid.*, p.57.

¹⁵⁶ *Ibid.*, pp. 30, 59.

in itself. Classic political economy had done a great deal in censoring mining as a ruinous activity which was invariably linked with Colonial Spain.

Speculation was particularly odious to Francis Place from both an ideological and personal point of view. Place hated gambling because “gambling and improvidence had brought his fathers and many of his contemporaries to ruin”.¹⁵⁷ As an ardent utilitarian and follower of Paine and Godwin, Place was also a fervent promoter of human industry and free trade,¹⁵⁸ which were notably threatened by speculation and the monopolistic aura of corporate business. Place firmly believed in individual enterprise and hard work as the main fount of wealth and self-instruction, because industry was an activity which would make people gradually rich, and also help them to form their character. Place’s convictions were generally based on respect for hard work, rectitude, ethical living, and self-education and had an obsessive concern with honesty and frankness. All these made him totally alien to this climate of speculation and his reactions can be taken as an early example of the gap that was beginning to open up in Great Britain between industry –the hard work ethic- and the ways of living and thinking attached to what was then called stock-jobbing. Place pioneered Victorian values, because as Dudley observes, his “career helps to explain the psychological value of what is now considered as the most unattractive of ‘Victorian’ respectability”.¹⁵⁹

Another element of Francis Place’s ideas and beliefs that needs to be taken into account in interpreting his campaign was his aversion to aristocracy, given that several members of British gentry participated or allowed the use of their names in the directories of these companies to attract and delude the common people. As Dudley observes, Place’s feelings against the upper classes had grown from his perception of the contempt and indifference they showed towards the sufferings of the poor, and it was precisely that suffering that triggered his public action. In the other hand, aristocratic values during Regency days were usually opposed to his ethos of industry, hard work and rectitude. According to Miles, Place even came to consider the aristocracy “as the enemy”.¹⁶⁰

There were three recurrent motives in this campaign against Foreign Loans and South American Mining Companies that help to understand the climate of reaction against them. The first and the most evident, was the halo of misinformation, exaggerations and lies that surrounded most of these undertakings, considering that Place himself was once a victim of it. Much of the debate concerning South American mining associations was related to suspicions of fraud on the information provided about the mines, and the situation of

¹⁵⁷ Miles, *Francis Place* (1972), p.1

¹⁵⁸ *Ibid.*, pp. 4, 23, 41.

¹⁵⁹ *Ibid.*, pp.45, 49.

¹⁶⁰ *Ibid.*, p.251.

those countries where they planned to be developed, which were miles away from London and almost or completely unknown to most of the British investors. This information was included in the colourful Prospectuses written and published by the organizers of these schemes. Most of these prospectuses invoked the authority of the Prussian sage Alexander Von Humboldt to give their plans a scientific foundation based in mineralogy, and he became a kind of oracle and the sole mention of his name seemed to provide enough credibility to any projects.¹⁶¹ The projectors of Mexican mining associations even published a selection of excerpts from his works containing exclusively his observations on South American mines,¹⁶² and the Prospect of the Pasco Peruvian Company invoked Humboldt stating that mines involved had “produced 40 millions of ounces of Silver within the 20 years preceding his visit”.¹⁶³ Humboldt even gave his consent to the projectors of the “Potosí, La Paz and Peruvian Mining Association”, who made the pilgrimage to Paris to obtain his advice: the wise man’s words appeased them, although he had not visited the mines of Potosí, when he stated that their project was a “great and beautiful enterprise”.¹⁶⁴ Humboldt’s testimony was not precisely up to date, there had been more than a decade of civil war since his last visit to South America, and since then, most of South American mines had been abandoned, machinery had been destroyed and they had changed hands many times and alternative confiscation by royalists or independent forces had increasingly confused their property rights.¹⁶⁵ Other scientific authorities that were quoted were the travels of Anton Z. Helms,¹⁶⁶ although his book was equally used as an eloquent counterargument to South American mining, and the work of the Chilean Jesuit Father Juan Ignacio Molina, which was translated and seriously abridged. The editor of this last book exaggerated some of Molina’s accounts, that otherwise came from decades ago. Information could become crucial, especially when it was lacking. In this respect some Mining Associations were extremely vague in the contents of their Prospectuses concerning their duties, projects and the mines they intended to work. South American agents of the Republics involved in the Loan and Mining Associations also published information about their political situations, the state of their resources, which particularly stressed their actual or putative mineral riches. In general the Prospectuses and reports printed to promote foreign loans and mining companies belonged to what Charles Dickens called “the

¹⁶¹ Humphreys, *Liberation* (1952), p.141.

¹⁶² Alexander Von Humboldt *Selections from the works of the Baron de Humboldt relating to the climate, inhabitants, productions and mines of Mexico*. (London 1824).

¹⁶³ English, *A General guide*, (1825), pp.49, 50.

¹⁶⁴ Temple, *Travels* (1830), p1.

¹⁶⁵ *Ibid.*, pp. 308, 309.

¹⁶⁶ English, *A General guide* (1825), p9.

ornamental department” or “the inventive and poetical department” of companies such as his fictitious “Anglo-Bengalee Disinterested Loan and Life Assurance Company”¹⁶⁷. These exaggerations and lies naturally intertwined with the fables that the renewed version of El Dorado was circulating in London. This situation helps to understand the climate of suspicion and doubt that surrounded the formation of the mining companies, in which the boundaries between fraud and exaggeration; good faith and mendacity, were often difficult to establish.

The second aspect of Francis Place’s reaction against these schemes is less evident than the last and is connected with the structure of corporate business. As it has been said, most of these undertakings were formed after the meeting of a South American agent in London with a British Merchant or a Merchant House of The City that usually had previous South American connections. These two subjects, were what Francis Place called the “Fool Catcher”, -that is the London merchant-, and “the Fool” –the South American proprietor or diplomatic agent who really wanted South American mines to be worked.¹⁶⁸ Place was particularly against “Fool Catchers” whose exertions, as he stated were only limited to dig a mine in the Stock Exchange. In his mind’s eyes these “Fool Catchers” were the living emblem of the loathed “speculator”. As Jane Ridley observes in his biography of young Benjamin Disraeli, “City brokers”, “charged fat commissions for loans to the new republics, and floated doubtful joint-stock companies to exploit the gold and silver mines of South America”.¹⁶⁹ If we add to these circumstances the fraudulent practices that these businessmen and financiers practiced to maximize their profits, knowing the precarious position of their contractors in political and economic ways, we can also understand why South American projects awaken such a wave of hostility. In every undertaking where South American interests were involved, it is possible to detect a group of British merchants or financiers such as John Diston Powles, John Hullet and Thomas Kinder acting in different fronts and affairs concerning more than one republic. Francis Place deeply despised these individuals as his diary shows in a description of a meeting with Thomas Kinder, the contractor of the first Peruvian loan, or what he called the “first Peruvian loan swindle”. “Kinder”, he wrote, “is an ignorant yet very smooth plausible, cunning fellow, one of the most ill looking miscreants I ever saw. He has a countenance and manner and form which says plainly -beware of me”.¹⁷⁰

¹⁶⁷ Charles Dickens, *Martin Chuzzlewit* (Chapman Hall, 1900), pp.324, 325.

¹⁶⁸ P. ‘South American Mining: La Plata’, *Morning Chronicle* 26 January 1825.

¹⁶⁹ Ridley, *Young Disraeli* (1995), p. 31.

¹⁷⁰ Place, *The Affairs*, (2007), pp.125-126.

One of the main duties of these merchants was to form a directory, that is, a body of people called to manage the capital formed by the sum of contributions from the shareholders. It became customary that these directories were integrated by highly conspicuous names which were only gathered to attract the public in the belief that they will be making business with the richest people of their country. The problem was that these directors commonly did not have an economic participation in the business, or any individual responsibility in its results in the event of ruin or bankruptcy. In fact, these big names were mere decoys which did not care about results, because their gain was already secured.

On September 20, the *Morning Chronicle* published an extract of a letter from Arica, then Southern Peru, which was probably written by William Adams to Francis Place, where he stated how shocked he was of reading in letters from London and in some British Newspapers that several mining companies have been formed there to work the mines of Chile, Perú and Buenos Aires. The main cause of his distress was “to see in the list of Directors, names of men pretending to character, and many of them rich, thus exposing themselves to be covered with disgrace, for not one of these companies can do any good -it is physically impossible; and this must be known to every man who has been here”.¹⁷¹ The part that aristocrats played in these businesses was naturally a matter of laughter and satire on the pages of media habituated to loath the higher classes and their antics, such as *The Examiner* where the following poem was printed.

*Come with me, and we will blow
lots of bubbles, as we go...
...Gathering all with golden hues,
Such as haunt the dreams of Jews-
Some reflecting mines that lie
Under Chili's glowing sky,
Some, those virgin pearls, that sleep
Cloistered in the southern deep;
Catch the bubbles as they burst?
Run, ye squires, ye viscounts, run...*¹⁷²

Leaving laughter aside, the role that these “squires” and “viscounts” played in these speculative duties had a less funny side. Historian James Taylor remarks how these

¹⁷¹ *Morning Chronicle*, 20 September 1825.

¹⁷² The Bubble spirit, ‘An incantation’, *The Examiner* 24 September 1826.

decorative directories created a figure of “divided responsibility”¹⁷³ which opened a gap inside corporate business between shareholders, that really invested in the company and were truly committed with its results, and the directors, who have not risked a single penny in the business, and that did not care about the results of this project in which they were called to participate because of their good name. This is the reason why some mining companies apparently had serious intentions to work their mines, and actually took several measures to develop the projects which somehow justified their formation. The problem was that these actions were only a smoke screen that hid a fraudulent or corrupt purpose through extravagant and irrational expenses. Directors controlled vast sums of money from shareholders that they were able to spend arbitrarily, negligently or even extravagantly, as long as they have secured their emoluments.¹⁷⁴ In the case of the South American Mining Companies these doings materialized in a series of measures that usually were empty displays of initiative in projects that did not have any prospect of success, such as sending an agent with a group of miners to South America or expensive machineries and supplies. That is why Francis Place and others were accusing these companies of fraud and corruption even though there was some evidence that these companies were forwarding the work on these mines. A detailed example of how this gap between the directory board, shareholders and agents or commissioners in the field could widen apart and expand until breaking the company, were the cases of the Rio Plata Mining Company, The United Chilian Mining Association and The Chilean Mining Associations, which were extensively covered by the London press during the first half of 1826.¹⁷⁵

The work of these uncommitted directors contributed to build the argument that South American Mining Companies were Bubbles, because although they were signals of work in South American mines it was interpreted as mere exhibitions to appease shareholders. On February 28 1825, John Cam Hobhouse denounced the Pasco Peruvian Mining Company of having “no foundation whatever and no object in view, except to work mines on the Stock Exchange”,¹⁷⁶ although the company was making a movement of people and machinery from England to South America, because these works were considered mere shows of effect. Disraeli, writing on behalf of the directors of several of this companies,

¹⁷³ James Taylor, *Creating Capitalism Joint Stock enterprise in British Politics and culture 1800-1870*, (London: Boydell Press 2006), p30.

¹⁷⁴ Ibid., p.33.

¹⁷⁵ See Henry English, *A General Guide* p. 73-79. 'United Chilian Mining Association', *Morning Chronicle* 6 December 1825; 'United Chilian Mining Association', *Morning Chronicle* 27 March 1826; 'United Chilian company', 'United Chilian Company' *The Morning Post* June 3 1826, 'Chilian mining association', *Morning Chronicle* 28 September 1826.

¹⁷⁶ T. C. Hansard *The Parliamentary debates, vol XII. Comprising the period from the third day of February, to the Eighteenth day of April 1825*, p. 718.

disingenuously answered John Cam Hobhouse that in some mining companies, “measures have been apparently taken for carrying their purposes into effect, and from the character of the individuals by whom the affairs of the companies are directed, we have every reason to believe, that they are both desirous and enabled to fulfil the contracts which they have entered into with the public”.¹⁷⁷ It is not entirely clear if the controversial Pasco Peruvian Company had any veritable intention of working mines beyond the Stock exchange. The company in fact did sent in June 1825 “an establishment of 54 individuals, comprising a commissioner, engineers, miners, assayers, smelters, &c. with machinery, engines, mining tools, and every necessary for effecting the objects of the Company, and for working the Mines with greater facility”. This party was accompanied by Francisco Quiroz, who apparently travelled to put the Company into possession of the mines, and by William Cochrane who was destined to direct and superintend the management of the mines that the Company have already attained, and those it was “desirable on investigation to work”.¹⁷⁸ In September 1825 the Company set to work on the building of an adit in the mine of Quirilaco, a work that lasted until January 1827, and that prove to be the final trial of this adventure.¹⁷⁹ At the end it seems that the fate of the Pasco Peruvian Company was the tension that existed between what Francis Place called the “fool catcher” –the London speculator who mined the Stock Exchange- and the fool who really wanted to work South American mines. There is a curious testimony of the end of this Peruvian undertaking written by one of his directors, the ubiquitous John Parish Robertson, whom after his turbulent South American exploits started a discreet literary career. Robertson gave a vivid account of the sad events that occasioned the end of this company in his “Pickwickian” roman à clef, *Solomon Seesaw*, the protagonist of which, as his surname suggests, had to endure “the heavings and fluctuations of the money market”, once his partner had “became a fancier of mines”:

He sunk shafts, drove adits, made drains, advanced money to the gambling miners, dealt in mules, and ache in asses, for the carriage of ores that were not worth taking out of the matrix; -he spread subordinate establishments all over the country in which he was; he was pilfered by this agent, and balked by that; till, to complete the catastrophe of his mismanagement, he loaded the house with bad debts; came home to say that he had left the concern in a flourishing condition; and he finally showed a balance sheet making

¹⁷⁷ Benjamin Disraeli, *An Inquiry* (1825), p.77.

¹⁷⁸ English *A General* (1825), pp.93, 94.

¹⁷⁹ José Deustua, *La Minería Peruana y la iniciación de la República, 1820-1840* (Lima: Instituto de Estudios Peruanos, 1986), p.139.

out the concern abroad, which in three months afterwards was obliged to surrender all to its creditors, to be worth a mint of money.¹⁸⁰

Several agents or commissioners of South American mining companies denounced the divorce that existed between the plans and expenses established in London and the actual situation in the Andes, where most of the mines were. A closer look to the travel narratives written in the Southern Cone during the 1820's shows that several of them were in fact bitter accounts about mining enterprises written by disappointed agents who were sent to South America to work or to secure mines. The most telling of these cases is perhaps that of Francis Bond Head who at the beginning of 1825 was sent to the Southern Cone by the directors of the Rio Plata Association, notwithstanding their weak claims to work the Famatina mines, as a commissioner and inspector of mining works. Head, a retired sea captain working in the engineer corps, travelled with a delegation of Cornish miners to Buenos Aires (who were to be paid 15,000 pounds a year) and soon realized that the whole project in which he was hired was a fraudulent, because all the mines that the company was destined to work had been sold by provincial governments to rival companies. More than that, he also found out that he had been sent "to work mines of gold and silver in a country which produced nothing but horses, beef, and thistles".¹⁸¹ Head's general negative attitude towards mining districts and his rapid manner of travelling –that earned him the nickname of "Gallop Head"- can be understood considering his position facing the Directory of the company and his premature realization that his presence in South America was totally pointless. After his quick excursion in the Southern Cone, Francis Head ended up entangled in a polemic with the board of directors who denied his doings. Head was particularly enraged with the commissioner they had to Chile -Grosvenor Bunster-, who according to him was in an agreement with Hullett brothers and was sending fraudulent reports of fictitious mines demanding great sums of money in return.¹⁸² After the publication of his travel book *Rough notes*, Head exposed his conflicts with the Company in the Southern Cone in a volume, where he declared that if he had written a more flattering report on the mines that this company pretended to work, the value of the shares could have risen "to that extraordinary premium which the shares of some of the mining companies have attained".¹⁸³

¹⁸⁰ John Parish Robertson, *Solomon Seesaw* volume 2 (London: Saunders and Otley, 1839), pp.270, 271.

¹⁸¹ Francis Bond Head, *Reports relating to the failure of the Rio Plata mining association formed under an authority signed by his Excellency Bernardino Rivadavia*. (London: John Murray, 1827), pp. 4,7.

¹⁸² Head *Reports* (1827), pp.31- 33.

¹⁸³ *Ibid.*, p. 226.

Other agents who wrote travel books as a justification of their doings in the Southern Cone, and that revealed the tensions between directors and agents in the field, were Edmund Temple, the secretary of “The Potosi, La Paz and Peruvian Mining Association,”¹⁸⁴ and Joseph Andrews, the agent of the “Chilean and Peruvian Mining Association”. Temple ended up naturally disappointed after a long journey to Potosí, and blamed the “monstrous establishment” of his company that frustrated any possibility to carry any advantageous operation in the mines, with such extravagant expenses to work in mines that were not yet secured.¹⁸⁵ Joseph Andrew’s narrative in the other hand can be interpreted as testimony of his dissensions with the directory, because it did not recognize the work that he and his son did before the company gave up their intended enterprise in the panic of the end of 1825.¹⁸⁶ Both Temple and Andrews, firmly believed in the possibilities offered by South American mines, but they regretted the way in which things were done by the companies which hired their services. Joseph Andrews claimed that South American mines, “are no bubbles”, “properly managed”, he added, “and carefully superintended, their returns would be certain; not, indeed, by senseless dull and dear schemes of stock exchange gambling, and expectations of rich returns almost before the mines can be opened, but by as careful a system of economy as is practiced in Europe among persons accustomed to adventure in similar undertakings”.¹⁸⁷

The third element of Francis Place’s campaign was his insistence that the mines of the Southern Cone were not susceptible to be worked using British industry, with the application of British capital, by British citizens in humane conditions in any nearer future. This was a consequence of his knowledge about the geographical situation of these mines, which were often located in inaccessible places, far away from any supply of fuel, water or food; under climatic conditions which were considered to be totally unsuited for British citizens. The underlying fact of this diagnostic was that these mines were actually worked by the natives in a state of virtual slavery, exactly like it was done during colonial times. Almost every writer who described the mines of the Southern Cone was sadly impressed by the sorry situation in which these mines were laboured by the natives. In his articles and papers Place insisted that these mines could not be worked in an industrial way and that they could

¹⁸⁴ Ibid., p. 221.

¹⁸⁵ Ibid., pp. 363, 364.

¹⁸⁶ Joseph Andrews. *Journey from Buenos Ayres: through the provinces of Cordova, Tucuman, and Salta, to Potosi, thence by the deserts of Caranja to Arica, and subsequently to Santiago de Chili and Coquimbo, undertaken on behalf of the Chilean and Peruvian mining association, in the years 1825-26* Volume 1 (John Murray, 1827) pp. 282, 288.

¹⁸⁷ Ibid., p.309.

only be profitable if they were worked by forced natives in conditions which were completely against any liberal belief.¹⁸⁸

There is a convergence between this aspect of Francis Place's opposition to these Companies and the book that David Barry edited and published in 1826, *Noticias Secretas de América*, not only because their authors, Jorge Juan and Antonio de Ulloa, detailed the miserable state in which the natives were forced to work during the Spanish domination, but because Barry exposed his own negative views on mining based on humanitarian and utilitarian convictions. As a follower of classic political economy, Barry contrasted mining with agriculture, remarking the risky and hazardous character of the first in opposition with the secure and fruitful nature of the last, which was considered as the foundation of any nation, nurturing and cultivating its population. Mining, on the contrary, poisoned, extenuated and ultimately killed the population. Following Adam Smith, Barry observed that mining did not made America rich and ended up ruining the Spanish Empire. Mining could only be considered as a fount of wealth, if it was combined with agriculture. The Southern Cone, he stated, had not enough population to make mining profitable from a utilitarian point of view.¹⁸⁹

Among the footnotes that David Barry prepared for his edition of this manuscript, he included a long notice about the mining companies formed in Britain that is entirely attuned with Place's campaign against them. Barry accused Britons of being deluded just like the Spaniards once were with these promising tales of mineral riches. He condemned the great names involved in the directories of these companies and the fraud they made to the incautious shareholder with their intonations of Capital, machinery and industry to develop these stagnant regions of the world.¹⁹⁰ Barry's conclusions were actually a kind of economic program for the future improvement of South America. He concluded that mines would only be profitable for these nations once they had reached a considerable number of inhabitants, and a surplus of manual labour from agricultural and industrial work. Only then, he stated, there would be enough demand and consumption to secure the wellbeing of workers and capitalists, on equal terms.¹⁹¹

Conclusion

This chapter shows how the British obsession with South American mines was at the heart of its relation with the republics of the Southern Cone in the 1820s.

¹⁸⁸ See for instance: *Morning Chronicle* 20 September 1825.

¹⁸⁹ Antonio de Ulloa, *Noticias Secretas* (1826) pp.426, 427.

¹⁹⁰ *Ibid.*, p. 464.

¹⁹¹ *Ibid.*, p.465.

Notwithstanding Britons had built their self-image on ideas of commerce, free trade and liberty, mostly opposing the traditional vision of the Spanish empire as one of plunder and blind avidity for mineral riches, which was a main ingredient of the Black Legend.¹⁹² It is rather paradoxical that the first approach of Great Britain to the Southern Cone in post-colonial times was equally determined by the metallic obsession of the much reviled Spaniards of the XVI century. El Dorado and other myths were intimately related with the fate of loan and mining companies, because they became the culmination of that image of America as something boundless and excessive. These myths also contributed to crystalize an image of these undertakings as emblems of an investment boom characterized by folly, misconceptions and extravagance, reviving the expectations and the apprehensions of the South Sea Bubble. In a recent study Rebecca Cole Heinowitz shows the conflicting ways in which the British infatuation with South America, through literature, the press and theatre and variety shows, alternatively fomented, critiqued and repudiated South American republics and their project-mania. This whole phenomenon, she suggests, ultimately shows how “dangerously little the investors knew” and how dearly their ignorance cost them.¹⁹³ Notwithstanding these points about misinformation and ignorance, this chapter shows that there were other factors which contributed, perhaps more critically, to answer the question of why the Mining Companies, particularly those of the Southern Cone, became the scapegoat of an era. The first aspect is that there was an actual campaign, orchestrated and promoted by Francis Place to denounce and condemn these undertakings. An exposition and analysis of this campaign suggests that a great deal of this reaction was inspired by the structure that these undertakings assumed as corporate business. So that it is possible to suggest that some key elements of this negative vision emanated from economic arguments such as the reaction against monopolies and speculation. Other elements related with these businesses were the part that aristocrats played in them, which was crucial to triggering Francis Place’s reaction and, as Benjamin Disraeli observed, attracting public attention. According to these testimonies South American mines attracted the attention of aristocrats to speculations which so far had been considered as a “Jewish” job. Disraeli’s opinions generally coincide –although from the other sidewalk- with Place’s anti-Semitic visions of stock jobbing and with a critical vision of the aristocracy. From this perspective South

¹⁹² See Alan Richardson ‘Epic Ambivalence: Imperial politics and romantic deflection in William’s Perú and Landor’s Gebir’, Alan Richardson, Sonia Hofkosh, eds. *Romanticism, Race, and Imperial Culture: 1780-1834* (Indiana UP, 1996); See also Anthony Pagden, *Señores de todo el mundo: ideologías del imperio en España, Inglaterra y Francia (en los siglos XVI, XVII y XVIII)* (Barcelona: Península 1997), pp.91-99.

¹⁹³ Rebecca Cole Heinowitz, *Spanish America and British Romanticism* (Edinburgh: Edinburgh University Press, 2010), pp.183-217.

American mines were guilty of spreading speculation beyond the precincts of the City, while the structure of corporate business, which divided responsibility between the directories – where aristocrats were- and deluded shareholders, helped to turn these businesses into real and fraudulent bubbles. This dovetails with the opinion of John Cam Hobhouse, who admitted that he was using the Pasco Peruvian company as a scapegoat to immolate the whole speculative mania of the Joint Stock Companies. The Pasco Peruvian company in fact became an emblem of this era of speculation. An example of this can be seen in a print called “The Progress of Cant”, etched by Thomas Hood, which shows the clash between the so-called virtuous people and the practices of an era of speculation and vice. In print it is possible to see the virtuous parading with banners and grim faces through a street lined by ruined buildings, which were the testimony of an era of madness that was passing away. One of the houses in the background was that of the “Pasco Peruvian Association”, a building that was actually falling to pieces. Its ruin confirmed that the mania of the first half of the 1820’s –the climax of the debauchery and excesses of the Regency period-- had come to an end.¹⁹⁴ The problem was that the image of the Southern Cone was dramatically charged by these experiences, with a lasting stain of profligacy, cupidity and dishonesty, which was probably as taxing as their debts in the London market. Two decades later, in 1846, Charles Dickens was still laughing about Peruvian mines: in his novel *Dombey and Son* there is one particularly miserable character, the “ancient and acidic” Mrs Pipchin, whose husband “had died of the Peruvian mines”.¹⁹⁵

¹⁹⁴ See Ben Wilson, *The Making of Victorian Values, Decency and Dissent in Britain, 1789-1837*. (New York: The Penguin Press, 2007), pp.275-283; Vic Gatrell *City of Laughter: Sex and Satire in Eighteenth-Century London* (Walker 2006), pp. 448, 449.

¹⁹⁵ Charles Dickens, *Dombey and Son*, (London, Chapman Hall), pp.62, 373, 381.

CONCLUSION

One would think that Commerce, which has broken down geographical barriers, might have done the same to political ones. Far from it! In sharpening men's lust for gold, it has demarcated our frontiers with a bitterness hitherto unknown. The world of thought has not expanded; it has contracted and grown provincial.

Count Caloveglia, in *South Wind*¹

The stages of the relationship between Great Britain and the Southern Cone, described in this research are a relatively obscure period in historiography. General surveys of this relationship commonly dedicate a few lines to the decades between 1808 and 1830 to concentrate in the later years, where there is more factual data available.² The relative obscurity of this period does not necessarily mean its irrelevance. On the contrary, Gallagher and Robinson indirectly suggest its importance by considering that these first decades were “a false start”,³ while Cain and Hopkins state, that it was an “abortive attempt to integrate the Latin American republics more firmly into the international economy”; meaning British failure in integrating the region in the commercial network that London headed during the 1820's.⁴ From these assumptions it might be inferred that this slip helped to change the relationship between these two regions, which evolved in a different direction, with different intentions and firmness. The notion of a false start, at the same time, suggests that British influence on South America was not continuous, because after this “abortive attempt” there was a hiatus in which both relations receded, only to gain strength some decades later, reaching a climax between 1860 and 1870.⁵ These considerations about continuity and discontinuity are a relevant element in Robinson and Gallagher's definition of “informal empire” which emphasises continuity in the exercise of British influence.⁶

This thesis has intended to contribute in filling some of these blanks in the study of these decades by offering new insights and perspectives to understand the causes of why this initial step in the relationship of these two regions failed. It suggested that this period

¹ Norman Douglas, *South Wind* (Harmondsworth: Penguin, 1935), p.60.

² See for instance Victor Bulmer Thomas, ed., *Britain and Latin America: a changing relationship*. (Cambridge: Cambridge University Press in association with the Royal Institute of International Affairs, 1989); Rory Miller, *Britain and Latin America*. (London: Longman 1993); Desmond C. M. Platt, ed., *Business imperialism, 1840-1930 : an inquiry based on British experience in Latin America* (Oxford: Clarendon Press, 1977), Peter J. Cain, Anthony G. Hopkins, *British imperialism: innovation and expansion 1688-1914* (New York: Longman,1993); Alan Knight 'Britain and Latin America', Andrew Porter, ed. *The Oxford History of the British Empire, Volume III: The Nineteenth Century*. (Oxford: Oxford University Press, 1999).

³ John Gallagher, Ronald Robinson, 'Imperialism of free trade' *The Economic History Review* 6 (1953), p.9.

⁴ Cain, Hopkins, *British imperialism*, (1993), pp. 101, 524.

⁵ See Miller, *Britain and Latin America* (1993), p.67; Thomas *Britain and Latin America A changing* (1989), p.6.

⁶ See Gallagher, Robinson, *Imperialism* (1953), p.5.

was marked by two economic bubbles which emerged in the British market concerning these new outlets in the Southern Cone, and that they were the ultimate cause of that failure. Analysis of British press of this period, confirms that, according to contemporary perceptions, there were actually two bubbles between 1809 and 1825. Although historians's attention has mostly focused on the second and more famous of these two, this thesis has argued that in order to understand that one it is important to take into account that the earlier bubble which burst forth in 1809 as a consequence of the indiscriminate import of British commodities into the markets of La Plata and Brazil. These two bubbles reminded the British public of the South Sea Bubble of the 1720's, reviving stories of collective madness, bringing to the fore economic debates, and old fables of South American riches as well.⁷ Visions of the past haunted this first stage of the relationship between Britain and the Southern Cone. In the imaginations of the British, South America in general, and the Southern Cone in particular, entered the nineteenth century draped in the garments of past ages, dressed as the old "New World" or the land of "El Dorado" which Spanish conquistadors dreamt of discovering during the sixteenth century. Decades ago historian, H. M Ferns in his classic account of British relations with Argentina, wrote that "from the days of Drake an aura of silver and gold has shone around the Spanish Indies and the very names Mexico, Perú and the Río de la Plata glistened with precious metal. The myth with which the South Sea Bubble had been blown still persisted."⁸ In fact, both situations did contribute to shape British perceptions of the Southern cone giving to those undertakings an aura of craziness and exuberance which secured them a place in the colourful folklore of Regency London, with its hot headed days of madness and speculative frenzy.

Historiography has commonly considered the crisis of 1825 as a consequence of South American mischief, or as collective delusion provoked by past experiences such as the South Sea Bubble or the legends of El Dorado, that charmed everyone to a kind of South American trap. Authors also claim that the general misinformation that existed at the time about South American affairs in Britain might have precipitated this crisis.⁹ However, there was an aspect which actually thoroughly embraced these proceedings, that has been commonly neglected in these analyses which is fraud. Without it, all those anachronisms of "El Dorado" and the "South Sea Bubble" might have been harmless or at least without any

⁷ Albert O. Hirschmann, *The Passions and the interests* (1997), p.57. For the connections between the South Sea Bubble and the 1825's crash, see Charles Mackay, *Extraordinary Popular Delusions and the Madness of Crowds*, (L.C. Page: 1960), p.88.

⁸ Henry M. Ferns, *Britain and Argentina in the Nineteenth century* (Oxford: Oxford University Press, 1960), p.134.

⁹ See for instance Rebecca Cole Heinowitz, *Spanish America and British Romanticism* (Edinburgh: Edinburgh University Press, 2010), pp.183-217.

serious economic and political consequences. As this thesis has shown, at that time it was commonly assumed that these two bubbles were occasioned by an identical actor: the speculator, which was a new character of that age. The speculator was linked with adventurous and unscrupulous undertakings and by a manner of acquiring riches which was outside the usual channels of land tenancy and hard work. This thesis suggested that these two bubbles did not emerge from ignorance or miscalculation –or even from speculative knowledge of South American affairs- but also of the fraudulent deeds of these men. In the one case speculators, overtraded and exported manufactures which did not fulfilled even minimal quality standards and in the other they became involved in stock-jobbing, promoting South American loans and forming mining companies. In the last case fraud came out of the gathering of unscrupulous South American agents with British businessmen, City merchants, and even aristocrats, who used the structure of corporate business to carry out establishments to achieve immense profit at the expense of shareholders and bondholders who were consequently ruined. This thesis has shown the extend into which fraud surrounded different aspects of this first stage of relationships between Great Britain and the Southern Cone, given that the British Navy was also involved in the smuggling of bullion while supposedly pursuing diplomatic duties on the spot.

It is worth observing that these different attitudes can hardly be considered as expression of “fair play” or of those gentlemanly values which according to Cain and Hopkins characterized the process of British expansion overseas during the eighteenth and nineteenth centuries. A point which is emphasized if we take in to account that these authors state that the notion of “Gentlemanly capitalism” was informed by a set of shared values or a code of honour, which “placed duty before self-advancement”,¹⁰ and that “possessed the qualities needed to inspire confidence” among gentlemen who saw themselves as “nurtured by a common education and religion”, which “provided a blue print for social and business behaviour” and enabled them to seal their transactions with a handshake.¹¹

There are other reasons to think that the notion of “gentlemanly capitalism” developed by these authors does not suit properly into this case, because it does not offer a place for reformers or industrialists. This research has shown how British reformers, particularly Jeremy Bentham and Francis Place, became involved with the destinies of the Southern Cone, suggesting that British travellers who came there during the 1820’s, and who left a written testimony of their experiences, mostly shared their ethos of reformism

¹⁰ Cain, Hopkins *British Imperialism* (1993), pp.15, 31.

¹¹ *Ibid.*, pp.36, 505-508.

and improvement. These reformist travellers and the radical reformists at home saw the Southern Cone as an open field, which could be a new market and an ideological laboratory at the same time. The outlook which permitted this peculiar blend of economics and humanitarian values was the belief they had in the free market, and in the civilizing powers of foreign trade. According to this thesis Francis Place, the celebrated London industrialist, radical and reformer, was a key figure in this period of British relationships with the Southern Cone, mainly because of his deep involvement in the development of industrial projects in the region, and because of the public campaign against these new republics and their agents in London, which he orchestrated afterwards. The trajectory of Place's dealings with the Southern Cone, which went from enthusiasm –or infatuation- to disillusionment – or resentment-, exhibits the manner in which the relationship between these two regions generally evolved. However, industrialists, reformers and radicals as Place, do not fit in Cain and Hopkins's model of "Gentlemanly capitalism", considering that industrialists, according to these authors, might have been "trapped between a gentlemanly culture and socialists".¹² At the same time, Place's ideas and those of the travellers who came to South America as self-proclaimed "missionaries of civilization", which encouraged the establishment of republicanism, secularisation, industrialization, and the establishment of free trade, were often opposed to those values endorsed by British gentlemanly capitalists, particularly at that historic period of European restoration.¹³ As illustrated in chapter 5, the opposition between Place's values and those of the aristocrats and speculators involved in the undertakings he denounced between 1824 and 1826, became more dramatic and clearer because his attacks were motivated, among other causes, by the unethical behaviour this people showed blowing bubbles to delude public opinion and enrich themselves. Place and other radical reformers may fit into that process of redefinition of values, which Cain and Hopkins defined in terms of "developments in political economy [which] fashioned a new vision of progress, a complex fusion of Benthamite utilities and tory virtues which offered a programme of moral and material advancement set within a cautious evolutionary context",¹⁴ but their inclusion there does little to disentangle the many contradictions that the formula already entails. In this respect, Francis Place stood at the threshold of two eras, between the dying period of the Regency, with its excess and debauchery, and the other the period of rectitude satirically known as "the progress of cant", which meant the arrival of

¹² Ibid., p.39.

¹³ Ibid., p.83.

¹⁴ Ibid., p.31.

Victorian values.¹⁵ The clash between these two opposed outlooks characterizes Place's campaign, and the climate in which it was developed. It is even also possible to suggest that South American mining companies, in general, were located exactly in that same axis, in a period of transition which prompted their becoming the scapegoats of an era which was passing away. The problem was that these bubbles ended up compromising the credit and image of the Southern Cone among Great Britain for decades to come, deterring new undertakings in the area and drastically marring its reputation.

Another aspect of the concept of "informal empire" which this thesis contributes to qualify in this given period is that of "collaborative elites". Such a notion was intimately related to that of "informal empire" from its initial development in the work of Gallagher and Robinson, and by later analysis done by other historians. According to these first authors, the idea of collaborative elites rested on the premise that local élites played a determinant part in the expansion of British informal hegemony, fostering British commercial penetration in their countries by the adoption of their ideas. Gallagher and Robinson wrote about "the readiness of [local] rulers to collaborate with commercial or strategic purposes",¹⁶ of the empire, and Robinson later developed a theory about the role played by "collaborating and mediating elites", particularly in Asia and Africa.¹⁷ Cain and Hopkins, similarly claim that "like minded", co-operative élites who had adopted "the British view of the world" must have contributed to the establishment of a British informal empire in South America, "based on forms of collaborative interaction which encouraged independent states to become subordinate partners of the metropolitan power".¹⁸ However this hegemonic relationship of a foreign élite over local ones might have taken place –be it through the goodwill of the submitted, or under the pressure of cultural hegemony- this research proposes that any consideration of the part that local élites might have played in British expansion in the Southern Cone should thoroughly analyse the nature of their ideas. This means to study not only their historical context but also to retrace their ideological genealogy, bearing in mind Roger Chartier's warning that "the circulation of thoughts or cultural models is always a dynamic and innovative process".¹⁹ As this work shows, the élites of the Southern Cone (writers, politicians, and merchants of the age) expressed ideas about

¹⁵ Vic Gatrell, *City of Laughter: Sex and Satire in Eighteenth-Century London* (Walker 2006), pp. 448-449.

¹⁶ Gallagher, Robinson, *Imperialism*, (1953) p.7.

¹⁷ Robinson, R.E. 'Non-European foundations of European imperialism: sketch for a theory of collaboration', in Roger Owen and Bob Sutcliffe, eds., *Studies in the Theory of Imperialism* (1972): 117-42; 'The Eccentric Idea of Imperialism, with or without Empire', Wolfgang J. Mommsen, Jürgen Osterhammel eds. *Imperialism and after. Continuities and Discontinuities*. (London: Allen & Unwin, 1986).

¹⁸ Cain, Hopkins *British Imperialism* (1993) pp. 98, 276.

¹⁹ Roger Chartier, *The Cultural Origins of the French Revolution Bicentennial Reflections on the French Revolution* (Duke University Press, 1992), p.19.

foreign commerce which resembled those endorsed by Britons, sharing the view that trade was an agent which purveyed civilization. But such coincidence hides the fact that both groups reached that belief through different intellectual trajectories and experiences, and were immersed in totally different historical perspectives. Historian Peggy K. Liss, observes that Gallagher and Robinson are “essentially right” in finding the presence of British Imperialism in South America, but she claimed that they should have not blamed local elites for collaborating to that end, because both parties coincided in their desires of a fruitful exchange.²⁰ What she certainly meant, without expressly mentioning it, was the underlying agreement that both parties had on their idea of trade and the many powers it supposedly had, as a kind of universal panacea. This research suggests that this chiliastic or millenarian vision of commerce from the perspective of South Americans stemmed out from their belief that the circulation, of people, commodities and ideas, would enliven their countries by connecting them with wider spheres of communication which promised the arrival of civilization and the “*luces del siglo*”. Southern Cone elites might have received these ideas from varied sources, but the most eloquent and appealing of them were those who came from anti-colonial thought, a discourse that discussed economic reform with an underlying rhetoric which encouraged the citizen to face his destiny as an economic actor in an autonomous country. Meanwhile, Britons received similar ideas but they were framed into a discourse which was connected with the evolution of British nationalism, in the context of the growth of a British empire overseas. The panorama of circulation and improvement that Southern Cone elites presented dovetailed with British “missionary” endeavours, and their visions of the region as a new market, and ideological laboratory, or as an open field for their exploits, notwithstanding those visions ultimately lead to the aggrandisement of the British Empire. Both visions converged in the notion that commerce and other agents of improvement, such as education, immigration and the scientific recognition of natural resources, would animate a region that, so far had remained isolated and stagnant under Spanish dominion. At this point, it also seems that Anthony Pagden was not exactly accurate when he stated that “creole élites” had a scarce comprehension of commerce as a civilizing agent,²¹ because the evidence, at least in the case of the Southern Cone, shows that between the 1800 and 1830 there was an overwhelming consensus on that issue.

²⁰ Peggy K. Liss *Atlantic empires: the network of trade and revolution, 1713-1826* (Baltimore: Johns Hopkins University Press 1983) pp. 222, 223.

²¹ Anthony Pagden, *Spanish Imperialism and the Political Imagination: Studies in European and Spanish-American Social and Political Theory 1513-1830* (New Haven: Yale University Press, 1998) pp. 133-153; *Señores de todo el mundo: ideologías del imperio en España, Inglaterra y Francia (en los siglos XVI, XVII y XVIII)* (Barcelona: Península 1997) p.249.

In that sense, images of South American élites mesmerized or hypnotized by the ideologically hegemonic presence of the British fail to take into account the complexity of the reception and dialogue between discourses and ideas.²² What seems clear is that at one time there was a convergence of intentions, or what Karen Racine called a “community of purpose”,²³ between Britons and South Americans, and a consensus about the means to achieve it, although both parties were on unequal grounds, economically, politically, military, and technologically speaking. What the local elites of the Southern Cone were desperately seeking for, was the achievement of civilization, a concept which at that crucial stage of their nation building process was definitively much larger than the British Empire.

All told, it is impossible to deny the ascendancy which Britons, British ideas and institutions exerted among many of the local élites in the Southern Cone. Matthew Brown has wondered if “the widespread cultural respect, if not veneration, for Great Britain”, that South Americans showed, was not “part of a neo-colonial mindset”.²⁴ To answer that question it is necessary to consider that the roots of this admiration were perhaps less in acceptance of British hegemony, as South Americans were hardly likely to agree with the proposition that Britons should take the place that Spaniards had lost, than in their own beliefs about commerce, and their allegiance with anticolonial discourses and other texts of similar reach, that condemned Spanish imperial policies while praising those of Britain as a benign and commercial empire. “Anglophilia”, or rather “Anglomania”, as a cultural trend, is often absent in the analysis of British informal empire in the Southern Cone,²⁵ nevertheless it might have played an important function in the building of this image of the British Empire as an epitome of liberty, free commerce, and civilization. So it happened that a great part of these elites came to see Britons just as they wanted to be seen, attributing them virtues which they did not necessarily have. At this point is necessary to observe that there was a connection between the discourse on trade that these elites so enthusiastically adhered to, which emerged in the mid- eighteenth century, and the forces that gave a decisive impulse to the birth of French *Anglicisme* as a cultural trend that expanded

²² See for instance the following statements: “From this perspective, Britain’s sway in South America derived from a combination of overwhelming economic power and mesmerizing liberal ideology” or “If eminent members of the first generation of South American leaders, notably Bolívar and O’Higgins, were dazzled by liberal principles”: Cain, Hopkins *British Imperialism* (1993) pp. 277, 281.

²³ Karen Racine ‘A community of purpose: British cultural influence during the Spanish American wars of independence’, Oliver Marshall ed. *English-Speaking Communities in Latin America* (Palgrave Macmillan, 2000) p.3.

²⁴ Matthew Brown ed., *Informal Empire in Latin America: culture, commerce and capital* (Malden, MA; Oxford: Blackwell, 2008), p.7.

²⁵ Exceptions are Alan Knight remarks on Sarmiento’s anglophilia in ‘Rethinking British Informal Empire in Latin America (Especially Argentina)’ in Brown, *Informal Empire* (2008), pp. 28-30. There is a similar analysis on Sarmiento’s anglomania in V. G. Kiernan, *The Lords of Human Kind, European attitudes to the outside world in the imperial age*. (Harmondsworth: Penguin 1972), pp.43-44.

worldwide, considering, for instance, the case of Montesquieu who praised gentle commerce by comparing the “intelligent” British imperialist with the dull Spaniard;²⁶ or that of Voltaire describing the Royal Exchange in London, as “a place more venerable than many courts of justice, where the representatives of all nations meet for the benefit of mankind”, and who claimed that trade did make Britain free and ultimately was the base of its glory.²⁷ Many of the French authors that these people read were in fact anglophiles, even if they were also ready to admit British contradictions. Jonathan Israel observes the ambiguities of “Anglophilia” in the context of European Enlightenment, stressing its moderate or conservative character based on celebration of the separation of powers, and the promotion of constitutional monarchism.²⁸ Such contradictions were also evident to many South Americans who denounced the ambivalences and shallowness of British liberalism, and considered that British proclamations of free trade were a declaration of purposes as Vizcardo declared,²⁹ or empty self-delusions, as Pedro Ferré claimed. Even Adam Smith, famously stated that “to expect, indeed, that the freedom of trade should ever be entirely restored in Great Britain, is as absurd as to expect that an Oceana or Utopia should ever be established in it”.³⁰ Because, as Rory Miller says, just as it is erroneous to transpose the mid nineteenth century image of Britain as the workshop of the world to the 1820’s and 1830’s, it is equally important not to exaggerate Britain’s commitment to free trade, since the real liberalization of trade commenced during Sir Robert Peel’s administration between 1841 and 1846.³¹ Anglomania was in fact strongly contradictory in terms of political emancipation, as Ian Buruma observed: “to be a revolutionary and an Anglophile was really a contradiction in terms”.³² In this sense the South American Anglomania proved to be an infatuation that mirrored the South American mania that seized Great Britain during these same decades. These considerations might contribute to answer Alastair Hennessy’s proposition to wonder at “the gross and implausible idealisation” that the merchant community in Buenos Aires did of their British counterparts.³³

²⁶ Charles de Secondat Baron de Montesquieu, *De l'esprit des loix, ou, Du rapport que les loix doivent avoir avec la constitution de chaque gouvernement, les moeurs le climat la religion le commerce* tome 2 (Geneve: Barillot, & Fils, 1748) pp. 8-13.

²⁷ Ian Buruma, *Voltaire's coconuts: or Anglomania in Europe* (London: Weidenfeld Nicolson 1999) pp.32, 33

²⁸ Jonathan Israel, *Radical Enlightenment: Philosophy and the Making of Modernity, 1650-1750*. (Oxford: Oxford U.P. 2001) pp. 355-359; 370-371. *Enlightenment Contested: Philosophy, Modernity, and the Emancipation of Man 1670-1752*. (Oxford: Oxford. UP. 2006), pp. 515-520.

²⁹ Juan Pablo Vizcardo y Guzmán, *Obra completa*, (Lima: Ediciones del Congreso de la República del Perú, 1998) vol. 2, pp.132, 133.

³⁰ Adam Smith, *An inquiry into the nature and causes of the wealth of nations* (Routledge 1888), p. 414.

³¹ Miller, *Britain and Latin America* (1993), pp.71, 72, 83.

³² Ian Buruma, *Voltaire's* (1999), p.118.

³³ Alastair Hennessy and John King, eds, *The Land that England Lost*, (London, British Academic Press, 1992), p. 66.

This thesis was intended to add complexity to the concept of informal empire by adding cultural analysis, particularly on the cultural dimension of economic practices, testing the extent to which culture might buttress political and economic realities. In this respect it is perhaps useful to consider an analysis of British informal influence in the Southern Cone in terms of what Cain and Hopkins called “imperialism of intent”, meaning the feeling of conscious superiority, in ideological and material terms and the sense of mission, which embraces and legitimizes their private ambitions, that Britons often felt in their expansion through the world.³⁴ This work has intended to develop some of the ideological and cultural aspects that nourished this mindset, which might be encompassed in Drayton’s notion of “imperialism of Enlightenment”,³⁵ or in the universal taxonomy described by Michel Foucault in his classic *The Order of Things*, as a new universal vision where knowledge, language, nature, economy, and commerce were integrated and which opened the world for the imagination and exertions of the European mind, as an open field or a vast market in which to display a vast network of exchanges.³⁶ In this sense this first stage of British relations was not so much a false start to a process of commercial penetration which proved to be much more intense and successful in the later decades, as it has customarily been seen, but rather the breakdown of such a Panglossian vision that optimistically embraced the world as a field of action and improvement. In that same direction the evidences of fraud, excessive speculation, and other unsound economic practices might have put to a severe test the utopian idea of commerce that Britons and South Americans used to hold showing that “the gentle commerce” they so enthusiastically praised often had a sad and bitter end.

³⁴ Cain, Hopkins *British Imperialism* (1993), p.43

³⁵ Richard Drayton, *Nature’s Government Science, Imperial Britain, and the “Improvement” of the World*. (New Haven, London: Yale University Press, 2000), pp. 90,93

³⁶ Michel Foucault, *The Order of Things: An Archaeology of the Human Sciences* (London: Routledge, 2001) pp.82,84.

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