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THE ECONOMIC ACTIVITIES OF A GLOBAL MERCHANT-BANKER IN CHILE:
HUTH & CO. OF LONDON, 1820S-1850S**

RESUMEN

El presente artículo trata sobre las actividades económicas en Chile de Huth & Co. durante el período 1820-1850. Huth & Co. fue el único mercader banquero de Londres que decidió tener una empresa global antes de 1850 y el único también en abrir una oficina en Chile. Por lo tanto, las actividades de la sucursal en Chile deben ser analizadas considerando estos dos importantes hechos. Sin embargo, antes de este estudio, las actividades de Huth en el país fueron examinadas usando un enfoque estrictamente bilateral de las relaciones entre Chile y Gran Bretaña. Esta visión restrictiva se debió en gran parte al desconocimiento de los historiadores interesados en las relaciones anglo-chilenas de una importante fuente de información: los archivos de Huth disponibles en el University College London. Debido a este desconocimiento, la historiografía no ha dado cuenta de importantes hechos tratado en este artículo. Por ejemplo, de las importantes conexiones establecidas por la sucursal de Huth en Chile con EE.UU., Asia, Europa continental y el resto de América Latina o sobre el importante comercio en azogue español.

Palabras clave: Chile, Gran Bretaña, mercaderes banqueros, comercio internacional, siglo XIX, Huth.

ABSTRACT

This article deals with Huth & Co.'s activities in Chile during the 1820s-1850s. Huth was the only London merchant-banker that decided to go global before 1850, and also the only one to open a branch in Chile. The analysis of how his branches operated should take this into account, yet Huth's activities in Chile have only previously been examined using a bilateral approach to examine the economic relations between Chile and Britain. This situation was mainly due to the fact that the richest collection of primary material on Huth & Co. (the Huth papers at University College London) had been ignored by scholars working on Anglo-Chilean economic relations during the first half of the nineteenth-century. The main focus of

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this paper is on the information that we were made unaware of due to this restricted investigative approach. Among them are the connections established between Huth's branches in Chile and the USA, Asia, continental Europe and the rest of Latin America; and the important trade in Spanish quicksilver.

Key Words: Chile; Britain; merchant-bankers; international trade; nineteenth century; Huth & Co.

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INTRODUCTION

This article is about the commercial and financial activities of a global merchant-banker and its impact on Chile during the 1820s-1850s. Huth & Co. of London, a business started in the English capital in 1809 subsequently opened branch houses in Chile and Peru during the mid-1820s (styled Huth, Coit & Co. and later on Huth, Gruning & Co.).¹ The period covered by this article is undoubtedly a crucial era in international business because it witnessed the emergence of a truly global economy.² Nonetheless, little has been written about it, and economic historians dealing with international business - including multinational traders and merchant-bankers, have been mainly concerned with the post-1870s epoch.³

Merchant-bankers emerged in London from the mid-1820s onwards, and up to the mid-nineteenth century (the period covered by this paper) they remained a select group of no more than 15 firms.⁴ The small number of firms operating in this sector was due to two important barriers to entry: merchant-bankers needed a large capital and a sound international reputation. Within this first-rate group, during the first half of the nineteenth century Huth & Co. ranked immediately below the two leading merchant-bankers of the British market at that time: Baring Brothers and Rothschild & Sons.⁵ In turn, no other merchant-banker of the period opened branches in Chile, although it may be argued that the merchant house of Antony Gibbs & Son (also of London), which opened branches in Chile and Peru during the same period, would be an exception. Yet, before the 1840s, Gibbs & Sons would not have been classified as merchant-bankers on account of their limited capital. Indeed, this firm prospered

¹ John Gruning was the first partner taken by Frederick Huth in the London business (see below).

² J. G. Williamson, *Globalization and the Poor Periphery before 1950*, Cambridge Massachusetts, The MIT Press, 2006; Kevin O'Rourke and J. G. Williamson, *Globalization and History: The Evolution of a Nineteenth-Century Atlantic Economy*, Cambridge Massachusetts, The MIT Press, 1999.

³ Geoffrey Jones, *Merchants to Multinationals: British Trading Companies in the Nineteenth and Twentieth Centuries*, Oxford, Oxford University Press, 2000, 3.

⁴ Michael Lisle-Williams, "Merchant Banking Dynasties in the English Class Structure", *British Journal of Sociology* 35:3, 1984, 339.

⁵ Charles Jones, "Huth, Frederick Andrew (1777-1864)", *Oxford Dictionary of National Biography*, Oxford, Oxford University Press, 2004.

only after 1842, when it got involved in the profitable guano trade.⁶ Before the 1840s Gibbs & Sons would be better described as merchants rather than as merchant-bankers. That is, it could easily be argued that Huth & Co. were the only London merchant-bankers to open branch houses in Chile before the 1840s, and that in turn of all British merchant houses operating in Chile before 1850 Huth, Gruning & Co. of Valparaiso was the one whose parent house in Britain enjoyed the highest amount of capital.

At this point it is worth noting that during the 1820s-1850s London merchant-bankers provided crucial services to international traders and other businessmen all over the world, including those in Chile or trading with Chile (from Britain or any other area in the world). These services included trading goods on commission or own/joint account (e.g. textiles and copper); trading in securities (on own account or on commission, perhaps less relevant in the Chilean case); accepting (granting of advances) or financing international trade (crucial for supporting Chilean foreign trade); provision of marine insurance for imports and exports (as underwriters or brokers), as well as of fire insurance (also crucial for a country such as Chile lacking national insurance companies before 1853); exchange, that is negotiating foreign exchange rates or getting acceptance of bills of exchange on behalf of foreign merchants resident in markets outside Britain,⁷ including those based in Chile where these financial facilities were not available during our period of study; shipping services (owning of vessels or shipping brokerage, again a crucial service for Chilean traders since the Chilean national merchant fleet was very small); and issuing of private and public debt, which in the Chilean case was less relevant before the 1850s, except for the British loans to the Chilean government during the mid-1820s.

Although the 1820s-1840s provided a new world of opportunities for merchant-bankers,⁸ during this period a distinctive (and perhaps surprising) characteristic of most London merchant-bankers was that they did not diversify geographically (as they actually did after the 1870s). That is, most of them remained focused on one or a few markets only before 1850.⁹ An exception to this rule was Huth & Co., who defied the conventional wisdom of their era and decided to go global well before any other competitor dared to, and well before the transport and communication revolutions of the second half of the nineteenth century. That is, before transaction costs declined substantially in international trade, which made it very difficult to administer and monitor a global business. Nonetheless, when transaction costs were still very high, Huth's global network embraced over 6,000 correspondents in more

⁶ Antony Gibbs & Sons, *Merchants and Bankers, 1808-1958*, London, The Firm, 1958, 27.

⁷ Acceptance of Bills was a process by which a buyer (drawee) accepts the seller's bill of exchange by signing "accepted" under the words on face of the bill. By this act, the drawee becomes the acceptor and converts the bill into an unconditional obligation to pay it on or before its maturity date.

⁸ This was mainly due to the collapse of the Spanish American empire, the end of the Napoleonic Wars, the opening of Brazilian ports to international traders, the British industrial revolution, and the opening up of both India and China to private traders too.

⁹ Manuel Llorca-Jaña, "Entrepreneurs Shaping Globalization in the Early Nineteenth Century: the Experience of London Merchant-Bankers", *Business History Review* 87, Cambridge-MA, USA, 2013 (forthcoming).

than 70 countries, in over 600 cities and on five continents before 1850 (Table 1). It was as part of this globalizing process that the branch houses on the west coast of South America were opened and many other trustworthy agents were appointed worldwide by Huth. Therefore, it is impossible to understand the full extent of Huth's activities in Chile without making reference to this unique globalizing process experienced by this London firm so early in the nineteenth century.

TABLE 1
Location of Huth's correspondents. A sample for 1812-1850

Americas			Rest of Europe			Asia		
Argentina	50	0.8%	Austria	57	0.9%	China	26	0.4%
Belize	2	0.03%	Belgium	222	3.5%	India	76	1.2%
Bolivia	2	0.03%	Croatia	1	0.0%	Philippines	12	0.2%
Brazil	75	1.2%	Czech Republic	37	0.6%	Singapore	3	0.05%
Canada	3	0.05%	Denmark	14	0.2%	Sri Lanka	3	0.05%
Chile	15	0.2%	Finland	6	0.1%	Turkey	5	0.1%
Colombia	5	0.1%	France	364	5.8%	Asia	125	2.0%
Costa Rica	1	0.02%	Germany	1,440	23.0%			
Cuba	132	2.1%	Gibraltar	15	0.2%			
Curazao	3	0.05%	Greece	2	0.03%	Africa		
Ecuador	11	0.2%	Guernsey	3	0.05%	Madeira	1	0.02%
Guyana	3	0.05%	Hungary	1	0.02%	Libya	1	0.02%
Haiti	5	0.1%	Ireland	20	0.3%	Mauritius	4	0.1%
Jamaica	13	0.2%	Italy	94	1.5%	Sierra Leone	1	0.02%
Mexico	143	2.3%	Latvia	24	0.4%	South Africa	9	0.1%
Nicaragua	1	0.02%	Lichtenstein	1	0.02%	Tunisia	2	0.0%
Panama	5	0.1%	Lithuania	1	0.02%	Africa	18	0.3%
Peru	70	1.1%	Luxembourg	2	0.03%			
Puerto Rico	22	0.4%	Malta	5	0.1%	Australia		
Uruguay	10	0.2%	Netherlands	168	2.7%	Australia	24	0.4%
USA	197	3.1%	Norway	31	0.5%			
Venezuela	29	0.5%	Poland	124	2.0%	Not available	202	3.2%
Virgin Islands	17	0.3%	Portugal	27	0.4%			
Americas	814	13.0%	Russia	32	0.5%			
United Kingdom			Spain	870	13.9%	Grand Total	6,274	100%
England	1,115	17.8%	Sweden	124	2.0%			
Northern Ireland	28	0.4%	Switzerland	88	1.4%			
Scotland	152	2.4%	Ukraine	5	0.1%			
Wales	18	0.3%	Rest of Europe	3,778	60.2%			
UK	1,313	20.9%						

Source: Huth Papers at University College London, Special Collections, English Letters (henceforth HPEL), Spanish Letters (henceforth HPSL) and German Letters (henceforth HPGL). Note: I have used modern geographical borders to classify countries in this article, rather than contemporary borders at that time.

Yet, despite Huth's unique global trading network and its prominence within the British merchant-banking sector, there were no major works dealing comprehensively with Huth's global activities during the first half of the century. There was only one important academic work on Huth (by J. R. Freedman), and it dealt solely with the connections made in the USA (which was not the most important part of Huth's business), thus providing a very narrow view of the company's activities.¹⁰ There is also a biography of Frederick Huth (the founder of Huth & Co.),¹¹ which, although useful, mainly deals with family affairs rather than

¹⁰ Joseph R. Freedman, *A London Merchant Banker in Anglo-American Trade and Finance, 1835-1850*, PhD Thesis, University of London, 1968.

¹¹ Andrew Murray, *Home from the Hill: A Biography of Frederick Huth*, London, Hamish Hamilton,

international business. This is not to say that nothing else has been written on Huth before 1850. Indeed, in the most important general works on merchant-banking,¹² there is some mention of Huth's activities, but such references are mainly in passing, in comparison with other merchants, and most of them based on secondary sources (or at most on printed primary material).¹³ Finally, bearing in mind that Huth opened branches in Chile and Peru, some authors have explored this particular connection, though mainly focusing on bilateral affairs (e.g. Anglo-Chilean economic relations) without considering Huth's involvement with the rest of the world economy.¹⁴

More importantly, most scholars who knew about Huth & Co., including those working on Anglo-Chilean trade and investment, have neglected to use the richest collection of primary material on this firm for 1810-1850, namely, the voluminous Huth papers available at the University College London (UCL), Special Collections. This neglect is puzzling because Huth is always mentioned in existing studies of economic relations between Britain and Chile as one of the two leading foreign houses operating in Chile and Peru (together with Gibbs & Sons) during the 1820s-1840s.¹⁵ For example, authors such as Cavieres and Mayo have published extensively on Anglo-Chilean trade and investment, and although they both worked with the Huth papers available at the Guildhall Library, as well as with the Balfour

1970. There are also two biographical works touching on Daniel Meinertzhagen, one of Huth's partners. Georgina Meinertzhagen, *A Bremen Family*, London, Longmans, 1912; and Richard Meinertzhagen, *Diary of a Black Sheep*, London, Oliver and Boyd, 1964.

¹² Amongst them are: Stanley D. Chapman, *Merchant Enterprise in Britain. From the Industrial Revolution to World War I*, Cambridge, Cambridge University Press, 1992; Stanley D. Chapman, *The Rise of Merchant Banking*, London, George Allen & Unwin, 1984; Charles Jones, *International Business in the Nineteenth Century*, Brighton, Wheatsheaf, 1989; Geoffrey Jones, *Merchants to Multinationals: British Trading Companies in the Nineteenth and Twentieth Centuries*, Oxford, Oxford University Press, 2000.

¹³ See for example, Jehanne Wake, *Kleinwort Benson: the History of Two Families in Banking*, Oxford, Oxford University Press, 1997; Richard Roberts, *Schroders: Merchants and Bankers*, London, Macmillan, 1992.

¹⁴ See for example Eduardo Cavieres, *Comercio Chileno y Comerciantes Ingleses*, Santiago, Editorial Universitaria, 1999; John Mayo, *British Merchants and Chilean Development*, Boulder, Westview Press, 1987 (although this, and other works by Mayo deal with the second half of the nineteenth century, beyond the scope of this paper).

¹⁵ See for example Cavieres, *op. cit.*; Mayo, *op. cit.* Other important works on Anglo-Chilean economic relations are Juan Ricardo Couyoumdjian, "El Alto Comercio de Valparaíso y las Grandes Casas Extranjeras: 1880-1930. Una Aproximación", *Historia* 33, Santiago, 2000; Domingo Amunátegui, "Origen del Comercio Inglés en Chile", *Revista Chilena de Historia y Geografía* 103, Santiago, 1943; Charles W. Centner, *Great Britain and Chile, 1810-1914: a Chapter in the Expansion of Europe*, PhD Thesis, University of Chicago, Illinois, 1941; Charles W. Centner, "Relaciones Comerciales de Gran Bretaña con Chile, 1810-1830", *Revista Chilena de Historia y Geografía* 103, Santiago, 1943; Charles W. Centner, "Great Britain and Chilean Mining, 1830-1914", *Economic History Review* 12:1, London, 1942; Manuel A. Fernández, "Merchants and Bankers: British Direct and Portfolio Investment in Chile During the Nineteenth Century", *Ibero-Amerikanisches Archiv* 9:3, Berlin, 1983; Jay Kinsbruner, "The Political Influence of the British Merchants Resident in Chile during the O'Higgins Administration, 1817-1823", *The Americas* 27:1, Berkeley, 1970; Theodore E. Nichols, *British Economic Activities in Chile to 1854*, MA Dissertation, University of California at Berkeley, 1946; Agustín Ross, *Memoria Sobre las Relaciones Comerciales entre Chile y la Gran Bretaña*, London, Unspecified Publisher, 1892; Manuel Llorca-Jaña, "Knowing the Shape of Demand: Britain's Exports of Ponchos to the Southern Cone, c.1810s-1870s", *Business History* 51:4, UK, 2009; Manuel Llorca-Jaña, *The British Textile Trade in South America in the Nineteenth Century*, New York, Cambridge University Press, 2012.

Williamson collection at UCL itself, none of them consulted the Huth papers at UCL. This is of consequence because the Guildhall Library's collection is very small and provides a very narrow view of Huth's activities in the Pacific before 1850. Indeed, in sharp contrast, the Huth papers available at UCL contain 183 volumes of letters written by the firm in 1812-1855 and about 70 folders of incoming correspondence for 1814-1850. Apart from Freedman, other academics who used these papers before (for published works), were: McGrane, but only in connection with the USA (as did Freedman);¹⁶ Reber, sparingly, for a work on British merchant houses in Argentina;¹⁷ Curry-Machado, who used only one volume of correspondence;¹⁸ and Charles Jones in order to produce a short (though very useful) biography on Frederick Huth.¹⁹ That is, no one used this collection before in relation to Chile, thus missing an important part of the story of Huth's undertakings in this new republic after liberation from Spain.

Finally, regarding other primary sources, other archive collections I used for this essay are: the above mentioned Huth papers available at the Guildhall Library (London); the Huth papers at the *Rothschild Archive (London)*; the Baring Brothers papers at ING (London); the Hiram Putnam Papers, available at Smith College, Northampton (USA); Records of William Brandt at Nottingham University Library (UK); Valparaiso's judicial papers at the National Archives of Chile; and a few other smaller collections. Most of these smaller but rich collections have also remained unused by scholars working on Anglo-Chilean relations. Because of this neglect of additional sources, until recently we knew little about other key facts in relation to Huth's activities in Chile, such as the important connections made between Huth & Co. and Rothschild & Sons in order to sell quicksilver in Chile,²⁰ or that Huth, Gruning & Co. started in Chile as Huth, Coit & Co., to mention two examples.

Why should we care about Huth's activities in Chile? I have already mentioned that Huth & Co. was the only London merchant-banker to open branches in Chile before the 1840s, and that Huth Gruning & Co. had the wealthiest parent house among all British merchant houses operating in Chile before 1850. This is of consequence because merchant-bankers "played a significant but little recognised part in the development of British capitalism".²¹ Furthermore, this article sheds new light on the vast global networks brought to Chile by British merchants during the 1810s-1850s, a period characterised by poor communications and transport,

¹⁶ Reginald C. McGrane, *Foreign Bondholders and American States Debt*, New York, MacMillan, 1935.

¹⁷ V. B. Reber, *British Mercantile Houses in Buenos Aires*, Cambridge Massachusetts, Harvard University Press, 1979.

¹⁸ Jonathan Curry-Machado, "Running from Albion: Migration to Cuba from the British Isles in the 19th Century", *International Journal of Cuban Studies* 2:2, London, 2009.

¹⁹ Jones, *op. cit.*

²⁰ To the best of my knowledge (as far as published works are concerned), this connection has only been recently explored by Professor Tristan Platt (see his works cited below), who is currently conducting a major study of the quicksilver trade.

²¹ Michael Lisle-Williams, "Coordinators and Controllers of Capital: the Social and Economic Significance of the British Merchant Banks", *Social Science Information* 23:1, UK, 1984, 95.

and more importantly, reveals how these global networks provided Chile with new trading opportunities beyond Britain during early nineteenth -century globalization. Indeed, the extant literature on Anglo-Chilean economic relations for the period 1810s-1850s so far has focused on important topics such as the development of bilateral trades, British investments in Chile, the general impact of British merchants on Chilean development (including the mining and financial sector), the nature of British influence on the Chilean economy (i. e. positive or detrimental, including theories of imperialism and economic dependency), the role played by British merchants in Chilean local trade and production, and the role of Valparaiso as an emporium within the south Pacific.²²

Yet, this valuable historiography does not cultivate a global historical approach, which in Huth's case has great consequences given the global nature of the firm (Table 1). Indeed, the economic history of Anglo-Chilean economic relations for the period c.1810-1850 (trade relations in particular), has been mainly told apart from the rest of the world economy, in particular without taking into account the cosmopolitan and truly international character of some British merchants who opened branch houses in Chile before 1850. For example, when Cavieres describes the activities of Huth Gruning & Co. in Valparaiso, his main conclusion is that this branch of Huth London was solely concerned with importing British manufactures, exporting Chilean produce to Britain and to a lesser extent with importing French manufactures as well.²³ Yet, this type of analysis misses the positive impact of Huth's global networks on Chilean foreign trade with locations far beyond Britain or France (e.g. USA, Spain, China, India, Australia, Cuba, the River Plate and Brazil).

Furthermore, Huth Gruning & Co. was not the only Britain-based house to operate in Chile. After all, between 1810 and 1859 it is estimated that over 70 British merchant houses operated in Chile, and many more in the rest of Latin America.²⁴ Some of these houses surely did not have such a vast international network of contacts as Huth did, but all of them combined together certainly promoted Chilean exports and imports to many markets of the world, not only thanks to the contacts the British had everywhere, but also thanks to the credit, shipping and insurance facilities provided by these merchants or their connections all over the globe, at a time after the Napoleonic Wars when the number of British merchants was everywhere increasing.

After this introduction, this article contains another five sections. Section 2 provides a brief account of Huth's activities in London before they opened the branches in Peru and Chile, in order to better understand the origins and nature of the first London merchant-banker to open branch houses in Chile and the future

²² Apart from the works listed in footnotes 12, 13, 41 and 98, see also Hernán Ramírez Necochea, *Historia del Imperialismo en Chile*, Santiago, Empresa Editora Austral Limitada, 1960; Gabriel Salazar, "Dialéctica de la Modernización Mercantil: Intercambio Desigual, Coacción, Claudicación (Chile Como *West Coast*, 1817-1843)", *Cuadernos de Historia* 14, Santiago, 1994.

²³ Cavieres, *op. cit.*, 179.

²⁴ Manuel Llorca-Jaña, "The Organization of British Textile Exports to the River Plate and Chile: Merchant Houses in Operation, c.1810-1859", *Business History* 53:6, UK, 2011, Appendix 1.

implications this had for the business in Valparaíso. Section 3 deals with the process of actually opening the branches in Chile and Peru, while section 4 analyses the diverse operations of these branches and their relation to the London headquarters and the wider world. Section 5 focuses on the quicksilver trade, one of the most important concerns of Huth Gruning & Co. in Valparaíso. Finally, the last section deals with the opening of a branch in Liverpool and its relationship with the branch in Chile.

HUTH & CO. BEFORE HUTH GRUNING & CO., 1809-1822

Frederick Huth, the founder of Huth & Co., was born in Hanover (Germany) in 1777. Although he died a wealthy man, his origins were humble. Aged 14, he was lucky enough to be admitted as apprentice to a Basque merchant house in Hamburg (Brentano Urbieta & Co., later on Brentano Bovara Urbieta & Co.), at a time when many Basque merchants opened businesses in divers European ports facing the Atlantic. In this house he swiftly learned the tricks of international trade and became familiar with South American products on account of the close links between Hamburg and several Spanish ports, as well as with many British trades due to the strong connections between Hamburg and London. Frederick did so well that aged 18 he was promoted to senior clerk by Juan Antonio Urbieta, the leader of Brentano Urbieta & Co. Only two years later, Juan Antonio decided that Huth was of more use in Corunna, where they had a branch house. The Corunna house was led by Cypriano Urbieta, a brother of Juan Antonio, who soon started to rely heavily on Huth. Thus, Frederick was free to shine, gaining a better reputation with the Urbietas.

Indeed, Juan Antonio trusted him so much that Frederick was sent to South America (before independence from Spain) several times between the late 1790s and the early 1800s, acting as supercargo for the Urbietas. Corroborating the excursions of Brentano Bovara & Urbieta in that region, according to data collected by Barbier, in 1802 two vessels chartered by this Basque house arrived at the River Plate, and another three between 1804 and 1808. In this later period, the same firm chartered another three ships for Callao,²⁵ and it was as part of these excursions that Huth gained valuable firsthand knowledge of these markets, which must surely have showed him the potential of the region, in particular after independence. Indeed, this travelling experience may have led to Huth's decision in 1822 to open branches in Peru (and in Chile two years later), as discussed below. In any case, on his return from South America, Frederick was made chief clerk of the Corunna house, but despite this new responsibility and higher earnings, two years later he decided that it was time to open his own business in Galicia, and also to marry a local.²⁶

²⁵ J. A. Barbier, "Comercio Neutral in Bolivarian America", *América Latina en la Época de Simón Bolívar*, edited by R. Liehr, Berlin, Colloquium Verlag, 1989.

²⁶ Murray, *op. cit.*, and Jones, *op. cit.*

TABLE 2
Location of Huth's correspondents, 1822

Country	Number of Correspondents	Share	Country	Number of Correspondents	Share
North America	20	3.0%	Britain	110	16.5%
USA	8	1.2%	England	100	15.0%
Mexico	12	1.8%	Scotland	10	1.5%
Caribbean	20	3.0%	Europe	434	65.3%
Cuba	8	1.2%	Austria	3	0.5%
Curazao	3	0.5%	Belgium	1	0.2%
Haiti	2	0.3%	Czech Republic	1	0.2%
Jamaica	2	0.3%	Denmark	1	0.2%
Puerto Rico	2	0.3%	France	34	5.1%
St Thomas	3	0.5%	Germany	162	24.4%
South America	67	10.1%	Gibraltar	2	0.3%
Argentina	11	1.7%	Ireland	1	0.2%
Brazil	6	0.9%	Italy	5	0.8%
Chile	2	0.3%	Latvia	6	0.9%
Ecuador	9	1.4%	Malta	2	0.3%
Uruguay	1	0.2%	Netherlands	17	2.6%
Peru	38	5.7%	Norway	6	0.9%
Asia	3	0.5%	Poland	10	1.5%
India	2	0.3%	Portugal	4	0.6%
Philippines	1	0.2%	Russia	1	0.2%
Africa	3	0.5%	Spain	178	26.8%
South Africa	3	0.5%	Not available	8	1.2%
			Total	665	100%

Source: HPSL-159. Note: I have used modern geographical borders to classify countries in this article, rather than contemporary borders at that time

Unfortunately, Huth's activities as a sole merchant in Corunna for 1805-1809 are not well documented. We can presume that during these years he mainly traded with Hamburg, other German provinces, England, France, Russia, and South America, thus replicating Urbietta's businesses at Hamburg and Corunna. In any case, Huth's independent business in Galicia was a short-lived experience. Napoleon's invasion of Spain forced him to leave Corunna suddenly and with very few options about where to go on account of the political chaos and warfare affecting Europe during those traumatic years. Thus, Frederick moved to London in 1809, with a capital of no more than £700 and a few letters of introduction given by some Spanish and German friends. After settling in London with his Spanish wife and children, Huth resumed business as a general commission merchant, but this time from the most important port in the world. Unfortunately we know very little about the first three years of Huth's operations in England. The first business correspondence available is for 1812, and it shows that trade with Spain was the main core of the business, while the English connection was obviously also very strong. Overall, Huth relied heavily on the contacts he had previously made in Spain (in particular in Corunna), Germany, and on the new contacts made from his new hometown (Table 2).

Essentially, during these first years in London, Huth sent to Spain a wide range of British products and colonial produce. In exchange for exports and re-exports to Spain, Huth received vast consignments of wool, and many other Spanish or Spanish American products such as cochineal, ham and wine. Huth also arranged marine insurance on behalf of a wide range of Spanish merchants, and provided them with many other services. Apart from Spain, the River Plate connection was also important, which is not surprising. It was surely cultivated by Huth during his voyages there as supercargo for the Urbietas, and further promoted by Galician merchants known to Huth, who were well connected in the area. Overall, by this time there is no doubt that Huth was an expert in South American produce, and in hides and tallow in particular. In exchange, Huth sent to the River Plate a wide range of British and non-British products, including cottons, mustard, glasses, woollens, hardware, and Spanish wine. Likewise, after the Napoleonic Wars ended, the German connection became very important. This is understandable since Frederick Huth was German-born, and his initial commercial training took place in Hamburg. But equally important is the fact that in late 1815 Frederick thought that it was the right time to take a partner into the business.

It is unclear exactly how and why, but another German (from Bremen) was the chosen man: John Frederick Gruning.²⁷ Gruning was not related to Huth, so this seems to have been a risky choice. Yet, one explanation for this decision could be the fact that Gruning had worked before for Fermin de Tastet,²⁸ a Spanish merchant who was a good friend of Huth during his years in Galicia, and in turn a connection given to him by the Urbietas, with whom Tastet had dealings from at least 1806,²⁹ but surely also before.³⁰ That is, there were good reasons to trust Gruning, and despite his being an outsider, he was German. Thus, after Gruning's incorporation into the firm, from 1816 the trading house was styled Huth & Co. Time proved Huth had made the right decision, and that those who had recommended Gruning to Huth had done well: the partnership was only dissolved after one of them (Gruning) died and relations between both partners remained good for the entirety of their association.

From Gruning's incorporation into the firm until 1822, when the Peruvian branch was opened, Huth & Co.'s business expanded dramatically. In 1812 and 1815 Huth had correspondents in "only" 13 and 19 countries, respectively, and these were mainly concentrated within Europe. In contrast, by 1822 Huth sustained correspondence with merchants in 37 countries in the Americas, Europe, Asia and

²⁷ HPSL-157, Frederic Huth to John F. Gruning (Madrid). London, 26 September 1815.

²⁸ Baring Brothers papers (henceforth HC) at ING, London, HC 16/1, undated, c. 1830s.

²⁹ State Papers Domestic (henceforth SP), National Archives, Kew, London, SP 46/147/47, Hurray versus Tastet. Statement by Frederick Huth, 1819. I am very grateful to Xabier Lamikiz for providing me with this reference. On the activities of Spanish merchants in London before and during this period, see Xabier Lamikiz, *Trade and Trust in the Eighteenth-Century Atlantic World*, London, Boydell, 2010, 45-50, 146-150.

³⁰ Both Tastet and the Urbietas had dealings in Corunna well before 1806, and both houses got involved in chartering vessels for Spanish America before independence, so we can speculate that they were well aware of each other. See for example, Javier Ortiz de la Tabla, *Comercio Exterior de Veracruz, 1778-1821*, Seville, Escuela de Estudios Hispano-Americanos, 1978, 319-320.

Africa (Table 2). But this is not to say that the Spanish or the German connection lost momentum. On the contrary, the volume of trade with all quarters was expanding. By 1822 Huth was corresponding with over 175 people in Spain. This took the level of business with Spain (as it did with Germany) to a different level. Finally, Huth's connections within Britain had also increased importantly. In 1812 Huth had only 37 correspondents in England; by 1822 he had 100. Likewise, Scotland had been incorporated as a valuable connection. This was a result of Huth becoming very active in the textile trade, in particular in cottons, worsteds and woollens, a key development for the future branches in South America since the backbone of their business was the textile trade.

At this point it is worth mentioning that to have commercial dealings with so many people and in so many places, mutual trust and honesty was an indispensable ingredient for trade and lending. This is particularly true considering that most of Huth's correspondents never met anyone from Huth & Co. and this was an era of very poor international communications. Chapman has already pointed to the fact that when communications were slow and difficult, "the ultimate problem of the overseas merchant was maintaining understanding, policy and trust with correspondents".³¹ The concept of trust, then, acquires great importance, and fortunately for us it has been applied to international trade before 1850. For example, making use of transaction cost theory, the doyen of the subject argues that the main obstacles to trade were lack of information and lack of trust, and in turn these obstacles accounted for most transaction costs.³² In particular, trust was crucial for the provision of credit. In the words of the authority on merchant-banking: "credit required trust, and trust could only be accorded to customers whose means and probity were assured".³³ Overall, trust was key to building commercial networks during this period, but trust was only slowly and painfully cultivated.

OPENING THE BRANCHES IN PERU AND CHILE, 1822-1824

Overall, in 1822 Huth & Co. was a very sound merchant house in the London market, having built an important reputation after a few years operating in England. The company was strong in some branches of British imports: raw wool (from Spain and Germany), sugar (from the Caribbean, the Philippines and Brazil), tobacco (mainly from Cuba), hides (from Brazil and the River Plate), coffee and cocoa (from the Caribbean and northern South America), timber (from Norway), grains (many origins), and, increasingly, silver (from Mexico and Peru-Bolivia). Huth was also an important exporter of British manufactures, which were mainly sent to continental

³¹ Chapman, *Merchant Enterprise in Britain*, *op. cit.*, 45.

³² Mark Casson, "The Economic Analysis of Multinational Trading Companies", *The Multinational Traders*, edited by Geoffrey Jones, London, Routledge, 1998, 23. See also Lamikiz, for whom "a good reputation, built on past behaviour, was often the only reliable antidote to the effects of distrust" (Lamikiz, *op. cit.*, 10).

³³ Chapman, *Merchant Enterprise in Britain*, *op. cit.*, 46.

Europe, the Americas and Asia. Finally, Huth remained very important in the re-export side of British trade, sending colonial produce to Europe and the Americas.

In 1822 the capital of the firm had increased to more than £30,000 (from £700 in 1809), unquestionably a remarkable achievement. Frederick Huth had been in London for thirteen years and his partnership with Gruning had worked well during more than five years. Their business had solid foundations within the British market, and they thought that it was now time to open branches outside Britain. The chosen region was South America, which is not surprising given the ongoing demise of the Spanish Empire and the new world of opportunities emerging there for foreign merchants. Yet, given the poor state of both transport and communications during this time, this was a risky decision. However, they were up to the challenge. Indeed, in 1822 Daniel W. Coit was sent by Huth and Gruning to Lima to open a house there (to be followed by a similar branch in Chile) styled Huth, Coit & Co., with Frederick Huth as its main partner, but in which Coit was an active partner too, who was in turn supported by a senior clerk called Samuel Frederick Scholtz.³⁴ These were branch houses controlled from the London headquarters, and although they were legally a separate business from that of London, in real terms they were very much an extension of the London firm. Indeed, both Huth and Gruning remained the main partners of these establishments throughout their lives.

At this stage it is important to highlight the fact that during most of the nineteenth century London merchant-bankers and multinational traders more generally were not organized as modern firms are nowadays, with limited liability, but were all partnerships, and more importantly most usually they remained family firms during the whole period covered by this article.³⁵ That is, the most usual pattern followed by these partnerships was to take as new partners members of their own families, since they were seen as fully trustworthy and the firm's capital would remain within the family. But Frederick Huth had already defied this norm by taking John F. Gruning as a partner in 1816, rather than, say, taking a brother, a son or a cousin, as the usual custom would predict. By making Daniel W. Coit a partner of the branches in South America Frederick Huth was yet again breaking the rules, while Coit was not even from Germany. This unusual behaviour is best explained by the fact that Huth came from a "lesser" family, while his sons were still too young to become partners (as some of them did later on).

Daniel Wadsworth Coit was born in Norwich, Connecticut (USA), in 1787. He worked for five years as apprentice to Aspinwall Brothers (wealthy merchants of New York) before opening his own commission business in 1808, aged 21. After ten years as his own master, and because of the many wars affecting small businesses in the USA during that period, he decided to work instead for his cousins G. G. and S. S. Howland, well-known merchants of New York.³⁶ During this period, Coit did

³⁴ HPSL-159, Huth & Co. to Bertram Armstrong & Co. (Buenos Aires). London, 7 June 1822.

³⁵ Jones, *op. cit.*, 21.

³⁶ In turn, later on Howland and Aspinwall joined forces and formed an establishment styled Howland & Aspinwall, who after Coit's return to the USA became valuable contacts for Huth & Co. HPEL-22, Huth & Co. to Huth & Co. (Liverpool). London, 10 January 1839.

not make a fortune, but he gained valuable commercial experience, not only in the USA but also in South America. For example, around this time Peru was fighting for independence against Spain, so that it was seen by merchants in the USA as a good market for arms and munitions. Indeed, Howland Brothers decided to charter a vessel and send a cargo to Lima thanks to a favour from a Spanish minister (before the independence of Peru), and in turn they sent Coit as supercargo for the *Boxer*, the ship chosen to take the military merchandise.³⁷

But luck was not on Coit's side: he landed in Callao just a few hours before Lord Cochrane started his famous blockade of the Peruvian coast. And although Coit managed to sell the whole cargo to the Spanish authorities upon arrival, because of the natural state of turmoil associated with any blockade, the Spaniards had no cash with which to make the payment, so that Coit had to wait in Lima until he could complete the transaction. In the meanwhile, and fortunately for Howland Brothers, Coit managed to send the *Boxer* back to New York partially loaded with a cocoa cargo which formed a small part of the proceeds due to his owners in the USA. In turn, as the Spanish government in Lima continued with an empty treasury because of the lengthy blockade, they allowed Coit to export another cocoa cargo (to be received in Guayaquil by Coit himself) this time to Gibraltar (free of export duties), sell it there, and charge a commission to all interested parties. This second cocoa operation, although involving a complex trip to Guayaquil and an uncertain sale in Europe, would potentially allow Coit to settle his account with Howland Brothers, and it was therefore an offer he had no option but to accept after spending more than eight months in Peru. Furthermore, to complete the payment due to the Howlands, the Spanish Viceroy in Lima granted Coit a special licence to introduce expensive merchandise into Peru free of duty.

In all, from his arrival in Callao until leaving the region, Coit spent over a year between Callao, Lima and Guayaquil. This was enough time to learn Spanish quite well, and to enable him to become acquainted with the local society and the market, all of which surely later helped to convince both Huth and Gruning that he was the right man to direct Huth & Co.'s establishments in the Pacific. Furthermore, Coit's previous experience in New York must have been in his favour, since, apart from the obvious bilateral trades between Peru-Chile and Britain, one of Huth's main plans for the branches in South America was to promote trade between them and the United States (a point further discussed below). In any case, after delivering the cocoa shipment to Gibraltar (on very good terms), and sending the due remits to the Howlands in New York, Coit was a free man with some of his own capital and a supposedly valuable licence to bring merchandise into Peru, so he decided to tour Spain and France before eventually landing in England, where he intended to tempt a merchant house there to profit from the import licence he had.

³⁷ All the information on D. W. Coit from these years, unless otherwise specified, was obtained from William C. Gilman, *A Memoir of Daniel Wadsworth Coit of Norwich, Connecticut, 1787-1876*, Cambridge, The University Press, 1909.

Of all London merchant houses, and there were quite a few, the chosen one was none other than Huth & Co., a connection given to Coit by Philip Mercier of Paris, a merchant Coit had met in Lima a few months before and who happened to be on good terms with Huth & Co. That Huth knew many merchants in Paris was not surprising, given their strong connections with so many quarters in continental Europe (tables 1 and 2). But being unknown in London, as Coit was, was a major handicap for anyone who wanted to enter into business in Britain. Indeed, Coit himself confessed to a relative that “this was my only chance for making my antecedents known aside from my own representation”,³⁸ and he certainly made the most of this unique opportunity.

After meeting with Coit and analysing the import licence he had treasured for several months, Huth’s opinion was that the licence was of less value than originally believed, since foreign vessels could now enter Callao, regardless of whether or not they had a licence. Yet Huth thought that Coit’s knowledge of the Peruvian market was far more valuable than the licence itself, and proposed that he select a cargo of British and colonial produce to be sent to Peru, for which he would be paid a handsome commission. Coit agreed, selected the cargo, but declined an extra offer made by Huth & Co. soon after: to go as their supercargo to Callao. Instead, Coit wanted to establish himself in Gibraltar as a sole commission merchant and declined Huth’s second offer. However, on his way to Gibraltar (before boarding the vessel), and to his great surprise, Coit received an urgent letter from Frederick Huth asking him to return to London immediately. Now Huth made Coit an offer he could not possibly refuse: a co-partnership in Huth’s intended branches in Chile and Peru, which was to last for six years, was renewable, and gave Coit 32 percent of all profits. This was almost too good to be true, and Coit immediately accepted the offer. After all Huth & Co. had already gained the reputation of being a sound, wealthy and trustworthy London merchant house. It is unclear from the extant evidence if Huth & Gruning had already decided to open a branch in South America before shaking hands with Coit and, therefore, meeting Coit only accelerated the process or if, instead, meeting Coit was all they needed to convince them that opening branches in Chile and Peru was indeed possible if a reputable and trustworthy man with knowledge of the market could be sent there as a partner. In any case, there is reason to believe that apart from Mercier’s recommendations, Coit made a good impression on Huth and Gruning.

Thus, after returning urgently to London, signing the partnership contract and making the arrangements for the trip, Coit departed from London to Peru, landing first in Buenos Aires in late 1822 (to avoid the passage through Cape Horn), thereafter crossing to Valparaiso through the Andes and eventually establishing himself in Lima in 1823, where the first Huth Coit & Co. house was opened, months before the definitive consolidation of Peru’s independence. The Lima house was followed by branches in Tacna, Valparaiso³⁹ and Arica, and the business in South

³⁸ Quoted in Gilman, *op. cit.*, 62.

³⁹ In turn, the Valparaiso house had a branch office in Santiago de Chile. On the role of this agency, see HPEL-9, Huth & Co. to John Halliday (Sanquhar). London, 14 May 1832.

America prospered quickly. Indeed, less than six years later, Frederick Huth wrote to one of his sons in exuberant terms and in decent Spanish: "Our establishments in Lima and Valparaiso continue prospering. All the news we receive from them are very satisfactory for us and come together with vast remittances of gold and silver".⁴⁰ The core of the business was to send British manufactures to the Pacific in exchange for local produce, and given Coit's connections in the USA, Chilean copper bars were also sent to the USA,⁴¹ points I further develop below.

Nonetheless, notwithstanding the huge profitability of the business, in 1828 the partnership was not renewed, despite Huth's inducements to Coit for so doing.⁴² The main reason for Coit's reluctance to stay for another six years in the West Coast (or for whatever term was newly agreed) was that he was truly homesick after being away from the USA for more than ten years; his decision to return to USA was definitive, regardless of the potential future earnings in South America. This situation, however detrimental to Huth's establishments in Peru and Chile, did not mean that Huth and Gruning had necessarily to retire from these markets. Rather, the London partners decided to continue with the South American adventure and the establishments in the Pacific were styled Huth, Gruning & Co. After six years in operations, apart from Coit, they had well trained clerks in both Chile and Peru and a good knowledge of the markets from London.

All in all, it is quite remarkable that given Coit's key role during 1823-1828, his involvement has not received any attention, in particular from scholars who had previously worked on Huth's activities in Chile. Indeed, all we have been told is that the West Pacific houses started as Huth, Gruning & Co.,⁴³ while it is even possible that Huth & Gruning would not have ever ventured to open branch houses in the Pacific without Coit's assistance. In any case, after Coit's departure, in 1828 Augustus Kindermann was made managing partner of these establishments. Around this time, another key man appointed by Huth in Valparaiso was H. V. Ward, who was even in the habit of visiting Britain to meet face to face with their textile suppliers.⁴⁴ Furthermore, when in 1839 Kindermann was sent to Liverpool by Huth (to open a branch there, see below), Ward became "the principal partner of Messrs. Huth's house" in Chile, thus becoming the main man in the Pacific for the next two decades.⁴⁵

⁴⁰ "Nuestros establecimientos en Lima y Valparaiso siguen prosperando cada vez mas. Todas las noticias que recibimos de aquellos puntos nos son muy satisfactorias y nos vienen acompañadas de muy buenas y fuertes remesas de plata y oro". HPSL-161, Fredrick Huth to Fredrick Huth Jr. (Madrid). London, 13 November 1829.

⁴¹ Smith College, Northampton, Massachusetts, Hiram Putnam Papers (henceforth HCP). Loose papers. For example, see "Contract between Sewell & Patrickson and Huth, Coit & Co. for twelve hundred quintals of cooper". Valparaiso, 27 November 1827.

⁴² HCP, Notice on expiration of partnership between Huth & Co. and Daniel W. Coit, signed by Huth Gruning & Co. Lima, 12 April 1828. See also Gilman, *op. cit.*, 94-96.

⁴³ Cavieres, *op.cit.*, 177-179.

⁴⁴ HPEL-6, Huth & Co. to H. H. Stansfeld (Manchester). London, 18 September 1830. They were both supported by a Mr Reidner (a senior clerk) and other junior clerks brought from England.

⁴⁵ Rothschild Archives, London, Benjamin Davidson Papers (henceforth BDP). BDP, XI/38/81B, Benjamin Davidson to Rothschild & Sons (London). Valparaiso, 28 February 1848.

OPERATING FROM CHILE AND PERU

Initially, soon after opening the branches in Chile and Peru, Huth Coit & Co. devoted their main energies to conducting bilateral trades between Britain, Chile and Peru. Having branches in South America, and having Coit as managing partner on the spot, allowed Huth to gain a profound knowledge of the market, in particular of the local demand for British manufactures, at a time when Britain was the main manufacturer of the world and also the main exporter. Not surprisingly, Huth Coit & Co. (and later on Huth Gruning & Co.) soon specialised in importing British textiles, becoming one of the main textile traders in the West Coast: textiles became the backbone of the business at a time when textiles were the main manufacture traded internationally in the world. During the 1820s-1840s over 70 different textile manufacturers supplied Huth's houses in the Pacific.⁴⁶ In exchange for British textiles, remittances were initially in the form of silver and gold, but later on other products were added, copper in particular. Likewise, exports of alpaca wool and hides were incorporated in the remittances basket.⁴⁷

As part of the support provided to these bilateral trades, Huth was very active in providing marine insurance to Chilean and Peruvian exporters, as well as to British exporters to Chile and Peru. This is not surprising given the fact that there were no insurance facilities in Chile at this time, and therefore, British merchant houses in Valparaiso acted as intermediaries between London insurance companies and Chilean exporters and importers. Indeed, the marine insurance behind most of the West Coast's imports and exports was effected in Britain, even for trades that never touched on British ports.⁴⁸ From the 1810s, Huth established strong connections with several Lloyds underwriters, among them John Dubois and his brother, who took charge of insuring Huth's consignments to many parts of the world, so that when during the 1820s Huth opened the branches in South America they used the underwriters they knew at Lloyds for exports to Valparaiso and Callao and imports from those quarters.⁴⁹ Likewise, Huth London was also happy to provide fire insurance in Chile, both for merchandise stored in Valparaiso and buildings there. At this point it is worth stressing that marine insurance was the main branch of international insurance during the first half of the nineteenth century, and that fire insurance was the only other branch emerging during this period. But London was not the only insurance market

⁴⁶ Llorca, "Knowing the Shape of Demand..." , *op. cit.*; Llorca, "The Organization of British Textile Exports to the River Plate and Chile..." , *op. cit.*

⁴⁷ See for example, HPEL-42, Huth & Co. to Edward Rawson (Halifax). London, 18 January 1844; HPEL-45, Huth & Co. to Foster & Son (Bradford). London, 8 January 1845.

⁴⁸ Manuel Llorca-Jaña, "The Marine Insurance Market for British Textile Exports to the River Plate and Chile, c.1810-1850", *The Development of International Insurance*, edited by Robin Pearson, London, Pickering & Chatto, 2010; Manuel Llorca-Jaña, *La Historia del Seguro en Chile, 1810-2010*, Madrid, Fundación Mapfre, 2011; Manuel Llorca-Jaña, "To be Waterproof or to be Soaked: Importance of Packing in British Textile Exports to Distant Markets. The Cases of Chile and the River Plate, c.1810-1859", *Journal of Iberian and Latin American Economic History* 29:1, Madrid, 2011.

⁴⁹ For some examples, see HPEL-5, Huth & Co. to John Du Bois (Lloyds, London). London, 4 February 1830; HPEL-6, Huth & Co. to John Du Bois (Lloyds, London). London, 28 October 1830.

used by Huth in relation to Chile. Indeed, Petersen Huth & Co. of Hamburg also provided fire insurance in connection with Chile, as for example in 1847, when they were insuring from Germany some of don Ambrosio Sanchez's houses in Valparaiso because it was cheaper than doing it in London,⁵⁰ or in 1848, when this German firm insured textiles stored in Huth Gruning & Co.'s premises.⁵¹

Another essential service provided by Huth, which contributed to the bilateral trade between Britain and Chile was that of advancing funds to British consigners of manufactures to Valparaiso, as well as to Chilean exporters of local produce directed to London or Liverpool. As part of this enterprise, the firm entered the copper market by advancing monies to local producers in exchange for future consignments. This behaviour is in line with the well-known fact that the leading merchant-bankers of the first half of the nineteenth century provided a crucial service by advancing monies to consignors of products all over the world, and indeed the provision of credit was an intrinsic part of the activities of any international merchant during this period. Indeed, such was the importance of advances that the acceptance business became the most important way of financing world trade during the nineteenth century.⁵² Huth, like other British merchant-bankers of the period, provided credit facilities unavailable in Chile, which were often an indispensable requirement for national production and facilitated engagement in international trade. Indeed, without this form of credit most Chilean foreign trade operations could not have taken place. Finally, although capital was abundant in Britain, British exporters had to also rely on people like Huth to finance their export operations to distant markets such as Chile, which had a very slow turnover.

But the establishments in the Pacific did not limit themselves to bilateral trades with Britain, as most (smaller) British merchant houses operating in Chile did. For a branch owned by a prominent merchant-banker such as Huth there were many other ways of making money outside Britain, even if the said branch was located in such a remote place as Chile. For example, the houses in the West Coast imported a wide range of goods from continental Europe. The case of Adolphe Roux deserves a separate paragraph. In the early 1830s, Huth formalised a partnership with Roux of Paris,⁵³ in order to supply the West Coast establishments with cottons, silks and other products directly from France (Havre) or via Liverpool/London.⁵⁴ In exchange, Roux received advances for part of these shipments, provided that the invoice and bills

⁵⁰ HPEL-54, Huth & Co. to Petersen, Huth & Co. (Hamburg). London, 13 August 1847.

⁵¹ HPEL-57, Huth & Co. to Petersen, Huth & Co. (Hamburg). London, 14 July 1848.

⁵² For a more detailed discussion of this topic, see Manuel Llorca-Jaña, *The British Textile Trade in South America in the Nineteenth Century*, New York, Cambridge University Press, 2012.

⁵³ For the terms of the agreement, see HPEL-11, Huth & Co. to Adolphe Roux (Valparaiso). London, 18 April 1833; Huth Papers at the Guildhall Library (henceforth GLHP), London. GLHP, MS 10700-5, "Agreement between Mr. Adolphe Roux from Paris and Messrs. Frederick Huth & Co. of London". London, 1 June 1839. See also Cavieres *op. cit.*, 179.

⁵⁴ HPEL-26, Huth & Co. to Huth & Co. (London). Liverpool, 2 March 1839. French manufactures could be sent directly to Chile or indirectly from Havre to London (or Liverpool) and from Britain re-shipped to Chile and Peru. For some examples, see GLHP, MS 10700-5, "Invoice of 115 packages shipped at Havre to address Frederick Huth & Co. of London to be re-shipped for Callao for account of Roux of Paris". Paris, February 1846.

of lading were endorsed to Huth & Co., and that marine insurances were entrusted to Huth London, as a further means of protecting Huth's credit. Roux was also an enthusiastic consumer of Chilean/Peruvian copper, guano⁵⁵ and silver, which were sent to him as remittances. Copper in particular was the preferred return for Roux, which was sent either to Britain or directly to France.⁵⁶ Furthermore, Adolphe Roux visited Valparaiso during 1833-1834 to gain a better knowledge of the market he was supplying,⁵⁷ and later on Adolphe even sent one of his younger brothers to Chile to foster their business there, and he was housing at Huth Gruning & Co.'s establishment. These are both clear indications of the importance given by Roux to his trades with Chile via Huth London. Furthermore, from Chile, Roux's brother engaged in other trading operations, including trips to Brazil to procure sugar for the Chilean market, and these undertakings were also supported by Huth.⁵⁸

But Roux was not the only merchant in continental Europe supplying Huth's houses in the Pacific and receiving advances for these shipments. Indeed, in the partnership agreements of Huth, Gruning & Co. (at least from 1838 onwards), it was clearly stated, "that in order to promote consignments to Frederick Huth, Gruning & Co. from European correspondents, Frederick Huth & Co. of London will make advances on goods to their address to such extent as they may consider safe and prudent",⁵⁹ to the benefit of many continental European merchants. For example, Mayer & Fils (St Gall) also supplied Huth houses in the West Coast,⁶⁰ as did Detmering from Bordeaux, Hartoq & Denker from Hamburg, Mutzenbecher & Co. also from Hamburg,⁶¹ others from Germany,⁶² and the Netherlands.⁶³ The case of Detmering is quite interesting because French manufactures that were sent from Bordeaux could be paid by Huth with Chilean copper sent directly to France or even to India and China, according to the proposal made by Detmering himself.⁶⁴ In addition, from the mid-1840s one of Huth's sons entered into partnership in Hamburg with a Mr. Petersen under the firm of Petersen, Huth & Co.,⁶⁵ with the intention of

⁵⁵ See for example, HPEL-28, Huth & Co. to Huth & Co. (Liverpool). London, 11 May 1840.

⁵⁶ For some examples, see HPEL-22, Huth & Co. to Huth & Co. (Liverpool). London, 5 February 1839; HPEL-26, Huth & Co. to Huth & Co. (London). Liverpool, 5 January & 15 February 1839.

⁵⁷ HPEL-11, Huth & Co. to Adolphe Roux (Valparaiso). London, 18 April 1833; HPEL-13, Huth & Co. to Adolphe Roux (Valparaiso). London, 25 February 1834.

⁵⁸ HPEL-17, Huth & Co. to Thomas Russell (New York). London, 31 January 1837. Furthermore, through Huth London, Roux also supplied De Drusina & Co. of Mexico, who was Huth's agent there.

⁵⁹ MS 10700-5, Renewal of Partnership agreement of Huth, Gruning & Co. 1838, 1843, 1848 and 1853.

⁶⁰ HPEL-3, Huth & Co. to Mayer & Fils (St Gall). London, 5 & 20 January 1829.

⁶¹ Mutzenbecher was an important supplier of *platillas*. HPEL-31, Huth & Co. to Huth & Co. (Liverpool). London, 7 February 1841.

⁶² National Archives of Chile, Valparaiso Judicial Papers (henceforth VJP). VJP-321-9, Hallmann against Huth, Gruning & Co. Valparaiso, 20 February 1856.

⁶³ For imports of refined sugar from Amsterdam, see VJP-417-8, Norman Brothers against Huth, Gruning & Co. Valparaiso, 25 May 1853.

⁶⁴ HPEL-26, Huth & Co. to Huth & Co. (London). Liverpool, 31 May & 28 June 1839.

⁶⁵ Nottingham University Library, Records of William Brandt (henceforth BT). BT 1/1/2, Printed circular. Hamburg, 1 October 1844.

devoting themselves to a general commission business, which included trade with Chile, either directly from Germany or indirectly from elsewhere. That is, German manufactures were sent to Chile, but so was Cuban sugar on account of Petersen, Huth & Co.'s contacts on that island.⁶⁶ These two examples (i.e. Detmering's and Petersen Huth's) illustrate how the branch in Chile was easily and quickly connected with merchants in continental Europe, Asia and the Caribbean thanks to Huth's active global networks. Finally, in London Huth also procured many other European products from Italy, Belgium, Spain and many other countries, which were re-exported to Chile, as was for instance the case with Italian silks,⁶⁷ French silks produced by the firm of Blanc, Dupont & Co. of Savoy, "one of the largest and most important silk manufactory on the continent of Europe",⁶⁸ and Belgian woollens.⁶⁹ In this case there were no direct connections with the branches in South America, but other trades flew between continental Europe and Chile via London anyway.

Moving beyond Europe, from Valparaiso and Callao strong connections with Asia, Australia and the USA were also promoted, all of which were directed from London, weaving a complex network of inter-linked contacts with the Chilean and Peruvian branches.⁷⁰ In all these places Huth had established strong connections in London during the 1810s-1830s, usually after appointing confidential agents in key foreign ports. In China for example, Bibby & Co. and Russell Sturgis were very strong connections, as were Nye Parkin & Co., Hathaway & Co. and Kennedy McGregor & Co. These houses in China happily provided tea and silks for Huth's houses in South America in exchange for copper or silver.⁷¹ For example, sateens and shawls were sent from China to the West Coast, and they "met a very good sale and satisfactory prices were paid".⁷²

At this point it is worth noting that many trade operations between China and Chile were not necessarily on either the China house account or Huth, Gruning & Co.'s account. Indeed, many Chinese exports to Chile and Chilean exports to China were on the USA's account and risk, although usually receiving Huth's credit in order to finance these "American" trades between Chile and China.⁷³ This system in which the USA's merchants took most of the risks in order to trade between Canton and Valparaiso or Callao was called by Huth London the "China business",⁷⁴ further adding that these "adventures between China and the West Coast [...] [is] a

⁶⁶ HPEL-51, Huth & Co. to Petersen, Huth & Co. (Hamburg). London, 6 November 1846.

⁶⁷ HPEL-26, Memorandum of a cargo from the Mediterranean to Chile & Peru. Liverpool, 16 January 1830.

⁶⁸ HPEL-36, Huth & Co. to Huth & Co. (Liverpool). London, 14 October 1842.

⁶⁹ HPEL-38, Huth & Co. to Huth & Co. (Liverpool). London, 17 May 1843; HPEL-44, Huth & Co. to Huth & Co. (Liverpool). London, 10 December 1844.

⁷⁰ GLHP, MS 10700-6.

⁷¹ For some examples see HPEL-17, Huth & Co. to F. S. Hathaway (Canton). London, 14 March 1837; HPEL-23, Huth & Co. to F. S. Hathaway (Canton). London, 13 April 1839; HPEL-30, Huth & Co. to Huth & Co. (Liverpool). London, 29 October 1840; HPEL-45, Huth to Nye Parkin (Canton). London, 24 January 1845.

⁷² HPEL-45, Huth & Co. to Nye Parkin & Co. (Canton). London, 24 January 1845.

⁷³ HPEL-9, Huth & Co. to Russell & Co. (Canton). London, 19 April 1832.

⁷⁴ HPEL-31, Huth & Co. John W. Perit (Philadelphia). London, 3 March 1841.

branch we are anxious to encourage for the benefit of our establishments in the latter quarter".⁷⁵ In addition, Huth London would also connect merchants in Germany with Huth's branch in Chile and their friends in China. For example, in 1836 the Royal Prussian Maritime Company of Berlin dispatched a ship to Chile and Peru loaded with German manufactures to be exchanged for silver, which was to be taken to China to buy Chinese or Philippines produce intended for the German market.⁷⁶

But many Yankees were also interested in trading directly from the USA with Chile and Peru, and Huth was also happy to support these branches of trade. At this point, it is worth mentioning that in the United States Huth had appointed two crucial general agents. They were John W. Perit of Philadelphia and Goodhue & Co. of New York (a very wealthy merchant). Interestingly enough, Perit was one of the junior partners of Russell's establishments in China and the Philippines.⁷⁷ But more important for us here, given that both Perit and Goodhue were mainly concerned with promoting Anglo-American trades, is the fact that Thomas Russell of New York was appointed by Huth as their exclusive USA "agent for the South American houses".⁷⁸ Interestingly, Huth Gruning & Co. had a direct line of communication with Thomas Russell in New York, which implied a deviation from Huth London policy of not allowing their branch houses in the Pacific to have direct correspondence with any of their agents or contacts outside South America.⁷⁹

Perhaps the main reason behind this concession was that in order to secure Thomas Russell's services and full commitment, he was made a junior partner of the West Pacific Coast establishments.⁸⁰ The idea of Huth London was to, "have a general & confidential agent who might take such a lively interest in their concerns that the advantage their [USA] rivals [in Chile] possessed over them by having their parent houses in the [United] States might be greatly counterbalanced".⁸¹ We must remember that there were, apart from the British, many American houses operating in both Chile and Peru after independence.⁸² The agency of Thomas Russell in the USA just to deal with American trades with Chile illustrates on the one hand the great potential of being a branch of a powerful London merchant-banker with

⁷⁵ HPEL-31, Huth & Co. John W. Perit (Philadelphia). London, 9 March 1841.

⁷⁶ HPEL-16, Huth & Co. to Russell & Sturgis (Manila). London, 18 October 1836; HPEL-21, Huth & Co. to Huth, Gruning & Co. (Valparaíso). London, 13 November 1838.

⁷⁷ HPEL-14, Huth & Co. to H. H. Stansfeld (Leeds). London, 17 July 1835.

⁷⁸ HPEL-22, Huth & Co. to Huth & Co. (Liverpool). London, 10 January 1839. For more details, see HPEL-17, Huth & Co. to Thomas Russell (New York). London, 22 April 1837.

⁷⁹ HPEL-17, Huth & Co. to Thomas Russell (New York). London, 13 May 1837.

⁸⁰ HPEL-21, Huth & Co. to Thomas Russell (New York). London, 13 December 1838.

⁸¹ HPEL-26, Huth & Co. to Huth & Co. (London). Liverpool, 13 May 1839.

⁸² For Anglo-American rivalry after independence, and in particular for USA merchant houses in Chile, see D. B. Goebel, "British-American Rivalry in the Chilean Trade, 1817-1820", *Journal of Economic History* 2:2, USA, 1942; Luz María Méndez, *El Comercio entre Chile y el Puerto de Filadelfia en los Estados Unidos de Norteamérica: Estudio Comparado Binacional*, Valparaíso, Universidad de Playa Ancha, 2001; John Rector, *Merchants, trade and commercial policy in Chile, 1810-1840*, PhD Thesis, Indiana University, USA, 1976; Eugenio Pereira Salas, *La Actuación de los Oficiales Navales Norteamericanos en Nuestras Costas*, Santiago, Universidad de Chile, 1935; Eugenio Pereira Salas, *Los Primeros Contactos entre Chile y Los Estados Unidos, 1778-1809*, Santiago, Editorial Andrés Bello, 1971.

interests in the USA, and on the other hand the prospective networks that could be woven from South America by belonging to a global enterprise.

Unfortunately, for reasons unclear from the existing evidence, Russell's appointment lasted only a few years, despite the fact that Russell had been appointed Chilean consul to New York, which undoubtedly increased Thomas' influence within the Chilean economy and USA-Chilean relations more generally. In any case, after Russell's dismissal Huth started to rely successfully on Grinnell Minturn & Co., new agents also from New York. Indeed, they were once described by Huth Liverpool as "the best supporters our [West Coast] friends have in the US".⁸³ Likewise, Huth Gruning & Co. decided to rely more heavily than before on Huth London's general agents in the USA (i.e. Perit and Goodhue). This back up plan yielded good results, to the extent that the end of Russell's agency was not seen as a great blow for Huth Gruning & Co.'s interests in the USA. Indeed, with steam communication having significantly shortened the distance between London and New York, Huth London was now better able to control the dealings between the USA and Chile, as well as to support them, and therefore a New York agency opened solely to support trades between Chile and the USA became less relevant, in particular considering the agency fees that had to be paid.

From the USA, Huth's agents and other contacts there procured USA produce (e.g. textiles) for the houses in Valparaiso, Lima and Tacna;⁸⁴ insured cargoes from Chile and Peru to the USA or Britain (if it was more convenient or quicker than insuring in London);⁸⁵ and often received Huth London's advances for these operations, provided the cargoes consisted of "goods well assorted for the markets of the Pacific", in particular of staple products such as domestics (a coarse cotton), cotton prints and quicksilver.⁸⁶ Thus, Huth's contacts in the USA would draw a bill of exchange against Huth London, which would be happily accepted, but only if: the bill of lading was made on behalf of Huth, Gruning & Co.; insurance were effected by Huth London for an amount exceeding 50 percent of the sum advanced; and the return remittances were sent to Huth in London, thus further protecting Huth against any risk of bankruptcy or embezzlement.⁸⁷ Respecting the last condition, Huth justified it in these terms: "It would be contrary to the principles of a Liverpool [or London] house to grant a simple banking credit for shipments not coming under its

⁸³ HPEL-26, Huth & Co. to Huth & Co. (London). Liverpool, 15 May 1839.

⁸⁴ For procuring consignments from the USA to Chile, Huth paid a commission of 1% for direct consignments without advances, 0.75% if advances were given, and 0.5% for indirect consignments (e.g. from China). HPEL-23, Huth & Co. to Henry Ward (Baltimore). London, 16 May 1839.

⁸⁵ HPEL-17, Huth & Co. to Thomas Russell (New York). London, 21 January 1837.

⁸⁶ HPEL-17, Huth & Co. to Thomas Russell (New York). London, 30 January 1837.

⁸⁷ Huth Papers at UCL, Incoming Letters (henceforth HPIL). HPIL, Huth Gruning & Co. to Huth & Co. (Liverpool). Valparaiso, 24 June 1838. For example, when in 1841 Pope & Aspinwall were in serious difficulties, Huth remained calm: "We observe by the papers that Messrs. Pope & Aspinwall of Philadelphia have suspended their payments. We do not see that we run any risk of losing by this event as our Valparaiso friends had ample means to cover us for all our advances on shipments to South America according to our instructions". HPEL-31, Huth & Co. to Huth & Co. (London). Liverpool, 8 March 1841.

own control".⁸⁸ In London, Huth would liquidate the remittances sent from Chile, discount the same on account of the advances given, and send the remainder to the USA. Before ending, it is worth mentioning that apart from the above mentioned agents, among Huth's other contacts in the USA undertaking this sort of business was, for example, Pope & Aspinwall of Philadelphia, who sent American produce to Chile in exchange for copper sent to Liverpool.⁸⁹ Incidentally, this was a connection inherited from Coit.

But on occasion the parties in the USA would also request Huth Gruning & Co. that remittances be sent in copper directly to the USA rather than to Britain, even if advances from Huth London were involved. Such was the case of the above mentioned Pope & Aspinwall⁹⁰ but also of McCrea & Co., for instance, the latter being of the firm idea that investing the proceeds of the outward cargo in copper was "a more advantageous return than bullion".⁹¹ As in these cases Huth London advances would be compromised, Huth London would allow the branch in Chile to send remittances directly to the USA but only if the copper was sent to either Grinnell Minturn & Co. of New York or to John Perit in Philadelphia, who would sell the copper, send the amount due to Huth in London and hand the rest to the American trader, who would also pay Grinnell Minturn's or Perit's agency costs for these triangular operations being financed from London.⁹²

Furthermore, often American houses wanted to buy copper in Chile but they did not have either American produce to give in exchange or cash to purchase copper in Valparaiso. In these cases Huth would also grant advances to the Yankees to purchase Chilean copper, but in exchange Huth London requested that: the Valparaiso house charged a commission of 2.5 percent for purchasing the copper; the drafts on Huth London would not exceed 75 percent of the invoice cost; the whole of the copper bought under this arrangement was to be shipped directly to Grinnell Minturn & Co.; and Huth London was entitled to charge a commission of 2 percent on their acceptances. Finally, another alternative was that American traders also proposed that Huth send the copper they were purchasing in Chile to China and exchange it there for silks and tea to be remitted directly to the USA, further complicating multilateral trades involving Chile, Britain, the USA and China.⁹³ Helping these operations, it is worth noting that Thomas Russell was well connected with Gideon Nye of Canton,⁹⁴ and that Perit was a junior partner of Russell Sturgis' establishment in Canton. Once again, the unlimited trading potential of Huth Gruning & Co. was unthinkable without the backing of a global merchant-banker in London.

⁸⁸ HPEL-31, Huth & Co. to Pope & Aspinwall (Philadelphia). London, 3 March 1841.

⁸⁹ HPEL-31, Huth & Co. to Pope & Aspinwall (Philadelphia). London, 7 & 9 February 1841.

⁹⁰ HPEL-31, Huth & Co. to Huth & Co. (London). Liverpool, 17 February 1841.

⁹¹ HPEL-26, Huth & Co. to Huth & Co. (London). Liverpool, 1 April 1839.

⁹² HPEL-23, Huth & Co. to H. V. Ward (Baltimore). London, 6 April 1839; HPEL-31, Huth & Co. to John W. Perit (Philadelphia). London, 3 March 1841.

⁹³ HPEL-26, Huth & Co. to Huth & Co. (London). Liverpool, 30 March 1839.

⁹⁴ HPEL-21, Huth & Co. to Thomas Russell (New York). London, 18 October 1838.

Beyond the USA and Europe, in Australia Huth London also had important connections which happily engaged with the houses in the Pacific. For example, Meinertzhagen & Co. and Lamb & Parbury, both of Sydney, were in the habit of receiving local produce from Chile and Peru, which was paid for with drafts or produce sent from Australia to London, given the fact that Australia had little to offer Chile by this stage.⁹⁵ Huth London would settle the accounts later on to pay back Huth Gruning & Co. in Chile. Indeed, in the Huth papers at UCL and the Guildhall Library there is plenty of evidence of wheat, flour and other goods such as horses, mules and jerked beef being sent by Huth Gruning & Co. from Valparaiso to Sydney during the 1840s.⁹⁶ And although thanks to previous studies we were aware of the commercial relations between Chile and Australia during the 1820s-1840s, we were not aware of either Huth Gruning & Co.'s importance in this trade or the fundamental role played by Huth London in supporting these flows. Indeed, only one of the previous studies on the subject mentioned Huth Gruning as an important player in this trade, but this was a mention made in passing only and without reference to the London headquarters.⁹⁷

But more important than trades with Australia is the fact that Huth London also promoted intra-regional trades between their house in Chile with other Latin American quarters such as Central America, Cuba, the River Plate and Brazil. For example, sugar was extensively shipped to Valparaiso from Rio de Janeiro or Bahia by merchants such as Vogeler & Co., often thanks to the intervention of US merchants such as Bevan & Humphreys and John Perit, both of Philadelphia but well connected in Brazil. Another important sugar supplier from Rio de Janeiro to the West Coast market was Limpricht Brothers,⁹⁸ and in turn Huth London would grant advances to the likes of Vogeler and Limpricht for these shipments.⁹⁹ Likewise, Pedro Blanco & Co. of Havana was in the habit of sending tobacco to Huth Gruning & Co., drawing against Huth London for these cargoes, which were eventually settled with silver sent from the Pacific to London.¹⁰⁰ These are only a few examples of intra-regional trades being supported by Huth London; there were many others.¹⁰¹

⁹⁵ HPEL-31, Huth & Co. to Meinertzhagen & Co. (Sydney). London, 17 February 1841.

⁹⁶ For some examples, see MS 10700-6, loose papers, 1841; HPEL-33, Huth & Co. to Huth & Co. (Liverpool). London, 6 January 1842.

⁹⁷ Thomas Bader, "Before the Gold Fleets: Trade and Relations between Chile and Australia, 1830-1848", *Journal of Latin American Studies* 6:1, London, 1974, 42. For other studies, which ignore Huth's role in supporting Chilean exports to Australia, see Notas Históricas y Geográficas, "Las Harinas Chilenas en Australia", *Revista Chilena de Historia y Geografía* 120, Santiago, 1952; Eugenio Pereira, "Las Primeras Relaciones Comerciales entre Chile y Australia", *Boletín de la Academia Chilena de la Historia* 53, Santiago, 1955; Eugenio Pereira, "Las Primeras Relaciones Comerciales entre Chile y el Oriente", *Boletín de la Academia Chilena de la Historia* 39, Santiago, 1948.

⁹⁸ For some examples, see HPEL-22, Huth & Co. to Huth & Co. (Liverpool). London, 10 January 1839; HPEL-60, Huth & Co. to Limpricht Brothers (Rio de Janeiro). London, 2 April 1849.

⁹⁹ HPEL-31, Huth & Co. to John W. Perit (Philadelphia). London, 3 March 1841. For typical cargoes of sugar from Brazil to Valparaiso, see also VJP-77-10. Valparaiso, 13 July 1837; HPEL-24, Huth & Co. to Huth & Co. (Liverpool). London, 26 August 1839.

¹⁰⁰ HPSL-178, Huth & Co. to Pedro Blanco & Cia (Havana). London, 1 January & 1 March 1848.

¹⁰¹ For example, sugar was regularly brought from Havana into Valparaiso by Huth's branches there. See for example, VJP-319-23. Huth, Gruning & Co. against Riofrio. Valparaiso, 3 September 1847.

But advances were not the only credit facility offered by Huth London to finance intra-regional trades from Chile. Indeed, Huth also granted letters of credit to finance shipments of Latin American produce to Chile. For instance, while Thomas Russell was Huth Gruning's agent in New York, he was usually granted letters of credit for up to £3,000-£5,000 to buy sugar, wax and tobacco in Cuba to be shipped to Huth, Gruning & Co. of Valparaiso. Thomas Russell was also allowed to use letters of credit to procure sugar and yerba mate in Brazil for the consignment by Huth's houses in Valparaiso and Lima.¹⁰² That is, not only were Huth's connections important, but also the credit provided from London to finance these intra-regional trades. Furthermore, Huth also provided from London the insurance needed to back many of these operations even if they never touched on British ports.

Finally, in the River Plate, Zimmerman, Frazier & Co. of Buenos Aires and Montevideo were also very close to Huth London. Thanks to this connection, many products were sent from the River Plate to Chile and vice versa. For example, soap from Buenos Aires was shipped to Valparaiso in a regular fashion in exchange for gold or silver, while Chilean wheat often reached the River Plate markets, and in most of these operations Huth London's advances were also usually involved.¹⁰³ Interestingly enough, the connection with Zimmerman, Frazier & Co. was given to Huth by Daniel W. Coit as early as 1823, when he was appointed partner of the West Coast establishments.¹⁰⁴

QUICKSILVER TRADE

Another crucial connection developed by Huth London from the Pacific was that with Rothschild & Sons of London, and surprisingly it has received little attention within the historiography on Anglo-Chilean trade. For example, there is no mention at all of this profitable association within either Cavieres' or Mayo's main works on British merchants in Chile.¹⁰⁵ Only very recently have we been reminded about the links between Huth & Co. and Rothschild & Sons,¹⁰⁶ in particular thanks to the opening of Rothschild's archives to researchers. Regarding the leading London merchant-banker of the period, it is worth mentioning that Rothschild & Sons'

Likewise, for Huth's imports of coffee from Costa Rica into Chile, see VJP-87-14. Huth, Gruning & Co. against Thompson Watson. Valparaiso, 28 October 1850.

¹⁰² HPEL-17, Huth & Co. to Thomas Russell (New York). London, 30 January 1837.

¹⁰³ For some illustrative examples, see HPEL-5, Huth & Co. to Zimmerman, Frazier & Co. (Buenos Aires). London, 17 March 1830; HPEL-9, Huth & Co. to Zimmerman, Frazier & Co. (Buenos Aires). London, 18 January 1832; HPEL-13, Huth & Co. to Zimmerman, Frazier & Co. (Buenos Aires). London, 8 January 1834; HPEL-24, Huth & Co. to Zimmerman, Frazier & Co. (Buenos Aires-Montevideo). London, 3 July 1839.

¹⁰⁴ HPEL-183, Huth & Co. to Zimmerman, Frazier & Co. (Buenos Aires). London 7, April 1823.

¹⁰⁵ Cavieres, *op. cit.*; Mayo, *op. cit.* See also other Mayo's works: "The British Community in Chile Before the Nitrate Age", *Historia* 22, Santiago, 1987; "British Merchants in Chile and Mexico's West Coast in the Mid-Century: the Age of Isolation", *Historia* 26, Santiago, 1991; "Before the Nitrate Era: British Commission Houses and the Chilean Economy, 1851-80", *Journal of Latin American Studies* 11:2, London, 1979; "Britain and Chile 1851-1886", *Journal of Inter-American Studies and World Affairs* 23:1, Miami, 1981.

¹⁰⁶ See in particular the works of Tristan Platt listed below and Llorca-Jaña, *The British Textile Trade...*, *op. cit.*, and "Entrepreneurs Shaping Globalization in the Early Nineteenth Century...", *op. cit.*

earliest interest in Chile dates from at least 1825, when they started to import significant quantities of gold and silver from Chile via Huth & Co. of London. By this time the Rothschilds were important world traders of bullion and specie (one of the few commodities they were interested in after gradually abandoning their mercantile activities in favour of purely financial concerns), and the Chilean market did not escape their radar. Chile was becoming an important producer of silver, a development furthered after Chañarcillo's silver mine discovery.

But, more important for us, from 1835 the Rothschilds were the sole buyers of Almadén's quicksilver, which gave them a powerful position within Latin American silver producing countries, since Mexico, Peru, Bolivia and Chile relied heavily on this source of mercury for their silver production.¹⁰⁷ Indeed, the Almadén mercury mines, together with that of the nearby deposit of Almadenejos (Spain) were "one of only two major sources of the metal in the world at this time".¹⁰⁸ Lacking agents in Peru, Bolivia and Chile, which were all important silver-producing countries, the Rothschilds decided to sell their quicksilver there through a house they could trust. The chosen one was none other than Huth, which according to a Rothschild's agent visiting Valparaíso "are considered as being the first house [in Chile] & have the reputation of being very careful".¹⁰⁹ From the mid-1830s then, Huth was in charge of selling Rothschild's mercury in the West Coast, mainly on consignment.¹¹⁰ Remittances to Rothschild were preferably in the form of silver bars or silver specie.¹¹¹ In exchange, Huth charged diverse commissions amounting to some 13 percent,¹¹² by any standard a handsome rate and for a very secure trade. Indeed, it was seen as a very high charge by the Rothschilds, to the extent that in 1848 they sent an agent to the West Coast to see whether it was possible to operate without Huth as intermediary. But this option was rejected in a report sent by their agent:

"I cannot yet state whether I shall be able to take charge of the quicksilver [...] without the intervention of [...] Huth or some other house. I think however [...] that I shall not be able to do so. As far as the sale is concerned it will be necessary to become acquainted with the purchasers, their means, and then as there is no bank or paper currency here and all payments are effected in various coins or in bar silver, it becomes necessary to have some proper place for the reception of the money, besides a certain knowledge of the different sorts in circulation".¹¹³

¹⁰⁷ We must remember that the production of Huancavelica quicksilver mines started to decline during the eighteenth century, recovering only partially during the next century. See Tristan Platt, "'Spanish Quicksilver': A Preliminary Note", *The Rothschild Archive Review of the Year*, London, 2011; Tristan Platt, "Container Transport: from Skin Bags to Iron Flasks. Changing Technologies of Quicksilver Packaging between Almadén and America, 1788-1848", *Past & Present* 214:1, London, 2012.

¹⁰⁸ Niall Ferguson, *The House of Rothschild*, London, Penguin, 1999, 358-362.

¹⁰⁹ BDP, XI/38/81B, Benjamin Davidson to Rothschild & Sons (London). Valparaíso, 29 April 1848.

¹¹⁰ Rothschild Archives, London, Huth Papers (henceforth RHL). RHL, XI/38/149-50.

¹¹¹ RHL, XI/38/149/A, Huth, Gruning & Co. to Rothschild & Sons (London). Valparaíso, 2 March 1841; Huth & Co. to Rothschild & Sons (London). London, 19 January 1843.

¹¹² RHL, XI/38/149/A, Huth, Gruning & Co. to Huth & Co. (London). Valparaíso, 20 July 1838; 29 January 1840; and 15 February 1840.

¹¹³ RHL, XI/38/81B, Benjamin Davidson to Rothschild & Sons (London). Valparaíso, 28 February 1848.

The Rothschilds had to, therefore, necessarily to continue relying on Huth for mercury consignments to the Pacific. Furthermore, Huth London also bought on his own account from Rothschild and sent the mercury to Valparaiso, Lima and Potosi.¹¹⁴

At this point it is worth mentioning that Huth's interest in quicksilver developed earlier than the mid-1830s. From the 1810s the firm had already expressed interest in this product, which was further enhanced during the 1820s when Huth opened branch houses in Peru and Chile. Indeed, in 1829 Huth sent one of his sons to Spain to (among other tasks) procure consignments of mercury, and advised him that the firm wanted to have permanent stocks of this product for their houses in Lima and Valparaiso.¹¹⁵ Such was Huth's interest in this product that, even though the firm traded mainly on commission, for this particular commodity Huth was willing to operate on own account, buying quicksilver in Spain for cash. In addition, if advances were required for these operations, Huth would happily have made them available, as he explained to a trader called Corral, who was negotiating at the time with the Spanish government for the supply of this product. This deviation from Huth's general rule of operating only on commission is better explained by the huge profitability of this product and the price stability of the markets in South America, given the lack of a substitute for the increasing silver production. In 1829, for example (before the Rothschild monopoly),¹¹⁶ it could give a gross profit of about 35 percent.¹¹⁷

And indeed, for a decade and a half Huth's quicksilver dealings with the Rothschilds provided handsome profits in Chile: "our mining districts in Copiapo are flourishing", reported an exuberant clerk of Huth, Gruning & Co. in Valparaiso during the mid-1840s.¹¹⁸ However, after the quicksilver discoveries in California in 1848, the market became more competitive and profit margins narrowed. Now Chile and Peru could resort to a new source of quicksilver supply and at cheaper prices, thus ending the Rothschild quasi monopoly in South America. Indeed, so low were the prices of Californian mercury that they even stopped Huancavelica's quicksilver mines production. Unfortunately for Huth London, one of Huth Gruning & Co.'s main competitors in the West Coast (Gibbs & Sons) managed to secure the representation of California's mercury suppliers (Forbes) in the South Pacific, which had catastrophic consequences for the Rothschilds and for Huth with them.

Indeed, in early 1851, Rothschild's agent in San Francisco reported that, "I am convinced that if Messrs. Forbes find that they can dispose of any quantities readily on the South Coast, they will not fail to make large shipments, which would interfere

¹¹⁴ RHL, XI/38/149/A, Huth & Co. to Rothschild & Sons (London). London, 17 December 1839.

¹¹⁵ HPSL-160, Huth & Co. to Fredrick Huth Jr. (Madrid). London, 26 October 1829.

¹¹⁶ A year later, in 1830, the Spanish Crown decided to grant the whole production of Almadén to a sole buyer. The first contract was given to Iñigo Ezpeleta of Bordeaux, and lasted for five years, before passing to Rothschild & Sons in 1835. Platt, *op. cit.*

¹¹⁷ HPSL-161, Huth & Co. to Pedro de Corral y Puente (Cadiz). London, 4 December 1829 & 1 January 1830; HPSL-160, Huth & Co. to Fredrick Huth Jr. (Madrid). London, 22 December 1829.

¹¹⁸ RHL, XI/38/149/A, Huth, Gruning & Co. to Rothschild & Sons (London). Valparaiso, 6 September 1845.

materially with the market".¹¹⁹ These fears materialised, and Forbes started to consign quicksilver to the West Coast in large quantities and at very low prices, far lower than those offered by Huth, Gruning & Co. for over a decade.¹²⁰ Rothschild's initial reaction to this new competition was to carry on trying to enforce prices in the South Pacific markets, but Gibbs' rivalry became so strong that they had no option but to instruct Huth Gruning & Co. in Valparaiso to sell at market rates "as there is no prospect whatever of a rise, in the contrary I should not be astonished if the prices go still lower in consequence of the production of this country [the USA]".¹²¹ Another option tested by Huth on behalf of Rothschild was to create a cartel and collude with Gibbs, an offer rejected by Forbes' agents, as is dramatically reported by Huth Gruning to Rothschild: "we tried to come to an agreement with them [Gibbs] regarding sales & prices, but they preferred to be independent. Under such circumstances, we can hardly expect to be able to uphold prices"¹²² further adding that "their object evidently is not the price, but the quantity, & in order to monopolise sales & supply the whole of the wants of our miners, they would, if necessary, immediately lower the rates".¹²³

In order to understand the impact generated by the fall in quicksilver prices on Huth-Rothschild business, it is worth mentioning that before the Californian quicksilver discoveries of 1848, Huth was able to sell Rothschild's quicksilver for as much as \$135, but in June 1852 Gibbs was selling this product in Valparaiso for as little as \$50: "under such circumstances we can of course not make sales at higher prices, we must either sell at the same rates or be content not to sell at all", reported Huth Gruning & Co. to Rothschild.¹²⁴ Only in late 1853 Huth managed somehow to convince Gibbs to set a cartel price of \$55, which would ensure that Huancavelica's production remained on hold. Nonetheless, despite the verbal agreement, Huth Gruning & Co. permanently complained that Gibbs & Sons were not respecting the deal, and were often underselling them for \$54, which eventually led to the dissolution of the cartel in mid-1856, although during 1857 and 1858 it is reported that new price agreements were reached again at several times. In any case, with the Californian discoveries the golden days of easy sales at high prices were gone forever, and equally importantly Huth-Rothschild's share of the market declined markedly.

¹¹⁹ BDP, XI/38/82/A, Benjamin Davidson to Rothschild & Sons (London). San Francisco, 31 March 1851.

¹²⁰ BDP, XI/38/82/A, Benjamin Davidson to Rothschild & Sons (London). San Francisco, 31 July & 31 August 1851.

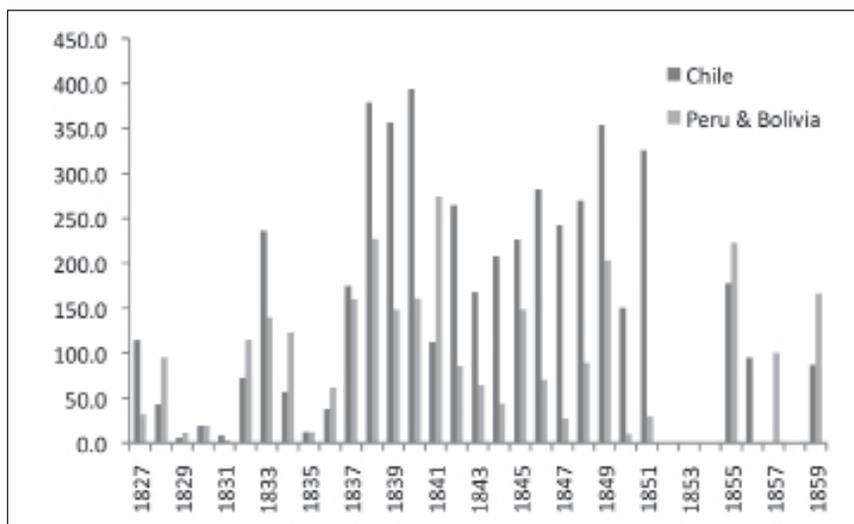
¹²¹ BDP, XI/38/82/A, Benjamin Davidson to Rothschild & Sons (London). San Francisco, 4 December 1851.

¹²² RHL, XI/38/149/B, Huth, Gruning & Co. to Rothschild & Sons (London). Lima, 9 January 1852.

¹²³ RHL, XI/38/149/B, Huth, Gruning & Co. to Rothschild & Sons (London). Lima, 11 May 1852.

¹²⁴ RHL, XI/38/149/B, Huth, Gruning & Co. to Rothschild & Sons (London). Valparaiso, 10 June 1852.

CHART 1
United Kingdom re-exports of quicksilver to Chile, Peru and Bolivia, 1827-1859
(thousand of lbs)



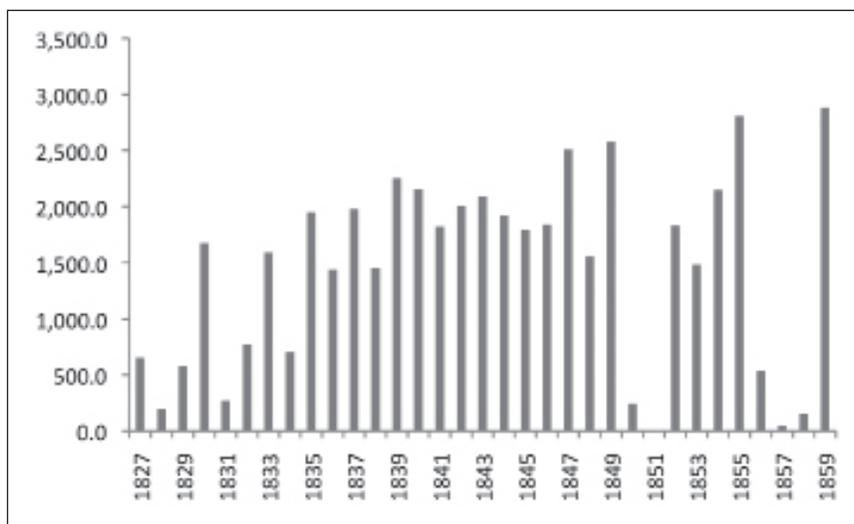
Source: British Parliamentary Papers, several numbers for 1828-1860.

In fact, during 1852-1854 Britain did not re-export any Spanish quicksilver to either Chile, Peru or Bolivia (and only very little to Mexico), as she used to do in great volumes before that period, as can be seen in Chart 1. In the same vein, in 1850 Britain imported only a tenth of the volume of quicksilver she imported from Spain the year before, and in 1851 there are no records of any Spanish quicksilver entering the British market (Chart 2). We might assume that Spanish quicksilver could have been exported directly from Spain to Valparaiso during this period (as had often happened), but the Chilean custom records also show that between 1849 and 1853 little Spanish quicksilver entered Chile from Spain (indeed, none was exported from Spain in 1850, 1852 and 1853).¹²⁵ Finally, according to the same source, in 1853 Chile re-exported to Britain as much as 150,000 lbs of quicksilver to Britain, an unusual (i.e. reversed) trade flow, which was surely on account of mercury previously imported from either Spain or Britain itself now being returned to London because the Chilean market was saturated with Californian produce. Nonetheless, all the problems which occurred between 1848 and 1854 did not mean that Rothschild's quicksilver disappeared from Chile forever. During the second half of the 1850s there was some recovery, but that period lies beyond the scope of this paper.

¹²⁵ *Estadística Comercial de Chile*, Santiago, Imprenta Europa, 1850-1854.

CHART 2

United Kingdom imports of quicksilver from Spain, 1827-1859 (thousand of lbs)



Source: British Parliamentary Papers, *op. cit.*

THE LIVERPOOL BRANCH AND HUTH'S AGENTS IN THE TEXTILE DISTRICTS

I have already mentioned that the export of British manufactures was fundamental to Huth's business in Chile, and that textiles in particular were the backbone of British exports during this period. Indeed, from 1812 to 1850 Huth was supplied by hundreds of different textile manufacturers or merchants. For the Chilean market alone Huth had over 70 different textile suppliers from all over Britain during the 1820s-1840s. Among the most important were: John Anderton (Cullingworth);¹²⁶ Longworthy Brothers (Manchester); Edward Rawson (Halifax); Rawson & Saltmarsche (Halifax); Webster & Sons (Morley); S. & J. Waterhouse (Halifax); Du Fay & Co. (Manchester); Burton & Son (Manchester); Merck & Co. (Manchester); Birley Hornby Kirk (Manchester); Stewart & Wilson (Glasgow); Guthrie & Co. (Glasgow);¹²⁷ and Dugdale & Brother (Manchester).

As can be seen from the above list, these key suppliers were far away from London. And indeed, having headquarters in London made it very difficult for Huth to coordinate orders from these manufacturers based in the north of England or in

¹²⁶ For Anderton's dealings with Huth & Co., see University of Leeds, Brotherton Library, John Anderton papers (henceforth JAP). Anderton supplied Huth with worsteds for Chile, Peru, Mexico, China and other markets.

¹²⁷ For example, Guthrie consigned Huth vast quantities of madapolams to Valparaiso. For an example, see University of Glasgow, Special Collections, MS Gen 533/2, Guthrie & Co. to Huth & Co. (London). Glasgow, 9 April 1832.

Scotland, and therefore Huth had necessarily to resort to a wide range of agents in these textiles districts. But the most important of all textile agents was H. H. Stansfeld. From the mid-1820s, Stansfeld was the main middleman used by Huth in Lancashire and Yorkshire to procure consignments for Huth's correspondents in many quarters, but in particular for the establishments in the West Coast, including the one in Valparaiso. Indeed, with time Stansfeld became one of the most prolific experts in Britain regarding the textiles consumed in both Chile and Peru. In this sense, communication with the likes of Kindermann and Ward in Valparaiso was crucial for Stansfeld's endeavours to supply Huth Gruning & Co.¹²⁸ Stansfeld's main tasks consisted of getting new suppliers; visiting established suppliers and advising them on the patterns needed for South America; coordinating packing and shipping operations for Valparaiso; negotiating advances on consignments and forwarding correspondence; among other divers agency tasks. For this, Stansfeld was furnished with a handsome commission.¹²⁹

In turn, most of these textiles intended for Chile left Britain via Liverpool, rarely via London. This was part of Liverpool's meteoric rise, which led to it becoming the principal British port during the nineteenth century. Coordinating orders, packing, insurances, freights, shipments and payments from dozens of suppliers sending goods to Valparaiso was not an easy task. Huth had to rely on agents stationed in Liverpool: on agents they could fully trust since they were handling crucial business information and valuable cargoes. It is striking that despite the huge level of business passing through the Mersey, Huth operated for so many years without branches in northern England, instead employing forwarding agents in Liverpool until 1839, when a house was opened there.

But before 1839, during the 1810s-1830s, Huth was happy to use the Liverpool agency of Robert McWilliam (a local general merchant) and later on that of Bibby & Co. and Castellain, Schaezler & Co. These houses performed many services for Huth, including all the necessary arrangements needed to export to Chile and import from there.¹³⁰ In the late 1820s Castellain Schaezler clearly became their main Mersey agent over many other candidates in Liverpool thanks to Adolphus Frederick Schaezler's close links with Brentano & Urbietta, former masters of Huth.¹³¹ Yet,

¹²⁸ For some examples of the nature of the correspondence sustained with Stansfeld, see HPEL-9, Huth & Co. to H. H. Stansfeld (Manchester). London, 9 February 1829; HPEL-5, Huth & Co. to H. H. Stansfeld (Liverpool). London, 15 January 1830; HPEL-6, Huth & Co. to Stansfeld (Leeds). London, 13 July 1830.

¹²⁹ For a representative visit by Stansfeld to a manufacturer sending textiles to Chile, see Lancashire Record Office, Feilden & Co. Letters, DDX 1156/3, Feilden & Co. to Huth & Co. (London). Blackburn, 29 August 1838.

¹³⁰ For some examples see HPSL-183, Huth & Co. to Robert McWilliam (Liverpool). London, 22 February & 22 July 1823; HPEL-5, Huth & Co. to Castellain Schaezler & Co. (Liverpool). London, 7 & 27 January 1830; HPEL-6, Huth & Co. to Castellain Schaezler & Co. (Liverpool). London, 9 September 1830.

¹³¹ BT 1/1/2, Circular by Huth & Co. London, 1 January 1839. Castellain and Schaezler started their business in 1819, following the failure of the De Berckern Castellain & Co. See HC 16/1, Undated, c.1830s.

when in 1834 Castellain Schaezler went into liquidation, with Schaezler forming a new establishment and Castellain doing the same,¹³² Huth decided to use the agency services of Alfred Castellain and his new partners.

This turned out to be a crucial decision for Huth & Co.: in 1839 Huth London opened a branch in Liverpool, with Alfred Castellain as an active partner. The circular sent to merchants and bankers at that time read:

“We [...] have this day established a branch of our firm at Liverpool, into which we receive as partners, Mr. Augustus Hermann Kindermann,¹³³ who has been for many years a managing partner of our establishments in South America, and Mr. Alfred Castellain, whom his previous avocations have rendered familiar with the principal branches of the Liverpool trade”¹³⁴

There were many roles intended for the Liverpool branch, not least, to take over all agency services provided by all previous agents, but the most important one was to be the main point of contact with the branches in Chile and Peru.¹³⁵ This explains why Kindermann was brought from the West Coast to Liverpool, despite being their key man in Valparaiso until 1839.¹³⁶ Thus, the Liverpool branch overtook not only the functions of Castellain Schaezler & Co. and Bibby & Co., but also some of Stansfeld’s services, and naturally tensions escalated between Stansfeld and the newly opened Liverpool house.¹³⁷

But tensions with Stansfeld were not new. Huth London had become increasingly unhappy with Stansfeld’s services from the late 1820s. Indeed, Huth frequently wrote to Stansfeld in strong terms, complaining about his poor performance in getting consignments for Valparaiso,¹³⁸ and the lack of communication with the London house, as seen in this extract:

¹³² BT 1/1/2, Circular by Schaezler & Co. Liverpool, 1 January 1834. Later on, one of the members of Brentano’s family was made partner in Schaezler’s house at Liverpool, which was now styled Schaezler & Brentano.

¹³³ It is interesting to note that as Alfred Castellain and Daniel Meinertzhagen did before, Augustus Kindermann also married one of Frederick Huth’s daughters. Lacking wealthy members of his own family to take as partners (the usual practice at that time), Frederick Huth’s alternative strategy was to marry his daughters to partners brought from outside his family and business or partners-to-be then working as employees of Huth & Co.

¹³⁴ BT 1/1/2, Circular by Huth & Co. London, 1 January 1839. Perhaps helping Huth’s decision to select Castellain as their agents is the fact that Frederick Huth was known for being risk averse, while Baring Brothers was of the opinion that after the failure of De Berckern Castellain & Co., Alfred Castellain in particular “would not involve himself in any risk”, something surely known to Huth. HC 16/1, Undated, c.1830s.

¹³⁵ Freedman, *op. cit.*, suggested that the Liverpool branch was opened mainly to promote trade with the USA. Judging from the extant correspondence, although the Liverpool branch was in charge of this branch of trade too (apart from the West Coast’s concerns), the USA market was never as important as Huth’s dealings with Valparaiso and Callao. If any one trade was most important than others, it was the trade with Chile and Peru.

¹³⁶ Kindermann was the main partner after Coit’s departure, and therefore their legal representative. Indeed, in legal disputes with local merchants in Chile, Kindermann acted as the legal representative of Huth, Gruning & Co. See for example, VJP-318-4. Valparaiso, March-April 1831.

¹³⁷ HPEL-26, Huth & Co. to Huth & Co. (London). Liverpool, 18 April 1839.

¹³⁸ See for example, HPEL-3, Huth & Co. to H. H. Stansfeld (Leeds). London, 11 April 1830; HPEL-6, Huth & Co. to H. H. Stansfeld (Leeds). London, 5 August 1830.

“We must regret to continue deprived of your favours, we confess that this protracted silence on your part surprises us, for if some important reason prevents you from attending to our interests at Manchester at a moment which we deem particularly favourable for shipments to the Pacific we should at least have expected to be informed of the circumstance, and might in this case have written direct, to remind some of our friends of their promises, and stimulate others. The ships which leave Liverpool at this season of the year, arrive out in the spring when business is briskest and our houses [in Chile and Peru] will be greatly disappointed”.¹³⁹

Another cause of dissatisfaction with Stansfeld was the fact that this agent did not want to live permanently in Manchester (or at least in Liverpool), as Huth would have preferred: “The circumstance of your not having a fixed place of call at Manchester leaves always a doubt on our mind whether our correspondence to you is punctually received by you, which however is such an important point that we should wish to have all doubts removed on the subject”.¹⁴⁰ But Stansfeld was originally from Leeds and wanted to remain there, only travelling occasionally to Manchester, despite Frederick Huth’s personal complaints:

“Feeling so fully convinced, and no argument to the contrary could shake my opinion, that a permanent residence of our agent at Manchester is absolutely necessary for bringing our business to that extent to which it is capable, and which after so many years patience and toil we have a right to request, I should be sorry indeed, if you should persist in returning to Leeds, instead of remaining at Manchester”.¹⁴¹

But Stansfeld did not feel under pressure. Difficulties between the parties escalated to the point where Stansfeld made some consignments on his own account to Huth’s establishments in Chile and Peru without authorization, clearly breaking all agreements between the parties.¹⁴² After this, relations quickly deteriorated and mutual business declined, although it was only in 1841 that Huth eventually stopped using Stansfeld as an agent in Lancashire and Yorkshire.

Finally, before concluding this section, it is worth noting that before 1839, another agent used in the Mersey in connection with Chile and Peru was Bibby & Co. Judging from the extant evidence, it is evident that before 1839 Huth London did not want to rely excessively on a single agent in the Mersey (i.e. Castellain Schaezler & Co. or Robert MacWilliam before them). Like Castellain Schaezler, Bibby & Co. performed the usual services of an agent in any major port.¹⁴³ Yet, unlike Castellain Schaezler & Co., Bibby & Co. was also entrusted with the purchase of some manufactures (non-textiles) for the houses in the Pacific. These included paints, glue, tar, mustard, iron and many other articles.¹⁴⁴ And indeed, so exclusive was this service, that even after Huth opened the Liverpool branch in 1839, Huth London remained well connected to Bibby, in particular for the trades with Asia.

¹³⁹ HPEL-6, Huth & Co. to H. H. Stansfeld (Leeds). London, 29 July 1830. In the same vein, see also HPEL-3, Huth & Co. to H. H. Stansfeld (Leeds). London, 11 April 1829.

¹⁴⁰ HPEL-11, Huth & Co. to H. H. Stansfeld (Leeds). London, 31 January 1833.

¹⁴¹ HPEL-11, Frederick Huth to H. H. Stansfeld (Leeds). London, 11 March 1833.

¹⁴² HPEL-17, Huth & Co. to H. H. Stansfeld (Leeds). London, 8 June 1837.

¹⁴³ HPEL-6, Huth & Co. to Bibby & Co. (Liverpool). London, 30 November 1830.

¹⁴⁴ HPEL-11, Huth & Co. to Bibby & Co. (Liverpool). London, 12 & 17 January 1833.

CONCLUSIONS

There is extensive research on Latin American foreign trade for the post-1870s period, including that of Chile.¹⁴⁵ There is also abundant literature on international business for any period after the 1870s. However, considerably less is known about Latin American (including Chilean) foreign trade from independence until the 1850s or about international business during the first half of the nineteenth century, including the activities of London merchant-bankers during this period. Making use of untapped primary sources, in particular of the Huth papers at UCL and the Huth papers at the Rothschild Archives, this paper sheds new light on Anglo-Chilean trade and perhaps more importantly on the emergence of a global economy during the early nineteenth century and the specific role played by Chile in this increasingly global and complex economic system. In particular, this essay pays close attention to the multiplicity of activities performed by a single firm with headquarters in London (Huth & Co.) and branch houses in Chile and Peru (Huth Gruning & Co.). Many of these activities were unknown to us or under researched by historians, despite their importance for the economies of the region. For example, we knew little about the important Spanish quicksilver trade developed by Huth in Chile, Peru and Bolivia on behalf of Rothschild & Sons of London, at a time when one of the main pillars of the Chilean economy (besides copper) was silver production, of which mercury was an essential input.

Equally important, thanks to the previous historiography on Anglo-Chilean trade, we knew that Chile was trading bilaterally and actively with Britain during the 1820s-1850s. In turn, thanks to the existant (albeit limited) literature on Chilean foreign trade beyond Britain for the period *c.* 1820-1850, we were also aware of the fact that Chile exported significant amounts of goods to markets such as Australia, continental Europe, Buenos Aires, China, Bolivia, Peru, and the USA, while it also imported from diverse origins such as the USA, continental Europe, Cuba, Brazil and the River Plate. We were also told that these trade operations were insured, and that London credit was provided to make them possible. Yet, what we did not know was that a single merchant-banker such as Huth & Co., with headquarters in London, could be behind all these trade operations and financial services linked to Chilean foreign trade with so many regions of the Americas, Europe, Asia and Australia, often orchestrating complex multilateral trades from London, even if these flows involved goods that never touched on British ports.

Likewise, we were not aware that a London merchant-banker could have diversified geographically so widely and so early as Huth did before 1850, and how these networks could be used profitably by Huth's branches in South America. It was Huth London's unique global networks and commercial expertise, with many branches and confidential agents appointed in all continents, which allowed Huth Gruning & Co. of Valparaiso to be fully integrated into the world economy from the

¹⁴⁵ For an updated bibliography on this topic, see the bibliographical essay in V. Bulmer-Thomas, J. H. Coatsworth and R. Cortés-Conde (editors), *The Cambridge Economic History of Latin America: Volumes 1 and 2*, Cambridge, Cambridge University Press, 2006.

start, well before the transport and communications revolution of the second half of the nineteenth century, when transaction costs remained high for any other merchant house in Chile wanting to trade with the wider world.

Finally, Frederick Huth's unique firsthand knowledge of the South American and Spanish markets from before independence, as well as that of Daniel W. Coit in relation to Peru, undoubtedly contribute to explaining why Huth & Co. decided to open houses in the south Pacific so early during the early 1820s. Without this previous knowledge about these two businessmen we probably could not have narrated the above story. Yet, Coit does not appear at all in any published work on Anglo-Chilean trade during the last century, and indeed micro-historical approaches paying close attention to the main actors behind Anglo-Chilean trade are often absent from the literature, despite their evident relevance.