

**American Polities: Statecraft in Post-
Revolutionary Argentina and the United
States, 1776-1828**

David Meirion Jones

PhD

University of York

History

September 2018

Abstract

American Politics offers an extended comparison of post-revolutionary statecraft in Argentina and the United States, new states that acquired sovereignty in matters of security, war and trade. I argue that policymakers looked to develop war-making capabilities in order to resist future European aggression at the same time as attempting to create peaceful regimes of interstate relations in the Americas. In fiscal and economic policy, Argentina and the US founded their ability to finance war by selling public bonds to creditors, which would be repaid using taxation on international trade. Policymakers recognised the risks attendant in founding national security on international trade in a context in which the flow of commerce between nations could be interrupted by powerful foreign navies. The US and Argentina adopted divergent approaches to reforming their economies in order to maximise security and wealth. In matters of international relations, the two new republics followed similar approaches. Both agreed that becoming entangled in systems of permanent alliances would lead to constant conflict with European powers while offering no benefit to the Americas, while recognising the need to temporarily involve themselves in European affairs to maintain the balance of power. Domestically, however, US policymakers insisted that only the political union of the entire North American continent under one federal government could create perpetual peace, whereas Argentine policymakers believed that the establishment of an American international law could create peace between several sovereignties. Finally, the thesis charts how national security concerns led both polities to war, compares the performance of the two states as war-making polities, and evaluates the impact of policymaking on post-revolutionary war-making capabilities.

Table of Contents

Abstract	2
Table of Contents	3
List of Tables	4
List of Figures	5
List of Maps	6
Acknowledgements	7
Author's Declaration	10
Introduction: American Polities	11
Chapter 1: Reordering Sovereignty, 1763-1825	25
Chapter 2: Revenue, War Finance, and International Trade	80
Chapter 3: Security and Political Economy	113
Chapter 4: The Balance of Power and American Sovereignty	165
Chapter 5: American State Systems and National Security	202
Chapter 6: The War-Making Polities	239
Conclusion: Policy and Statecraft	280
Appendices	285
Abbreviations	292
Bibliography	293

List of Tables

Table 1: Tariff Rates on Protected Industries 1822-1825	142
Table 2: Financing the War of 1812 and the Cisplatine War	245
Table 3: Buenos Aires Treasury revenue in gold ounces	249
Table 4: New England cotton cloth production , 1810-1815	262

List of Figures

Figure 1: Government Bond Prices in Buenos Aires 1825-1827	246
Figure 2: US Bond Prices 1812-1815	247

List of Maps

Map 1: Gallatin's Plan of Internal Improvements (1808)	119
Map 2: Rivadavia's Plan of Internal Improvements (1826)	121

Acknowledgements

Many debts have been accrued during the writing of this thesis, which would have been impossible to complete without the generosity and good will of numerous people and institutions. The thesis began in York. I am especially grateful to the two individuals who served as my dissertation supervisor. The thesis began under the direction of Nicholas Guyatt. Without Nick's help and support, I would never have been able to do a Masters or Ph.D. Nick encouraged me to do comparative work, indulged my crazy ideas, and had a confidence in my ability to pull this off without which I would not have taken on such a project. I had the great fortune that when Nick joined Cambridge University, Helen Cowie inherited the supervision of the project. Helen provided fantastic support throughout. While in Argentina for a year, our regular Skype calls helped keep the project on track and gave an outside view on what I was finding that gave much needed perspective. Throughout, Helen's detailed reading and feedback on multiple drafts shaped the thesis. I'm truly indebted to both Nick and Helen for their supervision.

At York, Henrice Altink and Alex Goodall served on my thesis advisory panel and helped shape my views on comparing Argentina and the US at regular intervals. More widely, I would like to acknowledge the support of the fantastic History Department we have at York. They gave me opportunities to conduct undergraduate seminars and lecture, which I greatly enjoyed. The quality of the department's teaching staff and administration ensures that York attracts external funding opportunities to support research in the humanities. I was fortunate to be nominated for external funding by the department for both Masters and Ph.D research, and I hope the completion of this Ph.D thesis goes some way to repay the confidence they had in me. I acknowledge the funding of my Masters thesis by the AHRC. During my Masters, I had the idea for the Ph.D thesis, which would never have come to fruition without the very generous funding provided by the Wolfson Foundation.

Outside of York, the thesis was completed in London, Buenos Aires and Barcelona. The assistance of librarians and archivists in the British Library (the Rare Books Reading Room was home for the first years of the thesis) and

the National Archives at Kew is gratefully acknowledged. In Barcelona, staff at the Ateneu Barcelonès helped with interlibrary loans during the final stages of the thesis. During a year in Argentina, I received fantastic support from staff at numerous institutions. The staff at the Archivo Histórico de la Nación helped me identify all the relevant *legajos* I needed to consult. Their work is tireless in often quite difficult circumstances; they are excellent custodians of the nation's archival heritage. After a day's archival work there, I would decamp around the corner to the Instituto Ravignani's library to depuzzle the day's research. Staff there provided excellent recommendations on what I should be reading, and helped me locate transcripts of some archival material that had gone missing from other archives. When the Instituto Ravignani did not have the books I needed, I was happy to visit the libraries of the Biblioteca Nacional and the Academia Nacional de la Historia de la República Argentina. When the nation's libraries and archives closed down for well-deserved summer vacations during January, I consulted the imprints found in the *Tesoro* room in the Biblioteca Nacional. Staff there cheerfully fulfilled my requests to read practically everything they had from 1810 to 1828 despite the extreme heat. Later, I used the collections at the Archivo Histórico de Cancillería. The archive is bizarrely situated at the port of Buenos Aires. After the bus dropped me off just outside the neighbouring shanty town, staff provided a friendly greeting and helped identify the best sources to consult. During August, I made several trips to the excellent Archivo Histórico de la Provincia de Buenos Aires located in La Plata, which provided a welcome change from Capital Federal. I am particularly indebted to Mark Petersen who provided guidance on how to use the Cancillería archives based on his extended stay there, and to Daniel Héctor de Arriba, whose advice based on his deep knowledge of the archives and Argentine history was invaluable as I navigated around unfamiliar terrain.

Finally, I acknowledge the support of family, friends and colleagues who supported me during the research. Especially my parents, grandparents and brother, who never tired of asking me how it was going and providing encouragement (despite, no doubt, wondering why this whole thing *still* wasn't finished). My special thanks goes to Alice. She joined me on this journey, sharing in the highs and lows, the frustrations, and the doubts about

whether this would ever be finished. She patiently listened to me over and over as I attempted to refine my explanation of how public bonds, tariffs and most-favoured-nation clauses worked (sorry for that!). The end of one journey is the beginning of the next.

Author's Declaration

I declare that this thesis is a presentation of original work and I am the sole author. This work has not previously been presented for an award at this, or any other, University. All sources are acknowledged as References.

American Polities

In the half-century between 1776 and 1825, throughout the Americas eleven new sovereign nations declared independence from British, French, Spanish and Portuguese empires and sought recognition as independent polities by the nations of the world.¹ As independent states, institutions of government in the Americas gained the full range of powers associated with sovereignty; to declare war, raise armies, make treaties, regulate international commerce, and impose taxes, all powers previously located in colonial capitals in London, Paris, Madrid and Lisbon. Policymakers in seats of power such as Philadelphia, Port-au-Prince, Rio de Janeiro and Buenos Aires would undertake the task of statecraft.

The emergence of a hemisphere of new polities, all within a period of less than fifty years, at a time when new ideas of governance were circulating the globe, inspires a set of intriguing questions. How similar were the problems of creating new states out of the remnants of various colonial governments? What ideas informed the task of statecraft in the Americas? In what ways did the new states created in this period experience divergent levels of success in their state-forming enterprises? This study explores these questions comparing the post-revolutionary statecraft of two of the new polities, the United States and Argentina.

American Polities argues that Argentina and the US' first priority was to create states capable of securing and enhancing the enjoyment of their newly-acquired sovereign rights by being able to make war. As was imperative for European empires, creating states capable of remaining competitive in an arena of international warfare in which stronger states annexed territories or imposed commercial privileges on weaker states was the core focus of policymaking. Unlike European statecraft, however, Argentine and US policymakers perceived a uniquely American context of past and continuing dependence on European commerce, as well as a unique opportunity to

¹ The United States (1776), Haiti (1804), Paraguay (1811), Argentina (1816), Chile (1818), Gran Colombia (1819), Mexico (1821), Brazil (1822), United Provinces of Central America (1823), Peru (1824), Bolivia (1825).

distance themselves from European practices. European empires had deliberately manipulated the economic development of their colonies to provide markets for their own manufactured goods, leaving the Americas dependent on European commerce. Statecraft was informed by utopian projections of the hemisphere's potential as an economic powerhouse coupled with the troubling complication of having their economies entangled in an Atlantic marketplace. Most dangerous of all, both Argentina and the US relied heavily on the customs house to finance the vast majority of state revenues, a phenomenon found in most of the new American polities created in this Age of Revolutions.² Taxes, international commerce, and security were inextricably woven together, meaning that policymakers in the Americas could not ignore the national security implications of international commerce and foreign naval power. Policies to enhance state power in order to remain independent of the European system of states were borrowed from the best practices found in the interventionist political economy of European empires.

At the same time, however, these polities distinguished themselves as distinctively *American*, distancing themselves from the prevailing norms of other aspects of European power politics. Both Argentina and the US rejected European practices relating to international relations. Instead of balance-of-power politics, networks of alliances, and regimes of trading preferences for allies and commercial discrimination against enemies, both Argentina and the US designed *American* reforms to the international system in rejection of Old World norms. In essence, these American polities would look to gain European-style war-making ability to defend their new-found sovereignty from external threats while rejecting European-style power politics in favour of a more liberal system of international relations situated in a peaceful hemisphere of American states. The thesis charts the divergent means Argentina and the US adopted to achieve these common goals, arguing that these differences created polities that enjoyed different war-making capacities. These differences account for the performance of the two new republics in the War of 1812 and the Cisplatine War, conflicts which significantly altered the trajectories of these two states.

² As noted by Juan Carlos Garavaglia in the introduction to the reprint of Tulio Halperín Donghi, *Guerra y finanzas en los orígenes del Estado argentino* (Buenos Aires: Promoteo, 2005), 12.

In arguing that the main goal of statecraft was war-making capacity, the thesis builds on a strand of scholarship concerned with exploring security as the principal goal of policymakers in the early modern period. Charles Tilly's argument that 'war made the state, and the state made war' has been validated by numerous explorations of European state formation, most famously John Brewer's study of the English fiscal-military state *Sinews of Power*.³ In an imperial context, recent works have argued that European empires emulated each other's statecraft to remain competitive. Key works of political economy advocating state intervention in the economy to enhance political power were translated into multiple languages and critical reforms in the Spanish and Portuguese empires have been reinterpreted in the light of interstate warfare.⁴ In the Americas, however, the state's role as a primarily security-focused entity is arguably less appreciated. The American polities,

³ Charles Tilly, *Coercion, Capital, and European States, AD 990-1992* (Cambridge, Massachusetts: Blackwell, 1992); John Brewer, *The Sinews of Power: War, Money, and the English State, 1688-1783* (New York: Knopf, 1989).

⁴ For example, see Sophus A. Reinert, *Translating Empire: Emulation and the Origins of Political Economy* (Cambridge, Massachusetts: Harvard University Press, 2011); Gabriel B. Paquette, *Enlightenment, Governance and Reform in Spain and Its Empire 1759-1808* (Houndmills: Palgrave Macmillan, 2008). For works on eighteenth century fiscal-military states, I consulted Rafael Torres Sánchez, (ed.), *War, State and Development. Fiscal-Military States in the Eighteenth Century* (Navarra: Ediciones Universidad de Navarra, 2007); Rafael Torres Sánchez, *Constructing a Fiscal Military State in Eighteenth Century Spain* (New York; London: Palgrave Macmillan, 2015); Javier Cuenca-Esteban, "Was Spain a Viable "Fiscal-Military State" on the Eve of the French Wars?" *Post-Conference for the XVth World Economic History Congress* (Greenwich, 6 November 2009); Christopher Storrs (ed.) *The Fiscal-Military State in Eighteenth-Century Europe* (Farnham, England: Ashgate, 2009); Peer Vries, "Public Finance in China and Britain in the Long Eighteenth Century", Working Paper 167/12, Department of Economic History, London School of Economics, 2012.

after all, were born in an 'Age of Democratic Revolutions'.⁵ The focus on the expansion of citizens' rights and democracy in the Americas is a legitimate one. However, as Max Edling points out in *A Revolution in Favor of Government*, concerns to increase war-making capacity outweighed the ideals of citizen's rights and limited government when crafting the US Constitution.⁶ The work of Edling and numerous other scholars have reintegrated the importance of war to statecraft in the US.⁷ If this reinterpretation is valid, we would expect other states operating in a similar context of interstate warfare to also prioritise war-making capacity. For Argentina, despite Donghi's 1982 work *Guerra y Finanzas*,⁸ which impressively predated the major works on the British and US fiscal-military

⁵ R.R. Palmer, *The Age of Democratic Revolutions: A Political History of Europe and America, 1760–1800* (2 vols., Princeton, NJ, 1959 and 1964) is the classic statement of the period as an age of revolutions. Palmer's work famously does not include an analysis of Spanish America. However, scholars of both the US and Spanish American revolutions have (rightly) highlighted the democratic consequences of the revolution in terms of citizenship and voting rights. In the US, Gordon Wood's *The Radicalism of the American Revolution* (New York, Knopf, 2013) focuses on the democratic nature of the revolution. Recent works have critiqued the US revolution as a liberal, democratic one, stressing those who were left out of US citizenship, see Nicholas Guyatt, *Bind Us Apart: How Enlightened Americans Invented Racial Segregation* (Oxford: Oxford University Press, 2016). A good example of this tendency to focus on citizens' rights over the war-making role of the state for Latin America can be found in Roberto Gargarella, *Latin American Constitutionalism, 1810–2010: The Engine Room of the Constitution* (Oxford: Oxford University Press, 2013) which makes little reference to war-making capacity. This thesis does not question the importance and value of works that focus on citizenship and rights, but calls for a balanced appreciation of the role of the state, and the multiple outcomes expected of statesmen. The important work of James E. Sanders, *The Vanguard of the Atlantic World: Creating Modernity, Nation, and Democracy in Nineteenth-Century Latin America* (Oxford: Blackwell, 2016) likewise emphasises the expansion of democratic rights in the nineteenth century. The recent work of Hilda Sabato, *Republics of the New World: The Revolutionary Political Experiment in 19th-Century Latin America* (Princeton: Princeton University Press, 2018) devotes a chapter to militias in a more balanced exploration of republicanism in Latin America.

⁶ Max Edling, *A Revolution in Favor of Government: Origins of the US Constitution and the Making of the American State* (New York: Oxford University Press, 2003).

⁷ Edling, *A Revolution in Favor of Government* and Max Edling, *A Hercules in the Cradle: War, Money, and the American State, 1783–1867* (Chicago: University of Chicago Press, 2014); Daniel H. Deudney, "The Philadelphian System: Sovereignty, Arms Control, and Balance of Power in the American States-Union, circa 1787–1861" *International Organization*, Vol. 49, 1995, 191–228; David C. Hendrickson, *Peace Pact: The Lost World of the American Founding* (Lawrence: University Press of Kansas, 2003), 40–41; Robbie J. Totten, "Security, Two Diplomacies, and the Formation of the US Constitution: Review, Interpretation, and New Directions for the Study of the Early American Period." *Diplomatic History* 36, no. 1 (2012): 77–117.

⁸ Donghi, *Guerra y finanzas*, passim.

state, Argentine political history has not placed Tilly's perspective on statecraft as central to policymaking. Major recent contributions have continued to focus on questions of rights and democracy.⁹ By comparing the impact of war-making capacity on Argentine and US statecraft, this thesis advances Argentine historiography, and by showing that other American states were similarly concerned with interstate conflict, confirms the validity of the efforts of historians of the US to see war-making as central to statecraft in the early republic.

The complex relationship between liberalism and the statecraft of the new American polities is explored and greater clarity arrived at as a result of the comparison of Argentina and the US. Numerous works have questioned the adoption of a laissez-faire political economy in the eighteenth and nineteenth century. Reinert argues that the historical record demonstrates that the British economy developed because of government intervention, not in spite of it, while Nye shows that British government intervention in economic development continued throughout the nineteenth century, long into the

⁹ In the most recent monographs that focus on political history and the history of statecraft across the period 1810-1828, a diversity of topics are covered, although none dedicated to themselves to the role of war-making ability in forming the state. Marcela Ternavasio, *La Revolución Del Voto: Política y Elecciones En Buenos Aires, 1810-1852* (Buenos Aires: Siglo Veintiuno Editores, 2002) explores the consequences of extending full suffrage to males in Buenos Aires in 1821 and the relationship between the governed and the governors; Gabriel Di Meglio, *Viva El Bajo Pueblo!: La Plebe Urbana de Buenos Aires y La Política Entre La Revolución de Mayo y El Rosismo* (Buenos Aires: Promoteo, 2007) analyses the influence of popular sectors and their participation in politics in the period; Beatriz Davilo, *Los Derechos, Las Pasiones, La Utilidad. El Debate Intelectual y Los Lenguajes Políticos En Buenos Aires (1810-1827)* (Caseros: Universidad Nacional Tres de Febrero, 2011) in contrast focuses on the 'intellectual' debates between elites in independent Argentina and analyses their efforts to introduce a new language of utilitarian politics; the themes explored often focus on more domestic subjects such as educational establishments and religious institutions rather than international themes of commerce and geopolitics; Fabián Herrero, *Federalistas de Buenos Aires, 1810-1820. Sobre Los Orígenes de La Política Revolucionaria* (Buenos Aires: Universidad Nacional de Lanús, 2009) studies the influences of (con)federalists in Buenos Aires' political discourse; Marcela Ternavasio, *Gobernar La Revolución (Poderes En Disputa En El Río de La Plata, 1810-1816)* (Buenos Aires: Siglo XXI, 2007) focuses on debates on how to limit the powers of government; Jeremy Adelman, *Republic of Capital: Buenos Aires and the Legal Transformation of the Atlantic World* (Stanford: Stanford University Press, 1999) charts the debates on political economy, interpreting the rhetoric surrounding political economy through the prism of interest groups that stood to benefit from the adoption of specific policies. None of these significant (and valuable) monographs focus on debates surrounding security and war-making capacity. Again, the author stresses that the best interpretation of statecraft would recognise the myriad (and often conflicting) goals that policymakers hoped to achieve, my contribution is to add insights on the war-making and security aspect of statecraft, so that future historians can build on this to achieve a synthesis that incorporates all of these perspectives.

supposed era of free trade.¹⁰ In the Americas, we have the complex paradox of policymakers in Argentina and the US advocating free trade *and* protectionist tariffs at the same time. The thesis disentangles the concepts of protectionist tariffs and free trade. Governments in the Americas still saw tariffs as one among a set of key tools governments should utilise to intervene in the development of the economy to serve national security goals. Calls for 'Free Trade' in the Americas did not originate from Adam Smith's laissez-faire economics. The thesis relocates 'free trade' as part of efforts to reform international relations. By 'Free', policymakers in the Americas were not referring to tariff-free trade. 'Free Trade' was more equivalent to 'Equal Trade'. Instead of different nations enjoying different rights and privileges in the ports of other nations, the Americas called for all nations to be treated equally. This ideology stemmed from critiques of balance-of-power politics, not from critiques of economic mercantilism, as the latter was still seen and practiced as a valid part of statecraft.

The value of pursuing a hemispheric and global perspective, as multiple historians have advocated, is confirmed across the thesis. Herbert Bolton's 1932 salvo to professional historians to write the 'Epic of Greater America', insisting that there is value in writing the common history of the Americas, has never fully been taken up by historians. John Elliott's *Atlantic Empires*, one of the most successful recent attempts to write that 'epic' history of Greater America, argues that "certain aspects of local experience in any one part of the Americas can be fully appreciated only if set into a wider context, whether pan-American or Atlantic in its scope" and that hemispheric comparison offers historians the opportunity to provoke new questions and find new perspectives.¹¹ For both the history of the US and Latin America, engaging in hemispheric history can advance our understanding of those regions. Hemispheric comparisons of the US and Latin America are one answer to the relative isolation from the rest of the world in which Latin

¹⁰ Reinert, *Translating Empire*, 7; John V. C. Nye, *Wine, and Taxes: The Political Economy of Anglo-French Trade, 1689-1900* (Princeton: Princeton University Press, 2007).

¹¹ John H. Elliott, *Empires of the Atlantic World: Britain and Spain in America, 1492-1830* (New Haven: Yale University Press, 2006), xv.

American history is written, an issue flagged up by Matthew Brown.¹² Equally, comparing the US to other nations helps to de-exceptionalise the development of the US government, an approach advocated with great success recently by A.G. Hopkins.¹³

The hemispheric perspective allowed the research to add value to the advancement of several debates. First, the thesis makes a contribution towards the research strand known as 'global history', which seeks to explore how transnational interactions and supranational forces shape change over time. The thesis argues that the Age of Revolutions was structured by the global setting in which events took place. As Elliott argues, local experience can only be understood in wider context. For example, the thesis demonstrates how Argentine and US statecraft took place inside the structure of European power politics, which favoured the independence and development of the US more than it did Argentina. Likewise, the two conflicts, the War of 1812 and the Cisplatine War, which were pivotal to the medium-term development of the new republics, took place in international contexts which favoured the US and disadvantaged Argentina.

Second, Latin America's outsized influence on the development of international law in the twentieth century has been noticed by Greg Grandin and others.¹⁴ Likewise, Miguel Centeno has noted the comparative absence of warfare between Latin American states since independence.¹⁵ The thesis resituates Latin America as part of an international story, charting how Enlightenment ideals that a global community of sovereign nations could peacefully co-exist free from the scourge of war were slowly and partially adopted between the eighteenth and twentieth centuries. We should not be surprised that Latin American interstate relations have been relatively

¹² Matthew Brown, "The Global History of Latin America." *Journal of Global History* 10, no. 03 (2015): 365–86.

¹³ A.G. Hopkins, *American Empire: A Global History* (Oxford: Princeton University Press, 2018).

¹⁴ Greg Grandin, "The Liberal Tradition in the Americas: Rights, Sovereignty, and the Origins of Liberal Multilateralism." *The American Historical Review* 117, no. 1 (2012): 68–91; Alan McPherson and Yannick Wehrli, (eds.) *Beyond Geopolitics: New Histories of Latin America at the League of Nations* (Albuquerque: University of New Mexico Press, 2015).

¹⁵ Miguel Angel Centeno, *Blood and Debt: War and the Nation-State in Latin America* (University Park, Pennsylvania: Pennsylvania State Press, 2002).

peaceful nor that Latin American diplomats shaped international law when we appreciate that the Age of Revolutions in which republics in both North and South America were founded was in many respects a revolution in international relations.

Third, the thesis develops recent work insisting that the revolutions and state-formation activities in the Americas were inspired by a 'creole' ideology of revolution. Joshua Simon's *The Ideology of Creole Revolution* suggests a substantial convergence of ideas between Alexander Hamilton, Simón Bolívar and Lucas Alamán in the ideology justifying revolution and informing the creation of constitutional projects in the US, Gran Colombia and Mexico.¹⁶ *American Politics* builds on this work, confirming Simon's insistence that policymakers of the Americas were fixated on creating strong military states by providing in-depth comparisons of the policies followed in pursuit of that aim in Argentina and the US, as well as suggesting modifications. Simon's descriptions of these new states as 'empires' is only half accurate. While they did seek to emulate European statecraft and create empires powerful enough to maintain independence, they also looked to reform international relations to reject the concept of colonies, encourage equality between nations in commercial matters, and end warfare and balance-of-power politics in their own regions; a significant departure from eighteenth-century empires.

Fourth, the comparison of different policies that were adopted and evaluation of their effectiveness in creating war-making states allows us to engage with the debate that explores the 'divergence' between South America and the US.¹⁷ The most common engagement in hemispheric comparisons of the US and Latin America seeks to explain why a perceived 'divergence' between the former British and Spanish colonies occurred. Scholars have

¹⁶ Joshua David Simon, *The Ideology of Creole Revolution: Ideas of American Independence in Comparative Perspective*. (Ph.D. Thesis, Yale University, 2012).

¹⁷ A self-recognised limitation of Simon's work is that his focus on the writings of three policymakers, rather than the broader exploration of policymaking and legislation, is that his research could not allow him to offer comment on the divergence debate. See Simon, *The Ideology of Creole Revolution*, 187.

suggested numerous approaches to explain this difference.¹⁸ This thesis moves the terms of the divergence debate. Divergence is often measured in terms of political stability and economic prosperity. Yet, as the thesis shows, the main goal of statecraft was national security.

The thesis finds that in terms of ability to provide national security, Argentina and the US had slightly, though not substantially, diverged as polities capable of maintaining national sovereignty through war. The Wars of 1812 and the Cisplatine War, as Chapter Six demonstrates, tested the capacity of the new Argentine and US states to function as war-making polities. While Argentina performed more favourably against Brazil than the US did against the British Empire, achieving significant victories in land operations against Brazil compared to the inability of the US to make headway in Canada, the pressure of war led to the dissolution of the Argentine federal government and bankruptcy of its system of public credit. The US, by contrast, opted to make peace with Great Britain just months before similar calamities would have beset the US federal government. The thesis attributes these divergent outcomes to a mixture of policymaking decisions that prepared the US better for war than Argentina. By that, we should not conclude that Argentina's legislators were ineffective, after all, the US was just months away from experiencing a similar collapse as Argentina experienced during the Cisplatine War. Instead, we should appreciate that Argentina was led by capable policymakers who created, in a much shorter period of time in comparison to the US and in a less favourable international context, a capable war-making polity.

Understanding this allows us to appreciate the contingency with which the US created a government capable of becoming a global superpower. History frequently suffers from teleological blind spots, and that holds true for US history, which often frames events in a narrative of colony to superpower. Consequently, contingencies are overlooked and in comparison

¹⁸ James Mahoney, *Colonialism and Postcolonial Development: Spanish America in Comparative Perspective* (Cambridge; New York: Cambridge University Press, 2010), 10-20 usefully summarised the transition from attributing immutable factors such as geography and climate to considering contingent factors such as economic policies and political institutions. This thesis, rather than focusing on the well-studied divergence, is more oriented towards the convergence found in Argentina and the US to provide national security as the first priority, and the broadly similar set of ideas that informed the effort to provide security.

to other states, the US can be upheld as exceptional.¹⁹ Though widely rejected by professional historians, the fact that US exceptionalism can still be credibly referenced by recent US presidents in public rhetoric points to the continuing need for greater placement of the US in a comparative context.²⁰ Only by deep comparison with other states can we begin to appreciate how a counterfactual scenario, whereby the US in North America only developed to become a second-tier power on the world stage in the nineteenth and twentieth centuries as Brazil or Argentina did in South America is not fanciful at all, but was at various times very plausible.

Why compare just two of the new nations in the Americas from the eleven new states that emerged by 1825? A broader study engaged in comparing multiple states would have necessarily had to take a narrower perspective on statecraft, focusing in on comparing one specific area. However, as this thesis shows, statecraft was not easily atomised into separate pieces by contemporaries, and neither should we as historians expect the best understanding of state formation to emerge by attempting the same. Changes in one area, such as tariff policy, could have implications for treasury revenues and international relations. In effect, government was an complex organisation where changes in one function operated to effect changes on the whole.

¹⁹ A.G. Hopkins expertly makes the point that the US national narrative is framed as the story of a rising superpower. A good example of how teleological thinking clouds our judgement is the descriptions of the nineteenth-century US as an empire. Instead, Hopkins suggests, between 1783 and 1861 the US remained dependent on British influence. See Hopkins, *American Empire*, 18-19. I contribute to these insights by suggesting that, in a similar way, counterfactuals can help us appreciate how US superpower status was contingent on events and decisions that could easily have gone the other way. Far from being exceptionally brilliant, the US had its fair share of lucky breaks and near misses, as I suggest in Chapter Six when exploring the War of 1812. The US was inches away from experiencing a significant setback to its public credit and political union; a few months more and a political crisis equivalent to Argentina during the Cisplatine War could have occurred. My work focuses on the creation of state security and divergent war-making capacities as a measure of successful statecraft. Joshua Simon, focusing instead on political stability as a measure of successful statecraft, makes a brilliant comparison between how close the US was to the kind of constitutional crises that Spanish America experienced in the 1800s, when during the disputed 1800 Presidential Election, state governors began arming their militias to settle the election by force if constitutional mechanisms failed. See Simon, *The Ideology of Creole Revolution*, 182-185.

²⁰ Jason Gilmore and Charles M. Rowling. "Lighting the Beacon: Presidential Discourse, American Exceptionalism, and Public Diplomacy in Global Contexts." *Presidential Studies Quarterly* 48, no. 2 (2018): 271-91.

Comparing two states allowed for a broader understanding of statecraft, but why select the US and Argentina? The decision to include the US was an obvious one, not least because of the existing interest in comparing the 'divergent' development of the US with Latin America that could not be explored by comparing, say Gran Colombia to Argentina, but also because of the potential for the thesis to establish that there was a much greater similarity between the early US Republic and its Spanish America neighbours than has been appreciated. In many ways, US statecraft could be usefully compared to any of the new states in the Americas: Mexico, Gran Colombia, and Brazil in particular would serve as enlightening counterpoints. Argentina had many of the characteristics that made it apt for comparison with the US, and for this reason was selected as a point of comparison. These include a reliance on commercial taxation as a principal source of revenue, export-oriented Atlantic communities combined with interior communities less integrated into the global marketplace; a similar trading relationship with British manufactured goods and British capital; and the production of similar goods - wheat in Buenos Aires and the Middle States, tobacco in Virginia and Paraguay, and cotton in Catamarca and the Deep South.

The research is oriented around the policy debates and legislation crafted by policymakers. On both sides, the most useful documentation proved to be the public records of congressional debates, publications of the executives of both governments, and the personal papers of key policymakers. In the Argentine case, the personal papers of leading policymakers were often incomplete compared to their counterparts in the US. Printed periodicals were found to provide useful additional context about the policymaking environment and concerns of legislators and cabinet members. In Argentina, periodicals like *El Argos de Buenos Aires*, for example, were edited by men closely connected to leading cabinet members Bernardino Rivadavia and Manuel José García, and foreign nations identified *El Argos* as a mouthpiece of the administration in Buenos Aires.²¹ Other pro-administration periodicals such as *El Nacional*, *El Centinela* and *El Correo de las Provincias* as well as independent and opposition press such as *El Abeja Argentina* and *El Argentino* were all edited by individuals closely linked to

²¹ *El Mensajero Argentino*, No. 22, 24 January, 1826.

leading legislators and government officials.²²

Argentine statecraft has received far less attention than that of the US. The study aimed to gather a parity of information on both republics to be able to compare the two states. Naturally, therefore, a greater amount of time was dedicated to gathering the facts on Argentina than the US. Frequently, the basic legislative history had to be established for Argentina whereas comparable details were extensively recorded, debated, and readily available in the secondary literature on the US. Likewise, access to the historical record was uneven for both countries. Projects like *Founders Online* have made the thought of US statesmen accessible and searchable online, whereas the remaining papers of a leading statesmen like Manuel José García, for example, are accessible only in manuscript form in the national archives, neither transcribed and printed in dedicated monographs, nor digitised and accessible online to the historian. The study consequently does devote more space to Argentina than the US, guided by the view that many of the details presented here on Argentina are fresh to the historical record compared to the US, where historians interested in learning more could easily acquire further details in the rich array of published works on US political history.

A note on the usage of terms is required. In our explorations of the powers of the state to maintain sovereignty, the thesis is overwhelmingly interested in those powers normally located in federal governments to maintain sovereignty from external aggression; to make war, sign treaties, raise armies, levy taxes, and regulate international commerce. The thesis is primarily interested in how these new polities reacted to being independent nations responsible for their own external security after ceasing to be part of a broader imperial security compact. Maintaining sovereignty domestically, by suppressing uprisings and political dissent could be done at either provincial or state level, or at the federal level, and therefore is not explored. Equally, the

²² For the close connections between editors and politicians, many of whom acted as both legislators and editors of periodicals, see Mariana Paul Lescano, "La Prensa Durante El Período Rivadaviano: El Argos de Buenos Aires." *Almanack* 9 (2015): 136–52; Eugenia Molina, *El Poder de La Opinión Pública. Trayectos y Avatares de Una Nueva Cultura Política En El Río de La Plata, 1800-1852* (Santa Fe: Ediciones UNL, 2008); Gabriel Di Meglio "Los Cuatro Tribunales. Ideas y Proyectos Políticos de Los Dirigentes Federales de Buenos Aires Durante El Congreso Constituyente Rioplatense: 1824-1827." *Economía y Política* 2, no. 1 (2015): 1–34. Valentina Ayrolo, "Noticias Sobre La Opinión y La Prensa Periódica En La Provincia Autónoma de Córdoba: 1820-1852." *Quinto Sol*, no. 9–10 (2005): 13–46.

thesis uses terms such as national security, international relations, and economic development. The thesis has carefully avoided the attempt to apply modern concepts or frameworks on to past events. The utility of terms such as national security or economic development is twofold. First, it suggests a continuity between past and present ideas with the aim of suggesting ways in which twentieth century concepts such as multilateralism or import substitution industrialisation in the Americas has a longer heritage dating back to the eighteenth century. Second, contemporaries frequently used the terms security or safety (*seguridad*), international (*internacional*) and development (*fomento*) in their own writings.

Equally, a note on place names and currencies is required. In general, I avoid the use of 'America' to refer to the US and Americans to refer to citizens of that republic, instead opting for 'US Americans' when required. Throughout, 'America' and 'American' refers to the entire hemisphere. Likewise, I interchange the terms Argentina and the United Provinces throughout the thesis, as the governments of the region were variously styled the *Provincias Unidas* or *La República Argentina* across different periods under study here.²³ Finally, throughout the text reference is made to pesos and dollars. Figures stated refer to the Spanish silver peso and the post-revolutionary Argentine equivalents. Until 1824, printed paper pesos maintained parity with silver pesos, until excess printing of paper pesos stopped the parity between the two. After 1824, the reference to pesos refers to the printed paper peso unless otherwise stated. The US dollar's silver content was modelled on the Spanish silver peso, so the value of the Spanish peso and US dollar was equal, in other words one US dollar equalled one Spanish silver peso, which helpfully allows for comparisons between US

²³ The polity formed around the capital of Buenos Aires alternatively referred to itself as Las Provincias Unidas de la Río de la Plata or Las Provincias Unidas en Sud-America. The terminology Provincias Unidas continued after 1820. The 1821 Constitution of Entre Rios refers to itself as 'an integrant part of the united provinces of the rio de la plata'. However the concept of an Argentine republic would emerge. The 1824 provincial constitution for Corrientes, for example, referred to itself as 'one of the provinces' of la República Argentina. In 1825, a provisional constitution referred to the Provincias Unidas del Río de la Plata, but by 1826, the General Constituent Congress would refer to the provinces as la República Argentina. The terms Argentina and United Provinces are used interchangeably throughout the thesis, recognising, however, that the concept of 'Argentina' was not fully developed in the period. Copies of national and provincial constitutions can be viewed at <http://www.modern-constitutions.de/>

dollars and Argentine pesos throughout the thesis without the need to convert currencies into a common currency. All figures are left unadjusted for inflation.

The thesis is developed across six chapters. Chapter One identifies the powers transferred from Europe to America as part of the re-ordering of sovereignty between 1775 to 1825 as imperial structures collapsed and the powers inherent to sovereign nations were transferred to new centres of sovereign power in Philadelphia and Buenos Aires.²⁴ Chapters Two to Five explore the founding choices available to policymakers in the new republics in the areas of fiscal and economic policy and international relations. The policies that developed into legislation are identified, and the impact that legislation had on shaping the post-revolutionary state is evaluated. Chapter Six then compares how these two new republics performed as war-making polities capable of maintaining and enhancing the enjoyment of their rights as sovereigns during the War of 1812 (1812-1815) between the US and Great Britain and the Cisplatine War (1825-1828) between Argentina and Brazil.

²⁴ Philadelphia served as the primary home of the federal government until 1800 when it transferred to the newly built Washington D.C.

Reordering Sovereignty: 1763-1825

The Age of Revolutions from 1776 to 1825 led to a contagion of sovereignty as multiple new nations emerged from the colonial structures that had governed vast swathes of the American hemisphere since the sixteenth century. That contagion of sovereignty was first inspired by a contagion of sovereign debt emergencies, as Britain, then France, and finally Spain, dealt with or felt the consequences of their inability to finance continued warfare. The revolutions, and the consequent formation of new states, can only be understood in the global setting in which they took place. Competitiveness in international conflict was the first priority of European statecraft. Colonies had formed part of the strategy of European empires to remain powerful relative to their rivals. In return for curtailing self-government and rights to economic development and international trade, colonies gained security provided by their metropolises against foreign nations and neighbouring foreign colonies and protected access to large imperial trading markets. The progression of the US and Argentina towards independence and sovereignty occurred in a series of entangled international events. The debt incurred in the Seven Years' War forced Britain to seek a more extractive fiscal arrangement from its colonies. Those colonies rejected this move and were prompted to resist and eventually declare independence in 1776. In the Río de la Plata meanwhile, Spain, with Portugal's ally Britain fully engaged in containing rebellion in North America, was able to retake contested territory held by the Portuguese, and founded a new polity, the viceroyalty of the Río de la Plata. In opposition to British reforms, Spain offered the Río de la Plata more liberal participation in a reformed empire, hoping that less onerous legislation would end widespread tax evasion, thus increasing imperial revenue.

The two new polities, the independent US and the dependent but more autonomous viceroyalty of the Río de la Plata would progress towards independence and sovereignty in different ways. The US, now independent, was a weak sovereign. Locked out of imperial markets and without trade, treasuries in the new republic were devoid of revenues, the source of national power and ability to protect and enhance the enjoyment of sovereignty. The

French Revolution, the second act in the unfolding sovereign debt crisis of European empires, radically reshaped US fortunes. The near quarter century of warfare that followed brought opportunity to trade in new markets and a windfall in federal tax revenues. At the same time, US institutions developed uninterrupted as European states focused their belligerence on each other rather than pose a threat to US independence. The ability to act as a sovereign would grow over time.

The Río de la Plata, in contrast, as a consequence of these global events, would gain sovereignty first, and independence after. The French Revolutionary and Napoleonic Wars would inspire our third act in the fiscal crisis of sovereigns. In alliance with France, Spain's naval forces were destroyed by the British at Trafalgar in 1805. The British, now firmly in control of Atlantic sea lanes, were able to cut off revenues from the Americas reaching the Iberian Peninsula. Spain, already a weakened power in European affairs, was unable to leverage its revenues to give it sufficient war-making capacity to avoid invasion by its supposed ally Napoleon, who appointed his brother as monarch of Spain. In the Americas, the gradual collapse of imperial authority had forced Spanish Americans to assume the powers associated with sovereignty. The collapse of the metropole inspired the final step in a full resumption of sovereignty, exercising it in the name of the Spanish monarchy. Sovereignty preceded independence, which only followed once an intransigent Ferdinand VII, after returning to the throne in post-Napoleonic Europe, proved unwilling to recognise the Spanish Americans' demands to continue enjoying the autonomy gained during his interregnum. Spanish Americans were forced to declare independence. Commerce, sovereign power, and independence was closely integrated concepts that made the Age of Revolutions possible. To make sense of this, we need to first appreciate the central importance of commerce's relationship to power and the role of colonies within empires.

European empires had developed under conditions of near constant warfare between competitive states. In order to secure themselves from other states, these governments had to seek military alliances. European nations would try to guard against warfare by constructing rival alliances that would in theory create a 'balance of power' as a deterrent against rival nations looking to wage war. States guarded themselves against other states to

prevent themselves from falling into a 'universal monarchy', where one monarch would establish himself as the sole power leading to a loss of liberty and permanent despotism.²⁵ The balance-of-power system frequently resulted in imperial conflict across the long eighteenth century (1668-1815). States regularly went to war to reduce the concentration of power in rival nations in order to maintain the 'balance of power'. Constant warfare between European nations informed all political and economic considerations. In order to defend themselves within the system, nations had to create permanent standing armies and increase spending on them across the period. British state spending, for example, increased a massive fifteen-fold between 1668 and 1815.²⁶ European states moved to long-term indebtedness to pay for wartime costs.²⁷ Access to cheap 'public credit' was essential. Great Britain could sell its public bonds in return for an annual interest of 2.5-3%, compared to the French whose debt could only be sold at rates of 4.8-6.5%.²⁸ In order to borrow cheaply, governments had to create confidence that they could meet the terms of repayment offered to investors. The ability to raise taxes directly impacted how much states could borrow. Increasing tax returns meant increasing credit against which that state could borrow. Therefore, the essential task of statesmen was to engage in 'Political Economy', a set of ideas about how best government interventions to regulate the economy might help produce the greatest national security.²⁹

Taxes on international commercial transactions and sales taxes were the most important in the financing of European governments.³⁰ Naturally,

²⁵ Hendrickson, *Peace Pact*, 40-41.

²⁶ Alex Callinicos, *Imperialism and Global Political Economy* (Cambridge: Polity Press, 2009), 132.

²⁷ Edling, *A Revolution in Favor of Government*, 168.

²⁸ Lynn Hunt, "The Global Financial Origins of 1789." In *The French Revolution in Global Perspective*, (Ithaca; London: Cornell University Press, 2013), 34.

²⁹ Reinert, *Translating Empire*, 1.

³⁰ Cuenca Estaban's data comparing Britain and Spain between 1788-1792 tells us that British excise revenues made up 45% of total revenue while customs made up 36%. In Spain, these figures were slightly lower, 20% excise taxes and 29% customs taxes, though a further 19% was attributable to a tax on the production of silver. See Table 1 in Javier Cuenca-Esteban, "Was Spain a Viable "Fiscal-Military State" on the Eve of the French Wars?" *Post-Conference for the XVth World Economic History Congress* (Greenwich, 6 November 2009), accessed 20 April, 2015, www.unav.edu/centro/contractorstate/files/file/javier/ps09.pdf.

statesmen sought out ideas on how to increase national prosperity, in order that tax receipts would increase, and also to consider how economic regulations could be applied to weaken the power of other nations. A variety of policies since termed 'mercantilist' were, with various degrees of application and success, considered and used by imperial powers. These policies included encouraging the complete use of all land in the state for agricultural production (as greater production would equal greater sales taxes), prohibiting or discouraging the import of foreign goods which could be produced at home (to weaken the other nation and increase home production), forbidding the export of gold and silver specie coinage (the domestic circulation of which was essential to enable transactions inside the nation which would increase tax revenues), and for similar reasons encouraging exports to foreign nations in exchange for their gold and silver specie reserves, and only allowing exports and imports to be carried by ships belonging to one's own nation (to encourage the growth of a merchant marine to act as an auxiliary force during naval wars).³¹

European states had not set out to settle colonies but discover new trade routes. Having accidentally enlarged their overseas possessions, they retroactively formulated a mercantilist purpose for them.³² The Americas were vital to imperial strategies. If one state could control all the trade of America, the effects would be "potentially game-changing."³³ In fact, Britain was so concerned that parts of Spanish America could fall into France's possession that the Treaty of Utrecht (1713) had specified that Spain would never transfer American territories to any other nation, and that England would guarantee that they would not be alienated from Spain.³⁴ Controlling and defending a portion of the Americas was essential for any maritime power. In imperial thinking on power, colonies were to produce raw

³¹ Robert B. Ekelund, Jr. and Robert F. Hébert. *A History of Economic Theory and Method* (Long Grove: Waveland Press, 2014), 47; Edling, *A Revolution in Favor of Government*, 86.

³² Max Savelle, *Empires to Nations: Expansion in America, 1713-1824* (Minneapolis: University of Minnesota Press, 1974), 49.

³³ Stanley J. Stein and Barbara H. Stein. *Apogee of Empire : Spain and New Spain in the Age of Charles III, 1759-1789* (Baltimore: Johns Hopkins University Press, 2003), 12-13.

³⁴ Peggy K. Liss, *Atlantic Empires: The Network of Trade and Revolution, 1713-1826* (Baltimore: Johns Hopkins University Press, 1983), 1-2.

materials that could be transported by national vessels (to increase the nation's naval power), and then exported to other European nations in return for specie (to increase domestic gold and silver deposits).³⁵ Consistent with imperial 'political economy', both Britain and Spain legislated to regulate the economic relationship between their colonies and the European metropole. By the mid-sixteenth century, both nations had passed Navigation Acts to control how commerce between colonies and metropole would be conducted and legislated to control the type of economic production the colonies would engage in.

Spain's legislation was the more stringent. Spain had tried to discourage all economic activity apart from the production of silver and limited agriculture of goods such as sugar and tobacco. It was hoped that this would increase the output of Spanish agricultural and manufactured goods. All colonial manufacturing was banned, as was agricultural production which competed with articles that Spain could supply, such as wines and oils.³⁶ Imperial commerce was to take place within a closed system. Only ships owned and operated from the Spanish peninsula were permitted to visit Spanish America. Those ships were to leave from and return to the single Spanish port of Cádiz only (originally the single port had been Seville) in *flotas*, an armed convoy, to protect lucrative silver-laden ships from piracy, and were to travel at regulated periods to the few Spanish American ports that were *habilitados* (enabled) for overseas commerce.³⁷ Colonial merchants were not permitted to trade with rival nations, could not build or charter their own boats, and could not trade directly with other colonies. All exports had to go to Cádiz.

British America was regulated similarly but the rules were more liberally crafted. Like Spain, Britain passed legislation to limit the manufacturing of goods within the colonies. The Woollens Act (1699), the Hat Act (1732) and the Iron Act (1750) all intended to limit colonial manufacturing

³⁵ Stephen Foster, *British North America in the Seventeenth and Eighteenth Centuries* (Oxford, Oxford University Press, 2013), 19; *A Revolution in Favor of Government*, 84-85.

³⁶ Mahoney, *Colonialism and Postcolonial Development*, 46; Gabriel B. Paquette, *Enlightenment, Governance and Reform in Spain and Its Empire 1759-1808* (Houndmills: Palgrave Macmillan, 2008), 99.

³⁷ Veracruz, Cartagena, Portobello, Havana and Callao.

to protect English manufactured goods and increase their markets.³⁸ British Navigation Acts were far less stringent, however. Like Spain, only British ships could participate in imperial trade. But British colonists were allowed more freedoms compared to their Spanish American counterparts. They could build and operate their own ships and enjoyed near equal rights to trade within the Empire (except India). They could trade directly with other colonies and nations in most goods. No British legislation stopped British ships visiting colonies of other nations. Only a few 'enumerated' goods such as tobacco and sugar were regulated to ensure they travelled back to Britain first. Other goods such as wheat and fish could be traded directly from the colonies to other nations.³⁹

On paper, colonies should have significantly bolstered the imperial strength of Britain and Spain. In practice, however, empire was elusive. In both British and Spanish America, colonial manufacturing took place. By the 1770s, Pennsylvania, Maryland and New Jersey had 175 ironworks, the output of which was equivalent to 15% of total world production.⁴⁰ Several 'homespun' colonial manufactured goods had grown to hold a significant place in the supply of domestic demand.⁴¹ Similar activity took place in Spanish America, where the bulk of textiles came from local workshops producing coarse products for local consumption.⁴² In the Río de la Plata, the area from which Argentina would be created, several provinces manufactured linens, woollen cloths, blankets, and coarse textiles. Wine and oils were produced in the provinces bordering the Andes.⁴³ Large vessels were manufactured along the small ports that dotted the river from Buenos

³⁸ Savelle, *Empires to Nations*, 93.

³⁹ Edling, *A Revolution in Favor of Government*, 84; Savelle, *Empires to Nations*, 65; John J. McCusker, and Russell R. Menard. *The Economy of British America, 1607-1789* (Chapel Hill: University of North Carolina Press, 1985), 46-47.

⁴⁰ John DeWitt, *Early Globalization and the Economic Development of the United States and Brazil*. (Westport, Conn; London: Praeger, 2002), 9.

⁴¹ Savelle, *Empires to Nations*, 95.

⁴² Stein and Stein, *Apogee of Empire*, 216.

⁴³ John Lynch, *Spanish Colonial Administration, 1782-1810: The Intendant System in the Viceroyalty of the Río de la Plata* (London: University of London, 1958), 29.

Aires up to Asunción (Paraguay).⁴⁴

Spain's commercial regulations in particular invited transgressions. The ports enabled for commerce did not necessarily offer the most efficient way to transport goods. For example, to reach Potosí (located in modern Bolivia), Spanish goods following the official route via Callao (Peru) would have to bear the costs of four months of mountainous travel. A length of cloth imported legally through Callao to Potosí would cost six or seven times more than one coming from Buenos Aires.⁴⁵ Buenos Aires quickly became a smuggling entrepôt in the South Atlantic, as silver which was supposed to be transported via Peru was smuggled down to it. Foreign interlopers found numerous ways into Spain's closed imperial trading system in order to gain access to this silver. British and Dutch goods could be sold at Colônia do Sacramento, a Portuguese settlement on the east bank of the Río de la Plata opposite Buenos Aires. From 1715, British merchants won the right to officially supply Spanish America with slaves. They illegally imported their own merchandise alongside the slaves. Or foreign ships could claim their vessels were distressed, put into port for repairs, and clandestinely sell their wares.⁴⁶ Illegal trade naturally left little record of its extent, but it seems it was very prevalent. Contemporaries comparing statistics on silver production in New Spain reported large differences between the amount of silver being produced there and the amount actually sent to Spain, concluding that perhaps three-fourths of New Spain's imports were being provided by foreigners.⁴⁷ Even Britain's fairly light commercial regulations were flouted. British American mainland colonies blatantly smuggled sugar, molasses and rum from the non-British Caribbean, partly because the British Caribbean could not satisfy demand and partly because those goods were cheaper in the French colonies.⁴⁸ Colonists used a variety of mechanisms to

⁴⁴ Clifton B. Kroeber. *The Growth of the Shipping Industry in the Río de La Plata Region, 1794-1860* (Madison: Wisconsin University Press, 1957), 24.

⁴⁵ Mahoney, *Colonialism and Postcolonial Development*, 125.

⁴⁶ Jonathan Brown, *A Socioeconomic History of Argentina, 1776-1860* (Cambridge: Cambridge University Press, 1979), 25-26.

⁴⁷ Stein and Stein, *Apogee of Empire*, 187.

⁴⁸ McCusker and Menard. *The Economy of British America, 1607-1789*, 49.

intimidate British-appointed customs officials, such as taking them to court, encouraging colonial assemblies to fine them, bribing them, threatening them with violence and occasionally making good on those threats. By exercising their choice to take their goods to whichever customs house they preferred, they also created a ‘race to the bottom’ whereby customs officials competed for the most lax enforcement of the law.⁴⁹

The principal characteristic of imperial governance in British and Spanish America was consent, not force.⁵⁰ Colonial elites in both British and Spanish America had considerable leverage over imperial officials and policymakers. Britain chose not to enforce customs laws in return for its colonists’ allegiance.⁵¹ Colonists in both British and Spanish America had ways to nullify imperial laws when it suited them. On paper, Spain had more power to make law in the colonies than Britain. Spanish Americans could not pass their own laws. But imperial officials in the colonies could, in effect, veto laws from Spain that proved unworkable without local consent, claiming that they “obeyed but did not comply” with the law.⁵² Governors sought to avoid outright confrontation with colonists, who could and did incite violent uprisings against unpopular laws. In practice, Spanish Americans enjoyed a degree of autonomy similar to British colonists who, while able to make local laws in their own colonial assemblies, could have their local legislation reviewed and vetoed by the monarch.⁵³

In general, Spain was the more successful empire-builder, as far as colonies aimed to add to national power. Not only were its colonies fiscally self-sufficient and able to pay for their own military establishments, but

⁴⁹ Gautham Rao, *The Creation of the American State: Customhouses, Law, and Commerce in the Age of Revolution* (Ph.D. Thesis, University of Chicago, 2008), 34-35.

⁵⁰ Jaime E. Rodriguez O., “The Emancipation of America.” *American Historical Review*, no. 105 (2000): 135.

⁵¹ Rao, *The Creation of the American State*, 36.

⁵² Jorge Cañizares-Esguerra, “‘Enlightened Reform’ in the Spanish Empire: An Overview.” In *Enlightened Reform in Southern Europe and Its Atlantic Colonies, c. 1750-1830*, edited by Gabriel Paquette, 33-36, (London; New York: Routledge, 2009), 34.

⁵³ Grafe and Irigoin criticise Elliott’s *Empires of the Atlantic World* for buying into the idea that the Spanish Empire was despotic compared to the British colonists’ voting privileges, see Regina Grafe and Alejandra Irigoin. “A Stakeholder Empire: The Political Economy of Spanish Imperial Rule in America.” *Economic History Review* 65, no. 2 (2012): 610.

colonial treasuries had enough surplus to remit silver to the imperial treasury in Madrid. Transfers to Madrid accounted for around 4.8% of total revenue raised in Spanish America, and contributed around 13% to the total tax receipts of the Madrid treasury.⁵⁴ In British America, colonial assemblies were much more successful in resisting the attempts of their governors to pay taxes. In fact, Parliament reimbursed the colonies for any military expenditures they had incurred during any inter-imperial war.⁵⁵ While Spain's empire was far from a despotic extractive machine, Britain actually subsidised the cost of possessing colonies far more.

It is not surprising, then, that with a significant amount of inter-imperial trade, whether illicitly between colonies in the Americas, or legally between ports in Europe, British and Spanish America developed according to the rhythms of a genuine global trade. In general, the pattern of trade that European empires took part in has been described as an Atlantic 'triangular' trade, with some historians referring to British or Hispanic Atlantics, as if they were exclusive from each other. According to Regina Grafe, both descriptions are "anachronistic and seriously misleading."⁵⁶ The construction of this global economy properly begins with silver. Massive silver deposits were mined in Potosí (Upper Peru) and Zacatecas (New Spain) and transferred to Europe. European nations sought to acquire this silver in order to trade in the Indian Ocean, an area of the global economy with which Europeans ran a trade deficit. Being unable to supply Asia with any goods it wanted, Europeans paid in silver.⁵⁷ With silver, they purchased Asian textiles and, most importantly, thousands of tons of cowry shells.⁵⁸ These shells acted as currency in Africa, and could be used to purchase slaves. Slaves were the forced labour that made possible America's commercial productions of sugar, tobacco, rice, indigo, coffee, hides, and cacao for example. With these raw materials, America bought European textiles and manufactured goods. Quite

⁵⁴ Grafe and Irigoien. "A Stakeholder Empire", 611.

⁵⁵ Foster, *British North America in the Seventeenth and Eighteenth Centuries*, 27.

⁵⁶ Regina Grafe, *Distant Tyranny: Markets, Power, and Backwardness in Spain, 1650-1800* (Princeton: Princeton University Press, 2012), 57.

⁵⁷ Elliott, *Empires of the Atlantic World*, 95.

⁵⁸ Hunt, "The Global Financial Origins of 1789", 35.

simply, as Lynn Hunt puts it, without the Spanish silver, there would have been no Indian Ocean trade, no cowries or Indian textiles, no slaves, no slave economy, and no sugar or coffee plantations.⁵⁹ Between 1730-1770, the economies around the Atlantic basin were undergoing a rapid expansion, as Spanish silver production increased, the number of slaves increased, the output of cash crops and raw materials increased and European manufacturing industry expanded to supply the Americas.⁶⁰

What effect did this have on the British mainland colonies and the Río de la Plata? The two regions were capable of producing remarkably similar articles of production: rice in Tucumán and South Carolina, wheat in New York, Pennsylvania, Maryland, Buenos Aires, Tucumán, and Salta, tobacco in Paraguay and the Chesapeake, cotton in Catamarca, Tucumán and Georgia, and boat-building in Boston and Asunción. But the geographical location of the River Plate and British North America affected their development. The mainland colonies, spread along the Atlantic seaboard, benefited from short overland trade routes to the nearest ports, allowing a cheap total freight rate for their exports. The River Plate was mostly inland away from Atlantic ports. High freight costs and a limited supply of labour meant that nearly all of the goods produced there were uncompetitive in international markets, except one, silver, whose exceptionally high value against its weight made it the only commodity the River Plate and Upper Peru could profitably export to Europe in great quantities at this time.

The discovery that the mountain looming over Potosí was filled with vast silver deposits led to the founding of a city of mining labourers (worked in part by forced conscription of native Americans and part African slaves) which grew to be one of the most populous urban areas in the world by the seventeenth century. Extended trade routes were created that linked cities founded to supply Potosí. Normally, the land freight charges would have been prohibitively expensive, but the huge profitability of silver meant that a market economy could develop in the River Plate in order to supply Potosí. Wheat was grown in the northern provinces of Tucumán, Santiago del Estero

⁵⁹ Hunt, "The Global Financial Origins of 1789", 37.

⁶⁰ Stein and Stein, *Apogee of Empire*, 143.

and Salta for export to Potosí.⁶¹ Wines and oils were manufactured in Mendoza and San Juan. Cotton was grown in Tucumán, Catamarca, and the fields of Peru to supply regional textile workshops, centres of which were located in Córdoba and Cochabamba, and also to supply the domestic weaving carried on at a household level, textiles which would clothe the River Plate's population. These goods travelled along the northern road from Buenos Aires, through Córdoba, and north upwards to Salta before being offloaded from carts onto mules to be transported through the Andean highlands of Upper Peru. A second trade was carried on the rivers that entered the estuary of the River Plate. The most important product traded along this route was Paraguay's *yerba mate*, a bitter herbal tea consumed in all the regional towns of the River Plate and also Chile. To carry on this regional market economy, several towns orientated themselves to supplying carts, boats and mules. Paraguay's abundant supply of wood was used for boatbuilding in Asunción, Corrientes and Buenos Aires, and used for cart-building, which also took place in Tucumán. Mules for use along the mountainous trade roads of Upper Peru were raised in Córdoba and sold at massive annual trade fairs in Salta. The River Plate's only significant export to Europe was silver, which reached Spain legally via Callao or foreign nations illegally via Buenos Aires.⁶²

The geography of British North America meant that it played a similar role in the British imperial economy, supporting more profitable neighbouring colonies, but its closer proximity to European markets also gave it the chance to develop commodities that could find buyers in Europe. The Caribbean, with its specialised slave plantation economies, allowed for a regional division of labour, whereby British North America provided foodstuffs for slaves. New England fishermen supplied salted cod, while the middle colonies from New York down to Maryland supplied flour. But because the mainland colonies could profitably produce commodities to be sold in Europe, unlike the Río de la Plata, there could form an inter-imperial

⁶¹ Brown, *A Socioeconomic History of Argentina, 1776-1860*, 11; Tulio Halperin-Donghi, *Politics, Economics and Society in Argentina in the Revolutionary Period* (Cambridge: Cambridge University Press, 1975), 6-7.

⁶² Brown, *A Socioeconomic History of Argentina, 1776-1860*, 11 and Halperin-Donghi, *Politics, Economics and Society*, 9, 33-34.

division of labour, earning the colonies the credits with which to buy British manufactured goods. The southern-most colonies established plantation economies to grow tobacco and indigo to be marketed in Britain. Above Maryland, where such commodities could not be profitably cultivated, those colonies sought out additional markets in Europe for their wheat and salted cod. Trade with Portugal and Spain earned colonial merchants the silver needed to buy the British manufactured goods that would be retailed in the colonies. Max Edling argues that market integration in British America was “very extensive” by 1763.⁶³

In the eighteenth century, the international division of labour which underwrote the ‘colonial pact’, trading raw material and precious metals in exchange for European manufactures, was “hardly questioned.”⁶⁴ No wonder that colonial elites were reluctant to challenge the imperial customs union of which they were apart. Empire offered merchants protection from competition with other nations and, as McCusker and Menard point out, the benefits of naval protection paid for by the metropole, access to a large free-trading area, easy credit and cheap manufactures.⁶⁵ Only later would colonists become dissatisfied and begin to see colonial-metropole relations as asymmetrical and exploitative rather than reciprocal and mutually beneficial.⁶⁶

Reform and Revolution

Within months of each other in 1776, thirteen colonies of British America and

⁶³ Edling, *A Revolution in Favor of Government*, 85. Comparing grain prices in the Atlantic world shows that prices in Philadelphia and European ports correlated, evidence that effectively a free market in grains existed by this period, Interestingly, and despite smuggling being relatively common in Buenos Aires, prices there did not correlate to world market prices, evidence that the Spanish ‘closed imperial market’ was effective there, at least in grain prices, see Rafael Dobado-González, Alfredo García-Hiernaux, and David E. Guerrero. “The Integration of Grain Markets in the Eighteenth Century: Early Rise of Globalization in the West.” *The Journal of Economic History* 72, no. 3 (2012): 674, 677.

⁶⁴ Stein and Stein, *Apogee of Empire*, 143

⁶⁵ Edling, *A Revolution in Favor of Government*, 84. McCusker and Menard. *The Economy of British America, 1607-1789*, 354.

⁶⁶ Barbara H. Stein and Stanley J. Stein. *Edge of Crisis: War and Trade in the Spanish Atlantic, 1789–1808* (Baltimore: Johns Hopkins University Press, 2009), 129.

twelve *provincias* of the Río de la Plata formed new polities in the Americas. In July 1776, the thirteen colonies declared themselves an independent nation. In October 1776, Spain dispatched a new Viceroy and military expedition to Buenos Aires with instructions to found a new *Virreinato* (Viceroyalty) with Buenos Aires as its capital. The striking timing was not accidental and the causes of both events were entangled. The origins of both foundings stem from the reforms needed and policies adopted in order to meet the increased debt burden and defensive responsibilities that were incurred as a result of the end of the Seven Years' War (1756-1763). Ironically, in emulation of the British empire, Spain adopted a liberalising policy towards its colonies, while Britain, following Spanish practice, attempted to more strictly enforce its navigation laws and introduce new forms of taxation in the colonies to make them pay for more of the military expenses needed in defence of the colonies. Britain began introducing unpopular reforms from 1764 which created opposition and defiance in the colonies. Peace among the European powers allowed Britain to pursue the policy of enforcing new and existing colonial legislation. But, in yet another example of how entangled events were in a globalized world, a conflict on a small island in the South Atlantic in 1770 could have escalated into another European war. In that year, the Governor of Buenos Aires ordered the expulsion of a British colony in the Malvinas (Falkland) Islands. Britain was outraged and began military preparations for war. It was only because Spain could not gain promises of military support from France that war did not take place. If war had broke out, Britain would have been forced to drop its uncompromising stance against the North American colonists in return for their assistance and allegiance in a conflict with France and Spain. If events had transpired differently in the Río de la Plata, the American Revolution may never have occurred.⁶⁷

The Bourbon and Hanoverian Reforms were applied differently to different parts of each empire. Certain regions were granted more commercial liberty, in the understanding that by reducing the regulatory burden on trade, more commerce would leave the parallel smuggling economy and re-enter the legal imperial economy and therefore pay tax. But in other regions, metropolises determined that the only path to raising revenue was less

⁶⁷ Liss, *Atlantic Empires*, 17.

commercial liberty or new taxes. In both New England and Chile, imperial reforms meant new taxes, and in New England's case, fewer commercial liberties via the enforcement of existing mercantilist regulations.

Unsurprisingly, in both places locals organized mobs to resist the new taxes. In Chile, attempts were made to increase the rate of sales tax, and also to reform how customs and excise taxes were collected to prevent the chronic tax evasion that occurred when local elites bribed imperial tax collectors to reduce their tax burden. A violent mob threatened to kill the official in charge of tax collection. Spain's governor in Chile, with elites threatening to call a *cabildo abierto* (a public assembly) to annul the taxes, was in no position to put down the mob by force, with only local creole militias at his disposal, who were understandably unsympathetic to new taxes. Colonial officials reverted to accommodating local elites. The local *cabildo* (town council) had gained permission from other Chilean provinces to negotiate on their behalf. The taxes were annulled by the local *Audiencia*, the issue was referred back to Madrid, which settled by watering down the reforms to mean practically nothing. Consent of the governed prevailed over paper laws, as it generally had done in the Americas.⁶⁸

What was strikingly different about the British and Spanish approach to new taxation was how they dealt with the reaction. The British, in contrast, were determined to extract greater tax revenues from the colonists. The reforms the British tried to introduce, such as the Revenue Act (1764), Stamp Act (1765), Townshend Act (1767), Tea Act (1773), and Restraining Act (1775) are well known in the history of the origins of the American Revolution. The Acts tended towards the stricter enforcement of tax collection and to apply mercantilist restrictions on New England's trade in order that their commerce better contributed to the 'common good' of the Empire. When mobs such as the 'Sons of Liberty' worked to nullify these acts, the British persisted in their efforts and used punitive coercive measures to try to force Massachusetts into accepting the reforms. These 'Intolerable Acts' won the support from the other mainland colonies, and, as in Chile, the colonists found a way to express a unified resistance to the measures by forming a Continental

⁶⁸ Jacques A. Barbier, *Reform and Politics in Bourbon Chile, 1755-1796* (Ottawa: University of Ottawa Press, 1980), 90-110.

Congress. The Congress adopted non-importation measures to break the bond of empire by prohibiting British manufactured goods from being imported. When a compromise agreement between the Congress and London could not be found, war began and later independence was declared.

In regions like Buenos Aires and the Caribbean, it was considered that smuggling was so prevalent that more tax revenues could be collected by granting further liberal trading privileges to local elites, for it was better to gain at least some tax revenues than lose all of it to smuggling. The Free Ports Act (1766) declared Dominica and Jamaica ‘free ports’ in the hope that Britain could capture the extensive inter-imperial trade that took place illegally between American colonies in the Caribbean. It was a “drastic revision of the old British navigation system” which allowed any unmanufactured product from the Americas to be brought into these ports, as well as allowing foreign ships to carry out commodities produced in Britain or other British-American colonies.⁶⁹ The Spanish also carried out trade liberalisation in the Caribbean one year previous to the British Free Ports Act. The 1765 decree on *comercio libre*, while not allowing foreign nations to enter into trade with Spain’s Caribbean islands, sought to undercut smuggling by offering more competitive prices from Spain. Nine ports in the Spanish peninsula were authorised to trade with Spain’s five Caribbean possessions in order to increase competition to drive down prices, and trade regulations were simplified to reduce the costs they incurred.

It was the outbreak of the American Revolutionary War that signalled that a new viceroyalty in the Río de la Plata should be created, and that *comercio libre* could be extended there and to other parts of South America.⁷⁰ Spain had been forced to tolerate Portuguese settlement in the River Plate as Britain was such a close ally of its Iberian rival. It was through Brazil and the Portuguese settlement of Colônia do Sacramento that British manufactures were traded for Spanish silver. With the British preoccupied by the thirteen colonies, Spain decided that it had a free hand to act against Portugal without the threat of British retaliation. Spain’s naval and military expedition dispatched to retake Colônia was a success, and the new Viceroy established

⁶⁹ Savelle, *Empires to Nations*, 98.

⁷⁰ Lynch, *Spanish Colonial Administration, 1782-1810*, 39-40.

himself in Buenos Aires. By 1778, Spanish ministers had professed to see a slowdown in smuggling following the removal of the Portuguese from the River Plate, allowing Spain to order that silver pesos from Potosí must be exported to Spain via Buenos Aires instead of Peru and to extend *comercio libre* to ports in Spanish America. Thirteen ports on the Spanish peninsula were now enabled to trade with twenty-four colonial ports in Spanish America. Tariff rates on imported goods were lowered to encourage smugglers to abandon risky illegal trade and move to trading legally in return for paying a small *ad valorem* tax on commercial transactions. The Spanish Navigation Acts of 1778 were still more restrictive than those of the British. Imperial shipping could still not be owned or operated by residents of the colonies, who were only allowed to engage in the carrying trade between colonies as long as the cargoes were restricted to those of colonial origins.⁷¹ Nevertheless, Spanish America now enjoyed many of the rights that British America had enjoyed in international trade before the US Revolution.

The calculation that British Americans would be better off outside of the colonial system was crucial to the decision to become an independent nation. US Americans recalled that they had imagined that independence would free them “from the constraints, fetters and prohibition, which the metropolis used to impose on our agriculture, our industry and our commerce.” The new liberties enjoyed outside of the colonial system would allow access to a “wider market” which would raise the price “of such commodities as America produces for exportation.”⁷² Before any Declaration of Independence was passed proclaiming equal rights, Thomas Jefferson was arguing that international trade was the “natural right” which the colonists sought, a right which no law of their own had given away, nor could the British Parliament legitimately pass laws which limited British American rights.⁷³ The thirteen colonies first opened their ports to commerce with all nations of the world (6 April 1776) before declaring independence (4 July 1776), and then began seeking foreign assistance. Early US foreign policy ‘radicals’ believed that their commerce was so valuable to Europe that they

⁷¹ Stein and Stein, *Apogee of Empire*, 166.

⁷² Edling, *A Revolution in Favor of Government*, 83-84.

⁷³ Savelle, *Empires to Nations*, 98.

could entice other European nations to aid them in defeating the British in return for mere access to trade with the US on equal terms with every other nation. No military alliances would have to be contracted in order to gain their assistance. These radicals massively overestimated the value of their commerce and the goodwill of European nations. France entered into a treaty, but on the condition that the US entered into a reciprocal military alliance. The French alliance was “romanticized” by US revolutionaries. It did not share similar goals to see the US as a strong independent nation with equal trading rights, but in fact it wished to “create a client state only strong enough to maintain independence” and to displace Britain as the supplier to the US of manufactured goods. France regularly meddled in what US statesman could do during the war, for example leaning on state republics to adopt the Articles of Confederation or deciding the composition of US commissioners who would attend peace talks in Paris.⁷⁴

Spain had similar objectives. Weighing up the potential threat that the example of a new republic emerging from an anti-colonial struggle might have on their own colonies, versus the threat of a strong British Empire, Spain chose to assist the division of that empire. British North America had consistently helped in the increasing encroachments into and occupation of Spanish America. New England settlers had already migrated to establish logwood cutting establishments in Honduras, and militiamen from the colonies had been instrumental in the occupation of Havana in 1762. Spain hoped to carve out an independent North America that would be as weak as possible, hemmed in by the Atlantic seaboard on one side and by British and Spanish border states of Quebec, Louisiana and Florida on the other.⁷⁵ The importance of Spain’s involvement is often neglected, not least because Spain was unable to formally participate until 1779, as it awaited both the return of the naval expedition that had attacked the Portuguese in the River Plate and for the safe remittance of silver pesos from across the Atlantic.⁷⁶ Spain organised secret financial assistance which was lent to the Continental

⁷⁴ Robert W Smith, *Amid a Warring World: American Foreign Relations, 1775-1815* (Washington D.C: Potomac Books, 2002), 27.

⁷⁵ Liss, *Atlantic Empires*, 70.

⁷⁶ Stein and Stein, *Apogee of Empire*, 140.

Congress via private merchant houses, allowed US vessels to trade at Havana, and from 1779 participated militarily in naval and land battles in the Caribbean, Gulf Coast, Louisiana and at the siege of Yorktown.⁷⁷

Who won the American Revolutionary War? France certainly, but Spain most definitely. Spain's assistance was essential, and France paid an unusually high price to get it, ending up fighting the war for primarily Spanish ends.⁷⁸ Spain succeeded in dividing the British Empire, creating a US trapped between the Atlantic and the Appalachians, and regaining the Floridas. Spain granted crucial wartime access to its markets in Havana, but on its own terms, exchanging wartime supplies for goods Spain needed to strengthen its empire like specie or slaves.⁷⁹ The US had spectacularly overestimated its own power and resources, and essentially became an instrument of France and Spain in the game of balance-of-power politics. The Paris Peace negotiations that concluded the war shows that the issue of US independence was secondary; the real issue was European balance-of-power considerations.⁸⁰ Following the war, the US found itself outside of the "British common market", being unable to trade with the British Caribbean and unable to send many of its commodities to Britain. The new republic's French allies were unwilling to reform its imperial system to allow the US in, and Spain closed US access to Havana in 1784 and barred the use of the Mississippi River. Without access to markets, a "truly disastrous" downturn in the US economy occurred between 1775-1790.⁸¹ The US was now more dependent on Europe than before: "Once we were dependent only on Great

⁷⁷ Greg Grandin, *The Empire of Necessity : Slavery, Freedom, and Deception in the New World* (New York: Metropolitan Books, Henry Holt and Company, 2014), 25 and Kenneth Maxwell, "The Impact of the American Revolution on Spain and Portugal" In *A Companion to the American Revolution*, edited by J. R. Pole Jack P. Greene, 531-44. (Malden, Mass; Oxford, Blackwell, 2000), 532 both give too much credit to the "allure of independence" in the Spanish colonies, and not enough weight to the threat posed by the British Empire, in their explanations of what influenced the Bourbon Reforms.

⁷⁸ Smith, *Amid a Warring World*, 9, 15.

⁷⁹ Harry Bernstein, *Origins of Inter-American Interest, 1700-1812* (Philadelphia; London: University of Pennsylvania Press, 1945), 33.

⁸⁰ Andrew Stockley, *Britain and France at the Birth of America* (Exeter: Exeter University Press, 2001), passim.

⁸¹ Edling, *A Revolution in Favor of Government*, 83-84.

Britain ... now we are dependent on every petty state in the world and on every custom house officer of foreign ports", one contemporary noted.⁸² By being outside of a European empire, the republic had left itself unable to trade with large parts of the world.

Trade and State Power

In September 1787, Bostonian merchants and financiers bid farewell to two commercial vessels, *Colombia Redivia* and *Lady Washington* on a voyage of discovery they had chartered. It would be the first voyage of its type as an independent nation. It was to circumnavigate the globe, trading its way as it headed south along the Atlantic seaboard, looping Cape Horn, navigating the other side of the Americas as far as the Pacific North-West before arriving in China, and then returning to Boston via the Indian Ocean and Cape Horn. In the same month, constitution-makers in Philadelphia revealed a proposal for a new constitution for the thirteen states. Two years later, Spain would dispatch one of the biggest scientific explorations ever sent to the Americas by a European nation. The architect and captain of the exploration, Italian navigator Alejandro Malaspina, also sailed most of the route taken by the Bostonian merchant vessels, around the Southern Cone from Buenos Aires to Chile, up as far as Alaska, and then around ports in Asia Pacific. Like the constitution-makers in Philadelphia, he formulated constitutional reform proposals for the Spanish Empire. Why were the US and Spain pushed into exploring the Pacific and considering political reform at the same moment? First we must understand the state in which reformers such as Alejandro Malaspina or Alexander Hamilton found the polities of the Río de la Plata and the US.

The Río de la Plata prospered within a resurgent Spanish Empire. The *comercio libre* reforms transformed the fortunes of that viceroyalty in terms of its commercial transactions with Europe and its fiscal-military capacity. With silver exports now channeled through Buenos Aires and direct commerce allowed with Spain, revenues from customs taxes grew massively, from little more than 20,000 pesos per year before 1777 to 400,000 pesos a year by the

⁸² Edling, *A Revolution in Favor of Government*, 86-88.

early 1790s. The opening of Buenos Aires as a legal port allowed production of commodities to be marketed in Europe to expand along the Rioplatense Atlantic.⁸³ While silver still accounted for 50-80% of exports, hides, tallow and salted beef were produced in the littoral provinces whose plains were washed by the rivers extending into the River Plate estuary. Exports of hides increased from 150,000 in 1778 to 874,000 in 1796, while salted meat exports which were 158 metric tons per year in 1787 had increased by ten times to around 1800 tons per year within a decade. The frontier was expanding and frontier towns were increasing in population, and the Rioplatense intendancies of Salta and Buenos Aires were in the process of doubling their population between 1777 and 1809.⁸⁴

Expanding frontiers, populations doubling every generation, and strong fiscal and military power are attributes we associate with the US, not Argentina. But until 1790, the US was the basket case of the Americas. Despite the US population being at least four times greater than that of the Río de la Plata,⁸⁵ and US exports totalling £4.175 million per year compared to the River Plate's £1.4 million per year in 1791,⁸⁶ the Río de la Plata was by far the more successful fiscal-military polity. The US could finance a standing army of just 700 men in the 1780s, and had been forced to disband the navy assembled during the Revolutionary War.⁸⁷ In comparison, the Río de la Plata could finance a regular army of just under 2,400 men and a naval establishment in Montevideo.⁸⁸ Comparing the fiscal year 1790 in the River

⁸³ Mark D. Szuchman, and Jonathan C. Brown, (eds.) *Revolution and Restoration: The Rearrangement of Power in Argentina, 1776-1860* (Lincoln: The University of Nebraska Press, 1994), 8.

⁸⁴ Brown, *A Socioeconomic History of Argentina*, 30, 36, 39.

⁸⁵ The 1800 census showed a US population of 5.3 million, whereas estimates of the River Plate population for 1800 is 1.15 million people, see Jaime E. Rodríguez O., *The Independence of Spanish America* (Cambridge: Cambridge University Press, 1998), 8.

⁸⁶ Douglass North, "The United States Balance of Payments, 1790-1860" In *Trends in the American Economy in the Nineteenth Century*, 573-628 (Princeton: Princeton University Press, 1960), 590; John Fisher, "The Imperial Response to 'Free Trade': Spanish Imports from Spanish America, 1778-1796." *Journal of Latin American Studies* 17, no. 1 (1985): 78.

⁸⁷ John Whiteclay Chambers, Fred Anderson, and G. Kurt Piehler. *The Oxford Guide to American Military History*. (New York: Oxford University Press, 1999), 49.

⁸⁸ Robert L. Scheina, *Latin America's Wars: The Age of the Caudillo, 1791-1899, Volume 1* (Washington D.C: Brassey's, 2003), 44.

Plate to 1791 in the US, the River Plate spent 4.84 million pesos, 2.5 times the 1.913 million dollars the US was able to spend. In revenue collection, the Río de la Plata raised slightly more at 5.3 million pesos compared to 4.4 million dollars.⁸⁹

What had gone so wrong for the US in the 1780s? Lack of commerce was disastrous for the US economy, and customs tax receipts counted for hardly any of the revenues collected by the thirteen states. State and federal governments were crippled by the need to make debt repayments to domestic and foreign creditors, payments on which they defaulted. Unpopular direct taxes were levied which resulted in tax rebellions and discontent. State governments were unable to make payments to the federal government in order to pay for a military establishment, meaning the US had limited leverage in international negotiations due to lack of military power. US diplomats reported that in treaty negotiations seeking to open access to British imperial markets, the British admitted that the US had “no kind of power that can compel us to surrender any advantage to you.”⁹⁰ During the 1785-86 negotiations with Spain which aimed to gain US vessels the right to navigate the Mississippi River to New Orleans, US diplomat John Jay lamented that access to the river could only be won by either treaty or military force. Using force was not an option as the US military establishment had been wound down to almost nothing, and the US lacked any negotiating hand in the treaties. The best Spain could offer would be to allow Spanish ships to come to US ports to buy flour to take to Spanish America in return for the US giving up its claims to be able to use the Mississippi River, a deal which would have ironically meant that the US occupied a similar position in relation to Spain as did its Spanish American colonies, while the treaty would have strengthened Spain’s merchant marine and weakened that of the US.⁹¹

⁸⁹ Herbert S. Klein. “Structure and Profitability of Royal Finance in the Viceroyalty of the Río de La Plata.” *The Hispanic American Historical Review* 53, no. 3, 1973, 468 and John Joseph Wallis, ‘Table Ea584–587 Federal government finances – revenue, expenditure, and debt: 1789–1939’ in *Historical Statistics of the United States, Millennial Edition On Line*, edited by Susan B. Carter, Scott Sigmund Gartner, Michael R. Haines, Alan L. Olmstead, Richard Sutch, and Gavin Wright (Cambridge: Cambridge University Press, 2006).

⁹⁰ Edling, *A Revolution in Favor of Government*, 87.

⁹¹ Smith, *Amid a Warring World*, 46-47

US diplomats wanted to accept the treaty, but sectional interests meant that Congress voted against it. The issue of access to markets was weakening the political union. Secession was talked of by Southerners and Westerners due to the Mississippi navigation issue, disunion sentiments were strong in Maine and on the island of Nantucket, whose whale bone and oil exports faced heavy duties in Britain encouraging them to speak of breaking away in order to trade with the former metropole.⁹² It would be fair to say that by 1787, the US was approaching the category of a 'failed state'.

The Malaspina voyage, the 1787 Constitution and the US voyages of commercial discovery were essentially guided by the need to create strong fiscal-military states in order to compete in a world where maritime commerce was increasingly difficult if you refused to accept the attempts of the British to give "law to the world." John Barrell, the principal financier of the Bostonian voyage, had previously operated in the Madeira wine trade and the West Indies sugar trade, an individual example of the trend of US merchants being forced out of traditional Atlantic markets and finding new global ones. Settlement beyond the Appalachians without access to markets was fruitless, and as Britain still occupied the western territories, and the US had no military force to compel them to leave, the first generation of republicans saw the frontier not as lying to the west but to the South, past Brazil and Argentina, around Cape Horn and deep into the Pacific.⁹³ The voyage sought to purchase furs cheaply from Indians in the Pacific North-West who had little idea of their market value, and then sell them in China to purchase luxury silk and satin textiles. The Pacific coast offered the opportunity to make up for lost markets, an establishment there would be in value "at least equal to what Hudson's Bay is to Great Britain."⁹⁴

If the US could not get merchants like Barrell importing and exporting more, government revenues would remain low, and policymakers imagined terrible consequences. If the US could not pay its international creditors,

⁹² Eliga H. Gould, *Among the Powers of the Earth: The American Revolution and the Making of a New World Empire* (Cambridge, Massachusetts: Harvard University Press, 2012), 67.

⁹³ Grandin, *Empire of Necessity*, 131

⁹⁴ John Scofield, *Hail, Columbia!: Robert Gray, John Kendrick, and the Pacific Fur Trade* (Portland: Oregon Historical Society Press, 1993), 36-40.

foreign nations could engage in military intervention against the republic. Unfriendly European monarchies could end “the republican experiment by partitioning the Union”, or the union itself may disband into separate sectional confederacies or states who would seek their own interests, and perhaps, by engaging in warfare with each other, would be forced to contract European alliances. The people of each state would have to bear the burden of supporting military establishments to defend themselves against neighbouring states. Instead, policymakers proposed reforms that would essentially increase the ability of the federal government to use its powers. By granting it the power of ‘unlimited taxation’, creditors would have renewed confidence in the ability of the US to pay off its debts. The debt could be refinanced into a more manageable national debt. By restoring public credit, the US would be able to borrow to finance any sudden “operations of war” which required large sums to finance them. Government revenues, instead of being swallowed up by debt repayments, could be used to finance a standing army. With a military establishment and public credit, the US would become a respectable power in the eyes of European powers. US Americans thought a “price would be set not only on our friendship, but upon our neutrality,” the capacity to harm British and Spanish possessions in the Americas would gain US trading rights in the Caribbean and the navigation of the Mississippi.⁹⁵ The rising revenues, Alexander Hamilton suggested, would allow the US to slowly expand outwards in the hemisphere: “Let the thirteen states, bound together in a strict and indissoluble union, concur in erecting one great American system, superior to the controul of all trans-atlantic force or influence, and able to dictate the terms of the connection between the old and the new world!”⁹⁶

Like US policymakers, Malaspina was thinking about political reform because of the geopolitical threat posed by other European powers. Malaspina had convinced Spanish policymakers to fund his project of a voyage around Spain’s various American possessions in which he would both map out navigational charts to support Spanish commercial shipping,

⁹⁵ Edling, *A Revolution in Favor of Government*, 87-88, 267.

⁹⁶ Publius, *The Federalist Papers*, No.11, accessed 15 April, 2015, avalon.law.yale.edu/18th_century/fed11.asp

and also spend time on land analysing the military and political state of several *virreinos* (viceroyalties). Malaspina noted the threat European nations posed to Spanish settlements. Britain could use its establishments at “new Holland”, or Russia could use its settlements in California to “insult” Spanish colonies along the Pacific coast.⁹⁷ Malaspina proposed radical liberalisation but within a mercantilist framework. Spain should transform its empire into three equal kingdoms, with two in Spanish America, and allow complete free trade between all parts of the empire. This free trade would be supported by his navigational charts, which would “open the way for easy navigation”, allowing “much-needed communications between various points in so extensive a monarchy.”⁹⁸ Further, Spain should not seek to force Spanish America to buy goods manufactured in the peninsula and allow those areas in the empire that had a comparative advantage in production to naturally develop.⁹⁹ Liberal international commercial regulations could easily blend with imperial security concerns. Allowing trade between Spanish American ports and Asia would allow creoles to import Asian textiles, weakening British and French manufacturing.¹⁰⁰ For the River Plate, Malaspina observed its great similarity with the area “occupied by the english colonies of north America.” Rioplatense lands should be converted into agricultural colonies for the production of grains, and settlers from Spain, Italy and France should be encouraged to relocate there with the offer of enjoying similar civil liberties to British America. If the River Plate could become a new United States, imperial wheat could replace the 500,000 *fanegas* of foreign wheat imported annually into Spain and substitute the flours of France and Philadelphia that “supply our Sugar Islands.”¹⁰¹

⁹⁷ Juan Pimentel, *La Física de La Monarquía: Ciencia y Política En El Pensamiento Colonial de Alejandro Malaspina (1754-1810)* (Madrid: Doce Calles, 1998), 160.

⁹⁸ Alejandro Malaspina, *The Malaspina Expedition, 1789-1794: Journal of the Voyage by Alejandro Malaspina. Vol.1 Cádiz to Panama*. Edited by Andrew Davis (London: Hakluyt Society, 2001), lxxx.

⁹⁹ Alejandro Malaspina, ‘Political Axioms Regarding America’ (translation), accessed 15 May, 2015, <https://web.viu.ca/black/amrc/Research/Projects/Political%20Axioms.pdf>

¹⁰⁰ John Kendrick, *Alejandro Malaspina: Portrait of a Visionary* (Montreal; Kingston: McGill-Queen’s University Press, 1999), 25.

¹⁰¹ Alessandro Malaspina, *La Expedición Malaspina: 1789-1794. Tomo VII Descripciones y Reflexiones Políticas* (Madrid: Ministerio de Defensa, Museo Naval, 1995), 37-38.

Malaspina and US American thinkers imagined a glorious role for their nations in the world. For Malaspina, if Spain could develop the Americas, she could “wrest a source of far-reaching power springing from her soil, while the limits of her empire remain stable”, enabling Spain to rise “above the clash of principles and interests with sublime indifference” and cause European peace, restraining the “spilling of blood” and “cauteriz[ing] some of the present wounds” in order to avert the turmoils of the “coming century or more in unhappy Europe!”¹⁰² US commentators imagined a similar recipe for achieving their nation’s mission in the world. It would keep the limits of its empire stable by forming a political union spreading across the continent which would “keep the peace of the continent and preserve it inviolate from civil wars.”¹⁰³ It would be “sublimely indifferent” by neglecting to enter into the “entanglement of alliances.”¹⁰⁴ The US would grow in power, “alone on a great continent, far removed from the old world, and all its embroiled interests and wrangling politics” and act as the “mediatrix of peace”, spreading its form of federal union around the world to found a “system of universal peace.”¹⁰⁵ The recipe for US mission in the world: political union between the parts of its vast polity, neutrality, and using its influence to maintain world peace, looks distinctly unexceptional when compared to Malaspina’s thoughts on the Spanish Empire. By 1790, even with a new federal government, it was hard to imagine how the US could possibly begin to realise such visionary reforms of international relations. If anything, Spain was better placed to develop into such a role. As the new federal government went into operation, it would have been difficult to foresee that the debt France had incurred in helping to create the US would start a series of events leading to twenty-five years of European instability, a period that transformed the fortunes of the River Plate and the US.

¹⁰² Malaspina, *The Malaspina Expedition, 1789-1794*, 1: lxxxiv.

¹⁰³ Thomas Paine, *Common Sense: Addressed to the Inhabitants of America* (Boston: J.P. Mendum, 1856), 50.

¹⁰⁴ Paine, *Common Sense*, 39; Thomas Pownall, *A Memorial, Most Humbly Addressed to the Sovereigns of Europe, on the Present State of Affairs, between the Old and New World* (London: J. Almon, 1780), 78.

¹⁰⁵ Pownall, *A Memorial*, 77 and Thomas Paine, *The Political Works of Thomas Paine: In Two Volumes*, Volume 2 (London, R.Carlile, 1819), 17-18.

European Crisis, American Sovereignty

The inability of the French Monarchy to maintain a solvent treasury, burdened under the weight of debt contracted during the Seven Years' War and the American Revolutionary War, instigated a series of events that would unleash the French Revolution. Louis XVI was forced to call the Estates General, a parliament composed of Nobles, Clergy and Commons, for the first time in over a century to approve the levying of new taxes to deal with France's fiscal crisis. Rather than pass new fiscal measures and adjourn, the calling of the Estates General led the Third Estate, or Commons, to use the opportunity to declare a separate national assembly demanding that France establish a constitutional monarchy. The French Monarch reluctantly agreed to the drafting of a constitution by the Constituent Assembly. French emigrés and foreign powers, alarmed at the King's new status as a mere figurehead in a French constitutional monarchy, conspired to reverse the revolution, announcing their willingness in the Pilnitz Declaration of 1791 to support Louis XVI militarily should he look to restore the pre-revolutionary political order. To secure the revolution, the Assembly preemptively declared war on Austria, with Prussia joining the war against France within weeks. The Assembly's decision to temporarily suspend the monarchy provoked Prussia to invade France. The invasion was defeated, and France declared a republic, threatening to spread republicanism all over Europe. French success in occupying the Austrian-controlled Netherlands alarmed Britain and the Dutch Republic, and combined with the execution of Louis in January 1793, Britain, the Dutch Republic, Spain and most of Europe's powers were at war with France by 1793.¹⁰⁶

The upheaval in the European balance of power would lead to nearly a quarter century of warfare, as France and its various allies and satellite states fought against numerous British-led coalitions from 1793 to 1815 in a series of wars interspersed with uneasy and temporary peaces. In North and South America, the polities in the US and the Río de la Plata benefited from the conflict. The European maritime powers involved in the conflict waged war

¹⁰⁶ Jonathan Israel, *Revolutionary Ideas: An Intellectual History of the French Revolution from the Rights of Man to Robespierre* (Oxford; Princeton: Princeton University Press, 2014), *passim*.

on the commercial vessels of enemy nations, capturing them as prizes of war. The commercial privileges European empires held in their colonial possessions in the Americas relied on the exclusive access of their own nation's commercial vessels to those colonies. But with enemy privateers plying the Atlantic sea lanes, Britain and Spain were forced to open up their colonial possessions to neutral vessels. For the US, as a neutral nation, the conflict opened up previously closed British, French, Spanish and Portuguese ports in the Americas to US merchandise, as well as allowing US vessels to become the primary neutral carrier of the merchandise of belligerent nations.¹⁰⁷ The French Revolutionary Wars led to an otherwise unexpected windfall in government revenues, which increased from 3.6 million dollars before the war started to 10.8 million dollars by 1800.¹⁰⁸ The upsurge in government revenues allowed a federal government previously forced to borrow to meet budget deficits to comfortably cover public debt repayments and increase military spending, the beginnings of becoming a more credible polity capable of enforcing respect of its sovereignty.

In Spanish America, colonial governments were temporarily empowered with rights normally denied to them as 'colonies' instead of a fully-fledged nation. Colonial merchants were permitted to own and operate their own commercial vessels, neutral vessels were allowed to enter into colonial ports, and colonial governments were empowered to issue letters of marque, required to legally outfit privateering vessels; colonial regulations waned as wartime exigencies demanded. Relaxing imperial commercial regulations brought significant upturns in economic activity; observers astonished at the increased importance of the port in Buenos Aires began to describe it as a "centre of the commercial world."¹⁰⁹ Likewise, when Spain ordered its viceroys to restore colonial monopolies, banning neutral vessels, merchants in Buenos Aires complained that they found the entire "commerce

¹⁰⁷ John H. Coatsworth. "American Trade with European Colonies in the Caribbean and South America, 1790-1812." *The William and Mary Quarterly* 24, no. 2 (1967): 243-266.

¹⁰⁸ Wallis, 'Table Ea584-587 Federal government finances - revenue, expenditure, and debt: 1789-1939' in *Historical Statistics of the United States*.

¹⁰⁹ Halperin-Donghi, *Politics, Economics and Society*, 35.

of the argentine Provinces suspended.”¹¹⁰ European warfare from 1793 to 1801 temporarily loosened empire, increasing American sovereignty.

Spain’s ability to regulate an imperial connection between the metropole and its colonial possessions gradually declined after the resumption of the Napoleonic Wars (1803). Independence was not declared. Instead, empire gradually disintegrated, and Spanish America was granted or forced to resume the exercise of powers characteristic of a sovereign. The Spanish decision to ally itself with France against Britain’s naval power, especially after the loss of Franco-Spanish fleet post-Trafalgar, signalled Spanish inability to safeguard its imperial possessions. Without naval power, Spain could not ensure the safe crossing of its merchant vessels required to maintain a commercial monopoly in the Americas, nor could it defend its possessions from foreign invasion. From 1806, schemes to sever the imperial connection between Spain and America abounded. Former US Vice President Aaron Burr was implicated in plans to secede the Louisiana Territory from the union and conquer Mexico. General Miranda outfitted an armed force in New York and failed in an attempt to revolutionise modern day Venezuela. In Buenos Aires, the British landed an armed force that quickly conquered the capital of the River Plate viceroyalty, opening the city’s port to British manufactured goods desperately searching for a market not closed by Napoleon.¹¹¹

Spain could not project power across the Atlantic. Its imperial possessions were forced to defend themselves using their own resources, and regular remittances of American silver bullion could not be safely transacted. In this context, the *Leyes de Indias* (Laws of the Indies) and *Reglamentos* (Regulations) of commerce that provided governance for colonial political institutions and intra-imperial commerce were swept aside by the prevailing reality of the Atlantic balance of power. Colonialism receded as the exercise of sovereign power was gradually transferred to Spanish America. In the Rioplatense context, *porteño* elites, citizens of the city of Buenos Aires,

¹¹⁰ *El Telégrafo Mercantil*, No. 19, 3 June, 1801, 179.

¹¹¹ Burr was not aware that Britain gave minor assistance to the Miranda expedition, nor that they were planning their own invasion of Buenos Aires. See Walter Flavius McCaleb, *The Aaron Burr Conspiracy: A History Largely from Original and Hitherto Unused Sources* (New York: Dodd, Mead, 1903), 45.

discarded the imperial constitution following the 1806 *reconquista* of Buenos Aires. Spain's appointed Viceroy, the Marquis de Sobremonte, had fled the city anticipating that Buenos Aires could not be successfully defended against the approaching forces carried by the Royal Navy. Yet *Porteño* militia units successfully organised a counter-insurgency and retook control of the city. The militia captain who successfully led the reconquest of the city, Santiago Liniers, was appointed Viceroy by a *cabildo abierto* (public assembly) in 1806. The appointment of a viceroy by public assembly, rather than directly by the Spanish monarch, was unprecedented, and yet symptomatic of the unravelling of Spanish control in the Americas.¹¹²

Commercial empire also disintegrated more permanently from 1805 onwards as markets were opened up by coercion or necessity. Britain forced open Buenos Aires (1806) and Montevideo (1807), but elsewhere Spain opened its colonial monopoly to Britain, despite being at war with that nation, due to political expediency. As part of its 1803 alliance with France, Spain was obligated to remit £3 million annually to France per year. The Royal Navy's control of the Atlantic already prevented the successful transfer of bullion between colonies and metropole. In 1804, the Royal Navy had been able to intercept the massive sum of £3 million of silver bullion being transferred from the Río de la Plata to Europe. Adrian Pearce charts the bizarre network of contracts that led to the British Royal Navy carrying the silver bullion from and to its *enemies*, Spain and France. In 1807, in return for safely carrying silver bullion from Mexico to make payment to Napoleon on Royal Navy vessels, the British received commercial access to Mexican ports. As Pearce notes, the "commercial marginalisation of Spain from the colonies" occurred "before the onset of independence after 1810."¹¹³

Napoleon, unsatisfied with holding Spain and its empire as a tributary state, moved to govern it directly. Carlos IV's 1807 Fontainebleau Treaty allowed France to move troops via Spain in order to occupy Portugal, allowing Napoleon to move over 100,000 troops into Spain. The decision, unpopular with many, led to a palace coup. Carlos IV abdicated in favour of

¹¹² John Fletcher, *The Wars of Spanish American Independence, 1809–29* (Oxford; New York: Osprey Publishing, 2013), 30.

¹¹³ Adrian J. Pearce, "The Hope—Barings Contract: Finance and Trade Between Europe and the Americas, 1805–1808." *The English Historical Review* 124, no. 511 (2009): 1325, 1351.

his son Ferdinand VII, who, as an invitee of Napoleon at Bayonne, was put under house arrest and forced to abdicate in favour of Napoleon's brother Joseph. Popular resistance to French occupation led to the creation of regional governing juntas that coordinated guerrilla warfare against the French occupiers. The regional juntas formed a *junta central* that looked to govern in the name of Ferdinand VII, which quickly allied itself with Great Britain and initially governed from Madrid until French troops occupied the city, forcing the anti-French resistance government to relocate to Seville. In Buenos Aires, the viceroyalty's government initially recognised the authority of the *junta central*. Liniers, then Viceroy, agreed to the peaceful transfer of power to Baltasar Hidalgo de Cisneros, appointed Viceroy of the region by the *junta central* in 1809. However, the dissolution of empire would continue apace. To maintain the militia raised to defend the city against British invasion, the viceregal treasury required taxes from international commerce. In 1809, Cisneros agreed to proposals to open colonial ports to British vessels and those of other allies and neutrals and to modify Spanish colonial tariffs. It was not the first time Spain's commercial laws had been relaxed, but importantly as events played out, it would also mark the first time in which Spanish officials would not be in power to reinforce the metropole's commercial monopoly.¹¹⁴

Napoleon's army continued its successful invasion of Iberia. By early 1810, Andalusia succumbed to French troops, forcing the *junta central* to flee to the island of Cádiz, safeguarded from Napoleon's reach by the Royal Navy's protection. News of the junta's flight from Seville reached Buenos Aires in May 1810. Faced with the prospect that the metropole had ceased to exist as a political entity, the news sparked a constitutional crisis. The legitimacy of the existing government under Viceroy Cisneros, it was argued, had lapsed at the moment the *junta central* had ceased to exist and sovereignty had reverted to the people. The town council of Buenos Aires called a *cabildo abierto* (public assembly) to debate the crisis. The outcome was transformational. The assembly voted to remove Cisneros and govern the

¹¹⁴ Gabriel Paquette, "The Dissolution of the Spanish Atlantic Monarchy." *The Historical Journal* 52, no. 01 (2009): 179-180; Lyman L. Johnson, *Workshop of Revolution: Plebeian Buenos Aires and the Atlantic World, 1776-1810* (Durham; London: Duke University Press, 2011), 273-275.

viceroyalty in the name of Ferdinand VII by a governing junta.¹¹⁵ Security was the key argument for self-governance. The decision to govern the viceroyalty autonomously would “conserve whole these...precious remains of the spanish Dominions” by putting the region on “so respectable a footing of fortification and defense” preventing America from “falling into the terrible subjection to foreign Powers.”¹¹⁶ The Americas were naturally “interesting objects for the cabinets of Europe” and without good governance a “heavy yoke of...new domination” would be imposed by “the first [power] that comes, however weak they may be....without effort.”¹¹⁷

Not all of the provinces in the Rioplatense capital’s jurisdiction, nor neighbouring viceroyalties, would agree, however. Most of modern day Argentina recognised the new junta in Buenos Aires, yet the Banda Oriental (Uruguay), Paraguay, and Alto Peru (Bolivia) opted to recognise the fragment of metropolitan government existing at Cádiz, as did the Viceroyalty of Peru. This division would initiate a civil war between those provinces that recognised Buenos Aires on the one hand and the ‘disobedient’ provinces supported by troops provided by the Viceroyalty of Peru on the other.¹¹⁸ The gradual decline of the metropole had forced elites in the River Plate to assume sovereignty. Between 1806-1815, elites in the River Plate elected their own viceroy (1806), opened commerce to the world and enacted their own tariff (1809), modified its political constitution to govern by an elected junta instead of a crown-appointed Viceroy (1810), took control of the colonial military apparatus and raised new armies to engage in civil war with rival viceroyalties (1810), initiated diplomatic relations with foreign powers and signed a treaty with Portugal (1812), and formed a legislative assembly to pass laws for a separate executive to enact (1813). Argentina assumed the gradual exercise of sovereignty before it declared independence.

The US, by contrast, enjoyed independence but its sovereign rights as a neutral nation were consistently challenged as the Napoleonic Wars

¹¹⁵ Johnson, *Workshop of the Revolution*, 276-278.

¹¹⁶ ‘Gazeta Extraordinario’, GDBA, 10 July, 1810, 146.

¹¹⁷ ‘Gazeta Extraordinario’, GDBA, 16 July, 1810, 171.

¹¹⁸ Anthony McFarlane, *War and Independence in Spanish America* (New York: Routledge, 2014), 147-150.

intensified. Napoleon's ascendancy on land against Britain's dominance at sea forced an intensification of commercial warfare. The British cabinet's relative tolerance towards neutral commerce from 1795 to 1804 gave way as British measures to restrict trade between France's European possessions and the world were met by French countermeasures to bar British trade, which were responded to with additional measures that escalated the extent to which neutral trade was impacted.¹¹⁹

US sovereignty to trade with other nations was impacted from 1805 onwards. The May 1805 Essex Decision, a ruling of the British Admiralty Court, declared that British vessels could seize US ships that carried French produce indirectly between French colonies and France. Previously French goods had been 'neutralised' by breaking the voyage by briefly landing the goods on US territory, paying customs duties, and then re-exporting them as 'American'. From the Essex Decision onwards, the Royal Navy would confiscate any vessels found to be carrying French goods. Access to markets was further reduced as Britain sought to make its naval power felt by disrupting French commerce. In May 1806, Orders in Council partially blockaded the French coastline. In retaliation, Napoleon's Berlin Decree established his Continental System, barring all British goods from territories under his control. In retaliation, British Orders In Council forced all foreign nations trading with ports under Napoleon's control to first stop in Britain to obtain a license and pay duties there before proceeding to the continent, a measure Napoleon countered by his Milan Decree ordering any vessels complying with Britain's Orders In Council to be seized in ports under his control. The measures had in effect "outlaw[ed] all American trade" with the two empires, that of Britain and Napoleon.¹²⁰

As well as both nations' efforts to restrict US trading rights with other nations, the British inspired additional ire by the impressment of US sailors. The vast expansion of US commercial shipping had required the rapid

¹¹⁹ Willem Theo Oosterveld, *The Law of Nations in Early American Foreign Policy: Theory and Practice from the Revolution to the Monroe Doctrine* (Leiden; Boston: Brill Nijhoff, 2016), 255; Kevin H. O'Rourke, "The Worldwide Economic Impact of the French Revolutionary and Napoleonic Wars, 1793–1815." *Journal of Global History* 1, no. 1 (2006): 125-126; John D. Forbes "European Wars and Boston Trade, 1783-1815." *The New England Quarterly* 11, no. 4 (1938): 721.

¹²⁰ Oosterveld, *The Law of Nations*, 273; O'Rourke, "The Worldwide Economic Impact of the French Revolutionary and Napoleonic Wars, 1793–1815," 125-126.

increase in the number of seamen serving on US vessels. Almost half of sailors serving on US vessels were British subjects, many having deserted the poor conditions of the Royal Navy. To sustain the ever-expanding blockade of Napoleon's Empire, the hundreds of British war vessels spread across the world required a constant supply of new sailors. The British government, refusing to accept that British nationality could be given up, regularly boarded US vessels and impressed seamen they believed were of British origin. This infraction of US citizens' rights at sea most provocatively flared up when the HMS Leopard shot at and boarded the USS Chesapeake in June 1807, leading to the death of three US sailors and the impressment of four 'British' subjects.¹²¹

British dominance at sea allowed for the unprecedented interference in the ability of foreign neutral nations to conduct trade with other nations. As one Briton observed, "our power upon the waves enables us to dictate the terms, upon which ships of all nations shall navigate."¹²² The attempts of Britain to give law to the seas infringed on the basic sovereign rights of an independent nation. "No nation", Thomas Jefferson noted, had "ever pretended a right to govern by their laws the ships of any nation navigating the ocean."¹²³ The British attempt to regulate US trade with other nations directly challenged the sovereign rights the US had declared in 1776. The restrictions that empires had placed on their colonies by Navigation Acts were being applied by force to sovereign nations. Britain's Orders in Council went so far as to challenge "American national dignity...and independence", according to historian Bradford Perkins.¹²⁴

The US Congress's response, by passing an 1806 Non-Importation Act limiting the imports of British merchandise, recalled the thirteen colonies' rejection of British colonial legislation in the 1760s and 1770s, hoping that a boycott would force a repeal of Britain's regulations. Britain entered into

¹²¹ Oosterveld, *The Law of Nations*, 265-268.

¹²² Marion Smith, "The Myth of American Isolationism: Commerce, Diplomacy, and Military Affairs in the Early Republic", *Special Report from the Kenneth B. Simon Center for Principles and Politics*, 2013), 46.

¹²³ Oosterveld, *The Law of Nations in Early American Foreign Policy*, 257.

¹²⁴ Bradford Perkins, *Cambridge History of American Foreign Relations*, Vol. 1, 121.

negotiations with US diplomats, but without feeling the impact of US retaliation nor the threat of war, as the US remained militarily weak, the resulting treaty was unsatisfactory and not presented to Congress for ratification. For Jefferson, the remaining options were “war, Embargo, or nothing.”¹²⁵ Recognising that the ‘nothing’ option left the US submissive to colonial-like regulations of its trade, and that war was unlikely to lead to a positive outcome given the limited military muscle of the federal government, in December 1807 the US Congress passed an Embargo barring US and foreign vessels from carrying US produce to the belligerent powers. The Embargo failed to force Britain to lift its commercial restrictions. In fact, the British interpreted the Embargo as an act of self-harm much greater than anything that they could have achieved by war. Various experiments in other US acts of commercial sanctions were attempted without success. “We have exhausted every means in our power to preserve peace”, Jefferson observed. “We have tried negotiations until it is disgraceful to think of renewing it, and commercial restrictions have operated to our own injury. War or submission alone remain.”¹²⁶ By June 1812, the US Congress had declared a ‘second war of independence’ on Great Britain in the name of ‘free trade and sailor’s rights’.

The War of 1812 initially resulted in a stalemate. Britain had adopted a defensive outlook on the war, aiming to defend Canada with the minimum of resources as it focused its attentions on defeating Napoleon in Europe. Meanwhile, the Sixth Coalition overturned Napoleon’s successes on the European continent. By 1813, the French Empire was in full retreat and by 6 April, 1814, Napoleon abdicated. The hundreds of thousands of troops engaged in continental warfare, as well as hundreds of war vessels employed in the conflict, were no longer required by European states. The next day, Britain declared an extension of its blockade to cover all of the US coastline and reallocated thousands of troops and vessels to North America. By mid-August 1814, over 4,000 troops and numerous vessels were poised to invade the US mainland via Virginia and head towards Washington D.C. By August 24, the invading British force had stunned the US defences prepared to

¹²⁵ Smith, “The Myth of American Isolationism”, 30.

¹²⁶ Smith, “The Myth of American Isolationism”, 30.

counter them. With the US Capital undefended, British troops torched the leading public buildings, the White House, Capitol Building, Treasury Department and War Department, unopposed.¹²⁷

At the same moment as British troops were amassing to invade Virginia, in Madrid Ferdinand VII appointed General Pablo Morillo as Captain General of New Granada. Ferdinand had been restored to the Spanish throne in March 1814, and quickly overturned Spanish liberalism by May. As with Great Britain, thousands of troops and resources required for the Peninsular War could be reallocated to active conflicts in the Americas. Throughout the Americas in 1814 and 1815, the fire and fury of European reaction to American sovereignties was felt. Great Britain employed the full force of resources released from its campaigns in Europe. In addition to the 5,400 veteran troops of the Napoleonic Wars deployed on the Chesapeake, 14,000 veteran troops in Canada and 7,500 troops deployed from Jamaica launched offensives against the state of New York and New Orleans respectively.¹²⁸ Only Britain's war-weary public and the exhaustion of its treasury prevented the US from suffering a more humiliating defeat at the hands of a European power. The Treaty of Ghent was ratified on 15 February 1815, bringing the War of 1812 to a close and restoring relations between the two countries to the *status quo ante bellum*. Just two days later, on 17 February, Spain's own task force for restoring Spanish America to the colonial *status quo ante bellum* set sail from Cádiz. Over 10,000 veteran troops of the Peninsular War set sail aboard 42 transports bound for New Granada.¹²⁹ Morillo, who had fought in the Peninsular War, would lead these forces to besiege the city of Cartagena and complete the reconquest of New Granada by 1816.

Though relieved that Ferdinand VII's expeditionary force had not been directed towards the Río de la Plata, for those who held power in Buenos Aires in 1815 the outlook was bleak. Ferdinand VII had rejected their proposals of establishing an autonomous kingdom inside the Spanish

¹²⁷ Reginald Horsman, *The New Republic : The United States of America, 1789-1815* (London: Routledge, Taylor and Francis, 2014), 220-253.

¹²⁸ Horsman, *The New Republic*, 244-246.

¹²⁹ Jeremy Adelman, *Sovereignty and Revolution in the Iberian Atlantic* (Princeton: Princeton University Press, 2006), 272.

Empire. Neither of the two options available to them was palatable. They could return to submit to Ferdinand VII, accepting that the Spanish colonial legislation would be reapplied with full vigour, leading to a return of governance by viceroys appointed by Spain and the application of monopolistic trading restrictions, losing all the autonomy gradually acquired since 1806. Alternatively, declaring independence looked hopeless. In the area that made up the old viceroyalty of the Río de la Plata, Upper Peru was occupied by the Peruvian Viceroy, Paraguay remained independent of Buenos Aires and aloof from the conflict, the littoral provinces openly warred against the central government in Buenos Aires, and the Portuguese prepared an army to remove dissident confederalists from power bordering the Portuguese empire in the Banda Oriental. Externally, Chile, Peru, and parts of New Granada were governed by the Spanish monarchy once again.¹³⁰

Despite the inauspicious backdrop, the United Provinces of the Río de la Plata, as the provinces of Argentina styled themselves for much of this period, gathered in Congress, this time in the northern town of Tucumán, and declared independence on 9 July, 1816. The declaration transformed the conflict. Now, the United Provinces openly engaged the nations of the world, requesting their recognition as a sovereign among the powers of the earth, and better still their aid and alliance in defeating Spanish attempts to compel submission. The diplomatic context, however, was not conducive to treating with foreign powers. Diplomatic recognition was at best a rupture with the prevailing conservative international order and at worst could be conceived of as a legitimate *casus belli* (cause for war) sufficient for Spain to declare war. Great Britain, the European power that stood most to gain from recognising and aiding the Spanish American colonies, could not take part in the conflict. Great Britain's recognition and aid of the insurgents in Spanish America could trigger a relapse into general European warfare if Spain received assistance from other absolutist monarchies. Likewise, the Holy Alliance was dissuaded from entering into the conflict by British intimations that it would not tolerate other European nations becoming party to the conflict. All of the major European powers' mutual compact to safeguard the 'repose and prosperity' of Europe and maintain the balance of power ensured that the

¹³⁰ McFarlane, *War and Independence*, 202, 213; Adelman, *Sovereignty and Revolution*, 266, 272.

contest between Spain and the new nations contending for international recognition would be played out without third parties entering into the conflict on either side. Likewise, the US, chastened by the experience of the War of 1812, feared that recognition could lead to war, and preferred to use the threat of recognition and aid to the emerging Spanish American nations as leverage in negotiations with Spain, which by 1819 would earn the US the acquisition of Florida by treaty.¹³¹

From the nadir of 1815, Spanish American fortunes would be reversed from 1816 onwards. From the south, the United Provinces would organise operations against Chile. Buenos Aires would make the tactical choice to tacitly accept the Portuguese occupation of the Banda Oriental, neutralising the threat of dissident confederalist leader José Gervasio Artigas, who for the next three years, would be engaged in conflict and finally defeated by the Portuguese. The move allowed Argentina to open a new front against Spanish loyalists in Chile. An army 5,000 strong amassed by General San Martín, himself a veteran of the Peninsular War, at the foothills of the Andes crossed into Chile in 1817 to successfully liberate that polity from Spanish colonialism. By February 1818, Chilean independence was declared. Chile would be the second in a constellation of new polities that would declare independence from Spain since 1815. From the north, General Bolívar, a prominent estate holder long engaged in the fight to establish independent republics in his homeland, made inroads against Spanish loyalists. From Angostura, Bolívar would successfully liberate New Granada in 1819, leaving royalists pinned in around Caracas. The buoyant patriots, having overturned the loyalists' fortunes in northern Spanish America, declared another independent republic, of Gran Colombia, in 1819.¹³²

Despite these successes, the threat of Spanish power loomed large over Buenos Aires in 1819. It was common knowledge that the army of 14,000 troops Ferdinand VII had been assembling during 1819 at Cádiz would be transferred to America to strangle the independence of the United Provinces

¹³¹ Gabriel Paquette, "The Intellectual Context of British Diplomatic Recognition of the South American Republics, C. 1800 – 1830." *Journal of Transatlantic Studies* 2, no. 1 (2004): 76; Rafe Blaufarb, "The Western Question: The Geopolitics of Latin American Independence." *The American Historical Review* 112, no. 3 (2007): passim.

¹³² McFarlane, *War and Independence*, 350-360; Adelman, *Sovereignty and Revolution*, 286.

by capturing its capital, Buenos Aires. The expedition, however, was put together by a Spanish state devoid of funds. Without food, clothes or seaworthy vessels, and with disease spreading through the ranks as troops waited in port as the expedition was assembled, a group of officers revolted on 1 January, 1820, proclaiming a coup in favour of constitutional monarchy. The revolt spread throughout the military such that by 7 March, the Constitution of 1812 was reinstated. The liberal revolution in Spain overturned Ferdinand VII's policy of reactionary restoration of colonialism by force. Should the expedition have made it to Buenos Aires, it would have found the capital of the United Provinces in disarray. The littoral provinces, which had revolted against rule from Buenos Aires, had engaged in low-level civil war against the United Provinces. By February 1820, with the majority of the United Provinces' military resources engaged elsewhere, the littoral provinces were able to defeat the *Porteño* militia, enter the capital, and dissolve the common government. In the power vacuum left behind, the remnants of the Army of the North seized power in the provinces, with generals assuming power as provincial governors.¹³³

The United Provinces were from 1820 to 1824 governed as a loose confederation of separate provinces, with Buenos Aires empowered to conduct foreign relations on behalf of the other provinces. The liberal revolution in Spain effectively neutralised the threat of invasion by Spanish forces as Ferdinand VII was forced to enter into negotiations with the rebel colonies. The government of the United Provinces would not actively play a further role in liberating Spanish America. Instead, from the south San Martín, backed by Chile, would liberate Lima, declaring the independence of a fourth polity, Peru, while from the north, Bolívar would emancipate Quito, adding it to Gran Colombia. With just the southern Peruvian interior and Upper Peru (modern day Bolivia) still occupied by Spanish loyalists by 1822 without support from the metropole, Bolívar and San Martín convened in Guayaquil, resolving that Bolívar's forces would complete the emancipation

¹³³ Adelman, *Sovereignty and Revolution*, 303; Roberto Cortés Conde and George T. McCandless. "Argentina: From Colony to Nation. Centuries, Fiscal and Monetary Experience of the Eighteenth and Nineteenth." in *Transferring Wealth and Power from the Old to the New World: Monetary and Fiscal Institutions in the 17th through the 19th Centuries* (Cambridge: Cambridge University Press, 2006), 387.

of Spanish America. Across 1823, Bolívar's forces removed the remnants of Spanish loyalism in Gran Colombia.¹³⁴

Meanwhile in Europe, fractures in the Congress System of European powers had emerged. The Holy Alliance powers were alarmed by liberal revolutions in 1820, not only in Spain, but also in Portugal and Naples, which had also established liberal constitutions by revolution. The conservative powers of the Holy Alliance would use the Congress of Troppau (1820) to sanction the Austrian invasion of Naples and the Congress of Verona (1822) to authorise France to intervene in Spain in order to restore Ferdinand VII to absolute rule. In summer 1823, France made good on that approval, successfully invading Spain and reversing the liberal revolution of 1820. Both the US and Great Britain, alarmed by the Holy Alliance's principle of intervening in another nation's constitutional affairs, feared that principle's extension to Spanish America. President Monroe, in his December 1823 message to Congress, announced the doctrine to European nations that it would not tolerate European intervention in American affairs. Britain more cautiously observed as Bolívar completed the liberation of Peru in 1824.¹³⁵ The British Consul to Buenos Aires hinted to provincial ministers in that city that Britain could extend recognition to the United Provinces if those provinces were assembled in a unified political structure.¹³⁶ By the end of 1824, the Argentine provinces had gathered in a new national congress. The outlook for Spanish American independence was positive, with Peru fully liberated by the end of 1824. With Spanish American independence all but secured, Britain recognised the new nations in a series of commercial treaties, concluding a Treaty of Amity, Commerce and Navigation with Argentina in February 1825. While sovereignty had been recovered gradually from 1806 onwards, recognition confirmed Argentina's elevation to the rank of independent nations.¹³⁷

¹³⁴ Marcela Ternavasio, *Historia de La Argentina, 1806-1852* (Buenos Aires: Siglo Veintiuno Editores, 2013), 119-148.

¹³⁵ Paquette, "The Intellectual Context of British Diplomatic Recognition", 75-76; Blaufarb, "The Western Question", 762.

¹³⁶ 'Parish to Canning', 24 October, 1824, FO119/15 (Argentina), National Archives (Kew Garden).

¹³⁷ Ternavasio, *Historia de La Argentina, 1806-1852*, 149-150.

Conclusion: the International Context of Declaring Independence and Constitution-Making

The Declarations and Acts of Independence in the US and Argentina notified the nations of the world that sovereignty had been transferred from the metropole to a new nation. As has been noted by Daniel Hulsebosch, these declarations were international statements, modelled on declarations of war.¹³⁸ Both declarations, in the same manner as declarations of war, recounted to foreign nations the injustices perpetrated by Great Britain and Spain and then advised neutral nations of their states' new status as independent sovereigns.¹³⁹ The July 4, 1776 declaration advised that the new states "are, and of Right ought to be Free and Independent States; that they are Absolved from all Allegiance to the British Crown, and that all political connection between them and the State of Great Britain, is and ought to be totally dissolved." Almost forty years to the day later, on July 9, 1816, the Act of Independence of the United Provinces declared that it was the unanimous will "of the Provinces to break the violent bonds that had linked them to the Kings of Spain." Both declarations recognised the implications of this. The "united States of America" as "Free and Independent States...have full Power to levy War, conclude Peace, contract Alliances, establish Commerce, and to do all other Acts and Things which Independent States may of right do." In Argentina, the Act had reinvested the government there with "the high character of a nation free and independent of the king Ferdinand seventh, his successors and metropole. Being such in fact and by right with ample and full power to give itself the forms that justice demands." The claim to have the "high character of a nation", considering that all nations were held to have the same equal rights, established the claim to declare war, make peace, sign

¹³⁸ Daniel J. Hulsebosch, "The Revolutionary Portfolio: Constitution-Making and the Wider World in the American Revolution." *Suffolk University Law Review*, 47, no. 579 (2013): 767-768.

¹³⁹ Argentina's declaration was completed in two parts, described below.

treaties of alliance, and regulate international commerce, the core functions of a national government.¹⁴⁰

Declaring independence as a nation among nations, however, was the first step in a two-part sequence; other nations had to be able and willing to recognise a new state. The US declaration, as noted by legal scholar Hulsebosch, was part of a 'portfolio' of documents created to justify recognition. Importantly, constitutions were drafted as part of the 'Revolutionary Portfolio'.¹⁴¹ For states to recognise other states, a regular set of governing institutions must be constituted to allow foreign powers to interact with them as a sovereign nation. The Articles of Confederation, the first formalised constitution of the US, was drafted by one of three committees created at the same time; the other two committees were tasked with writing the Declaration of Independence and a Model Treaty to present to foreign nations. A constitution, by providing a set of principles that regularised governance, would "add weight and respect to our councils at home, and to our treaties abroad."¹⁴² The US was keen to demonstrate the regularity of its national institutions when seeking recognition. The Articles of Confederation were approved by the Continental Congress in 1777, though only fully ratified by all states in 1781. A draft of the Articles, however, was carried by US diplomatic envoy Benjamin Franklin. It was first published in Paris, even before it had been printed in the US. The printing of the Articles deliberately misrepresented to the French audience, from whom the US hoped to build political support for recognition and aid, that as a polity the thirteen states had already approved a form of government.¹⁴³ Treaties were international obligations, and contracting parties were keen to enter into treaties on the understanding that foreign rulers would be able to enforce them. As Gould notes, the US sought to be 'treaty-worthy', seen as a reliable

¹⁴⁰ 'Declaration of Independence', 1776, accessed 10 April, 2018, http://avalon.law.yale.edu/18th_century/declare.asp; *Constitución de La Provincias Unidas En Sud-America Sancionada y Mandada Publicar Por El Soberano Congreso General Constituyente En 22 de Abril de 1819* (Buenos Aires: Imprenta de la Independencia, 1819) contains copies of the *Acta de Independencia* (1816) and the *Memoria* (1817) addressed to foreign nations justifying the Act of Independence.

¹⁴¹ Daniel J. Hulsebosch, "The Revolutionary Portfolio", 759–822.

¹⁴² *Ibid*, 793.

¹⁴³ *Ibid*, 802–803.

foreign power.¹⁴⁴ US policymakers were right to emphasise the importance of the Articles to France. In fact, France, hoping that other nations would follow suit and recognise the US, put pressure on the Continental Congress to adopt a more centralised constitution, understanding that other foreign powers would be more willing to take the risk of recognition if a new nation's institutions seemed solid rather than ephemeral.¹⁴⁵

The same international considerations were at work in Argentina three decades later. Independence had been declared but the task of persuading foreign nations to recognise the existence of a new state was still to be earned. The format of Argentine independence had been declared across two documents, the brief *Act of Independence* (1816) which summarily pointed to Spain's abuses before declaring independence and the later *Manifiesto made to the Nations by the National Constituent Congress* (1817) which provides a full list of Spain's abuses in justification of declaring independence, as the 1776 Declaration of Independence had done for the US. As with the US, Argentina recognised that "without a permanent Constitution the state could not enter in the list of nations, nor call itself happy or free." The Manifesto written to support the 1819 Constitution, the first attempt at a permanent constitution for the provinces, explained the difficulties faced by the National Congress. A "nascent state, unconstituted" had been "put in our hands." Foreign nations, however, were either indifferent to, unaware of, or in opposition to the existence of this new state, and could still "reunite with our common enemy" instead of affording Argentina recognition "founded on the right of equality between nations." To "enter into relations with foreign powers...in order to get the recognition of our independence" the Congress had created a constitution capable of offering other nations "commerce, peace and reciprocal benefits", those things which "universal society among all the nations of the globe demands." In pursuit of this, the Congress had to create an executive capable of "concert[ing] the means of putting the patria in security." The Supreme Director, the head of the executive branch, had by the proposed constitution been empowered to fulfil this duty with "vigor and respect" throughout the provinces, being "the Supreme Chief of all the forces

¹⁴⁴ Gould, *Among the Powers of the Earth*, 11-12, 127-128.

¹⁴⁵ Smith, *Amid a Warring World*, 27.

of land and sea”, “inspector of public funds”, having “an immediate influences in treaties with foreign nations”, able to “declare war” and “direct it in all its forms.”¹⁴⁶ In essence, constitutions were required to make both Argentina and the US recognisable foreign nations that other nations could consider as worthy of entering into treaties with.

The task of creating institutions capable of creating war-making states began in the US and Argentina respectively from the creation of the Continental Congress in 1774 and the *primera junta* in 1810 and continued after independence was declared in 1776 and 1816 and recognition received in 1778 and 1825. The process of creating sovereign institutions was markedly different in the US compared to Argentina. In the US, there was no real common institutions to bind the thirteen states together in any kind of common government. The colonies had separate and diverse royal charters which governed how laws were made by colonial assemblies and executed by governors, who in some colonies were crown-appointed and in others locally elected. The governors of the colonies executed both local legislation passed by the colonial assembly and the legislation of Parliament and the Monarch’s proclamations and Orders in Council. Without a formal constitution, Jack Greene explains how “authority was distributed in an as yet uncodified and not very clearly understood way between the center and the peripheries.”¹⁴⁷ Colonial assemblies disputed that the metropole could pass legislation to levy internal taxes and maintain a standing army in the colonies without the permission of their own legislature, for example. Some colonial charters had defined that governors would observe the laws of England “so far as the Nature and Constitution of the place will admit”; in effect stating that colonial constitutions vetoed metropolitan legislation.¹⁴⁸ In cases of war, no system of common government of the separate colonies existed. Instead, common military defence was ad hoc. In the case of the Seven Years’ War (1756-1763), for example, the crown appointed a British

¹⁴⁶ *Constitución de La Provincias Unidas En Sud-America Sancionada y Mandada Publicar Por El Soberano Congreso General Constituyente En 22 de Abril de 1819*, 44-59.

¹⁴⁷ Quoted in Alison L. LaCroix, *The Ideological Origins of American Federalism* (Cambridge, Massachusetts: Harvard University Press, 2010), 33.

¹⁴⁸ La Croix, *The Ideological Origins of American Federalism*, 32-34.

Commander-In-Chief to direct the war and command British soldiers sent to the colonies. The Commander-In-Chief negotiated with, rather than ordered, colonial governors to enlist militiamen in the British army and have colonial resources be put at his disposal.¹⁴⁹ The thirteen colonies, therefore, had to create a common government from the ground up to direct their war effort against the British.

In contrast, when in 1810 the citizens of Buenos Aires appointed a governing committee to replace the Viceroy, they inherited a well-established structure of federal government. In essence, the viceregal polity was made up of separate intendancies. In each intendancy, governance was divided along subject matter lines. The local *cabildo* (town council) legislated on local matters of public order, the maintenance of roads and buildings, controlling prices, public lighting, water and sanitation and raised their own taxes to pay for these local affairs. The intendant-governor, appointed by the Spanish monarch, carried out national functions within his jurisdiction, organising the local militia, raising troops, purchasing military supplies, and building fortifications.¹⁵⁰ In contrast to the thirteen British colonies, the intendant-governor did all this without needing the approval of the local *cabildo* (city council), which merely provided counsel as a consultative body, rather than acting as a legislative body needed to sanction the executive work the governor wished to carry out. In further contrast to the British North American colonies, these eight *intendancies* were bound together by a common government in the viceregal capital. The viceroy, as well as being intendant-governor of his own province, also administered the central Royal Treasury (*Real Hacienda*). However, the collection and administration of taxes in each intendancy's *caja real* was overseen by officials reporting into the intendant governors. The officials of the *Real Hacienda* in the intendancies, however, answered to their superiors in the viceregal capital. The viceroy held powers to transfer funds from intendancy *cajas* to the central Royal

¹⁴⁹ Fred Anderson, *Crucible of War: The Seven Years' War and the Fate of Empire in British North America, 1754-1766* (New York: Random House, 2001), 77, 586. The British considered plans that would have transformed the nature of the North American empire, empowering the commander-in-chief with powers that would allow him to become a "virtual viceroy", see *ibid*, 586.

¹⁵⁰ Geneviève Verdo, "Organizing Sovereign Provinces in Independent America: The Republic of Córdoba, 1776 – 1827." *Annales HSS*, 69, no. 2 (2014): 227-232.

Treasury office in Buenos Aires. From that treasury, the viceroy maintained a Royal Army under his command, as part of his power as the Captain-General of the Viceroyalty.¹⁵¹ In times of military necessity, the viceroy commanded not only the Royal Army in Buenos Aires but the militias and troops of the several intendancies as well.¹⁵² In 1810, then, the challenge for the governing committee (*primera junta*) was to inherit and adapt this system of federal government.

In the thirteen British American colonies, the outlines of a federal government would begin with the creation of the Continental Congress in 1774. The Continental Congress acted as a *de facto* federal government, without a constitution governing the relationship between the colonial assemblies or revolutionary conventions which elected deputies and the Congress itself. The powers of the Congress were limited by the instructions of the delegates. The First Continental Congress (1774) performed legislative functions. It directed trade policy for the union in a 'Continental Association' binding the signatory colonies to boycott all British goods. It also legislated on diplomatic matters, agreeing a common petition to the British monarch. The execution of measures like these was at first left to local governments. The Continental Association trade boycott was enforced by locally created Committees of Safety, essentially shadow governments as colonial institutions were still controlled by royal officials in many cases. In international affairs, the execution of the resolutions of Congress was left to the separate colonial governments. The petition to the monarch was delivered by agents of colonial assemblies representing their interests before the monarch, rather than by diplomatic envoys appointed by the Continental Congress.¹⁵³

The Second Continental Congress (1775-1781) transformed the function of that assembly to act as both a federal legislature that commanded local governments to execute its resolutions but also created its own federal

¹⁵¹ Lynch, *Spanish Colonial Administration, 1782-1810*, 65-84; 204-225, 275, 280.

¹⁵² For example, as occurred in the Tupac Amaru rebellion, see Phillip Ainsworth, "The Rebellion of Tupac-Amaru II, 1780-1781." *The Hispanic American Historical Review* 2, no. 1 (1919): 19.

¹⁵³ Oostenfeld, *The Law of Nations in Early American Foreign Policy*, 70; Hulsebosch, "The Revolutionary Portfolio", 770-772.

institutions and officials to enact its laws. The limits of its powers were again undefined and were limited by the instructions given to state representatives by state legislatures. When the Continental Congress was uncertain that it had been granted executive power in certain areas, it directly consulted state assemblies seeking their approval. In areas of war, finance and diplomacy, the Continental Congress acted as legislature and executive. The Congress legislated the creation of a US Army and performed the executive function of appointing key officials. To fund the army, the Congress legislated the printing of Continental dollars, and appointed a committee to execute its resolutions by contracting for the printing of those 'bills of credit'. To conduct international affairs, the Congress set up a Committee of Secret Correspondence which appointed foreign envoys and wrote diplomatic instructions.¹⁵⁴

The defect in the Continental Congress system, formalised in the Articles of Confederation as the Confederation Congress (1781-1789) was that the federal government relied too heavily on the states to enact its resolutions and provide resources. The federal congress had the power to raise an army but apart from printing money, contracting foreign debts, and seizing private property during wartime, it did not have any powers to raise revenue via taxation. Instead, it passed state requisitions, demands for states to send certain amounts of money to the Congress to cover its expenditure. The states, however, invariably did not make their allocated contributions to their general government. Without the means of directly raising taxes nor the ability to coerce or punish the states for failure to comply with federal requisitions, the US federal government was left a national power deprived of the resources to exercise its powers. The Confederation Congress formalised the executive functions it performed by creating Departments of Foreign Affairs, Finance, War and Marine headed up by secretaries appointed by Congress. The move to appoint executive department heads, who were not concurrently serving in the legislative branch, marked the beginning of the separation of the executive and legislative branches of the federal government. The Confederation Congress, then, had broad legislative and

¹⁵⁴ Ben Baack, "Forging a Nation State : The Continental Congress and the Financing of the War of American Independence." *The Economic History Review* 54, no. 4 (2001): 639–56; Hulsebosch, "The Revolutionary Portfolio", 779, 793.

executive powers to conduct national affairs. But without the power of the purse under the Articles of Confederation, the association between the states resembled a league of sovereign states rather than a federal union as had been intended.¹⁵⁵

The US Constitution (1789-) initiated the major structural change to the union that invigorated the federal government with the resources necessary to be able to exercise its sovereign powers. The power to directly levy taxes upon citizens, bypassing state governments, was granted to the federal government. The control of customhouses also passed from the jurisdiction of the states to direct control by the federal government. Instead of thirteen separate commercial policies, one federal customs tax regime was imposed throughout the union. The executive function, soon to be newly invigorated with revenues, was reformed. A separately elected President would direct the execution of federal law. Instead of Congress appointing officials, the President would propose Secretaries of State, Treasury, War, and Navy to be approved by Congress. The federal government would now have *the means* in addition to the power to pursue a national policy to advance the creation of a federal state capable of making war.¹⁵⁶ Instituting sovereign powers in the US was a process of *e pluribus unum*: out of many, one. The process was physical as well as figurative. Many of the thirteen original states granted much of their western lands, of which the borderlines were frequently disputed between states, to the federal government to govern directly as territories. From several states' western lands, a federally-governed territory was created. In addition to Vermont, which had broken away from New York during the revolution and remained independent until joining the union as the fourteenth state in 1791, out of federally governed territory the new states of Kentucky (1792), Tennessee (1796), Ohio (1803) and Louisiana (1812) entered the union, while by 1812 the federal government directly managed five vast territories of Mississippi, Missouri, Illinois, Michigan and Indiana via governors appointed directly by the President.

In Argentina, by contrast, Buenos Aires' claim that sovereignty reverted to the viceregal capital initiated a process of *ex uno plures*: out of one, many.

¹⁵⁵ Edling, *A Revolution in Favor of Government*, chapter 11.

¹⁵⁶ Edling, *A Revolution in Favor of Government*, *passim*.

To some extent, it was easier to create a new sovereignty by joining separate sovereignties together into a federal government as occurred in the US, than to inherit sovereignty as a pre-existing (federal) viceroyalty as occurred in Argentina. The process in the US allowed for consensus building and the gradual creation of a sovereign government. In the Río de la Plata, the citizens of the viceregal capital were forced to remove the Viceroy on behalf of all of the other intendancies (provinces). The governing committee (known as the *primera junta*) also had to inherit the monarch's power to legislate and appoint royal officials in order for the federal system of the viceroyalty to continue functioning. Each intendancy had to evaluate for itself the claim of the *primera junta* to exercise the monarch's legislative and executive powers in the viceroyalty. Unsurprisingly, many of the intendants, appointed by Madrid, resisted this claim. The political union of the former viceroyalty fragmented in several directions. Those provinces that still remained in the union were governed under a modified set of institutions inherited from the Viceroy in 1810.¹⁵⁷

The May 1810 revolution transformed the colonial system of governance, creating native institutions to wield sovereignty. The *cabildo abierto* (town council), which removed the Viceroy in May 1810, created a governing committee (*primera junta*) that both assumed the absent monarch's prerogative to legislate and the viceroy's mandate to govern. The *primera junta*, initially composed of committee members appointed by Buenos Aires' *cabildo abierto* was gradually enlarged as deputies elected by provincial *cabildos*, or at least those provinces which recognised Buenos Aires' claim to govern, arrived in the capital. As part of the monarch's prerogative to legislate, the *primera junta* appointed intendant-governors to the several intendancies that had recognised its authority. The summation of executive and legislative powers in one body was divided with the creation of a three-person executive, a triumvirate, by 1811, which enacted the legislation of the *junta conservadora* composed of provincial delegates. Over time, these institutions evolved as a Constituent Congress replaced the junta in 1813, while the executive in the form of a three-person Triumvirate was reformed into a single person executive, a Supreme Director, in 1814. Both the Supreme

¹⁵⁷ Ternvasio, *Historia de la Argentina*, 67-75.

Director and the Constituent Congress were deposed during a revolution in 1815, which appointed a new Supreme Director, and called for the provinces to elect new deputies to meet in General Congress in Tucumán.¹⁵⁸

By 1816, only the territories that had formerly belonged to the Intendancy of Salta, the Intendancy of Córdoba, as well as the majority of the Intendancy of Buenos Aires, formed the political union of the Provincias Unidas. The Banda Oriental, which had originally aligned itself with Spain, rejecting rule from Buenos Aires, had briefly been liberated by the military forces of the union and re-entered as a constituent province, before being removed from the union once again by confederalist rebel Artigas, who thereafter governed the Banda Oriental independent of both Buenos Aires and Spain. His confederalist movement received the backing of the cities of Santa Fe, Corrientes and Entre Rios, which had seceded from the Intendancy of Buenos Aires to form their own separate provinces. These new provinces, together with the Banda Oriental and Misiones, governed themselves independently while forming a League of Free Cities under the protection of Banda Oriental governor Artigas. The League's Federal Army engaged in civil war with the United Provinces from 1814 until 1820. Paraguay, like the Banda Oriental, had originally rejected rule from Buenos Aires in favour of Madrid, before electing to govern itself independent of either capital, remaining isolated and unassociated with any other province or political entity. Upper Peru, after recognising the Cádiz Regency, was initially constituted as a separate province of the Spanish Empire, the province of Charcas, and would later be reincorporated as part of the Viceroyalty of Lima. Several military occupations of the region by troops of the United Provinces failed to reintegrate it into the union. The original twelve *intendencias* and *gobernaciones* forming the Virreinato del Río de la Plata had by 1816 re-formed into four separate polities; the United Provinces, a federal union governed by a Supreme Director located in Buenos Aires and a legislative assembly of provincial representatives located in the northern town of Tucumán, the royalist province of Charcas (Upper Peru), annexed to the Viceroyalty of Lima; the isolationist Paraguay, and the dissident League of Free Cities, a loose association of five separate provinces, the Banda Oriental, Misiones,

¹⁵⁸ Ternvasio, *Historia de la Argentina*, 67-91.

and three provinces that had seceded from the original intendancy of Buenos Aires; Santa Fe, Entre Rios, and Corrientes.¹⁵⁹

Within the United Provinces, the three former intendancies of Buenos Aires, Córdoba, and Salta that made up the union had been re-shaped. The Intendancy of Buenos Aires remained in the union as a province, but reduced in size by the secession of Santa Fe, Entre Rios, and Corrientes. The Intendancy of Córdoba had been divided in two in 1813, creating the provinces of Cuyo, containing the primary cities of Mendoza, San Juan and San Luis, and the province of Córdoba, having jurisdiction over the cities of Córdoba and La Rioja. In 1815, Córdoba briefly declared provincial independence and joined the League of Free Cities, before rejoining the union in 1816. La Rioja, under its jurisdiction, used the event to justify declaring itself a separate province. The Intendancy of Salta, likewise, was subdivided in 1814, creating the Province of Tucumán and the Province of Salta.¹⁶⁰

For those provinces in the union between 1816 and 1820, the division of powers between the common government headed by the Supreme Director in Buenos Aires and the provincial governments headed by governors in Córdoba, La Rioja, Cuyo, Tucumán and Salta largely resembled the division of powers between the Monarch and Viceroy and his Intendants. The Supreme Director, inheriting the monarch's prerogative, directly appointed provincial governors, apart from during a brief two-year experiment in the election of provincial governors by local citizens, which had been introduced in 1815 and overturned from 1817. The General Government administered the national treasury, controlled the nation's principal customs house, in Buenos Aires, the main point of contact with foreign commerce, oversaw the appointment of officials and provisions for a national army and navy, and directed foreign affairs. In many ways, the Congress of Tucumán government (1816-1820) resembled a hybrid of the Articles of Confederation and the US Constitution. On the one hand, the general government did not have civil servants operating in the provinces. Taxes in the provinces were collected by bureaucrats employed at the provincial level, resembling the US during the Articles of Confederation. The Supreme Director could direct that revenues in

¹⁵⁹ Ibid, 67-91.

¹⁶⁰ Ibid, 88-91.

provincial treasuries be sent to the general treasury in Buenos Aires, or reallocated to other provincial treasuries to defray the costs of national expenditures. This, however, did not cause the same problems as the US federal government had experienced during the Articles of Confederation period in the US for two reasons. First, the general government directly controlled the port of Buenos Aires, the only port enabled for international commerce. Revenues from the national customs house far outweighed those revenues collected in provincial treasuries. In essence, the general government could act independently to fund national affairs even if the provinces were uncooperative, as the separate state governments of the US federal union had been. Second, provincial governors, as they answered to the Supreme Director as well as local stakeholders, were much more likely to comply with the decrees of the general government than locally elected state governors in the US.¹⁶¹

This federal government, which had been inherited from the Viceroy and amended by successive revolutions and legislative acts since 1810, ceased to exist from 1820. The Federal Army of the League of Free Cities, at war with the United Provinces since 1814, successfully defeated the Buenos Aires militia in 1820. At the point of the bayonet, the Federal Army forced the National Congress to dissolve itself, and for the Supreme Director to cease in his national jurisdiction over the provinces of the union. Buenos Aires' jurisdiction, providing general government for a vast national domain, was reduced to the borders of its own province.¹⁶² The Province of Buenos Aires, to be governed by an elected House of Representatives, who elected the Governor of the Province, assumed the assets of the general government within its jurisdiction, notably the control of the port of Buenos Aires, as well as the general government's liabilities, including the national debt. Likewise, each of the provinces gained full control of territory within its jurisdiction. Quickly, provincial *cabildos* elected governors and provincial legislative assemblies were created. The dissolution of the union and consequent reordering of authority in the separate provinces likewise caused further

¹⁶¹ *Estatuto Provisional Para La Dirección y Administración Del Estado* (Buenos Aires: Imprenta del Estado, 1815), 1-42.

¹⁶² Ternvasio, *Historia de la Argentina*, 119-122.

political fragmentation. The Province of Cuyo fragmented into the provinces of Mendoza, San Luis and San Juan. The Province of Tucumán, after briefly declaring a Republic of Tucumán, dissolved into the provinces of Tucumán, Catamarca, and Santiago del Estero. Likewise, without the threat of the United Provinces as a centralizing force, the League of Free Cities dissolved into separate provinces. By the early 1820s, twelve republican provinces existed without formal political association.¹⁶³

Bound together neither by common government nor by treaty, the provinces could resume the exercise of sovereignty for themselves. In some areas, they did. Provinces declared war on each other and signed treaties of peace concluding intra-provincial civil war. They erected tariffs which taxed intra-provincial trade at provincial customhouses. They secured their own borders from foreign powers using provincial armies and militias, not national armies. For example, after the national Army of the North dissolved in 1820, the province of Salta continued to organise its own defence against the neighbouring Royalist forces of Upper Peru.¹⁶⁴ In other ways, however, all of these separate provinces recognised that they belonged to a *de facto* national union. As the provinces, which frequently referred to themselves as republics, wrote written constitutions, they frequently made reference to belonging to a larger nation that would in future meet in Congress and form a federation.¹⁶⁵ While the provinces exercised an 'internal sovereignty', by declaring war, making peace and contracting alliances with other provinces of the union, most of the provinces refrained from exercising 'national' sovereignty by interacting with foreign nations to declare war, conclude peace, or sign treaties of alliance or commerce. In many respects, between 1821-1824, the twelve provinces of Argentina formed a *de facto* confederation, with Buenos Aires as steward of national affairs. Buenos Aires continued to send and receive diplomatic missions on behalf of the union, to set national commercial policy by controlling the nation's principal port, to maintain the

¹⁶³ Ibid, 122-123, 125-134.

¹⁶⁴ Sara Emilia Mata, *Los Gauchos de Güemes: Guerras de Independencia y Conflicto Social* (Buenos Aires: Editorial Sudamericana, 2008).

¹⁶⁵ Ibid, 125-134. See, for example, *Estatuto Provisorio Constitucional de la Provincia de Entre-Ríos* (Imprenta de la Independencia, 1822), accessed 20 January, 2016, <http://modern-constitutions.de/AR-ER-1822-03-04-es-i.html>

only standing army capable of providing national defence should a foreign invasion take place, to send subsidies to provincial treasuries to help with their defence costs, and to manage the national debt and establish public credit.¹⁶⁶ In effect, Argentina was a loose unwritten confederation where one province's institutions, directed by the Buenos Aires House of Representatives and its Provincial Governor, set policy for the nation.

The irregular form of sovereignty that Buenos Aires exercised demanded revision in order to be a more regularly recognisable form of nation. British Consuls to Buenos Aires were tasked with evaluating if the province was in "military possession of the country" and if it enjoyed the "confidence and good will" of the "people."¹⁶⁷ Without a formal treaty or constitution binding all the provinces together, foreign nations could not expect any treaties entered into to be enforced throughout the provinces of Argentina. As British Secretary of State Canning reflected on the difficulty of Buenos Aires acting as sovereign for Argentina in this period until a national government had been created, the provinces had been "thirteen of fourteen small and separate states, which were not till very lately collected into any federal union. Would it not have been an absurdity to have treated with a power which was incapable of answering for the conduct of the communities of which it was composed?"¹⁶⁸ Recognising this, the province of Buenos Aires invited the other states to meet in Congress, which gathered by late 1824. By January 1825, a Fundamental Law (*Ley Fundamental*) established a provisional constitution for the union. The Congress established the Governor of Buenos Aires as the temporary executive of the union, formalising what had existed since the dissolution of the general government in 1820, authorising the governor to conduct foreign affairs, declare war, make peace, and sign treaties with foreign nations, and to create a national treasury and national army,

¹⁶⁶ Buenos Aires regularly corresponded and gained adherence from provincial governors and legislatures to carry out diplomatic initiatives, see Facultad de Filosofía y Letras: Instituto de Investigaciones Históricas, *Documentos Para La Historia Argentina, Tomo XIV Correspondencias Generales de La Provincia de Buenos Aires Relativas a Relaciones Exteriores (1820-1824)* (Buenos Aires, 1921), *passim*.

¹⁶⁷ 'Canning to Parish, 15 December 1823', in FO6/1 (Argentina), National Archives (Kew).

¹⁶⁸ 'Address on the King's Speech at the Opening of the Session', 3 February, 1825, in T.C. Hansard, *The Parliamentary Debates: Forming a Continuation of the Work Entitled The Parliamentary History of England, from the Earliest Period to the Year 1803*, Volume 12 (London, T.C. Hansard, 1825), 78.

while prohibiting any of the provinces from declaring war, making peace, or signing treaties with foreign nations. However, the existing political institutions of the separate provinces would be preserved until a constitution ratified by the provinces was promulgated. A general tax system, for example, was not put in place. Instead, the treasury of Buenos Aires advanced on credit money to the national government until a form of national taxation could be found. Provincial governors would legally be bound to comply with legislation passed by the Congress, but as with the Articles of Confederation in the US, their compliance would in effect be voluntary. No large bureaucracy or court system would be created in the provinces to enforce national law.¹⁶⁹

In effect, the national congress effected no great change in interprovincial affairs. Now, national affairs would be directed, as before, by the Governor of Buenos Aires - the principal difference being that a national legislature, rather than a provincial one, would pass national legislation, and the army supported by Buenos Aires' treasury would be considered 'national', rather than provincial. By 1826, the 'national government' would be at war with Brazil. The Congress, deviating from the Fundamental Law's guarantee to protect provincial institutions until a new constitution had been ratified, created a national presidency, federalising the province of Buenos Aires and dissolving its House of Representatives. In effect, the President of the Republic simply inherited the powers of the Governor of Buenos Aires. Instead of a provincially-elected governor conducting both local and national affairs, a nationally-elected President ran Buenos Aires and national institutions; the two were close to one and the same.¹⁷⁰

The power to set national policy, to act as sovereign and safeguard sovereignty by creating a war-making state by establishing public credit, by raising taxes to support a national army, by creating an economy capable of providing military resources, by entering into treaties of alliance and commerce with foreign nations, and by maintaining diplomacy with foreign courts, was held at various times by various institutions and actors. This

¹⁶⁹ 'Ley Fundamental', in *Registro Nacional*, (Libro 1, No. 1, 28 January, 1825), accessed 27 January, 2016, <http://modern-constitutions.de/AR-00-1825-01-23-es-i.html>

¹⁷⁰ Ternvasio, *Historia de la Argentina*, 154-156.

thesis will now turn to the national policies aimed at creating viable war-making states in the US and Argentina. It will focus primarily on the work of the US Congress and four US Presidents, Washington, Adams, Jefferson and Madison, from 1789 to 1812, and in Argentina of the governance of the General Congress (1816-1820), the Buenos Aires House of Representatives (1821-1824) and National Congress (1824-1827) and the executives of the Supreme Director (1816-1820), particularly Juan Manuel de Pueyrredón, the Buenos Aires Governors and his Ministers, notably the Minister of State Bernardino Rivadavia (1821-1824) and Minister of Treasury Manuel José García (1821-1826) and the President of the Republic, Rivadavia (1826-1827).

Revenue, War Finance, and International Trade

As independent nations, Argentina and the United States had full powers to levy taxes, contract national debt, and regulate international commerce, as power shifted from the metropolitan capitals of London and Madrid to the congress halls and cabinet meetings of Buenos Aires and Philadelphia, the seats of the federal governments at the time of independence. Using their new fiscal and economic powers, the new polities were required to create states capable of conducting warfare to maintain political independence. Systems of revenue and public credit were founded in both republics to enable the new states to finance future wars via the sale of public bonds. But policymakers were uneasy about having their military security, which relied on public credit, underpinned by revenues generated on taxing international trade. For nations without powerful navies, a blockade could easily reduce customs tax revenues to nothing. Policymakers in Argentina, but especially the US, also recognised the troubling consequences for national security of a blockade on economic activity. Economies geared towards production for international markets would be paralysed when blockaded, whereas economies focused on production for domestic marketplaces would continue unaffected by blockade.

Financing War in an International Economy

The two new polities of Argentina and the US were, in their essence, no different from other contemporary states in the late-eighteenth and early-nineteenth century world. The first task of government was to provide military security. “Self preservation is the first duty of a Nation”, Treasury Secretary Alexander Hamilton reminded his fellow citizens in the 1790s.¹⁷¹ His sentiments echoed in the legislative chambers of the Argentine General Constituent Congress in 1826: “War is the principal object of a sovereign” and

¹⁷¹ “Pacificus No. III, [6 July 1793],” *Founders Online*, National Archives, accessed 5 June, 2016, <http://founders.archives.gov/documents/Hamilton/01-15-02-0055>.

“every government must attend to it with preference.”¹⁷² The bulk of government expenditure was dedicated to costs associated with warfare, used to either maintain a military establishment or to repay holders of public bonds sold during previous wars.

In 1794, 89.7% of the US federal government revenue was spent to maintain a military or repay debt contracted to finance the revolutionary war. Of total expenditure, 2.7 million dollars (38.6%) was spent on maintaining an army and navy, while 3.19 million dollars (45.6%) was spent on repayments to holders of the public debt sold to finance previous wars.¹⁷³ In Buenos Aires, the de facto national treasury, which had inherited the task of maintaining a large standing army and making repayments on national debt, spent just under sixty per cent of total expenditure on costs associated with the military establishment. Of the 6 million pesos spent between 1822-1824, 2.197 million (36.6%) was spent on maintaining the military establishment, while 1.384 million (23%) was spent on making repayments to creditors.¹⁷⁴ If anything, these figures should be higher for the Buenos Aires treasury. Many of the other costs, such as bureaucratic salaries, probably had a military aspect to them. Additionally, the Buenos Aires treasury paid for local expenditures, such as police and education establishments, which in the US were paid for from state rather than federal treasuries. If we subtracted purely ‘local’ costs and knew the full extent of ‘national’ military-related expenditures in the Buenos Aires treasury, probably both treasuries’ expenditures were absorbed by similar levels of military-related expenditure. In both Argentina and the United States, each nation’s principal treasury spent the vast bulk of public expenditure on military force and public debt repayment.

A well-functioning treasury was the essential component of a war-making state. If the US and Argentina were to be capable fiscal-military states, their treasuries would need to be able to maintain a peacetime standing military establishment while honouring obligations to creditors. The different levels of indebtedness resulting from the revolutionary wars placed

¹⁷² Congressman Cegada, in ACA 3: 347-348.

¹⁷³ Wallis, ‘Table Ea636–643 Federal government expenditure, by major function: 1789–1970’ in *Historical Statistics of the United States*.

¹⁷⁴ Calculated using figures from Donghi, *Guerra y finanzas*, 173-175.

Argentina in 1821, when its treasury system underwent the first post-revolutionary reform, in a more favourable position compared to the US in 1789, when the federal revenue system was established. The United Provinces had inherited a well established treasury system from the colonial period, allowing the war of independence to be mainly financed via taxation. Revenues of 2.5 to 3 million pesos annually during the 1810s had almost covered the total expenditures required during the civil and independence wars between 1810 to 1820.¹⁷⁵ After accounting for total war debts, the Buenos Aires treasury recognised just 6.8 million pesos in outstanding public debt, two million of which had already existed before the war of independence.¹⁷⁶

In the US Revolutionary War, by contrast, there had been no system of federal taxation, and the thirteen colonies had very little tax-collecting ability. The war was mostly financed by selling public bonds and printing paper money. At the end of the war, total debt and paper money emissions totalled somewhere between 152 to 183 million dollars. The federal government quickly decided it could not compensate holders of paper money, yet it did recognise the obligation to pay back holders of around 80 million dollars of public bonds.¹⁷⁷ The 'national' treasuries in Buenos Aires and Philadelphia began their post-independence careers in very different states of solvency. In Buenos Aires, the treasury ran a small deficit in 1821 but by 1822 government revenues comfortably covered military expenditures and public debt repayments to the extent that the treasury ran a surplus. By 1825, once the majority of outstanding claims against the government had been recognised, the value of public debt to revenue as a ratio was just 2.6 to 1.¹⁷⁸ In the US in the first years after independence that ratio was more like 30 to 1.¹⁷⁹ Huge

¹⁷⁵ Conde and McCandless. "Argentina: From Colony to Nation", 389.

¹⁷⁶ Bordo and Vegh, 'What if Alexander Hamilton had been Argentinean?', 465.

¹⁷⁷ Farley Grubb, 'The Spoils of War: US Federal Government Finance in the Aftermath of the War for Independence, 1784-1802' in Sánchez, Rafael Torres, ed. *War, State and Development. Fiscal-Military States in the Eighteenth Century* (Navarra: Ediciones Universidad de Navarra, 2007), 153.

¹⁷⁸ In 1825, total debt recognised was 6.8 million pesos, while revenues reached 2.6 million pesos. See Bordo and Vegh, 'What if Alexander Hamilton had been Argentinean?', 465.

¹⁷⁹ Edling, *Hercules in a Cradle*, 94.

national debts required greater expenditures on public debt repayments while the federal treasury system was in its infancy. It would not be until 1796, more than six years after the beginnings of the federal revenue system, that revenues would be greater than ordinary expenditures.¹⁸⁰

If in peacetime, revenues in the Buenos Aires treasury allowed it to maintain a balanced budget, and with time increasing US federal revenues would allow its treasury to cover all the 'ordinary' costs of government without extra borrowing, in times of war, the operations of public treasuries were placed in chaos. The 'extraordinary' costs of war regularly doubled or trebled the total amount of government expenditure compared to the amount of 'ordinary' expenditure.¹⁸¹ At the same time, and particularly for states like Argentina and the US that relied on customs tax for the vast majority of their revenue, war could cause revenues to be drastically cut. How could wartime deficits be financed? In the US and Argentina, treasury ministers and officials proposed and implemented systems of 'Public Credit' as the solution to this problem.

In the US, Treasury Secretary Alexander Hamilton was the main architect of the system of public credit. Hamilton was well placed to understand both war and finance. Merchants were the main buyers of public bonds and Hamilton had been apprenticed to a merchant in the Caribbean, where he was born, before selling cargo to pay his way through college. When the revolutionary war broke out, Hamilton joined state militias to fight the British, before rising to become General Washington's chief aide de camp. As a natural choice for Washington's appointee as Treasury Secretary, he presented his system of public credit in his *First Report on the Public Credit*.¹⁸²

¹⁸⁰ Wallis, 'Table Ea584–587 Federal government finances – revenue, expenditure, and debt: 1789–1939' *Historical Statistics of the United States*.

¹⁸¹ For example, in the War of 1812, expenditure increased from 8.0 million dollars (1811) to 20 million dollars (1812). In Argentina, the Cisplatine War caused expenditure to jump from 2.9 million pesos (1825) to 8.0 million pesos (1826). See Bordo and Vegh, 'What if Alexander Hamilton had been Argentinean?', 465 and Wallis, 'Table Ea584–587 Federal government finances – revenue, expenditure, and debt: 1789–1939' *Historical Statistics of the United States*.

¹⁸² John Lamberton Harper, *American Machiavelli: Alexander Hamilton and the Origins of US Foreign Policy* (New York: Cambridge University Press, 2007) places Hamilton's worldview of an international arena of competitive states as central to his thinking.

Argentina's post-revolution system of 'Crédito Público' was developed by the collaboration of Manuel José García, treasury minister of the Buenos Aires government, and Santiago Wilde, an Irish-born naturalised citizen of the United Provinces employed as an official in the Buenos Aires treasury department and founder of the influential *El Argos de Buenos Aires* periodical. García, the child of a notable Spanish general and bureaucrat serving in the Río de la Plata, had served as Treasury Secretary in the national government between 1812-1814 and as Minister Plenipotentiary in Rio de Janeiro between 1815-1820. From 1821, he was named Treasury Minister in the provincial government of Buenos Aires. García and Wilde outlined their theory of public credit in public periodicals, congressional debates, and in Wilde's 1821 *Memoria presentada a la Comision de Hacienda (Memorial presented to the Treasury Commission)*.¹⁸³

To finance wartime deficits, governments could sell bonds to the general public, most often to merchants with liquid capital at their disposal. A one hundred dollar public bond, for example, would be sold with the promise to repay to bondholders a percentage of interest per annum fixed by the government, normally six per cent. Governments would open a subscription for the bonds, whereby interested buyers could bid to pay the amount at which they valued the bonds. If government bonds were an attractive asset, prospective creditors might bid more than the face value of the bonds to purchase them, whereas if they were an unattractive asset they might bid less than the face value to own them. For example, a government that put 10 million dollars of bonds for public subscription might find that it could only sell those bonds for 8 million dollars of real money (at 80% of par). The government would receive 8 million dollars but would incur 10 million dollars in liabilities to pay bondholders from future taxation. As a means of financing war, Argentine and US advocates of public credit agreed that the sale of public bonds was preferable to attempting to finance war via raising taxation, which by taxing the working capital of business "paralyses" and

¹⁸³ Juan Carlos Nicolau, *Manuel José García 1784-1848 : Política y Diplomacia en el Río De La Plata. El Conflicto con el Imperio de Brasil* (Buenos Aires: Librería Histórica, 2008) provides the most recent and comprehensive study of García's political career.

“oppresses” the citizens according to Wilde.¹⁸⁴ Hamilton agreed, taxing the capital of citizens would leave their businesses “seriously wounded by war.”¹⁸⁵ War financing via public bonds was, instead of a malicious ill upon society, a ‘blessing’, as it allowed war to be prosecuted with greater speed and effectiveness, restoring peace quicker. “Who does not see”, asked *El Nacional*, a periodical supportive of García’s public credit system, “that a war...would terminate more quickly and happily, with less costs” if all “at once” money raised by selling public bonds could be used to “form a squadron, equip an army, and give a decisive blow to the enemy?”¹⁸⁶ Alexander Hamilton spoke in similar terms. A nation with public credit would perform better militarily. Credit was to be “cherished” as “an engine by which war, if inevitable, can be maintained, and by which from that very possibility a better peace can be secured.”¹⁸⁷

Raising revenue by allowing the public to voluntarily purchase government bonds, with market mechanisms setting the value of those bonds, was very different from involuntary taxation. As noted, the value of public bonds, and thus the amount a government could raise, was determined by the attractiveness of that bond as an asset. If a government was creditworthy, or enjoying ‘credit’, it could finance war more effectively. Credit was, as *El Nacional* explained, “the confidence, acquired by a government, that it has the will, the means and the capability of paying back the debts it contracts.”¹⁸⁸ Argentine and US theories of public credit understood that governments would have to show good faith to creditors, in other words religiously honouring their commitments to bondholders. Hamilton noted that states, like individuals, when they observed a “punctual

¹⁸⁴ Santiago Wilde, *Memoria presentada a la Comisión de Hacienda* (Buenos Aires: Imprenta de la Independencia, 1821), 14.

¹⁸⁵ Alexander Hamilton, “The Defence of the Funding System, [July 1795],” *Founders Online*, National Archives, accessed May 26, 2016, <http://founders.archives.gov/documents/Hamilton/01-19-02-0001>.

¹⁸⁶ *El Nacional*, No. 4, January, 13 1825, 75.

¹⁸⁷ Hamilton, “The Defence of the Funding System” *Founders Online*, accessed May 26, 2016, <http://founders.archives.gov/documents/Hamilton/01-19-02-0001>.

¹⁸⁸ *El Nacional*, No. 3, January, 6, 1825, 53.

performance of contracts” were trusted and respected.¹⁸⁹ *El Nacional* agreed, noting how defaulting on debt repayments “would destroy the confidence” of bondholders.¹⁹⁰ Both US and Argentine plans for public credit hoped to establish the government’s ‘good faith’ towards bondholders by proposing to not only fully recognise public debt contracted during the revolutionary wars, but also any unpaid interest payments. Hamilton’s proposal planned to convert any unpaid interest into recognised debt by issuing bondholders additional bonds in recognition of lost instalments of interest payments. García’s proposal for public credit, according to *El Nacional*, had similarly recognised that “it was indispensable for the government to start by manifesting its effective determination to pay its creditors.”¹⁹¹ In recognition of the fact that bondholders had not received full interest payments, the value of debts held by creditors was to be increased by 25% as indemnification for lost interest.

Creditors appreciated a government’s past history of making debt repayment but they also looked towards a government’s future ‘means’ and ‘capability’ to honour their outstanding national debt. In times of peace, revenues and expenditures had to balance. If not, governments would either be forced to default on their debt repayments, or recur to contracting more debt to pay for the ordinary costs of government, which would be unsustainable in the long term. Argentine legislators were reminded that credit was established in the health of government revenues and expenditure; “here is where our credit lies.”¹⁹² The state would enjoy “a grand credit” if there was “a perfect balance between its revenues and costs.”¹⁹³ Wilde’s *El Argos de Buenos Aires* agreed, calling for provincial spending to be balanced with revenues as “the foundation of our treasury system.”¹⁹⁴ Likewise, in the

¹⁸⁹ Alexander Hamilton, “Report Relative to a Provision for the Support of Public Credit, [9 January 1790],” *Founders Online*, National Archives, accessed June 12, 2016, <http://founders.archives.gov/documents/Hamilton/01-06-02-0076-0002-0001>.

¹⁹⁰ *El Nacional*, No. 3, January, 6, 1825, 53.

¹⁹¹ *El Nacional*, No.4, 13 January, 1825, 73.

¹⁹² DSHJBA, 16 August, 1822, 700.

¹⁹³ *El Nacional*, No.3, 6 January, 1825, 52.

¹⁹⁴ *El Argos de Buenos Aires*, No.2, 19 May, 1821, 16.

US Hamilton was attentive to the need to protect and grow revenues and reduce expenditures so budgets balanced. Until revenues balanced with expenditures, US finances would never “wear a proper countenance. Arrears or interest, continually accruing, will be as continual a monument, either of inability, or of ill faith; and will not cease to have an evil influence on public credit.” Hamilton’s plan of public credit proposed to re-mould the public debt “into such a shape, as will bring the expenditure of the nation to a level with its income.”¹⁹⁵ He proposed restructuring the debt so that creditors would voluntarily agree to a reduction in annual interest from six per cent to four percent per annum in an effort to balance the budget. Throughout the 1790s, Hamilton stressed the importance of maintaining government revenues as a first priority, and regularly opposed any course of action that would threaten to reduce revenues.¹⁹⁶ Both Argentina and the US recognised that even when the state of their treasuries might not fully inspire the confidence of their creditors, the vast domain of ‘unsettled’ federal or national lands boosted credit, if well managed. Governments could always offer land swaps to redeem national debt. In Argentina, policymakers recognised that public property was a “guarantee as constant as it was solid,”¹⁹⁷ while Hamilton argued that US public credit would be higher than other nations due to the “immense tracts of unsettled territory.”¹⁹⁸

The final element in maintaining the ‘means and capability’ of paying was setting up an amortisation fund which would pay off a small part of the principal of the public debt each year, in the same way that a mortgage holder would make repayments to pay both interest on the outstanding balance and repay the original amount borrowed when contracting the mortgage until the debt eventually expires. In the past, states had established

¹⁹⁵ Hamilton, “Report Relative to a Provision for the Support of Public Credit, [9 January 1790],” *Founders Online*, accessed 12 June, 2016, <http://founders.archives.gov/documents/Hamilton/01-06-02-0076-0002-0001>.

¹⁹⁶ Douglas A. Irwin, “Revenue or Reciprocity? Founding Feuds over Early US Trade Policy.” In *Founding Choices: American Economic Policy in the 1790s* (Chicago: University of Chicago Press, 2010), 89-120.

¹⁹⁷ *Mensagero Argentino*, No. 77, 17 August, 1826.

¹⁹⁸ Hamilton, “Report Relative to a Provision for the Support of Public Credit, [9 January 1790],” *Founders Online*, accessed June 12, 2016, <http://founders.archives.gov/documents/Hamilton/01-06-02-0076-0002-0001>.

permanent national debt. Creditors would receive interest payments for life. The danger here was that as the total debt accumulated higher and higher, more and more of the revenue would be absorbed by interest payments on the debt, until eventually revenues would not be able to sustain the ordinary costs of government. In such a situation creditors would become less and less willing to lend to government on 'good terms' if they sensed that the state would not be able to raise further revenue to make interest payments, ending in default.

Amortisation would set the republics on a path to permanently extinguish the national debt, which would ensure a government always had credit. Both Wilde and Hamilton found amortisation funds to be essential 'principals' or 'maxims' of public credit. For Wilde, it was not enough to pay the interest alone. If enough revenues were raised to form a fund that amortised the debt, the treasury would be in the "best possible position." At the time new debt was contracted, Wilde argued, new taxes should be levied or old ones increased in order to raise the revenue to pay into the fund that would amortise the debt.¹⁹⁹ Hamilton, while recognising that the US did not have enough revenues to begin amortising the debt yet, hoped amortisation would be a "fundamental maxim" in the US system of public credit as it was the "true secret for rendering the public credit immortal."²⁰⁰

The ideology of public credit in Argentina and the US was incredibly similar. The plans look so alike because they shared a British base. Both Treasury Minister García in his explanations to congress and Hamilton in his writings reveal the British influence. For Hamilton, "Great Britain" was "the only power which has uniformly cultivated an enlightened and exact plan of national credit." "What astonishing efforts has Credit enabled Great Britain to make?", Hamilton reminded his fellow citizens, "she is able to employ so powerful [an] instrument of Warfare."²⁰¹ Treasury Minister García agreed that the British funding system as a "theory of credit" was "a truly new thing."

¹⁹⁹ Wilde, *Memoria presentada*, 14.

²⁰⁰ Hamilton, "Report Relative to a Provision for the Support of Public Credit, [9 January 1790]," *Founders Online*, accessed June 12, 2016, <http://founders.archives.gov/documents/Hamilton/01-06-02-0076-0002-0001>.

²⁰¹ Hamilton, "The Defence of the Funding System" *Founders Online*, accessed May 26, 2016, <http://founders.archives.gov/documents/Hamilton/01-19-02-0001>.

Britain had the “inestimable discovery” in 1716 that public credit was “perfected” when a government creates a capital, or amortisation fund, “destined to amortise the loan.”²⁰²

The plans of public credit advanced by Hamilton in the US and García and Wilde in Argentina were adopted by their respective legislative assemblies, guided by the theory of public credit they had advanced. On October 30, 1821, in the ‘Decreto que establece el sistema de crédito público y de amortización’, Buenos Aires recognised all public debts, including debts contracted in colonial times, and increased the value of outstanding debts as a recognition of lost interest payments. Buenos Aires initially recognised a total debt of 5 million pesos in 1822 (rising to 6.8 million in 1824 as new claims against the government were submitted). The colonial era debt was converted into two million pesos of bonds which yielded 4% interest per year and would be amortised at a rate of 0.5% a year. Revolutionary war debt was converted into 3 million pesos of bonds at 6% annual interest, to be amortised at a rate of 1% per annum. In 1825, a further 5 million pesos at 6% was contracted in the London bond market, which would be amortised at a rate of 0.5%. The Buenos Aires system of public credit would see the domestic 6% bonds paid off in 32 years, and the domestic 4% bonds and London 6% bonds paid off in 46 years, leaving Argentina debt free by 1860 providing it contracted no new debt.²⁰³

In the US, from 1789 federal taxes collected at the newly federalised customhouses allowed the US to begin making regular interest payments on the national debt. Congress reformed the national debt in the Funding Act of August 4, 1790. Outstanding debts were to be converted into new emissions of long-term securities which would pay lower annual interest rates of 4%, rising to 6% in 1801. In exchange for accepting lower interest rates, the new bonds would be mortgaged against specific revenues (giving a greater guarantee that creditors would be repaid) and the government restricted its ability to redeem (pay back) the national debt, so that creditors would enjoy long-term interest repayments. Unpaid interest of \$13 million dollars was recognised, and creditors were issued new bonds to this value to show ‘good

²⁰² DSHJBA, 28 November, 1822, 697.

²⁰³ *Registro Oficial*, No.11, 7 November, 1821, 91-96.

faith' that the government intended to honour its obligations. By March 5, 1795, with an improvement in the US federal treasury's ability to balance expenditures with revenues, the US passed legislation to amortise the public debt. Two-thirds of the debt would be amortised by 1818, while the final third amortised by 1824, leaving the US, if it issued no new public bonds, without national debt in just under thirty years.²⁰⁴

Both Argentina and the US created successful war-making states. Argentina had inherited a treasury system that was already yielding 2.5 million pesos in the Buenos Aires treasury alone in 1810. During the war of independence revenues fluctuated between a low of 2.1 million and a high of 3.2 million. In 1820, when the disunion of the United Provinces occurred, revenues fell back to around 1.5 million, but on the eve of war they had recovered to 2.6 million. If we include the treasuries of the other provinces which raised around 500,000 pesos collectively, the total revenue of the United Provinces was around 3.1 million pesos in 1825.²⁰⁵ While this probably was no higher than it had been in 1810, this statistic hides that the United Provinces in 1825 were reduced to a fraction of the size and tax collecting ability of the full Viceroyalty of the Río de la Plata. In 1790, the area that would latterly form the United Provinces had only collected 1.44 million pesos, or just 39% of total viceregal taxes.²⁰⁶ In fact, that a region that had only produced 1.44 million pesos in 1790 in taxation could produce around 3.1 million pesos in taxation in 1825 reveals the impressive growth in Argentina's tax collecting ability as it replaced revenues lost from Potosi's silver mines.

The US federal government had to create a revenue system by inheriting state customhouses that had been underperforming in terms of total revenues collected. The customhouses of New York, Philadelphia, Baltimore and

²⁰⁴ Edling, *Hercules in a Cradle*, 68, 96, 103.

²⁰⁵ For revenues between 1810-1820, see Roberto Condés Conde, "Finanzas Publicas, Moneda y Bancos (1810-1899)." In *Nueva Historia de La Nación Argentina. La Configuración de La República Independiente (1810-c.1914)* (Buenos Aires: Planeta, 2000), 466. For Buenos Aires' revenues in the 1820s, see Bordo and Vegh, 'What if Alexander Hamilton had been Argentinean?', 465. For estimate of total tax collection in 1825, see Appendix B.

²⁰⁶ Calculated from figures for the amounts collected in the treasuries of Buenos Aires, Córdoba and Salta in 1790, Klein, "Structure and Profitability of Royal Finance", 458-461.

Charleston, four of the principal ports in the union, had raised just 1.975 million dollars in the four years between 1785-1788, averaging just under 500,000 dollars a year.²⁰⁷ In the initial years of the federal government, the customhouses, now under federal control, yielded just 1.6 million dollars per annum. Revenues increased to 4.6 million in the mid-1790s, 9.7 million in the mid-1800s before falling back to 7.6 million per year on the eve of the War of 1812.²⁰⁸ Increasing revenues reflected higher tariff rates and much greater volume of imports. Comparing per capita taxes of the two republics reveals the impressive reach of the Argentine state. In 1825, citizens of the United Provinces paid around 5.2 pesos per capita. In 1810, US citizens' taxes paid to local, state and federal government would have likely been no more than 3.4 dollars per capita.²⁰⁹

Revenues allowed the republics to create a military establishment and establish public credit, both of which enhanced national security. Low revenues meant that in 1789, the federal military equalled just 713 men. Increasing revenues allowed for a professional standing army of 4,051 men by 1801. The army was scaled back under Jefferson's administration, but began recruiting again as war with Great Britain grew more likely. By 1812, the standing army numbered 6,686 men.²¹⁰ As the US had avoided war in the mid-1790s, it gave the revenue system an opportunity to grow. By the end of

²⁰⁷ Edling, *Hercules in a Cradle*, 77.

²⁰⁸ Wallis, 'Table Ea584–587 Federal government finances – revenue, expenditure, and debt: 1789–1939' *Historical Statistics of the United States*.

²⁰⁹ The 5.2 pesos per capita figure is derived from dividing total estimated taxes detailed in Appendix B by a population of 597,515 people (not included untaxed 'non-subjugated' Indians) found in Celton, "La población. Desarrollo y características demográficas", 62. The 3.4 dollar per capita figure is an estimate using data for the federal government in 1810 and state and local governments in 1820. Citizens paid 1.06 dollars per capita to the federal government in 1810, see Edling, *Hercules in a Cradle*, 240. Zolt's study of local and state taxes unfortunately does not provide figures for 1810, so 1820 figures have been used as the closest available estimates. In 1820, citizens paid 0.55 dollars per capita to state governments and 1.78 dollars per capita to local governments. The figures for 1820 are, if anything, likely to be higher than that paid for 1810, as the general trend across the early nineteenth century was for taxes to increase per decade. Therefore, we can cautiously estimate a total of 3.39 dollars per capita paid in 1810 to federal, state, and local governments. See Eric M. Zolt. "Inequality, Collective Action, and Taxing and Spending Patterns of State and Local Governments." (*Tax Law Review* 62, no. 4, 2008), 458.

²¹⁰ Andrew Fagal. 'Arsenal of Liberty: The Political Economy of War in the Early Republic, 1774 – 1821', (Working Paper, MCEAS Friday Seminar Series, 17 October, 2014), 30.

the decade, revenues were such that a naval establishment could be created. By 1811, the US was able to spend 1.96 million dollars (around 25% of revenues) on a navy.²¹¹

The Argentine state only enjoyed five years of peacetime before engaging in another war. Revenues did not grow significantly, meaning that Argentina's treasury could not support a naval establishment by 1825. Revenues did allow, however, for a large standing army. In 1815 the national standing army financed by the Buenos Aires and provincial treasuries numbered 6,000 men. In 1820, this national army effectively disbursed as the national government ceased to exist. Buenos Aires created a peacetime standing army of around 3,058 men by 1823.²¹² In addition to the professional army sustained by Buenos Aires, the separate provinces kept some professional forces of their own, although no statistics are available that would allow us to estimate the peacetime professional army in Argentina as a whole. This standing army was not, in absolute terms, much smaller than the US's professional army. The 3,058 men sustained by Buenos Aires province alone in 1823, for example, was larger than the 2,775-man standing army of the US federal government in 1807. Comparing the army on the eve of war, the Argentine state could sustain at least 1 soldier per 195 people. In reality, the number was definitely higher, though we lack data on the number of professional soldiers maintained by the provinces. The US, in sharp contrast, had less than 1 soldier per 1000 people.²¹³

Revenues allowed public credit to be established. Debt-to-revenue ratios offer a good indicator of the health of the revenue systems of the two republics. In the US, the federal government began with a debt-to-revenue ratio of 30 to 1. Rising revenues reduced this to 17 to 1 in 1796. By 1810, the

²¹¹ Wallis, 'Federal government expenditure, by major function: 1789-1970', Table Ea636-643, in *Historical Statistics of the United States*.

²¹² Juan Carlos Garavaglia. "The Bureaucracy in Rio De La Plata: Buenos Aires, 1760-1861." In *Latin American Bureaucracy and the State Building Process (1780-1860)*, edited by Juan Carlos Garavaglia and Juan Pro Ruiz, (Newcastle upon Tyne: Cambridge Scholars Publishing, 2013), 248-249.

²¹³ Argentine soldiers per capita can be calculated using the total estimated population of 597,515 people divided by the 1823 standing army in Buenos Aires of 3,058 men. US soldiers per capita can be calculated using the 1810 census population of 7,239,881 divided by the 6,686 men in the army by 1812, giving a figure of 1 soldier per 1082 people.

federal government's amortisation programme and increasing revenues has reduced the ratio to 6 to 1.²¹⁴ In Argentina, the existence of a well-developed treasury system and the relatively low debt contracted during the revolutionary war meant that by 1823 debt-to-revenue was just 3.5 to 1. Buenos Aires added 5 million more pesos to the national debt in 1824, though rising revenues meant that debt-to-revenue was still only 4.4 to 1.²¹⁵

Another indicator of the state of public credit is the value of government bonds in the market place. A hundred dollar government bond or hundred peso *billete* could, for example, be resold at a price higher or lower than its face value, which, in large part, reflected confidence in the credit of the government. The value of US six per cent bonds on the resale market had started at 82 dollars but quickly jumped above 100 dollars (known as above *par*) and remained above *par*, even reaching the price of 130 dollars. Bondholders lost confidence in the late 1790s as war with France looked likely. The price of six per cent bonds dropped to 75 dollars at its lowest point. During the 1800s, their value recovered and just before the outbreak of the War of 1812 were priced at around 100 dollars, their face value.²¹⁶

Argentine public bonds started out with greater uncertainty. In 1822, Buenos Aires six per cent bonds were valued at around 29 to 48 pesos, well below their 100 peso face value. Across 1823 and 1824, confidence grew in the government, and by 1824 six percent bonds had reached a high of 95 pesos, before falling back to 83 pesos. Confidence in the Buenos Aires treasury was also reflected in its ability to raise 3.5 million pesos of actual money on the London bond market in 1824. The bonds sold had a face value of 5 million pesos, so these bonds were initially priced at 70 pesos. Confidence grew so

²¹⁴ Public debt to revenue ratios can be calculated for the US using figures from Wallis, 'Table Ea584–587 Federal government finances – revenue, expenditure, and debt: 1789–1939' *Historical Statistics of the United States*.

²¹⁵ For Argentina, total public debt outstanding against the Buenos Aires treasury in 1824 can be calculated by adding the 5 million pesos London loan to the 6.4 million pesos of bonds already issued domestically, tallied from column 9 of Table 1 in Bordo and Vegh, 'What if Alexander Hamilton had been Argentinean?', 465. 11.6 million pesos of public debt in 1824 divided by 2.6 million in revenue in 1824 gives a debt-to-revenue ratio of 4.4 to 1.

²¹⁶ Figures from securities prices quoted in the New York market published by Richard E Sylla, Jack Wilson, and Robert E. Wright. "The Price Quotations in Early US Securities Markets, 1790-1860 Data Set." Accessed June 20, 2016. <http://eh.net/database/early-u-s-securities-prices/>.

that by 1825 the London six per cent bonds were trading at 83.5% of face value. Across 1825, the values of the domestic six per cent bonds fluctuated. They began the year at 70 pesos, but recovered to a high of 85 pesos. But when insurgents in the Banda Oriental entered into conflict with Brazil in June, prices dropped to 73.5 pesos, probably reflecting fears that Argentina would become implicated in the conflict. When the national congress voted in October to reincorporate the Banda Oriental as a province of the union, committing itself to the defence of the province against Brazil, bond prices dropped again to 66 pesos.²¹⁷

These figures suggest that the US had a moderately better public credit than Argentina as both republics were about to enter into the War of 1812 and the Cisplatine War. This probably reflects the value of public lands assets the US federal government owned, and also greater confidence that the US could raise more revenue if needed, compared to Argentina where lawmakers already worried whether the London loan could be successfully paid off.²¹⁸ Statesmen and observers were bullish about the two republics' ability to use its public credit to finance future wars. In anticipation of the War of 1812, Treasury Secretary Gallatin offered eleven million dollars of government bonds for sale, in full confidence that the loan would be totally subscribed to by creditors eager to purchase more securities. *El Nacional* noted that Buenos Aires bonds, as well as those of all American states, were trading at an "infinitely superior [price] to that of Brazil." In the editors opinion, Argentina's war-making state eclipsed that of Brazil's, highlighting "the inferiority of the credit of the tyrant of Brazil" compared to the United Provinces' credit in Europe.²¹⁹ Argentine optimism was seconded by neutral observers. Woodbine Parish, British Chargé d'affaires to Buenos Aires, assessing in mid-1825 the ability of the United Provinces to finance war via

²¹⁷ *El Argos*, No. 63, 24 August, 1822, 253 (6% billetes at 29-30 pesos); *El Argos*, No. 95, 14 December, 1822, 386 (6% billetes at 48 pesos); *El Argos*, No. 52, 10 July, 1824, 248-249 (describes 6% billetes being at 95 pesos before lowering to 83 pesos). For the London Loan, see D. C. M. Platt "Foreign Finance in Argentina for the First Half-Century of Independence." (*Journal of Latin American Studies*, 15, no. 1, 1983), 26 and *El Mensajero Argentino*, No.11, 23 December, 1825. For prices of domestic bonds during 1825, see Appendix C.

²¹⁸ Representative Gazcon worried that an additional 5 million pesos of debt would put the cost of servicing total debts above the treasury's ability to repay. See DSHJBA, 16 August, 1822, 120.

²¹⁹ *El Nacional*, Vol. 2, No. 49, 2 March, 1826, 9856.

public bonds if blockaded, advised that Buenos Aires would not struggle to finance the war “due to the credit it has established in the last few years through the excellent management of their pecuniary concerns.”²²⁰

The Problem of Security and International Trade

However, the ability to finance war using public credit, and therefore national security, depended entirely on revenues. But how wise was it to depend on the custom houses placed under federal control in the US by the 1789 Impost Act or inherited from the colonial viceroyalty in Buenos Aires? Both republics relied on customs tax revenues to fund their treasury. In Buenos Aires a “five-sixth part” of the revenue, or nearly 85 pesos of every 100 pesos raised, came from custom taxes.²²¹ In the US, revenue “consist[ed]” of the “impost” alone.²²² Nearly 97% of total revenues (excluding income raised via loans) came from custom taxes in the opening years of the federal government, dropping to around 86% later in the 1790s as other revenue sources became productive.²²³ Fiscal security, then, depended on the “flourishing state of commerce.”²²⁴ In both republics, it was taxes on imports that funded the national governments almost in their entirety, and those imports were mostly British manufactured goods. For the US, keeping trade open to Britain would mean her “fleets and armed vessels” would bring goods and “keep up the revenue of import.”²²⁵ This was true too in Buenos Aires, where policymakers recognised the danger posed to revenues if commerce was interrupted. It was “dangerous” to rely on “precarious” customs revenue without “maritime power”, counselled the repeated warnings of treasury ministers and officials,

²²⁰ Parish to Canning, 20 July 1825, in FO119/15 Argentina, National Archives (Kew).

²²¹ *El Centinela*, No. 14, 27 October, 1822, 8135.

²²² “To Alexander Hamilton from William Short, 18 December 1790,” *Founders Online*, National Archives, accessed June 18, 2016, <http://founders.archives.gov/documents/Hamilton/01-07-02-0241-0001>.

²²³ Edling, *Hercules in a Cradle*, 242.

²²⁴ “To John Adams from Oliver Wolcott, Jr., 21 April 1797,” *Founders Online*, National Archives, accessed July 8, 2016, <http://founders.archives.gov/documents/Adams/99-02-02-1944>.

²²⁵ “To James Madison from Tench Coxe, February 1807,” *Founders Online*, National Archives, accessed May 17, 2016, <http://founders.archives.gov/documents/Madison/99-01-02-1362>.

congressmen, and newspaper editorials.²²⁶ Revenues would be obstructed in times of “maritime war.”²²⁷ Blockades by a hostile power, warned *El Centinela*, had in the past obstructed imports as a revenue source, and the nation still faced a palpable threat. Just across the river, a neighbouring province was occupied by a European prince. Who could ignore that “a Raptor [Brazil] has empowered itself of the beautiful sister [Montevideo] of the virgin Buenos Aires.” Brazil’s ambitious expansionist policy might lead it or other powers to blockade the port “paralysing our Custom House and our revenues.”²²⁸

International conflict also threatened US revenues from commerce in similar ways. The “want of a navy” left overseas commerce “vulnerable”, “exposed”, and made it a “precarious reliance” for the supply of imports.²²⁹ Trade taxes would be “much disturbed by war” and would affect the revenues of the US more than “any other country” as its revenues depended entirely on the “impost.”²³⁰ US Commerce might be interrupted by France or Britain during the French Revolutionary and Napoleonic Wars which would

²²⁶ Wilde: “dangerous to rely on them without maritime power” in Wilde, *Memoria*, 6; García: “the greatest part of the revenues of our provinces consist in the customs entries, that were insecure, of easy obstruction in the case of a maritime war” in DSHJBA, 18 September, 1822, 247; García: “the necessity of unpinning ourselves from that dependence in which the revenues were contingent on the customs house, and substitute them for another specie of solid revenue” in DSHJBA, 2 December, 1822, 709; Agüero: “Who ignores how precarious are the entries of the customs house? And who ignores the contingencies to which the importations and extractions are exposed in a maritime country, where a war can occur in circumstances where it does not have a navy?” in DSHJBA, 20 October, 1823, 392. For similar sentiments, see *El Centinela*, No. 14, 27 October, 1822 and No. 18, 24 November, 1822; *Eco de los Andes*, No.2, 30 September, 1824; Ignacio Nuñez, *An Account, Historical, Political, and Statistical, of The United Provinces of Rio De La Plata. Written Originally in Spanish* (London: Rudolf Ackermann, 1825), 294; and *Mensajero Argentino*, No. 30, May 20, 1826.

²²⁷ DSHJBA, September 18, 1822, 247.

²²⁸ *El Centinela*, No. 18, November 24, 1822, 8198.

²²⁹ Hamilton: “want of a Navy” and “precarious reliance” in “Alexander Hamilton’s Final Version of the Report on the Subject of Manufactures, [5 December 1791],” *Founders Online*, National Archives, accessed June 20, 2016, <http://founders.archives.gov/documents/Hamilton/01-10-02-0001-0007>, ver. 2014-02-12; John Quincy Adams: “vulnerable, exposed” in “To John Adams from John Quincy Adams, 24 June 1796,” *Founders Online*, National Archives, accessed May 23, 2016, <http://founders.archives.gov/documents/Adams/99-02-02-1776>

²³⁰ “To Alexander Hamilton from Fisher Ames, 26 January 1797,” *Founders Online*, National Archives, accessed July 14, 2016, <http://founders.archives.gov/documents/Hamilton/01-20-02-0313>.

reduce revenue, and those powers might even seek to damage imports in order to ruin the US system of revenue and public credit with the aim of dissolving the federal government.²³¹ In short, if imports were reduced or stopped, revenue would decrease or collapse, damaging the revenue and public credit system which provided the US's and Argentina's war-making capacity.

A revenue system so dependent on custom taxes created additional problems. US Treasury Secretary Hamilton noted that customs tariff rates could only be increased so high before two negative effects were felt. If high tariff rates made a foreign imported good more expensive than a domestically-produced alternative, imports of that foreign import would cease, reducing revenues. High tariff rates would also be an incentive for smuggling. When rates were low, the 'premium' to be gained by smuggling was low and not worth the risk. When huge savings could be made by avoiding high taxes, merchants were willing to take the risk of smuggling, also reducing revenues. Hamilton thought that US tariff rates were already at the point where any further increases in tariff rates would, by causing a 'prohibition' or smuggling, reduce imports revenues. The custom house could not be relied on to raise further revenues.²³² Argentine advocates of moderate tariffs agreed with the assessment of Hamilton. Julián Segundo de Agüero, an influential orator in the Buenos Aires House of Representatives, sustained the argument against increasing tariffs, noting its implications for revenue. Since Argentina had lowered tariffs in 1821, revenues had increased; "the revenues from the customs house in the first year [of] executing the law that governs it, has presented a pleasing aspect." He cautioned legislators to not "forget the principles of good policy" and what "experience had taught us", that when import duties were increased, revenues decreased, as imports declined either due to lower consumption or greater contraband.²³³

²³¹ "To John Adams from Oliver Wolcott, Jr., 21 April 1797," *Founders Online*, National Archives, accessed July 8, 2016, <http://founders.archives.gov/documents/Adams/99-02-02-1944>.

²³² US Department of the Treasury, 'Spirits, foreign and domestic. Communicated to the House of Representatives, March 6, 1792' in *American State Papers* 09, Finance Vol. 1, 2nd Congress, 1st Session.

²³³ DSHJBA, 20 October, 1823, 387-393.

Customs tax dependency also negatively affected the republics' freedom to respond to foreign aggression. Argentine treasury official Wilde noted that customs tax dependency left the republic's "hands tied." The republic would be less willing to respond to the violations of international law of other nations as it recognised the ease with which foreign nations could stifle its revenues.²³⁴ In the US, Hamilton's policy choices show the very real effect that custom tax dependency played on limiting the federal government's foreign policy options. Hamilton's guiding principles were "public credit, a navy and neutrality."²³⁵ Without neutrality and a navy, imports would be interrupted by war which would reduce revenue and credit. In effect, customs tax dependency forced the US to remain neutral and to suffer the depredations of foreign nations against their national sovereignty. Relying on custom tax revenues would also risk that domestic markets were supplied by goods smuggled from foreign nations with lower tariff regimes, a problem that applied much more to Argentina than the US. Buenos Aires as a port competed with neighbouring ports whose tariff rates were outside of the jurisdiction of the United Provinces. Buenos Aires had the potential to be the 'emporium' of South America. But if tariff rates in Buenos Aires were higher than in Montevideo (possessed by Brazil) or Chile, goods would be imported to and exported from the markets of the littoral provinces and Paraguay via Montevideo and to and from Upper Peru (Bolivia), or Argentina's western and northern provinces via Chilean ports on the Pacific.²³⁶ Ports competing to offer the lowest tariff rates had been a problem for raising revenue in colonial North America and the pre-1789 US. If Philadelphia raised its tariff rates higher than neighbouring ports such as Baltimore, markets in Pennsylvania could be supplied more cheaply by importing via Baltimore instead. Therefore ports had competed to offer the lowest rates. By granting the

²³⁴ Wilde, *Memoria*, 6.

²³⁵ Edling, *Hercules in a Cradle*, 106.

²³⁶ Wilde, *Memoria*, 6-7 points out that Buenos Aires could become the "emporium" of the region. However, he warned policymakers that "at the present there are some ports in this coast that do not recognise dependence on Buenos-Ayres." Buyers of the interior and foreigners would exchange goods there if Buenos Aires did not offer "decided advantages." The hope of supplying Chile and Peru from Buenos Aires as a regional emporium is expressed in the debates surrounding internal improvements in the National Congress on August 22, 1826, in ACA 3: 449; Nuñez, *An Account, Historical, Political, and Statistical*, 242; *Mensajero Argentino*, No. 76, August 15, 1826.

federal government the power to set one tariff rate for all US ports, the US Constitution had avoided this additional pressure which Buenos Aires felt to push tariff rates downwards.²³⁷

International commerce as a source of taxation was not the only problem involved with overseas trade. In both the US and Argentina, policymakers observed inherent weaknesses in allowing the economy to specialise in production for overseas trade. In the US, there was a consensus among leading policymakers that while allowing the market to naturally allocate capital to produce goods for international markets was theoretically the best system for creating wealth, in practice an Atlantic-facing economy came with practical problems that needed to be addressed. Policymakers like James Madison, Thomas Jefferson and Alexander Hamilton all stated a *theoretical* preference for allowing the market to allocate capital to determine what was produced, but each was quick to point out the ‘exceptions’ to the general rule which made an unlimited application of the theory of free markets a practical impossibility. James Madison, one of the key authors of the Constitution, influential policymaker on issues of political economy, and fourth President of the US, was in favour of “a very free system of commerce.” If industry and labour were left to their “own course”, capital would be directed to “those objects which are the most productive.” More wealth could be produced if individuals specialised in the production of specific goods rather than trying to make everything they needed for themselves, and this rule held true for trade “between nation and nation.” Thomas Jefferson, author of the Declaration of Independence, diplomat, Secretary of State during the Washington administration, and Third President of the US, thought that wealth would be greatest if commerce were “relieved from all its shackles in all parts of the world.” If there was a global free market in goods and commercial services, “the greatest mass possible would then be produced.” Hamilton concurred: “Industry will succeed and prosper in proportion as it is left to the exertions of individual enterprise.” But they were quick to point out the theory could not be practiced. For Hamilton, this theoretical “dogma” “when taken as a general rule, is true; but as an exclusive one, it is false”, for

²³⁷ Vernon G. Sester, *The Commercial Reciprocity Policy of the United States* (Philadelphia: University of Pennsylvania Press, 1937), 63.

Madison, statesmen needed to “discover the exceptions that do not come within the rule I have laid down”, for Jefferson “no one axiom [could] be laid down as wise and expedient for all times and circumstances.”²³⁸

US policymakers like Hamilton and Washington, instead of accepting free markets, identified the weaknesses inherent in participating in an international trading system defined by European mercantilist states. Numerous problems with the US’s current participation in the international marketplace were found. The US economy had specialised in producing agricultural surpluses to be sold in foreign markets. But these markets could close upon the whim of foreign nations at any moment. An “artificial policy” of the “commercial nations of Europe”, such as high tariffs or prohibitions, could suddenly prevent foreign demand for US foodstuffs.²³⁹ International specialisation had also meant that the US relied on Europe for manufactured goods. But it was a “peculiarly precarious reliance” to rely on foreign nations to supply those “essential articles” without the US having a navy to protect the ships which would supply these goods. The US access to the produce on which their “*Subsistence habitation clothing and defence*” depended could be compromised.²⁴⁰ Dependence on military supplies was particularly troubling from a national security perspective. Importing war materials from overseas was precarious given how the British Royal Navy could block supply. Washington recalled the problem of “supplying ourselves” during the revolutionary war, and the same problems could be expected in future wars, given the “the uncertainty of procuring warlike apparatus in the moment of

²³⁸ James Madison, “Import and Tonnage Duties, [9 April] 1789,” *Founders Online*, National Archives, accessed July 17, 2016, <http://founders.archives.gov/documents/Madison/01-12-02-0047>; Thomas Jefferson, “III. Final State of the Report on Commerce, [16 December 1793],” *Founders Online*, National Archives, accessed June 6, 2016, <http://founders.archives.gov/documents/Jefferson/01-27-02-0503-0004>; Alexander Hamilton, “The Examination Number III, [24 December 1801],” *Founders Online*, National Archives, accessed July 17, 2016, <http://founders.archives.gov/documents/Hamilton/01-25-02-0267>.

²³⁹ Alexander Hamilton, “Alexander Hamilton’s Final Version of the Report on the Subject of Manufactures, [5 December 1791],” *Founders Online*, National Archives, accessed June 20, 2016, <http://founders.archives.gov/documents/Hamilton/01-10-02-0001-0007>.

²⁴⁰ *Ibid.*

public danger.”²⁴¹ International trade might also curtail the development of manufacturing industries which could be successfully developed at home. It would be impossible for new infant industries to develop if they had to compete with low-priced competition from already matured foreign industries. This would be especially true as European exports received subsidies to ensure that their manufactured goods found overseas markets and retained control of them.²⁴²

The same problem was true of the US shipping industry. If the US allowed unrestricted access of all nations’ ships in its ports, while US ships were discriminated against in foreign ports, it was obvious that this would “exclude American shipping altogether from foreign ports.”²⁴³ This was dangerous for a number of reasons. If the US allowed European nations like Britain to gain “an undue share in [the] Industry of the Ocean” through the use of discriminatory navigation acts which protected their own national vessels from foreign competition, three things would occur. First, the naval power that came from having a large ‘national navigation’ would be lost. The federal government would be “disarmed of its defence.” The US would be “open to injury...on their sea-board”, and would be unable to defend towns and cities on the “sea-coast” by repelling “an invading enemy.” Second, if one nation gained a monopoly over the “carrying trade” of US agricultural surpluses, it would use this power to influence domestic politics. The government would have no naval power to resist a foreign nation which had a “command” of its commerce. Finally, if European nations were allowed to exclusively carry US produce, the republic would suffer when Europe inevitably returned to war. Great Britain had “three years of war for any four of peace in the last century.” Without US merchant vessels, “our produce must be exported in belligerent vessels, with increased war-freight and

²⁴¹ George Washington, “From George Washington to the United States Senate and House of Representatives, 3 December 1793,” *Founders Online*, National Archives, accessed May 17, 2016, <http://founders.archives.gov/documents/Washington/05-14-02-0306>.

²⁴² Alexander Hamilton, “Alexander Hamilton’s Final Version of the Report on the Subject of Manufactures, [5 December 1791],” *Founders Online*, National Archives, accessed June 20, 2016, <http://founders.archives.gov/documents/Hamilton/01-10-02-0001-0007>

²⁴³ James Madison, “Import and Tonnage Duties, [9 April] 1789,” *Founders Online*, National Archives, accessed July 17, 2016, <http://founders.archives.gov/documents/Madison/01-12-02-0047>

insurance.” The effects of this would be to increase the cost of US agricultural exports, which would reduce their consumption overseas.²⁴⁴

The US consensus that free market trade was theoretically good but could not be practised in its entirety was not found in Argentina. There, policymakers divided into two opinions on the matter. Some argued putting the free market into practice was beneficial, without recognising any risks attendant with practicing such a policy. Others held the opposite view. They noted all the problems inherent with a free market policy, and strongly doubted whether international trade created wealth; some thought it was in fact destructive of wealth. The reasoning of those who advocated free markets in Argentina closely parallels the theoretical logic which US policymakers used to explain why free international markets created wealth. Wealth was produced by the division of labour, and allowing capital to be allocated by private citizens. Capital would naturally flow to the countryside, as agricultural production offered the best return on investment. Capital would not flow to other industries until they offered the same or higher prospects of profit. This was the “natural order of things.”²⁴⁵ Buenos Aires legislator Agüero, arguing for free markets, insisted that if Argentines could buy their shoes from overseas rather than make them at home, this would increase wealth, as scarce and expensive labour could be directed to more productive sectors of the economy. Government had to avoid monopolies, prohibitions and privileges, all symptoms of European corruption, and wealth would be created.²⁴⁶ That being said, the extent to which policymakers like Agüero or García thought that government should not intervene in the economy should not be too overstressed. First, some free marketers accepted the argument that infant industries could develop if protected from foreign competition. When they had developed to maturity it would increase the

²⁴⁴ Thomas Jefferson, “III. Final State of the Report on Commerce, [16 December 1793],” *Founders Online*, National Archives, accessed June 6, 2016, <http://founders.archives.gov/documents/Jefferson/01-27-02-0503-0004> and Thomas Jefferson, “IX. Report on the American Fisheries by the Secretary of State, 1 February 1791,” *Founders Online*, National Archives, accessed June 9, 2016, <http://founders.archives.gov/documents/Jefferson/01-19-02-0013-0014>

²⁴⁵ *Mensagero Argentino*, No. 15, 15 June, 1826.

²⁴⁶ DSHJBA, 20 October, 1823, 393.

wealth of the nation.²⁴⁷ Second, there was still an important role for government to create the structures that allowed a free market to occur. The invisible hand may well allocate resources, but there was “not one thing” which did not demand the “hand of government” to give impulse to the creation of the marketplace.²⁴⁸

Those wary of international trade in Argentina created a rich body of critiques. Many of the criticisms pointed out that the economy needed to not just produce the ‘wealth’ that free trade promised for private citizens, but also security for the state and stability in the economy. They noted the precariousness of the international economy during war, where commerce was frequently disrupted, as it had been at times of the Napoleonic Wars when the Rioplatense economy had been left “stagnant.”²⁴⁹ Similarly, it was dangerous to rely on foreign supplies of foodstuffs. If a war occurred in which the enemy blockaded importations, it would cause severe disruptions as the nation scrambled to shift capital and labour from other industries into cultivation to fill the deficit of food. A nation must cultivate all its fields, giving it “a superiority of intrinsic force of wealth and power over others.” The nation’s “*existence would be always very precarious, if they had to procure from abroad the means of subsistence.*” By being dependent on other nations for articles of subsistence, the nation would come to be merely an “agent” of that foreign nation.²⁵⁰ Similar concerns were expressed surrounding manufacturing and national navigation. Warnings that European nations had in the past deliberately ruined the manufactures of other nations, so that they could “impose law” on them would also come to pass in Argentina.²⁵¹ Similarly, if a nation was dependent on another nation to carry its exports, its national interest would be subordinated to the foreign nation’s interests. Relying on other nations’ shipping was also dangerous for a state without a

²⁴⁷ *El Argentino*, No.5, 14 January, 1825, 76. See for example Agüero’s support for tax breaks on Argentine navigation, or García’s 1822 tariff proposal which still protected domestic manufacturers of hats and shoes for example. Both referenced later in this thesis.

²⁴⁸ DSHJBA, 20 October, 1823, 393.

²⁴⁹ *Correo de Comercio*, No. 26, Vol. 1, 25 August, 1810, 304.

²⁵⁰ *Teatro de la Opinión*, No. 22, 18 October, 1823, 364-365.

²⁵¹ *Eco de los Andes*, No. 55, 20 November, 1825, 2.

navy like Argentina. Without the naval power that came from having a national navigation, it would be impossible to conserve national independence against the “ambition of neighbours.”²⁵²

Free commerce, as well as being dangerous for security, was inapplicable in practice for a number of reasons. The theory might be applicable to two mature countries, who by specialising further could increase their wealth. But in a nation like Argentina whose economy was in an “infantile state”, certain industries needed “special development” by being protected from competing with the products made in mature foreign economies.²⁵³ Further, European nations did not practise free market economics themselves, which distorted the international marketplace. European wines, for example, only came to Argentina because England placed prohibitive taxes on them. All European wine would be consumed in Europe, and even Argentine wine would be exported there, if Europe did not have mercantilist restrictions. Practising free commerce while European nations put up restrictions would lead to the inevitable ruin of the economy.²⁵⁴ Others thought international commerce simply did more harm than good. It was “notorious and evident” that the most powerful sovereign who had gained wealth from commerce had “more enemies.” Manufactured goods also brought useless and excessive luxuries which were “corrupting” to republican sensibilities.²⁵⁵ Buying cheaper manufactures from overseas did not increase wealth, but diminished it.²⁵⁶ International trade benefitted the exports of only one two provinces while the foreign imports ruined the domestic industry of the rest of them.²⁵⁷ Finally, imports were being purchased with gold and silver specie, which

²⁵² *Correo de Comercio*, No. 30, Vol.1, 22 September, 1810 and No. 41, Vol.1, 8 December, 1810, 460.

²⁵³ *El Argentino*, No.5, 14 January, 1825, 76.

²⁵⁴ *Eco de los Andes*, No.40, 17 July, 1825, 1.

²⁵⁵ Mariano Moreno, *Plan de Operaciones* (Buenos Aires: Biblioteca Nacional, 2008), 315, 317.

²⁵⁶ *La Abeja Argentina*, No.1, 15 April, 1822, 5252.

²⁵⁷ *Eco de los Andes*, No. 42, 31 July, 1825, 1.

“dissipated” the total mass of wealth at home, reducing the capital available to start factories and other establishments.²⁵⁸

Imagining a Reformed Economy

When defining a political economy and fiscal policy, both republics faced similar challenges. They needed to secure and increase government revenues, which would, by creating public credit, enable war financing via the sale of public bonds, thus increasing national security. Both needed to address the precariousness of custom tax revenues, and for those policymakers in the US and Argentina who accepted the dangers inherent in participating in the international marketplace, reform their economies in order to shelter them from those risks as far as possible. In addition to wealth and security, other policy goals were pursued, such as creating an economy that would bind the interests of the provinces or states of their respective political unions together. Policymakers produced three different visions of the reformed economy that would solve these problems. In Argentina, two competing visions emerged, which I term ‘emporium’ and ‘empire’. For those who advocated that Argentina would become an ‘emporium’, they looked to deepen Argentina’s participation in the international marketplace. For those who advocated economic ‘empire’, they looked to create a vast ‘home’ marketplace which had little or no participation in the international economy. In the US, I argue that policymakers persistently pursued a vision of a ‘balanced economy’, where participation in the international marketplace would be balanced by a secondary ‘home’ marketplace, positioning itself between the two extremes of economic ‘emporium’ and a self-contained ‘empire’.

A clear appreciation of this US vision of a ‘balanced’ economic production for two marketplaces, the international, and a newly created one at ‘home’, has often been obscured by descriptions of what policymakers were trying to achieve. Some historians describe the policy documents of the early federal government as having autarky or self-sufficiency as the aim for the economy. Others historians, rightly perceiving how these descriptions clash with the continued growth in commerce and desire to interact with the

²⁵⁸ ‘Representación que los Apoderados de los Hacendados de Viñas’, (Imprenta del Sol, 1817), 29-30, located in AGNA, Sala 7, Legajo 1124 (Impresos 1816-1819).

world, wrongly put too much emphasis on international commerce and trade. It is important we recognise that policymakers hoped that *both* markets, international and domestic, would exist in tandem to diversify the economy.²⁵⁹

The eight years of Washington's Presidency were bookended by his vision of a 'balanced' economy. In the drafts of the 1789 First Inaugural message to Congress, he outlined how this diversified economy would function. International commerce would become increasingly important for the US. The US flag would visit ports in "every region of the known world" as a vigorous federal government opened up access to new markets. But he thought legislators should focus on encouraging "internal commerce" as well, "which may be of more importance." "The surplus of produce in one part of the United States, will, in many instances, be wanted in another." This surplus produce would be transported in nationally-owned vessels crewed by US citizens.²⁶⁰ In his 1796 *Farewell Address* he again conceived of a balanced economy. The South would provide the North *both* the resources for 'maritime and commercial enterprise' *and* the raw materials for its 'manufacturing industry'. The East, likewise, would be able to 'vent' *both* its

²⁵⁹ Historians still refer to the home market policy as advocating autarky or self-sufficiency. Douglas A. Irwin, "Welfare Effects of Autarky: Evidence from the Jeffersonian Embargo of 1807–1809." *Review of International Economics* 13, no. 4 (2005): 631–45 (although using the word to describe the actual state of autarky that occurred during the Embargo, rather than autarky as a desired outcome in the long term); Öhman, *Ambiguous Bonds of Union*, 192; John R Van Atta, "Western Lands and the Political Economy of Henry Clay's American System, 1819-1832." *Journal of the Early Republic* 21, no. 4 (2001): 637 says the 'American System' idea aimed to create a self-contained "home market"; Brian Schoen, "Calculating the Price of Union: Republican Economic Nationalism and the Origins of Southern Sectionalism, 1790-1828." *Journal of the Early Republic* 23, no. 2 (2003): 200, 203 contrasts free trade with "self-sufficiency." I suggest the use of the words autarky and self-sufficiency as descriptors of US policy in this period should be abandoned, as it conjures up images of American isolationism that are, as I show, an inaccurate portrayal of what policymakers were trying to achieve. Andrew Shankman, "'A New Thing on Earth': Alexander Hamilton, Pro-Manufacturing Republicans, and the Democratization of American Political Economy." *Journal of the Early Republic* 23, no. 3 (2003): 323–52 refers to efforts to create a diversified economy, which I argue as a term to label the political economy of US policymakers is far more accurate.

²⁶⁰ George Washington, "Undelivered First Inaugural Address: Fragments, 30 April 1789," *Founders Online*, National Archives, accessed May 18, 2016, <http://founders.archives.gov/documents/Washington/05-02-02-0130-0002>

home manufactures *and* imported foreign commodities in Western markets. *Both* domestic *and* international commerce would occur.²⁶¹

The vision of how a balanced economy would work was expanded in Hamilton's 1791 *Report on Manufactures*, a report that Congress had commissioned to investigate Washington's recommendation in his first inaugural message to diversify the economy. According to Hamilton, the US would develop a manufacturing sector, based on the raw materials produced domestically in the western and southern states such as cotton, indigo, lead, coal, flax, hemp, wool and silk. These raw materials would be manufactured in the factories of the northeastern and mid-Atlantic states. Military materials would also be produced domestically. US foodstuffs would be consumed by domestic manufacturers as well as exported abroad, and US farmers and slaves would consume manufactured goods from the US and abroad. Canals, roads, and newly navigable rivers would allow the goods produced for the two marketplaces, domestic and foreign, to circulate. It is clear Hamilton did not anticipate that the 'home' market would significantly diminish international commerce for two reasons. If he had anticipated such a drastic decrease in imports, he would have needed to outline an entire new fiscal system to replace lost import taxes. However, he imagined merely a gradual decline in imports; an "indemnification" for lost taxes could be found on an *ad hoc* basis by placing taxes on manufactures or some other "object." This is hardly the detailed plan of someone who expected imports to significantly decrease in the near future. Second, Hamilton imagined that US manufactured goods would not only supply a home market, but would themselves become objects of exportation, confirming that the US would participate in a balanced economy.²⁶²

This diversified, balanced economy would allow the US to continue to enjoy the benefits of commerce, while correcting for some of the risks of international trade. By manufacturing at home, domestic artisans would, to some extent, replace European ones as the consumers of US foodstuffs. This

²⁶¹ George Washington, "Washington's Farewell Address", 1796, accessed May 24, 2016, http://avalon.law.yale.edu/18th_century/washing.asp

²⁶² Alexander Hamilton, "Alexander Hamilton's Final Version of the Report on the Subject of Manufactures, [5 December 1791]," *Founders Online*, National Archives, accessed June 20, 2016, <http://founders.archives.gov/documents/Hamilton/01-10-02-0001-0007>

“extensive domestic market” for food would create a “certain and steady demand” not exposed to the shocks of war or the trade policy of foreign nations. By encouraging manufacturing, the US would move closer towards observing the maxim that “every nation...ought to endeavour to possess within itself all the essentials of national supply;”²⁶³ the clothing, foodstuffs, and military materials that otherwise would be supplied uncertainly from overseas during wartime, that “moment of public danger.”²⁶⁴ Internal commerce, as Washington observed, was “more in our power”, in other words, the nation had more control over it. Unlike international commerce, internal commerce would be exclusively in the hands of US merchants, and would “multiply Sailors” and invigorate ‘national navigation’, enhancing the republic’s naval power. Creating an internal trade would also have the happy consequence of increasing the bonds of union in the republic. Internal trade would bind “the interests of all parts of the Union” and “encrease the friendship” of inhabitants of the different states. The West, if it had “indispensable outlets” for its produce in the eastern port cities, would be less likely to secede from the union as an independent power in “its own separate strength”, or as a dependency of, or allied to, “any foreign power.”²⁶⁵

This appreciation for the benefits of a diversified economy in US rhetoric was unmatched in Argentina, where a more polarised debate occurred between advocates of an economically outward-looking ‘emporium’ and an inward-facing ‘empire’. Argentine commentators who advocated a vigorous participation in international trade imagined it would work transformative change in Argentina. Free markets would create wealth, and an ‘opulent’ state would have revenues and security. Access to markets would transform the republic’s barren soils and wastelands into the “garden of the universe”, the “emporium of [the world’s] wealth”, and “centre of [the globe’s]

²⁶³ Ibid.

²⁶⁴ George Washington, “From George Washington to the United States Senate and House of Representatives, 3 December 1793,” *Founders Online*, National Archives, accessed May 4, 2016, <http://founders.archives.gov/documents/Washington/05-14-02-0306>

²⁶⁵ George Washington, “Undelivered First Inaugural Address: Fragments, 30 April 1789,” *Founders Online*, National Archives, accessed June 13, 2016, <http://founders.archives.gov/documents/Washington/05-02-02-0130-0002>.

culture.”²⁶⁶ Buenos Aires would become the “emporium” of the commerce of America due to its location between Europe and Asia. Argentina would specialise in producing raw materials and the importation of manufactured goods from Europe, and all of it would pass through Buenos Aires. Wheat, dried fruits, honey, wax, sugar, tobacco, yerba tea, coffee, cotton, fur, wool, hides, skins, indigo, cochineal, timber, saltpetre, gold, silver, and other metals could all be exported internationally.²⁶⁷ Manufactured goods would come from Europe; it was absurd to imagine that “Buenos Ayres” can become “a manufacturing country.”²⁶⁸ The city and the countryside would be rapidly populated and “filled with wealth.”²⁶⁹ Buenos Aires, “admirably situated” between India and Europe, would become the centre of the “commerce of the world,”²⁷⁰ while America, being central between Europe, Africa, and Asia, with vast fertile territory and flowing rivers seemed “destined to have the empire of the world.”²⁷¹ One commentator could proclaim a confident vision of a

Population spreading across all the territory [that] will make our country opulent, the bowels of the earth will offer the gold and silver with which we will make ourselves owners of the rich commerce of India, and of the rest of Asia. The immense pampas will be filled with cattle, and the valleys and less elevated hills of the Andes will, with its fertility, produce so many productions, so many articles that are indigenous to America, and that are in demand in Europe by their enjoyment of them. A virgin, fecund land, animated by the spirit of liberty, will make man reborn, and bring him fleeing from the indigence of Europe.²⁷²

²⁶⁶ *El Nacional*, No. 15, 31 March, 1825, 258.

²⁶⁷ ACA 3: 449-450, 7 August, 1826 and Nuñez, *An Account, Historical, Political, and Statistical*, 250.

²⁶⁸ Nuñez, *An Account, Historical, Political, and Statistical*, 51.

²⁶⁹ Bagú, *El Plan Económico*, 239.

²⁷⁰ *El Centinela*, No. 4, 18 August, 1822, 7967.

²⁷¹ *Mensajero Argentino*, No. 63, 15 July, 1826.

²⁷² *El Eco de los Andes*, No. 10, 25 November, 1824, 1.

Such breezy predictions were by no means considered implausible among *Americanos* and Europeans alike in the early nineteenth century. For advocates of an Argentine 'emporium', the benefit for citizens and the state was always and simply 'wealth'.

The alternative vision imagined that a 'home' market could become an economic 'empire'. Advocates of this vision presented an imagined economy where imports would play a very small role in the total economy. As one political commentator noted, advocates of economic empire believe "that the policy of America should be to concentrate inside itself, with the objective of putting an impenetrable barrier between Europe and the New World. Like China, the New World should be closed to the Foreigner, and should only consume its own productions...neither receiving nor searching for the artefacts, arts, industry or sciences of other Nations. Consequently the Navy and exterior commerce are objects that should be consigned to eternal oblivion."²⁷³ The United Provinces would import only what "we lack", in other words, nothing would be imported which could be produced at home. Argentina should produce all the products of "first necessity", leaving the country without having to "search in the exterior for anything which is needed for the conservation of its inhabitants."²⁷⁴ Imports would be restricted to only those products which satisfied "secondary" necessities, in other words 'luxuries'.²⁷⁵ The model of such an economic empire was the "grand Empire of China", whose maxim that limited exportation and exchange of produce was responsible for its "good [political] regime."²⁷⁶ Much of this thinking was derived from mercantilist empires of the previous two centuries which had aimed to supply all raw materials from within their empires, and limit imports from other nations.

The benefits to be derived from an extensive home market were security, wealth, and bonds of union. The Chinese Empire was the "most powerful nation on the globe" due to the vast interior marketplace, which ensured that

²⁷³ GDBA 3: No. 79, 17 November, 1813, 569-571.

²⁷⁴ Moreno, *Plan de Operaciones*, 314-315.

²⁷⁵ *Teatro de la Opinión*, No. 22, 17 October, 1823, 365.

²⁷⁶ Moreno, *Plan de Operaciones*, 317.

they lacked nothing. European nations went to China to buy their exports, and could only offer them silver pesos to pay for their purchases. With each exchange silver specie accumulated in their empire, making China powerful. Rioplatenses could expect that their home market would “aggrandise” themselves, making the state respectable at home and abroad.²⁷⁷ Those states whose interior economies produced all the first necessities were more powerful and independent; “a people is never in greater force, than when it does not depend on other [nations] for their necessities.”²⁷⁸ The manufacturing provinces of Spanish America could supply the whole continent of its need for manufactured goods, removing the necessity to go to “other parts” of the world, making Spanish America “more independent than it has been.”²⁷⁹ Privileging the home market would allow regional specialisations to develop. Buenos Aires would dedicate itself to commerce due to its port, Córdoba and Santa Fe would specialise in pasturage, Tucumán in its woods (used in carting, manufactured goods, and for energy), and Cuyo would use its lands and hills for agriculture. The provinces would also produce wools, skins, linens and cottons to be used in domestic manufacturing workshops. This would take the provinces out of their “misery” and form the “national wealth.” Finally, such interregional specialisation would balance the “diverse” local interests of the State, “combining” their interests and putting them “in harmony with nature.”²⁸⁰

Conclusion

Independence had driven the need for the US and Argentina to develop war-making capabilities to defend their sovereignty. Both nations established a system of public credit informed by similar ideologies that would allow them to finance war via the sale of public bonds to creditors. Both the US and Argentina established creditworthiness and a system of revenues that allowed them to support significant peacetime military force. Yet

²⁷⁷ *Correo de Comercio*, Vol. 1, No. 15, 9 June, 1810, 115.

²⁷⁸ *Correo de Comercio*, Vol. 1, No. 41, 8 December, 1810, 459.

²⁷⁹ *Correo de Comercio*, Vol. 1, No. 26, 25 August, 1810, 305.

²⁸⁰ *El Eco de los Andes*, No. 42, 31 July, 1825, 1.

policymakers recognised the precarious nature of founding a system of war financing on revenues derived wholly from customs taxation, especially when the state lacked naval power. Participation in an international economy, warned some, held other risks for national security. Having set out economy visions of a balanced marketplace, an international emporium, or a domestic empire, we now turn to how governments attempted to shape their economies to better serve national security.

Security and Political Economy

Policymakers recognised potential visions of new post-revolutionary economies and how they would function. Despite the creation of these new states at the same time as the classical statement of the virtues of economic liberalism, far from allowing a laissez-faire marketplace to flourish, both Argentina and the United States followed interventionist policies to maximise wealth and security by reshaping their economies using the mercantilist policy tools of European empires. Both polities looked to diversify their tax base by establishing internal taxation in order to increase fiscal security. However, the US and Argentina diverged on how they approached the problem of participating in international marketplaces.

The US looked to create a secondary 'home' market to complement and work alongside sectors of the economy that produced goods for international marketplaces. Internal improvements were devised to carry interstate trade while tariffs were used to encourage domestic manufacturing and domestic military industries. While these measures would soften the effects of blockade, policies were adopted to encourage national navigation in US vessels operated by US 'citizen-sailors' so that if war broke out, commercial vessels could quickly be converted into privateering vessels to disrupt the commerce of any belligerent maritime power.

In Argentina, however, more focus was placed on maximising wealth generation and less attention paid to creating an economy that functioned well in wartime. Programs of internal improvements looked to deepen integration in the Atlantic economy, not diversify away from it. Key industries were supported by tariffs and other policies of economic development, such as leather goods, wheat, wines, and nationally-owned shipping, but more often on the grounds that developing them would increase wealth, which would then lead to security, rather than because they would create an economy that operated more effectively in wartime conditions.

This argument is a departure from standard treatments of political economy for Argentina and the US in this period, in that it focuses on

government intervention in the economy. There has been a tendency to present these new nations as economically liberal ones. Peggy Liss narrates the history of revolutionary British and Spanish America as a network of economically liberal elites trying to break free from the restrictions placed on their trade by European empires.²⁸¹ For historians of Argentina, this view of an economically liberal revolution is undisputed. Burgin argues the “revolution abolished mercantilism as an instrument of economic policy”;²⁸² Donghi sees the revolution as a “victory of economic liberalism”;²⁸³ Amaral narrates the period as a transition “from mercantilism to liberty”;²⁸⁴ Brown claims that legislation “encouraged liberal trade”;²⁸⁵ Bagú finds that Argentina adopted a “liberal market economy”;²⁸⁶ while Chiaramonte notes that the revolution showed “a tendency to the liberalisation of commerce.”²⁸⁷

US political economy was traditionally seen in similar economically liberal terms until William Appleman Williams suggested that the new republic followed the mercantilist practices of European empires. The suggestion has been taken up by several historians but disagreement characterises the research since produced. While many historians refer to Hamiltonian ‘mercantilism’ and Jeffersonian and Madisonian ‘liberalism’, citing Hamilton’s mercantilist *Report on Manufactures* and Jefferson and Madison’s vocal support for free trade, by contrast Crowley refers to Hamiltonian “liberalism” and Madisonian “mercantilism”, while Nelson argues that Hamilton advanced free trade, while Jefferson and Madison

²⁸¹ Liss, *Atlantic Empires*, passim.

²⁸² Miron Burgin, *The Economic Aspects of Argentine Federalism, 1820-1852* (Cambridge, Massachusetts: Harvard University Press, 1946), 119.

²⁸³ Halperin-Donghi, *Politics, Economics and Society*, 65.

²⁸⁴ Samuel Amaral, ‘Del mercantilismo a la libertad: Las consecuencias económicas de la independencia argentina,’ in Leandro Prados de la Escosura and Samuel Amaral, eds., *La independencia americana: Consecuencias económicas* (Madrid: Alianza, 1993), 201-218.

²⁸⁵ Brown, *A Socioeconomic History of Argentina*, 73.

²⁸⁶ Sergio Bagú, *El Plan Económico Del Grupo Rivadaviano, 1811-1827: Su Sentido y Sus Contradicciones, Sus Proyecciones Sociales y Sus Enemigos* (Instituto de Investigaciones Históricas, 1966), 107-8.

²⁸⁷ José Carlos Chiaramonte, ‘Las ideas económicas’ in *Nueva Historia de la Nación Argentina, 1800-1846* (Buenos Aires: Ariel, 2000), 441-462

supported government intervention to create a national economy.²⁸⁸ Given the historiographical consensus that Argentine independence produced an economically liberal nation, and inconclusive investigations into the extent to which the US might have adopted aspects of European mercantilism, it is unsurprising that the story of how the governments of these two republics tried to reshape their economies is unknown or under appreciated. Finally, Chapter Three concludes by analysing how policies and legislation debated and adopted had been able to reshape the economies and fiscal systems to increase the war-making capacity of the US and Argentina on the eve of the War of 1812 and the Cisplatine War of 1825-28.

Internal Improvements

For either of the three visions of a diversified economy, a 'home market' or an 'emporium' highly integrated into the international economy, policymakers recognised that the different states and provinces of their polities would need to be better connected by 'internal improvements', public infrastructure projects to improve internal transportation. Interior commerce between Argentine provinces and US states was limited by the competitiveness of their produce in each others' markets. For a good from, say, Pittsburgh or Córdoba to be competitive in Philadelphia or Buenos Aires, it needed to be priced lower than a competing product from elsewhere, for example from overseas. There were several factors that determined, for example, the cost of a product like *Cuyano* wine in the Buenos Aires marketplace compared to the

²⁸⁸ William Appleman Williams, "The Age of Mercantilism: An Interpretation of the American Political Economy, 1763 to 1828." *The William and Mary Quarterly* 3, no. 15 (1958): 420–37. Öhman's in depth study of political economy argues that most historians view Hamilton's Federalist party as mercantilist whereas Jefferson and Madison's Republicans are viewed as free traders, see Martin Christoffer Öhman, *Ambiguous Bonds of Union: American Political Economy and the Geopolitical Origins of Interregional Cooperation and Conflict, 1783-1821*. (Ph.D. Thesis, University of Virginia, 2011), 45. Elkins and McKittrick map out the conflicting interpretations of Hamilton's political economy, pointing towards equal numbers of historians insisting he was either an apostle of Adam Smith or a strong advocate of mercantilism, see Stanley M. Elkins and Eric McKittrick, *The Age of Federalism: The Early American Republic, 1788-1800* (Oxford; New York: Oxford University Press, 1993), 774. Crowley and Nelson are some of the strongest proponents of Hamilton's liberalism compared to Jefferson and Madison's mercantilism, see John E. Crowley. *The Privileges of Independence: Neomercantilism and the American Revolution* (Baltimore; London: Johns Hopkins University Press, 1993) and John R. Nelson, *Liberty and Property: Political Economy and Policymaking in the New Nation, 1789-1812* (Baltimore: Johns Hopkins University Press, 1987).

cost of European wine in the same city. For *Cuyano* wine, cost would be determined by the original cost of production, the cost of carriage to Buenos Aires, and taxes paid along the route. European wine faced the same costs: the original cost to produce the wine, the cost of transport and insurance to move the good from the European vineyard to Buenos Aires, and the amount of taxes paid at the customs house. In this example, *Cuyano* winegrowers complained they were terribly uncompetitive, claiming that in Buenos Aires their wine costed 12 pesos compared to 2.5 pesos for European wine.²⁸⁹

It was the cost of transport that most prohibited a well-developed interior commerce in Argentina and the US. The mode of transport played an important role. Where water-based transport was possible, the costs of moving goods was significantly cheaper than by overland wagons. Per ton-mile, transport by land between Buenos Aires and Mendoza cost 0.10 pesos while transport by river cost much less, only 0.02 dollars; in other words, transporting a good by land cost twenty times more expensive than by river.²⁹⁰ In the US, we see similar freight rates. Carrying goods by wagon cost 0.15-0.25 dollars per mile, slightly higher than wagon transport in Argentina. By US canals, moving produce cost 0.02 dollars per ton-mile, the same rate as Rioplatense river transport.²⁹¹

The weight and value of a good also determined the most distant markets in which it could still competitively find a market once transport costs were added to the total sale price. In Argentina, when bulky low value goods like maize and wheat travelled 60 to 75 leagues (20 to 25 miles) respectively to a marketplace, half of the price paid for that good would be absorbed by transport costs, whereas the same would only occur to more expensive, lighter-weight goods like wool and horsehair when they traveled 400 or 426 leagues respectively.²⁹² Wagon-based transport was made more expensive than it needed to be by the non-existence or poor state of public roads. The economics of transport were similar in the US. The transport cost

²⁸⁹ *El Eco de los Andes*, No. 55, 20 November, 1825 and Burgin, *Economic Aspects*, 117.

²⁹⁰ Burgin, *Economic Aspects*, 117.

²⁹¹ Ronald E. Shaw, *Canals For A Nation: The Canal Era in the United States, 1790-1860* (Lexington, University Press of Kentucky, 2014), 230.

²⁹² Burgin, *Economic Aspects*, 118.

of hauling bulky farm products more than 30 or 40 miles would be more than the product was actually worth. These goods were transported by wagon over “scarcely maintained and often impassable roads and trails.” Before the US revolution, wheat could only be profitably transported around 50 miles to market. Any further and the transport cost made the wheat too expensive to be sold in urban towns and cities.²⁹³

Taxes also limited the development of interior commerce in Argentina. During the revolutionary war, extraordinary taxes were levied on domestically produced goods, making their production cost more expensive, and after 1820 most of the provinces resorted to taxing goods entering their province to fund their provincial treasuries, sometimes at quite high *ad valorem* rates of up to twenty per cent or more.²⁹⁴ As policymakers pointed out, there existed enough “natural barriers”, the lack of rivers, canals, and good roads, without “artificial barriers” burdening commerce even more.²⁹⁵ This last point was not true of the US. The 1787 Constitution prohibited taxes on interstate commerce. It was impossible for, say, Pennsylvanian wheat to be taxed by Maryland when it entered the state in the same way that disunion had made it possible for Córdoba to tax *Cuyano* wine when it entered the province.

These realities shaped the economies of the US and Argentina. The interior northern and western Argentine provinces which were connected to other towns and cities by land were less able to put their produce in the Buenos Aires marketplace than the littoral provinces who could transport their produce to market by river. A similar story occurred in the US. Wherever land was near to a navigable river, the problem of distance could be overcome and crops could be cultivated for market. ‘Internal improvements’, meaning the construction of roads, canals and making rivers navigable, would reduce transport costs. With lower transport costs, products from the interior would become competitive in new markets. In the US, advocates of a ‘balanced’ economy imagined rivers, roads and canals

²⁹³ Charles Sellers, *The Market Revolution : Jacksonian America 1815-1846* (Oxford: Oxford University Press, 1991), 5-6.

²⁹⁴ Burgin, *Economic Aspects*, 134-138.

²⁹⁵ Santiago Wilde, *Memoria Presentada*, quoted in Bagú, *El Plan Económico*, 133.

transporting foodstuffs and cotton from the west and south to be consumed by manufacturers in Europe and the northern and mid-Atlantic states of the union. Those same wagons and vessels would carry back imported goods from Europe as well as manufactured goods from the northern and mid-Atlantic states. In Argentina, advocates of 'emporium' imagined rivers and canals bringing raw materials to Buenos Aires for export to Europe, and vessels returning to the provinces with manufactured European goods. Advocates of economic 'empire' imagined canals, rivers and roads allowing *Cuyano* wine and textiles from Córdoba and other provinces replacing European imports. The Chinese Empire had become so powerful because vast networks of canals allowed all its needs to be supplied from within its interior.²⁹⁶

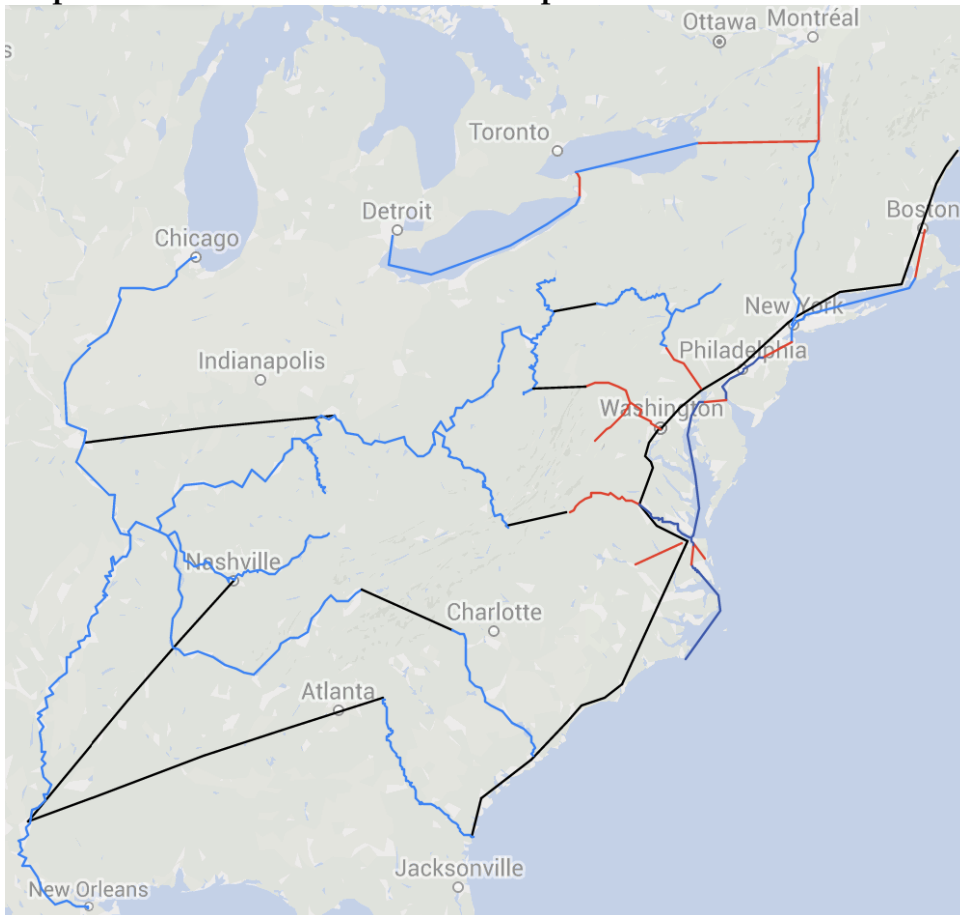
Two internal improvements plans illustrate the different US and Rioplatense visions for the type of economy they sought to create in response to the challenges they faced. The two different visions of the marketplace, of the Argentine 'emporium' economy, and the US 'balanced' economy, can be seen in the internal improvement plans of Albert Gallatin, Jefferson's Treasury Secretary and Rivadavia, Argentina's President in 1826.

In the US, serious plans for federal internal improvements did not emerge until the first decade of the 1800s. While policymakers in Washington's administration (1789-1796) had supported internal improvements, no federal government projects were initiated during the 1790s. The federal government was, as we have seen, still trying to raise enough revenue to meet expenditures; there was little surplus that could be spent on internal improvement projects, which could not be financed by the sale of public bonds in a decade in which policymakers tried to reduce, and not increase, the national debt. It was also unclear if the constitution had given the federal government the power to legislate on the matter. During the 1790s, internal improvement projects were left to the state governments and private citizens. During the Jefferson administration, increasing revenues and falling public debt turned the attention of policymakers to how they could use budget surpluses in the future. Deciding that the constitutionality of federal internal improvements could be established, or a work-around could

²⁹⁶ *Correo de Comercio*, Vol. 1, No. 15, 9 June, 1810, 115.

be found, Congress asked Treasury Secretary Gallatin to create a plan of internal improvements.²⁹⁷

Map 1: Gallatin's Plan of Internal Improvements (1808)



Gallatin's plan would have allowed the US's navigable rivers and waterways (blue lines) to be connected to Atlantic seaports via new or existing canals or improved rivers (red lines) and new or existing roads (black lines). A North-South Atlantic Waterway along the seaboard from Boston stretching to North Carolina would allow US vessels to move between ports using coastal waterways connected via canals without needing to enter the Atlantic.²⁹⁸

Gallatin's Plan (1808) proposed a number of public works to construct new roads, canals and make rivers navigable by improvements to add to the existing infrastructure, which would create a vast, interconnected transport network. At the time of writing the report, foreign imports or manufactured goods produced on the Atlantic seaboard faced great expense to be carried to interior towns by wagon. Where a navigable body of water was found or

²⁹⁷ John Lauritz Larson, *Internal Improvement: National Public Works and the Promise of Popular Government in the Early United States* (Chapel Hill: University of North Carolina Press, 2001), 53-61.

²⁹⁸ Map of author's creation, based on data and map from Larson, *Internal Improvement*, 60.

constructed, it allowed produce to be transported to and from market at a viable price. By constructing canals and portage roads that would carry produce from east to west and vice-versa over the Alleghenies mountains, it would bring vast new areas of land into 'the marketplace', allowing the produce grown there to be profitably carried to market. Consistent with the 'mixed economy' policy, Gallatin's report stressed how his plan would increase both access to international markets, as well as allow for an internal commerce between the different sections of the union.

The plan would increase wealth, security and union in a number of ways. By expanding the area that could profitably grow produce for the 'market', federally-owned land increased in value, which when sold would generate more revenue than it would have otherwise. This expansion of the marketplace would mean more exports, more imports and more revenue. By enabling a home market, "mutual interests" would arise out of "mutual intercourse", "cementing" the union and making it "no more possible to split [the states] into independent and separate governments." The home market would also enhance security. In times of war, under Gallatin's plan goods in the internal market would be able to circulate freely without restriction by blockading vessels. The Atlantic waterway meant that US vessels could continue to move between ports of the Atlantic-seaboard as long as the inlets into US coastal waterways could be guarded by forts and gunboats against the intrusion of the British Royal Navy, a much easier proposition than securing the whole Atlantic seaboard from British naval power. This "permanent navigation" would secure the US against "enemies", securing the union's "external independence." Security would also be enhanced as this new infrastructure system would allow the US's federal army and state militias to be concentrated rapidly at "any given point."²⁹⁹

The Rivadavia Plan of internal improvements (1826) set out legislation to create an integrated transport system. Two projects would connect the interior provinces to Buenos Aires. A canal would connect Buenos Aires to the city of Mendoza on the Andes. Surveyors would explore possible routes, but policymakers believed a canal route which utilised waters from existing

²⁹⁹ US Treasury Department, *Report of the Secretary of the Treasury on the Subject of Public Roads and Canals, Made in Pursuance of a Resolution of the Senate of March 2d 1807* (Washington: Printed by William A. David, 1816), 8, 9, 28, 76, 103, 128.

rivers would pass from Mendoza via San Luis, through the south of Córdoba province, and eventually join the Paraná river near Rosario. Another project would connect the capital to the northern cities of Salta, Tucumán and Santiago del Estero via rivers, canals and roads. The project would make improvements so that the Bermejo river would be made navigable. This river reached deep into northern Argentina and ran south-easterly until it connected to the already navigable Paraguay River, from where vessels could continue downwards towards Buenos Aires. Northern Argentine cities would be connected to the Bermejo by roads or canals. The improvements would overcome the problems which “paralysed” interior commerce by making the “communications from one place to another less costly.”³⁰⁰

Map 2: Rivadavia’s Plan of Internal Improvements (1826)



Building a canal to the Andes (lower red line) and making the Bermejo river navigable (upper red line) to connect northern Argentina to the littoral river system (blue lines) would have bound the nation together as an Atlantic-facing import-export economy.³⁰¹

³⁰⁰ ACA 3: 313, 446-447.

³⁰¹ Map of author’s creation, based on data from the public debates on the legislation in ACA 3: 319-320, 342. 357-359.

The Rivadavia Plan's design, and the supporting rationale provided in Congress, clearly show that the project was conceived to further the 'emporium' vision of the Argentine economy. The main purpose was to allow the provinces to produce goods for export to international markets and for European manufactured goods to be transported to the provinces. The Rivadavia project only has interior-to-Atlantic running canals and rivers, unlike Gallatin's project which would have connected not only the interior to Atlantic ports, but also connect all the Atlantic states together to allow goods to circulate among the provinces, and not just flow from the interior to the Atlantic. There was no proposal to build, say, canals between Mendoza or Córdoba to northern Argentina in order to facilitate trade between those provinces, because Rivadavia did not envisage that as needing to take place. The provinces would produce raw materials for Europe, not manufactured goods sold to other Argentine towns. The congressional Treasury Commission, tasked with scrutinising the legislation, reported that the benefit of the projects would be that the diverse produce of the country would "come closer" to the market, and the objects imported into "our country with such great abundance" would gain that necessary "closeness" to interior markets in order to be much more in demand.³⁰² When it was noted that the projects would destroy the wood and cart-building industries of the interior provinces, provinces like Santiago del Estero would instead concentrate on exporting honey, wax, and iron to Europe. Salta would benefit not by developing "interior traffic" to which its commerce was currently confined, but by enabling the exportation of its "productions" via inexpensive river navigation. Catamarca could also export cotton cheaply to foreign ports if it came via the Bermejo.³⁰³

Extending the international economy deep into the interior had strategic benefits from the perspective of statecraft. The project was thought to create 'wealth' by giving value to provincial surpluses that simply did not have a market. By allowing the export of interior produce, it would raise the price of these commodities. The huge transport costs saved by moving produce by water rather than land would become a "new capital" which could be used in

³⁰² ACA 3: 314.

³⁰³ ACA 3: 449-450, 471 and Nuñez, *An Account*, 275.

other industries. This new wealth, “by increasing the taxable material, increases the public wealth and the revenues of the State”, which, as we have seen, led to more security and more public credit. Creditors would also be more likely to extend a greater credit to a government which was seen to be engaged in developing “useful productive enterprises.”³⁰⁴

The canal and river projects would also secure Buenos Aires as the entrepôt of South America. Lawmakers cited the threat posed to Buenos Aires’ status as supplier to the interior provinces, Chile and Peru by the Cape Horn navigation, which, as we have seen, would cause the loss of customs houses revenues. The Chile trade, worth “1.7 million pesos” in 1813, had already been lost now that European merchants navigated around the Cape, and the Upper Peru trade was threatened as the Pacific coastal route was quicker and less costly than via the extensive interior roads of Tucumán. The canals would first “make of this republic a grand market, and perhaps exclusive market”; all of Argentina would send its exports to the world via Buenos Aires, not the Pacific or the Banda Oriental. Next, it would make importation via Argentina to Chile and Upper Peru more competitive than via Cape Horn. It would be quicker and cheaper for goods to travel to Mendoza and then across the Andes to markets in Chile. Upper Peru would be able to buy goods more cheaply in Salta and Jujuy than in the Pacific ports of Arica and Talca. Finally, it was suggested that the Buenos Aires to the Andes canal would ensure that commerce between Asia and the Americas would pass through it, as “truly nothing yet exists that gives it competition” such as a canal which connected the Pacific and Atlantic Oceans in Central America. All of this would give “an extraordinary activity to all [Argentina’s] commerce.” With commerce came revenues and military power.³⁰⁵

Finally, the projects would strengthen the union of the provinces. Lawmakers were asked to consider “the advantages this is going to produce in favour of the organisation and nationalisation of the country.” The canals would, by putting the *pueblos* in contact, bind them together with new links. It would tighten the ties of union that were presently disconnected in the country, creating “bonds of fraternity.” It would also attach the provinces to

³⁰⁴ ACA 3: 315-316, 319-320.

³⁰⁵ ACA 3: 354, 356, 448-449, 471.

the federal government. The President and Congress would have a “moral force” when the national congress was seen to be occupied in a project that provided the provinces with “that most necessary to make..[their]..wealth become productive.”³⁰⁶ These bonds of union are very different from those Gallatin imagined for the US, or the ‘home market’ advocates of Argentina had outlined. In their plans, the existing manufacturing and agricultural interests of the union would be harmonised by enabling trade between the states and provinces. The Rivadavia plan, in contrast, sought not to ‘combine’ interests but create one uniform interest by making each province interested in producing for export. The union would be bound together by a coalition of exporting landowners and regional merchants, exporting raw materials and foodstuffs to Europe in exchange for its manufactured goods.

Neither the Gallatin or Rivadavia plan had legislative success. The Argentine Congress granted Rivadavia 50,000 pesos, rather than the half million he requested for construction, to merely finance exploratory surveying to prepare the Andes Canal. The Bermejo river project was debated but no legislation originated as a result of it.³⁰⁷ Other projects did gain legislative or executive sanction. In the 1810s, efforts to improve the Río Tercero which connected Córdoba to the Paraná River began. As did the construction of a road between Buenos Aires and the port of Ensenada and work on a canal in San Fernando.³⁰⁸ An exclusive privilege was granted to operate steamboats on the Rioplatense river system to encourage a US entrepreneur to take the risk of bringing a steamboat from the US.³⁰⁹ In the 1820s, the Buenos Aires legislature tried to reinvigorate some of these projects. Capitalists were offered a one hundred year privilege to charge tolls if they constructed a canal from Ensenada to Escobar de Belen, complete port improvements works at Ensenada, a wharf, and other works.³¹⁰ Steamboats

³⁰⁶ ACA 3: 316, 331.

³⁰⁷ ACA 3: 338.

³⁰⁸ Dr Aurelio Prado y Rojas, *Leyes y decretos promulgados en la provincia de buenos aires desde 1810 a 1876*, Tomo 1 (Buenos Aires: Imprenta de Mercurio, 1877), 61-63.

³⁰⁹ Juan Carlos Nicolau, *Proteccionismo y Libre Comercio En Buenos Aires (1810-1850)* (Córdoba: Centro de Estudios Históricos, 1995), 94.

³¹⁰ *Mensajero Argentino*, No.3, 25 November, 1825.

were granted ten year tax exemption to encourage their usage.³¹¹ The Province of Salta incorporated a company to attempt the navigation of the Bermejo. To encourage the company's success, the Province would grant privileges if it successfully navigated the Bermejo, and also negotiated with the Buenos Aires government that the company's boats would enjoy tax exemption from port charges in Buenos Aires.³¹² In the US, the Gallatin plan was presented to Congress but not debated. Instead, internal improvements mostly originated at the level of the individual states. Private companies, usually funded with private capital but sometimes with investments by the states, were founded across 1790 to 1810. In the 1790s, 167 companies were chartered, rising to 550 companies across the first decade of the 1800s. Most of these companies were focused on road construction; less than a hundred were incorporated for the construction of canals or improving rivers. In 1803, however, the federal government did turn its attention to internal improvements, authorising the construction of a 'National Road' between Washington D.C and the Ohio River. In general, the US saw much higher levels of internal improvement projects than were actually started than Argentina.³¹³

Internal Taxation

While policymakers anticipated that internal improvement projects would either provide the infrastructure for a diversified marketplace in the US or deepen integration in the international economy for Argentina, both of the two new republics recognised that levying 'internal' taxes on domestic economic activity would wisely diversify their tax base away from precarious importation taxes. In the first ten years of the US federal government's operations, a more diversified tax base was created by levying a 1791 excise on domestic alcohols, a 1794 act for duties on carriages, manufactured

³¹¹ *Registro Oficial*, 1824, 59-60.

³¹² Bagú, *El Plan Económico*, 405. *The British Packet*, No. 4, 27 August, 1826, 4.

³¹³ Robert E. Wright, "Specially Incorporated Transportation Companies in the United States to 1860 : A Comprehensive Tabulation and Its Implications." *Journal of Business and Economics* 5, no. 7, (2014), 976.

tobaccos, auctions, and licenses for retail sales, and a 1798 direct tax on property.³¹⁴ Hamilton recognised that “to attempt to extract wholly from duties on imported articles, the sum necessary to a complete provision of the public debt would probably be both deceptive and pernicious.” Import taxes were an unstable support for public credit: “it is clear that less dependence can be placed on one species of funds [import duties], and that too, liable to the vicissitude of the continuance, or interruption of foreign intercourse, than upon a variety of different funds, formed by the union of internal with external objects.” In other words, the government would enjoy more public credit, if it could resort to internal taxes to maintain payments to creditors if revenue from import duties was cut due to interruptions to foreign trade. Creating internal taxes would also create an internal revenue system operated by the federal government. Once such a structure was in place across the country, additional taxes could be quickly levied and implemented by federal tax officials.³¹⁵

Under the Jefferson administration (1801-1809), however, the system of internal revenues was dismantled or allowed to expire. Policymakers had always noted that taxing any economic activity stunted the development of that part of the economy. If customs taxes were used, the burden fell on the international sector of the economy. If internal taxes were used, the tax burden fell on the ‘domestic industry’ which produced goods for the home market. The internal revenue system was dismantled as a ‘tax break’ to domestic industry. Supporters in Jefferson’s Republican party thought that the measure would increase the amount of capital domestic manufacturers held, which would aid the development of domestic industry. Jeffersonian Republicans also worried that the federal revenue system had been *too* successful. If the federal government accumulated ‘treasure’, the easy ability to make war would act as a temptation to enter too readily into conflict. Jeffersonian Republicans deliberately traded in the war-making capacity that revenues and public credit created in order to quicken the development of domestic industry. Custom taxes alone were thought to be sufficient to pay

³¹⁴ Edling, *Hercules in a Cradle*, 76-77.

³¹⁵ Alexander Hamilton, “Final Version: First Report on the Further Provision Necessary for Establishing Public Credit, [13 December 1790],” *Founders Online*, National Archives, accessed July 7, 2016, <http://founders.archives.gov/documents/Hamilton/01-07-02-0227-0003>.

for public debt repayments and a slimmed-down military and bureaucracy. If war or other calamities interrupted the collection of custom taxes, it was thought that internal taxes could be quickly reintroduced.³¹⁶ Jefferson's thinking received sharp criticism from the original architect of the US revenue system. Hamilton pointed out that internal taxes had been difficult to introduce, causing one tax rebellion, and the federal government might have to overcome those obstacles all over again if it did need to once more impose internal taxes.³¹⁷ From 1801 to the eve of war with Great Britain in 1812, 'domestic industry' enjoyed this tax exemption, which would have aided its development, though it left the federal government dangerously reliant on customs taxes alone.

Two fiscal proposals define the Rioplatense visions of 'empire' and 'emporium'; encouraging the market to allocate resources to create either the home market or the highly internationalised market envisioned by contemporaries; the 1816 *Plan de Arbitrios*, a proposal drawn up the treasury committee of the national congress, and Wilde's 1821 *Memoria*. Both plans would have solved the problem of customs tax dependency. However, the two plans took radically different positions on what the market should produce. The *Plan de Arbitrios* would have levied a series of new direct taxes on the population, while raising tax rates on imports to a prohibitive level. The plan proposed a one year direct tax on every man and woman aged 14 to 70 in the country. Each male would pay 2 reales monthly (3 pesos annually) and each female 1 real per month (1.5 pesos annually). Certain groups, such as merchants, lawyers, storekeepers and wealthy farmers would pay considerably higher rates, ranging from one peso to ten pesos per month depending on their occupation. While congressmen did not provide estimates of how much revenue the taxes were calculated to raise, using demographic data we can calculate that the basic tax of two and one reales monthly on males and females would have raised 559,500 pesos. With the additional taxes on wealthier citizens combined with the other less important direct taxes congressmen planned to levy, a cautious estimate of 1 million pesos extra

³¹⁶ Edling, *Hercules in a Cradle*, 114-117.

³¹⁷ Alexander Hamilton, "The Examination Number III, [24 December 1801]," Founders Online, National Archives, accessed June 7, 2016, <http://founders.archives.gov/documents/Hamilton/01-25-02-0267>.

revenue would have been derived from the new taxes. The *Plan* also decreed that a new tariff would be established. All imported foreign produce and manufactured goods that damaged the consumption and commerce of the country would be burdened with duties high enough that the “consumers prefer” domestic products. The proposals in the plan represented a significant readjustment of the tax base away from customs taxes (which would fall if prohibitory duties made imported goods more expensive than domestic goods) towards direct, internal taxes.³¹⁸

Despite the plan that the new ‘direct taxes’ were to be levied for one year alone, it is possible that the *Plan* was informed by the ‘home’ market advocates’ critique that less international trade was desirable, and that customs taxes were a ‘precarious’ source of revenue. Several reasons suggest this. First, it is possible that the new taxes were intended to be permanent. The ‘one year’ stipulation would certainly have made it easier to establish the taxes if those being taxed believed it was to be for one year only. Second, establishing a structure for collecting direct taxes would have involved huge initial setup costs. It would be unusual to sink so much money and time into creating this structure for a one-off tax. Third, there was no reasonable way congressmen could have concluded that the war would have lasted for just one year more, given that practically all of South America was held by Royalists in 1816. It is highly likely they intended or would have been forced to renew these taxes every year that the war continued. Fourth, the Congress had called for the authors of the *Plan* to look to the “security” of the revenues, an implicit reference to the precarious nature of the customs house. Fifth, the *Plan* mirrors early proposals, such as the 1809 calls for all foreign goods that competed with domestic industries to be prohibited and the proposals of the *Plan de Operaciones*, a secret (and controversial) 1810 blueprint for government, to prohibit the importation of any article which competed with domestically produced equivalents, suggesting that the ‘home market’ idea was a source of influence. Finally, Congress had also called for establishments

³¹⁸ ‘Proyecto de un Plan de Arbitrios’, 31 July, 1816 in AGNA, Sala 7, Legajo 3496. Demographic data found in Dora E. Celton, “La población. Desarrollo y características demográficas” in Academia Nacional de la Historia, *Nueva Historia de la Nación Argentina*, Vol. 4 (Buenos Aires, Planeta, 2000), 73 suggests that around 113,000 men and 147,000 women would have been eligible to pay the tax, raising 559,500 pesos per year at the basic rate.

for the “general prosperity” to be created, including the “direction and enabling” of roads, work which would have been essential to creating a home market.³¹⁹

To a great extent, whether the intention was for the new taxes to be temporary or permanent does not matter as much as the inevitable effect of putting such a fiscal plan in practice. The prohibitive import duties to be established would have greatly reduced imports and custom tax revenues, which would have no doubt forced the internal direct tax to become a permanent fixture in the fiscal system. The end effect would have been much greater fiscal security, as custom taxes would have accounted for a much smaller percentage of total revenues. It would also have created a home market. Without foreign imports, there would have been more interprovincial trade in goods like wheat, wine, brandies, cotton, wool, textiles, and sugar.

The *Plan de Arbitrios* was seemingly not well received by the Supreme Director Pueyrredón in Buenos Aires. While we cannot be certain of his reaction, he seems to have delayed responding to the *Plan* until he could present an alternative project. Congress sent the plan in August 1816 and repeatedly asked him for a response across the following months. Pueyrredón did not reply to the Tucumán-based Congress until December 1816, by which time his own *junta económica* had formulated an alternative plan to simply raise tariff rates to increase revenues and avoid creating a system of direct taxes. Without uncovering further documentation, we can reasonably speculate that this was a deliberate move by Pueyrredón, possibly because he recognised how difficult a direct income tax would be to implement, or the negative reaction of Buenos Aires to a plan seeking to greatly reduce imports. Congress, presented with their own *Plan de Arbitrios* and the Tariff Project of the *junta económica*, opted for the latter. Custom taxes remained the principal form of taxation while the proposed direct taxes were not levied.³²⁰

³¹⁹ ‘Untitled report of a Commission of Bustamante, Gascon and Serrano’, 17 June, 1816 in AGNA, Sala 7, Legajo 3496,

³²⁰ ‘Pueyrredón to Congress, 12 Diciembre, 1816’ in AGNA, Legajo. 5, Fondos Documentales ‘Sanchez de Bustamante (1716-1836)’, Ricardo Levene. *Documentos Del Congreso de Tucumán: Oficios de Los Directores, Apuntes de Correspondencia, Notas de Oficios y órdenes Del Congreso, Asuntos Pendientes Ante El Mismo, y Borradores de Sesiones Del Congreso de Tucumán, 1816-1820* (Buenos Aires: Taller de Impresiones Oficiales, 1947), 414, 444, 448; ACA 1: 215, 223-224, 242-246.

A second proposal to deal with the problems of custom tax dependency emerged from Santiago Wilde's 1821 *Memoria* and would become legislation within years. Wilde suggested that to reduce the problem of custom tax dependency and make Buenos Aires the 'emporium' of South America, lawmakers should establish several branches of direct taxation. As these direct taxes became more productive, Buenos Aires could gradually abolish customs duties. Commentators developing his plan suggested that by lowering *ad valorem* tariff rates by three percent every year the Buenos Aires custom house would cease to exist by 1830. Wilde's suggestions were converted into legislation across 1822-1823. Three new internal sources of revenue were established, a capital tax, a business licenses tax, and rent from public lands.³²¹

The capital tax, known as the *contribución directa*, asked individuals to pay a 0.2%, 0.4%, 0.6%, or 0.8% tax (depending on if they were a farmer, estate-owner, manufacturer or merchant or wholesaler) on their estimated total capital. The business licence tax, known as a *patente*, asked business to pay 9, 15, 30, 45 or 60 pesos annually for a licence to trade, depending on the type of business. Sales of public lands were forbidden and those who occupied them were to possess them on a long lease paying government an annual rent.³²² The debates in the Buenos Aires legislature and National Congress show that each new source of revenue was framed as part of a programme transitioning the province from precarious custom taxes to reliable direct taxes. The *patentes* tax was part of a "new system of revenues" that would "unpin ourselves from the dependence" on customs taxes. The *contribución directa* was a more stable tax which would continue to be productive if the nation was blockaded. The revenues from public lands would "liberate us" from the ills of the import taxes.³²³

These reforms would establish fiscal security and therefore greater public credit and military security. The internal revenue laid "a ground-work for a stability in revenues and resources which may not be liable to be disturbed by

³²¹ Wilde, *Memoria*, and *El Centinela*, Vol. 1, No. 20, 8 December, 1822, 343.

³²² For the Direct Contribution, see DSHJBA, 4 December 1822, 738. For the *patentes*, see DSHJBA, 2 December, 1822, 706. For public lands legislation, see Bagú, *El Plan Económico*, 159, 167.

³²³ DSHJBA, 2 December, 1822, 709; DSHJBA, 20 October, 1823, 392; Bagú, *El Plan Económico*, 85.

any power possessing a superior marine force.”³²⁴ Commentators explained how the interior tax system would operate during wartime. If blockaded, a society depending on customs taxes would have “nothing prepared”, having to suddenly introduce direct contributions to cover the extraordinary costs of war and the ordinary costs of government. A society whose treasury was based on an system of “interior revenues” would be in a “better state” to conduct war. If war increased expenditures by fifty per cent, a government would merely need to raise taxes by fifty per cent to finance the war. Even this would not be necessary, as a treasury based on interior revenues would have credit. Government could simply finance the extraordinary expenditure via bond sales, and would only need interior taxes to be increased to collect the marginal amount needed to pay the interest on the newly contracted debt. A customs-based treasury system would not have credit. Without a navy capable of repelling a blockade, revenues would cease, and credit would be lost “precisely in the moment of its greatest necessity.”³²⁵

The plan found in Wilde’s *Memoria* would have established an internal revenue system as the *Plan de Arbitrios* would have done. But the two plans would have had very different effects on economic production. As we noted, the *Plan de Arbitrios* would have created an economy with limited participation in the international marketplace. Wilde’s plan, in its pursuit of ‘emporium’, would have forced economic activity to specialise even more towards the production for international markets. Local manufactured goods already struggled to compete with foreign imports. Reducing import taxes to almost nothing would have significantly decreased the cost of imported goods, while asking local manufacturers to pay new license and capital taxes would have increased their costs of production. The overall effect would have forced many manufacturers to cease production, and the capital employed in these domestic industries would probably have been reallocated to productive activities where Buenos Aires had a comparative advantage over Europe; farming and cattle-raising. Nicolás Anchorena, a Buenos Aires legislator, merchant and *hacendado* who frequently opposed the government, questioned the logic that direct ‘internal’ taxes would remain productive

³²⁴ Nuñez, *An Account*, 294.

³²⁵ *El Centinela*: No. 18, 24 November, 1822, 8199.

during war. If the port was blockaded, he argued, Buenos Aires would not be able to sell its exportable produce, commerce would stop, the salter would stop salting, the carter would not be employed, and demand for foodstuffs would decrease as unemployment increased, leaving farmers unable to pay their taxes. In a blockaded country “everything stops”, and who would then pay the direct contribution?³²⁶ For Anchorena, fiscal insecurity was not caused by whether taxes were paid by merchants at the customs house or internally by the citizens, but by the economic paralysis that would occur to an Atlantic-facing economy if the nation was blockaded.

Developing Industry & National Navigation

As we have seen, the state could influence what the economy produced depending on how it taxed domestic industries and foreign imports. As well as tariffs, the state had a number of tools at its disposal to shape what the economy produced. As already noted, policymakers in the US and Argentina were interested in reshaping their economies to serve goals of national security and wealth creation. For the US, policymakers had recognised that it was desirable to encourage manufacturing to create a diversified economy. Such an economy would not only be less exposed to major disruption in the event of a blockade (and could thus support internal taxation on the domestic economy during wartime blockade), but would also produce more of the necessary military material within the US, as well as supporting the development of nationally-owned and crewed merchant marine that could act as privateers in times of war. In Argentina, advocates of a domestic economic “empire” looked to encourage domestic industries for similar reasons: the accumulation of wealth and power. Even though an opposing force advocating for the creation of a free-market ‘emporium’, where the market was left to allocate what was produced in order to to maximise wealth and thus maximise state revenues and public credit, gained an ascendancy in the 1820s, the argument that ‘infant industries’ could be competitive with foreign producers and add to national wealth was supported by free marketers who recognised imperfections in the theory, as well as those who

³²⁶ DSHJBA, 20 October, 1823, 390.

still valued the home market idea. Argentines continued to advocate for a program of state-led economic development.

Calls to use tariffs and other means to develop domestic production were, of course, not only motivated by appeals to national security and economic diversification, or by those free-traders that accepted that infant industries required government protection from the produce of more developed economies.³²⁷ In both Argentina and the US, pride in ‘American’ goods competing in quality with European ones informed the debate. In the US, “patriotic pride in independence...captivated a broad portion of the public” and guided the movement towards founding civic societies that promoted domestic manufacturing.³²⁸ One such society formed in Pennsylvania was typical in its appeals to American independence. As a “dependent people” they had not needed to manufacture, but as an independent people it was patriotic to “reject the use of all foreign manufactures which are superfluous.”³²⁹ As Yokota notes, in the early national period, North Americans took great pride from “any small success at manufacturing imitations of British goods.”³³⁰ Cotton and woollen cloth particularly received patriotic attention. Domestic cloth producers would help North Americans gain true independence “by rescuing us from the tyranny of foreign fashions, and the destructive torrent of luxury.”³³¹ Foreign observers noted that North Americans took great pride in homespun fabrics; linen breeches were commended as being “stouter and better than any...from Europe.”³³² Even George Washington was conscious of the optics of his fashion choices for his First Inauguration. While his inaugural address outlined his vision of a diversified economy participating in domestic and

³²⁷ Political operators not doubt understood the electoral advantage of protectionism among urban artisans or agricultural communities that stood to benefit from higher tariffs.

³²⁸ Lawrence A. Peskin, *Manufacturing Revolution: The Intellectual Origins of Early American Industry* (Baltimore: Johns Hopkins University Press, 2003), 61.

³²⁹ Peskin, *Manufacturing Revolution*, 99.

³³⁰ Kariann Akemi Yokota, *Unbecoming British : How Revolutionary America Became a Postcolonial Nation* (Oxford: Oxford University Press, 2011), 94-95.

³³¹ Peskin, *Manufacturing Revolution*, 106.

³³² Laurel Thatcher Ulrich, *The Age of Homespun: Objects and Stories in the Creation of an American Myth* (New York: Knopf Doubleday Publishing Group, 2009): 280.

international markets, Washington wore a suit specially commissioned of the finest American-made woollen fabric to be found. It was “so handsomely finished, that it was universally mistaken for a foreign manufactured superfine cloth.”³³³

Argentines made the same patriotic appeals in favour of developing domestic productions. As in the US, periodical editors complained that the public had been coached to value Spanish and European produce over American goods. Argentines lauded the North American example of disdaining foreign goods, citing examples of organisations like the “Athenian society of Baltimore” which had preoccupied itself in combatting such prejudices against domestic manufacturers. South Americans could also look forward to the day when they no longer fabricated a “miserable echo of foreign productions” and instead claimed their rightful places as “original authors” of artisanal wares.³³⁴ Others agreed, keen to make the claim that the inhabitants “of this America will be equally apt and able for the exercise of the arts, as the peoples of the other continent.”³³⁵ Clothing was once again a hot button issue: “What glory would it not be for us to dress ourselves with clothes manufactured by our own hands!”³³⁶ When a beer factory was opened in Buenos Aires, a political commentator advised that “all lovers of the country should proudly present at the table a bottle of the ordinary beer of Buenos Aires.”³³⁷ Equally, when a workshop for striking metal typefaces was founded in Montevideo, locals celebrated that it was “a new step towards the aggrandisement of the arts of America!” With “an establishment of this type we will not need the printers of Europe in future.”³³⁸ Producers of wines and spirits lobbied for higher tariffs by appealing to American patriotism as well. A *Representación* published by *Mendocino* winegrowers called on *Porteños*, residents of the city of Buenos Aires, to patriotically substitute their

³³³ Yokota, *Unbecoming British*, 94-95

³³⁴ *El Censor*, No. 111, 30 October, 1817, 7218.

³³⁵ *El Telégrafo Mercantil*, Vol. 2, No.36, 20 December, 1801, 613-618.

³³⁶ *El Boletín de la Industria*, No. 11, 1821, 24.

³³⁷ *El Censor*, No. 14, 23 November, 1815, 6585.

³³⁸ *El Boletín de la Industria*, No.1, 1821, 4.

consumption of the “exquisite wines of Europe” with the “less excellent” products of their own country. They cited the examples of the “citizens of North-America” who had gone to great efforts to esteem the “ordinary cloths of their nascent factories” in place of the “the richest foreign fabrics”, particularly the “dames of that Republic” who had patriotically made “great fanfare of the ordinary textiles” while “deprecating as anti-patriots those that did not confirm with” the fashion for American textiles.³³⁹ Later, *Mendocino* commentators argued that they had improved their wines to be equal to “the most celebrated” in the market, and claimed that they had sent samples to Philadelphia that had been tasted and were “esteemed with preference to those of Europe.”³⁴⁰

The state had numerous policy options to influence what the economy produced. Tariffs on foreign imports, duty free imports of raw materials and machines, bounties and loans to producers of selected industries, or tax exemptions could all be used. All of these tools developed domestic industries by manipulating market mechanisms to encourage the consumption of domestic products over foreign ones. Custom taxes, explored most extensively here, is a good example. To encourage, say, the increased consumption of domestic wines over foreign ones, a government could levy import taxes on foreign ones. As merchants had paid greater taxes to import foreign merchandise, higher prices were passed on to the end consumers of imported wines. If the import duties raised the price of foreign wines such that their price was similar to or higher than domestically-produced wines, consumers would purchase more domestic wines and less foreign wines, encouraging domestic capitalists to increase the output of domestic wine. Bounties, tax breaks, low-interest loans, or duty free imports of machinery and raw materials operated in the same way. By artificially decreasing the cost of manufacturing, domestic producers could put their produce in the domestic marketplace at lower prices than foreign ones, thus encouraging the domestic consumer to choose national over foreign merchandise. In addition to these means, governments could, of course, simply use government

³³⁹ ‘Representación que los Apoderados de los Hacendados de Viñas’, AGNA, Sala 7, Leg. 1124 (Impresos 1816-1819), 22.

³⁴⁰ *El Eco de los Andes*, No. 55, 20 November, 1825, 3.

spending to contract with domestic producers rather than foreign ones, for the purchase of goods and services it required for the everyday operation of government, such as arms, gunpowder, or foodstuffs for the army, in an effort to stimulate domestic production. Additionally, governments could outright prohibit or embargo foreign importations as means to guarantee a monopoly for domestic producers.

Both the US and Argentina, however, relied on custom taxes for the bulk of their revenue. If by means of higher tariffs or other policies, market mechanisms were manipulated to such an extent that foreign importations significantly declined, custom tax revenues would also decline, hurting total government revenues and government capacity to operate as a war-making state. Policymakers were required to maintain a delicate balance between maintaining revenues and developing domestic industries. We will first explore state-led efforts to develop domestic agriculturalists and manufactured domestic goods, before turning to efforts to develop specific industries and sectors that had specific military value, such as arms, gunpowder, and national boatbuilding and commercial navigation.

Between 1789 to 1812, policymakers setting tariffs for the US federal government managed the conflicting goals of raising revenues from the customs houses (which required foreign imports) and developing national industries (which required decreasing selected foreign imports). Over time, the US tariff rates were progressively raised. The 1789 Tariff, however, began with limited scope for protecting domestic industries. The federal government inherited thirteen state custom tax systems, which had generally had low tariff rates. Smuggling had also been an everyday part of North American life from colonial times. The preamble to the tariff stated Congress's intention to raise revenue for the "discharge of debts" and "encouragement and protection of manufactures."³⁴¹ Tariff rates, however, were low compared to the protectionist standards of European nations. The general tariff duty was 5% *ad valorem*. The Congress signalled its intent to support specific sectors from foreign competition, however. Specific goods were to pay *ad valorem* duties at higher rates. Higher tariff rates were levied at

³⁴¹ Songho Ha, *The Rise and Fall of the American System: Nationalism and the Development of the American Economy, 1790-1837* (London: Pickering & Chatto, 2009), 19.

7.5% on clothing, hats, leather goods, rolled iron, and tin manufactures, at 10% on china, stone and glassware, and at 15% on carriages and parts.³⁴² Modifications to the 1789 Tariff would be driven by the need to increase revenue either to fund military spending or to pay down the national debt. In 1792, the general rate was raised to 7.5% to fund military operations on the Western frontier. It was raised again in 1794 to 10% (to increase payments to lower the national debt), in 1800 to 12.5% (to increase payments to lower the public debt) and to 15% by 1804 (to fund naval operations against the Barbary Powers).³⁴³

Congress was also keen to progressively raise the ‘moderate’ duties that it had levied on special categories of goods that were originally paying 7.5, 10 or 15% tariff rates in the 1789 schedule. Hamilton presented his 1791 *Report on Manufactures*, a congressionally-commissioned document in response to President Washington’s call for the US to become independent in the supply of essentials. Hamilton recommended increasing tariffs on those foreign imports already singled out for higher tariff rates in 1789, as “an increase of duties shall tend to second and aid this spirit [of manufacturing], they will serve to promote essentially the industry, the wealth, the strength, the independence, and the substantial prosperity of the country.”³⁴⁴ As Irwin shows, the vast majority of Hamilton’s recommendations to increase tariff rates on foreign manufactured goods were implemented in the 1792 tariff. Ad valorem taxes on sail cloth, manufactured steel, brass wares increased from 5% to 10%, on carpets, manufactured iron and tin, pewter and copper wares increased from 7.5% to 10%, while specific charges on raw steel increased by a quarter, while charges on nails and spikes doubled.³⁴⁵

As the next decade progressed, Congress continued elevating duties on foreign imports that competed with domestic industries. Tariffs could be raised without as much fear of the effects on revenue. In 1790, a federal

³⁴² Douglas A. Irwin, “New Estimates of the Average Tariff of the United States, 1790-1820.” *The Journal of Economic History* 63, no. 2 (2003), 511.

³⁴³ Irwin, “New Estimates”, 512.

³⁴⁴ Douglas A. Irwin, “The Aftermath of Hamilton’s ‘Report on Manufactures.’” *The Journal of Economic History* 64, no. 3 (2004): 809.

³⁴⁵ Irwin, “The Aftermath”, 800–821.

coastguard had been created. Ten revenue cutters with armed crews under the control of the Treasury Department patrolled the Atlantic coastal waters intercepting merchant vessels engaged in smuggling. Additionally, as the 1790s progressed, with the value of imports increasing, particular because of the boost to US exports caused by the French Revolutionary wars, revenues not only began to cover ordinary expenses, but provide a surplus with which to pay down the national debt quicker. Congress could thus increase tariff rates further without fearing that revenues would be seriously impacted by smuggling or drastically reduced consumption of foreign imports. Tariff rates on ready-made clothes increased from 7.5% (1789) to 12.5% (1794), and to 15% (1804), on hats and leather manufactures rates rose from 7.5% (1789) to 10% (1792), 15% (1794) and 17.5% (1804), on manufactures of iron, steel, pewter, copper and brass rates rose from 7.5% (1789) to 10% (1791) to 15% (1792) to 20% (1794) and to 22.5% (1804), while carriages increased from 15% (1789) to 19.5 % (1794) and to 22% (1804). Moderate duties on foreign goods to 'encourage' domestic industries gradually increased towards protective levels by 1804.³⁴⁶

The 1804 modifications to the tariff were the last significant changes to customs house duties until 1812. US domestic industries, however, would enjoy greater protection as commercial disputes with Great Britain and France led the US federal government to prohibit the importation of certain foreign manufactures, and passed acts that drastically reduced foreign trade. Rising tensions with European belligerents, particularly Britain, over violations of the ability of US commercial vessels to trade freely as a neutral nation, led the US into retaliatory measures from 1806, an international relations issue discussed more extensively in the next section. While the aim was to force Britain to repeal its impositions on American trade, the various Acts and Embargoes that took place from 1806 to 1812 were also understood as a measure beneficial to develop US manufacturing. The 1806 Non-Importation Act, while proving difficult to enforce, prohibited the importation of footwear, cordage, hemp, nails, glass, leather, clothing, and

³⁴⁶ Calculated from *Laws of the United States of America, from the 4th of March, 1789, to the 4th of March, 1815, in 5 Volumes* (Published by John Bioren and W. John Duane, Philadelphia, and R.C. Weightman, Washington City, 1815).

specific types of woollen and cotton manufactures.³⁴⁷ The Embargo, which lasted from December 1807 to March 1809, prohibited US vessels from leaving port and prevented foreign vessels from carrying US produce away as exports. This had the natural effect of reducing imports as well, which, when combined with a more rigorous application of the Non-Importation prohibitions, caused the total value of imports to decline from \$85 million dollars (1807) to \$45 million dollars (1808).³⁴⁸ These commercial restrictions were understood to develop domestic industries. At the same time as closing the door to foreign manufactures, giving domestic producers the exclusive possession of the home market, merchants whose capital had been deployed in foreign shipping would be reinvested in domestic industries.³⁴⁹ From 1789, domestic industries had enjoyed gradually increasing levels of protection from foreign competition and finally outright prohibition of foreign imports for a period of time. While the tariff rates were not as high as later tariffs of the nineteenth century, Irwin notes that the “degree of insulation from world markets was more considerable when the transportation, insurance, and other costs of trade are taken into account.”³⁵⁰

In Argentina, the use of tariffs to develop sectors of the domestic economy, either for those who advocated a home market for national security reasons, or by those who generally believed in free markets but accepted that tariffs to protect infant industries would increase national wealth, follows a more complex narrative. In general, the move towards autonomy and eventual independence did not herald a linear progression towards liberalism. Congressional leaders of the 1810s who wished to increase protection to domestic industries were frustrated as tariff rates could not be moved upwards without sacrificing much-needed revenues. Likewise, ministers in the Buenos Aires provincial government who wished to gradually eliminate tariffs completely during the 1820s could not gain the

³⁴⁷ Nelson, *Liberty and Property*, 153.

³⁴⁸ Douglas A Irwin. “Welfare Effects of Autarky: Evidence from the Jeffersonian Embargo of 1807–1809.” *Review of International Economics* 13, no. 4 (2005), 666.

³⁴⁹ Öhman, *Ambiguous Bonds of Union*, 189 and Gautham Rao. *National Duties : Custom Houses and the Making of the American State* (London: The University of Chicago Press, 2016), 138.

³⁵⁰ Irwin, “New Estimates”, 513.

adherence of provincial representatives, who were suspicious that internal taxes could replace customs tax revenues and still remained convinced that domestic industries required protection to be developed.

Our efforts to trace the story are complicated by the pre-existence of a colonial tariff system with already high tariff rates. For the first three and a half years of autonomy, Argentine participation in international commerce was defined by the 1809 decree opening commerce to allied and neutral nations. This decree, passed by the last Viceroy, was crafted in collaboration with local elites, whose main concerns when constructing the decree were raising revenue and protecting local industries. It is important to note that the 1809 decree, the first tariff modification that was crafted with the consultation of creole elites, modified the colonial tariff upwards, rather than liberalise trade. Imports were to pay an extra 12.5% ad valorem on top of existing duties, while foreign wines, oils, vinegars, and most *aguardientes* (distilled spirits) were totally prohibited.³⁵¹ This *less* liberal trade was continued under the various Buenos Aires governments from the May Revolution of 1810 until the end of 1813.

The first Argentine modifications to the tariff went into effect in 1814. The complexity of the structure of late colonial tariffs makes it difficult to compare to the simplified tariff of 1814, frustrating attempts to assess whether the overall effect of this tariff was to liberalise trade or not. Contemporary observers, well placed to be able to calculate the overall effect of the tariff, suggest that for some items, tariff rates were increasing.³⁵² In some areas, it probably made trade less liberal than the pre-1810 trading environment. Many goods of Spanish manufacture had been able to enter Argentina duty-free, in order to encourage Spain's factories. This 1814 tariff, however, placed very high rates of 35% on ready-made clothes, shoes, and furniture and 50% on hats. These were very deliberate attempts to protect domestic industry. In other areas, it probably liberalised commerce slightly. Absolute prohibitions

³⁵¹ Diego Luis Molinari, *La Representación de Los Hacendados de Mariano Moreno. Su Ninguna Influencia En La Vida Económica Del País y En Los Sucesos de Mayo de 1810 (2a Edición)* (Buenos Aires: Universidad de Buenos Aires, Facultad de Ciencias Económicas. Publicaciones, 1939), 176-177.

³⁵² GDBA, No. 83, 15 December, 1813, 587-588. The government's statement on the issue directly references that tariff rates were increased to both increase revenue and as a result of having "taken into consideration the development of industry and agriculture of the Country."

on wines and brandies established in 1809 were relaxed but these items were taxed instead at high tariff rates of 35%.³⁵³

The illiberal Argentine tariffs were sustained and increased during 1817-1821. The 1817 Tariff was, as we have seen, a response to congressional demands in the *Plan de Arbitrios* that prohibitive duties be levied on any import which competed with domestically-produced goods. The general duty was raised from 25% to 30%. But this does not truly reflect how much import taxes increased, as practically every good imaginable was given a specific duty to pay in the 1817 Tariff. The new tariff code abandoned *ad valorem* tariff rates in favour of specific charges on hundreds of goods. For example, whereas, shoes were charged 35% *ad valorem* in 1814, from 1817 specific taxes of 13 reales per pair of men's shoes (as well as 10 reales for women's and 6 reales for children's shoes) were levied.³⁵⁴ This change has obscured the influence of the 'home market' advocates in Argentina. Historians have not calculated how high these tariffs were.³⁵⁵ But by finding the market price of goods in Buenos Aires, we can calculate reasonable estimates of what these taxes would equate to in *ad valorem* percentage terms. The figures are revealing. The new tariff established rates on imported goods which competed with Argentine industries which were in some cases double those established by the 1814 tariff. Tariffs on men's shoes, ready-made clothes, and wine increased from the 35% rate of 1814 to 54.1%, 50% and 67.54% respectively.³⁵⁶

Understandably, these high tax rates were an incentive for contraband. In 1818, Supreme Director Pueyrredón, citing the danger of lost revenue due to increased smuggling, decreed lower import tax rates, which were later confirmed by Congress. In general, import tax rates were returned to levels

³⁵³ *Registro Oficial de la República Argentina. Tomo Primero, 1810 á 1821* (Buenos Aires, La República - Imprenta Especial de Obras, 1879), 241-242.

³⁵⁴ *Arancel de Los Derechos Que Adeudan Los Generos y Demas Efectos Que Se Introducen En La Aduana de Buenos-Ayres* (Buenos Aires: Ymprenta de la Independencia, 1817).

³⁵⁵ Horacio Juan Cuccorese. "Economía y Finanzas Durante La época Del Congreso de Tucumán." (*Trabajos y Comunicaciones* 15 (1966): 160–246), 242 refers to the 1817 Tariff as an increased one ("un arancel elevado") but does not calculate by how much tariff rates might have increased compared to 1814.

³⁵⁶ See Appendix D.

that were still slightly higher than the 1814 tariff rate. Taxes fell on socks from 56.25% to 31.25%, on wine from 65% to 35.75%, on mens shoes from 81.25% to 37.5%, and on cotton neckerchiefs from 57% to 35.7%. Rates on ready-made clothes were increased, however, from 56.25% to 62.5%. The necessity of protecting the revenue had stalled the dreams of creating an economy where domestic producers exclusively supplied the 'home market'. But tariffs continued until the end of 1821 at protectionist levels.³⁵⁷

From 1821, the ministers of the Buenos Aires provincial government, now in control of the nation's primary port for international trade, signalled its intent to gradually lower or even abolish the customs house in its efforts to create the 'emporium' economy. However, the provincial legislature did not fully share this vision. The overall effect of the changes to the tariff between 1822-1825 cannot be easily summed up as liberalising. The legislature did agree to lower the general rate from 30% to 15%. But protected industries still enjoyed protection from high, though lowered, tariff rates in some cases. Rates on ready-made clothes and wines fell respectively from 50% and 37.2% to an 1822 rate of 25%. However, the tariff rates on hats which had been 50% in 1814 and 37.5% in 1818, rose to an equivalent rate of 75%.³⁵⁸

Table 1: Tariff Rates on Protected Industries 1822-1825

	1822	1824 Proposed	1824 Actual	1825
Furniture, coaches and parts, saddles and harnesses, shoes, wines, vinegars, beer, cider, tobacco	25	20	25	30
Liquors, aguardientes	30	20	25	30
Ready-made clothes	25	15	25	30
Clocks	25	15	15	15

³⁵⁷ Levene. *Documentos Del Congreso de Tucumán*, 123-149.

³⁵⁸ 'Derechos de Aduana Para El Año de 1822', *Registro Oficial*, 14 December, 1821, 115-117.

sources: DSHJBA and the *Registro Oficial* ³⁵⁹

In 1822, the administration proposed significant further reductions for the 1824 Tariff in pursuit of the 'emporium' economy. They noted how lower tariff rates had actually led to higher revenues. The legislature, in response, rejected most of the minister's proposals, as seen in Table 1. Provincial legislators only accepted the full reduction of one item (clocks), the partial reduction of two items (liquors and *aguardientes*), and rejected all the other proposed reductions. In 1825, the legislature backtracked on the partial liberalisation they had agreed to the year before; tariffs were raised leaving all but one item (clocks) at the same or higher tariff rates than they had been in 1822.

The clearest example of the continued belief in the necessity and efficacy of state intervention to develop industries and create wealth is seen in the debates and policies surrounding the importation of wheat and flour in the province of Buenos Aires. During the 1810s, wheat and flour had actually been Argentine exports, and were granted tax-free export status to encourage their development. Taxes on imported flour had remained between 25-30% as there was little need to protect an industry while overseas prices were high. As Europe recovered from the Napoleonic wars, flour prices fell. This made North American flour competitive in the Buenos Aires marketplace. By 1822, Argentina was importing over 600,000 pesos worth of flour from the US.³⁶⁰

The debate around the issue suggested three policy proposals. On the one hand, pure free traders advocated that continued free trade in wheat and flour was appropriate. *El Argos de Buenos Aires*, one of the greatest advocates for complete tariff-free trade, urged the legislature to avoid regulating what the economy produced; "not getting involved is the golden rule, as simple as it is invariable." Free commerce had created wealth, increasing the "value of everything the country produces" while commercial restrictions would return Argentina to "the stale and spanish maxims of economy, to contraband and

³⁵⁹ For the proposed tariff for 1824, see DSHJBA, 25 November, 1822, 677-680. The actual tariff passed for 1824 is found in 'Derechos de Introduccion y Esportacion'. *Registro Oficial*, 25 November, 1822, 151-154. The Tariff for 1825 is found in 'Derechos de Introduccion', *Registro Oficial*, 25 August, 1824, 72.

³⁶⁰ Enrique M. Barba (ed.) *Informes Sobre El Comercio Exterior de Buenos Aires Durante El Gobierno de Martin Rodriguez* (Buenos Aires: Academia Nacional de la Historia, 1978), 54.

scarcity, and to selling cheap and buying expensive.”³⁶¹ Reflecting on how far most Argentines were from true free trade, the moderate position was to adopt a British corn-law style sliding scale. When prices of wheat and flour in the marketplace were low, foreign imports would be taxed more to discourage them from “damaging” Argentine agriculture, whereas when the prices of wheat and flour were high, foreign flour and wheat would enter Argentina free from tariffs. Both Legislators Agüero and Anchorena recognised that this protection would not “damage agriculture” and “result [in] the development of the agriculture of the country.”³⁶²

Whereas Anchorena had reassured legislators that “it was certain that in no country, that has navigation and ports, that an absolute shortage would occur”, advocates of an outright prohibition looked to the security implications of depending on foreign flours.³⁶³ *El Teatro de la Opinión* worried that the free importation of foreign wheats would entirely eliminate domestic producers, who would redirect their capital to other industries. But “if in this moment a war occurs with an enemy with superior maritime force that impedes importations, would not the ills increase from lack of subsistence?” The editor of *El Teatro* reminded readers that “any nation that received its subsistence from another, by necessarily being dependent comes to be the agent of [that foreign nation]. The nations most “independent are those, that having inside itself the necessary products to supply their first necessities.” While free markets produced wealth, it was not the only thing that nations should “aspire” to, “whose existence would always be very precarious, if they had to procure from abroad the means of subsistence.”³⁶⁴ Another commentator, writing in *El Argentino*, supported outright prohibition on the grounds that agriculture was an infant industry in Argentina. Free trade was uncontroversially beneficial if a nation had industries that “already flourished in all its various branches”, being able to compete with other nations. Argentine industry was in a decadent and “infantile state” that required “the special development of its branches [of industry].” Farmers

³⁶¹ *El Argos de Buenos Aires*, No. 97, 27 November, 1824, 431.

³⁶² DSHJBA, 22 November, 1822, 670.

³⁶³ *Ibid*, 670.

³⁶⁴ *Teatro de la Opinión*, No. 22, 17 October, 1823, 358-366.

required government to provide them a secure market for their labour or otherwise would not risk returning to sow their crops again without guaranteed profits.³⁶⁵ In a striking example of how much government intervened to shape the economy, domestic wheat growers, who had already enjoyed tariff protection of 25-30% in the 1810s, were first protected by a sliding scale tariff modelled on the Corn Laws between 1822 to 1824, and then enjoyed an outright prohibition of foreign imports of flour and wheat from 1825.

It has been argued by Coatsworth and Williamson that high tariff rates in Spanish America were an effect of revenue-raising exigencies, and protectionism a mere by-product of this necessity. But this does not hold true for Argentina in this period. When in 1824 ministers guided legislators towards lowering tariff rates in order to increase revenues, those congressmen deliberately rejected minister's proposals in favour of protecting domestic industry. High tariff rates in Argentina were due to revenue needs *and* protectionism. Both goals remained important throughout the period. In 1818, declining revenues due to contraband killed off the vision of a tariff policy that would create a 'home market'; tariffs returned to protectionist, rather than prohibitory, levels. Whereas in 1824 and 1825 'home' marketers killed off the vision of an Argentine 'emporium' and the accompanying higher revenues it would create to deliberately protect domestic industries.³⁶⁶

Selected industries in both Argentina and the US enjoyed deliberate protection against foreign importations. The US started with very low tariff rates and gradually raised them to near protectionist levels by 1812. Argentina, in contrast, inherited protectionist tariff rates, and in general increased them in the 1810s, before reducing them in the 1820s. By 1812 and 1825, the general tariff rates of both countries had converged at 15%. However, selected industries enjoyed considerably higher tariff rates. In

³⁶⁵ *El Argentino*, No. 5, 14 January, 1825, 77-78.

³⁶⁶ Coatsworth and Williamson argue that high Latin American tariffs were caused by the need to maximise revenue in the weak post-revolutionary states. But the evidence presented here shows Argentina to be an exception to their findings for the first two decades of independence. See John H. Coatsworth, and Jeffrey G. Williamson. "Always Protectionist? Latin American Tariffs from Independence to Great Depression." (*Journal of Latin American Studies* 36, no. 2, 2004: 205-32), 207.

general, Argentine industries had received consistent protection from constantly higher tariff rates than US industries when we compare the tariff rates on specific products such as ready-made clothes, hats, leather goods and shoes, and carriages and furniture.

Domestic Production of the Materials of War

Shaping an economy that was self-sufficient in the production of war materials and encouraging the development of a 'national navigation' which could act as an auxiliary naval force during times of war, were viewed by policymakers in both the US and Argentina as desirable. However, it was legislators in the United States that placed much more emphasis on encouraging the domestic economy to produce an independent supply of war materials and naval power, whereas the military aspect of political economy was relatively neglected by Argentine policymakers.

In supporting domestic manufacturers of arms and gunpowder, the US pursued its vision of an independent supply of war-making material. The 1789 Tariff established a 10% tariff on imported gunpowder, and a 5% tariff on imported firearms. Import taxes on foreign firearms were increased in 1792 to 15%, one of the most protected domestic industries. Government policy, however, was changed from 1794. The federal government, deciding that it was preferable that the government, rather than domestic producers, manufactured arms, established the first federally-run armament factory, and hoped that the manufacture of gunpowder and other war-making resources would come under its control. The enhanced threat of war (against Great Britain) forced the federal government to abandon tariff protection on domestic industries, as the urgent necessity of cheaply arming the state militias required the US to import arms. In a further frustration to arms manufacturers, who looked to export their products overseas where demand for arms during the French Revolutionary Wars was high, were prohibited from exporting domestically-produced arms and gunpowder. Under the administration of Jefferson (1801-1809), however, the tariff free exemption for the import of foreign arms and gunpowder lapsed by March 1801, restoring the old tariff rates. When European War broke out again in 1803, the

Jeffersonian Republicans resisted arguments to again allow duty-free imports of weapons and powder in order to cheaply and adequately allow militias to arm themselves. Congressmen accepted the arguments of petitioning arms manufacturers that by permitting the importation of arms “the government of the United States will crush this manufacture in its infant establishment” which was necessary for “the safety of the country.” Protective tariffs remained in place through the period from 1801 to the outbreak of the War of 1812. The Federal Government provided additional support by directly contracting with domestic suppliers, rather than foreign ones, for the purchase of arms and powder for the US Army and Navy.³⁶⁷

Arms and gunpowder production in Argentina were not deliberately protected with the view to creating an economy capable of producing war materials independently. In the 1810s, government policy was driven more by the exigencies of the independence war than any long term philosophy of government. Under the prospect of being blockaded by neighbouring Montevideo and with foreign nations unlikely to provide Buenos Aires arms, the government in Buenos Aires ordered the creation of a gunpowder factory in Córdoba and an arms factory in Tucumán. The public pronouncements on the utility of domestic weapons manufacturing, however, were ambiguous about the benefits, focusing more on wealth and less on the security of having an independent supply. The governing junta in Buenos Aires expressed its desire to “anxiously protect the progress of the *pueblos* with establishments of common utility.” The *Cordobeses* locally celebrated the arms factory purely in terms of the wealth that would accrue to themselves: “we find ourselves in possession of a source of wealth that is going to place this town in the first rung of those of our continent. The local circumstances and the abundance of raw materials means that this establishment will reach the highest grade of perfection. All the other provinces will necessarily come to Córdoba to pay us tribute because we offer them an indispensable article for their security and defense.”³⁶⁸ Continuing the relative neglect of domestic arms producers as a source of power, the 1813 Tariff established duty-free imports on arms and

³⁶⁷ Andrew Fagal. *The Political Economy of War in the Early America Republic, 1774-1821* (Ph.D. Thesis, Binghamton University, 2013), 189, 195, Chapters 2-4.

³⁶⁸ Efraín Bischof, *La Primera Fábrica Argentina de Pólvora (1810-1815)* (Córdoba: Universidad de Córdoba, 1951), 18, 60-61.

gunpowder. Arms and gunpowder during the later part of the revolution were mostly imported from foreign suppliers, particularly from the US. In 1815, the gunpowder factory burned down and by 1822, an arms factory in Buenos Aires was allowed to lapse into becoming a mere workshop to repair existing arms.³⁶⁹ The 1822 tariff did establish a 10% tariff rate on gunpowder and arms, but this appears to have been driven by revenue-raising concerns, rather than inspired by hopes that higher tariffs would develop domestic industry. Policymakers consciously made the choice to include arms and gunpowder at the 10% tariff rate, including it among the list of articles that could be imported at a tariff rate lower than the general tariff rate of 15%.

When policymakers turned their attention to supporting the domestic shipping industry, security played on the minds of US legislators, while their Argentine counterparts evaluated government support on the basis of creating wealth. Supporting domestic shipping had long been of interest to sovereign powers due to the additional naval power that could be created for the nation. In international commerce, the imports and exports carried between nations could either be carried by domestic or foreign shipping. Nations had frequently understood the value of having as much of this 'carrying trade' carried by vessels built domestically, and owned and crewed by subjects or citizens of the state. In times of war, governments could issue *letters of marque*, legally recognised instruments of international warfare, which allowed the holders of said letters to act as privateers, authorising them to seize the commercial vessels of enemy nations. Those enemy vessels confiscated by privateers, known as prizes, were condemned in international admiralty courts which determined if they were legally 'good prize'. The proceeds from the sales of the seized vessels and cargoes were usually distributed among the owners of privateering vessels and their crew as a means to incentive them to risk their lives and property as privateers. As an act of war, privateering was effective as it demoralised the enemy's merchants turning public opinion against the war, reduced an enemy's imports and exports, and forced an enemy to deploy their naval vessels to convoy commercial vessels rather than using them to blockade belligerents. A

³⁶⁹ Rafael M. Demaría, *Historia de Las Armas de Fuego En La Argentina, 1530-1852* (Buenos Aires: Ediciones Cabargón, 1972), 302.

nation with a large merchant marine could also quickly outfit commercial vessels as makeshift war boats, and commercial sailors could be conscripted into a state's navy. Policymakers in the US appreciated the security value of encouraging 'national navigation' for security purposes, and provided continued protection for its merchant marine. In Argentina, however, despite appreciation of the security value of encouraging domestic carriers in the late colonial period, after independence policymakers mostly neglected to notice the security value of supporting national navigation. Protection for national navigation, when it came, referenced the merchant marine as a branch of industry that created wealth rather than as a branch of military power that provided security.

In the US, policymakers argued for protecting national navigation as a means of increasing naval power. Nationally-owned vessels crewed by experienced 'citizen-seamen' could be converted into naval power by outfitting them as privateering vessels or gunboats during wartime, which would help prevent the blockade or occupation of the Atlantic ports from which the federal government derived over nine-tenths of its revenue. President Washington advised lawmakers that by giving "due encouragement to the fisheries and the carrying trade, we shall possess such a nursery of Seamen & such skill in maritime operations as to enable us to create a navy almost in a moment."³⁷⁰ Jefferson agreed that the coasting trade (between domestic ports), the carrying trade (between domestic ports and foreign ports, or between two foreign ports), and the fisheries were the "three nurseries for forming seamen."³⁷¹

A wealth of policy proposals that would support these 'nurseries for seamen' were generated in the US, taking direct inspiration from European empires. Policymakers noted how European powers tried to support these nurseries of seamen by granting tax breaks for national vessels but not foreign vessels, passing navigation acts to guarantee exclusive national

³⁷⁰ George Washington, "Undelivered First Inaugural Address: Fragments, 30 April 1789," *Founders Online*, National Archives, accessed May 18, 2016, <http://founders.archives.gov/documents/Washington/05-02-02-0130-0002>

³⁷¹ Thomas Jefferson, "IX. Report on the American Fisheries by the Secretary of State, 1 February 1791," *Founders Online*, National Archives, 18 July, 2016, <http://founders.archives.gov/documents/Jefferson/01-19-02-0013-0014>

navigation in the carrying of certain goods or to specific ports, placing retaliatory high duties on produce from a foreign nation if that nation placed high duties on one's own exports, and using subsidies to compete for a greater share of the fisheries industry. Fisheries, US observers noted, were particularly important for naval power. Every European nation which had ever excelled as a naval power had cultivated the fisheries. Policies considered during the early federal period would have, if passed, established legislation akin to a US-version of a European Navigation Act. Policies advocated included confining all domestically-produced exports to national vessels, prohibiting foreign vessels to enter into US ports if they had come from a port to which national vessels could not go, placing high import duties on the produce of those nations which placed high import duties on US produce, placing those nations without a commercial treaty with the US on a less favourable footing than those nations which had a commercial treaty, providing bounties for national fisheries exports, and establishing discriminatory tonnage duties in favour of national vessels.³⁷²

All of these policy proposals were designed to increase access to foreign markets and the usage of nationally-owned vessels in order to strengthen naval power. Proposals to establish a discriminatory tonnage duty which would see all foreign vessels pay considerably higher tonnage duties would serve the "purpose of promoting and accelerating the improvement of the American navigation", giving the nation "some naval strength."³⁷³ Granting bounties for the US fisheries industry would ensure a secure national navigation. The fisheries were a more reliable nursery for seamen. Whereas the carrying trade to foreign markets was liable to be closed at "the precarious pleasure of foreign nations", access to the fisheries were outside the control of foreign powers.³⁷⁴ Supporting a domestic fisheries industry

³⁷² See proposals made in Jefferson, "IX. Report on the American Fisheries by the Secretary of State, 1 February 1791," *Founders Online*; James Madison, "Tonnage Duties, [4 May] 1789," *Founders Online*, National Archives, accessed June 21, 2016, <http://founders.archives.gov/documents/Madison/01-12-02-0080>; Tench Coxe, "III. Tench Coxe's Notes on the American Fisheries, [ca. 23 November 1790]," *Founders Online*, National Archives, accessed May 18, 2016, <http://founders.archives.gov/documents/Jefferson/01-19-02-0013-0005>

³⁷³ James Madison, "Tonnage Duties, [4 May] 1789," *Founders Online*.

³⁷⁴ Coxe, "III. Tench Coxe's Notes on the American Fisheries, [ca. 23 November 1790]," *Founders Online*.

would directly weaken the fisheries of British Nova Scotia whose small vessels and population were “an engine which is convertible in war” by the British.³⁷⁵ This national security rationale was key. While national navigation was merely “valuable” as a “branch” of wealth, it was “essential” as a “resource of defence.”³⁷⁶

Rioplátense elites of the late colonial period stressed the security benefits of ‘national navigation’ in similar terms to their US counterparts. Local elites were accustomed to framing their proposals in terms that appealed to the twin concerns of wealth and national security by which metropolitan ministers or viceroys appointed by Spain would assess their proposals. A proposal to form a Rioplátense fisheries industry promised it would be “a secure cradle and school of mariners” to expand imperial power and would keep more specie in the empire by reducing imports of *bacalao* (salted cod) from North America.³⁷⁷ Other proposals urged Spain to grant a company an exclusive privilege to produce salted meats in the viceroyalty. The proposal estimated that *Rioplátenses* could produce extra salted meat for export that would require 350 new boats of 250 tons to be carried, forming a “marine squadron” which would increase the naval power of the empire. Greater salted meat production would also reduce imports from the nations of the “North”, keeping specie in the empire.³⁷⁸ The wealth *and* security aspect of national navigation was still present in 1810. The *Correo de Comercio* stressed the importance of maintaining an independent national navigation. Allowing foreigners to compete with national navigators should not be permitted unless out of “necessity.” National navigators should be given a bounty per ton exported to enable them to compete with foreigners, in order to avoid the political dependence that would come if foreign merchants gained a monopoly.³⁷⁹

³⁷⁵ Ibid.

³⁷⁶ Thomas Jefferson, “III. Final State of the Report on Commerce, [16 December 1793],” *Founders Online*, National Archives, accessed June 20, 2016, <http://founders.archives.gov/documents/Jefferson/01-27-02-0503-0004>

³⁷⁷ *Correo de Comercio*, Vol. 1, No. 41, 8 December, 1810, 457.

³⁷⁸ *El Telégrafo Mercantil*, Vol. 2, No. 19, 11 October, 1801, 459.

³⁷⁹ *Correo de Comercio*, Vol. 1, No. 40, 1 December, 1810, 450.

But within years these security concerns would all but disappear from the reasoning behind further proposals to develop national navigation. Instead, proposals were framed as purely about wealth creation. Petitions to government by the *consulado* (a merchant's guild) in 1814 and by merchants in 1815 to restrict the participation of foreign merchants in Argentina's international trade cited lost wealth, rather than insecurity, as the reason the policy should be adopted.³⁸⁰ When Supreme Director Pueyrredón presented a project for an East India-style company for national merchants in 1817, it was to increase the "opulence of the state", not its naval power.³⁸¹ Proposals in 1821 to develop an Argentine whaling industry on the Patagonian coast came as government had "considered attentively" the "wealth of the sea."³⁸² Tax breaks for national vessels employed in the trade between Buenos Aires and the Patagonian port of Carmen de Patagones would increase the "prosperity of the province." Policymakers accepted the argument that national shipping as an infant industry required government support to enable it to develop. But seeing national navigation from a European mercantilist viewpoint as a source of naval power was distant from their considerations.³⁸³ Only one lawmaker hinted at any reasoning which appears similar. A proposal to allow salted meat to be exported without paying customs duties when shipped in national vessels was to "dispense" protection to "national boats." If the salted meats were exported to Brazil where Brazilian vessels paid very little duty, they would probably only be taken in "Portuguese boats."³⁸⁴ We can not know if Portuguese vessels shipping salted meat was considered negatively as it would enhance their naval power while subtracting from that of Argentina, or more simply because that represented lost wealth which could have accrued to the nation.

Encouraging national navigation was also a route to developing wealth in other areas. The tax free status of national boats going to Patagonia was

³⁸⁰ Jeremy Adelman. *Republic of Capital*, 95; *El Censor*, No.5, 21 September, 1815: 6513

³⁸¹ 'Pueyrredón to Congress, 13 Agosto, 1817', in *Documentos Del Congreso de Tucumán*, 28-31.

³⁸² 'Notas oficiales del gobierno supremo de la provincia a la Honorable Junta de Representantes' in AGNA, Legajo 2474, Colección Celesia. The relevant legislation is dated 1 October, 1821.

³⁸³ DSHJBA, 22 November, 1822, 675.

³⁸⁴ DSHJBA, 25 November, 1822, 683.

aimed at developing the agriculture of Patagonia. Lawmakers noted that salt from the region could not compete with European salt as the freight rate of a *fanega* of salt was greater from Patagonia to Buenos Aires than it was from Europe to Buenos Aires due to economies of scale. The proposal would give “a protection to the produce of that country [Patagonia].”³⁸⁵ By making navigation cheaper, it would develop the agriculture of Patagonia and perhaps Argentina’s fisheries. Duty-free exports of salted meat in national vessels were as much about “increas[ing] the value of cattle” and consequently developing cattle-raising as it was about supporting national navigation.³⁸⁶ Finally, proposals for a national fisheries would grant privileges to national boats employed in the fisheries, but were also willing to grant some or all of these privileges to foreigners if they extracted the oils, skins, or salted fish in the province.³⁸⁷ These exceptions are a clear sign that national navigation was just a branch of wealth and policymakers could easily forfeit their own citizens’ share in the carrying trade to foreigners if they brought wealth to Argentina by forming salting establishments, colonies, or houses for skinning and extracting oil.

US lawmakers adopted some of the proposals policymakers had generated to support national navigation. The 1789 Congress established the framework in which national navigation would develop which remained in place across the period under study. The 1789 Tonnage Act established that while foreign vessels employed in the carrying and coastal trades would pay 50 cents per ton, US vessels would only pay 6 cents per ton. A later amendment lowered the rate to 30 cents per ton for foreign-owned vessels if they used boats built in the US after 1789, a measure passed to stimulate the US boatbuilding industry. The 1789 Tariff also established that if a good was imported in foreign vessels it would pay 10% higher import duties compared to if the same good was imported in a US-owned vessel. Import duties on tea and other products from China and India could also be imported at significantly lower duties in US vessels than in foreign ones. The import

³⁸⁵ DSHJBA, 22, November, 1822, 674.

³⁸⁶ DSHJBA, 25 November, 1822, 683.

³⁸⁷ 'Notas oficiales del gobierno supremo de la provincia a la Honorable Junta de Representantes' in Legajo 2474, Colección Celesia, AGNA. The relevant legislation is dated 1 October, 1821.

duties paid on tea roughly doubled if they were imported in foreign vessels. Goods from China and India would pay 12.5% ad valorem in foreign vessels, but the 5% general duty if imported in US vessels. The 1789 Congress also established subsidies and tax relief on salt for the fisheries. Imports of foreign pickled or dried fish were taxed whereas fish caught in US vessels paid no import duties. The means by which federal support was granted was modified across the period, but the fisheries enjoyed continual protection throughout the period.³⁸⁸

Federalist policymakers such as Hamilton were not prepared to adopt even more mercantilist legislation that Madison and Jefferson had advocated for fear of provoking Britain into passing retaliatory measures or even to declare war. The threat of British power left US lawmakers only limited room for manoeuvre, reducing the speed with which the federal government could have increased national navigation. The 1795 Jay Treaty with Great Britain limited the extent to which the US could apply further discrimination against foreign vessels for the ten year duration of the treaty. In return for the right to trade in the colonial ports of the British Caribbean and British India, the US agreed that it could not impose further increases on tonnage duty paid by Great Britain or increase the discriminatory 10% higher import duties paid when a good was imported in foreign vessels. The US compromised on its ability to further protect national navigation in order to get direct access to British colonial ports, which would immediately support national navigation.³⁸⁹

Argentine legislation was also conditioned by British power. The 1809 Decree which opened commerce to allied and neutral vessels permitted foreign merchants to import goods paying the same tonnage and import duties as national merchants, however they were forced to consign their imported merchandise with a national merchant house.³⁹⁰ From 1812, foreign merchants won the right to receive consignments directly to their own

³⁸⁸ 'An act imposing duties on tonnage', *Laws of the United States*, Vol. 2., 20 July, 1789, 4, 6; 'An act making further provision for the payment of the debts of the United States', *Ibid.*, 10 August, 1790, 178.

³⁸⁹ Smith, *Amid a Warring World*, 71-72.

³⁹⁰ Molinari, *La Representación de Los Hacendados de Mariano Moreno*, 176-177.

merchant houses. Foreign merchants and vessels quickly gained ascendancy as the key players in Argentina's international commerce. National merchants complained that the British held a monopoly over the sale of imports and purchase of exports, deliberately colluding to keep prices paid for exports low and imports high.³⁹¹ Many of the proposals for supporting national merchants were rejected on their grounds that a temporary British monopoly of Argentine trade would gain the United Provinces benefits in terms of international relations. Even Mariano Moreno's *Plan de Operaciones* which had advocated the creation of a home market with limited importation in the long-run conceded that Britain and Portugal must be granted privileged access to Argentine trade. Britain and Portugal would therefore have an 'interest' in recognising the United Provinces' autonomy from the Spanish Regency and later their complete independence.³⁹²

After the 1816 Act of Independence was not met by international recognition, the proposals to support national navigation began to gain traction with the administration and lawmakers. Foreign merchants were forbidden from participating in the coasting trade between Buenos Aires and other ports of the rioplatense river system.³⁹³ Pueyrredón presented Congress with legislation that would have created a company of national merchants similar to European East India Companies. The company would be capitalised by issuing shares worth 4000 pesos each and granted a series of exclusive privileges to aid its mercantile enterprises. It would enjoy the exclusive right of being the only commercial house in Argentina to be able to trade with the East Indies and import to Buenos Aires the produce of whales, *bacalao*, corals and seals caught in the South Seas, Pacific and Mediterranean for thirty years. For five years it would enjoy exclusive importation of sugars, wine, *aguardiente* and liquors. The company would enjoy the right of paying ten per cent less customs taxes on international commerce compared to other foreign and national merchants and 1.5% less on overland customs taxes, amongst other privileges.³⁹⁴ Congress rejected the proposals for unknown

³⁹¹ Molinari, *La Representación de Los Hacendados de Mariano Moreno*, 15.

³⁹² Moreno, *Plan de Operaciones*, 306.

³⁹³ *Registro Oficial*, 23 November, 1816, 390.

³⁹⁴ ACA, 8 August, 1817, 1: 313.

reasons. An 1817 decree did lower the import duty bill paid by national merchants by 8%, but we do not know for how long, if at all, national merchants enjoyed this privilege.³⁹⁵

Proposals to develop national navigation enjoyed more success during the period in which the Buenos Aires executive and legislature determined national policy on major economic questions (1820-1825). When an 1821 petition asked for a new mercantile venture to India be supported by a tax free exemption on the tonnage national boats were supposed to pay, the executive decided to temporarily suspend tonnage duties for *all* national boats.³⁹⁶ From 1822, national boats going to ports in Patagonia would pay no port duties or patents charges.³⁹⁷ When new tonnage and port charges were established in 1824, the charge per ton of exporting goods overseas in foreign boats would be 4 reales while in national boats it would be only 2 reales. National boats also paid half fees for other port charges.³⁹⁸ The tariffs across the period established that national boats were able to export salted meat duty free, whereas salted meat would pay export duties if extracted in foreign boats. Exporting Patagonian salt would cost 1 real per *anega* in national boats but 10 reales in foreign ones.³⁹⁹ Legislation to develop a national fisheries was also passed in 1821. Fish and other products from the seas could be imported to Argentina and re-exported free of all taxes. Foreign merchants, however, would pay 6 pesos per ton when leaving Patagonian ports, but could reduce their charges to 3 pesos per ton if they prepared oils and skins in Argentina, or tax free exportation if they established fish salting establishments in the United Provinces.⁴⁰⁰ As we have seen, this legislation had been proposed to create wealth. That this would also increase the naval capacity of the United Provinces seems to be incidental to ministers' and lawmakers' thinking. This legislation to support national navigation would partially lapse as a result of

³⁹⁵ *Leyes y decretos promulgados en la provincia de Buenos Ayres*, Tomo 1, 29 March, 1817, 374.

³⁹⁶ *Registro Oficial*, 21 September, 1821, 42-45.

³⁹⁷ DSHJBA, 22 November, 1822, 675.

³⁹⁸ *Registro Oficial*, 12 July, 1824, 58.

³⁹⁹ *Registro Oficial*, 14 December, 1821, 115-117.

⁴⁰⁰ 'Notas oficiales del gobierno supremo de la provincia a la Honorable Junta de Representantes' in Legajo 2474, Colección Celesia, AGNA. The relevant legislation is dated 1 October, 1821.

the 1825 Treaty with Great Britain. The treaty agreed that British vessels would pay the same export, tonnage and port duties as Argentine vessels, although Argentina was under no obligation to extend this to other nations without a most-favoured-nation treaty clause if it did not wish to.⁴⁰¹ For our purposes, it is enough to note that national navigation had enjoyed a decided protection in the five years previous to the war with Brazil.

Conclusion: The Post-Revolutionary Economy

Both nations had created successful systems of revenue, public credit, and military establishments. But how successfully had the two republics reformed their revenue systems and economies in response to the weaknesses inherent in being a polity that depended on import taxes and essential supplies from overseas without having the naval power to defend itself from blockade? US national navigation recovered and flourished before 1812. Total US tonnage grew considerably across this period, from 202,000 tons in 1789 to 1,269,000 tons in 1807.⁴⁰² Historians and economists such as Douglas North and Curtis Nettels attribute this increase to the European Wars which led to many nations using US vessels as a neutral carrier, by doing which they protected their produce from being seized by privateers. But Donald Adams shows that the Tonnage Act played a crucial role in the decision for US exporters to use nationally-owned rather than foreign-owned merchant vessels. Between the Revolutionary War and 1790, foreign-built ships were increasing their share in US trade. It was the Tonnage Act which encouraged the shift from foreign to domestic carriers. US fisheries also recovered from the post-revolutionary war slump. The total tonnage of US vessels employed in the fisheries rose from 19,185 tons in 1786 to over 52,000 tons by 1808. This national navigation could be combined with the professional naval establishment to assert US power at sea.⁴⁰³

⁴⁰¹ "Treaty of Amity, Commerce, and Navigation, between his Britannic Majesty and the United Provinces of the Río de la Plata" in Nuñez, *An Account*, 151-161.

⁴⁰² Donald R. Adams, Jr. "American Neutrality and Prosperity, 1793-1808: A Reconsideration." *The Journal of Economic History*, 40, no. 4, 1980), 727.

⁴⁰³ Adams, Jr. "American Neutrality and Prosperity, 1793-1808", *passim*.

For Argentina, the available statistics make it hard to assess if there was a meaningful increase in the number of nationally-owned vessels, which hardly participated in transatlantic trade. Of the vessels leaving Buenos Aires port in the early 1820s, just one Argentina vessel in 1821 and two vessels in 1822 cleared port to participate in transatlantic trade, compared to 92 and 97 British vessels clearing from Buenos Aires for transatlantic ports in 1821 and 1822 respectively.⁴⁰⁴ In effect, transatlantic commerce was dominated by foreign powers. But a decent number of Argentine-owned vessels participated in the 'coastal' trades to Montevideo as well as to Brazilian and Patagonian ports, and in the internal navigation along the Uruguay and Paraná river. Commercial discrimination probably helped maintain or even increase the number of vessels involved. In 1818, eight Argentine vessels went from Buenos Aires to Brazil, whereas by 1822, fifteen vessels did. However, Portuguese vessels controlled a greater share of this trade, with 29 vessels employed in it during 1822.⁴⁰⁵ Port statistics record that in 1822, a total of 94 national vessels had entered Buenos Aires port with a tonnage of 5,817. In 1823, this had increased to 154 national vessels with a tonnage of 10,027.⁴⁰⁶ This represented a small increase in the total tonnage of trade conducted in national vessels, from 10% to 16.6%. The important point being that on the eve of war, as lawmakers had protected nationally owned navigation to increase wealth, they had also increased security. A small number of Argentine vessels existed which could be fitted out for their usage as naval or privateering vessels.

On the eve of war, customs taxes still accounted for the majority of US and Argentine revenues. The US fiscal reforms during the 1790s had yielded some successes. In the first years of the federal government, 97% of revenue came from the custom house. With the creation of internal revenues this figure had dropped to 85% by the start of the next decade. But the Jefferson administrations decision to dismantle internal taxes meant that in the years around 1810, the custom house accounted for 93% of total revenues.⁴⁰⁷ In

⁴⁰⁴ Kroeber, *The Growth of the Shipping Industry in the Río de La Plata Region, 1794-1860*, 122-124.

⁴⁰⁵ *Ibid*, 122-124.

⁴⁰⁶ *Ibid*, 122-124; Barba (ed.) *Informes Sobre El Comercio Exterior*, 39.

⁴⁰⁷ Edling, *Hercules in a Cradle*, 242.

Argentina, the 1820s fiscal reforms in Buenos Aires made little impact. In 1820-1821 import taxes represented 86% of total revenues. After new internal taxes were established, this figure dropped by one per cent to 85% of total revenues between 1822-1824.⁴⁰⁸ If any nation could successfully blockade Argentina or the US, revenues would cease.

During a blockade, would their economies be paralysed as well? Internal improvements had been an important way to enable trade between the US states and Argentine provinces, but only moderate progress had been made in the US, while little progress can be found in Argentina. In the United Provinces, the several projects put into action did not translate into results. The 1810 improvements to the Río Tercero to connect Córdoba with the Rioplatense river system were unsuccessful. The road that would connect Buenos Aires with the new port at Ensenada had made little progress, as had a canal at San Fernando. Salta's exploration of the Río Bermejo terminated in failure when the Paraguayan military captured the vessels as it passed its lands bordering the river. In total, there is very little reason to believe that it was quicker or cheaper to transport goods between the provinces in 1825 than it had been in 1810.⁴⁰⁹

In the US, the federal government had not been responsible for major infrastructure projects. It did approve the construction of the National Road in 1803 but construction did not begin until 1811. In general, progress that was made was achieved by the states and private companies. Road building occurred at a "frenetic" pace. This enabled agricultural producers to send produce to nearby cities. But to enable a genuine marketplace to emerge, water-based transport would have needed to be extended. Only 100 miles of canals had been built by 1816, mostly in Massachusetts, New York, and southern New England.⁴¹⁰ But these were the only places which enjoyed

⁴⁰⁸ See Appendix A.

⁴⁰⁹ Nuñez, *An Account*, 265 recalls that the 1810 efforts at making the Tercero navigable failed; *Mensagero Argentino*, No.65, 20 July 1826, reveals that the public were trying to raise funds themselves to assist the projects of the canal and road building in San Fernando and Ensenada, *The British Packet*, No.11, 14 October, 1826, 3, has details on the failure of Salta's exploration of the Bermejo.

⁴¹⁰ Gordon S. Wood, *Empire of Liberty : A History of the Early Republic, 1789-1815* (New York; Oxford: Oxford University Press, 2001), 481-484.

transport via affordable artificial waterways. Production for the marketplace restricted itself to areas where navigable rivers existed. Plantations would expand into the areas where rivers allowed export to markets, and western farmers sent their surplus to market along the Mississippi river system, often to New Orleans.

As we have seen for Argentina, neither the advocates of an economic 'empire' nor the supporters of an imagined 'emporium' could enact the trade policies needed to create such a vision. But this does not mean that something approaching a 'balanced' economy, as the US hoped to achieve, was being created. In general, two distinct economies existed by 1825 which operated along similar lines as they had in 1810. The Atlantic-facing provinces of Buenos Aires, Sante Fe, Entre Rios and Corrientes were well integrated into the international economy, but particularly Buenos Aires. In 1822, perhaps as much as 61.5 pesos per person of imports were consumed in the province of Buenos Aires.⁴¹¹ Compare that to Córdoba. The interior province was less than four hundred kilometres away from the rioplatense river system, much closer than other interior provinces like Mendoza or Salta, but its inhabitants only consumed goods produced outside of the province worth 3.2 pesos per person.⁴¹² In other words inhabitants of Buenos Aires might have consumed nearly twenty times more in pesos than *Cordobeses* of goods produced outside of the province.

⁴¹¹ The figure was probably slightly lower, but not by much. In 1822, Woodbine Parish estimated that 11.267 million pesos of imports entered the port of Buenos Aires, see Barba (ed.) *Informes Sobre El Comercio Exterior*, 56. If all these imports were consumed by a Buenos Aires population of 183,000 (see Appendix B), 61.56 pesos of imports per capita would have been consumed. In reality, a small proportion of this 11.267 million pesos would have been consumed in the provinces. Córdoba, for example, consumed around 177,000 pesos per annum between 1820-1824 of goods from overseas, see the footnote below.

⁴¹² Córdoba imported a per annum average of 241,000 pesos from outside of the province (composing foreign imports and importations from other provinces) between 1820-1824. At estimated population of 75,000 would have consumed just 3.21 pesos per person per annum in this period. For average annual importations from outside the province, see Carlos Sempat Assadourian and Silvia Palomeque. "Las Relaciones Mercantiles de Córdoba (1800-1830): Desarticulación y Desmonetización Del Mercado Interno Colonial En El Nacimiento Del Espacio Económico Nacional." In *La Desintegración de La Economía Colonial: Comercio y Moneda En El Interior Del Espacio Colonial (1800-1860)*, edited by María Alejandra Irigoin and Roberto Schmit (Buenos Aires: Editorial Biblos, 2003, 151-225), 209. For Córdoba's population, see estimates in Burgin, *Economic Aspects*, 114.

Traditionally, the revolution is said to have significantly increased imports to the destruction of domestic industry and interprovincial commerce. Contemporaries claimed this, and historians, as Amaral has pointed out, had taken it at face value. But some recent research has begun to question this picture. Perhaps unsurprisingly, given how this chapter shows that many Argentine industries enjoyed protectionist-level tariffs across the period, interprovincial trade was not wiped out, and perhaps even increased. The statistics historians have found are mixed. The *Cuyo* wine industry points to increased production, however a study of Córdoba's imports from other provinces shows a slight decline from around 118,000 pesos a year (1805-1809 annual averages) to 84,000 pesos a year (1820-1824 annual averages). What can safely be said is that the interprovincial trade between the interior provinces was enough to allow provincial governments to derive a great part of their revenues by taxing it, and that this trade would be little interrupted by a blockade of Buenos Aires.⁴¹³

But the fiscal capacity of Argentina was based on the Buenos Aires treasury. As established, over 2.6 million of an estimated total tax collection of 3.1 million came from the Buenos Aires treasury. If war broke out, it would be the de facto national treasury in Buenos Aires that would finance war and provide security for the union. Had *porteños* created a domestic economy that would continue to operate despite the blockade, or would their economy grind to a halt? It seems likely that the economy of Buenos Aires was more, rather than less, exposed to international trade. The total value of imports probably increased across the period. Woodbine Parish, then British Consul General to Argentina, estimated, based on custom tax receipts, that in 1803 imports had been worth only two to three million pesos. The customs house figures for 1822 show that imports were worth 11.2 million pesos.⁴¹⁴ Taking the average annual value of customs tax receipts does show a marked

⁴¹³ In general, see María Alejandra Irigoin and Colin M. Lewis, 'From Colonial Capital to Global Entrepôt: Buenos Aires during the Early National Period', (Primer Congreso Latinoamericana de Historia Económica, Montevideo, 2007). For evidence of a buoyant post-revolutionary wine industry, see Samuel Amaral. "Comercio Libre y Economías Regionales. San Juan y Mendoza, 1780-1820." *Jahrbuch Fur Geschichte von Staat, Wirtschaft Und Gesellschaft Lateinamerikas* No. 27, 1990, 1-67), passim; Assadourian and Palomeque. "Las Relaciones Mercantiles de Córdoba (1800-1830), 209.

⁴¹⁴ Barba (ed.) *Informes Sobre El Comercio Exterior*, 21, 56.

increase in the value of imports. In 1806-1810, they were worth 467,000 pesos per annum, jumping to 1.29 million (1811-1815), 1.49 million (1816-1819) and 1.72 million (1822-1824).⁴¹⁵ These figures are an imperfect guide for calculating the true value of imports, given that these increases could reflect falling contraband, rather than increased imports. It is possible that these figures overstate the increase of imports. Amaral's figures for exports, for example, show little difference between the units of hides, wool, tallow, and jerked beef exported across the period 1810 to 1825.⁴¹⁶ What is important to recognise is that the advocates of a home market had not been able to replace imports of British textiles with wool or cotton manufactures from Córdoba, Corrientes or Cochabamba as they would have liked. Buenos Aires depended on imports for clothing, foodstuffs, and military weapons. If Buenos Aires was blockaded, it was difficult to see how its economy could find markets in the interior provinces for its hides, tallow and jerked beef, given that the provinces had little need for that produce, and also difficult to imagine the provinces expanding production to be able to supply the wheats, wines, military weapons, and cotton and wool textiles that Buenos Aires imported from abroad.

The United States, in contrast, does seem to have achieved its aim of rebalancing the economy towards creating a domestic marketplace which could absorb some of the surplus agricultural production, as well as creating an economy that could manufacture the 'first necessities' domestically. It is true that the value of imports increased substantially between 1789 to 1812. But this increase conceals the fact that in relative terms, the value of imports was declining compared to GDP. While GDP statistics are crude for the period, those estimates we do have show that imports as a percentage of GDP fell from a peak in 1795 of 12.5% to 6.2% of GDP by 1810.⁴¹⁷ This means that the part of the economy focused on domestic production was growing faster than the part focused on international trade. Gallatin's *Report on Manufactures* (1810) found that a 'balanced' economy had indeed been created.

⁴¹⁵ Donghi, *Guerra y Finanzas*, 113, 115, 117, 168, 172.

⁴¹⁶ Samuel Amaral. *The Rise of Capitalism on the Pampas : The Estancias of Buenos Aires, 1785-1870*(Cambridge: Cambridge University Press, 1998), 318.

⁴¹⁷ Edling, *Hercules in a Cradle*, 243.

Manufacturers at home probably consumed raw materials and foodstuffs to an extent that was “not very inferior to that which arises from foreign demand.” He estimated the total value of manufacturing output at 120 million dollars.⁴¹⁸ Defence industries were also given the time to establish themselves before the War of 1812. Gunpowder production, for example, saw a massive increase in the decade from 1800. Policymakers estimated the US was producing 300 tons per year, with leading mills having the capacity to triple production if needed.⁴¹⁹ If the ports were blockaded, the US could theoretically shift capital and labour from economic activity focused on exports and into domestic industries. Cotton could find a market for use in the factories of Massachusetts or Pennsylvania instead of Liverpool, and flour could be consumed by the increased number of factory workers instead of European ones.

An important explanation for the differences seen here are the two different approaches to political economy adopted in Argentina and the US. Argentina had come to view the purpose of the economy as providing wealth alone, whereas the US looked to the economy to produce wealth, but also to produce an independent supply of essential goods, to support a domestic shipping industry, and to operate as a self-contained domestic marketplace if blockaded.

How can we account for this difference? It is not easy to explain why US policymakers had a greater appreciation of the effectiveness of government intervention in the economy to increase war-making capacity. The US entered into revolution as “rebels against British mercantilism” hoping to spread free trade around the world. Irwin suggests that this ideology lapsed in response to other nation’s unwillingness to reject mercantilism.⁴²⁰ However, it is unlikely that US policymakers concerned with national security could have ignored the relationship between British naval and military power and its mercantilist policies. They had observed Britain’s progressive rise to

⁴¹⁸ *Report from the Secretary of the Treasury on the Subject of American Manufactures, Prepared in Obedience to a Resolution of the House of Representatives* (Boston: Published by Farrand, Mallory & C0. & Lyman, Mallory & Co. Portland, 1810), 26.

⁴¹⁹ Fagal, *The Political Economy of War*, 305.

⁴²⁰ Irwin, “Revenue or Reciprocity?”, 90-91.

superpower status under a mercantilist regime. In contrast, it is easier to see how Argentines would dismiss traditional aspects of mercantilism, given how they associated it with the corruption of the failed Spanish Empire.

But how can we explain Argentina's focus on wealth creation alone? It is true that some economic liberals dismissed the idea that the economy should provide wealth *and* security. James Mill, the British proponent of free trade, in his *Elements of Political Economy*, a work translated into Spanish by Rivadavia and printed in Buenos Aires, had argued that using the economy to achieve domestic production of first necessities, foodstuffs, arms and nationally-owned vessels for security reasons was unnecessary. Warfare between nations was unlikely in the future due to the Concert of Europe. However, this chapter has clearly shown that the threat of war still informed the political economy of Argentina. The best explanation seems to be that Argentine policymakers thought that the economy should produce as much wealth as possible, which would provide the greatest possible revenue. With that revenue, credit would be higher and security would be bought, in the form of using monies raised from bond sales for war financing. Simply stated then, in Argentina, the economy should provide wealth, *then* power. In the US, the economy should provide wealth *and* power.⁴²¹

⁴²¹ Santiago Mill, *Elementos de Economía Política* (Buenos Aires: Imprenta de la Independencia, 1823), 100.

The Balance of Power and American Sovereignty

The United States and Argentina began the pursuit of independence with very different founding ideas on how international relations should be conducted. The US embraced a policy of enlightened reform to the international system. Warfare and the network of alliances would gradually recede as a peaceful community of trading states emerged whose mutual interests would guard against rivalry and belligerency. Argentina's earliest take on international relations, however, was borrowed straight from the Old World rulebook about how states should behave; a programme of alliances, offering commercial privileges, and duplicitous diplomacy to aid expansion into a neighbouring state were necessary for Rioplatense security. Despite the readiness of Argentina in 1810 and disdain of the US in 1776 to enter into permanent treaties of alliance, it would be the US who, to achieve their independence, had to resort to a formal permanent treaty with a European nation. Argentina, meanwhile, concluded its independence without any foreign assistance.

Post-independence Argentine and US foreign policy converged to share a common set of assumptions, but also a number of crucial differences. Both republics looked to avoid entangling alliances with Europe but recognised that their security rested on the European balance of power. While not formally joining the balance-of-power system, both states looked to make temporary interventions to maintain the balance. In commercial matters, both states were guided by the principle of avoiding unequal commercial privileges for some nations, instead offering equal treatment to all foreign nations. Such a policy would avoid the 'jealousy of trade' that characterised belligerent European competition for overseas markets and ensure that all nations had an equal interest in preventing the markets of the Americas from being re-monopolised by any one nation.

The International Relations of Revolutionary Wars

As colonies in empires, the future United States and Argentina were part of the European balance of power. In many ways, the relationship with their respective metropolises resembled a more formalised version of an treaty of alliance and commerce. The metropole, by recognising overseas possessions as part of its empire, made the commitment to defend those possessions against foreign aggression. In return, the metropole received exceptional trading privileges in colonial ports denied to other nations. By dissolving the bond of empire with declarations of independence, the US and Argentina ended this imperial security compact. Now they would need to negotiate new relationships as independent nations within the European balance-of-power. Two documents, the *Model Treaty* and the *Plan de Operaciones*, outline very different approaches to international relations as a response to independence.

With the outbreak of War in 1775 between the thirteen colonies and Great Britain, the rejection of the colonists' compromise Olive Branch petition, and the British Monarch's threat to treat the leaders of the revolution as traitors to be punished by hanging, the US was required to begin formal international relations with European powers in order to gain their assistance and recognition of US independence. The Continental Congress appointed committees to draft a constitution, a Declaration of Independence, and a treaty to be offered to foreign nations.⁴²²

The *Model Treaty*, a document drafted by one of the congressional committees to serve as a standard treaty for negotiating international agreements with France and other European powers, departed from standard European diplomacy and outlined the principles that would guide the early US republic's foreign policy. Instead of offering commercial privileges to foreign nations in order to receive their commitment to military alliance, the US believed that they could benefit from the European balance of power without being part of it, allowing it to avoid being entangled in European wars. In addition, US policymakers believed that for European nations the prospect of gaining a share of trade with the new nation would compel them

⁴²² Staughton Lynd and David Waldstreicher. "Free Trade, Sovereignty, and Slavery: Toward an Economic Interpretation of American Independence." *The William and Mary Quarterly* 69, no. 1 (2011): 597-630; Daniel J Hulsebosch, "The Revolutionary Portfolio", 759-822.

to sign up to a set of commercial agreements that would effectively allow the US to enjoy unrestricted trade with European colonies.

US policymakers believed that foreign nations would grant it recognition and provide arms, munitions, vessels, and enter into war against Britain as co-belligerents, because the prospect of gaining access to US commerce on equal terms as all other nations was so attractive. The offer of a commercial treaty with the US was “ample compensation” for the opportunity to reduce Great Britain in the balance of power. The monopoly trade with the colonies was a principal source of British maritime and commercial power. By dissolving the monopoly and dividing the empire, Britain’s growing power would be better balanced.⁴²³ The same logic would secure US protection from European nations after independence was secured. As Tom Paine explained in *Common Sense*, the pamphlet influential for many US Americans’ decision to support independence, commerce would “secure us the peace and friendship of all Europe; because it is in the interest of all Europe to have America as a free port. Her trade will always be a protection.”⁴²⁴ In other words, the US could permanently rely upon European nations counterbalancing any attempt by a commercial rival to re-monopolise US markets.

Avoiding entangling alliances with foreign nations was the second founding international relations principle the *Model Treaty* set out. The US would be sufficiently detached from Europe to render future conquests difficult. Especially if the US could, as the *Model Treaty* provided for, conquer the Canadian provinces, the Floridas, Bermuda and the Bahamas, which were “absolutely necessary” to possess “for our own security.”⁴²⁵ The US were sufficiently distant from Europe to benefit from the balance, without having to formally contribute to it. Therefore there was nothing to be gained by permanent alliances with European powers, which would only negatively

⁴²³ Sester, *The Commercial Reciprocity Policy of the United States*, 16; Oosterveld, *The Law of Nations in Early American Foreign Policy*, 106.

⁴²⁴ Merrill D. Peterson, “Thomas Jefferson and Commercial Policy, 1783-1793.” *The William and Mary Quarterly* 22, no. 4 (1965): 588.

⁴²⁵ Reginald Horsman, “On to Canada: Manifest Destiny and United States Strategy in the War of 1812.” *Michigan Historical Review* 13, no. 2 (1987): 5.

“entangle us in any future wars in Europe.”⁴²⁶ As well as avoiding entanglement in war, the commercial provisions of the *Model Treaty* were calculated to spread unrestricted trade, dissolving European monopoly trade with its colonies, which was believed would reduce the likelihood of European war. The trading arrangements where one European nation monopolised an overseas colony's market had been a source of jealousy among European nations that had caused war. Liberalising trade would remove this source of friction. As commerce increased, the increased value of trade among nations would also increase the level of interest to avoid commerce-disrupting conflicts.⁴²⁷ In essence, the *Model Treaty* proposed a revolution in international relations.

What terms did the *Model Treaty* propose as instructions to US envoys sent to negotiate with France, the nation most likely to back its bid for independence? France would sign a commercial treaty with the US, which by implication gave formal recognition of the US as a sovereign state. France would organise the sale (or preferably loan) of arms, munitions, and naval vessels to the US in support of its war of independence. France's recognition of the US would lead Great Britain to declare war on France. In that eventuality, *The Model Treaty* proposed French and US co-belligerency, rather than either a temporary or permanent military alliance to govern the mutual belligerency of both states against Great Britain. As co-belligerents, the US would merely promise that they would not change course and aid Great Britain should it declare war on France. France would agree not to attempt the occupation or acquisition of any part of British North America or the British Islands in close proximity to the North American continent. The terms of the *Model Treaty* reveal that its authors expected the US and France to wage two separate wars. France would concentrate on attacking Britain's West India colonies. With Great Britain's resources divided across two fronts, the

⁴²⁶ Oosterveld, *The Law of Nations in Early American Foreign Policy*, 106.

⁴²⁷ Felix Gilbert, *To the Farewell Address: Ideas of Early American Foreign Policy* (Princeton: Princeton University Press, 1961), Chapter 3; Thomas C. Walker, “The Forgotten Prophet: Tom Paine's Cosmopolitanism and International Relations.” *International Studies Quarterly* 44, no. 1 (2000): 59.

US would be able to conquer the rest of British North America more easily and compel Britain to accept terms of peace.⁴²⁸

The *Model Treaty*, then, was the ultimate expression of the need to avoid 'entangling' alliances, by not even committing the US to enter into a treaty of temporary alliance. Such a temporary alliance lasting the duration of the war would normally govern the nature of the alliance, establish war aims, and promise to not make peace either before the mutual war aims had been achieved or before both parties agreed to enter into peace negotiations. Such a temporary alliance would have committed the US to make war against Britain until French war aims had been met, a form of 'entanglement'. The US could be involved in a prolonged war after its aims had been achieved for some goal outside of its interest, such as the French re-conquest of Caribbean islands previously lost to Britain. Instead, co-belligerency offered the maximum freedom. Britain would fight two separate wars against the US and France, giving the US the freedom to make peace once its objective, a treaty of recognition from Great Britain, had been achieved. The *Model Treaty* avoided any concept of a joint peace negotiation or that the US would continue fighting until French war aims had been achieved. At most, the US was willing to offer to notify France once peace negotiations had begun with Great Britain and promised not to conclude the peace treaty until six months after that notification. The United States believed they had sufficient leverage and security without a European ally that they could avoid making permanent alliances or offering commercial privileges, which had been the foundation of its previous imperial security compact with Great Britain.⁴²⁹

In terms of commercial regulations, France, or any other nation who wished to conclude a commercial treaty, was to do so on the basis of reciprocity. It was proposed that the US and France would enter into an agreement to offer reciprocal 'national treatment' to each other's merchants and vessels. In other words, this would mean that France would treat US merchandise and US vessels on equal terms as French merchandise and French vessels when arriving at French-controlled ports, and vice-versa when

⁴²⁸ "III. Plan of Treaties as Adopted (with Instructions), 17 September 1776," *Founders Online*, National Archives, accessed May 20, 2017, <http://founders.archives.gov/documents/Adams/06-04-02-0116-0004>.

⁴²⁹ "III. Plan of Treaties as Adopted (with Instructions), 17 September 1776," *Founders Online*.

French merchandise and French vessels arrived in US ports. If agreed to, this would have opened all of France's colonies to US vessels and US merchandise, enabling US merchants to do anything that French nationals were able to do by law: sell any goods French nationals could, paying exactly the same duties and charges as they did, and arriving from or departing to any ports from which French nationals could arrive to or leave from. The treaty in effect proposed to dissolve European navigation acts and the colonial system itself.

This was an unprecedented proposal. Previously when European nations were close allies they had granted each other merely partial reciprocal national treatment in each other's domestic ports, but the agreements in no way included colonial ports.⁴³⁰ Understandably, the Continental Congress expected that achieving such an agreement might not be possible. If France did not enter into these terms, the US was to offer that France and the US reciprocally grant most-favoured-nation status to each other. This, in other words, would mean that France would be treated no worse in commercial matters than any other foreign nation and vice-versa. If a privilege such as lower import duties, lower tonnage duties, or special access to visit certain ports was granted to a third nation in French ports, it had to be granted to the United States. Reciprocally, if, for example, Britain gained the right to import its manufactured goods at a specific import duty in US ports, that privilege would be extended to France.⁴³¹

In Argentina, the outbreak of conflict between the United Provinces, claiming autonomy from a Spain metropole that barely existed and the retroversion of Ferdinand VII's sovereignty to Buenos Aires as a result of the collapse of the metropolitan government, against those provinces and viceroalties which continued to recognise the legitimacy of the *junta central* and the viceroys it had appointed in America as regents of Ferdinand VII's sovereignty across all of his possessions, forced Buenos Aires's governing junta to commission one of its members, Mariano Moreno, on July 18 to think

⁴³⁰ Ibid.

⁴³¹ "The Continental Congress: Instructions to Franklin, Silas Deane, and Arthur Lee as Commissioners to France, [24 September–22 October 1776]," *Founders Online*, National Archives, accessed May 2, 2017, <http://founders.archives.gov/documents/Franklin/01-22-02-0371>

through the foreign policy implications as external events were moving the viceroyalty in a direction of travel towards independence.⁴³²

Moreno delivered his report by August 30, 1810. The contents of his report are disputed. While no archival record existed of the report in Argentina, a document later discovered in archives in Madrid, the *Plan de Operaciones*, is the most disputed document in Argentina history.⁴³³ The report's violent proposals for suppressing internal dissent along the lines of Revolutionary France have caused historians to question its authenticity, suggesting it was a forgery designed to alarm foreign powers. But its proposals for foreign relations, far from mirroring the diplomatic revolution proposed by the *Model Treaty*, would have been anything but controversial when compared to the prevailing norms of European diplomacy. The *Plan de Operaciones* offered a standard reading of how to navigate European power politics.⁴³⁴

The document identified several things that the United Provinces required of foreign powers. The main aim was to keep the weight of Portuguese and British power from entering the scales on the pro-Regency royalists' side of the dispute, which would tip the regional balance of power in the royalists' favour. The United Provinces, Moreno advised, would need to press Great Britain to proclaim publicly that its alliance with Spain did not oblige it to take sides in the "domestic dissensions of parts of the Spanish monarchy." Great Britain should also use its influence to persuade or compel Portugal from siding with the pro-Regency governor of Montevideo. Ensuring neutrality was necessary to enable the United Provinces to buy arms and munitions. If foreign powers recognised the governor of Montevideo as the legitimate representative of Ferdinand's sovereignty, those powers could not sell arms to what it would consider an enemy power. Better still would be for Britain to acknowledge Buenos Aires as the legitimate defender of

⁴³² Macfarlane, *War and Independence*, 175, footnote 4.

⁴³³ Ibid. Macfarlane accepts the authenticity of the *Plan de Operaciones*.

⁴³⁴ While acknowledging the disputed authenticity of the text, the author here argues that it offers a useful illustration of standard international diplomacy even if a forgery. However, there is good evidence pointing towards its legitimacy. First, a report was definitely commissioned and delivered to the junta by Moreno. Second, the contents of the text bear strong resemblance to economic and foreign policy ideas already proposed by Moreno's contemporary Manuel Belgrano. Third, Argentina did engage in the kind of diplomatic initiatives to offer alliances and commercial privileges in return for recognition, as proposed in the *Plan de Operaciones*.

Ferdinand's rights in the United Provinces. If it did, it could be induced to import "armaments and munitions... below [Great Britain's] flag", which would circumvent the use by Montevideo of the Spanish naval vessels stationed there to blockade Buenos Aires, preventing it from importing war materials.⁴³⁵

To achieve this, the United Provinces had to appeal to the interests of the cabinets in Rio de Janeiro and London. Moreno's *Plan* advocated that the governing junta would govern in the name of Ferdinand VII. This would persuade those powers that the junta acted as allies of Spain and enemies of France. The junta would make frequent reminders of its hostility towards Napoleon and create a sufficient number of troops to protect it from any "attempt by the tyrant of Europe", Napoleon, to invade. The commerce of Portugal and England would also have to be protected. This would attract and gain the "wills of the ministries of the courts." Portuguese and British goods and vessels would need to be admitted in the ports of the River Plate on favourable terms. They were to pay the same duties as if they were "national goods", and those duties should be lowered, even if the terms of trade led to some "extortions." Gold and silver would flow out of the River Plate, but it was a necessary price to obtain Portuguese and British alliance or neutrality.⁴³⁶

If this could be achieved, the United Provinces would be able to gain independence. Thereafter, the new nation's international relations would pivot towards the creation of an empire, by first entering an alliance with Britain, and then going on to conquer parts of Brazil. The *Plan* detailed how the United Provinces would first sign an offensive and defensive alliance with Britain for at least twenty to twenty-five years. British alliance, important as it was "Lord of the Seas", would come into effect once independence was declared. Great Britain would be interested in recognising the new state for several reasons. If Spain still existed as a state by the time independence was achieved, it was in England's interest to "equilibrate better the balance of power of Spain." Spain's power in the balance would be weakened if a part or whole of the Americas were divided from the

⁴³⁵ Moreno, *Plan de Operaciones*, 267-342.

⁴³⁶ *Ibid.*

metropole to form a separate society. Second, Britain's policy was always directed towards the "extension of mercantile prospects." The proposed alliance would include propositions "beneficial to the interests of both countries", presumably advocating commercial privileges for both nations' produce in each other's ports, which would interest Britain to enter into an alliance. Finally, the United Provinces would cede the island of Martín García, strategically located at the mouth of the Uruguay River, to Great Britain, where the British could populate a small colony and establish a free port for its commerce as "recognition of the gratitude" for the alliance and protection dispensed by England.⁴³⁷

Once protected by Britain from foreign aggression, Moreno's *Plan* advocated that the United Provinces should now wage war on Brazil. The United Provinces would first sign treaties of amity and commerce with Portugal. Argentine merchants would be able to settle in "Río Grande de Sud" — in Portuguese Rio Grande do Sul— the Brazilian province neighbouring the Banda Oriental. Argentines would then incite them to proclaim independence. The United Provinces would come to the rebellious state's assistance with funds and a military force of 15,000 to 20,000 men. Great Britain, being the ally of both Portugal and the United Provinces would initially remain neutral. Afterwards, the United Provinces would pursue conquests of other "interesting ports." It was in the "interest" of Great Britain to see the dismemberment of Portuguese America, and at this point the United Provinces would bring Great Britain into the conflict as an ally, agreeing on the different points and ports each nation would occupy.⁴³⁸

The *Plan de Operaciones* was straight out of an Old World rulebook on how to conduct international relations. Yet peculiarly, it cited Washington's ideas on foreign policy: "Where are, noble and grand Washington", asked the author of the *Plan*, "the lessons of your policy?" "Your principles and your regime would be capable of guiding us, giving us enlightenment to achieve the ends that we have proposed."⁴³⁹ The author of the *Plan* probably had in mind his Farewell Address (1796) which carried forward the principles of the

⁴³⁷ Ibid.

⁴³⁸ Ibid.

⁴³⁹ Ibid.

Model Treaty (1776).⁴⁴⁰ But US policy as guided by the *Model Treaty* and Argentine policy under the *Plan de Operaciones* had very little in common. Whereas US policy counselled against entangling alliances and bringing European powers into American affairs, the *Plan* advocated a defensive and offensive alliance with Britain and proposed bringing that nation into American affairs by ceding it territory and by offering to cooperate with it to subdivide Brazil between themselves. Whereas the *Model Treaty* offered no commercial privileges, the *Plan* looked to offer commercial advantages to Great Britain and Portugal in return for neutrality or alliance. The only area of agreement between US thinking in 1776 and Argentine plans of 1810 was that foreign nations' neighbouring provinces could be conquered and incorporated into their political unions. But the two polities would end their wars of independence in opposite positions from those they advocated at the start. The US would have a permanent alliance with France and granted it treaty privileges not extended to all other nations. Argentina ended its war of independence free from alliances and treating all nations equally. Why?

For the US, the European balance of power favourably allowed it to negotiate with European powers to secure recognition, tilt the balance of forces in its favour by placing the weight of French and Spanish forces onto the pro-independence scale in the war, forcing Britain to negotiate a peace treaty. The policymakers of US diplomatic initiatives at the outset of independence had correctly evaluate the interest that France and other nations would have in weakening the most powerful nation in the European balance of power. But they overestimated France's willingness to enter the War of Independence under the terms of the model treaty. France refused the terms of the Model Treaty in 1776, and when US fortunes in the War of Independence took serious setbacks in 1777, US diplomats were authorised to offer more traditional treaty terms such as commercial privileges for French commerce and to agree to conduct the war in pursuit of French war aims.⁴⁴¹ The European balance of power once again favoured the US. France, conscious that any treaty which looked to monopolise the gains of US independence for France alone would alienate potential allies it hoped to

⁴⁴⁰ Gilbert, *To The Farewell Address*, 122.

⁴⁴¹ Sester, *The Commercial Reciprocity Policy of the United States*, 18.

bring into the conflict such as Spain and the Netherlands as well as motivate its enemies to assist Britain, refused the offer of exclusive commercial privileges.⁴⁴²

Instead, the 1778 Treaty of Amity and Commerce established most-favoured nation status for France and the US in each others' ports while the and Treaty of Alliance committed both parties to the war aim of US independence, to not enter into into separate peace negotiations with Britain, and to a permanent defensive alliance guaranteeing each other's American territories should they be invaded by foreign powers.⁴⁴³ British power, now diluted across multiple conflicts against the US, France, Spain and the Netherlands in the Americas, Europe and India, was brought to heel with the surrender of 8,000 British soldiers at Yorktown.⁴⁴⁴ In the following peace negotiations, the European balance of power once again favoured the US. Britain, accepting that US power would no longer bolster its empire, looked to avoid that power passing to France and Spain, nations which hoped for the US to be a weak client state. The US, breaking the terms of its 1778 treaty with France, entered into separate peace negotiations with Great Britain to conclude a favourable peace treaty.⁴⁴⁵

In contrast, Argentina was willing to offer commercial privileges, territorial indemnifications and to enter into entangling alliances to bring foreign powers into the conflict. However, the European balance of power neither permitted foreign powers to enter the regional balance of power on the side of American insurgents or on the side of Spanish royalists and Spain. Between 1810-1814, the only foreign powers that could project military power in Spanish America, Britain and Portuguese Brazil, to provide assistance to Argentina were allied with Spain against Napoleon in the European balance

⁴⁴² Vernon Sester. "Did Americans Originate the Conditional Most-Favored-Nation Clause?" *The Journal of Modern History* 5, no. 3 (1933): 323; Jonathan R. Dull, *The French Navy and American Independence: A Study of Arms and Diplomacy, 1774-1787* (Princeton: Princeton University Press, 1975), 99-100.

⁴⁴³ Oosterveld, *The Law of Nations in Early American Foreign Policy*, 107-108; Smith, *Amid a Warring World*, 27, 11.

⁴⁴⁴ Thomas E. Chavez, *Spain and the Independence of the United States: An Intrinsic Gift* (Albuquerque, NM: University of New Mexico Press, 2002), 87-88, 133, 135, 198-203.

⁴⁴⁵ Smith, *Amid a Warring World*, 26-31.

of power. Despite Argentine offers of commercial privileges to Great Britain should it aid its efforts to establish an autonomous viceroyalty outside the control of the Spanish Regency, neither the British nor Portuguese monarchies could attempt to annex parts of Spain's American empire without the risk of alienating Spain in their joint efforts to defeat Napoleon in the Peninsular War. Equally, Britain, cautious of aiding the reestablishment of a Spanish commercial monopoly in Spanish America, deployed its influence to prevent Portugal from assisting the Spanish royalists in Montevideo and Lima.

Instead, a variety of regional actors composed a regional balance of power. The Banda Oriental province and the viceroyalty of Peru waged war on Buenos Aires and the United Provinces, while Paraguay and Chile declared neutrality in the conflict. Rioplatenses recognised that the European powers would not or could not aid the "Spanish colonies." The "interests of Europe have combined to make their [Spanish American] miseries perpetual."⁴⁴⁶ Attracting the "protection of any Power of Europe cannot be acquired right now without grand sacrifices", in other words, the United Provinces would have to offer concessions incompatible with their pursuit of liberty.⁴⁴⁷ If America was to be free, it had "to be the result of our own efforts alone."⁴⁴⁸ Commentators celebrated this prospect of completing independence alone without a European connection. "The South Americans" would "be able to say with the dignified arrogance of independent Men, that we do not owe the happiness we enjoy to any except ourselves." European connections might have proven dangerous: "how many States, fleeing from slavery, have fallen in chains forged by their new Friends!"⁴⁴⁹

However, by late 1814, the regional balance of power tilted towards the Spanish royalists. Despite the United Provinces completing the reoccupation of the Banda Oriental, the Viceroyalty of Peru firmly came to control the provinces of Alta Peru as well as complete the occupation of Chile. To make matters worse, the Banda Oriental revolted to declare independence from

⁴⁴⁶ Mariano Moreno, *Vida y Memorias Del Dr. Dn. Mariano Moreno, Secretario de La Junta de Buenos Ayres* (Londres: En la imprenta de J. McCreery, Black-Horse Court, Fleet-Street, 1812), 332-333.

⁴⁴⁷ *Ibid.*, 333.

⁴⁴⁸ GDBA 3: No. 79, 17 November, 1813, 569-571.

⁴⁴⁹ Moreno, *Vida y Memorias*, 333.

Buenos Aires and spread a confederalist League of Free Peoples into the littoral regions of the United Provinces aiming to defeat the Buenos Aires government, while Spain, liberated from Napoleonic occupation, prepared an invasion force set for Spanish America and believed to be headed for Buenos Aires. The state “of the American cause”, reflected Manuel García, then Argentina’s envoy to Rio de Janeiro, “could not be sadder.”⁴⁵⁰ García and others seriously considered offering proposals that would fall short of independence. “If we cannot obtain absolute independence and a perfectly free government” observed García, “we need to compromise; neither prudence nor justice can approve our obstinance... We propose firmly to go some rungs up the grand scale of the fortune of nations, and we hope that time carries our forebears to the summit to which we aspire.”⁴⁵¹ Along these lines, Carlos Alvear, briefly Supreme Director, wrote a proposal suggesting that the United Provinces become a British colony. Rioplatenses would “obey its government and receive its laws with pleasure.”⁴⁵² To Spain, the United Provinces sent a diplomatic mission to compromise. Argentina would offer to form an independent constitutional monarchy below a Spanish prince while restoring the colonial trade monopoly, remittances of silver to Spain, and respecting the Spanish monarch’s sovereignty in foreign policy matters.⁴⁵³ The negotiations failed as Spain insisted that Argentina return to a pre-1810 relationship with the metropole, what Rioplatense policymakers considered a “servile dependence” to be rejected.⁴⁵⁴

From the nadir of 1815, the United Provinces restored the regional balance of power, successfully liberating Chile by 1817, neutralising the threat of the

⁴⁵⁰ ‘García to Ex. Señor, 5 Mayo, 1816’ in AGNA, Sala 7, Legajo 1133, 1815-1817.

⁴⁵¹ ‘García to Alvarez, 5 Abril, 1816’ in AGNA, Sala 7, Legajo 1133, 1815-1817.

⁴⁵² ‘Alvear to García, 25 Enero, 1815’ in AGNA, Sala 7, Legajo 1133, 1815-1817.

⁴⁵³ A copy can be found in Celso Ramón Lorenzo, *Manual de Historia Constitucional Argentina*. Volume 1. (Rosario: Editorial Juris, 1994), 176-179.

⁴⁵⁴ Andrés Cisneros and Carlos Escudé, eds. “Tomo II: Desde Los Orígenes Hasta El Reconocimiento de La Independencia Formal; Parte I: Las Relaciones Exteriores de La Argentina Embrionaria (1806-1881).” In *Historia General de Las Relaciones Exteriores de La República Argentina*, accessed 15 May, 2017, http://www.argentina-rree.com/historia_indice00.htm, Chapter 3; Gentile, *Instrucciones Diplomáticas Argentinas: Estado de Recopilación e Investigación 1810-1837. Series I: 1810-1820*, 95.

League of Free Peoples by tacitly consenting to the Portuguese Monarch's invasion of the Banda Oriental, and avoiding Spanish reconquest as the metropole's troops were directed to New Granada rather than Buenos Aires. Despite making a declaration of independence and the decisive victory in Chacabuco, which contemporary diplomats saw as the United Provinces's "Saratoga" moment (referring to the victory that persuaded France to support US independence), foreign powers still withheld recognition and alliance from Argentina.⁴⁵⁵ The European balance of power still prevented recognition and intervention by foreign powers on either side of the conflict. Post-Napoleonic Europe, united in the 'Holy Alliance', was committed to preventing the outbreak of revolutionary republican governments and little inclined to support Spanish American revolutionaries, a move which could rupture the fragile nascent European peace. Likewise, the more reactionary powers could not openly assist Spain in case of displeasing Britain, which benefitted from trade with the parts of Spanish America which were liberated and had a comparatively more liberal outlook on the spread of constitutional governments around the globe. Spain, meanwhile, by 1819 was preparing a new expedition, this time headed for Buenos Aires. In the context of an unfavourable European balance of power and potential Spanish invasion, Rioplatense diplomats were unsuccessfully instructed to offer a variety of commercial privileges, territorial indemnifications, permanent alliances and the creation of monarchical governments with European princes as its head of state to Portugal, Spain and France.

None of these negotiations matured into treaties before early 1820, when events in Buenos Aires and Cádiz significantly altered the Independence War. In Cádiz, the invasion force preparing to sail for Buenos Aires rebelled due to poor conditions, triggering a revolution in favour of constitutional government in Spain. At the same moment, the Federal League, remnants of the League of Free Peoples, successfully invaded Buenos Aires province and forced the central government of the United Provinces to disband, marking the end of Argentina's active participation in the War of Independence, leaving it *de facto* independent of a now liberal Spain whose constitutional government looked to enter into negotiations without the aid of foreign

⁴⁵⁵ 'García to Pueyrredón, 27 Marzo, 1817', in AGNA, Sala 7, Legajo 1133, 1815-1817

assistance nor signing treaties of alliance or granting commercial privileges, in contrast to the US, were the European Balance of Power had made the grant of permanent treaty commitments to France a necessity. Achieving *de jure* and *de facto* recognition of independence by 1783 and 1820, the US and Argentina turned to defining its future relationship with Europe.

Between the Model Treaty and Power Politics: the US from 1783 to 1812

Following independence, the US had in its power the ability to dissolve one-half of the British navigation acts. Those acts had restricted imports and exports from the British American colonies to vessels of the British Empire alone and limited the ability to export certain colonial produce to British domestic ports only. From 1776, the US opened its ports to all nations. During the Revolutionary War, neither tariffs nor other commercial charges seem to have existed in any of the states. Theoretically, the US practised complete free trade. All produce of all nations could enter the US without paying any import duties.⁴⁵⁶ In practice, so little trade could pass the Royal Navy blockade that tariffs would have only further deterred vessels from attempting to trade with the US.

But after independence was recognised, Great Britain began treating US vessels and produce as belonging to a foreign nation, rather than as a privileged member of the British Empire, and other foreign nations continued to maintain their navigation acts. While all the maritime nations of importance levied restrictions on foreign produce and vessels to discriminate in favour of domestic merchants and vessels, British restrictions generated the most anger given their comparative strictness, the size of former markets lost, and the latent hostility towards Britain following the revolutionary war. The status of US vessels in British domestic ports was particularly precarious compared to France where US vessels enjoyed most-favoured nation status. By treaty, US vessels would always be able to enter French domestic ports on the same terms as the most-favoured nation. In British ports, US vessels gained access annually by proclamation of the Executive. At any point, the

⁴⁵⁶ Except British vessels and merchandise, which were prohibited until the end of the Revolutionary War, see William Hill, "The First Stages of the Tariff Policy of the United States." *Publications of the American Economic Association* 8, no. 6 (1893): 41.

ability of US vessels to trade there could be revoked. To French domestic ports, the US could carry nearly all produce, even the produce of foreign nations, and US vessels would pay the same duties as French vessels. To British domestic ports, US vessels could only carry the produce of the US, not the produce of foreign nations. As a foreign nation, US vessels paid higher port duties than national vessels, and merchandise, when brought by foreign vessels, paid higher alien duties than the rates paid when carried in national vessels. In the French West Indies, the US could bring some US produce in its own vessels. To the British West Indies, only British vessels could carry US produce. US vessels were not permitted to enter at all.⁴⁵⁷

During the Articles of Confederation period, the separate states, then having the power to set their own commercial policies, tried to counter British restrictions, particularly in a bid to punish Britain with the hope that their measures would lead Britain to open up its markets to US vessels and produce on better terms. In general, when tariffs and tonnage acts were re-imposed, they were used for discrimination against Great Britain or all foreign nations that did not have a commercial treaty with the US. British vessels tended to pay higher tonnage duties, and merchandise paid higher import duties when imported in British vessels. Likewise, in many states, foreign nations with commercial treaties continued to receive 'national treatment'. Merchandise, when imported in the vessels of most favoured nations, does not seem to have paid higher import duties than if imported in US vessels. In terms of tonnage duties, some states placed treaty nations on the same footing as national vessels. The efforts of the separate states during the Articles of Confederation period to use commercial policy for international relations goals were easily frustrated by the lack of uniformity. British ships could simply choose the jurisdiction which most favoured their merchandise and vessels. Once British goods had landed in British vessels at places like New Jersey, Rhode Island or Connecticut, where they were treated favourably, they could evade other states discriminatory laws by being shipped in the coastal trade in US vessels. The need for a uniform commercial

⁴⁵⁷ Thomas Jefferson, "III. Final State of the Report on Commerce, [16 December 1793]," *Founders Online*, National Archives, accessed June 20, 2017, <http://founders.archives.gov/documents/Jefferson/01-27-02-0503-0004>

policy to counter British navigation acts motivated the creation of the federal government.⁴⁵⁸

However, when the US Congress came to adopt general tariff and trade duties that would be observed uniformly in all the customs houses of the union, discrimination between nations was not continued, and 'national treatment' for foreign nations with commercial treaties ended. When merchandise arrived in national boats, they would pay 6 cents per ton in tonnage duty, and ad valorem or specific duty on imports. When merchandise arrived in any foreign vessels, whether with a commercial treaty like the French or without like the British, they would pay 50 cents per ton in tonnage duty, considerably more than national vessels. Merchandise carried in foreign vessels would pay a 10% surcharge added to the import duty bill. If the import duties on merchandise would have been 50 dollars in national vessels, when imported in foreign vessels 55 dollars would be paid.⁴⁵⁹

A group of legislators wished to continue the effort to counteract European restrictions via tariff and tonnage duties. A typical proposal brought before Congress aimed to discriminate against nations which did not enter into commercial treaties with the US. A three-tiered structure for tonnage charges would be created whereby US vessels paid 6 cents, treaty nations (nations with a commercial treaty) 30 cents, and non-treaty nations 50 cents. These proposals were each time defeated in Congress by the influence of Treasury Secretary Alexander Hamilton. Discriminating against Britain, he argued, might lead to a trade war, or could very well lead to military conflict if seen as an un-neutral act which favoured France. A trade war or military

⁴⁵⁸ Sester, *The Commercial Reciprocity Policy of the United States*, 62-63; Albert Anthony Giesecke, *American Commercial Legislation before 1789* (New York: University of Pennsylvania, D. Appleton and Company, Agents, New York, 1910), 126-136.

⁴⁵⁹ Sester, *The Commercial Reciprocity Policy of the United States*, 107. The meaning of the 10 per cent additional duties is ambiguous in the legislation of the 1789 Tariff. It could mean, for example, that if a good were to pay 15% when carried in national vessels, that good would pay 25% ad valorem when in foreign vessels. The other possible interpretation is that if on merchandise a national merchant was to pay the treasury 50 dollars, a foreign merchant would pay 10% more of that sum, 55 dollars. The legislation's meaning is not clarified in the literature consulted. Alexander Hamilton's instructions to customs collectors suggests that the latter option was how the legislation was applied. See Alexander Hamilton, "Treasury Department Circular to the Collectors of the Customs, 30 November 1789," *Founders Online*, National Archives, accessed May 20, 2017, <http://founders.archives.gov/documents/Hamilton/01-05-02-0364>

conflict would interrupt the flow of imports, and therefore customs revenues into the US.⁴⁶⁰

The possibility that adopting a hostile attitude to British commerce would bring military conflict reached a crisis point in 1794. Since European war had begun in 1793, those nations whose commercial vessels were threatened by seizure by privateers or naval vessels had opened up their colonial trade to neutral carriers, from which the US most benefitted. A British Order in Council ordered the Royal Navy to seize all vessels trading with the French West Indies. Hundreds of US vessels were seized. An aggressive US response might lead to war with Great Britain. Congress had considered completely suspending trade with Britain in retaliation. Buying for time, the Washington administration sent a peace mission. In terms of following the ideals of the Model Treaty, the 1795 Jay Treaty abandoned the hope that in peace time the freedom of navigation could be achieved via commercial discrimination, and at times of wars, neutral carriers would be able to carry the cargoes of belligerents without seizures (the principle known as free ships equal free goods). The price of peace with Great Britain in 1795 was to grant it temporary most-favoured-nation status, removing for twelve years the possibility of using discriminatory tariffs and tonnage duties to get greater market access in the territories of the British Empire. From 1789 to 1812, the US would treat all foreign nations on the same footing of commercial equality.⁴⁶¹

The US policy of avoiding permanent entangling alliances with foreign nations continued to direct international relations between the end of the Revolutionary War and the beginning of the War of 1812. Policymakers counselled that the US should not contract any further alliances beyond the French treaty. Such alliances could not add to US security. It was the long-held belief that European states would counteract each other should any one of them try to reconquer the US. They would all be interested in preventing US commerce from being re-monopolised by any rival nation. Therefore formal alliances offered no benefits to the US. By European alliances, the US would be entangled in purely European conflicts in return for a commitment

⁴⁶⁰ Sester, *The Commercial Reciprocity Policy of the United States*, 106.

⁴⁶¹ Sester, *The Commercial Reciprocity Policy of the United States*, 126-130.

to guarantee US independence, which the US believed they already had without a formal alliance. As long as the European balance of power existed to prevent one state from acquiring greater power, US independence would be safeguarded.⁴⁶²

The threat of French hegemony in Europe clearly reveals how US independence relied on the European balance of power. Policymakers such as Hamilton were alarmed by growing French dominance and plans to invade Great Britain. Britain “once silenced”, either by successful invasion or by being forced into a peace on France’s terms due to exhaustion of her revenues and commerce, would be unable to oppose French plans in North America. France would embark on the project of sending part of her “vast armies” to America whose troops would relish the “prospect of dividing among themselves the fertile lands of this Country.” British loss of power would mean “there would be no insuperable obstacle to the transportation [of troops].”⁴⁶³

The Adams administration (1797-1801) weighed up whether a formal alliance treaty with Great Britain might be required if the quasi-war with France escalated into a declared war between the two nations. Advisors cautioned against it as unnecessary. It was “best to avoid entangling ourselves with an *alliance*.” Britain’s “undisputed controul of the ocean” would be useful if the US was at war with France, but its situation remained “precarious” while an invasion was a possibility. Entering into an alliance was dangerous to US credibility as a treaty-worthy state. There were several scenarios by which the US would not be able to make good on its treaty commitments. If the US could not be trusted to faithfully observe its treaties, it would not be able to conclude favourable treaties in the future. While a formal alliance brought risks, the US would receive all the benefits of an alliance with Great Britain. If Britain could defend itself from France, the interest Britain had in the fate of the US would “command as much from her as [by a] treaty.” In other words, British commercial interests and the

⁴⁶² Gilbert, *To the Farewell Address*, 122; Gordon A. Craig, “The United States and the European Balance.” *Foreign Affairs* 55, no. 1 (1976): 187–188; Gerard Clarfield, “John Adams: The Marketplace, and American Foreign Policy.” *The New England Quarterly* 52, no. 3 (1979): 348-349, 352.

⁴⁶³ Alexander Hamilton, “The Stand No. IV, [12 April 1798],” *Founders Online*, National Archives, accessed June 15, 2017, <http://founders.archives.gov/documents/Hamilton/01-21-02-0236>

desirability of not allowing France to gain further in the balance of power by adding the US as a satellite state would mean Britain would defend the US by interest, without treaty: “she will not see us fall.” It was better to prepare the ground for a temporary alliance between Britain and the US in case of “open rupture” with France. The US and Britain would cooperate to take the Floridas, Louisiana and Spain’s South American possessions, on the condition that the US would gain all the territory west of the Mississippi including New Orleans.⁴⁶⁴

In the event, the quasi-war remained undeclared. The US and Britain were co-belligerents against France, but not entangled by any treaty of alliance. The US benefitted from the free security of having the Royal Navy attack French naval forces. France was forced into terms of peace with the US not so much because of US naval victories, but because of British ones. France now had to reduce its enemies and agreed to favourable peace terms. France would recognise US neutral rights to carry cargo of British origin, and most importantly it formally recognised that the 1778 Treaty of Alliance was defunct. John Adams remembered this as his greatest achievement in public life. This removed the US from an alliance which had no benefits for itself and only offered entanglements in “the contests with which Europe is so often scourged.”⁴⁶⁵ France was unlikely to be called into the assistance of the US in future, while the alliance would force the US to enter into every “future defensive war” whenever France’s West Indian colonies were attacked.⁴⁶⁶ The US would either be entangled in European wars or have to offer to pay large sums of money instead of offering military assistance. Either way, the alliance would have been “hazardous to their [the United States’] peace.”⁴⁶⁷ Now, the US was completely disentangled from any treaty obligation to enter into European conflict. As such, now, if the territory of the United States was attacked by any European Power, the US could only rely on its own forces

⁴⁶⁴ “To John Adams from James McHenry, 15 February 1798,” *Founders Online*, National Archives, accessed June 13, 2017, <http://founders.archives.gov/documents/Adams/99-02-02-2341>

⁴⁶⁵ Alexander Hamilton, “Enclosure: France and America, [2 October 1800],” *Founders Online*, National Archives, accessed June 20, 2017, <http://founders.archives.gov/documents/Hamilton/01-25-02-0095-0002>.

⁴⁶⁶ Hamilton, “The Stand No. IV, [12 April 1798],” *Founders Online*.

⁴⁶⁷ Hamilton, “Enclosure: France and America, [2 October 1800],” *Founders Online*.

and the possibility that interested European nations would come to its assistance.

The US again looked towards a formal alliance with Great Britain in 1805 when the threat emerged of a joint Franco-Spanish attack on the US. Jefferson's administration had claimed that the Louisiana Purchase had included parts of West Florida, which Spain denied. The US entered into negotiations with Spain for the purchase of West Florida, but the behaviour of France and Spain suggested that a peaceful resolution to the disputed territory was not in their interests. Jefferson accepted the warning of US diplomats that Spain and France might instead have in mind schemes "of much greater extent and danger towards our government."⁴⁶⁸ If a European peace occurred, the Franco-Hispanic allies would have the resources to send troops and a combined fleet to regain Louisiana. New Orleans was "currently undefended, and would be very difficult for us to retake" while all of the US seaboard cities were "exposed." The US would be compelled to make "an alliance with a nation capable of affording us the requisite naval assistance."⁴⁶⁹

Jefferson proposed that the US should make a temporary, conditional treaty of alliance with Britain. While Jefferson's embryonic thinking about how the alliance would function does not give full details, it seems his plan was to preemptively attack the Floridas and take possession of them before a European peace could be agreed upon. Prior to that, Britain and the US would enter into an alliance that obligated Britain to "make common cause" with the US should it be attacked by France or Spain "during the present war." Britain would agree not to make peace until the US objectives of settling the "rightful" boundaries of the Louisiana Purchase and retaining all of the Floridas as indemnification were achieved.⁴⁷⁰ Jefferson believed that

⁴⁶⁸ "To James Madison from Charles Pinckney and James Monroe, 25 May 1805," *Founders Online*, National Archives, accessed May 14, 2017, <http://founders.archives.gov/documents/Madison/02-09-02-0446>

⁴⁶⁹ "To Thomas Jefferson from Robert Smith, 10 September 1805," *Founders Online*, National Archives, accessed June 3, 2017, <http://founders.archives.gov/documents/Jefferson/99-01-02-2363>

⁴⁷⁰ "To James Madison from Thomas Jefferson, 27 August 1805," *Founders Online*, National Archives, accessed May 12, 2017, <http://founders.archives.gov/documents/Madison/02-10-02-0238>

even the existence of such a treaty would make France and Spain immediately enter into peace with the US. Madison, Jefferson's Secretary of State, agreed that "an eventual alliance with G.B....would be for us the best of all possible measures."⁴⁷¹ Madison hesitated, however, that an unentangling alliance could be gained from Britain. The US would surely be asked to agree to offer Britain something of equal value as part of the treaty. Britain would want the US to offer an alliance commitment in return that would immediately "involve us pretty certainly in her war." If the US did not give an alliance commitment, Britain would ask for something of equal value, such as "commercial privileges" or for the US to agree to British interpretations of the law of nations. Madison cautioned it was unwise to offer Britain privileges or concessions that it would enjoy immediately in exchange for a promise of assistance that the US might never require.⁴⁷²

The alliance proposal developed no further. Jefferson correctly perceived that the course of the European war was towards prolonged conflict rather than any general European peace that would be required for a joint Franco-Spanish expedition against the United States. The US could count on at least one year's more military conflict, and one year of peace negotiations before that would happen. The incident demonstrates once again how the US required a balance of power in Europe. Whereas in 1798, it was believed Britain would assist the US out of interest, regardless of the fact that it did not have a formal treaty obligation to act as an ally. But in 1805, if Britain was forced to make peace due to its inability to carry on the war, it might be unable or unwilling to stop a combined Franco-Spanish force dismembering the US in the interest of maintaining the balance of power. Events in November 1805 forever put such as Franco-Hispanic project out of reach. At Trafalgar, the Royal Navy destroyed the combined fleet of France and Spain, whose remaining naval force remained bottled up in dry docks for the rest of

⁴⁷¹ "To Thomas Jefferson from James Madison, 20 August 1805," *Founders Online*, National Archives, accessed May 8, 2017, <http://founders.archives.gov/documents/Jefferson/99-01-02-2279>

⁴⁷² "From James Madison to Thomas Jefferson, 1 September 1805," *Founders Online*, National Archives, accessed May 14, 2017, <http://founders.archives.gov/documents/Madison/02-10-02-0259>

the Napoleonic Wars by Royal Navy blockade. Now Spain and France had no means to transport troops and wage war on the US.⁴⁷³

From 1806 onwards, the US focused on balancing British power. Jefferson expressed that the ideal European balance-of-power scenario for the US would be “that the powers of Europe may be so poised and counterpoised among themselves that their own safety may require the presence of all their force at home, leaving the other quarters of the globe in undisturbed tranquillity.”⁴⁷⁴ US actions from 1807 to 1815 almost completely favoured France. Were Presidents Jefferson and Madison oblivious to the fact that the policies they pursued at home threatened to support Napoleon at a time when he might achieve hegemony on the entire European continent? Jefferson’s own hope for the balance of power gives a clue to the answer. For the US it was best if all of the forces of the European powers were required to remain at home. Yet in the contest between Napoleon’s Empire against Britain and her allies, all of Napoleon’s forces were required to remain “at home.” After Trafalgar, Napoleon had no ability to transport troops across the Atlantic, or anywhere else for that matter, in a way that would threaten US interests. Previously, British naval power had been somewhat balanced by a combined fleet of France and Spain, but now the Royal Navy’s supremacy was completely unchecked by rival powers.

No power could balance British ambition to acquire colonies and aspire to a monopoly of the maritime commerce of the entire world. Jefferson and others viewed British actions everywhere as sinister signs of such a project to maximise British mastery of maritime commerce, rather than as acts of a nation struggling for survival. The British Orders in Council aimed to retaliate against Napoleon’s Continental System and force him to lift his restrictions but instead were interpreted as “evidence of a boundless spirit of commercial monopoly” and of British plans to force the US to return to the conditions of colonies. Other British acts, such as the occupation of Buenos Aires (1806) and the establishment of a protectorate in Brazil in which Britain enjoyed exclusive commercial privileges (1808) furthered the suspicion that

⁴⁷³ David C. Hendrickson and Robert W. Tucker, *Empire of Liberty: The Statecraft of Thomas Jefferson* (New York; Oxford: Oxford University Press, 1992), 181-184.

⁴⁷⁴ Craig, *The United States and the European Balance*, 190.

Britain offered the greatest threat to US security. Britain aimed to establish Spanish America as a nominally independent commercial protectorate, as part of a larger project of placing all of the western hemisphere under the commercial dominance of Britain.⁴⁷⁵

While the embargo (1807-1809) prevented exports of US produce to the whole world, it was understood to most negatively affect Great Britain. Jefferson was “fully aware” the embargo “constituted a service to Napoleon”, being equivalent to joining Napoleon’s continental system.⁴⁷⁶ While the main aim was to obtain the repeal of both belligerents’ commercial restrictions on US neutral trade, Jefferson at times appeared indifferent to Britain’s fate. Previously, he had cautioned that the nation that “has armies may not have the Dominion of the sea, and that he who has Dominion of the sea may be one who has no armies” as a means of preserving tranquillity at home.⁴⁷⁷ Britain had sea power but no army of great size to invade the US, while Napoleon had a large veteran army easily capable of causing great damage but no naval power to transport them. But now, British tyranny on the sea was such that Jefferson seemed to welcome its destruction: “I say, down with England.”⁴⁷⁸ It is possible to view the embargo as the reckless abandonment of US interests in maintaining the balance of power. To throw the weight of the US “into the scale of France at this moment...may help to crush Great Britain” but the effect of that would be for Britain’s naval power to pass into Napoleon’s hands with devastating effects for the “liberties of mankind”, particularly US liberties.⁴⁷⁹ However, Jefferson’s aim was to weaken the effects of British commercial monopoly by forcing it to allow US neutral trade. It seems unlikely the embargo would have been continued to the point at which Britain was so destabilised to allow for a Napoleonic invasion.

⁴⁷⁵ Hendrickson and Tucker, *Empire of Liberty*, 215; Caitlin A. Fitz, “The Hemispheric Dimensions of Early U.S Nationalism: The War of 1812, Its Aftermath, and Spanish American Independence:” *Journal of American History* 102, no. 2 (2015): 361.

⁴⁷⁶ Lawrence S. Kaplan “Jefferson, the Napoleonic Wars, and the Balance of Power.” *The William and Mary Quarterly* 14, no. 2 (1957): 201.

⁴⁷⁷ Hendrickson and Tucker, *Empire of Liberty*, 217-218.

⁴⁷⁸ Kaplan, “Jefferson, the Napoleonic Wars, and the Balance of Power”, 202.

⁴⁷⁹ Hendrickson and Tucker, *Empire of Liberty*, 216.

US independence had benefited from the balance of power in Europe. The US had looked to preserve it and to contract temporary alliances when it was felt the balance of power might not prevent European invasion. Ultimately, US strategy shifted to weaken the nation which had an unchecked balance of power on the seas, Great Britain. Finally, as we will see, the US looked to benefit once again by waging war as a co-belligerent, this time alongside France, in pursuit of gaining advantages from Britain.

Towards a “Policy of America”: Argentina from 1820 to 1825

The end of Argentina’s participation in the Independence War in 1820 did not lead to recognition. Unlike the US, whose revolutionary war had been sustained until Britain was forced to recognise the hopelessness of continued conflict and grant a peace treaty recognising independence, Argentina’s participation in the war of independence had been cut short by the collapse of the central government in 1820 before any definitive victory could occur. From 1821, Argentina had to direct its European policy taking three issues into consideration. First, the war for independence continued. Chile and Gran Colombia actively continued in conflict with royalists in Lower and Upper Peru. Second, Peninsula Spain remained uninvolved militarily in that conflict while the Liberal Cortés directed government policy. But the Holy Alliance had collectively pledged to suppress constitutional government in Europe and had already used military power to quash a constitutional revolution in Naples in order to restore absolutism. If the Holy Alliance did overturn Spanish constitutionalism, Spain might invite that league of absolutists to intervene in Spanish America with the goal of forcing the new American states to return to European subjugation. Third, from 1821, the Portuguese occupation of the Banda Oriental was converted from a temporary measure into one of permanent occupation. The Portuguese held a vote in the Banda Oriental in which locals were said to have freely voted to become part of the Portuguese Monarch’s Empire.

Under the circumstances, Argentines viewed their security against Spain and the Holy Alliance as dependent on the maintenance of a balance of power between the liberal constitutional governments of Europe and the

Americas against the Holy Alliance. Despite some preference to remain uninvolved in European affairs, Argentine policymakers looked to participate in two projects which would have entangled the United Provinces in European affairs. In 1822, Buenos Aires was approached by Portuguese officials about a potential project of alliance between Portugal, Spain, the new states of Spanish America and any other constitutional government, such as the US, that wished to enter into the league. Rivadavia gained secret authorisation to enter into such an alliance coalition on the condition that Spain recognise its independence and that Portugal would return the Banda Oriental to the United Provinces.⁴⁸⁰ While this transatlantic league did not come to fruition, Rivadavia devised another project. By 1823, the Holy Alliance had moved towards militarily intervening in Spain to restore absolutist government there. News had reached Buenos Aires that France had raised considerable amounts to finance a military intervention in Spain. Rivadavia proposed to the legislature a two-part project. First, Argentina, Chile and Peru would sign a preliminary convention that would establish an armistice and re-open commerce between Spain and the American states. Second, if Spain recognised the American republics' independence, those states would assist it financially. They would agree that Spain could borrow twenty million pesos on the American States' credit, matching the amount France had raised for war finance, and the new republics would collectively repay the loan.⁴⁸¹

How could Argentina justify entangling itself in European affairs? The Holy Alliance had “unmasked” its intentions by re-establishing absolutism in Naples. Now, all guarantees of sovereignty were undermined by their subversion of “the public law of Europe” — particularly each sovereign state's right under the law of nations to elect its own form of government.⁴⁸² If absolutism was restored in Spain, American independence “would be precarious” as “the immense sea is not enough to protect America sufficiently.”⁴⁸³ America could lose its independence if Spain received

⁴⁸⁰ AHPBA, Document No. 191, 7 May, 1822; Legajo C.48-A4-29.

⁴⁸¹ DSHJBA, 18 June, 1823: 60 and DSHJBA, 21 July, 1823: 178-179.

⁴⁸² DSHJBA, 18 June, 1823: 63.

⁴⁸³ *El Teatro de la Opinión*, No. 17, 11 September, 1823, 261.

military support from the Holy Alliance or if the Peninsula sold parts of America to its European allies, as it had sold the Floridas. The Holy Alliance had a neighbouring power, the newly independent Emperor of Brazil, who would work “in agreement with that league.”⁴⁸⁴ America could “guarantee our states against the aspirations of a colossus of ambition and power” if it could conclude a “liberal peace” with Spain and formed a “coalition of principles against the European coalition”, entering into alliances with the “republican governments of Europe.”⁴⁸⁵

Argentina’s offer to enable Spain to borrow twenty million pesos on the American Republic’s credit was seen as an act to preserve the European balance of power. Before, Europe had been “equally divided” between constitutional and absolutist states. Argentine observers had asked, “will civilised Europe receive law from the barbarous and semi-barbarous parts of its territory?” ‘Will the interior institutions be subject to the will of three or four men?’⁴⁸⁶ The answer now was evidently yes, unless America “link[ed] with Spain to contain that force.” It was essential for America to add its weight into the balance of power. If America did not “confederate with [liberal] Europe”, those states would “be destroyed.” America needed to increase Spain’s weight in the balance of power: “It was a duty of the American States to supply to Spain the means of increasing its moral force and national credit.” Spain’s access to twenty million pesos would increase Spain’s weight in the balance of power and act as “a species of narcotic to tranquillise the spirit [of ambition].”⁴⁸⁷ The Preliminary Convention’s agreement to reopen commerce between Spain and America would also increase Spain’s weight in the European balance. Reopening commerce was desirable as it would “give a certain grade of importance to Spain”, the nation “at the head of [defending] liberal principles.”⁴⁸⁸ The cabinet ministers in Buenos Aires were celebrated; the capital’s executive had never before

⁴⁸⁴ DSHJBA, 21 July, 1823: 192.

⁴⁸⁵ *El Teatro de la Opinión*, No. 8, 11 July, 1823, 98.

⁴⁸⁶ *El Argos de Buenos Aires*, No. 4, 2 June, 1821, 23.

⁴⁸⁷ DSHJBA, 21 July, 1823: 181, 191, 193.

⁴⁸⁸ DSHJBA, 17 July, 1823: 167.

conceived of “a grander or more philanthropic” project. It was “so sublime a thought, so vast and so well calculated on their [liberal Europe’s] reciprocal interests with America.”⁴⁸⁹ The project signalled the beginning of “a de facto alliance among the free peoples, a death blow for absolute thrones.”⁴⁹⁰

Among the numerous criticisms that the project would not be effective because America lacked sufficient credit in European bond markets, that an armistice would strength royalism in Peru, or that America’s reputation would be damaged if it was seen to be willing to pay “degrading” tributes, one critique found the project to violate a fundamental principle of the American interest or system.⁴⁹¹ “The policy of America was not to mix themselves in the fortune of the states of Europe.” America was fortunate to have separated themselves from the “intrigues and passions of the cabinets of Europe.” It was natural that men would feel a powerful sympathy in favour of movements for liberty. The situation was comparable to President Washington’s policymaking during the French Revolution. “What temptation” he faced to support France and in thanks be delivered “the keys of the Bastille!” But, remembering that a statesmen’s “first duty” was the “happiness of his [own] Patria”, Washington had counselled US citizens not to “mix themselves in this affair, and remain neutral.” If the project proceeded, America would be entangled in a “purely European war.” For America, it was better to “conserve relations of amity and commerce with all.”⁴⁹²

Why were Rivadavia and García willing to break from what some thought of as an established American policy? They offered two different reasons. Rivadavia hinted that an American policy of neutrality was a wise one. Washington had shown “good judgement” by avoiding entanglement in the French Revolutionary Wars. The United Provinces would have also “conserve[d] neutrality” following the example of US policy, but the United States had recognition of independence, which the United Provinces did not

⁴⁸⁹ *La Abeja Argentina*, No. 15, 15 July 1823: 5677.

⁴⁹⁰ *El Teatro de la Opinión*, No. 8, 11 July, 1823: 98.

⁴⁹¹ DSHJBA, 21 July, 1823, 185; DSHJBA 22 July, 1823: 215.

⁴⁹² DSHJBA, 21 July, 1823: 187.

enjoy.⁴⁹³ For Treasury Secretary García, the idea that America had a distinct set of interests from Europe and needed to maintain its separation from European affairs needed amending. An Atlantic interest including Great Britain, Portugal and Spain had emerged, which was an extension of the American interest. “The ocean was not now the grand division of the old and the new continent”, nor did it divide the Atlantic into metropolis and colonies. “The sea does not impede, but strengthens the community of ideas, sentiments and social interests among the civilised peoples.” The world would form into ‘two sections’, one which sustained “aristocratic privileges” versus one which would not. At odds with each other not for the last time, Rivadavia imagined this intervention in European affairs as a prelude to a time when America, after recognition, could finally withdraw from European involvement, while García hinted at a longer lasting involvement sustaining the balance of power in Europe.⁴⁹⁴

The armistice and alliance projects would have implicated the United Provinces and America in the European balance of power. But “a multitude of events concurred to embarrass the whole plan.”⁴⁹⁵ On the European side, the plan began far too late to have an effect. As the plan was being discussed, France had already begun the invasion of Spain. By the time an Argentine commissioner arrived in Chile to begin persuading them to accede to the Preliminary Convention, France had already completed its installation of an absolutist government in Spain. Months later, liberal Portugal succumbed to a revolution in favour of absolutism. On the American side, the diplomatic initiative bore no fruit either. In Santiago de Chile, the Argentine commissioner was told Chile would follow the decision of Peru. In Lima, he was told Peru would follow the decision of Bolívar. When he met Bolívar, the Liberator’s response was a firm negative to an armistice. Now, Argentina would need to re-adjust its European policy to a new climate where the Holy Alliance prevailed on the European continent.⁴⁹⁶

⁴⁹³ Ibid.

⁴⁹⁴ DSHJBA, 21 July, 1823: 209.

⁴⁹⁵ Nuñez, *An Account*, 49.

⁴⁹⁶ ‘Alzaga a Ministro de Gobierno y Relaciones Exteriores’, 6 Septiembre, 1823; 16 Enero, 1824, 5 Abril, 1824, and 30 Marzo, 1824 in AHC, ‘EXPEDIENTE 1. Libro Copiador de Alzaga’, AH/0008.

Quite counterintuitively, Spain's return to absolutism reduced the threat of the Holy Alliance and allow Argentina to pursue a policy of entangling alliances with none, commercial equality for all. This occurred as both the US and Great Britain reacted to France's military assistance to restore absolutism in Spain. The US recognised the new republics and announced the Monroe Doctrine. It would block any attempts to re-colonise any part of the Americas. Britain followed slightly later with recognition. Canning, British Secretary of State, was moved to recognition to restore the European balance of power. He "called the New World into existence to redress the balance of the Old." If Spain was now aligned to France in the balance of power, Canning made certain that Britain would deny France "Spain with the Indies,"⁴⁹⁷ suggesting that Britain too would use its Royal Navy to interpose against any re-colonisation attempt. Argentines had questioned whether an expedition of the forces of Spain and the Holy Alliance would be countered with "the exterior obstacle of a maritime power to help us, like England or the US." What interest would those nations take in acting if the United Provinces did not offer them "advantageous commerce."⁴⁹⁸ Now, Argentina's security, just as the US' after independence, could rest on the probability that European powers would prevent each other from recolonisation in order to prevent another sovereign from increasing their standing in the balance of power.⁴⁹⁹

Now, Argentina could gain nothing from formal military alliances. The American republics, policymakers cautioned, must not mix themselves in the "continual variations of the politics of Europe."⁵⁰⁰ The republics had to learn to benefit from "the distance [by] which nature separates Europe from America."⁵⁰¹ While not intervening in European affairs, America must take

⁴⁹⁷ Adelman, *Sovereignty and Revolution*, 349.

⁴⁹⁸ *El Centinela*, Vol. 3, No. 59, 7 Sept, 1823: 134.

⁴⁹⁹ The alternative opinion, that England's naval power would be used to prevent any power conquering parts of the Americas, is expressed for example by Agüero in DSHJBA, 21 July, 1823, 193 — "England would not be a cold spectator, because its policy does not permit any [other power] to occupy America." *El Teatro de la Opinión*, No. 21, 10 October, 1823: 319 insisted that either England or the US would be at the head of a liberal league, and "fill the sea with naval squadrons" to protect the other liberal governments against the Holy Alliance.

⁵⁰⁰ *El Eco de los Andes*, No. 19, 13 February, 1825, 1.

⁵⁰¹ *El Nacional*, Vol. 2, No. 43, 19 January, 1826: 9757.

care not to involve European powers in their own affairs. Even Great Britain was against mediating the Banda Oriental dispute with Brazil, political commentators noted, as it would set a precedent for other European states of the Holy Alliance to involve themselves in American affairs. Argentina, it was advocated, should follow the US policy of alliances with none and good relations with all nations. As Argentina no longer needed aid or alliances with the governments of Europe, there was no necessity for a diplomatic presence there any longer. To Europe, the government must offer “frank friendship with all the nations, without asking for or accepting exclusive privileges from any.”⁵⁰²

While US and British recognition enabled Argentina to follow the principle of avoiding European alliances, Argentina had already settled on a commercial policy of “exclusive privileges” for none. Not since the 1819 crisis provoked by the prospect of a Spanish expedition to the provinces had Argentina offered a foreign nation exclusive commercial privileges. Argentina had upheld its policy of exclusive privileges for none in the 1823 negotiations between the United Provinces and Spain. The United Provinces had been offered a treaty of commerce as an independent nation which, if accepted, would have reformulated a customs union between Spain, Argentina, and any other American state which entered into the treaty. In the 1823 proposals, Argentina would adopt the same customs tariffs as Spain. Each nation’s vessels would be treated as ‘national’ vessels in each other’s ports in terms of import, tonnage, and port duties. Produce carried by foreign nations would pay 25% more import duties than if they were imported in national vessels, and the coastal trade of the Peninsula and of America would be exclusively for Spanish and Argentine vessels. Additionally, Spain might enjoy a ten-year exclusive privilege of the importation of any products it could produce.⁵⁰³

Such proposals were rejected by Rivadavia, reportedly on the grounds that they were “very little short of a return to the ancient Colonial System which had so long been the curse of South America.”⁵⁰⁴ The proposals were

⁵⁰² *El Eco de los Andes*, No. 19, 13 February, 1825, 1.

⁵⁰³ ‘Translation of 1823 Commercial Treaty between BA and Spain’, in FO6/3, National Archives, (Kew), 62-63

⁵⁰⁴ ‘Parish to Canning, 12 April, 1824’ in FO119/5 Argentina, National Archives (Kew).

“diametrically opposed” to Argentine principles. The nation’s commerce was governed on the basis of “the most complete liberty and perfect equality” between Argentine nationals and foreign merchants “without distinction of origin, excluding every prohibition and every privilege.”⁵⁰⁵ Argentines celebrated how the manufactured goods that were “English, French, German, and even Turkish or Spanish” were received and “none paid a higher rate of duty than the rest.”⁵⁰⁶ While Argentina had given some preferences to its own merchant vessels by granting lower import duties, and continued to employ a discriminatory tariff in favour of national vessels, Argentina since the 1820s had offered something close to ‘national treatment’, in other words, treating foreign nations on the exact same basis as national vessels. While small privileges for Argentine vessels existed, there was no significant discrimination between foreign nations in commercial matters, all enjoyed equality.

These principles of offering ‘national treatment’, or at the least treating all foreign nations as most favoured nations in commerce, were translated from domestic to international law in the 1825 Treaty of Amity, Commerce and Navigation between Great Britain and the United Provinces. The treaty was praised for “proscrib[ing] the system of ever odious privileges, which damages both contracting parties.”⁵⁰⁷ As “reciprocity and equality” were the basis of the agreement, this would be Argentina’s “model” treaty. Other nations simply needed to “subscribe themselves to the first treaty” that the United Provinces had concluded with a European sovereign.⁵⁰⁸ This enthusiasm for the treaty rested on Argentina’s shared enlightenment critique of how commercial treaties had been used as instruments of power politics in the past. Treaties had been “nothing more than privileges granted reciprocally between contracting nations...to the exclusion of others.”⁵⁰⁹ This system of commercial relations did not work. Privileges gave rise to jealousy

⁵⁰⁵ Bernardino Rivadavia, ‘Note’, 7 August, 1823, in FO6/3, National Archives, (Kew), 65.

⁵⁰⁶ Nuñez, *An Account*, 166.

⁵⁰⁷ ACA 3: 1268.

⁵⁰⁸ *El Nacional*, No. 13, 17 March, 1825, 225.

⁵⁰⁹ *El Nacional*, No. 13, 17 March, 1825, 226.

and eventually war, a point well established in Rioplatense debate. Monopoly was always a “motive of hostility”, and when colonies belonged to one nation, they always “interest[ed] the others.”⁵¹⁰ When an “important market” was dominated by one or a few nations “to the exclusion of others”, jealousies and rivalries “necessarily terminated in bloody and prolonged wars.” Because commercial privileges had been used to create alliances between nations, a “greater part of Europe and America” were regularly dragged into the “fatal havoc” of warfare.⁵¹¹ Commentators compared European commercial relations with those Argentina was establishing with the world: “What a frightening contrast between that system, so complicated as it is absurd, and the simple and natural [system] adopted by the United Provinces.”⁵¹²

This ‘model’ treaty, as the US 1776 Model Treaty had proposed to France, granted each nation reciprocal ‘national treatment’ for British and Argentine vessels when entering ports enabled for international commerce in the United Provinces and the British Monarch’s territories. But the 1825 Treaty was hardly the ‘open war’ on the colonial system that the US originally hoped for in its model treaty. The main effect of national treatment was to prevent discrimination between Argentine and British vessels in each other’s ports when carrying the produce of each nation. If for example, British vessels paid 10% import duty on Argentine hides and a tonnage duty of 1 shilling per ton, then Argentine vessels would pay the exact same rates. This represented a partial revocation of the British navigation acts.⁵¹³

But importantly, many other aspects of those acts were left in place by the treaty. First, for ships to be considered as national to the United Provinces, vessels needed to be constructed in Argentina and owned, captained, and three-fourths crewed by Argentine citizens. As critics pointed out for a nation without “Marineering Citizens” and dockyards for the construction of

⁵¹⁰ *El Censor*, No. 37, 9 May, 1816, 6732 and ‘García a Ex. Señor, 20 Octubre, 1817 in AGNA, Sala 7, Legajo 1133 (1815-1818).

⁵¹¹ *El Nacional*, No. 16, 7 April, 1825, 280.

⁵¹² *El Nacional*, No. 13, 17 March, 1825, 226.

⁵¹³ Article 5 establishes reciprocal national treatment on tonnage and port duties and Article 6 establishes reciprocal national treatment for the payment of import duties. See Nuñez, *An Account*, 154-155.

vessels, Argentine vessels were defined in such a way that made it almost impossible for a vessel to qualify as Argentine.⁵¹⁴ Second, the ‘national’ treatment for Argentine produce was confined to only when that produce was carried by British or Argentine vessels but said nothing about extending this privilege to third nations. If vessels neither Argentine nor British carried Argentine produce, then goods such as Argentine hides would still pay ‘alien duties’, typically 10% higher. These two points alone guaranteed that most trade between British territories and Argentina would be confined to British vessels.

The British colonial system was preserved by the use of most-favoured nation clauses, rather than national treatment, in two other areas of the treaty. First, Argentine produce could not be charged higher tariffs than other nations. If the most favoured nation imported hides at 10% ad valorem, so would Argentine hides be imported at 10% ad valorem when carried in Argentine or British vessels.⁵¹⁵ But this did not stop Britain from importing colonial hides at lower import duties or tariff-free rates. Second, Argentine vessels were allowed to visit non-European British dominions to which any other foreign nation was enabled to navigate. If Britain opened its Caribbean possessions to foreign nations, Argentine salted beef would be imported in British or Argentine vessels paying no higher duties than ‘national’ salted beef — but opening these possessions to foreign nations was entirely at British discretion.⁵¹⁶

Argentina accepted this one-sided treaty for pragmatic and theoretical reasons. García, then Minister of Government as well as the Treasury, who negotiated the treaty and guided it through Congress, admitted that certain clauses were less than desirable. But concerns about how the treaty would damage Argentina’s merchants were “secondary interests” compared to the national interest. In other words, it was necessary for Argentina to agree to this less than perfect treaty for reasons of national security. This “first treaty” was justifiable “by the importance that we acquire” as Argentina “appeared for the first time with the rank of a Nation.” García was suggesting that

⁵¹⁴ Defined in Article 7; ACA 3: 1271.

⁵¹⁵ Article 4.

⁵¹⁶ Article 3.

Argentina acquired greater weight or respectability in the scales of power by “treating with the primary nation (of the world) in terms of wealth and wisdom.”⁵¹⁷ Argentina’s plan had been to secure the “peace of the continent” by “linking [the] interests of America with Europe.”⁵¹⁸ Now, this commercial treaty would probably lead to the “cessation of War with Spain”, and ended the “threatening uncertainty of the Holy Alliance.”⁵¹⁹ All of this suggests that García expected to enjoy the free security of the Royal Navy if Argentine trade was valuable enough to interest Great Britain.

Besides the pragmatic national security concerns, García’s theoretical belief in free trade as creating wealth led him to offer ‘national treatment’ in import and tonnage duties. Argentina, García reassured the US diplomatic representative in Buenos Aires, would extend ‘national treatment’ to all foreign nations, even if they did not have a commercial treaty. This would be offered even if other nations did not “observe reciprocity of conduct.” It was important to avoid weakening the powerful “productive force” of the free market to increase wealth and population by “carefully guarding” against granting “privileges or monopoly” of any type: “On this fundamental rests [our] laws, and they shall not be altered, whatever be the conduct that other Nations wish to observe.”⁵²⁰

Conclusion

Independence from Great Britain and Spain terminated the imperial security compact in which the US and Argentina had participated. Via their connections to Europe, Argentina and the US had gained military protection against other foreign powers. But their European connections implied

⁵¹⁷ ACA 3: 1268, 1271, 1272, 1292.

⁵¹⁸ ‘Memoria de los negocios girados por el Departamento de Negocios Extranjeros desde principio de 1825 hasta Febrero de 1826.’ in AGNA, Sala 10 (Gobierno), Leg 02-01-03, (Relaciones Exteriores, Ministerio 1820-1840), 2.

⁵¹⁹ ACA 3: 1268.

⁵²⁰ ‘García to Forbes, 24 Septiembre, 1825’ in Libro Copiador 1824-1826. Copy accessed in the library of the Instituto Ravignani. The originals that should be archived in AHC appeared to be lost when the researcher requested them in June 2016. Fortunately, a transcribed copy from the early twentieth century was made and can be accessed at the Instituto Ravignani.

involvement in every European war in which the colonies' metropole became involved. As part of this security compact, the colonies could not trade freely with the world. Only vessels originating from the British Empire could visit the British North American colonies, and only vessels from the Spanish metropole could trade with Spanish American colonies. After independence, these security compacts ended, and the US and Argentina needed to define new relationships with Europe.

The new nations followed similar trajectories. Both recognised that formal alliances with Europe would entangle the new nations in purely European conflicts. Instead, they recognised that the European balance of power benefitted America. If one European nation attempted to restore colonialism or conquer Argentina or the US, the other European nations would naturally be interested in stopping a rival from acquiring greater power. In other words, the American republics could benefit from the free security of knowing European nations would counteract each other's interventions in America, without needing to offer any alliance commitment in return. However, both republics recognised that they might need to form temporary or de facto alliances if the European power equilibrium became unbalanced.

In commercial matters, both nations' adopted a policy of not granting commercial privileges to any nation. In different ways, both the commercial policies of Argentina and the US would be influenced by British naval power. The US considered employing commercial discrimination against Great Britain in a bid to force it to open up markets during peacetime and respect the US neutral trade rights in times of war. But fears that such a move would be countered with a British military response led the US to temporarily bargain away the right to discriminate against British vessels in order to maintain peace. For Argentina, British naval power was the guarantee against other European nations' re-conquest projects. The United Provinces entered into a permanent commercial treaty with Britain that all but guaranteed that only British vessels would carry Argentine produce between ports in the United Provinces to Britain.

In contrast. Argentina forever removed the possibility of discriminating between Argentine and British vessels in the ports of the United Provinces.

For both reasons of a theoretical belief that even a one-sided openness of commerce would create wealth and the pragmatic necessity of needing British recognition and protection, Rioplatense policymakers assented to a commercial treaty the real effects of which would be to place the trade between Argentina and British territories in a near monopoly for British vessels. In contrast, the US across the period under study agreed to a commercial compromise with Great Britain that was merely temporary. The US promised to not increase discrimination between US and British vessels, but the existing discrimination in tariffs and import duties continued. The option to eventually convert US commercial policy into a tool of international relations as a means to convince European nations to rescind their navigation acts was left at the US' disposal, a policy that it was able to pursue from 1815 to some success.

However, US and Argentine policy towards Europe was generally similar: to treat all nations equally in matters of commerce, to not contract formal permanent alliance treaties, and to rely on the interest of European nations to intercede when other European states attempted recolonising the whole or a part of the two American republics. Without European allies, the US and Argentina turned to the organisation of the American hemisphere as a community of polities capable of maintaining internal peace and as an entity capable of providing security against foreign aggression and pursuing the advancement of national interests.

American State Systems and National Security

As colonies within empires, intra-colonial relations were regulated by the European metropole. The potential for military conflict in the form of civil war between viceroyalties, such as the Río de la Plata and Peru, or between the units within viceroyalties such as intendancies and *gobernaciones*, for example between Buenos Aires and Montevideo, was reduced as colonial officials ultimately answered to the crown in Madrid. Likewise, in British North America, the potential for conflict between colonies such as New York and Massachusetts over the possession of western lands was limited by belonging to a common empire that could regulate disputes. As new sovereign nations, however, the various polities of North and South America had to consider how the continent's territory should be best organised to both reduce the potential for conflict between political units of the Americas as well as organise the continent politically to best repel any foreign aggression. Should the continent be organised as one vast federal government, or could multiple sovereigns peacefully co-exist in one neighbourhood and coordinate resources to resist foreign aggression? The US and Argentina would arrive at very different answers to these questions. This chapter first explores both the debates and policies surrounding these questions before going on to trace how the US and Argentina pursued strategic national interests as sovereign nations. The divergent responses to the questions of American state systems and pursuing national security interests positioned the US and Argentina in different states of preparedness and capacity to wage war in the War of 1812 and the Cisplatine War.

American State Systems: Proponents of Continental Union

The United States and Argentina adopted very different approaches to how best to politically organise the North and South American continents. US policymakers argued that a political union of all the states would be better for guaranteeing external security and to create the conditions for internal peace. Argentina advocated a continental state system. The voluntary political union of the sections of South America was unnecessary. Separate states could act

together to protect each other from foreign attacks and could create a system of international law that would forever remove the scourges of war from the continent.

The polity created formally by the Articles of Confederation (1781) and later reformed by the US Constitution (1789) erected a political structure that would serve as an alternative to independent North America being divided into several separate confederacies or sections. The federal union as a state system expanded from the Atlantic seaboard to govern new territories as they were purchased and incorporate new states as territories were settled. North America began as a political union of thirteen states. As it expanded across the continent, it had to decide whether the whole North American territory would remain under one federal union, or whether the continent would divide into separate polities more like South America. In South America, independence was fought as separate polities whose jurisdictions covered the continent. The question for the new states was could several separate sovereign nations preserve independence from foreign powers and peace between themselves, or was some type of continental union required?

In the US policymakers crafted a set of principles for governing the territory of the thirteen states and their western territories; principles which would be found good for governing the whole continent. Throughout the formation of the Constitution, policymakers considered whether a political union of thirteen states, or the division of the thirteen states into two or three smaller confederacies of states (like South America would become), was better for external security and internal peace. Policymakers such as Hamilton, Madison and Jay in the *Federalist Papers* consistently found that political union was necessary, and separate confederacies would be insufficient to the task.

It was likely that European nations would consider aggression against North America in the future. They would grow jealous of US commercial rivalry in global marketplaces. But European nations would weigh the likelihood of successful intervention before considering such an act. One national government would be more respectable as a power than several “separate confederacies.” If the states appeared weak as separate confederacies, it would invite war. Separate confederacies would develop

diplomatic relations with different European nations and could be “played off against each other.” However if European nations saw the states working as a “single government”, it would deter war in the first place. A common federal government could create a unified common defence better than several “state governments or separate confederacies [could] possibly do.” European nations would be able to perceive the strength of a federal union which would “repress and discourage” European temptation to act as an aggressor against North America.⁵²¹

A federal union was necessary to enforce the common alliance commitment that the thirteen original states made to each other. When policymakers advocated the Constitution as a replacement for the Articles of Confederation, they complained that the latter was more like a “simple offensive and defensive alliance between sovereign states.” But like alliance treaties, the confederacy left the implementation of collective security to the states and depended on “good faith.” The states, it was believed, would come to each other's aid due to “a sense of common interest.” But history had shown that such alliance commitments were “scarcely formed before they were broken.” The states would act according to their own “interests or passions.” During the Confederacy period, the states had wilfully ignored congressional resolutions when it suited their own interests. If the US was invaded, the states would behave in the same way. They would be alternate “friends and enemies of each other” as their jealousies and rivalries dictated, declining to enter wars to protect their neighbours if they were jealous of the power of that state and consequently happy to “to see [it] diminished.” Only by putting the resources of the states under the control of a federal government could the mutual alliance commitment of the states to each other be enforced properly.⁵²²

A political union not only offered a better guarantee that alliance commitments would be enforced but also removed the problem that the alliance between the states could become entangling. If the states had formed separate confederacies which were all allied to each other, the allied

⁵²¹ Publius, *The Federalist Papers*, No. 4, *The Avalon Project*, accessed May 10, 2017, http://avalon.law.yale.edu/subject_menus/fed.asp

⁵²² Publius, *The Federalist Papers*, No. 4, No. 7, No. 15, No. 23, *The Avalon Project*.

confederacies could form “incompatible” or “jarring” alliances with different foreign nations. Such clashing alliances would “gradually entangle [North America] in all the pernicious labyrinths of European politics and wars.” It is easy to imagine, for example, a separate New England confederacy allying with Britain while a separate Southern confederacy could enter into alliance treaties with France. These two confederacies could be dragged into European conflicts between Britain and France and find themselves at war with each other. Or a separate confederacy might declare war on another part of North America, such as Spain’s colonial possessions, and entangle the other confederacies into the war via their offensive alliance. The Articles of Confederation and Constitution removed these possibilities. The states were not allowed to enter into treaties with foreign nations without congressional authorisation. The states also agreed not to declare war, and could only have state militias and not maintain standing armies or navies. Military and naval forces directed by the states were prohibited, and could only be kept at a level sufficient for only defensive purposes if authorised by Congress.⁵²³

Separate confederacies would inevitably make war on each other, and only by such deposits of sovereign state powers in a federal government could peace be maintained. There would be a number of causes for conflict between separate states. Hamilton noted that to suppose that there could be “harmony between a number of independent, unconnected sovereignties in the same neighbourhood” was to succumb to far-fetched “Utopian speculations.” Instead, it was a “political axiom” that “vicinity or nearness of situation, constitutes nations natural enemies.” If North America were divided into separate confederacies, balance-of-power politics would inevitably begin. The confederacies would look for opportunities to weaken the power of the strongest confederacy in periods of war. Territorial disputes between the states were “one of the most fertile sources of hostility among nations” and the states of North America would prove no different if multiple sovereignties existed on the continent. The jurisdiction of “unsettled territory” (read Native-American territory) in the west was disputed between

⁵²³ Publius, *The Federalist Papers*, No. 7, *The Avalon Project*.

the states, which would inevitably resort to the “sword” to settle the dispute.⁵²⁴

Constitution makers such as Hamilton dismissed the idea that international relations between the states could be a peaceful alternative to political union. The theory that republics were naturally peaceful and commerce “soften[s]” the violence of mankind was rejected. History showed that popular assemblies could as easily allow passions of rage, resentment, jealousy and greed to carry them into war as occurred to monarchs, that commercial republics had been “as addicted to war” as monarchies and that commerce had more often than not been a source of war than peace. In fact, separate sovereignties were unlikely to maintain the equal treatment of citizens of other states to citizens of their own states when it came to commercial matters. Establishing “distinctions, preferences, and exclusions” to “secure exclusive benefits to their own citizens” would “beget discontent” and “outrages” leading to “reprisals and wars.”⁵²⁵

Political union guaranteed that the sources of disputes between states would be limited, that states would not be able to recur to force against each other when they occurred, and would have a common authority to appeal to in order to settle disputes. The Constitution would place commercial policy, including interstate commerce, in the jurisdiction of the federal government, ensuring that the states would not be able to discriminate against each other. A federal government would manage ‘unsettled’ western lands and govern them until they could become states of the union in the own right. This ensured that disputes over which territory belonged to which state would recede entirely. States would take disputed agreements such as borderlines to the Supreme Court which would act as “umpire or common judge” in such situations. The states were protected from other states acting belligerently by the federal government. States could only maintain a defensive force, collectively removing their ability to make war on other states. Neither would another state becoming wealthy disturb the other states so that they would need to reduce it in the balance of power because wealth would not translate into a threatening military power. In short, allied separate sovereignties were

⁵²⁴ Publius, *The Federalist Papers*, No. 6, No. 7, *The Avalon Project*.

⁵²⁵ Publius, *The Federalist Papers*, No. 6, No. 7, *The Avalon Project*.

less effective than a political union for the purpose of defense against foreign aggression and would quickly become hostile towards each other. Perpetual peace between the states could be achieved if they placed their sovereign powers in a federal union.⁵²⁶

This logic mostly governed US policymakers' attitudes to expansion. The US already occupied enough territory between the Allegheny Mountains and the Mississippi River to found several new states. The 1803 Louisiana Purchase doubled the size of US territory as it had stood in 1783. It also led to renewed debates about the value of political union. Now the principles of *The Federalist* were extended to an area extending from the Atlantic to the Rocky Mountains, and would, for some, inevitably come to extend to the Pacific Coast. If multiple sovereigns could not have existed peacefully along the Atlantic seaboard, could they do so across the North American continent? If Louisiana had been occupied by a powerful and ambitious European nation like France, rather than a tranquil Spanish power, then the US would have needed to maintain a balance of power on the North American continent. There was "no political axiom more just, than that neighbouring nations are seldom very cordial friends." The US would have been forced into raising oppressive taxes and maintaining a standing army to protect against France. They would never have "enjoyed a permanent state of tranquility in that quarter" while the French were neighbours. The US would have been forced to find "a permanent, and powerful ally" for their security which would have dragged them into "the vortex of European politics and perpetual war."⁵²⁷

Similar arguments were made about the possibility of the union being too large post-Louisiana Purchase and the need for separate confederacies. Occasionally, policymakers diverged from the view that separate sovereigns would be problematic for the North American continent. Jefferson was occasionally sanguine about the prospect of a western confederacy. A confederacy composed of people of similar ethnicity, laws, and manners would become natural allies. Others believed expansion was necessary until

⁵²⁶ Publius, *The Federalist Papers*, No. 7, *The Avalon Project*.

⁵²⁷ Sylvestris, *Reflections, on the Cession of Louisiana to the United States* (Washington City: Printed by Samuel Harrison Smith, 1803), 11, 12; Peter S. Onuf and Nicholas Greenwood Onuf, *Federal Union, Modern World: The Law of Nations in an Age of Revolutions, 1776-1814* (Madison: Madison House Publishers, 1993), 178.

the US expanded west to the Rocky Mountains but a separate confederacy could exist along the Pacific coast. Such a confederacy would pose no military threat to the US because of the security the Rockies provided against invasion. Yet, in general, policymakers advocated incorporation of new territories into the union. If a western confederacy left the union to become independent, they believed, there would be conflict between the Atlantic states and the new confederacy. "Contiguous states" would feel an "immediate interest in weakening the force of a powerful neighbour". The western confederacy might seek alliance with a foreign power to protect its commerce. But as a result, they would "suffer in the wars the foreign ally" became involved in. Instead, if the states remained united under the US Constitution, a peaceful state system might spread out until it reached New Spain's borders in the South and until the Pacific in the West. It would not be easy to "set the bounds to the extension of a confederated empire", given its general government was limited to "concerns with foreign nations." There was "no supposable extent" to which the American republic could expand, which would make it impossible for the union to function.⁵²⁸

US and Argentine policymakers differed when approaching the problem of an American system of states. When the US crafted a federal union in 1787, it did so for thirteen political communities compactly placed between an Atlantic seaboard and the Appalachians. Yet Rivadavia, García, Bolívar, Santander, San Martín, and other Spanish American policymakers had to answer this question on a continental scale of territory, where several sovereign federal unions already existed. The US would not come close to approaching a political community spread across such diversity of territory scale until the late nineteenth century (and with the aid of the telegraph). By 1815, however, the Louisiana Purchase had massively expanded the scope of US territory. Like Spanish Americans, US Americans were forced to consider whether a continent of several federal unions would be better than placing all these political communities in one federal structure.

⁵²⁸ "Thomas Jefferson to John Jacob Astor, 24 May 1812," *Founders Online*, National Archives, accessed May 18, 2017 <http://founders.archives.gov/documents/Jefferson/03-05-02-0056>; A Citizen of Virginia, "On the Future Destiny of the United States." (1813) In *Essays on Various Subjects of Taste, Morals, and National Policy*, (Georgetown D.C: Published by Joseph Milligan, 1822), 13, 15.

Some US Americans had thought harder on how their federal principles could operate not only on the North American continent, but on a hemispheric scale. William Thornton's *Outlines of a Constitution for United North and South Columbia* (1815) is interesting not so much as a plan seriously considered by policymakers but as an example of how US principles of federalism could be extended across a hemispheric scale. Thornton wrote the pamphlet in an effort to persuade his fellow citizens to consider aiding Spanish American insurgents in their struggle for independence, and to raise their awareness of the potential for an extended hemispheric union. Like Thornton, Spanish Americans would also need to consider a state system on a similar scale, extending from Patagonia to Mexico. While Bolívar and his followers would reach similar conclusions to Thornton accepting the logic of political union as necessary for external power and internal peace, Argentine policymakers would vigorously resist any form of political union, insisting that a continental system of separate sovereignties could both achieve external security and prevent belligerency between American powers.⁵²⁹

Thornton's *Outlines* looked to unite the whole hemisphere in political union. The American hemisphere would be divided into thirteen 'sections' of equivalent size to the *circa* 1815 US union. Each section would have a similar division of powers to those the existing US union had between the states inside them and the sectional (federal government). But the thirteen sections of the hemisphere would be bound together by an additional hemispheric level of government located in Panama. Here, under a presidential executive (known as the Inca) and two legislative chambers of representatives from the 'sections' (to be named Sachems and Caziques, rather than Senators and Representatives), the hemispheric government would be delegated the powers to declare war and make treaties with foreign nations.⁵³⁰ This

⁵²⁹ William Thornton, *Outlines of a Constitution for United North and South Columbia* (Washington City, 1815).

⁵³⁰ Thornton's interest in borrowing 'native' terms for governors points to the broader 'pan-American' identity that some US Americans held in this time. See Caitlin A. Fitz, "Our Sister Republics: The United States in an Age of American Revolutions." (Ph.D. Thesis, Yale University, 2011). One year after the publication of *Outlines*, Rioplatense were discussing projects of a constitutional monarchy, with the monarch to be termed the 'Inca'. See Rebecca Earle, *The Return of the Native: Indians and Myth-Making in Spanish America, 1810–1930* (Durham; London: Duke University Press, 2007), 44.

government would solve the problems the original federal union solved in 1787, and in the same manner. Uniting the whole hemisphere would place “Columbia” out of reach of foreign nations, “who shall disturb our peace?- ! We will unite, remain free, and be forever happy!” To guarantee external security, the Inca would act as Commander-in-Chief and be authorised to command one-third of the naval force of the thirteen sections during peacetime, and call out the entire military and naval force of the sections during war.⁵³¹

A supreme government was also necessary to stop war between the different sovereigns that might emerge either from the independence movements in Spanish America or from the division of the US’ existing territory into separate confederacies. It was the US’s “federal power” which stopped the states “composing this empire” from dividing into sovereigns jealous of rival states and leaving North America, like Europe, “continually embroiled” in war. If in the American hemisphere separate sovereigns were formed, the experience of Europe was a reasonable guide to show that the neighbouring governments would be jealous. Neighbours would have “daring chiefs” and “ambitious politicians” who would use military force against the US. The US government would have to resort to “armies and warfare” to maintain its security. A supreme government solved the problem of hostile neighbours. The Inca’s naval power would be useful to “preserve harmony between various confederated governments.” The sections would also be limited by the supreme government in the total number of war vessels they could hold, preventing the jealousy that the military power of any one section might cause among its neighbours. Finally, a Supreme Court in Panama would resolve all cases of disputes between the different sections. Like the federal union of 1787, a hemispheric union would create an umpire between neighbouring governments that were destined to enter into conflict otherwise. The Inca, acting as this arbitrator, needed an independent military power, in this case, one-third of the total naval power of the hemisphere, to ensure that agreements between the sections were enforced.⁵³²

⁵³¹ Thornton, *Outlines of a Constitution*, 2, 12, 13.

⁵³² Thornton, *Outlines of a Constitution*, 3, 6, 13, 14.

Bolívar and his followers also had a vision for closer political union of Spanish American states to be agreed at a Congress in Panama. Gran Colombian diplomacy looked to set up the bilateral basis for Bolívar's vision. Through 1822 and 1823, Gran Colombian diplomats bound the American states together in a network of bilateral treaties. The treaties entered the states into alliance, committed them to maintain a standing army of a specified size and intervene to restore established neighbouring governments if they were overturned by invasion or uprisings and promised that the American states would form a "general assembly of plenipotentiaries" that would meet at Panama.⁵³³ While several conflicting purposes for the Panama Congress were offered, one of the clearest outlines of what it would do is provided in Bernardo Monteagudo's posthumous pamphlet *Ensayo Sobre la Necesidad de Una Federacion Jeneral* (1825). Monteagudo ironically hailed from the nation that would most consistently oppose the Bolívarian vision of a continental congress for Spanish America, Argentina. Yet he had travelled a different journey to his compatriots. As San Martín's secretary, he had assisted a liberating army committed not to any one nation (an army which in fact received support from Argentina, Chile and Peru), but to a higher ideal of America and the value and possibility of closer military union.⁵³⁴

The Panama Congress would make "European powers respect" Spanish America by reuniting "a mass of force and power", Monteagudo explained. Any power starting the project of subjugating the "hispanic-american republics" would have to calculate not only the force of the individual republic they intended to subjugate but that of all the land and maritime forces of the confederacy. The Congress would unify military strategy and foreign policy, determining the number of soldiers and financial resources each state had to provide if military action was taken and would set the "interior and exterior" policy of the states for "at least ten years." Monteagudo did not imagine the republics creating a joint executive, a continental army, or an American commander-in-chief as Thornton had

⁵³³ Germán A. De la Reza, "The Formative Platform of the Congress of Panama (1810-1826): The Pan-American Conjecture Revisited." *Revista Brasileira de Política Internacional* 56, no. 1 (2013): 12-14.

⁵³⁴ Bernardo Monteagudo, *Ensayo Sobre La Necesidad de Una Federacion Jeneral Entre Los Estados Hispano-Americanos, y Plan de Su Organizacion*. (Lima: Imprenta del Estado por J. Gonzalez, 1825).

proposed in *Outlines*. Instead, the resolutions of the Congress would be enacted by the executives of each member of the confederacy. The model for interstate cooperation cited in the *Ensayo* was the 1814 European coalition against Napoleon. Then, the European allies had agreed in a meeting of plenipotentiaries to each put a certain number of troops in the field or to provide subsidies to specific allies to enable them to finance military operations. The Panama Congress would also prevent war between the American Republics. The Congress was needed to establish stable and strong relations among the republics. It would serve “them as counsel in the great conflicts”, and “as faithful interpreter of their public treaties” and as judge, arbitrator and conciliator in their disputes and differences. For Monteagudo, the Congress’ role as arbitrator would end conflicts that “typically arise” from “conflicting interpretations” of treaties, which were usually “the cause of war among nations.”⁵³⁵

Monteagudo’s *Ensayo* and Thornton’s *Outlines* both argued that separate sovereign states in the western hemisphere had greater collective security and better prevention from internal conflict when some form of union was created. Thornton imagined Panama having an independent executive power guided by a bicameral legislature, while Monteagudo imagined something closer to a standing diplomatic council that would pass resolutions for states to follow. For Thornton, a hemispheric supreme court would settle conflicting interpretations, while for Monteagudo, the Congress would perform this role.

Argentina’s American System of Sovereign States

For Argentine policymakers, all of this was unnecessary. Argentina’s opposition to the Panama Congress is well known. Yet it is less frequently recognised that Rioplatense policymakers had their own plan for a state system of South American states that had been established on principles of “a

⁵³⁵ Monteagudo, *Ensayo Sobre La Necesidad de Una Federacion Jeneral*, 4, 15-16, 17, 20, 21.

purely American interest.”⁵³⁶ Argentines shared the same beliefs that European aggression was possible, and the same dreams that perpetual peace was within the reach of South America. Rivadavia admitted that the Holy Alliance could be a threat to Spanish America and that the new republics must adopt a common stance. Argentines were in contact with ideas that celebrated how “in no epoch of history, and in no part of the globe” had there ever been “circumstances so happily combined to assure to the vast portion of the human species the benefits of peace.” It seemed that “the torch of war must [be] extinguished forever” in the New World. Rivadavia and other policymakers believed that separate states could co-exist peacefully to achieve this vision of a perpetually peaceful continent “free from the principles of the old politics; the forms, articulations, movements and even grammar used in Europe.”⁵³⁷

A system of separate sovereign states, each caring to maximise their own internal resources, bound to each other by interests of commerce, entering into bilateral treaties of ‘eventual’⁵³⁸ defensive alliances, and publicly communicating their readiness to defend their neighbours when threats emerged, would sufficiently safeguard the American republics against European aggressions, according to Argentine policymakers and

⁵³⁶ Examples of works where Argentina’s opposition to the Panama Congress is discussed are Julio César González, “Las Provincias Unidas Del Río de La Plata y El Congreso de Panamá.” *Trabajos y Comunicaciones*, no. 12 (1964): 29–92; Miguel Angel Cárcano, *La Política Internacional En La Historia Argentina*, Volume 3, Part 2. (Buenos Aires: Editorial Universitaria de Buenos Aires, 1973), 1149-1150; Ron Seckinger, *The Brazilian Monarchy and the South American Republics, 1822-1831 : Diplomacy and State Building*. (Baton Rouge: Louisiana State University Press, 1984), 44-45; de la Reza, “The formative platform of the Congress of Panama (1810-1826)”, 14; Klaus Gallo, *Argentina En El Mundo (1808-1830)* (Taurus, 2015), 22-23. None of the works consulted on Argentine international history argue that Argentina had theorised and looked to implement an alternative state system.

⁵³⁷ Nuñez, *An Account*, 40; ‘Correspondence between Chile and Argentine foreign ministries, 10 Diciembre, 1828’, in AGNA, Sala 10, Legajo 1-8-2 (Chile Correspondence, 1820-1830); *El Nacional*, No. 42, 12 January, 1826, 224.

⁵³⁸ When Argentines did agree to enter into alliances, they took care that they were ‘eventual’, meaning contingent or conditional. They looked to either enter in temporary alliances for a specific purpose (such as an 1825 alliance with Bolívar that would last for the duration of the Cisplatine War) or enter into permanent alliances in which if one state asked for their allies assistance, the terms of the specific aid provided would be negotiated in a separate convention (such as in the 1826 Chile Treaty). The purpose of constructed ‘eventual’ alliances were to avoid being dragged into war by permanent alliances.

commentators on international relations. This policy to contain the Holy Alliance was set out by Rivadavia in a *Circular to the Independent States of America*. The first action for the states was to “increase their credit” and put “all their resources into action.”⁵³⁹ The focus on unilateral power as the first line of defence reveals some of Argentine policymakers’ caution about relying on alliances for security. Rivadavia had previously warned legislators that alliance commitments were frequently broken in international law. All alliances, regardless of the specificity of the commitments they detailed, were “de facto” in character. Allies would only assist each other out of “interest”, while paper commitments merely established “ideas and principles of warmth among the contracting nations.” It was a great error to “expect or calculate on real favours from nation to nation.” Foreign nations could dispute that the *casus foederis*, in other words, the time when the alliance clause was actually triggered, had not been reached. States needed to do everything in their power in prosecution of the war before alliance commitments might be triggered.⁵⁴⁰ As we have seen in previous chapters, policymakers called for sufficient powers to be invested in a central government to wage war effectively. The *Circular* points out that Argentina was convening a general congress of the member provinces of the United Provinces for the purpose of putting all its resources into action. Public Credit had also been, as we saw, a priority for creating an effective unilateral war-making state.⁵⁴¹

Alliances, then, were secondary. As one political observer pointed out, the first priority should be to create sufficient “force to defend the territory.” The “completion of state security is reached” when alliances, in addition to sufficient domestic force, were contracted.⁵⁴² But alliances were only de facto, interest alone would guarantee the observance of an alliance commitment. Rivadavia and García’s strategy was to bind the continent’s nations together

⁵³⁹ Bernardino Rivadavia, ‘Circular a los estados independientes de América’ in *Documentos Para La Historia Argentina, Tomo XIV Correspondencias Generales de La Provincia de Buenos Aires Relativas a Relaciones Exteriores (1820-1824)* (Buenos, 1921), 434-439.

⁵⁴⁰ DSHJBA, 9 June, 1823, 51-54.

⁵⁴¹ Rivadavia, ‘Circular a los estados independientes de América’, 434-439.

⁵⁴² *El Centinela*, No. 56, 24 August, 1823, 116.

by commercial interests. The “peace of the continent” would be achieved “by linking the interests of [the] American States with each other.”⁵⁴³ The United Provinces needed to focus on creating a “surplus of products” that would serve as commercial goods to sell to “continental...nations.” Commerce “strengthen[ed] friendship and interest” and “produce[d] alliances.”⁵⁴⁴ Once the peoples were “linked indestructibly between themselves by interest, it will be the bond of a perfect friendship between the governments. It will bring great results, as necessary as it is that rains or tempests occur.”⁵⁴⁵ Argentina was keen to promote a policy of ‘perfect reciprocity’ among the American states. The idea of treating foreign merchants as if they were national merchants would be promoted by Argentine diplomats as the “base of international American law.”⁵⁴⁶ In the treaties Argentina proposed to American nations, commerce clauses were offered. The Colombia and Chile treaties established that each nation would treat the other with the “most perfect reciprocity.” The Chile Treaty also agreed on tariff reductions on the interior land-based trade between the two nations. Chilean and Argentine goods would pass the Andes tariff-free, while goods from foreign nations would only pay six per cent ad valorem (Chile negotiated this to be ten per cent in the final treaty).⁵⁴⁷ These commercial principles were important as they established an “active interest” of the citizens of both Republics “in the welfare and prosperity” of both territories, creating the ‘interest’ that was the real guarantee of an alliance.⁵⁴⁸

Argentina was also willing to agree carefully constructed alliance clauses with all the other South America republics. Diplomats even attempted to persuade Brazil that if it returned the Banda Oriental, Argentina would “be

⁵⁴³ ‘Memoria de los negocios girados por el Departamento de Negocios Extranjeros desde principio de 1825 hasta Febrero de 1826.’ in AGNA, Sala 10 (Gobierno), Leg 02-01-03, (Relaciones Exteriores, Ministerio 1820-1840), 2.

⁵⁴⁴ *El Centinela*, No. 56, 24 August, 1823: 116.

⁵⁴⁵ *Mensajero Argentino*, No.35, 11 May, 1826.

⁵⁴⁶ *Ibid.*

⁵⁴⁷ Copies of the Colombia, Chile and other treaties and conventions signed by Argentina in this period are found online as part of the *Biblioteca Digital de Tratados*, <http://tratados.mrecic.gov.ar/>

⁵⁴⁸ ‘Bernardino Rivadavia’s instructions for Alvarez to negotiate a treaty with Chile, 1 Mayo, 1826’ in AGNA, Sala 10, Legajo 1-10-12.

ready to celebrate and maintain perpetually with the State of Brazil the same alliance and relations, as with the States of Chile, Peru, Colombia and others.”⁵⁴⁹ Alliance clauses were carefully defined. As Rivadavia explained “practical men of diplomacy” had been “hard-pressed” on finding rules to avoid being dragged into “unforeseen circumstances” by treaties of alliance. Statesmen had to regulate treaties by “good judgement.”⁵⁵⁰ All of the alliance clauses Argentina offered across the period were careful to avoid entanglement in the wars of others. In the 1823 treaty with Colombia, Rivadavia suggested a clause in his counter-project which pledged both states would guarantee the territorial integrity of each other, but carefully limited the guarantee to only be valid in cases of aggression by states that were not “newly formed” from Spanish American territory.⁵⁵¹ If in future Peru occupied part of Colombia’s territory by force, the United Provinces would not be entangled into war by this alliance. In both the 1823 Colombia treaty, and the proposed 1826 Chile treaty, the character of the alliance is carefully defined. The Colombia treaty was ‘defensive’ only, avoiding any obligation to enter into wars which Colombia declared. This changed the character of the treaties; although it said “alliance” it did not really “enter into that sphere [of treaties], because it is purely defensive”, making it “no more than a treaty of amity.”⁵⁵² While the Chile treaty does not state if it is either defensive only or defensive *and* offensive in character, a particular clause guaranteed that Argentina would not be entangled by the alliance. That clause, found also in the Colombia treaty, stated that the manner in which the allies would assist each other would be agreed in a separate convention. The separate convention clause would allow the contracting party to consider if the war was just, if the other party had done all in its power in prosecuting the war, if

⁵⁴⁹ ‘Bernardino Rivadavia’s instructions for Gomez to negotiate with Brazil, 24 Junio, 1823’ in *Documentos para la Historia Argentina*, Vol. 14, 231.

⁵⁵⁰ DSHJBA, 9 June, 1823, 53.

⁵⁵¹ ‘Rivadavia’s Project of a Treaty sent to Colombian Envoy Mosquera, 5 Marzo, 1823’ in AHPBA, Legajo C.48-4-31 (1823).

⁵⁵² DSHJBA, 6 June, 1823, 44.

the ally had the resources to cooperate in the war, and if political circumstances of the allied state allowed it to participate.⁵⁵³

The new republics could avoid foreign aggression by making public declarations that they would assist their neighbours when conflict appeared on the horizon. The public declarations of the states would be taken into account when aggressor nations in Europe or Brazil were deciding to make war or peace. The perceived strength of the aggressor nation and its allies would be weighed against the perceived strength of the American state and all the other nations which might be persuaded to enter the contest as allies. The American republics needed to increase their perceived power so that “European cabinets decide their resolutions not by their own interests, but also by their impression of the American states.”⁵⁵⁴ The 1824 *Circular* itself acted as a public declaration that Argentina would enter into a conflict between the Holy Alliance and the American republics. Public declarations were also a favourite tactic of Argentina in settling the Banda Oriental dispute with Brazil. In 1823, Rivadavia pressed Bolívar to make an announcement in the “public papers” in support of the United Provinces’ claims to the Banda Oriental.⁵⁵⁵ In 1825, the United Provinces sustained the perception of the unity of the American republics by authorising the government to send representatives to the Panama Congress. An internal Foreign Affairs Department memorandum explained that although they did not wish to attend, the decision was taken to avoid the appearance of division; it was “not opportune nor convenient to show an absolute resistance to the opinion of the other American States.”⁵⁵⁶ In 1826, Rivadavia’s diplomat to Chile explained the importance to its trans-Andean neighbour that it make a declaration in support of the United Provinces. The independence of the new American states from foreign powers was aided by the ‘credit’ of the new states. If Chile refused to enter into an alliance, it would advertise that

⁵⁵³ ‘Bernardino Rivadavia’s instructions for Alvarez to negotiate a treaty with Chile, 1 Mayo, 1826’ and ‘Additional Instructions, 3 Agosto, 1826’ in AGNA, Sala 10, Legajo 1-10-12.

⁵⁵⁴ ‘Circular a las provincias de la unión, 16 Enero, 1824’ in AHC, Legajo AH/0008.

⁵⁵⁵ ‘Rivadavia to Alzaga, 4 Noviembre, 1823’ in AHC, Legajo AH/0008.

⁵⁵⁶ ‘Memoria de los negocios girados por el Departamento de Negocios Extranjeros desde principio de 1825 hasta Febrero de 1826.’ in AGNA, Sala 10 (Gobierno), Leg 02-01-03, (Relaciones Exteriores, Ministerio 1820-1840), 14.

the two States were not “firmly united to resist all aggression.” Argentina wanted Chile’s declaration of alliance more than it actually needed active assistance, he explained. Chile’s “immediate assistance in the war” with Brazil was not needed, the United Provinces would look to conclude it to strengthen its own “national credit, honour and respectability.”⁵⁵⁷

Separate sovereignties could not only safeguard against external aggression; a perpetual peace on the continent could be observed without a balance of power because of the unique conditions of the states in South America. Constitutional republics were naturally peaceful. Bilateral treaties between them establishing an American international law would be sufficient to remove all cause of war between them; commercial jealousies, the right to intervene in a neighbour’s domestic affair, and the possibility of gaining territory by war would forever be removed by an American law of nations.

Argentine policymakers believed that constitutional republics were peaceful by nature. War largely sprang from the monarchical form of government. If a monarch had been crowned in the United Provinces, his “unextended ambition” would have caused unceasing war to enable “new conquests” and “extend his dominions.”⁵⁵⁸ Republics, however, were peace-loving. They were known for their “moderation,”⁵⁵⁹ and tended to only keep a peacetime military establishment which only allowed for defence, not aggression.⁵⁶⁰ It would be impossible for the United Provinces to engage in “conquering other peoples” if republican institutions were preserved.⁵⁶¹ Neither could republics engage in the degraded diplomacy which enabled the ambitions of European despots. It was “a well useful truth for America” that representative governments did not engage in the “mysteries of degradation, or usurpation, nor all that which history has said of those absolutist cabinets [of Europe].”⁵⁶² The constitution of the neighbouring

⁵⁵⁷ ‘Rivadavia to Alvarez, 3 Agosto, 1826’ in AGNA, Sala 10, Legajo 1-10-12.

⁵⁵⁸ *El Censor*, No. 46, 11 July, 1816, 6800.

⁵⁵⁹ *El Observador*, No. 12, 4 November, 1816, 7724

⁵⁶⁰ *El Eco de los Andes*, No. 19, 13 February, 1825, 1.

⁵⁶¹ *Mensajero Argentino*, No. 4, 29 November, 1825.

⁵⁶² DSHJBA, 5 November, 1823 (Night session), 468.

republic firmly restricted the executive's power to make war, treaties, impose taxes and raise large armies or naval forces. The legislature's control of these powers was for the neighbouring states the "safeguard of their independence."⁵⁶³ Constitutional republics had neither the ambition nor the capacity to pose a threat to their neighbours' security.

All that was left for the American Republics to do was to infuse a few sacrosanct principles into an American international law that would permanently remove the sources of armed conflict: "The mode of avoiding grand conflicts is to prevent them."⁵⁶⁴ The alliances between the republics would create a different environment compared to Europe. There, treaties were violated and wars broke out because politics was viewed as a zero-sum game where the loss of power and wealth of one state was viewed as a net increase to another. It was necessary to escape the principle that peace and repose could be achieved by maintaining a balance of power. This concept instead had always "sowed the seeds of dissension" between states.⁵⁶⁵ In America, the republican powers were all allies, and therefore would be interested in the "prosperity and cooperation of their neighbours", rather than trying to reduce their power.⁵⁶⁶ The policy of giving all nations 'perfect reciprocity' in commercial matters would remove another source of conflict between the republics. Wars in Europe were caused by the 'jealousies' of some nations having greater privileges than others. It was typical for wars to conclude with the winning party gaining greater commercial privileges as part of the peace treaty.⁵⁶⁷ By offering all nations the same treatment, there would be no cause for war.

Argentina also tried to construct other principles either positively in bilateral treaties, or by establishing precedents that would serve as examples of how American international law worked differently from European law. For example, Argentina insisted the states should not be able to intervene in

⁵⁶³ *El Nacional*, Vol.2, No. 44, 26 January, 1826, 9976.

⁵⁶⁴ *El Abeja Argentina*, No.11, 15 February, 1823, 5553.

⁵⁶⁵ *El Argos*, No. 73, 10 September, 1823, 301-302.

⁵⁶⁶ 'García a Pueyrredón, 23 Agosto, 1816' Sala 7, Legajo 1113 (1815-1818)

⁵⁶⁷ *El Nacional*, No. 16, 7 April, 1825, 280.

the domestic affairs of other states. It avoided agreeing to this principle in treaties by rejecting Colombia's proposal to include it in the 1823 Treaty.⁵⁶⁸ A precedent was avoided by rejecting Bolívar's proposal that he could assist the United Provinces by first invading Paraguay, removing its dictator and returning it to the United Provinces, and then proceed with his army towards the Banda Oriental to join the conflict. Argentina strongly objected that it was a fixed principle not to compel a change in the form of government of neighbours.⁵⁶⁹ Commentators saw this principle as the seed by which wars would break out between the republics. America needed to avoid adopting the "absurd [European] doctrine" that absolutist states could intervene if a neighbour's form of government displeased them. Americans would "always look with horror on the maxims of [the European] powers." A strict observance was necessary of the law of nations concept that nations were "equal among themselves; free, independent owners of their actions, as are the giant and the pygmy." The difference in their power does not "produce a diversity of [their] rights."⁵⁷⁰

By treaty and precedent, Argentina also hoped to establish the other principle it saw as necessary to prevent armed conflict, the inviolability of territorial borders. All of the republics would agree that their borders were the same as those established at the time of emancipation (*uti posseditis juris*) and acknowledge that territory could not be acquired by force. Ambitious wars of conquest would not begin if all the republics recognised from the founding of American international law that territory could not be acquired by war. It was in the interests of the American states to agree to this principle.⁵⁷¹ A smaller territory was more effective to govern, and the states had no interest in extending their territory at the cost of sacrificing the more

⁵⁶⁸ Article 4 of 'Project of a Convention of League and Confederation between Colombia and the State of Buenos-Aires' found in the letter of Mosquera to Rivadavia, 4 Febrero, 1823 in AGNA, Sala 10, Legajo 1-9-11 contained the right to intervene in other states to restore "interior order." The clause was dropped in Rivadavia's counter project, see 'Rivadavia's Project of a Treaty sent to Colombian Envoy Mosquera, 5 Marzo, 1823' in AHPBA, Legajo C.48-4-31 (1823).

⁵⁶⁹ Memoria de los negocios girados por el Departamento de Negocios Extranjeros desde principio de 1825 hasta Febrero de 1826.' in AGNA, Sala 10 (Gobierno), Leg 02-01-03. (Relaciones Exteriores, Ministerio 1820-1840), 24.

⁵⁷⁰ *El Argos de Buenos Aires*, Tomo 2, No. 16, 22 February, 1823, 62.

⁵⁷¹ Nuñez, *An Account*, 40-44, 292.

valuable commercial benefits of friendly relations with neighbours. Therefore the territorial inviolability principle would become an “eminently American principle.”⁵⁷² Argentina saw itself as promoting this as a “constant policy” of their government not to “dismember territory” of neighbours.⁵⁷³ Territorial inviolability clauses were offered in the Chile and Colombia treaties. A precedent was established when Argentina entered into war with Brazil. Argentina declared it would fight a defensive war only. Argentina might occupy Brazilian territory as part of the war, but it would not be an object of the war to acquire those territories as part of the peace negotiations.⁵⁷⁴

In total, the principles that the American States remained constitutional republics, continued as allies, offered commercial relations on the basis of perfect reciprocity to all and privileges with none, recognised the inviolability of pre-independence borders and rejected the right to intervene in another sovereign’s domestic affairs promised peace between the republics. Rivadavia wrote that the effect of the Chile Treaty (which contained all of these principles) was “to make unnecessary in the new world the system of balance that has been the principle of European policy.” His state system would cause the “perfection of social order” and should be the basis of “American policy.”⁵⁷⁵

Argentina and the United States held very different conceptions of the ability of a continent of separate sovereignties to function effectively against foreign aggression and to preserve internal peace. While policymakers in Argentina believed that foreign aggressors would stop short of war due to the respectability created by the American Republics issuing public declarations of unity, those in the US foresaw that separate sovereigns would appear divided and only through political union could respectability be created. Both Argentine and US policymakers believed that treaties of alliance were flimsy instruments for guaranteeing security because states would only act if it was in their interests. Argentines believed that allies could be made to be

⁵⁷² *El Duende de Buenos Aires*, No. 21, 6 January, 1827, 334.

⁵⁷³ Nuñez, *An Account*, 40-44, 292.

⁵⁷⁴ *El Mensajero Argentino*, No.2, 22 November, 1825.

⁵⁷⁵ Bernardino Rivadavia, ‘Instrucciones para Alvarez, 1 Mayo, 1826’ in AGNA, Sala 10, Legajo 1-10-12.

interested in their security by commerce. In the US, it was believed that separate sovereignties would frequently have interests that ensured that they did not come to each other's aid. Only political union could ensure that the resources of all could be guaranteed to be called upon when mutual protection was required.

In Argentina, policymakers believed that constitutional republics were naturally peaceful. Neither by inclination nor capacity would they be likely to make war on each other. In the US, commercial republics were seen as ambitious and war-prone as monarchy. In Argentina, those setting international relations policy believed that states would observe basic principles agreed upon in treaties or as part of American international law such as territorial inviolability, commercial reciprocity, and non-intervention. In the US, there was no confidence in the idea that sovereign states would act in this way. States were likely to renege on their promises of perfect equality of privileges and they would go to war over disputed territory. Only by placing these powers in a federal government could these disputes be avoided. In short, these beliefs created very different approaches to organising the continental territory of South and North America. When Argentina had the opportunity to bring Chile into political union in 1817, it desisted from doing so by force. San Martín was instructed to set up a separate government which could choose to unify with Argentina when it wished. In the US, the belief that only political union would work ensured that the US would actively attempt to acquire neighbouring territory by purchase or force to avoid the problem of a continent of separate sovereignties.

Pursuing Strategic National Interests

In Philadelphia, 1795, and Buenos Aires, 1825, angry mobs attacked the houses of foreign diplomats. In Philadelphia, the mob stoned the residence of the British Minister, shattering his windows. In Buenos Aires, the Brazilian Consuls' house met the same fate. The angry mob broke windows and threateningly pounded his door; "these people are so unmanageable" noted Parish, Britain's Chargé d'affaires to Buenos Aires. The two incidents

followed key decisions in both republics' early history. In 1794, a new war with Britain was both possible and popular. Policymakers recognised how ill prepared the US would be to enter into a war and encouraged the ratification of a less than satisfactory compromise to defuse tensions. The Philadelphia mob protested the 1795 Jay Treaty which maintained peace between the republic and Great Britain, burning a copy outside the British Minister's doorstep. In 1825, war with Brazil over the Banda Oriental was also popular. Despite Buenos Aires ministers' best efforts to avoid war, Congress voted to reincorporate the Banda Oriental, making war with Brazil unavoidable. The Buenos Aires mob gathered to celebrate Congress' decision, loudly singing patriotic songs in favour of the Banda Oriental cause.⁵⁷⁶

In no area of international relations did the US and Argentina operate more differently than in balancing long-term national security interests against their short-term instability as new republics which lacked a well-developed military force or access to sufficient public credit to finance war. Both nations faced strategic threats to their national security. As we have seen, national security was intimately related to commerce. Anything which disrupted or could disrupt commerce posed a threat, whereas the expansion of a secure commerce brought greater exports, imports, revenue, and therefore greater capacity to act as a fiscal-military state. The United States faced multiple threats to its long-term interests as a commercial polity. On the sea, the US's neutral carrying trade was under attack. On the land, foreign nations surrounded US territory occupying strategic points such as New Orleans, the Floridas, Cuba, and Britain's Canadian Provinces which could be used to block US commerce, disrupt the settlement of US farmlands and plantations, and thwart US commercial restrictions against foreign nations. For Argentina, only one point, the Banda Oriental, offered foreign nations the opportunity to threaten the commerce of the United Provinces and dismember the provinces of the union. Removing the Brazilians from occupying it was the essential problem for policymakers.

The outbreak of European war between revolutionary France against Britain, Spain and their allies posed the first national security threat to the US

⁵⁷⁶ Bradley Perkins, *The First Rapprochement: England and the United States, 1795-1805* (Berkeley; Los Angeles: University of California Press, 1967), 34; 'Parish to Canning, 31 October, 1825' in FO119/15 Argentina, National Archives (Kew).

commercial revenue system. As part of the conflict, France and Britain waged commercial warfare on each other's merchant vessels by commissioning privateers to seize them. As a result, much of the carrying trade between these nations to and from foreign ports fell into the hands of neutral carriers. The first crisis of the conflict came when the British Navy began seizing neutral vessels employed in the carrying trade of French cargoes. Britain had never accepted the principle that free ships make free goods. But the British Orders in Council went beyond seizing ships employed in the carrying trade by mandating the seizure of any vessel visiting the French West Indies, even those employed in the direct trade between the US and France's colonies. Such seizures offered an insult to the principle of the freedom of US navigation and threatened to reduce revenue from imports. In response, some congressional leaders advocated prohibiting all commerce with the Great Britain in retaliation.

Hamilton recognised that such a move could easily lead to a renewed war between Great Britain and the US. He recognised the reality of any disruption to commerce for the revenue system and US unpreparedness for war. Any measures which gave an "interruption to commerce" would "very possibly interfere with the payment of the [import] duties." This would "bring the Treasury to an absolute stoppage of payment" of the interest on the public debt and would "cut up [public] credit by the roots."⁵⁷⁷ As we have seen, public credit was "a very important source of strength and security."⁵⁷⁸ Hamilton also accurately observed the inherent weaknesses of a nation which had no navy and had only recently augmented its standing army. The US had to avoid "overrat[ing] ourselves and undertat[ing] Great Britain" in terms of power. A "great conflict of any sort is utterly unsuited to our condition."⁵⁷⁹ US policy was to avoid war until its institutions were established and its public debt paid down. Washington cautioned his fellow citizens to avoid unnecessary conflict where possible as "the period is not far off when we may defy material injury from external annoyance." If the US could escape war for

⁵⁷⁷ Irwin, "Revenue or Reciprocity?", 111.

⁵⁷⁸ George Washington, 'Farewell Address', 1796, accessed June 12, 2017, http://avalon.law.yale.edu/18th_century/washing.asp

⁵⁷⁹ Irwin, "Revenue or Reciprocity?", 112.

“ten or twelve years more” advised Hamilton, it would be in a much better position to “advance and support” their national interests “with energy.”⁵⁸⁰

The remedy for peace was the extremely unpopular Jay Treaty. The treaty removed the right of the US to pass any new measures discriminating against or prohibiting British commerce and did not secure US recognition of the principle of free ships make free goods. Britain, however, did allow a limited form of neutral trade to take place in US vessels. If US vessels traded indirectly between its enemies’ colonies and their metropole, breaking the voyage in two by offloading and reloading goods at US customhouses, then their ships were not subject to seizure.⁵⁸¹ It is hard to imagine the treaty passing the Senate, where it had passed with only the slimmest majority possible to ratify treaties, had it not been for the authority of Washington as a patriotic hero. Would Senators have passed such a treaty if it did not have the support of such a revered President?

The unpopular peace provided the US the time required to increase its strength. Under the treaty, revenues flourished. The US was able not just to make interest payments on its debts but began amortising the debt thanks to the prolonged peace of the 1790s. When similar threats to commerce occurred, such as increased French seizures of US vessels in the late 1790s, the US was able to employ a newly constructed navy to enter into the limited Quasi-War against France. US naval forces managed to clear US waters of French privateers and began securing the trade routes to the Caribbean. Increased revenue further supported commerce by an enlarged consular system to provide assistance to merchants overseas and captains whose vessels had been seized. Additionally, the rapprochement with Britain allowed some US vessels to travel in Royal Naval convoys, adding further protection from French privateers. The US naval force would again be deployed in the name of aiding commerce in the Barbary Wars, which aimed to protect US vessels from seizure in the Mediterranean. The twelve year

⁵⁸⁰ Irwin, “Revenue or Reciprocity?”, 114.

⁵⁸¹ ‘The Jay Treaty; November 19, 1794’, accessed 5 June, 2016, http://avalon.law.yale.edu/18th_century/jay.asp

period of the Jay Treaty's existence allowed for uninterrupted and growing import revenues to secure the US fiscal-military system.⁵⁸²

The increasing respectability of the US as a sovereign power had positive effects in other areas. Securing the navigation of the Mississippi river system so that produce could reach the Atlantic was essential for western settlement. Without access to a commercial outlet, the western lands would be of no use but for subsistence farming. Spain, occupying New Orleans, had not granted the US the right to navigate the Mississippi. Spain's ability to close or open western lands to commerce gave it huge power over the western territories of the US. Some in the South-West had discussed leaving the US and forming a separate state in alliance with Spain. Such possibilities were evocative of US policymakers' worries about rival confederacies requiring large standing armies, taxes, debts and foreign alliance to defend themselves from each other. As a result of the news that the US and Britain had signed the Jay Treaty, Spain, fearing that an alliance had been formed, looked to settle disputes with the US. The 1795 Treaty of San Lorenzo gave the US the right to navigate the Mississippi and deposit their produce at New Orleans.⁵⁸³ The retrocession of Louisiana to France in 1800 led to a crisis in US policymaking. Many had advocated war to ensure control of New Orleans. But it was a mixture of good public credit and power politics that enabled the US to buy it from France instead. The combination of threats that the US would take it by force, enter into an alliance with Great Britain if France continued to occupy New Orleans, and ability to pay 15 million dollars secured the purchase of the whole Louisiana territory from France.

Securing New Orleans as a port of deposit ensured the "perpetual removal of the means of annoyance to the commerce of the western states."⁵⁸⁴ But Jefferson's original goal had been to purchase just New Orleans and West

⁵⁸² Edling, *Hercules in a Cradle*, 106-109; Irwin, "Revenue or Reciprocity?", 114; James Sofka "The Jeffersonian Idea of National Security: Commerce, the Atlantic Balance of Power, and the Barbary War, 1786-1805." *Diplomatic History* 21, no. 4 (1997): 519-544; Silvia Marzagalli, "American Shipping into the Mediterranean during the French Wars : A First Approach." *Research in Maritime History* 44 (2010): 47.

⁵⁸³ Lewis, *Problem of Neighborhood*, 25; Smith, *Amid a Warring World*, 74-75. The right to deposit lasted three years but was renewable at New Orleans or another port in the Louisiana jurisdiction.

⁵⁸⁴ Sylvestris, *Reflections, on the cession of Louisiana*, 12.

Florida, not all of the territory to the west of the Mississippi River. While the US control of New Orleans ensured that produce could flow from the west to that entrepôt, goods could still be prevented from leaving New Orleans as “without a navy, it would always be in the power of the feeblest maritime nation to blockade [the Mississippi] at the mouths of the river, putting an entire stop to foreign commerce.”⁵⁸⁵ To complete the protection of western commerce, Jefferson wanted as much control over the sea lanes between the Mississippi and the Atlantic as possible, and immediately looked to buy West Florida, arguing (speciously) that it was part of the Louisiana jurisdiction at the time of the purchase and rightfully part of the US. The nation that possessed West Florida was in a position to do serious injury to US commerce.⁵⁸⁶ The US needed to also possess East Florida and Cuba which were “essentially necessary to our securely enjoying without interruption the numberless advantages” of acquiring Louisiana. Otherwise, Spain could easily station a line of ships-of-the-line at Havana to intercept all communications between New Orleans and Atlantic ports, controlling western commerce.⁵⁸⁷ Through West Florida passed numerous navigable rivers which extended down from US territory. Its possessor had the means to block at least a portion of the commerce of the South-West.

The US attempted the same tactic by which it had acquired Louisiana of threatening war and alliance with Great Britain while offering to relieve Spain of West Florida to avoid these calamities. But when these tactics failed, the US stopped short of making good on the threat of war. Treasury Secretary Gallatin cautioned Jefferson to reflect on “the interference of a war with our revenue system, and on the great advantage of a perseverance in the pacific system.”⁵⁸⁸ If the US remained at peace for a few years longer, the national debt would be paid down to such levels that a large budget surplus would

⁵⁸⁵ A Citizen of Virginia, *On the Future Destiny of the United States*, 8.

⁵⁸⁶ William Earl Weeks, *John Quincy Adams and American Global Empire* (Lexington: University Press of Kentucky, 1992), 27; Sofka, “The Jeffersonian Idea of National Security”, 520.

⁵⁸⁷ “To Thomas Jefferson from Robert Smith, 10 September 1805,” *Founders Online*, National Archives, accessed May 17, 2017, <http://founders.archives.gov/documents/Jefferson/99-01-02-2363>.

⁵⁸⁸ Henry Adams (ed.), *The Writings of Albert Gallatin*, 3 Vols. (Philadelphia, 1879) 1: 253.

allow the US to finance the construction of a navy “nearly equal” to Spain.⁵⁸⁹ Jefferson agreed, looking favourably on European developments which postponed the necessity of war: “This gives us our great desideratum, time.”⁵⁹⁰ The US now had the flexibility to pursue the possession of West Florida at a time of its choosing, without the need of British alliance to effectually defend itself from Spanish and French attacks. In 1810, following the collapse of Spanish power on the Peninsula at the hands of Napoleon, the Madison administration sent an agent to US settlers in Spanish West Floridas, advising them to request US intervention in West Florida. When the settlers declared the Republic of West Florida, Madison ordered it to be occupied on the grounds that it had passed out of Spanish control and presented a threat to the “rights and welfare of the Union.”⁵⁹¹ Spain, at a moment when its Peninsula government had all but collapsed, had no means of responding. The rest of the Floridas would be acquired by similar means between 1812 to 1818 until they were purchased from Spain in 1819.

However, as US Americans saw that their republic was becoming better prepared for war, they abandoned some of the caution they had shown in the 1790s. From 1806, the rival powers in the Napoleonic Wars competed with each other to craft laws to do the greatest possible damage to each other’s commerce, the net effect being that both considered any neutral commerce with their rival illegal. Britain and France both began seizing US vessels. Across the period 1803 to 1808, Britain seized 917 vessels and France 558 US vessels.⁵⁹² The Royal Navy would also stop, search, and impress US sailors they considered as British citizens on US merchant vessels. The continued affronts to national honour reached a peak in 1807 when the commander of a Royal Navy vessel, incensed that British deserters had absconded and enrolled in the US navy, shot at and boarded the USS Chesapeake. These provocations to US neutral rights required a policy response. But at least from

⁵⁸⁹ Adams (ed.), *The Writings of Albert Gallatin*, 1: 254.

⁵⁹⁰ “To James Madison from Thomas Jefferson, 23 October 1805,” *Founders Online*, National Archives, accessed June 20, 2017, <http://founders.archives.gov/documents/Madison/02-10-02-0429>

⁵⁹¹ ‘President’s Annual Message, 5 December, 1810’ in *Annals of Congress*, Senate, 11th Cong., 3rd Sess., December 1810, 12–13.

⁵⁹² Wood, *Empire of Liberty*, 646.

the view of immediate national security interests, all of the measures of rival European powers had not affected revenues. In fact, despite all the restrictions, seizures of vessels, and impressment of US sailors, revenues rose from \$12.9 million in 1805 to \$16.3 million in 1808.⁵⁹³ However, defending national honour was seen as necessary. If foreign nations could commit affronts to US sovereignty without repercussions, then US weakness would invite further aggressions in future.⁵⁹⁴

Jefferson chose both to avoid war in 1807 or settle for an unpopular peace with Britain as the US had in 1795, instead deciding on a trade embargo. The embargo aimed to coerce the European belligerents, and Britain in particular, to accept the position that free ships make free goods and to respect sailor's rights. By banning all exports it was hoped that British commerce would be quickly ruined, and Britain would accept US sovereign rights on the seas. But the embargo proved impossible to enforce. Numerous means of circumventing it were found, such as trading overland to Canada, or sending goods on vessels supposedly employed in the US coastal trade which would secretly rendezvous with British merchant vessels to export US produce. With political opposition mounting and the embargo halving US revenues, Jefferson was forced to abandon the policy, just as it was starting to have the desired effect on Great Britain. Numerous experiments in peaceful coercion superseded the embargo, all failing to compel Britain to accept US neutral rights.⁵⁹⁵

US policymakers now looked for more effective means to make their protests felt. The option of war looked increasingly beneficial and viable. The US, it was believed could easily invade Canada. Taking Quebec would be "a mere matter of marching."⁵⁹⁶ War now seemed attractive because the US believed its military establishment and public credit were sufficiently strong to wage war. The US would benefit from the co-belligerency of Napoleon in

⁵⁹³ Rao, *National Duties*, 2.

⁵⁹⁴ Sofka, "The Jeffersonian Idea of National Security", 533, 538 discusses Jefferson's idea during the Barbary Wars that the US needed to dissuade Europe that it was governed by "quaker principles" and the need to gain "respect in Europe."

⁵⁹⁵ Rao, *National Duties*, 137-156.

⁵⁹⁶ Horsman, "On to Canada", 15.

Europe, and manufacture a stalemate on the European continent. Napoleon was sufficiently strong that there was little prospect of Britain defeating him, while the US would ensure that the British were not defeated on the Iberian Peninsula by continuing to supply grain exports to the British army there. Either a British victory or defeat would release British resources to fight in North America, but a stalemate would ensure that British naval forces and troops would be occupied on the European continent and unable to assist Canada or blockade the US. The US would either return Canada as part of a peace treaty recognising neutral rights, or annex it to the union. Annexation proved attractive. Canada had been the weak link in the system of economic coercion. Without Canada, the US had much more ability to deny the British West Indies the vital resources the islands needed from North America, making it much more likely that Britain could be coerced to permanently open the island to US vessels. Removing Britain from the American Continent would also prevent it from aiding Indian allies' attempts to arrest the expansion westward of US agriculture and plantations. On these assumptions and foreseen benefits, the US Congress declared war on Great Britain in June 1812. The US was sufficiently ready and the enemy sufficiently distracted, it was believed, to now pursue its national security interests by war rather than peaceful opportunism.⁵⁹⁷

The Banda Oriental, Geopolitics, and Territorial Sovereignty

For Argentina, the Banda Oriental issue presented similar problems for Rioplatense security as Louisiana, the Floridas and Canada. The Banda Oriental was both a geopolitically strategic point that would support any blockading force and the site from which a foreign power could launch further conquests in the territory of the United Provinces. Brazil's possession of the Banda Oriental would threaten the free flow of international commerce. Any Brazilian blockade would be more easily effected if it had access to the

⁵⁹⁷ Fagal, *The Political Economy of War in the Early America Republic, 1774-1821*, 242; Lawrence S. Kaplan "France and Madison's Decision for War, 1812." *The Mississippi Valley Historical Review* 50, no. 4 (1964): 652-71; Horsman, "On to Canada", 17.

ports of the Banda Oriental.⁵⁹⁸ “Owner of Maldonado, Montevideo and Colonia” — the key ports of the Banda Oriental — the Brazilians would always control the sea lanes, “seated on the cardinal points of the seas.” The United Provinces would be enclosed in a “prison with the Banda Oriental its key.” With Rioplatense commerce always threatened, Buenos Aires would become in effect “a colony of Brazil.”⁵⁹⁹ The Banda Oriental also represented an alternative entrepôt for imports and exports to flow to and from the interior provinces.⁶⁰⁰ If Montevideo was established as a free port, Buenos Aires would also have to abolish all import taxes in order to compete.⁶⁰¹ Buenos Aires had long worried that if the Banda Oriental, under the sovereignty of a different power, was able to offer a more favourable jurisdiction for international commerce, then that “liberty of commerce and industry would call all our population to the Banda Oriental and move all the channels of commerce” there.⁶⁰² The United Provinces, warned Brazil in diplomatic representations, would never stop its attempts to reincorporate a point “key to its channels of commerce and communications with a multitude of points of its dependency.”⁶⁰³

Brazilian possession of the Banda Oriental would distort the “balance” of its power relative to “the other states of America.”⁶⁰⁴ If Montevideo and Buenos Aires were united, they would “offer a fearful counterweight” that

⁵⁹⁸ A blockade would be less effective if naval vessels had to return to Brazil for provisions. Gaps in the blockading force would allow merchant vessels to enter more easily.

⁵⁹⁹ *El Argos de Buenos Aires*, No. 73, 10 September, 1823, 301.

⁶⁰⁰ While Buenos Aires controlled access to the Paraná River, ensuring that all vessels that proceeded up and down it touched at the port of Buenos Aires first, goods could be brought across land and down the Uruguay River instead. There would be free navigation of the Uruguay if Brazil possessed the Banda Oriental.

⁶⁰¹ *Mensajero Argentino*, No. 76, 15 August 1826.

⁶⁰² ‘García to Pueyrredón, 29 Septiembre 1816’ in AGNA, Sala 7, Legajo 1133, 1815-1817

⁶⁰³ ‘Memorandum, 15 Septiembre, 1823’ in *Registro Oficial, Año de 1824*, 30. See also DSHJBA 5 November 1823 (night session), 466 in which Rivadavia recalled that while on diplomatic duty across 1816 and 1817 he had defended the United Provinces’ right to the Banda Oriental, as Montevideo’s geopolitical position was essential to the country’s independent commerce and national honour.

⁶⁰⁴ *El Argos de Buenos Aires*, No. 73, 10 September, 1823, 301.

would oppose “the boundless ambition of Brazil.”⁶⁰⁵ But if Brazil continued to possess the province, the empire would have greater “territory and force” over the United Provinces,⁶⁰⁶ which could “not exist” without the Banda Oriental in but a “precarious independence...continually threatened by the neighbouring state.”⁶⁰⁷ The Brazilian Empire was “a giant for now weak.” But its monarchy engendered a “spirit of conquest” and an aversion to existing alongside republics, whose liberties “undermine the bases of [his] power.” Once strengthened, Brazil would not stop “extending...its claws over the bordering peoples.”⁶⁰⁸ The Banda Oriental territory had long been recognised as offering “so advantageous a location to start a...plan of operations against this territory”, and, if in the possession of Brazil, would aid its expansionist plans.⁶⁰⁹ One Oriental pamphlet which aimed to incite the United Provinces to make war against Brazil vividly detailed how the neighbouring empire’s rapacious expansionism would proceed:

If the Brazilians come to dominate and possess with tranquillity the Banda Oriental, their ambitious views will [look towards] the waters of the Uruguay, and also want to possess everything this side of the River Paraguay. Brazil will get the Banda Oriental in a good state, inside of 2 years, nobody can stop it from taking the provinces of Entre Rios and Corrientes, and the part of Paraguay situated on this side of the river. Whilst it does this, it will maintain good harmony with Buenos Aires and Santa Fe, it will make with one or another of the provinces advantageous treaties for themselves, of peace and commerce. They will assure you that their conquests only have the object of fixing natural and strong borders for its empire, and will swear [to maintain] a solid and lasting friendship to calm you and have you in [a state of] inaction. But will these promises long endure? They will only endure

⁶⁰⁵ *El Correo de las Provincias*, No. 6, 23 January, 1823, 9159.

⁶⁰⁶ *El Argos de Buenos Aires*, No. 73, 10 September, 1823, 301.

⁶⁰⁷ *Mensagero Argentino*, No. 45, 3 June, 1826.

⁶⁰⁸ *Teatro de la Opinión*, No. 13, 15 August, 1823, 200.

⁶⁰⁹ ACA 1: 567.

until they [Brazil] are robust enough to start new conquests. They will search for any motive to possess Buenos Aires and Santa Fe. This war at the start will be none other than maritime, and your marine will never be able to compete with that of Brazil. This is an impartial truth, they have more mariners, more boats, more means of manufacturing and forming them, and also have woods for construction with abundance, of which we lack. They will have all the best ports and all the navigable rivers that flow in the Plata, whose circumstances are absolutely indispensable for the manufacture of boats and formation of mariners. Then the result will be to destroy your marine, paralyse your commerce, and become owners of all the Río de la Plata, and to impede the importation and exportation by blockading your boats.⁶¹⁰

Like Louisiana and the Floridas, the Banda Oriental represented the point which, if occupied by a foreign power, could be used to paralyse national commerce and dismember the union.

Argentina had already avoided an initiative to help liberate the Banda Oriental that could have dragged them into a premature war. During the conflict for independence between Brazil and Portugal (1822-1823), the Banda Oriental had become a scene of contest, when some of the military forces in the province decided to back Portugal and others Brazil. The Cabildo of Montevideo, hoping to seize the opportunity to liberate itself, had requested 50,000 pesos support from Buenos Aires to emancipate Montevideo and the surrounding countryside of the province. Some members of the Buenos Aires House of Representatives presented a motion in favour of the Montevideo bid for independence. Pro-war advocates highlighted the opportunities to recover lost territory: “look at our country’s situation, a principal part of the house occupied by the Portuguese, the rooftops occupied by the Spaniards, the patio by the Indians, and the owner of the house is in a corner.”⁶¹¹ Public papers backed the call for a subsidy to Montevideo. Buenos Aires could not remain an indifferent neutral to their Oriental “brothers” who had fought

⁶¹⁰ ‘Un Oriental a Los Habitantes de Buenos Aires’, undated, c.1825. in AGNA, Leg 1125.

⁶¹¹ DSHJBA, 13 November, 1823, 525

alongside them in the war for independence.⁶¹² Aiding the Orientals in fighting a proxy war would conveniently “weaken our enemies” and “reduce them to a state of nullity,”⁶¹³ while the threats of maritime blockade were overstated. The blockading party would permit commerce to continue in foreign vessels, and Argentine privateers would once again be an effective means to disrupt Brazilian commerce.⁶¹⁴ To counter these arguments, Rivadavia requested that the debate in the House, normally secret for sensitive foreign affairs discussions, be public to enable the anti-war arguments to be heard by the public gallery and reported on in public papers. Buenos Aires, the anti-war advocates advised, did not have 1 million pesos, the real sum required to liberate the Banda Oriental, to grant as a subsidy to the Montevideo Cabildo. To “start the war in the present circumstances” — advised a pro-administration representative — “would have been the greatest imprudence, and [be] a delirium or crime against the interests of the country.”⁶¹⁵ Given, as we will see, the difficulties of the Cisplatine War, Rivadavia’s caution in 1823 proved wise.

Argentina would eventually be dragged into war with Brazil in 1825, when this time a different legislature, the National Congress of the United Provinces, discussed a motion that would inevitably bring Argentina and Brazil to war, and this time approved it. The statecraft of García, then charged with the direction of national affairs, however, had been based on reaching a negotiated solution to the Banda Oriental issue. Under his direction, the Buenos Aires executive had been following a policy of enhancing the weight of the United Provinces’ power and reducing that of Brazil, until the point where the Court in Rio de Janeiro would settle the dispute by treaty. García set about doing this in three ways. First, he augmented the military preparedness for war, so that Brazil would take seriously the threat that if a peaceful settlement was not agreed upon, military action would settle the

⁶¹² *El Correo de las Provincias*, No.3, 15 December, 1822, 9103.

⁶¹³ *El Teatro de la Opinión*, No. 5, 20 June, 1823, 68.

⁶¹⁴ *El Teatro de la Opinión*, No. 18, 19 September, 1823, 273.

⁶¹⁵ DSHJBA, 5 and 13 November, 1823, 461, 500.

matter.⁶¹⁶ Second, he looked to construct a temporary alliance with Bolívar, whom García hoped would first make protestations in favour of Argentina's rights to the Banda Oriental before the Portuguese Court in Rio to establish a credible threat of military action. If peace was not achieved, the temporary alliance would be activated. It was hoped Bolívar's troops from Bolivia would attack the Brazilian province of Mato Grosso, Colombia and Peru would assist with naval forces, and Argentina, as well as attacking with 4000 troops, would pay compensation for their assistance.⁶¹⁷ Third, García seems to have actively supported, or at the least known about but not prevented, the actions of a group of Orientales to raise funds and fit out a military expedition to liberate the Banda Oriental. Such a proxy war would usefully weaken Brazilian possession of the Banda Oriental, without giving sufficient cause under the law of nations for Brazil to declare war. It is probable that García intended all of these three strands of strategy to develop in tandem. But Lavalleja, the leader of the Orientales, left Buenos Aires province without authorisation in a decision he believed García would consider "reckless", a move which frustrated García's plan of continuing diplomatic protests and keeping the Orientales in waiting to act in support of the United Provinces' claim at a suitable moment.⁶¹⁸

The Orientales proved, despite their small numbers and limited resources, unexpectedly successful at liberating the Banda Oriental. They gradually took control of the countryside of the province, formed a provincial congress and voted to send deputies to the national congress in Buenos Aires. Such a move threatened the policy of recovering the Banda Oriental by negotiation, not war. If the United Provinces voted to reincorporate the newly liberated province, it would be obliged to defend it, leaving war all but inevitable. Matters came to a head when at the Battle of Sarandí, the Brazilian troops were entirely defeated and forced to retreat to fortified positions in Montevideo and Colonia, causing the United Provinces' Congress to bring

⁶¹⁶ A project authorising the creation of a national army was brought before Congress 15 March 1825, see DSCG, No. 23. The creation of an army over 6,000 men in size was debated May 3 1825, see DSCG No. 31 and subsequent numbers for the debates.

⁶¹⁷ 'García to Alvear and Diaz Velez, 10 Junio, 1825' in AGNA, Sala 10, Leg. 1-10-12.

⁶¹⁸ Nicolau, *Manuel Jose García*, 186-188.

the decision to reincorporate the Banda Oriental to discussion. Even after Sarandí, García still saw a negotiated solution as preferable to military involvement in the Banda Oriental. García had experience as treasury minister and feared the potential damage war could inflict on the revenue system. He asked Congress to wait on the grounds that a mediated agreement was still possible and that the Rioplatense negotiating position would be strengthened once an alliance with the “American States” had been contracted and Lavalleja had formed “a respectable power” in the Banda Oriental. García and ministers warned that voting to reincorporate the province would cause the Brazilian Navy to immediately blockade Buenos Aires and disrupt the movement of armaments by river to the Argentine army’s positions bordering the Banda Oriental, while war would begin before sufficient troops had arrived from the provinces.⁶¹⁹

The advocated for war in Congress rejected these arguments. The victory at Sarandí, they argued, offered an unmissable opportunity. Brazil’s border defence had been entirely removed from the Banda Oriental. For several months until Brazil could send reinforcements, Argentine and Oriental troops could march unopposed and occupy the capital of the undefended Brazilian province of Rio Grande do Sul. It “would be easy to march with 1,500 men and possess without difficulty the Capital of the Rio Grande which is currently found without forces.”⁶²⁰ The Argentine army, in possession of Rio Grande, could be sustained from the taxes of “that country” instead of burdening the national treasury.⁶²¹ Brazil would be obligated to abandon Montevideo. If Congress did not act, it was feared “public opinion” was “a torrent that will overflow, and it cannot be foreseen what would happen.”⁶²² A popular uprising against the government was not unthinkable. The War Party believed that the friendship of nations “interested in our commerce” would be a powerful influence over Brazil to impose a limited blockade permitting some trade to continue and that Argentine privateers would do

⁶¹⁹ ACA 3: 1315-1317, 1320.

⁶²⁰ ACA 3: 1317

⁶²¹ ACA 3: 1318

⁶²² ACA 3: 1324

great damage to Brazilian commerce.⁶²³ Notwithstanding this confidence, congressmen recognised the gravity of the vote; when it was announced: “the house remained for a long while in the greatest silence.”⁶²⁴ After some final reflections, Congress voted to reincorporate the Banda Oriental, a move that they and contemporaries recognised as equivalent to a “declaration of war.”⁶²⁵

Conclusion

The decision to reincorporate the Banda Oriental would lead Brazil to make the official declaration of war, propelling Argentina into its first post-revolutionary conflict. The parallels between Argentine and US approaches to pursuing strategic national interests offer useful insights into how the US pursued its national security interests avoiding war until the republic was better established, while Argentina became entangled in war so quickly after independence. Both García and Madison had winked at filibusters to attempt the occupation of key strategic points, the Banda Oriental and West Florida. But unlike West Florida, which the US could then occupy without any military response from Spain, the United Provinces would face the full force of the Brazilian Empire if it proceeded to incorporate the Banda Oriental. As on numerous occasions in US history, in Argentina it was the treasury minister, García, who best understood the problems with financing war when public credit was unestablished and when revenues would be affected by blockades, warnings that treasury secretaries Hamilton and Gallatin had issued to persuade against war. The US instead pursued Louisiana and the Floridas via negotiation with the threat of military action and alliance with foreign powers, a course of place that García had preferred for Argentina, but had avoided war to preserve the ‘pacific system’ of the US until its revenue system, public credit, and military institutions were better established. This option was open to Argentina, as Woodbine Parish observed, in words

⁶²³ ACA 3: 1322, 1324.

⁶²⁴ ACA 3: 1326.

⁶²⁵ John Murray Forbes, *Once Años En Buenos Aires, 1820-1831: Las Crónicas Diplomáticas* (Buenos Aires: Emecé, 1956), 392.

reminiscent of Hamilton or Gallatin, “peace is only necessary now to the future prosperity of the country and to the preservation of liberal institutions already established. A series of years of Peace will make them prosperous and powerful beyond all their own calculations.”⁶²⁶ Instead, Congress abandoned the pacific approach and voted for war. There was no political figure in the Buenos Aires government whose authority, like that of Washington, could prevail upon congressmen to vote to pursue a peaceful compromise to avoid war. Like the US in 1812, Argentina similarly believed that victory would be a “mere matter of marching” north, occupying enemy territory, and suing for peace. Yet Argentina had enjoyed but five years of peace since its revolutionary war had ended and barely begun creating national institutions, while the US had enjoyed nearly thirty years of peace and a national government had been established for over twenty years before that republic engaged in its next major war. Despite this, both republics would find that the decisions to enter into war in 1812 and 1825 to be miscalculations that would test their republican institutions to the extremes. Under the pressure, one republic would barely survive, the other’s federal government would collapse entirely.

⁶²⁶ ‘Parish to Canning, 10 February, 1825’ in FO119/15, British National Archives (Kew).

The War-Making Polities

The War of 1812 (1812-1815) and the Cisplatine War (1825-1828) are inherently comparable conflicts. The separate wars, pitting the US against Great Britain and Argentina against Brazil, were both sparked by contested points of international law (disputed interpretations of maritime rights and territorial rights respectively). Both wars, lasting thirty-two months each, were the first major conflicts the two new American polities entered into against foreign powers following independence. The US and Argentine war-making states crafted by the policy decisions of the post-revolutionary era would be critically tested for the first time. The dynamic of both conflicts was similar; if the US or Argentina were able to successfully execute their plans of invading northwards and occupying enemy territory (Canada or Rio Grande do Sul), the leverage of holding those territories would force Great Britain and Brazil to enter into peace negotiations. The occupied territory would be restored in return for recognition of US and Argentine interpretations of international law in formal peace treaties. To achieve this, however, the US and Argentina would need to achieve victory on land before the naval power of Great Britain and Brazil could cripple the operations of the American polities. Considerable naval force blockaded both republics' principal ports, reducing international trade to a fraction of peacetime levels. Both invasions, of Canada and Brazil, would fail and both republics struggled to create a makeshift naval force that could dislodge the 'wooden walls' erected in front of US and Argentine ports by British and Brazilian naval vessels. The two wars generated similar disfunction in the operations of the treasuries in the new states. Compared to peacetime finances, at the worst moments of the conflicts, expenditures nearly quadrupled in the US and almost trebled in Argentina to pay for the costs associated with increased military and naval

power at the same time as revenues from the customhouses declined by 55% in the US and 71% in Argentina.⁶²⁷

In both republics, the wars generated the same tendency to dissipate the capacity of the new governments to act as sovereigns of the territories federated under them: states and provinces threatened disunion, the sole power of the federal government to raise standing armies and conduct international relations was questioned, and the ability to make war by using public credit was exhausted. The US reached the edge of the precipice of national disaster. In the final months of the War of 1812, the spectres of political disunion and fiscal ruin haunted an American public sensitive to the dangers of civil war and public debt. Representatives of the northern states gathered in convention to coordinate their opposition to the federal government. With secession openly advocated by some, the attendees of the Hartford Convention opted to recommend proposed constitutional changes while threatening to reconvene the convention should the war continue. Massachusetts Governor Caleb Strong explored signing a separate peace with Great Britain, and towards the close of 1814 the federal government briefly defaulted on the domestic national debt and narrowly escaped default on payments to international creditors. The US, however, by ratifying the Treaty of Ghent in February 1815, concluded a peace which, though it achieved none of the initial war aims, ended the conflict before the federal government experienced ruin. If the war had continued several months longer, it is likely that public credit would have been totally destroyed and the northern states' threat of secession could have led to actual disunion and perhaps dissolution of the federal government.⁶²⁸

⁶²⁷ For Revenues and expenditures in the US, see Wallis, 'Federal government revenue, by source: 1789-1939', Table Ea584-587 and 'Federal government expenditure, by major function: 1789-1970', Table Ea636-643, in *Historical Statistics of the United States*. For revenues and expenditures in Argentina, see Donghi. *Guerra y finanzas*, 142 and Bordo and Vegh, "What If Alexander Hamilton Had Been Argentinean?", 465.

⁶²⁸ Edling speculates that public credit would have experienced possible ruin had the war continued, see Edling, *Hercules in a Cradle*, 133. Skeen notes that individual US states looked to create their own standing armies should the war have continued into 1815. He anticipates that this would have led the states to withhold funding from the federal government to pay for their own armies, see Carl Edward Skeen, *Citizen Soldiers in the War of 1812* (Lexington: University Press of Kentucky, 1999), 3.

In contrast, the Cisplatine War pushed Argentina over the edge, precipitating the collapse of its federal government and public credit. Argentina rejected a negotiated peace in June 1827 which, in a similar way to the Treaty of Ghent, by recognising that the Banda Oriental formed part of Brazil, would have ended the war without changing the pre-war status quo. Instead, by opting to continue the war, Argentina achieved a pyrrhic victory. By August 1828, Argentina was able to sign a peace treaty which recognised the Banda Oriental as a separate republic, Uruguay, a conclusion to the conflict that, though falling short of the prewar goal of restoring the Banda Oriental to the union, ended the war as a partial victory for Argentina. That victory, however, was at the cost of the dissolution of federal power and fiscal ruin. Whereas conventions of states threatened secession in the US, in Argentina the interior provinces agreed by treaty in May 1827 to dissolve the national government by force unless it voluntarily dissolved itself.⁶²⁹ The National Congress, rather than risk civil war, did just that in July 1827, leaving Argentina to conclude the war without a national government. General Alvear, Chief of the Republican Army at the time of the dissolution, complained that “an army without a nation is an edifice without foundations.”⁶³⁰ Whereas in the US the Massachusetts Governor explored conducting a separate international relations policy, in Argentina Córdoba Governor Bustos formally requested foreign intervention; General Bolívar, President of neighbouring Bolivia, Peru and Gran Colombia, declined his invitation to assume power in Argentina. Whereas in the US the treasury entered into a brief default on the national debt at the end of the war before returning to solvency, in Argentina the Cisplatine War caused long-lasting damage to public credit. Payments to domestic creditors, though not technically defaulted on, were repaid in depreciated bank notes, drastically reducing the value of those repayments, equivalent to a partial default. Repayments to international creditors were paused before the end of the war.

The War of 1812 and the Cisplatine War were, then, pivotal moments in the trajectory of the two new republics. For Argentina, the Cisplatine War was *the* event that put Argentine finances in disarray for coming generations.

⁶²⁹ ‘Alianza defensiva y ofensiva entre las provincias...’, 17 May 1827 in ACA 6: 167-169.

⁶³⁰ Emilio Ocampo, *Alvear En La Guerra Con El Imperio Del Brasil* (Buenos Aires: Claridad, 2003), 423

Argentina suspended making interest and amortisation payments on the London loan from January 1828.⁶³¹ In the coming years, the treasury in Buenos Aires was in a poor position due to costs associated with the Cisplatine War. Between 1830-1834, the cost of maintaining the military establishment created during the Cisplatine War and servicing the debt contracted during that conflict left Argentina spending 13.5% more than tax revenues raised. The deficit was filled with the sale of 10.2 million pesos of bonds, doubling the post-Cisplatine War debt to 20.3 million, while 15.3 million pesos of bank notes printed as a result of the war remained in circulation.⁶³² Between 1828 and 1856, the treasury in Buenos Aires was only able to make infrequent payments to creditors in London. By 1856, Argentina's indebtedness to Barings of London stood at £1.615 million in arrears of unpaid interest as well as £977,000 of the original £1 million it had borrowed.⁶³³ Only from 1857 would an agreement with creditors allow Argentina to end its default and restore regular repayments to creditors. During a postwar period of nearly 40 years, Argentine governments, in default internationally and discredited domestically, could not adequately sell public debt to finance wars, resorting to forced bond sales, voluntary bond sales at high interest rates to domestic creditors, and issuances of paper money. Argentina's weak military capacity led to repeated inability to repel foreign interventions or safeguard national interests; the Falkland Islands (1833), the French blockade (1838-1840) in support of the Peruvian-Bolivian confederation during its war against Chile and Argentina (1836-1839), and the Anglo-French blockade (1845-1850).

By contrast, the US was fortunate to conclude the War of 1812 before its public finances entered into a similar state of disarray. By the end of 1814, the US government did enter into a brief technical default on its public debt. Some domestic creditors went unpaid or were offered repayment in treasury notes rather than silver or gold specie. But ratification of the Treaty of Ghent

⁶³¹ Platt, "Foreign Finance in Argentina for the First Half-Century of Independence," 24.

⁶³² Bordo and Vegh, 'What if Alexander Hamilton had been Argentinean?', 465 and Donghi. *Guerra y finanzas*, 180-184.

⁶³³ María Alejandra Irigoin, *Finance, Politics and Economics in Buenos Aires, 1820s-1860s: The Political Economy of Currency Stabilisation* (Ph.D. Thesis, London School of Economics and Political Science, 2000), 155.

in February 1815 restored public confidence in the US government's credit. New loans in February and March 1815 returned the federal government to solvency. Unlike Argentina, the added cost of servicing the domestic debt contracted during the War of 1812 did not push the US federal government into a position of permanent deficits. In 1818, revenues of \$21.6 million comfortably covered \$19.8 million in expenditures, which included the cost of just over \$6 million to make amortisation and interest payments on the public debt.⁶³⁴ The \$17.1 million of treasury notes used during the war were entirely withdrawn from circulation. Budget surpluses throughout the 1820s allowed the federal government to pay down the national debt so that by 1835 the US had no national debt whatsoever.⁶³⁵ The US fiscal-military state was sufficiently strong to dissuade foreign powers from intervening in American affairs (such as Britain in Texas) and paved the way for territorial expansion by military force in the Mexican American War (1846-1848).

Politically, Argentina's provinces ended the wars divided. From 1831 relations between the Argentine provinces were organised by treaty into a loose confederation of separate sovereignties without a common federal government. The power to conduct international relations was deposited with the Governor of Buenos Aires. Not until 1853 would a common federal government again exist in Argentina, when provincial governors, backed by Brazil, would compel Buenos Aires by military force to accept the existence of a common political union, centred in Santa Fe province. Only in 1862 would the province of Buenos Aires province join the Argentine union. The US federal union, by contrast, survived the War of 1812. The partisan divisions within the US gradually receded, leading the nation into a 'Era of Good Feelings' characterised by relative harmony underpinned by the ability of the states to compromise on divisive issues between the different sections of the union and in cases of disputed usage of federal authority. The power of the federal war-making apparatus would be sufficiently established to such an extent that when its authority was challenged by the southern states during

⁶³⁴ Wallis, 'Federal government revenue, by source: 1789-1939', Table Ea584-587 and 'Federal government expenditure, by major function: 1789-1970', Table Ea636-643, in *Historical Statistics of the United States*.

⁶³⁵ Edling, *Hercules in a Cradle*, 231.

the US Civil War (1861-1865), the federal government was able to crush the rebellion.

In short, while Argentina concluded the Cisplatine War with an incomplete victory, it did so at the cost of crippling its public finances and political union for decades. The US, however, opted for a peace which achieved none of its initial war aims, but concluded the conflict before political disunion occurred and before the cost of war could seriously afflict its medium to long term ability to remain solvent. If the US government had pursued the War of 1812 longer, the US may have experienced similar outcomes to Argentina. Likewise, if Argentina had accepted a peace, as the US had done, based on the *status quo ante bellum*, as had been negotiated with Brazil in 1827 but rejected by the Argentine legislature, Argentina could have avoided the disintegration of its federal government and decades of damage to public finances. In any event, these two wars were *the* pivotal moments in which the fortunes of the Argentine and US federal governments diverged.

Why, then, was the US federal government, as a political union and fiscal entity, able to survive the War of 1812, whereas the Argentine federal government disintegrated and defaulted during the Cisplatine War? This chapter argues that the post-revolutionary decisions of policymakers, as explored across this thesis, relating to how these new American fiscal-military states would raise taxes, finance war with public credit, produce war materials, extract resources from the domestic economy and conduct international relations, placed the US in a slightly stronger position than Argentina to function as a war-making polity. With that said, it is important not to think of the US war-making state as significantly more advanced than that of Argentina; the US was marginally better placed in terms of statecraft than Argentina. Unfortunately for Argentina, that marginal advantage in preparedness made all the difference during the Wars of 1812 and the Cisplatine War.

The US was able to sustain a prolonged war against a major maritime power. Fiscally, for the vast majority of the war, the US was able to both pay for war costs and repay creditors. Argentina, by contrast, from the start of the Cisplatine War lacked enough money to be able to both maintain a wartime military establishment and meet its obligations to bondholders. Domestic

creditors were repaid in paper bank notes that increasingly depreciated in value and eventually repayments to international creditors were suspended. The relative success of the US compared to Argentina can be explained by comparing how the two wars were financed. The US federal government was able to raise more of the total expenditure required from taxation than Argentina. Table 2 compares the financing of the two wars. For the US federal government, 42.75% of wartimes expenditure came from tax revenue raised, whereas for Argentina, only 30.35% of government spending came from taxation.

Table 2: Financing the War of 1812 and the Cisplatine War

	Expenditure	Tax Revenue	Deficit	Revenues as % of expenditure	Bond Sales	Bond Sales as % of expenditure	Notes Issued in circulation*	Notes Circulating as % of expenditure
United States 1812-1815	119.38	51.04	-68.34	42.75%	62.48	52.33%	17.1	14.32%
Argentina 1825-1828	31.3	9.5	-21.8	30.35%	7.84	25.04%	10.8	34.5%

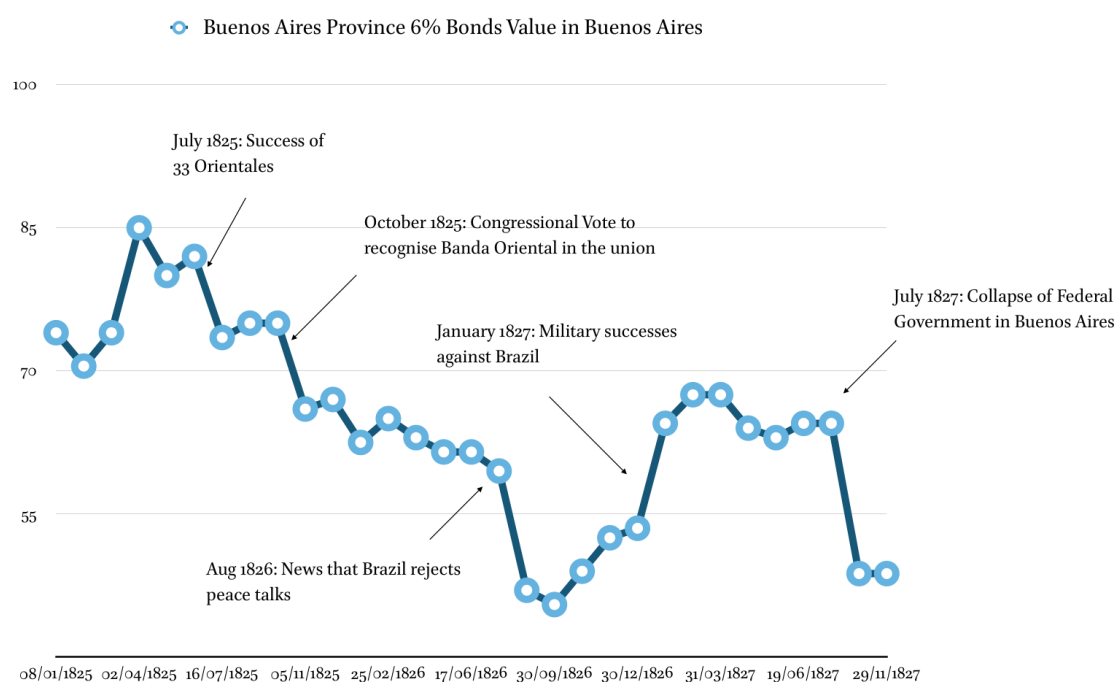
Source: figures in US dollars and Argentine pesos. For US financing of the War of 1812, see Wallis, 'Federal government revenue, by source: 1789-1939', Table Ea584-587 and 'Federal government expenditure, by major function: 1789-1970', Table Ea636-643, in *Historical Statistics of the United States* and Edling, *Hercules in a Cradle*, 127, 138. US financing adds up to more than one hundred percent, suggesting the US started 1816 with surplus funds. For Argentine financing of the Cisplatine War, see Donghi, *Guerra y finanzas*, 175-180 and Bordo and Vegh, 'What if Alexander Hamilton had been Argentinean?', 465.

Wartime deficits required money to be raised from sources other than taxation; namely the sale of public bonds and the printing of paper money. Argentina, as it had raised less from taxation, had a greater wartime deficit to fill than the US. The US was able to finance significantly more of its treasury deficit than Argentina using money raised from the sale of federal bonds. Across the War of 1812, bond sales raised 52.33% of wartime expenditures compared to just 25.04% in Argentina during the Cisplatine War. The US was able to do this as it enjoyed the confidence of creditors. The resale value of existing public bonds were in large part a reflection of the belief of potential bond owners that a government would be able to make timely repayments of the principal and interest owed to holders of public debt. As Figures 1 and 2 demonstrate, creditors had confidence in the US federal government for the

vast majority of the War of 1812 and were willing to buy more federal government bonds, whereas in Argentina the value of public debt significantly declined as a result of the war, signalling the lack of confidence in the Buenos Aires treasury to be able to make repayments.

Argentina raised very little money from the sale of public bonds during the Cisplatine War. Of the 7.84 million pesos raised from bond sales between 1825 and 1828, 3.8 million pesos had been received as a result of the 1824 Barings Bank loan contracted before the Cisplatine War looked remotely possible.⁶³⁶

Figure 1: Government Bond Prices in Buenos Aires 1825-1827



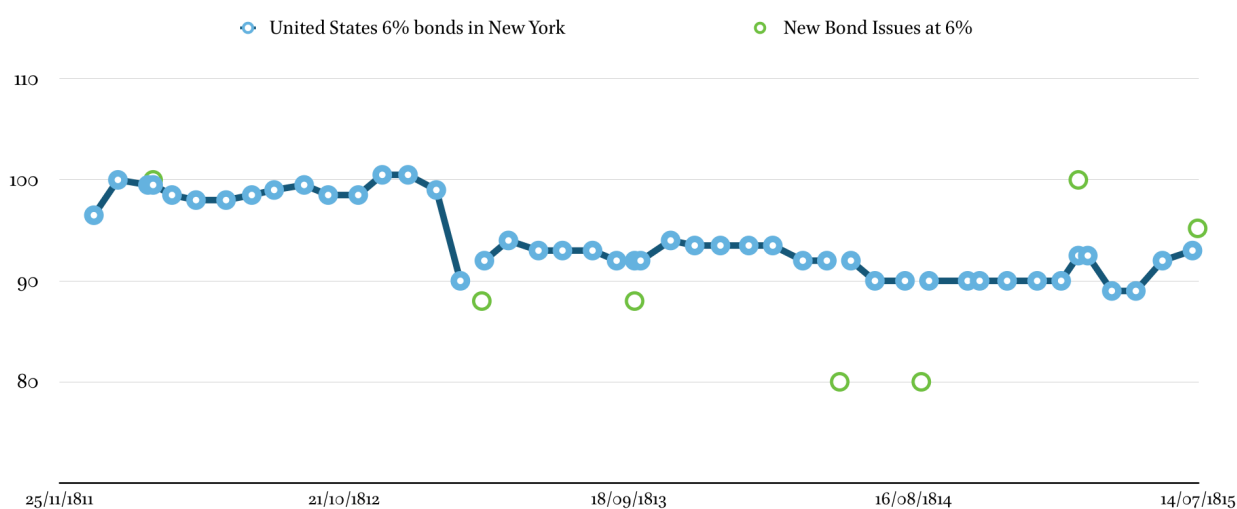
Source: Gaceta Mercantil, see Appendix C. Figures in Argentine pesos.

Figure 1 demonstrates how creditors reacted to the Cisplatine War. From a highpoint of 85 percent of par in early 1825, bond values declined across 1825 as Argentina moved towards war. The unexpected success of the Banda Oriental militia in July 1825 led to a correction in bond prices as war became more likely, and bond prices tumbled again once Congress, by voting to

⁶³⁶ Donghi, *Guerra y finanzas*, 177.

recognise the Banda Oriental in the Argentine union, made war with Brazil inevitable. During the first six months of the war, bond prices held steady averaging around 62% of par until August 1826 when news came that Brazil would not enter into peace talks, news that would signify that military campaigns would take place across the southern hemisphere's spring and summertime. Bondholders' confidence in Argentine finances plummeted further, reaching 45.5% of par by September 1826. Unsurprisingly, Argentine treasury ministers were reluctant to attempt financing the war with new sales of public bonds given bondholders' lack of appetite for existing public bonds. No new public bonds were offered during the existence of the federal government. Only in 1828, after the collapse of the federal government, did the Buenos Aires treasury finance part of the war deficit with bond sales. The sale of 6 million provincial bonds raised just 1.68 million pesos.⁶³⁷

Figure 2: US Bond Prices 1812-1815



Source: Figure 2 constructed using figures from Richard Sylla et al., "The Price Quotations in Early US Securities Markets, 1790-1860," accessed 21 May 2016, <http://eh.net/database/early-u-s-securities-prices/> Figures in U.S. dollars.

The US' public credit, in contrast, enjoyed the confidence of bondholders for much of the War of 1812. From a high of one hundred percent of par in the months leading up to the War of 1812, existing public debts dipped to 90

⁶³⁷ Donghi, *Guerra y finanzas*, 177.

percent of par during the worst year of the war, 1814. The government was able to raise over 52% of wartime expenditures (62.48 million pesos) from sales of public debt across 1812-1815, reflecting bondholders' confidence in the federal government's ability to honour its commitment to creditors. Only in 1814 did the decline in US public credit limit the federal government's ability to raise money from bond sales. In May of 1814, of 10 million of bonds offered for sale, the government was only able to raise \$7.9 million, and across summer 1814, \$6 million of federal bonds were sold for just \$3.44 million.

The inability of both the US and Argentina to cover all of their deficits from the sale of public debts resulted in the printing of paper bills (monetary expansion) to meet the remainder of the needs of wartime expenditure. The US only required the issuance of treasury notes equivalent to 14.32% of expenditures in order to fill the treasury deficit. Argentina, enjoying less revenue and ability to use public credit, financed 34.5% of wartime expenditures through monetary expansion. Significantly, the use of paper bills to such an extent was detrimental to wartime financing in Argentina. The total number of bank notes in circulation increased by 5.1 million pesos in 1826, 2.7 million pesos in 1827, and 2.7 million pesos in 1828. Unsurprisingly, this monetary expansion caused inflation. Table 3 compares the value of revenue in paper pesos in gold ounces, a useful approximation of the purchasing power of government expenditure. The effect of financing war with monetary inflation was to reduce the purchasing power of government revenues. Between 1826 to 1827, the value of government revenue in gold ounces declined by nearly 40%. Unsurprisingly, with less purchasing power, the Buenos Aires treasury could not continue to both finance the war and maintain its public credit, opting to default on repayments to international creditors by January 1828.

Table 3: Buenos Aires Treasury revenue in gold ounces

	Tax Revenue in paper pesos (millions)	Paper peso conversion to 1 ounce of gold	Tax Revenue in gold ounces
1826	8.0	30	266,666
1827	9.1	56.5	161,061
1828	9.3	50	186,000

source: calculated using figures from Burgin, *Economic Aspects*, 69. Figures in Argentine paper pesos.

The US federal government, in contrast, only made significant use of monetary expansion towards the end of the War of 1812. During the war, treasury notes were usually issued and then retired (received at the treasury in payment of taxes) so that at any one time the inflationary effects of the monetary expansion were limited. In the latter stages of the War of 1812 as financing the deficit via bond sales grew increasingly difficult, treasury notes were not retired but instead left in circulation. By 1815, \$17.1 million of treasury notes were in circulation. Although significant, printing money was not as significant a means of war financing in the US as it was in Argentina. Whereas in Argentina by the end of 1826, only one year into the war, one hundred paper pesos could purchase just 34 silver pesos, in the US by 1814, the last year of the war, one hundred paper dollars could still purchase 75 silver dollars.⁶³⁸ In other words, the purchasing power of the US' paper currency was not as significantly diminished by inflation as that of Argentina. In essence, Argentina's relative inability to finance the Cisplatine War compared to the US during the War of 1812 was a result of its failure to raise as much revenue from taxation, its weaker ability to make use of its public credit, and its reliance on monetary expansion as a form of war financing.

Why was the US federal government better able to raise taxes and finance the war using its public credit compared to the Argentine federal government? Principally for two reasons. First, customs house revenue in the US was not as impacted by the British blockade as Argentine revenue was by the Brazilian blockade. Second, in the critical years of 1814 and 1815 when the

⁶³⁸ Edling, *Hercules in a Cradle*, 127.

effect of the British blockades was most felt by the treasury, revenue from internal taxation played an important role in contributing to total tax receipts at the US treasury, whereas Argentina did not raise notable sums from internal taxation. The policy choices of the post-revolutionary period shaped these outcomes during both wars.

The US did not experience the full effects of the British blockade compared to the immediate effect the Brazilian blockade had on the Argentine customs house. US federal revenues were not immediately impacted by the British blockade. First, customs duties became payable one year after the importation of merchandise. This meant that during 1812, the \$8.96 million in customs duties accrued from taxation on foreign merchandise worth \$57.9 million imported in 1811, the previous year, became payable. At the worst, the blockade would not begin to affect US finances until 1813. In contrast, Argentine customs revenues were immediately payable. The Brazilian blockade was rigorously enforced from February 1826. Revenues from customs duties immediately dropped from around 2 million pesos per annum in 1825 to just over half a million pesos in 1826. The Argentine treasury felt the effects of the blockade within two months of the declaration of war. By contrast, the US Treasury in fact enjoyed almost 18 months of uninterrupted revenues after the declaration of war. During 1812, despite being at war for over six months of that year, total imports actually increased to \$78.8 million, meaning that during 1813, \$13.2 million in customs duties were paid to the federal government, an increase of over \$4 million compared to 1811.⁶³⁹

Policy choices of the post-revolutionary period explain why the British blockade was not effective during 1812. First, unlike Argentina, the US had patiently avoided war against Britain until an opportune moment. The French, while not allies, were useful co-belligerents in the War of 1812. With the majority of Britain's resources tied up in the European continent, Britain could not effectively blockade the US' vast Atlantic coastline. Between June and November 1812, because British naval resources were tied up in European conflicts, Britain neglected to enforce its blockade while it waited

⁶³⁹ Arthur, *How Britain Won the War of 1812*, 137, 227; Rao, *National Duties*, 2; Donghi, *Guerra y Finanzas*, 142.

for the US government to consider offers of a negotiated peace settlement. Only once this was rejected in November 1812 did naval officers attempt to enforce a blockade, but with a limited number of vessels. Not until spring 1813 could an adequate number of vessels be deployed to blockade the Atlantic coastline, and not until Spring 1814 could the British navy allocate enough resources to achieve a comprehensive blockade of all US ports. Second, the efforts of the naval forces that Britain could spare in the Americas were divided among multiple objectives. In addition to the blockade, British naval forces were required to escort British commercial vessels in convoys between ports. The existence of numerous US privateering vessels upon the seas tied up British naval vessels in convoys which otherwise would have been used to enforce a stricter blockade of the US coastline.⁶⁴⁰ The US policy of supporting the growth of the merchant marine ensured that there were numerous commercial vessels and sailors left unemployed by the blockade that instead took up privateering against British commercial vessels, weakening the resources available to blockade US ports.⁶⁴¹ Finally, the tariff rates that had been gradually increased since 1790 were doubled upon the outbreak of war. Though fewer imports were entering into customhouses because of the blockade, the federal government maximised revenue from duties on merchandise that did pass the British blockade.⁶⁴²

Brazil's blockade, in contrast, was immediate and rigorous, drastically reducing customs house revenues in Argentina. Multiple policymaking errors suggest themselves. First, in terms of tax policy, Argentina did not increase tariff rates as the US had done on the outbreak of war. If Argentina had doubled duties as the US had done, it is reasonable to assume that it could have as much as doubled the revenue from the customs house in 1826. If an additional 561,000 pesos had been raised in 1826, it would have had important implications for Argentine creditworthiness, as explained below. Second, the US had been careful to engage in war at a time when Britain's

⁶⁴⁰ Horsman, *The New Republic*, 233; Arthur, *How Britain How the War of 1812*, 40.

⁶⁴¹ Nicholas J. Ross, "The Provision of Naval Defense in the Early American Republic: A Comparison of the US Navy and Privateers, 1789–1815." *The Independent Review* 16, no. 3 (2012): 417.

⁶⁴² Thomas M. Meagher, *Financing Armed Conflict, Volume 1 : Resourcing US Military Interventions from the Revolution to the Civil War* (New York: Palgrave Macmillan, 2017), 147.

resources were divided. Argentine congressmen, in contrast, did the opposite when they voted to reincorporate the Banda Oriental, a step that could have been delayed, if Argentina had enjoyed political leadership that could influence congressmen to not yield to popular pressure, as Washington and Hamilton had done in the 1790s. Argentina met the Brazilian state at full war-making capacity. The Brazilian state had 69 war vessels, only 29 of which were required to cover the entrance to the River Plate estuary at the start of the blockade, leaving Brazil's other warships free to protect Brazilian merchants from the limited number of Argentine privateers.⁶⁴³ Brazil also enjoyed public credit in international bond markets. Between 1824 and 1825 it had been able to borrow £3 million pounds in London (three times more than Argentina) at lower interest rates. Brazil's 1825 bond issue had allowed the state to borrow at an effective interest rate of 5.88% compared to Argentina which borrowed in 1824 for 7.05%.⁶⁴⁴ It was in Argentina's power to adopt a policy of waiting and opportunism, as the US has done. If Argentina had waited for a moment where Brazil's war-making capacity had been distracted, as Britain's had been in 1813, Brazil would have not been able to do such damage to customs house revenues.⁶⁴⁵

Third, Argentina lacked a naval force and an immediate source of privateers. Argentina's navy was not able to mount any "serious challenge" to Brazil in the first six months of the war.⁶⁴⁶ Lack of vessels and mariners were the main causes. When the war was declared, Argentina's navy had "little more than a handful of small vessels" remaining from the war of

⁶⁴³ Brian Vale, *A War Betwixt Englishmen: Brazil Against Argentina on the River Plate* (London; New York: I. B. Tauris, 2000), Appendix A, 239-240 cites 69 Brazilian war vessels existing at the start of the war, with 29 employed as part of the blockading force in the River Plate.

⁶⁴⁴ Marc Flandreau and Juan Flores Zendejas. "Bonds and Brands: Foundations of Sovereign Debt Markets, 1820–1830." *The Journal of Economic History* 69, no. 03 (2009): 665-666.

⁶⁴⁵ In fact, Argentina had just missed two such opportunities, during the Brazilian War for Independence (1822-24) and the insurrection of rebel provinces as the Confederation of the Equator (1824-25). If Argentina had been able to declare war then, Brazil's naval power would have been diluted and its treasury unable to access further credit to finance war against Argentina on as good terms as it had already borrowed. One can think of the political instability in 1834, just 8 years later, as another opportune time for Argentina.

⁶⁴⁶ Vale, *A War Betwixt Englishmen*, 95.

independence.⁶⁴⁷ In addition to the two brigs and handful of gunboats in existence, ministers in Buenos Aires hastily purchased four commercial vessels to outfit as warships. An additional three war vessels were purchased in Chile in summer 1826, but only one reached Patagonia to enter into active service. Likewise, the availability of mariners to crew naval vessels posed problems. In December 1825, the Minister of War was struggling to fill the places on Argentina's hastily purchased makeshift warships. The government would not be able to "fill the places needed" in the navy unless Congress passed legislation granting the government powers to force all citizens who served on national vessels and in the cabotage trade into naval service. Argentina's lack of sailors was for the most part solved by the employment of foreign, mainly British, mariners, though shortages continued to prove problematic throughout the war. Rivadavia, acting as first President of the Republic, issued requests to agents in Britain to "bring a good and numerous crew and Officials, until their numbers are sufficient to crew various of our Boats of War that due to a lack of crew and officials are seen in a state of inaction."⁶⁴⁸ Without an effective navy to confront the blockading forces, privateers could also have lessened the effectiveness of the blockade. If sufficient numbers of privateering vessels had wreaked havoc by seizing Brazilian merchant vessels, Brazil's navy would have been forced to reallocate warships from the blockade in the River Plate estuary to its own coastline, which would have allowed more commercial vessels to run the blockade and reach Buenos Aires with imports. But during the first six months of 1826, only six Argentine privateering vessels were active. Of the fourteen active Argentine privateers in 1826, eight were eventually captured or destroyed.⁶⁴⁹

Compared to the US, two policymaking choices resulted in Argentina's comparative inability to offer some naval and privateering resistance to Brazil's blockade. First, the US had been careful to delay entering into war for as long as possible, which allowed for revenues to grow to such an extent as to permit the maintenance of a small naval establishment. Argentina was

⁶⁴⁷ Vale, *A War Betwixt Englishmen*, 23.

⁶⁴⁸ Ricardo Piccirilli, *Rivadavia y Su Tiempo* (Buenos Aires: Editores Peuser Ida, 1943), 468.

⁶⁴⁹ Vale, *A War Betwixt Englishmen*, 92.

much like the US in 1795 if it had decided to enter war against Britain, at a point when revenues hardly covered existing expenditures, and did not allow for the upkeep of any naval power. But by delaying war until 1812, the growth of revenues allowed the US to maintain a small navy. Second, Argentina did not support the growth of its nationally-owned vessels or 'citizen-seamen' as the US had done. Argentine policymakers had assumed that the country's small number of national merchant vessels could be converted into warships crewed by sailors employed in these commercial vessels. "If there was tomorrow an outbreak [of war] that due to the state of our navy, obliges our boats of traffic to arm themselves", predicted influential congressmen Julián Segundo de Agüero, "there would be surplus mariners."⁶⁵⁰ In reality, shortages of mariners and national vessels willing to engage in privateering reduced Argentina's ability to resist the blockade. If, by protective legislation favouring national vessels, Argentina had been able to gain a sizeable share of the regional and international trade conducted to and from Buenos Aires, more vessels and sailors would have been available to harass Brazil's merchant marine. It is reasonable to assume that Argentina could have put itself in a much better position to weaken Brazil's blockade, and thus maintain revenues, had it nurtured its naval power by delaying war until its own revenues were sufficient to maintain a navy, while supporting the growth of a privateering citizenry of national vessels and Argentine sailors by protective legislation favouring Argentine shipping.

Public credit, in essence the creditworthiness of a government earned by the perception that a government was willing and capable of repaying bondholders, was supported in the US by the blockades' limited impact on revenues during 1812 and 1813. Put simply, greater revenues instilled greater confidence in creditors that the US federal government could repay current and future bondholders, meaning that sales of US bonds found a market. Revenues raised from internal taxes, however, were key to supporting public credit during 1814 and 1815, the years when customs house revenues fell from 13.2 million (1813) to 5.99 million (1814) while recovering slightly to 7.28 million (1815), still lower than the amount raised in 1813.⁶⁵¹ Likewise,

⁶⁵⁰ ACA 2: 217.

⁶⁵¹ Rao, *National Duties*, 2.

Argentina's inability to make use of public credit in 1826, the worst year of the Brazilian blockade, can be explained due to the lack of internal taxes raised. Public debt theorists in Argentina such as Wilde argued that during wartime, governments could finance conflict entirely by bond sales so long as the taxation raised covered the cost of making payments to bondholders. If internal taxes could comfortably cover the ordinary expenditure of government, of which debt repayment was a principal item, the creditworthiness of that government would be enhanced.⁶⁵² Considering Argentina during 1826, the worst year of the blockade, and the US during 1814 and 1815, the two years when the blockade decimated government revenues, a clearer picture of the importance of internal taxes emerge. In 1826, revenue from sources other than the customs house provided Argentina with revenue of 639,000 pesos, equal to around 22% of the total cost of government during peacetime in 1825 (2.9 million pesos). In the US, revenue from internal taxes, the direct tax and land sales in 1814 (\$5.138 million) and 1815 (\$8.446 million) provided considerably more revenue, equal to 63.7% and 104.81% of the total cost of government during peacetime in 1811 (\$8.058 million).⁶⁵³

Would the US federal government without increased internal taxation have been as creditworthy in 1814 and 1815? Equally, was Argentina uncreditworthy in 1826 because it did not raise considerable amounts of internal taxation? In the case of the US, we can consider how important the \$5.138 million of revenue from sources other than the customs house would have been to the federal government's ability to finance war via bond sales. In 1814, the federal government sold \$15,303,611 worth of 6% bonds which

⁶⁵² Wilde, *Memoria*, 14-15.

⁶⁵³ For peacetime cost of government in 1811 in the US and 1825 in Buenos Aires, see Wallis, 'Federal government finances – revenue, expenditure, and debt: 1789–1939, Table Ea584-587', *Historical Statistics of the United States* and Bordo and Vegh, 'What if Alexander Hamilton had been Argentinean?', 465. Argentina's total taxation for 1826 was 1.2 million, meaning that 639,000 pesos came from sources other than the customs house, see Donghi, *Guerra y Finanzas*, 142. See Wallis, 'Federal government revenue, by source: 1789-1939', *Historical Statistics of the United States*.

when sold at a discount raised \$11,381,547.⁶⁵⁴ Selling this quantity of bonds created over \$900,000 of new annual interest payment obligations for the federal government. In 1814, the cost of servicing the total national debt rose to \$4.493 million, the payment of which could comfortably be met out of the \$11.182 million of revenue collected during 1814. But what would have happened if revenue from alternative sources to the customs house, instead of producing \$5.138 million as did happen in 1814, had produced just \$1.115 million as had occurred in 1813?

Without increased revenue from alternative sources to the customs house, it is possible that the US would have been unable to sell its bonds at all in 1814. First, with \$4 million less revenue from internal taxes, the US government would have needed to raise around \$15 million from bond sales, rather than \$11 million, to meet government wartime expenditures. Assuming that the government could have sold the extra bonds at the same rate of discount, the US would have had to sell \$20.683 million worth of bonds. This would have created \$1,240,000 worth of new interest payments. Now the federal government would have just \$7.114 million worth of revenue to fund \$4.816 million in debt interest payments alone. It seems extremely unlikely in this scenario, in which the US revenue from internal taxation did not increase, that the US government's creditors would have been so forthcoming to risk lending their capital to a government for which so much of its wartime revenue was being absorbed by debt interest payments alone. It is very possible that, under this counterfactual scenario, the US government might not have been able to borrow at all unless at an

⁶⁵⁴ Edling, *Hercules in a Cradle*, 138-139. The bonds were sold at an 80% discount (so a \$100 dollar bond could be bought for \$80 dollars. However, as Edling points out, bonds could be bought with treasury notes which themselves had a value below par. In reality, \$100 dollar bonds raised \$74.37 in real money (so the bonds sold more than 25% below par).

extreme discount. If that had happened, the US's ability to finance war against Britain would have ended in the first half of 1814.⁶⁵⁵

Likewise, it can be demonstrated that if Argentina had tried to finance its 1826 war deficit by offering bonds for sale in capital markets, because of the lack of internal revenues to replace lost customs house revenues, the amount of debt contracted to fill the deficit would have forced Argentina very close to defaulting on its obligations to creditors during 1826. Argentina's deficit for 1826 was 6.8 million pesos. What would have happened if in the first quarter of 1826 the Treasury in Buenos Aires had sold enough bonds to raise 6.8 million? In February 1826, Buenos Aires' existing bonds sold at a 65% discount. To raise 6.8 million in real money by selling bonds at a 65% discount, Argentina would have needed to sell 10,461,538 pesos worth of bonds, creating an obligation to pay interest to creditors of 627,692 pesos per year. Already in early 1826, the cost of servicing Argentina's existing debts was around 767,000 pesos per year. If Argentina had attempted to finance its 1826 wartime deficit via bond sales, total interest payments to creditors of 1.394 million pesos would have been required to be made from the 1.4 million pesos of revenue collected in 1826. In other words, Argentina's revenue position meant that any war financing via bond sales would have put it at the point of insolvency in 1826. It is not surprising, then, that the Argentine government did not attempt to finance the war using bond sales, given that creditors buying Argentine bonds would have exposed themselves to holding an asset for which the Buenos Aires treasury had a very strong chance of defaulting on the interest payments inside the first 12 months, making

⁶⁵⁵ Brian Arthur, *How Britain Won the War of 1812 : The Royal Navy's Blockades of the United States, 1812-1815* (Woodbridge: Boydell, 2011), 75 is somewhat dismissive of the internal taxes, pointing out that they did not raise as much revenue as was projected and that they were inefficient to collect (8.5% of tax receipts were spent on collecting the taxes). While both true, this does not detract from the importance of the internal taxes as demonstrated here. The calculation is based on the following assumptions. With 4 million dollars less revenue, the US government would have need to raise 15.83 million dollars via bond sales. To do so, they would have had to sell 20.683 million dollars in bonds. 6% annual interest on 20.638 million dollars of bonds would have generated 1.24 million dollars annually of new obligations to pay creditors, of which 322,000 dollars would be 'extra' interest payments compared to the real figure the US paid out in 1814 (4.953 million dollars). The US would have only had 7.114 million dollars of revenue if internal taxes had been 1.115 million dollars as they had been in previous years (1.15 million dollars plus the 5.999 million dollars in custom tax revenue collected in 1814).

creditors extremely unlikely to purchase such bonds.⁶⁵⁶ In essence, the greater ability of the US to extract more tax from its domestic economy than Argentina was critical to its war-making capability. It enabled the US to use public credit to finance the war. Argentine revenues were insufficient to allow for bond sales to finance the war, explaining Argentina's reliance on less effective issuances of paper money.⁶⁵⁷

The greater ability of the US to extract revenue from its domestic economy than Argentina was critical to its ability to sustain its public credit during the War of 1812. Was the US ability and Argentine inability to tax the internal marketplace related to the policy choices in the US to encourage a 'home market' to diversify economic activity away from the global marketplace and the Argentine decision to further internationalise its economy? Across 1814-1815, revenue raised from sources other than the customs house contributed to just over 50% of total government revenues in the US.⁶⁵⁸ Taxation on carriages, household furniture, distilled spirits, various domestic manufactured goods, merchandise sold at auction, the ownership of property and slaves, as well as revenue raised from the sale of public lands were crucial in supporting the government's ability to finance war using public credit.⁶⁵⁹ Historians have infrequently linked this ability to extract revenues from domestic economic activity to the pre-war attempts to diversify economic activity by encouraging manufacturing. In fact, the existence of a significant 'home market' before 1815 is disputed. "Internal commerce", according to Schmidt, "was of negligible importance to the close

⁶⁵⁶ For the price of bonds in February 1826, see Appendix C. The cost of servicing existing debts in 1825 can be calculated by assuming that there were 9.8 million 6% bonds creating interest and amortisation obligations at 6.5% interest of 637,000 pesos per annum, and 2 million 4% bonds creating interest and amortisation obligations at 4.5% interest of 130,000 pesos per annum, creating total interest and amortisation obligations of 767,000 pesos.

⁶⁵⁷ As a counterfactual, if in 1825 Argentina had been able to raise 63.7% of peacetime expenditure from internal taxation as the US had done in 1814, it would have netted the Buenos Aires Treasury 1.847 million pesos. In addition, if Buenos Aires' custom taxes duties had been doubled, as occurred in the US, potentially doubling custom tax receipts to 1.22 million, total revenues for 1826 could have been 2.969 million pesos. Argentine creditworthiness in such a scenario would likely have allowed it to finance the war via bond sales.

⁶⁵⁸ Wallis, 'Federal government revenue, by source: 1789-1939 Series Ea588-593', *Historical Statistics of the United States*.

⁶⁵⁹ Edling, *Hercules in a Cradle*, 134-135; Arthur, *How Britain Won the War of 1812*, 152.

of the War of 1812,"⁶⁶⁰ and the "transportation system", suggests Angevine, "before the War of 1812 remained primitive."⁶⁶¹

Actually, with some help from increasingly protective tariff rates, a domestic economy had developed in the US. Nettels, in his study of the development of the national marketplace, argues that due to "thirty years of progress" a "crudely self-sufficient economy" had emerged ending US dependence on foreign trade, leaving the republic much better equipped to sustain a large war effort by 1812 than in 1776.⁶⁶² The US dependence on foreign imports and the relative importance of international trade to the US economy had fallen as a result of increased tariffs and trade embargoes. Imports as a percentage of total national income fell from 12.5% in 1795 to 6.2% by 1810.⁶⁶³ Contemporary political economist Tench Coxe estimated that the total value of US-manufactured goods in 1810 was \$127 million.⁶⁶⁴ If correct, US-manufactured goods in 1810 were easily more valuable than the total number of imported goods in that year, which were valued at \$89.4 million.⁶⁶⁵

By 1810, in the estimation of treasury officials, the US was able to supply all demand for wooden articles, leather, soap, candles, flaxseed oil, refined sugar, and a considerable part of the demand for manufactures of iron, lead, cotton, wool, hats, paper, hemp, as well as liquors, gunpowder, window glass, jewellery, and clocks.⁶⁶⁶ Cotton textile production is an example of an infant industry that grew under the lightly protective tariff on imported British cloth and flourished under the embargo and restrictive system from

⁶⁶⁰ Louis Bernard Schmidt, "Internal Commerce and the Development of National Economy before 1860." *Journal of Political Economy* 47, no. 6 (1939): 798.

⁶⁶¹ Robert G. Angevine, *The Railroad and the State : War, Politics, and Technology in Nineteenth-Century America* (Stanford: Stanford University Press, 2004), 9.

⁶⁶² Curtis P. Nettels, *The Emergence of a National Economy 1775-1815* (New York: Holt, Rinehart and Winston, 1962), 335.

⁶⁶³ Edling, *Hercules in a Cradle*, 243

⁶⁶⁴ Timothy Pitkin, *A Statistical View of the Commerce of the United States of America* (New Haven: Durrie and Peck, 1835), 471.

⁶⁶⁵ Irwin, "New Estimates of the Average Tariff of the United States , 1790-1820", 508.

⁶⁶⁶ Horsman, *The New Republic*, 99.

1807 onwards. From the first cotton mill in the 1790s, the total number of spindles in the US was 4,500 by 1805 rising to 87,000 by 1810. An internal marketplace functioned via the coastal trade, which brought cotton from the south to textile factories and household manufacturers in the northern and middle-states. Western settlers sent goods down the Ohio and Mississippi rivers to New Orleans while manufactured goods were carried to them from the eastern states by wagon across the Allegheny barrier.⁶⁶⁷ While a large-scale internal marketplace did not exist, sizeable interstate trade of US agricultural and manufactured goods did occur.⁶⁶⁸

To what extent was the US government's ability to levy taxes on internal economic activity due to the policy of diversifying the domestic economy? The blockade did severely disrupt the normal flow of interstate trade on the Atlantic coastal waters. The number of registered coastal vessels which obtained the annual licences required to legally participate in the coasting trade reveals the scale of the disruption. Of the 471,109 tons (1813) and 466,159 tons (1814) of registered shipping employed in the coasting trade, just 53.6% in 1813 (252,440 tons) and 40.7% in 1814 (189,662 tons) took out annual licences. While this is suggestive of a significant decline in coastal trade, we cannot accurately estimate by how much internal commerce was reduced.⁶⁶⁹ The large divergence in commodity prices in Atlantic ports also signals significant disruption to the internal economy. In peacetime conditions, the freight rates to carry produce by sea were so nominal that price differentials between ports such as Boston, Baltimore or Charleston were negligible.⁶⁷⁰ But

⁶⁶⁷ Horsman, *The New Republic*, 96-97.

⁶⁶⁸ While our knowledge of the total value of international imports and exports before and during the War of 1812 allows us to accurately understand the significant disruption to international trade, we know far less about the size and operation of the 'home market' before 1812 and whether it was interrupted or flourished during the War of 1812. This is in part because of a lack of government statistics and also due to scholarly neglect. Trade between the states was free of taxation. Therefore vessels employed in the coastal trade between two ports inside the US did not need to clear through a custom house, meaning that we do not have detailed estimates of the peacetime and wartime value of interstate trade. See Hickey, *The War of 1812: A Forgotten Conflict*, 2012, : 170

⁶⁶⁹ Alfred Thayer Mahan, *Sea Power and the War of 1812, Volume 2*, (Fireship Press, 2010), 155. For example, of the vessels that did purchase a licence, perhaps many of them never completed journeys. Or perhaps fewer vessels took out a licence, but those that did so completed more journeys than they otherwise would in peacetime.

⁶⁷⁰ *Niles' Register*, November 17, 1827: 178

the blockade caused noticeable price divergences between the port closest to the centre of production of a commodity and those ports located further away. In August 1813, wheat cost six dollars a barrel in Baltimore but increased in price the further north or south the wheat travelled (northbound prices were Philadelphia, 7.5 dollars, New York, 8.5 dollars and Boston, 11.87 dollars and southbound prices were Charleston, 8 dollars, Wilmington, 10.25 dollars, and New Orleans, 25 dollars).⁶⁷¹ The prices probably reflect increased costs due to transport and a decrease in supply. Almost certainly, the blockade reduced consumption of domestically produced goods.

Yet it is impossible to estimate how much of the pre-war 'internal commerce' continued during the blockade. The evidence that exists does not allow us to make comparisons about the decline of interstate trade during wartime. Yet historians have confidently concluded that the extent to which water transport could be replaced by land transport was "by all accounts very limited,"⁶⁷² that "the wagon trade...was insignificant in volume compared to coastwise commerce carried on in times of peace,"⁶⁷³ that "domestic commerce came at once to be reduced to a deplorable state of stagnation,"⁶⁷⁴ and that "gluts and shortages" were experienced "everywhere during the war."⁶⁷⁵ To draw these conclusions, however, we would require data which we do not currently have. We do not know the total value or volume of either peacetime or wartime interstate commerce in the US to be able to assess how effectively the 'internal commerce' of the US continued during the war.

It is likely that contemporary descriptions of the blockade paralysing the US economy are exaggerated. The domestic textile industry, for example, thrived. The number of spindles in operation grew from 87,000 in 1810 to

⁶⁷¹ Mahan, *Sea Power*, 139.

⁶⁷² Arthur, *How Britain Won the War of 1812*, 143.

⁶⁷³ Emory Richard Johnson, Thurman William Van Metre, Grover Gerhardt Huebner, and David Scott Hanche. *History of Domestic and Foreign Commerce of the United States* (Washington D.C: Carnegie institution of Washington, 1915), 335.

⁶⁷⁴ Lance E. Davis and Stanley L. Engerman. *Naval Blockades in Peace and War : An Economic History since 1750* (Cambridge: Cambridge University Press, 2006), 101.

⁶⁷⁵ Donald R. Hickey, *The War of 1812 : A Short History* (Urbana: University of Illinois Press, 2012), 154.

over 130,000 in 1815.⁶⁷⁶ Table 4 below demonstrates that the growth in the value of cotton cloth produced in New England between 1811 (\$13.98 million) and 1814 (\$44.45 million) of \$30.47 million nearly entirely replaced the value of British imports in 1810 (\$32.34 million). In other words, New England textile producers were able to replace the peacetime importations of British cotton cloth. Despite the blockade, southern cotton still managed to arrive in New England and other sites of manufacturing.

Table 4: New England cotton cloth production , 1810-1815

	New England production	British imports
1810	13.984	32.340
1811	15.251	n.a
1812	20.087	n.a
1813	31.514	n.a
1814	44.453	n.a
1815	47.160	21.185

source: Douglas A. Irwin and Peter Temin, "The Antebellum Tariff on Cotton Textiles Revisited." *The Journal of Economic History* 61, no. 3 (2001): 794. Figures in US dollars (millions).

While the port of Boston remained open, cotton could be smuggled to Florida and then carried in a vessel with a neutral flag to Boston.⁶⁷⁷ Contemporary newspapers provide accounts of US vessels still attempting the voyage between the south and north carrying cotton, of US privateers reaching port with prize vessels carrying large loads of raw cotton, and of steam vessels carrying cotton upriver from New Orleans via the Mississippi and Ohio to Pittsburgh, from where local merchants would advertise the cotton for sale in Baltimore.⁶⁷⁸ Finally, land transport via wagon, despite the claims that the US road network was not a viable alternative to sustain the internal marketplace,

⁶⁷⁶ Nettels, *Emergence of a National Economy*, 275.

⁶⁷⁷ Mahan. *Sea Power and the War of 1812*, 150.

⁶⁷⁸ H. Niles, *The Weekly Register: From March to September, 1814. Volume VI.* (Baltimore: Franklin Press, 1814), No 1. of Volume VI, 5 March, 1814, 13; No. 9 of Volume 6, 30 April, 1814, 150 and No. 13 of Volume VI, 28 May, 1814, 207.

does seem to have been an effective option during the War of 1812 for the transport of cotton.⁶⁷⁹ The wagon trade supplemented those coastal vessels and privateers that did manage to break the blockade. Before the war, just two wagons had regularly travelled between Providence and Boston, increasing to 200 wagons during the war. An estimated 4000 carts and wagons drawn by 16,000 oxen and horses were in use.⁶⁸⁰ Even if the blockade, by confining the interstate trade in domestic manufactured and bulk farm goods mostly to overland transport, did significantly reduce internal commerce, there is good evidence to suggest that a considerable part of it continued and perhaps thrived. If the US had not put in place a favourable tariff regime and protective embargoes which allowed manufacturing to develop, the blockade would have caused a much deeper recession in the US. If the blockade had really caused widespread economic paralysis, internal tax revenues on income and excises most likely would not have been sufficient to support the government's credit. A more diversified economy had allowed the US to collect revenues during war and thus granted it the means to finance that war via bond sales.

Why was Argentina able to extract significantly less revenue from domestic economic activity compared to the US? Argentina's interprovincial trade network was, after all, well placed to avoid significant disruption due to the blockade compared to the US. In North America, a sizeable part of interstate trade took place along the Atlantic coastline, whereas interprovincial trade in Argentina was conducted by interior roads and rivers. Indeed, Argentines started the war celebrating the ability of the

⁶⁷⁹ Using prices for cotton in Charleston and Baltimore in 1814 and estimated freight prices, we can conclude that it would have been profitable to send cotton via wagon. In 1814, one ton of cotton in Baltimore was valued at \$600 (30 cents a pound) yet only \$162 a ton (9 cents a pound) in Charleston. At a freight rate of 30 cents a ton mile, the cost of moving a ton of cotton from Charleston to Baltimore (assuming 600 miles) would be \$180. In other words, a merchant could have bought and freighted a ton of cotton to Baltimore for \$342 and sold it for \$600. Considering that a pound of cotton could be manufactured into \$1 worth of cotton cloth, even at 30 cents a pound of raw cotton it made sense for raw cotton to be sent via wagon to sites of manufacture across the middle and northern states. For a price of 30 cents a pound in Baltimore and 9 cents in Charleston, see H. Niles, *Niles' Weekly Register*, No. 12, Vol IX, 17 November, 1827, 178. In 1816, Congress estimated a freight rate of 30 cents per ton mile, see George Rogers Taylor. *The Transportation Revolution* (New York; Toronto: Rinehart & Co, 1951), 133.

⁶⁸⁰ Paul A. Gilje, *Free Trade and Sailors' Rights in the War of 1812*. (New York: Cambridge University Press, 2012), 241.

domestic economy to withstand the effects of blockade: “will we lose this fight when...we do not need to go by water for traffic or communication with [our] most distant towns?”⁶⁸¹ However, excepting the littoral river system which was mostly used to carry imported merchandise from Buenos Aires and exportable goods to that entrepôt, most of the provincial trade network was conducted by wagon on roads across huge distances, preventing heavy bulk goods from becoming the subject of interprovincial trade. The post-independence period had done little to strengthen interprovincial trade. No accounts of major advancements in public or private road construction exist, nor did any of the plans to construct canals come to fruition. To make matters worse, domestic producers had received inconsistent protection from the Buenos Aires treasury and the provinces subjected each other’s merchandise to customs taxation as if they were foreign imports.

Despite this bleak outlook for interprovincial trade, contemporary observers offer conflicting accounts of the resilience of domestic trade. The Cisplatine War led to either deep economic paralysis or a rejuvenated internal marketplace. The *Mensagero Argentino* described the ‘paralysation’ of the commerce of the interior provinces and insisted that capital had not been reallocated to “new channels of industry” to any extent that would have “obviated many embarrassments” caused by Argentina’s inability to substitute imports with domestic equivalents.⁶⁸² Contemporaries described bread shortages in Buenos Aires (as supplies of North American flour had been interrupted and local farms lacked labourers who had been conscripted into the army)⁶⁸³ as well as shortages of clothing that caused inhabitants to literally to go “without shirts” in public.⁶⁸⁴ Yet elsewhere, contradictory accounts describe a resilient internal marketplace that was able to replace imported goods with domestically-produced substitutes. “Large sales of native Products” were made at a “very high price” in Buenos Aires,⁶⁸⁵ while

⁶⁸¹ *El Nacional*, Vol. 2, No. 45, 2 February, 1826, 9789.

⁶⁸² *El Mensagero Argentino*, No. 52, 22 June, 1826.

⁶⁸³ Donghi, *Guerra y finanzas*, 144-145.

⁶⁸⁴ *Gazeta de Lisboa*, No. 250, 22 October, 1827, 1310.

⁶⁸⁵ ‘Woodbine Parish to George Canning, 30 May 1826’ in FO119/2 Argentina, Kew.

farmers returned to plant wheat and corn to replace foreign imports.⁶⁸⁶ By the end of 1827, British merchants observed that “there has been no actual want of foreign necessities” as “substitutes have been found for the former in the productions of the country, which have greatly diminished the inconvenience that the suspension of foreign imports would otherwise have occasioned.”⁶⁸⁷

Can the available data allow us to form a partial picture of the extent to which the internal marketplace might have expanded during the blockade? For Argentina, as for the US, we lack data to allow us to accurately measure the changes caused to internal trade by the Brazilian blockade.⁶⁸⁸ However, we can consider the likelihood that the internal marketplace was able to produce domestic substitutes to replace imported foreign goods and to absorb the surplus of produce that was normally exported in peacetime. Could surpluses of leather hides, one of the leading exports, find a domestic market in the same way that US raw cotton did during the War of 1812? Although the number of cattle hides brought to Buenos Aires reduced from 126,000 in 1825 to an estimate of 87,000 in 1827 during the blockade,⁶⁸⁹ counterintuitively, the number of tanned hides exported from ports in Corrientes in 1827 (4626 hides) and 1828 (5594 hides) during the blockade was actually higher than the number exported during peace in 1829 (4294 hides).⁶⁹⁰ Similarly, the value of total exports from ports in Corrientes Province actually increased during the blockade, from 172,329 pesos in 1825 to 258,322 pesos in 1826.⁶⁹¹

That hides were still brought to Buenos Aires and that output increased in Corrientes during the blockade could suggest that manufacturers in the

⁶⁸⁶ J. A. B. Beaumont, *Travels in Buenos Ayres, and the Adjacent Provinces of the Río de La Plata* (London: James Ridgway, 1828), 30.

⁶⁸⁷ Manuel Llorca-Jaña, *The British Textile Trade in South America in the Nineteenth Century*. (New York: Cambridge University Press, 2012), 248.

⁶⁸⁸ Donghi, *Guerra y finanzas*, 144; Gerardo della Paolera and Alan M. Taylor, *A New Economic History of Argentina*, Volume 1, (Cambridge: Cambridge University Press, 2003), 23.

⁶⁸⁹ Burgin, *Economic Aspects*, 157 has a figure for a nine month period only. For the purpose of this comparison I have used this figure to make a twelve month estimate.

⁶⁹⁰ Thomas Whigham, *The Politics of River Trade : Tradition and Development in the Upper Plata, 1780-1870* (Albuquerque: University of New Mexico Press, 1991), 167.

⁶⁹¹ Whigham, *The Politics of River Trade*, 49.

provinces and Buenos Aires purchased the hides to produce leather shoes and hats. The *British Packet* did advertise the opening of a new establishment for the manufacture of boots and shoes by British residents in October 1826.⁶⁹² But it seems likely that any expansion of leather manufactured goods would have been insignificant. Unlike cotton textiles in the US, it seems likely that most hats and shoes consumed by Argentines would have already been produced in the country. Unsurprisingly, given the protection granted to domestic manufacturers of shoes and hats by extremely high tariffs, in 1822 just 13,956 hats were imported in Buenos Aires (compared to a total national population of 523,000), and the number of imported pairs of shoes appears to have been negligible.⁶⁹³ It seems more likely that hides, as Brown argues, continued to be exported as they were smuggled to Montevideo, rather than because domestic manufacturers were able to significantly expand their output.⁶⁹⁴

Could cotton cloth, the main imported good consumed in Buenos Aires have been replaced by domestic substitutes? No detailed study of Argentine cotton production allows us to estimate the potential ability of, say, Catamarca, a major producer of cotton during the colonial period, to supply domestic weavers with sufficient cotton to replace imported British manufactured cloth. Remarkably, despite the high costs of wagon freightage, Catamarca cotton could be purchased in Buenos Aires in 1824 at similar or lower prices to cotton in the ports of South Carolina, despite the higher land

⁶⁹² *The British Packet*, No.11, 21 October, 1826, 4.

⁶⁹³ Barba (ed.) *Informes Sobre El Comercio Exterior*, 54, 56. In the report compiled by British merchants breaking down imports by type of product, shoes or boots were not significant enough to merit its own entry. Presumably the value of any shoes imported was entered under the column 'other articles of less importance'.

⁶⁹⁴ Brown, *A Socioeconomic History of Argentina*, 91.

freightage cost added to Catamarcan cotton.⁶⁹⁵ This suggests that domestic cotton cloth was uncompetitive compared to British cotton cloth not because of expensive domestic raw cotton, but due to higher labour costs associated with weaving raw cotton. In other words, the cost of domestic cotton did not make a domestic cotton cloth industry unviable. Catamarcan exports of cotton to Córdoba, a major colonial centre of cloth production, had drastically declined after 1809, when imports of when British imported textiles were officially authorised.⁶⁹⁶ Before trade liberalisation, Córdoba had imported 20,850 pesos annually between 1805-1809 of cotton from the provinces, of which Catamarca was a principle supplier. By 1820-1824, that annual average had dropped to 9,529 pesos per year. Despite the blockade decreasing Córdoba's importation of foreign textiles by as much as a third, the domestic cotton industry does not seem to have recovered in response. In fact, between 1825-1828 annual imports of cotton from the provinces declined further, to 5,827 pesos per year.⁶⁹⁷ Why domestic production of cotton textiles in Córdoba did not increase in response to the blockade is unclear. However, one suspects that domestic producers of cotton in Catamarca and textile

⁶⁹⁵ In 1824, At 2 pesos, 4 reales an arroba, Catamarcan cotton in Buenos Aires cost equivalent to 9.86 cents per pound, while South Carolina cotton was for sales at 13.1 cents per pound in that year. To calculate the price per pound in US dollars, we first need to convert an arroba of cotton into pounds. One arroba was equal to 25.35 pounds as used in the US. Then we need to convert 2 pesos, 4 reales into metric, which would be 2.5 pesos. Dividing 2.5 pesos by 25.53 pounds give us a price of 9.86 cents per pound, assuming that the silver peso, still had a conversion of 1 to 1 between the pesos and the dollar. The *Gaceta Mercantil*, 4 December, 1824 quotes Catamarcan cotton at a price of 2 pesos, 4 reales per arroba. Kroeber. *The Growth of the Shipping Industry in the Río de La Plata Region, 1794-1860*, 146 and Whigham, *Politics of River Trade*, 243 confirm the conversion between arrobas and pounds. The price for short staple cotton in South Carolina in 1824 is found in Freehling, *Prelude to Civil War: The Nullification Controversy in South Carolina, 1816-1836*. (Oxford, Oxford University Press, 1992), 361. Confirmation that Catamarcan cotton prices were internationally competitive can be seen from the fact that 2,000 arrobas (50,700 pounds) of cotton were exported from Buenos Aires in 1825, see Woodbine Parish, *Buenos Ayres and the Provinces of the Río de la Plata* (London: John Murray, 1852), 353.

⁶⁹⁶ Brown, *A Socioeconomic History of Argentina*, 21; Carlos Sempat Assadourian, *El Sistema de La Economía Colonial: El Mercado Interior, Regiones y Espacio Económico* (México City: Editorial Nueva Imagen, 1983), 350-355.

⁶⁹⁷ Unfortunately, we do not have a breakdown of the amount of textiles imported per year during 1825-1828. Assadourian and Palomenque provided a yearly total which shows the total of all foreign goods decline by a third in 1826. Foreign textiles accounted for 76% of the total of all foreign goods imported into Córdoba between 1825-1828. See Assadourian and Palomeque, "Las Relaciones Mercantiles de Córdoba (1800-1830)", 209, 211.

workers in Córdoba, perhaps lacking capital and labor, could not so easily increase production in response to temporary shortages of foreign supplies.

The evidence suggests that Argentina's domestic economy could not easily shift production to respond to the disruption of the blockade. This story is played out in the records of provincial treasuries. In Argentina, each province had a 'dry' land-based customs house that would levy taxes on merchandise, both domestic and foreign, entering and leaving the province.⁶⁹⁸ The tax revenues of the provinces are a good signifier of the value of interprovincial trade during peace and war. If the war did create more interregional trade, it did not correspond in a significant increase in taxes on interregional trade. The provincial treasuries for which we have data for the years before and during the Cisplatine War do not show any notable increase. In Córdoba, taxes collected from custom duties were almost the same in peacetime 1825 as during the blockade in 1826. In Tucumán, taxes collected in 1826 were 47% higher in 1826 compared to 1825, but in 1827 and 1828 taxes collected were 55.5% and 45.5% lower than the peacetime 1825 levels. In Santa Fe, taxes collected in 1827 were similar to levels collected in 1825. In Entre Rios, the average amount of tax collected between 1826 to 1828 was 26% lower than the amount collected in 1825. While in Corrientes, the average amount of taxes collected across 1826 to 1828 was just 1% lower than the amount collected in 1825.⁶⁹⁹

Considering that provincial treasury receipts were made up of taxes on interprovincial and foreign merchandise, the fact that tax revenues did not decline significantly in Córdoba, Santa Fe, or Corrientes could suggest that increased consumption of provincial goods replaced taxes lost on imported

⁶⁹⁸ In general, all imported goods would pay an ad valorem tax of 4 % to 13%, while specific goods had higher ad valorem tariff rates. See Burgin, *Economic Aspects*, 134-137.

⁶⁹⁹ For details of provincial tax revenues, see Appendix B. The average amount of tax collected per year during 1826-1828 in Entre Rios was 54,041 pesos and 88,121 pesos in Corrientes for the same time period.

foreign goods.⁷⁰⁰ However, any such increase in interprovincial trade in the interior and littoral provinces was insignificant to Argentina's war-making capacity. The total provincial tax receipts from all eleven interior and littoral provinces combined were probably no more than half a million pesos per year, whereas the Buenos Aires treasury *alone* accounted for 2.6 million pesos revenue in 1825, over five times as much.⁷⁰¹ If Buenos Aires had been able to maintain its tax receipts during the blockade as the other provinces had done by levying imposts on goods imported from the provinces, that would have been significant to Argentina's war-making capability. Importantly, however, Buenos Aires did not restore a general tax on imports from the provinces. Between 1825 and 1828, the *entrada terrestre*, which taxed imports of yerba and tobacco products from the provinces raised just 36,020 pesos per year on average.⁷⁰² If imports from the provinces to Buenos Aires of things like textiles and wheat had expanded in any significant number to replace imported goods, not applying a general ad valorem tax on them was a policy error that lost the Buenos Aires treasury much needed revenue.

On balance, Argentina's internal marketplace probably did expand during the Cisplatine War, but not to an extent which could adequately offset the economic activity that stopped in the internationally-focused sectors of the economy. It does not seem likely that the main consumers of foreign goods, Buenos Aires and the Littoral provinces, could have imported from the interior provinces anywhere near the sum of goods received from overseas during peacetime. In any case, Buenos Aires opted not to increase taxes on imports of provincial goods. Without compelling data sets about

⁷⁰⁰ Although there are a range of other possibilities. It could also be an indication that those foreign goods that did reach interior customhouses had a higher value, and so generated the same amount of revenue despite fewer goods being imported. It could also be the case that foreign goods smuggled via Montevideo were received in customhouses. In the case of Córdoba (and probably other provinces), foreign goods were received from Chile. Córdoba, the one province that we do have values for, shows that while the value of foreign imports significantly declined in 1826, the value of provincial imports remain roughly the same as in 1825. This does create the perplexing problem of how a lower amount of total imports generated the same amount of tax revenue (without any evidence that the tariff schedule was changed in Córdoba). See Assadourian and Palomeque, "Las Relaciones Mercantiles de Córdoba (1800-1830)", 213-214, 216.

⁷⁰¹ See Appendix B.

⁷⁰² Donghi, *Guerra y finanzas*, 175.

both domestic economies during the Wars of 1812 and Cisplatine War,⁷⁰³ the available evidence strongly suggests that the US' policy of encouraging domestic substitutes for foreign goods contributed to its greater ability to extract revenue from domestic economic activity during the War of 1812 than Argentina during the Cisplatine War, the latter having adopted a policy of encouraging ever greater production for the international economy at the expense of domestic industry.

While the British and Brazilian blockades of the US and Argentine Atlantic coastlines cut the flow of government revenues at their source, both the US and Argentine republics could have won their respective wars had they been able to score a decisive military victory and occupied Canada or Rio Grande do Sul. Both republics looked to march north, occupy enemy territory, and barter it back for peace terms which would have recognised the principles of international law upon which Britain and Brazil had been deemed to have infringed, namely in the US case the right for American seamen not to be impressed by the British Navy and for American vessels to freely participate in neutral trade, and in the Argentine case the recognition by Brazil of *uti posseditis juris* and the return of the Banda Oriental to Argentine jurisdiction. Yet various US attempts to invade and occupy Canada were repelled by British regulars, Canadian militia, and their Indian allies. Argentina's army, while earning a decisive victory inside Brazilian territory at the Battle of Ituzaingó in February 1827, was not able to progress and occupy Rio Grande do Sul, instead retreating to encampments in the Banda Oriental for the winter. Why were the US or Argentina unable to occupy Canada or Rio Grande do Sul before the blockade's disruption to their respective treasury systems called time on their ability to wage war?

Both republics were underprepared for war, though Argentina was more so. The decision of policymakers in the US to delay war allowed the US to expand its peacetime military and put its treasury on a better footing to maintain a large standing army during the war. Conflict with Great Britain could have erupted in 1807. By delaying war by five years, the US was able to lower its national debt, reduce annual interest payments, and increase expenditure on the military. Between 1807 and 1812, total public debt fell

⁷⁰³ Research that if it is indeed possible, would constitute full-length research projects.

from \$65.2 million to \$45.2 million causing annual amortisation and interest payments on the public debt to fall from \$3.37 million to \$2.46 million per year. This allowed the federal government to increase spending on the military which jumped from \$1.3 million to \$2 million. The US managed to more than double the size of its peacetime military establishment, jumping from 2,775 regular troops in 1807 to 6,686 troops in 1812.⁷⁰⁴ Argentina, by contrast, entered war at the end of 1825 barely three years after its system of public credit had been established. Neither notable decreases in debt interest payments nor significant increases in military expenditure were possible before the war occurred. The Buenos Aires standing army had been reduced to 3,058 men in 1823.⁷⁰⁵ The structures of a national army were created in May 1825, calling for an army of 7,620 men to be created. When war was declared in December 1825, just 2,065 men were under the command of General Rodriguez.⁷⁰⁶

Delaying war by half a decade allowed the US to better position itself than Argentina for major conflict. As well as controlling the year that war was declared, the Madison administration controlled the month in which Congress would vote on his war message. Despite this, the US military was not as well positioned to invade Canada as it should have been when war was declared in June 1812. Of the three frontiers by which the US could invade Canada, Detroit, Niagara and Lake Champlain, only General Hull on the least important frontier at Detroit was able to invade Canada by July. On the frontiers at the Niagara River and Lake Champlain, the whole summer and part of autumn were required to gather troops necessary to attempt an invasion. Invasion attempts were not viable until mid-October on the Niagara frontier and until November from Lake Champlain, where 6,000 troops on each frontier crossed into Canadian territory.⁷⁰⁷ Nearly six months had

⁷⁰⁴ For total public debt, annual debt repayments and spending on the military, see Wallis, 'Federal government finances – revenue, expenditure, and debt: 1789–1939, Table Ea584-587' and 'Federal government expenditure, by major function: 1789-1970', Table Ea636-643, in *Historical Statistics of the United States*. For troop numbers, see Fagal, 2014, 30.

⁷⁰⁵ Garavaglia, *Latin American Bureaucracy*, 248.

⁷⁰⁶ Ocampo, *Alvear En La Guerra Con El Imperio Del Brasil*, 164.

⁷⁰⁷ Horsman, *The New Republic*, 237.

passed before any attempt was made to take Montreal, a key geopolitical location that controlled access to Upper Canada.

Historians have rightly criticised the US' lack of preparedness for war in 1812, yet by comparison Argentina was far less prepared for the Cisplatine War.⁷⁰⁸ The premature decision of the Argentine Congress to take steps that would lead to conflict at the end of 1825 left Argentina at war without a national army ready to invade Brazil. The Argentine military spent 1826 waiting for the army to increase to 7,700 men as troops arrived from the provinces or were conscripted, and for uniforms, guns and munitions to be manufactured and transported to Argentine encampments in the Banda Oriental. Argentina was not able to attempt an invasion of Brazil until January 1827, a full thirteen months after Brazil's December 1825 declaration of war. These delays mattered. Every month that passed in which the US and Argentina maintained a costly standing army that was unable to bring the war to a close by successfully occupying neighbouring territory led to a deterioration in the state of the treasury.

The US failed to occupy Canada despite its ability to significantly augment its wartime army compared to Argentina. The number of troops the US war-making state could support at its highpoint in 1814 was nearly seven times greater than the number during the peacetime year of 1811, growing from 5,608 in 1811 to 38,186 in 1814.⁷⁰⁹ In contrast, the number of troops the de facto national treasury in Buenos Aires could support barely trebled from the peacetime standing army compared to the peak enlistment during the Cisplatine War, rising from 3,058 professional soldiers in 1823 to 7,776 troops in December 1826.⁷¹⁰ That number fell back by mid-1827 by as much as

⁷⁰⁸ For historians that argue the US was unprepared for the War of 1812, see Donald Hickey, *The War of 1812: A Forgotten Conflict* (Urbana: University of Illinois Press, 1995), 47; J.C.A. Stagg, *Mr. Madison's War: Politics, Diplomacy, and Warfare in the Early American Republic, 1783-1830* (Princeton: Princeton University Press, 1983), 176; Edward Skeen, *Citizen Soldiers in the War of 1812* (Lexington: The University Press of Kentucky, 1999), 17-25. Fagal dissents, arguing the US was well prepared, see Fagal, *The Political Economy of War*, 23. I argue that in comparative perspective, the US was at least better prepared for the War of 1812 than Argentina was for the Cisplatine War.

⁷⁰⁹ Fagal, "Arsenal of Liberty", 30.

⁷¹⁰ Garavaglia, *Latin American Bureaucracy*, 249; Ocampo, *Alvear En La Guerra Con El Imperio Del Brasil*, 566.

twenty percent.⁷¹¹ On both sides, governments struggled to pay troops, leading to desertions. The US' inability to pay troops on time in the first year of the war was due not to insufficient funds, but administrative inefficiency and slow communications. By 1814, however, the financial pressure placed on the federal government meant that payments to the army were regularly six to twelve months in arrears.⁷¹² Argentina, likewise, experienced problems paying troops due to lack of government funds. Accounts vary, though at some point in 1827 the Argentine army was receiving reduced or no salary.⁷¹³ The comparison does not do justice to the US federal government's greater war-making capacity. Argentina experienced these problems despite having increased its standing army by just 2.5 times, whereas the US' had increased its military force by seven times. Additionally, the US achieved this increase in troops by offering costly enlistment bonuses, whereas Argentina's troops were conscripted. In other words, both republics struggled to pay the troops in service during the war, although the US federal government had much greater capacity to increase total number of troops.

Even when troop numbers were sufficient to attempt the occupation of enemy territory, both republics struggled to supply their troops with food and war materials. The US experienced this problem due to an inefficient system of procurement and distribution, whereas Argentina suffered from more fundamental problems of production relating to the choices in political economy it made in the post-revolutionary era. The US military was undersupplied by a military administration that was in its "infancy." Troops were fed, clothed, and armed by ad hoc arrangements organised by federal and state officials without centralised planning, leaving troops in the field "to go for months at a time without shoes, clothing, blankets, or other vital supplies."⁷¹⁴ Supplies of food were left to contractors who regularly provided poor quality or insufficient deliveries of foodstuffs. Illness and death due to exposure to cold and malnutrition probably prevented more men from

⁷¹¹ Ocampo, *Albear En La Guerra Con El Imperio Del Brasil*, 552.

⁷¹² Hickey, *The War of 1812: A Short History*, 21.

⁷¹³ Ocampo, *Albear En La Guerra Con El Imperio Del Brasil*, 552.

⁷¹⁴ Hickey, *The War of 1812: A Forgotten Conflict*, 72.

participating in combat than were killed during the war.⁷¹⁵ Arms and gunpowder however, were well supplied from federal armouries and private contractors. With production of weapons and gunpowder protected prior to the war, contractors were able to provide more than 43,000 arms per year by 1810, while federal armouries produced 20,000 arms per year. Gunpowder mills were able to “successfully supply the US Army and Navy throughout the conflict.” The federal government contracted with manufacturers to supply 1.9 million pounds of gunpowder during the War of 1812.⁷¹⁶ Problems of supply, where they did occur, were not due to some fundamental error in the US political economy of war, but due to the poor management of the supply chain servicing troops.

Argentina, by contrast, lacked uniforms and war materials due to the absence of support for domestic industries prior to the Cisplatine War, with notable consequences. General Alvear achieved a victory at Ituzaingó more comprehensive than anything the US army was able to achieve in Canada. Instead of pursuing the retreating and routed Brazilian force, giving Argentina the opportunity to occupy Rio Grande do Sul and end the war, Alvear was forced to return to encampments in the Banda Oriental. Alvear explained the decision was forced upon him by a shortage of supplies of arms and uniforms. Existing uniforms had been destroyed by the stress of the campaign, which the army had fought barefoot and without hats, and new supplies of clothing that were received were constructed of poor material and broke immediately. Likewise, the army was either short of weapons or supplied with badly constructed ones. Alvear complained of shortages of shotguns and pistols, and badly constructed lances and belts.⁷¹⁷ What policymaking choices had caused problems with the quantity and quality of war-making materials and uniforms in Argentina? Alvear was well placed to judge Argentina’s deficit in war-making ability across 1825 to 1828, first acting as Minister of War and Marine and then as Chief of the Republican Army. Alvear explained that weapons could not be imported from overseas

⁷¹⁵ Hickey, *The War of 1812: A Forgotten Conflict*, 72.

⁷¹⁶ Fagal, *The Political Economy of War in the Early America Republic, 1774-1821*, 335-336.

⁷¹⁷ Carlos D. Alvear, *Esposición Que Hace El General Alvear Para Contestar Al Mensaje Del Gobierno de 14 de Setiembre de 1827* (Buenos Aires: Imprenta Argentina, 1827), 30, 95.

and domestic substitutes were of poor quality, while the “scarcity of cloth and other goods in the capital” meant that hats, jackets, trousers and shirts could not be manufactured for the army. Alvear, while acknowledging the “carelessness of not having deposits of everything which is needed to equip an army, is a very old ill along us”, did not recognise that Argentina had a policy choice to support the development of domestic industries for the manufacture of cloth (for uniforms) and arms and munitions which, unlike the US, it neglected to follow.⁷¹⁸

Even when troops were well supplied and in sufficient number, issues of federalism could reduce the effectiveness of military operations against Canada and Brazil. In the US, the governors of Massachusetts and Connecticut both denied the federal government’s requests to mobilise state militia and place them at the command of federal authorities on the grounds that the constitutional requirements required for the militia to be called out had not been met. This forced regular troops that could have served in Canada to remain on the Atlantic. Likewise, those militia that did serve with regular troops frequently refused to serve outside of US territory. On the Detroit frontier, 200 Ohio militiamen refused to accompany General Hull into Canadian territory. On the Niagara front, New York and Pennsylvania militia men refused to cross the border, as did militia serving under General Dearborn at Lake Champlain, who invoked their “supposed right” to serve only in US territory, forcing the campaign to be called off.⁷¹⁹ Civilians protected by devolved power structures proved as difficult as militiamen during the war effort. Merchants in the eastern states regularly sold supplies required by the British military in contravention to federal law. Such “commercial regulations and restrictions”, Rao explains, “were unenforceable because customs officials refused to abandon their entrenched deference to local merchants and commerce.”⁷²⁰

The benefits of an enlarged federal union to the US, however, are rarely highlighted in discussions of the War of 1812. Instead of forming one federal

⁷¹⁸ Alvear, *Esposición Que Hace El General Alvear*, 95.

⁷¹⁹ Donald R. Hickey, *The War of 1812: A Forgotten Conflict* (Chicago: University of Illinois Press, 2012), 81, 86-88.

⁷²⁰ Rao, *National Duties*, 161.

union, the idea of forming three or four separate federations dividing the area of the US had been entertained although dismissed as policymakers believed separate confederations would not function as effectively as one polity under a common federal government. If republican North America had attempted to conduct the War of 1812 as three or four federations, it is likely that instead of ending in a futile stalemate, Britain would have inflicted a humiliating defeat. It is most probable that the eastern states and New York would not have joined in the war if they had the option. By remaining as one federal union, the states of North America were able to extract resources from the whole of the territory without negotiation. Despite the opposition of eastern states, tax revenues collected by federal officials there were still transferred to the federal government. The newly added western states proved most enthusiastic for the war, serving as a useful source or recruitment for the US Army.

Argentina, by contrast, could have looked to integrate Chile, retain the provinces that became Bolivia and even invite Peru to join a federal union. Those charged with crafting Argentina's South America policy, however, had encouraged the emergence of a continent of separate sovereigns and expected the resources of those states to be offered to Argentina out of self-interest on the part of its neighbours. Argentina negotiated to get the assistance of Bolivia and Chile during the Cisplatine War. If opportunities had been taken to incorporate Chile in 1817 or insist on the reunion of Bolivia in 1825, Argentina would not have needed to negotiate to benefit from their resources but commanded them as part of a federal union. Chile's resources, instead, were used to liberate the island of Chiloé, which could have waited until after the Cisplatine War, while Bolívar's forces, rather than assisting, would by 1828 become entangled in war with Peru, rather than aiding the United Provinces. The anticipated interest of the neighbouring republics to contain the "voracious power that rises in the heart of the Continent" by making "common cause" against Brazil to safeguard their "security" was misjudged.⁷²¹ Peru and Gran Colombia could not enter into alliances agreements outside of the Panama Congress. Bolívar, negotiating on behalf of Bolivia in 1825, considered but ultimately did not offer aid, while Chile

⁷²¹ Seckinger, *The Brazilian Monarchy and the South American Republics, 1822-1831*, 111.

signed a Treaty of Alliance in 1826 but did not ratify it. If Argentina had been in federation with Bolivia and Chile, the outcome of the Cisplatine War could have been very different. Troops from Chile could have crossed the Andes to support the military operations in the Banda Oriental, while troops from Bolivia could have invaded Brazil via Mato Grosso. Revenues from Chile and Bolivia, unaffected by the Brazilian blockade, could have sustained the government and allowed the war to be financed on public credit.

In the actual event, Argentina's existing provinces contributed irregularly to the Cisplatine War. The provinces largely declined to enlist provincial citizens in the national army. Each province was to fill a quota of the amount of men needed to raise the national army. The extent to which they neglected to do this remains unclear. Donghi argues that the majority of the soldiers came from Buenos Aires, while Lopez and Sierra suggest that the provinces initially cooperated.⁷²² Apart from Buenos Aires, Córdoba appears to have contributed the most, enlisting as many as 1,000 soldiers in the national army.⁷²³ Promises from Corrientes, Entre Rios, Misiones and La Rioja to send more soldiers than they already had never materialised.⁷²⁴ Santiago del Estero sent none of the 800 troops decreed by law, while the provinces in the area of Cuyo insisted that men from their own militia could not be spared as they were required to defend its frontiers from hostile Indians.⁷²⁵ Likewise, the nascent federal government in Buenos Aires had yet to establish a tax structure in the provinces and hesitated to do so, preferring to emit paper money than risk taxing 'the pueblos'.⁷²⁶

The exigencies of the war required the Argentine National Congress to innovate constitutionally. In contradiction to the Fundamental Law of 1825 which safeguarded provincial institutions until a constitution had been

⁷²² The views of Donghi, Lopez and Sierra are quoted in Cisneros and Escude, *Historia de las Relaciones Exteriores Argentinas*, 'Las Operaciones Terrestres' in Chapter 13, accessed 22 May, 2017, <http://www.argentina-rree.com/3/3-025.htm>

⁷²³ Felix Luna, *Los Caudillos y El Ideal Federalista* (Buenos Aires: Planeta, 1988), 85.

⁷²⁴ Isidoro J. Ruiz Moreno, *Campañas Militares Argentinas: Guerra Exterior y Luchas Internas (1865-1874)* (Buenos Aires: Emecé, 2005), 429; Ocampo, *Alvear En La Guerra Con El Imperio Del Brasil*, 219.

⁷²⁵ Ocampo, *Alvear En La Guerra Con El Imperio Del Brasil*, 165.

⁷²⁶ ACA 3: 1356.

ratified, Congress created a national presidency, designated the city of Buenos Aires national capital, dissolved Buenos Aires' provincial assembly and divided that province into two, passed legislation enabling provincial customshouses to be nationalised and refused to allow provincial deputies to be withdrawn from Congress, all before any constitution had been ratified. Unsurprisingly, 'federalist' provinces rejected these measures which they deemed unconstitutional. Córdoba led the way, seceding from the Congress. The opposition to the National Congress' attempts to institutionalise a federal government before a formal constitution had been passed sparked a civil war between the interior provinces as 'federalist' governors looked to enact regime change in neighbouring pro-union provinces. Ultimately, secession, interior civil war, and dissolution of the federal union did not damage the war effort to the same extent that it would have done if that had occurred in the US. In the US, the collection of federal revenues was decentralised across multiple customshouses. If key commercial states had seceded, it is difficult to see how the federal government could have maintained the war. In Argentina, however, the rupture of the federal union did not notably damage the war effort. The Buenos Aires treasury, which collected the vast majority of revenues in Argentina, continued to be the principal financial support for the 'national' army, which continued to exist answering to the governor of Buenos Aires, though still receiving support from certain provinces. One wonders, however, whether Argentina would have won the Cisplatine War if interior militia, rather than reserved for the use of interprovincial civil war, had been put at the disposal of the federal government.

More broadly, the US had adopted a successful political economy of war. It had the means to produce weapons, uniforms and foodstuffs without imports and a system of public credit that successfully financed a large standing army. Attempts to invade Canada failed due to a faulty system of procurement and distribution and the reliance on a militia corps that would not serve outside of the US. Frequently, however, the US war-making apparatus fitted out an armed force sufficient to conquer Canada, but were undone by logistical difficulties, such as a lack of boats to transport troops, or by the poor leadership of its generals. Argentina, in contrast, was undone by more fundamental issues of political economy and fiscal policy. Argentine

victory at Ituzaingó in January 1827 presented the republic with the opportunity to occupy Rio Grande do Sul. However, a lack of arms, uniforms, and money to maintain a large standing army forced the national army into winter encampments. The inability of Argentina during the Cisplatine War to successfully occupy parts of Brazil was determined by the decision to go to war before the national treasury was in a position to support a large standing army and without a political economy that had developed producers of domestic supplies of high quality war materials and uniforms.

Unable to force peace talks via occupying Canada or Rio Grande do Sul, the wars became a question of how resilient the two republic's political unions and treasury systems could be as each month passed. Could peace terms be found before the strains of war placed unbearable pressure on the treasury and federal union? The US federal government's greater resilience ultimately allowed it to wage war for thirty-two months without disunion and twenty-nine months without default. The powers of the federal government were already consolidated by the War of 1812; the eastern states could disagree with the wisdom of the war and explore secession as the war damaged their interests, but could not deny the federal government had the power to wage war. Argentina, in contrast, went to war with an unconsolidated federal government. Attempts to grant it more powers during the war led to disunion as provinces objected to constitutionally questionable innovations to the federation's political institutions. Fiscally, the federal treasury in Washington D.C. remained solvent for nearly thirty-two months, and peace terms arrived as serious difficulties in financing the war emerged. The debt contracted during the war was comfortably serviced by revenues post-1815 until totally eliminated in the 1830s. The national treasury in Buenos Aires, however, would partially default on repayments to domestic creditors throughout the war, and permanently defaulted on its international debt twenty-five months into the conflict. Postwar revenues failed to cover the costs of servicing the total national debt enlarged by the Cisplatine War and pay for a military establishment created during the war, leading to long term fiscal difficulties. Though Argentina had created a war-making polity almost as capable as that of the US, the Cisplatine War left Argentina in very different circumstances compared to the US at the end of the War of 1812.

CONCLUSION |

Policy and Statecraft

As colonies within empires, the future United States and Argentina had limited scope to set their own policies on overseas trade, international relations, taxation, economic development or security. The metropolises of London and Madrid prohibited the manufacture of certain goods in the colonies, restricted the flow of international commerce, appointed colonial governors or vetoed elected ones, and prohibited colonial institutions from acts of international relations, such as declaring war or ratifying treaties. As sovereign entities, the US and Argentina were forced to create their own polities capable of ensuring their new nations' security. By becoming independent, these new polities would have the right to open commerce to foreign nations, set their own tariff policies, enact measures to encourage economic activity beneficial to the security of the state, and declare war on and enter into treaties with foreign nations.

Both republics oriented fiscal and economic policy around increasing war-making capacity, though they adopted different approaches. Argentina and the US looked to create creditworthy states that could sell public bonds to creditors, recognising that creditors' confidence in a government's ability and willingness to honour debt repayments held the key to securing war finance. Both republics recognised the importance of maintaining government revenue during wartime, and the precarious nature of depending on tax revenues from international commerce when a state lacked naval power. Argentine and US approaches to the problem were at once similar yet crucially different. Both states looked to supplement custom tax revenues by introducing internal taxation. The US, however, recognised the need to diversify economic production to create a 'home' marketplace in addition to producing for international markets, recognising that diversified economic activity would be less exposed to economic paralysis during a blockade. In contrast, Argentine policymakers looked to intensify participation in international trade, not diversify economic activity away from it, in the belief that greater specialisation led to more wealth, and wealth led to military power. Despite belief in comparative advantage, especially in Argentina, *laissez-faire* economics was rejected in both of the new republics.

Government intervention to develop the economy, however, was utilised in different ways. Argentine policy protected sectors it believed could increase national wealth, whereas the US backed sectors that would increase military power, such as the domestic production of arms or naval vessels.

In inter-American and international relations, both Argentina and the US sought to reform international relations, avoid permanent entanglement in European affairs, and institute a peaceful state system, while still recognising the need to temporarily engage in European power politics and use combined military and diplomatic pressure to gain the adherence of other states to their American versions of international relations. Instead of entering into alliance with European nations and offering them commercial privileges in return for pledges of military security, both Argentina and the US hoped that they could safeguard their own security free from European protection, while treating all nations as commercial equals in their ports. However, both nations recognised that they benefited from a European balance of power whereby all European states would jealously intervene against any one state that looked to re-colonise any part of the Americas. However, when the European balance of power threatened to tilt in favour of any one nation or coalition, both the US and Argentina looked to temporarily enter into European affairs to restore the balance that safeguarded their independence. For the American Hemisphere, both republics held utopian visions of a continent of peaceful states, but pursued these visions in fundamentally different ways. Policymakers in the US believed that states in North America could only coexist if they gave up their sovereign rights to make war to a federal government. In contrast, statesmen in Argentina believed that multiple sovereigns in the same 'neighbourhood' (region) could peacefully exist if principles of international law and domestic governance such as the inviolability of territorial borders, commercial reciprocity, and representative government could be established throughout the hemisphere.

The policy decisions of the post-revolutionary period played a large part in the performance of the two nascent federal governments as polities capable of maintaining and enhancing the enjoyment of their rights as sovereigns during the War of 1812 and the Cisplatine War. While Argentina's military performance against Brazil is impressive in comparative perspective; they

were more effective in offensive military operations than the US were in Canada, and having acquired this capacity in a much shorter period of time than the US had to develop its war-making abilities before the War of 1812, the Cisplatine War did cause a collapse in its capacity to act as a sovereign in comparison to the US status as sovereign at the end of the War of 1812.

What could Argentina have done differently in comparison to the US? The US enjoyed the confidence of creditors, enabling the federal government to finance war via the sales of public bonds. Argentina could have achieved the same state of public credit. To do this, policymakers could have delayed the Cisplatine War. Argentina could have sustained diplomatic reclamations against Brazil's occupation of the Banda Oriental over a number of years allowing the position of the treasury to gradually improve. Over time, revenues would have grown, public debt paid down, and Argentina's 'means and capability' of paying off public debts would have increased, as had occurred in the US. Argentina could also have used its tariff policy and made internal improvements to develop the domestic marketplace and instituted internal taxation. A robust interprovincial trade could have emerged had tariffs made the importation of cotton cloths, wines, and flours prohibitively expensive for example. That internal marketplace could have functioned across a network of improved toll roads and canals funded by the federal government. A system of internal taxation could have diversified the Argentine federal government's tax base and created a stream of revenues unaffected by external blockade. The greater 'means and capability' to repay creditors that Argentina would have acquired would have allowed for conflict with Brazil to be financed via the sale of public bonds.

The domestic economy should also have been geared towards a political economy of war. As the US had done, domestic manufacturers of arms, munitions, gunpowder and uniforms should have been protected from foreign importations and supported via federal contracts. At Ituzaingó an Argentine Army with hard cash in the *caja militar*, well equipped and well clothed could have completed the occupation of Rio Grande do Sul and won the war. Argentina should also have followed the early US Republic's example of delaying conflict with external enemies until a more opportune time. The Argentine federal government's experiment with implementing

constitutional redesign and waging war at the same time was a dismal failure. The US avoided major conflict in the first decade of the US Constitution allowing federal institutions to become embedded and disputes between federal and state powers to occur during peacetime. The US policy of delaying the pursuit of national interests allowed it to engage in war with Great Britain while France acted as a co-belligerent, dividing Great Britain's resources. Argentina, equally, could have watchfully waited for an opportune moment when Brazil's military resources were divided. Likewise, Argentina could have leveraged resources from regional neighbours in the conflict. As the US benefitted from the resources of states newly added in the Midwest and Mississippi territory, Argentina could have benefitted by incorporating regional neighbours into its political union, or at the least contracted binding military alliances with them.

Nothing about the development of independent governments in Argentina and the US was predetermined. If anything, post-independence Argentina in 1821 was in a better position than the US in 1790 to craft a federal union capable of wielding national sovereignty. Whereas debts from the independence period were comfortably serviced by Argentina's treasury in 1822, in 1790 the US federal treasury was overburdened by the cost of servicing the national debt. Whereas in 1824 Argentina looked to piece together a federal union out of provinces accustomed since the colonial period to operating with devolved powers underneath a common government, the US in 1789 looked to place states zealous of their own autonomy under a genuine national government for the first time. The outcomes for Argentina and the US as independent polities were contingent on the policy choices of the post-revolutionary era. Different policies pursued by either new nation could have left the US crippled with debt and militarily weak or created a stable, prosperous and powerful Argentina. This thesis has traced how policymakers debated which policies should be adopted as American states acquired new sovereign powers after independence.

The outcomes following the adoption of those policies in crafting war-making states in Argentina and the US go a long way to explain the diverging war-making capacities as sovereigns in the US and Argentina in the nineteenth centuries. The policies the US adopted early in its career as an

independent sovereign, of developing a domestic marketplace, of encouraging national navigation and a domestic military industries, of insisting on the political union of the North American continent, and of avoiding war until its fiscal and military institutions could be better developed, allowed it to survive external threats and consolidate federal power, whereas the policies adopted by Argentina, of deepening participations in international marketplaces, relying on foreign imports of key war-making materials, of not gaining the political alliance of neighbouring states, and entering into war within five years of the end of its participation in the revolutionary war for independence, led it into a disorder from which it would require half a century to recover. The rise and fall of states, both new and old, is not inevitable; their progress is dependent on good governance; judicious, strategic, and farsighted policymaking, and a measure of good timing and good fortune.

Appendices

Appendix A: Government Revenue by Source as a Percentage

United States, 1790-1815

	Customs	Internal Duties	Direct Taxes	Land Sales	Loans	Others
1790	41.2	1.2	0	0	57.4	0.2
1795	68.6	4.8	0	0	20.1	5.3
1800	75.6	6.6	2.3	0.5	11.4	3.8
1805	85.6	0.5	0.3	3.1	10.0	0.5
1810	78.5	0	0	5.1	15.9	0.4
1815	41.1	6.2	4.7	3.4	44.0	0.6

Note: Edling, *Hercules in a Cradle*, 242.

Buenos Aires National and Provincial Treasury, 1811-1828

	Exterior Commerce	Internal Duties & Direct Taxes & Others	Land Sales & Rents	Loans & Fiat Money Emissions
1811-1815	47.94	40.66	0.96	10.42
1816-1819	53.60	35.04	0.37	10.97
1820-1821	57.96	7.87	1.40	32.30
1822-1824	70.27	8.47	3.63	17.61
1825-1828	39.66	10.73	3.20	45.42

Note: calculations based on figures found in Donghi, *Guerra y Finanzas*, 115-118, 168-169, 172-173, 175-177. I categorised the data found in Donghi into the appropriate columns in order to enable comparison between the US and Argentina.

Appendix B: Estimated Total Revenue Collected in Argentina, Provincial Populations, and Per Capita Tax Collected c. 1825

Province	Revenue (pesos)	Population	Tax per capita (pesos)
Buenos Aires	2,600,000	183,000	14.6
Córdoba	69,000	75,000	0.92
Mendoza	40,555	38,000	0.94
San Luis	(12,768)	16,000	(0.798)
La Rioja	(15,960)	20,000	(0.798)
Salta	53,439	75,000	0.71
Tucumán	30,179	45,000	0.67
Santiago del Estero	(47,880)	60,000	(0.798)
Catamarca	(31,920)	40,000	(0.798)
San Juan	20,009	34,000	0.58
Corrientes	89,007	?	?
Santa Fe	18,709	?	?
Entre Rios	73,126	?	?
Estimated Total for Provinces excluding Buenos Aires	(502,552)		(0.798)
Estimated Total including Buenos Aires	3,102,552	597,515	5.19

Note: All Figures in silver pesos. Numbers in brackets indicate that the number is an estimate extrapolated from existing data. For revenues, I attempted to get as much data for the year 1825 as possible, although in many cases no published figures were available for 1825. Where possible, I have used data from 1824 or 1826 instead. In the case of the provinces of San Luis, La Rioja, Santiago del Estero and Catamarca, no data was published in the secondary literature or found in primary sources in Buenos Aires. Instead, the figures included here are reasonable estimates. The estimated revenues have been based on the assumption that these provinces probably had similar per capita taxation as other interior provinces. Therefore, based on an average per capita taxation of 0.798 pesos collected in the provinces of Córdoba, Mendoza, Salta, Tucumán, and San Juan, estimates based on provincial populations were made. These numbers should therefore be treated as a guideline to help us estimate the rough amount of total taxation in Argentina, rather than providing exact figures. For population, no complete numbers by provinces was found for the year 1825. Celton provides a total population estimate for 1825 of 597,515. See, Celton, "La población. Desarrollo y

características demográficas”, 73. For the provinces, in general population estimates from 1819 were used from Burgin, *Economic Aspects*, 114. For Buenos Aires, a contemporary estimate for 1823 was used, see Paris, *Buenos-Ayres*, 112. For taxes collected in Buenos Aires (1825), see Bordo and Vegh, “What if Alexander Hamilton had been Argentinean?”, 465 ; for Córdoba (1824-1826 average), see José Carlos Chiaramonte, *Mercaderes Del Litoral : Economía y Sociedad En La Provincia de Corrientes, Primera Mitad Del Siglo XIX*. (Mexico City: Fondo de Cultura Económica, 1991), 152; ; for Mendoza (1826), see *Nueva Historia Argentina* 5: 518; for Salta (c.1824), see *Mensajero Argentino*, No. 13, 30 December, 1825; for Tucumán (1825), see *Nueva Historia Argentina* 5: 521; for Corrientes, see *Nueva Historia Argentina* 5: 522; for Santa Fe (1824), see *Nueva Historia Argentina* 5: 523; for Entre Rios (1825), see *Nueva Historia Argentina* 5: 524.

Appendix C: Domestic Bond Prices for one hundred peso six per cent billetes, 1825-1827

Date	Price (pesos)
08/01/1825	74
06/02/1825	70.5
05/03/1825	74
02/04/1825	85
07/05/1825	80
04/06/1825	82
16/07/1825	73.5
03/09/1825	75
01/10/1825	75
05/11/1825	66
03/12/1826	67
28/01/1826	62.5
25/02/1826	65
11/03/1826	63
27/05/1826	61.5
17/06/1826	61.5
29/07/1826	59.5
26/08/1826	47
30/09/1826	45.5
28/10/1826	49
25/11/1826	52.5
30/12/1826	53.5
27/01/1827	64.5
24/02/1827	67.5
31/03/1827	67.5
30/04/1827	64

19/05/1827	63
19/06/1827	64.5
06/07/1827	64.5
24/11/1827	48.75
29/11/1827	48.75

Note: *La Gaceta Mercantil*. Prices as quoted in Buenos Aires in each respective issue of the Gaceta. Prices were occasionally quoted as a range (for example prices between 62 to 63) in which case I have opted for a median price (i.e 62.5).

Appendix D: Ad Valorem and equivalent ad valorem tariff rates, 1817-1818

	General Duty	Wine	Hats	Made Clothes	Men's Shoes	Firearms & Gunpowder
1814	25	35	50	35	35	0
1815	25	35	50	35	35	0
1816	25	35	50	35	35	0
1817	30	<u>67.54</u>	<u>37.5</u>	<u>50</u>	<u>54.1</u>	0
1818	30	<u>37.28</u>	<u>37.5</u>	<u>50</u>	<u>25</u>	0
1819	30	<u>37.28</u>	<u>37.5</u>	<u>50</u>	<u>25</u>	0
1820	30	<u>37.28</u>	<u>37.5</u>	<u>50</u>	<u>25</u>	0
1821	30	<u>37.28</u>	<u>37.5</u>	<u>50</u>	<u>25</u>	0
1822	15	<u>36.8</u>	<u>75</u>	25	25	10
1823	15	25	<u>75</u>	25	25	10
1824	15	25	<u>75</u>	25	25	10
1825	15	30	<u>75</u>	30	30	10
1826	15	30	<u>75</u>	30	30	10
1827	15	30	<u>75</u>	30	30	10

Note: figures that are underlined indicate that the figure is an estimate using price data from the period combined with the specific customs charge applied as detailed below. For 1821, I have included the tariff rate that was in force for most of the year (a temporary tariff was introduced for the latter part of the year). 'General Duty': is listed in each of the tariffs already cited, see Appendix E; 'Wine': tariffs were (1817) 616 reales per pipa (77 pesos); (1818) 340 reales per pipa (42 pesos, 4 reales); (1822) 42 pesos per pipa. The data in Lopez suggests a pipa of imported wine was 114 pesos, see Luis Alberto Coria López, "El Siglo Anterior Al Boom Vitivinícola Mendocino (1780/1883)." *Revista Universum* 2, no. 21 (2006): without pagination; 'Hats': had an estimated wholesale cost of 4 pesos per hat in *Informe Sobre El Comercio*, 54 (the data suggests a price of 48.5 pesos per dozen hats, or just over 4 pesos per hat). The duties on hats were (1817-1821) 12 reales per hat (1.5 pesos per hat) (1822 onwards) 3 pesos per hat. 'Made Clothes': 'Ropas hechas' existed as a category in the tariff of 1814 and again from 1822. In the tariffs of 1817 and 1818, however, individual items are listed, such as ready made socks, shirts, trousers, and dresses for examples. The estimated tariff for 1817-1821 is based on the price and tariff rate for muslin dresses for women, which at around 50% equivalent tariff rates was representative of the tariffs placed on socks, trousers and shirts. The price of a ready made muslin dress was 2 pesos, see *Informe Sobre El Comercio*, 54. The tariff rate was 8 reales (1 peso) in both 1817 and in 1818 onwards; 'Shoes': men's shoes were priced at 3 pesos per pair according to Donghi, *Guerra y Finanzas*, 190. In the 1817 tariff, they were levied with a tax of 13 reales (1.625 pesos) and in 1818 with 6 reales per pair (0.75 pesos); 'Firearms & Gunpowder': ad valorem tariff rates throughout the period, as listed in tariff schedules already cited, see Appendix E.

Appendix E: Argentine Tariff Legislation, 1809-1825

Year	Source
1809	Diego Luis Molinari, <i>La Representación de Los Hacendados de Mariano Moreno. Su Ninguna Influencia En La Vida Económica Del País y En Los Sucesos de Mayo de 1810 (2a Edición)</i> (Buenos Aires: Universidad de Buenos Aires, Facultad de Facultad de ciencias económicas. Publicaciones, 1939), 176-177.
1814	<i>Registro Oficial de la República Argentina. Tomo Primero, 1810 á 1821.</i> (Buenos Aires, La República - Imprenta Especial de Obras, 1879), 241-242.
1817	<i>Arancel de Los Derechos Que Adeudan Los Generos y Demas Efectos Que Se Introducen En La Aduana de Buenos-Ayres.</i> (Buenos Aires: Ymprenta de la Independencia, 1817).
1818	Ricardo Levene. <i>Documentos Del Congreso de Tucumán: Oficios de Los Directores, Apuntes de Correspondencia, Notas de Oficios y órdenes Del Congreso, Asuntos Pendientes Ante El Mismo, y Borradores de Sesiones Del Congreso de Tucumán, 1816-1820.</i> (Buenos Aires: Taller de Impresiones Oficiales, 1947), 123-149.
1821	'Sobre Derechos de Aduana', <i>Registro Oficial</i> , 28 August, 1821, 16-19.
1822	'Derechos de Aduana Para El Año de 1822', <i>Registro Oficial</i> , 14 December, 1821, 115-117.
1824	Derechos de Introduccion y Esportacion'. <i>Registro Oficial</i> , 25 November, 1822, 151-154.
1825	'Derechos de Introduccion', <i>Registro Oficial</i> , 25 August, 1824, 72.

Abbreviations

ACA	<i>Asambleas Constituyentes Argentinas</i>
AGNA	Archivo General de la Nación Argentina
AHC	Archivo Histórico de Cancillería
AHPBA	Archivo Histórico de la Provincia de Buenos Aires
DSCG	<i>Diario de Sesiones del Congreso General</i>
DSHJBA	<i>Diario de Sesiones de La H. Junta de Representantes de la Provincia de Buenos Aires</i>
DDLRL	<i>Diplomacia de la Revolución</i>
GDBA	<i>Gaceta de Buenos Ayres</i>

Bibliography

Primary Sources:

Archival Collections

Archivo General de la Nación Argentina

Archivo Histórico de Cancillería

Archivo Histórico de la Provincia de Buenos Aires

Biblioteca Nacional Argentina

Instituto Ravignani

National Archives, Kew

Published and Edited Collections

Adams, Henry, ed. *The Writings of Albert Gallatin*, (3 Volumes). Philadelphia, 1879.

American State Papers

The Avalon Project

Barba, Enrique M., ed. *Informes Sobre El Comercio Exterior de Buenos Aires Durante El Gobierno de Martin Rodriguez*. Buenos Aires: Academia Nacional de la Historia, 1978.

Biblioteca Digital de Tratados

Carter, Susan B, Scott Sigmund Gartner, Michael R. Haines, Alan L. Olmstead, Richard Sutch, and Gavin Wright, eds. *Historical Statistics of the United States*, Millennial Edition On Line. Cambridge: Cambridge University Press, 2006.

Constitutions of the World from the late 18th Century to the Middle of the 19th Century Online

Diario de Sesiones Del Congreso Nacional de Las Provincias Unidas Del Río de La Plata de Sud America. Buenos Aires: Imprenta de la Independencia, 1824-1825.

Diario de Sesiones de La H. Junta de Representantes de La Provincia de Buenos Aires. Buenos Aires, Buenos Aires, 1822-1823.

Facultad de Filosofía y Letras: Instituto de Investigaciones Históricas. *Documentos Para La Historia Argentina, Tomo XIV Correspondencias Generales de La Provincia de Buenos Aires Relativas a Relaciones Exteriors (1820-1824).* Buenos, 1921.

Forbes, John Murray. *Once Años En Buenos Aires, 1820-1831: Las Crónicas Diplomáticas.* Buenos Aires: Emecé, 1956.

Founders Online, National Archives

Gentile, Nora L. Siegrist de. *Instrucciones Diplomatics Argentinas Estado de Recopilación E Investigación 1810-1837. Series I: 1810-1820.* Buenos Aires, 1982.

Hansard, T.C. *The Parliamentary Debates: Forming a Continuation of the Work Entitled The Parliamentary History of England, from the Earliest Period to the Year 1803, Volume 12.* London: T. C. Hansard, 1825.

Levene, Ricardo. *Documentos Del Congreso de Tucumán: Oficios de Los Directores, Apuntes de Correspondencia, Notas de Oficios y órdenes Del Congreso, Asuntos Pendientes Ante El Mismo, y Borradores de Sesiones Del Congreso de Tucumán, 1816-1820.* Buenos Aires: Taller de Impresiones Oficiales, 1947.

Malaspina, Alejandro. *The Malaspina Expedition, 1789-1794 : Journal of the Voyage by Alejandro Malaspina, Volume 1, Cádiz to Panama.* Edited by Andrew Davis. London: Hakluyt Society, 2001.

Malaspina, Alessandro. *La Expedición Malaspina: 1789-1794. Tomo VII Descripciones y Reflexiones Politicas.* Madrid: Ministerio de Defensa, Museo Naval, 1995.

Ministerio de Relaciones Exteriores y Culto *Diplomacia de La Revolución, 4 Volumes.* Published Buenos Aires, 1958-1963, n.d.

Ravignani, Emilio ed., *Asambleas Constituyentes Argentina seguidas de los textos constitucionales, legislativos y pactos interprovinciales que organizaron políticamente la nación*, 6 Volumes, Buenos Aires: Talleres S.A Casa Jacobo Peuser., 1937.

Registro Oficial de La Provincia de Buenos Aires. Año 1821. Buenos Aires: Imprenta de José y Luis Rossi, editores, Potosi 204 y 206., 1873.

Registro Oficial de La Provincia de Buenos Aires. Año de 1822. Buenos Aires: Imprenta de José y Luis Rossi, editores, Potosi 204 y 206., 1873.

Registro Oficial de La Provincia de Buenos Aires. Año de 1823. Buenos Aires: Imprenta de José y Luis Rossi, editores, Potosi 204 y 206., 1874.

Registro Oficial de La Provincia de Buenos Aires. Año de 1824. Buenos Aires: Imprenta del Mercurio, Calle de Potosi 204 y 206., 1874.

Registro Oficial de La Provincia de Buenos Aires. Año de 1825. Buenos Aires: Imprenta del Mercurio, Calle de Potosi 204 y 206., 1874.

Registro Oficial de La Provincia de Buenos Aires. Año de 1827. Buenos Aires: Imprenta del Mercurio, Calle de Potosi 204 y 206., 1874.

Registro Oficial de La Provincia de Buenos Aires. Año de 1828. Buenos Aires: Imprenta del Mercurio, Calle de Potosi 204 y 206., 1874.

Registro Oficial de La República Argentina. Tomo Primero, 1810 á 1821. Buenos Aires: La República: Imprenta Especial de Obras, 1879.

Rejistro Nacional - Provincias Unidas Del Río de La Plata Año de 1826. Buenos Aires: Imprenta del Mercurio, Calle de Potosi 204 y 206., 1874.

Rejistro Nacional - Provincias Unidas Del Río de La Plata Año de 1827. Buenos Aires: Imprenta del Mercurio, Calle de Potosi 204 y 206., 1874.

Prado y Rojas, Dr Aurelio. *Leyes y Decretos Promulgados En La Provincia de Buenos Aires Desde 1810 a 1876*, Tomo 1. Buenos Aires: Imprenta de Mercurio, 1877.

Senado de la Nación, *Biblioteca de Mayo : Colección de Obras y Documentos Para La Historia Argentina.* Imprenta de Congreso de la Nación, 1960.

United States Congress. *Laws of the United States of America, from the 4th of March, 1789, to the 4th of March, 1815: Including the Constitution of the United States, the Old Act of Confederation, Treaties*, 5 Volumes. John Bioren and W. John Duane, 1815.

Newspapers and Periodicals

La Abeja Argentina (1822-1823)

El Abogado Nacional (1818-1819)

El Amigo del Orden (1825)

El Argentino (1825)

El Argos de Buenos Aires (1821-1825)

El Boletín de la Industria (1821)

The British Packet (1826-1827)

El Censor (1812)

El Censor (1815-1819)

El Centinela (1822-1823)

El Correo de Comercio (1810)

El Correo de las Provincias (1823)

El Correo Nacional (1826-1827)

El Duende de Buenos Aires (1826-1827)

El Eco de los Andes (1825)

La Estrella del Sud (1820)

La Gaceta de Buenos Ayres (1810-1821)

La Gaceta Mercantil (1825-1827)

Gazeta de Lisboa (1827)

El Grito del Sud (1812)

El Imparcial (1820)

El Observador Americano (1816)

El Mensajero Argentino (1825-1826)

El Nacional (1824-1826)

Niles Weekly Register (1827)

La Prensa Argentina (1816)

El Registro Estadístico (1822-1824)

El Republicano (1823-1824)

El Semanario de Agricultura, Industria y Comercio (1803-1807)

The Southern Star (1807)

Teatro de la Opinión (1823-1824)

El Telégrafo Mercantil (1801-1802)

The Weekly Register (1812-1815)

Imprints

I have referenced those imprints that were not consulted as part of archival collections. Imprints that were found in collections in AGNA have already been cited referencing the correct folder number in the body of the thesis.

A Citizen of Virginia. *On the Future Destiny of the United States. In Essays on Various Subjects of Taste, Morals, and National Policy*, Georgetown D.C: Published by Joseph Milligan, 1822.

Alvear, Carlos D. *Esposición Que Hace El General Alvear Para Contestar Al Mensaje Del Gobierno de 14 de Setiembre de 1827*. Buenos Aires: Imprenta Argentina, 1827.

Arancel de Los Derechos Que Adeudan Los Generos y Demas Efectos Que Se Introducen En La Aduana de Buenos-Ayres. Buenos Aires: Ymprinta de la Independencia, 1817.

Beaumont, J. A. B. *Travels in Buenos Ayres, and the Adjacent Provinces of the Río de La Plata.* London: James Ridgway, 1828.

Constitución de La Provincias Unidas En Sud-America Sancionada y Mandada Publicar Por El Soberano Congreso General Constituyente En 22 de Abril de 1819. Buenos Aires: Imprenta de la Independencia, 1819.

US Treasury Department. *Report of the Secretary of the Treasury on the Subject of Public Roads and Canals, Made in Pursuance of a Resolution of the Senate of March 2d 1807.* Washington: Printed by William A. David., 1816.

Estatuto Provisional Para La Dirección y Administración Del Estado. Buenos Aires: Imprenta del Estado, 1815.

Mill, Santiago. *Elementos de Economía Política.* Buenos Aires, Imprenta de la Independencia, 1823.

Monteagudo, Bernardo. *Ensayo Sobre La Necesidad de Una Federacion Jeneral Entre Los Estados Hispano-Americanos, y Plan de Su Organizacion.* Lima: Imprenta del Estado por J. Gonzalez, 1825.

Moreno, Manuel. *Vida y Memorias Del Dr. Dn. Mariano Moreno, Secretario de La Junta de Buenos Ayres.* Londres: En la imprenta de J. McCreery, Black-Horse Court, Fleet-Street., 1812.

Moreno, Mariano. *Plan de Operaciones.* Buenos Aires: Biblioteca Nacional, 2008.

Nuñez, Ignacio. *An Account, Historical, Political, and Statistical, of The United Provinces of Río de La Plata. Written Originally in Spanish.* London: Rudolf Ackermann, 1825.

Paine, Thomas. *Common Sense: Addressed to the Inhabitants of America.* Boston: J.P. Mendum, 1856.

———. *The Political Works of Thomas Paine: In Two Volumes, Volume 2.* London: R. Carlile, 1819.

Pitkin, Timothy. *A Statistical View of the Commerce of the United States of America*. New Haven: Durrie and Peck, 1835.

Pownall, Thomas. *A Memorial, Most Humbly Addressed to the Sovereigns of Europe, on the Present State of Affairs, between the Old and New World*. London: J. Almon, 1780.

Report from the Secretary of the Treasury on the Subject of American Manufactures, Prepared in Obedience to a Resolution of the House of Representatives. Boston: Published by Farrand, Mallory & CO. & Lyman, Mallory & Co. Portland, 1810.

Representación Que Hace Los Apoderados de Los Hacendados de Viñas. Imprenta del Sol, 1817.

Sylvestris. *Reflections, on the Cession of Louisiana to the United States*. Washington City: Printed by Samuel Harrison Smith, 1803.

Thornton, William. *Outlines of a Constitution for United North and South Columbia*. Washington City, 1815.

Wilde, Santiago. *Memoria Presentada a La Comision de Hacienda Por Don Santiago Wilde. Vocal de La Misma y Mandada Publicar Por La Muy H. J. De Representantes*. Buenos Aires: Imprenta de la Independencia, 1821.

Parish, Woodbine. *Buenos Ayres and the Provinces of the Río de La Plata*. London: John Murray, 1852.

Secondary Sources:

Adelman, Jeremy. *Republic of Capital: Buenos Aires and the Legal Transformation of the Atlantic World*. Stanford: Stanford University Press, 1999.

———. *Sovereignty and Revolution in the Iberian Atlantic*. Princeton: Princeton University Press, 2006.

Ainsworth, Philip. "The Rebellion of Tupac-Amaru II, 1780-1781." *The Hispanic American Historical Review* 2, no. 1 (1919): 1–25.

Amaral, Samuel. "Comercio Libre y Economías Regionales. San Juan y Mendoza, 1780-1820." *Jahrbuch Fur Geschichte von Staat, Wirtschaft Und Gesellschaft Lateinamerikas* 27 (1990): 1–67.

———. *The Rise of Capitalism on the Pampas: The Estancias of Buenos Aires, 1785-1870*. Cambridge: Cambridge University Press, 1998.

Anderson, Fred. *Crucible of War: The Seven Years' War and the Fate of Empire in British North America, 1754-1766*. New York: Random House, 2001.

Angevine, Robert G. *The Railroad and the State : War, Politics, and Technology in Nineteenth-Century America*. Stanford: Stanford University Press, 2004.

Arthur, Brian. *How Britain Won the War of 1812 : The Royal Navy's Blockades of the United States, 1812-1815*. Woodbridge: Boydell, 2011.

Assadourian, Carlos Sempat. *El Sistema de La Economía Colonial : El Mercado Interior, Regiones y Espacio Económico*. México City: Editorial Nueva Imagen, 1983.

Assadourian, Carlos Sempat Palomeque, Silvia. "Las Relaciones Mercantiles de Córdoba (1800-1830) : Desarticulación y Desmonetización Del Mercado Interno Colonial En El Nacimiento Del Espacio Económico Nacional." In *La Desintegración de La Economía Colonial : Comercio y Moneda En El Interior Del Espacio Colonial (1800-1860)*, edited by María Alejandra Irigoin and Roberto Schmit, 151–225. Buenos Aires: Editorial Biblos, 2003.

Atta, John R Van. "Western Lands and the Political Economy of Henry Clay's American System, 1819-1832." *Journal of the Early Republic* 21, no. 4 (2001): 633–65.

Ayrolo, Valentina. "Noticias Sobre La Opinión y La Prensa Periódica En La Provincia Autónoma de Córdoba: 1820-1852." *Quinto Sol*, no. 9–10 (2005): 13–46.

Baack, Ben. "Forging a Nation State: The Continental Congress and the Financing of the War of American Independence." *The Economic History Review* 54, no. 4 (2001): 639–56.

Barbier, Jacques A. *Reform and Politics in Bourbon Chile, 1755-1796*. Ottawa: University of Ottawa Press, 1980.

Bernstein, Harry. *Origins of Inter-American Interest, 1700-1812*. Philadelphia; London: University of Pennsylvania Press, 1945.

Blaufarb, Rafe. "The Western Question : The Geopolitics of Latin American Independence." *The American Historical Review* 112, no. 3 (2007): 742–63.

Bordo, Michael D., and Carlos A. Vegh. "What If Alexander Hamilton Had Been Argentinean? A Comparison of the Early Monetary Experiences of Argentina and the United States." *Journal of Monetary Economics* 49, no. 3 (2002): 459–94.

Brewer, John. *The Sinews of Power : War, Money, and the English State, 1688-1783*. New York: Knopf, 1989.

Brown, Jonathan. *A Socioeconomic History of Argentina, 1776-1860*. Cambridge: Cambridge University Press, 1979.

Brown, Matthew. "The Global History of Latin America." *Journal of Global History* 10, no. 03 (2015): 365–86.

Burgin, Miron. *The Economic Aspects of Argentine Federalism, 1820-1852*. Cambridge, Massachusetts: Harvard University Press, 1946.

Callinicos, Alex. *Imperialism and Global Political Economy*. Cambridge: Polity Press, 2009.

Cañizares-Esguerra, Jorge. "'Enlightened Reform' in the Spanish Empire: An Overview." In *Enlightened Reform in Southern Europe and Its Atlantic Colonies, c. 1750-1830*, edited by Gabriel Paquette, 33–36. London; New York: Routledge, 2009.

Cárcano, Miguel Angel. *La Política Internacional En La Historia Argentina*, Volume 3, Part 2. Buenos Aires: Editorial Universitaria de Buenos Aires, 1973.

Celton, Dora E. "'La Población. Desarrollo y Características Demográficas.'" In Academia Nacional de La Historia, *Nueva Historia de La Nación Argentina*, Vol. 4. Buenos Aires: Planeta, 2000.

Centeno, Miguel Angel. *Blood and Debt: War and the Nation-State in Latin America*. University Park, Pennsylvania: Pennsylvania State Press, 2002.

Chambers, John Whiteclay,, Fred Anderson, and G. Kurt Piehler. *The Oxford Guide to American Military History*. New York: Oxford University Press, 1999.

Chavez, Thomas E. *Spain and the Independence of the United States: An Intrinsic Gift*. Albuquerque, NM: University of New Mexico Press, 2002.

Chiaramonte., José Carlos. *Mercaderes Del Litoral : Economía y Sociedad En La Provincia de Corrientes, Primera Mitad Del Siglo XIX*. Mexico City: Fondo de Cultura Económica, 1991.

Cisneros, Andrés, and Carlos Escudé, eds. "Tomo II: Desde Los Orígenes Hasta El Reconocimiento de La Independencia Formal of Parte I: Las Relaciones Exteriores de La Argentina Embrionaria (1806-1881)." In *Historia General de Las Relaciones Exteriores de La República Argentina*. http://www.argentina-rree.com/historia_indice00.htm, n.d.

Clarfield, Gerard. "John Adams: The Marketplace, and American Foreign Policy." *The New England Quarterly* 52, no. 3 (1979): 345–57.

Coatsworth, John H., and Jeffrey G. Williamson. "Always Protectionist? Latin American Tariffs from Independence to the Great Depression." *Journal of Latin American Studies* 36, no. 2 (2004): 205–32.

Coatsworth, John H. "American Trade with European Colonies in the Caribbean and South America , 1790-1812." *The William and Mary Quarterly* 24, no. 2 (1967): 243–66.

Conde, Roberto Condés. "Finanzas Publicas, Moneda y Bancos (1810-1899)." In *Nueva Historia de La Nación Argentina. La Configuración de La República Independiente (1810-c.1914)*, 463–506. Buenos Aires: Planeta, 2000.

Conde, Roberto Cortés, and George T. McCandless. "Argentina: From Colony to Nation. Centuries, Fiscal and Monetary Experience of the Eighteenth and Nineteenth." In *Transferring Wealth and Power from the Old to the New World: Monetary and Fiscal Institutions in the 17th Through the 19th Centuries*. Cambridge: Cambridge University Press, 2006.

Craig, Gordon A. "The United States and the European Balance." *Foreign Affairs* 55, no. 1 (1976): 187–98.

Crowley, John E. *The Privileges of Independence : Neomercantilism and the American Revolution*. Baltimore; London: Johns Hopkins University Press, 1993.

Cuccorese, Horacio Juan. "Economía y Finanzas Durante La época Del Congreso de Tucumán." *Trabajos y Comunicaciones* 15 (1966): 160–246.

Cuenca-Esteban, Javier. Was Spain a Viable "Fiscal-Military State" on the Eve of the French Wars? Post-Conference for the XVth World Economic History Congress (Greenwich, 6 November 2009), 2009.

Davilo, Beatriz. *Los Derechos, Las Pasiones, La Utilidad. El Debate Intelectual y Los Lenguajes Políticos En Buenos Aires (1810-1827)*. Caseros: Universidad Nacional Tres de Febrero, 2011.

Davis, Lance E., and Stanley L. Engerman. *Naval Blockades in Peace and War : An Economic History since 1750*. Cambridge: Cambridge University Press, 2006.

De la Reza, Germán A. "The Formative Platform of the Congress of Panama (1810-1826): The Pan-American Conjecture Revisited." *Revista Brasileira de Política Internacional* 56, no. 1 (2013): 5–21.

Demaría, Rafael M. *Historia de Las Armas de Fuego En La Argentina, 1530-1852*. Buenos Aires: Ediciones Cabargón, 1972.

Deudney, Daniel H. The Philadelphian System: Sovereignty, Arms Control, and Balance of Power in the American States-Union, circa 1787–1861. *International Organization*. Vol. 49, 1995.

Dobado-González, Rafael, Alfredo García-Hiernaux, and David E. Guerrero. "The Integration of Grain Markets in the Eighteenth Century: Early Rise of Globalization in the West." *The Journal of Economic History* 72, no. 3 (2012): 671–707.

Donald R. Adams, Jr. "American Neutrality and Prosperity, 1793-1808: A Reconsideration." *The Journal of Economic History* 40, no. 4 (1980): 713–37.

Donghi, Tulio Halperín. *Guerra y Finanzas En Los Orígenes Del Estado Argentino*. Buenos Aires: Promoteo, 2005.

Dull, Jonathan R. *The French Navy and American Independence : A Study of Arms and Diplomacy, 1774-1787*. Princeton: Princeton University Press, 1975.

Earle, Rebecca. *The Return of the Native: Indians and Myth-Making in Spanish America, 1810–1930*. Durham; London: Duke University Press, 2007.

Edling, Max. *A Hercules in the Cradle: War, Money, and the American State, 1783-1867*. Chicago: University of Chicago Press, 2014.

———. *A Revolution in Favor of Government: Origins of the US Constitution and the Making of the American State*. New York: Oxford University Press, 2003.

Elkins, Stanley M., and Eric McKittrick. *The Age of Federalism: The Early American Republic, 1788-1800*. Oxford; New York: Oxford University Press, 1993.

Emory Richard Johnson, Thurman William Van Metre, Grover Gerhardt Huebner, David Scott Hanche. *History of Domestic and Foreign Commerce of the United States*. Washington D.C.: Carnegie institution of Washington, 1915.

Fagal, Andrew. "Arsenal of Liberty: The Political Economy of War in the Early Republic, 1774 – 1821." Working Paper, MCEAS, 2014.

———. "The Political Economy of War in the Early America Republic, 1774-1821." Ph.D. Thesis, Binghamton University, 2013.

Fisher, John. "The Imperial Response to 'Free Trade': Spanish Imports from Spanish America, 1778–1796." *Journal of Latin American Studies* 17, no. 1 (1985): 35–78.

Fitz, Caitlin A. "Our Sister Republics: The United States in an Age of American Revolutions." Ph.D. Thesis, Yale University, 2011.

———. "The Hemispheric Dimensions of Early US Nationalism: The War of 1812, Its Aftermath, and Spanish American Independence." *Journal of American History* 102, no. 2 (2015): 356–79.

- Flandreau, Marc, and Juan Flores Zendejas. "Bonds and Brands: Foundations of Sovereign Debt Markets, 1820–1830." *The Journal of Economic History* 69, no. 03 (2009): 646–84.
- Fletcher, John. *The Wars of Spanish American Independence 1809–29*. Oxford; New York: Osprey Publishing, 2013.
- Forbes, John D. "European Wars and Boston Trade , 1783-1815." *The New England Quarterly* 11, no. 4 (1938): 709–30.
- Forbes, John Murray. *Once Años En Buenos Aires, 1820-1831: Las Crónicas Diplomáticas*. Buenos Aires: Emecé, 1956.
- Foster, Stephen. *British North America in the Seventeenth and Eighteenth Centuries*. Oxford: Oxford University Press, 2013.
- Gallo, Klaus. *Argentina En El Mundo (1808-1830)*. Taurus, 2015.
- Garavaglia, Juan Carlos. "'The Bureaucracy in Río de La Plata: Buenos Aires, 1760-1861.'" In *Latin American Bureaucracy and the State Building Process (1780-1860)*, edited by Juan Carlos Garavaglia and Juan Pro Ruiz, 239–71. Newcastle upon Tyne: Cambridge Scholars Publishing, 2013.
- Gargarella, Roberto. *Latin American Constitutionalism, 1810-2010: The Engine Room of the Constitution*. Oxford: Oxford University Press, 2013.
- Giesecke, Albert Anthony. *American Commercial Legislation before 1789*. New York: University of Pennsylvania, D. Appleton and Company, Agents, New York, 1910.
- Gilbert, Felix. *To the Farewell Address : Ideas of Early American Foreign Policy*. Princeton: Princeton University Press, 1961.
- Gilje, Paul A. *Free Trade and Sailors' Rights in the War of 1812*. New York: Cambridge University Press, 2012.
- Gilmore, Jason, and Charles M. Rowling. "Lighting the Beacon: Presidential Discourse, American Exceptionalism, and Public Diplomacy in Global Contexts." *Presidential Studies Quarterly* 48, no. 2 (2018): 271–91.
- González, Julio César. "Las Provincias Unidas Del Río de La Plata y El Congreso de Panamá." *Trabajos y Comunicaciones*, no. 12 (1964): 29–92.

Grafe, Regina. *Distant Tyranny: Markets, Power, and Backwardness in Spain, 1650-1800*. Princeton: Princeton University Press, 2012.

Grafe, Regina, and Alejandra Irigoin. "A Stakeholder Empire: The Political Economy of Spanish Imperial Rule in America." *Economic History Review* 65, no. 2 (2012): 609–51.

Grandin, Greg. *The Empire of Necessity : Slavery, Freedom, and Deception in the New World*. New York: Metropolitan Books and Henry Holt and Company, 2014.

———. "The Liberal Tradition in the Americas: Rights, Sovereignty, and the Origins of Liberal Multilateralism." *The American Historical Review* 117, no. 1 (2012): 68–91.

Guyatt, Nicholas. *Bind Us Apart: How Enlightened Americans Invented Racial Segregation*. Oxford: Oxford University Press, 2016.

Ha, Songho. *The Rise and Fall of the American System : Nationalism and the Development of the American Economy, 1790-1837*. London: Pickering & Chatto, 2009.

Halperin-Donghi, Tulio. *Politics, Economics and Society in Argentina in the Revolutionary Period*. Cambridge: Cambridge University Press, 1975.

Harper, John Lamberton. *American Machiavelli: Alexander Hamilton and the Origins of US Foreign Policy*. New York: Cambridge University Press, 2007.

Hendrickson, David C. *Peace Pact: The Lost World of the American Founding*. Lawrence: University Press of Kansas, 2003.

Hendrickson, David C., and Robert W. Tucker. *Empire of Liberty: The Statecraft of Thomas Jefferson*. New York; Oxford: Oxford University Press, 1992.

Herrero, Fabián. *Federalistas de Buenos Aires, 1810-1820. Sobre Los Orígenes de La Política Revolucionaria*. Buenos Aires: Universidad Nacional de Lanús, 2009.

Hickey, Donald R. *The War of 1812 : A Short History*. Urbana: University of Illinois Press, 2012.

———. *The War of 1812: A Forgotten Conflict*. Chicago: University of Illinois Press, 2012.

Hill, William. "The First Stages of the Tariff Policy of the United States." *Publications of the American Economic Association* 8, no. 6 (1893): 9–162.

Hopkins, A.G. *American Empire: A Global History*. Oxford: Princeton University Press, 2018.

Horsman, Reginald. "On to Canada : Manifest Destiny and United States Strategy in the War of 1812." *Michigan Historical Review* 13, no. 2 (1987): 1–24.

———. *The New Republic : The United States of America, 1789-1815*. London: Routledge, Taylor and Francis, 2014.

Hulsebosch, Daniel J. "The Revolutionary Portfolio: Constitution-Making and the Wider World in the American Revolution." *Suffolk University Law Review* 47, no. 579 (2013): 759–822.

Hunt, Lynn. "The Global Financial Origins of 1789." In *The French Revolution in Global Perspective*, 32–43. Ithaca; London: Cornell University Press, 2013.

Irigoin, María Alejandra. *Finance, Politics and Economics in Buenos Aires, 1820s-1860s: The Political Economy of Currency Stabilisation* (Ph.D. Thesis, London School of Economics and Political Science, 2000).

Irigoin, María Alejandra, and Colin M Lewis. *From Colonial Capital to Global Entrepôt: Buenos Aires during the Early National Period*. Primer Congreso Latinoamerica de Historia Económica, Montevideo, 2007.

Irwin, Douglas A. "New Estimates of the Average Tariff of the United States , 1790-1820." *The Journal of Economic History* 63, no. 2 (2003): 506–13.

———. "Revenue or Reciprocity? Founding Feuds over Early US Trade Policy." In *Founding Choices: American Economic Policy in the 1790s*, 89–120. Chicago: University of Chicago Press, 2010.

———. "The Aftermath of Hamilton's 'Report on Manufactures.'" *The Journal of Economic History* 64, no. 3 (2004): 800–821.

———. “Welfare Effects of Autarky: Evidence from the Jeffersonian Embargo of 1807–1809.” *Review of International Economics* 13, no. 4 (2005): 631–45.

Irwin, Douglas A., and Peter Temin. “The Antebellum Tariff on Cotton Textiles Revisited.” *The Journal of Economic History* 61, no. 3 (2001): 777–98.

Israel, Jonathan. *Revolutionary Ideas: An Intellectual History of the French Revolution from the Rights of Man to Robespierre*. Oxford; Princeton: Princeton University Press, 2014.

Johnson, Lyman L. *Workshop of Revolution: Plebeian Buenos Aires and the Atlantic World, 1776–1810*. Durham; London: Duke University Press, 2011.

Kaplan, Lawrence S. “France and Madison’s Decision for War, 1812.” *The Mississippi Valley Historical Review* 50, no. 4 (1964): 652–71.

———. “Jefferson, the Napoleonic Wars, and the Balance of Power.” *The William and Mary Quarterly* 14, no. 2 (1957): 196–217.

Kendrick, John. *Alejandro Malaspina: Portrait of a Visionary*. Montreal; Kingston: McGill-Queen’s University Press, 1999.

Klein, Herbert S. “Structure and Profitability of Royal Finance in the Viceroyalty of the Río de La Plata.” *The Hispanic American Historical Review* 53, no. 3 (1973): 440–69.

Kroeber, Clifton B. *The Growth of the Shipping Industry in the Río de La Plata Region, 1794-1860*. Madison: Wisconsin University Press, 1957.

LaCroix, Alison L. *The Ideological Origins of American Federalism*. Cambridge, Massachusetts: Harvard University Press, 2010.

Larson, John Lauritz. *Internal Improvement: National Public Works and the Promise of Popular Government in the Early United States*. Chapel Hill: University of North Carolina Press, 2001.

Lescano, Mariana Paula. “La Prensa Durante El Período Rivadaviano : El Argos de Buenos Aires.” *Almanack* 9 (2015): 136–52.

Lewis Jr., James E. *The American Union and the Problem of Neighborhood: The United States and the Collapse of the Spanish Empire, 1783-1829*. Chapel Hill: University of North Carolina Press, 2000.

Liss, Peggy K. *Atlantic Empires: The Network of Trade and Revolution, 1713-1826*. Baltimore: Johns Hopkins University Press, 1983.

Llorca-Jaña, Manuel. *The British Textile Trade in South America in the Nineteenth Century*. New York: Cambridge University Press, 2012.

López, Luis Alberto Coria. "El Siglo Anterior Al Boom Vitivinícola Mendocino (1780/1883)." *Revista Universum* 2, no. 21 (2006).

Lorenzo, Celso Ramón. *Manual de Historia Constitucional Argentina*. Volume 1. Rosario: Editorial Juris, 1994.

———. *Manual de Historia Constitucional Argentina*. Volume 2. Rosario: Editorial Juris, 1997. <https://books.google.com/books?id=qea56GOWpnEC&pgis=1>.

Luna, Felix. *Los Caudillos y El Ideal Federalista*. Buenos Aires: Planeta, 1988.

Lynch, John. *Spanish Colonial Administration, 1782-1810: The Intendant System in the Viceroyalty of the Río de La Plata*. London: University of London, 1958.

Mata, Sara Emilia. *Los Gauchos de Güemes: Guerras de Independencia y Conflicto Social*. Buenos Aires: Editorial Sudamericana, 2008.

Mahan, Alfred Thayer. *Sea Power and the War of 1812*. Fireship Press, 2010.

Mahoney, James. *Colonialism and Postcolonial Development: Spanish America in Comparative Perspective*. Cambridge; New York: Cambridge University Press, 2010.

Margerum Harlen, Christine. "A Reappraisal of Classical Economic Nationalism and Economic Liberalism." *International Studies Quarterly* 43, no. 4 (December 1999): 733–44.

Marzagalli, Silvia. "American Shipping into the Mediterranean during the French Wars : A First Approach." *Research in Maritime History* 44 (2010): 43–62.

McCalub, Flavius McCaleb. *The Aaron Burr Conspiracy: A History Largely from Original and Hitherto Unused Sources* New York: Dodd, Mead, 1903.

McCusker, John J., and Russell R. Menard. *The Economy of British America, 1607-1789*. Chapel Hill: University of North Carolina Press, 1985.

McFarlane, Anthony. *War and Independence in Spanish America*. New York: Routledge, 2014.

McPherson, Alan, and Yannick Wehrli, eds. *Beyond Geopolitics: New Histories of Latin America at the League of Nations*. Albuquerque: University of New Mexico Press, 2015.

Meagher, Thomas M. *Financing Armed Conflict, Volume 1 : Resourcing US Military Interventions from the Revolution to the Civil War*. Vol. 1. New York: Palgrave Macmillan, 2017.

Meglio, Gabriel Di. "Los Cuatro Tribunos. Ideas y Proyectos Políticos de Los Dirigentes Federales de Buenos Aires Durante El Congreso Constituyente Rioplatense: 1824-1827." *Economía y Política* 2, no. 1 (2015): 1–34.

———. *Viva El Bajo Pueblo!: La Plebe Urbana de Buenos Aires y La Política Entre La Revolución de Mayo y El Rosismo*. Buenos Aires: Promoteo, 2007.

Molina, Eugenia. *El Poder de La Opinión Pública. Trayectos y Avatares de Una Nueva Cultura Política En El Río de La Plata, 1800-1852*. Santa Fe: Ediciones UNL, 2008.

Molinari, Diego Luis. *La Representación de Los Hacendados de Mariano Moreno. Su Ninguna Influencia En La Vida Económica Del País y En Los Sucesos de Mayo de 1810* (2a Edición). Buenos Aires: Universidad de Buenos Aires, Facultad de Facultad de ciencias económicas. Publicaciones, 1939.

Moreno, Isidoro J. Ruiz. *Campañas Militares Argentinas: Guerra Exterior y Luchas Internas (1865-1874)*. Buenos Aires: Emecé, 2005.

Nelson, John R. *Liberty and Property : Political Economy and Policymaking in the New Nation, 1789-1812*. Baltimore: Johns Hopkins University Press, 1987.

Nettels, Curtis P. *The Emergence of a National Economy 1775-1815*. New York: Holt, Rinehart and Winston, 1962.

Nicolau, Juan Carlos. *Proteccionismo y Libre Comercio En Buenos Aires (1810-1850)*. Córdoba: Centro de Estudios Históricos, 1995.

———. *Manuel José García 1784-1848 : Política y Diplomacia En El Río de La Plata. El Conflicto Con El Imperio de Brasil*. Buenos Aires: Librería Histórica, 2008.

North, Douglass. "The United States Balance of Payments, 1790-1860." In *Trends in the American Economy in the Nineteenth Century*, 573–628. Princeton: Princeton University Press, 1960.

Nye, John V. C. *War, Wine, and Taxes: The Political Economy of Anglo-French Trade, 1689-1900*. Princeton: Princeton University Press, 2007.

O'Rourke, Kevin H. "The Worldwide Economic Impact of the French Revolutionary and Napoleonic Wars, 1793–1815." *Journal of Global History* 1, no. 1 (2006): 123–49.

Ocampo, Emilio. *Alvear En La Guerra Con El Imperio Del Brasil*. Buenos Aires: Claridad, 2003.

Öhman, Martin Christoffer. "Ambiguous Bonds of Union: American Political Economy and the Geopolitical Origins of Interregional Cooperation and Conflict, 1783-1821." Ph.D. Thesis, University of Virginia, 2011.

Onuf, Peter S., and Nicholas Greenwood Onuf. *Federal Union, Modern World: The Law of Nations in an Age of Revolutions, 1776-1814*. Madison: Madison House Publishers, 1993.

Oosterveld, Willem Theo. *The Law of Nations in Early American Foreign Policy: Theory and Practice from the Revolution to the Monroe Doctrine*. Leiden; Boston: Brill Nijhoff, 2016.

Palmer, R.R. *The Age of Democratic Revolutions: A Political History of Europe and America, 1760–1800*. 2 Vols., Princeton, Princeton University Press, 1959, 1964.

Paolera, Gerardo della, and Alan M. Taylor. *A New Economic History of Argentina*, Volume 1. Cambridge: Cambridge University Press, 2003.

Paquette, Gabriel. "The Intellectual Context of British Diplomatic Recognition of the South American Republics , C . 1800 – 1830." *Journal of Transatlantic Studies* 2, no. 1 (2004): 75–95.

———. *Enlightenment, Governance and Reform in Spain and Its Empire 1759-1808*. Houndmills: Palgrave Macmillan, 2008.

Pearce, Adrian J. "The Hope—Barings Contract: Finance and Trade Between Europe and the Americas, 1805–1808." *The English Historical Review* 124, no. 511 (2009): 1324–52.

Perkins, Bradley. *The First Rapprochement: England and the United States, 1795-1805*. Berkeley; Los Angeles: University of California Press, 1967.

Peskin, Lawrence A. *Manufacturing Revolution : The Intellectual Origins of Early American Industry*. Baltimore: Johns Hopkins University Press, 2003.

Peterson, Merrill D. "Thomas Jefferson and Commercial Policy, 1783-1793." *The William and Mary Quarterly* 22, no. 4 (1965): 584–610.

Piccirilli, Ricardo. *Rivadavia y Su Tiempo*. Buenos Aires: Editores Peuser Ida, 1943.

Pimentel, Juan. *La Física de La Monarquía: Ciencia y Política En El Pensamiento Colonial de Alejandro Malaspina (1754-1810)*. Madrid: Doce Calles, 1998.

Platt, D. C. M. "Foreign Finance in Argentina for the First Half-Century of Independence." *Journal of Latin American Studies* 15, no. 1 (1983): 23–47.

Prados De La Escosura, Leandro, and Samuel Amaral. *The Economic Consequences of Independence in Latin America*. Vol. 4. Madrid: Alianza, 1993.

Rao, Gautham. "The Creation of the American State: Customhouses, Law, and Commerce in the Age of Revolution." Ph.D. Thesis, University of Chicago, 2008.

———. *National Duties : Custom Houses and the Making of the American State*. London: The University of Chicago Press, 2016.

Reinert, Sophus A. *Translating Empire: Emulation and the Origins of Political Economy*. Cambridge, Massachusetts: Harvard University Press, 2011.

Robert B. Ekelund, Jr., Robert F. Hébert. *A History of Economic Theory and Method*. Long Grove: Waveland Press, 2014.

Roberts, Clayton, David F. Roberts, and Douglas Bisson. *A History of England*. Volume 2 1688 to the Present. London: Routledge, 2016.

Rodriguez O., Jaime E. "The Emancipation of America." *American Historical Review*, no. 105 (2000): 131–52.

———. *The Independence of Spanish America*. Cambridge: Cambridge University Press, 1998.

Ross, Nicholas J. "The Provision of Naval Defense in the Early American Republic: A Comparison of the US Navy and Privateers, 1789–1815." *The Independent Review* 16, no. 3 (2012): 417–33.

Sabato, Hilda. *Republics of the New World: The Revolutionary Political Experiment in 19th-Century Latin America*. Princeton: Princeton University Press, 2018.

Sábato, Hilda. *The Many and the Few : Political Participation in Republican Buenos Aires*. Stanford: Stanford University Press, 2001.

Sánchez, Rafael Torres. *Constructing a Fiscal Military State in Eighteenth Century Spain*. New York; London: Palgrave Macmillan, 2015.

———. , ed. *War, State and Development. Fiscal-Military States in the Eighteenth Century*. Navarra: Ediciones Universidad de Navarra, 2007.

Sanders, James E. *The Vanguard of the Atlantic World: Creating Modernity, Nation, and Democracy in Nineteenth-Century Latin America*. Oxford: Blackwell, 2016.

Savelle, Max. *Empires to Nations: Expansion in America, 1713-1824*. Minneapolis: University of Minnesota Press, 1974.

Scheina, Robert L. *Latin America's Wars: The Age of the Caudillo, 1791-1899*, Volume 1. Washington D.C.: Brassey's, 2003.

Schmidt, Louis Bernard. "Internal Commerce and the Development of National Economy before 1860." *Journal of Political Economy* 47, no. 6 (1939): 798–822.

Schoen, Brian. "Calculating the Price of Union: Republican Economic Nationalism and the Origins of Southern Sectionalism, 1790-1828." *Journal of the Early Republic* 23, no. 2 (2003): 173–206.

Scofield, John. *Hail, Columbia!: Robert Gray, John Kendrick, and the Pacific Fur Trade*. Portland: Oregon Historical Society Press, 1993.

Seckinger, Ron. *The Brazilian Monarchy and the South American Republics, 1822-1831 : Diplomacy and State Building*. Baton Rouge: Louisiana State University Press, 1984.

Sellers, Charles. *The Market Revolution: Jacksonian America 1815-1846*. Oxford: Oxford University Press, 1991.

Sester, Vernon *The Commercial Reciprocity Policy of the United States*. Philadelphia: University of Pennsylvania Press, 1937.

———. "Did Americans Originate the Conditional Most-Favored-Nation Clause?" *The Journal of Modern History* 5, no. 3 (1933): 319–23.

Shankman, Andrew. "'A New Thing on Earth': Alexander Hamilton, Pro-Manufacturing Republicans, and the Democratization of American Political Economy." *Journal of the Early Republic* 23, no. 3 (2003): 323–52.

Shaw, Ronald E. *Canals For A Nation: The Canal Era in the United States, 1790-1860*. Lexington,: University Press of Kentucky, 2014.

Simon, Joshua. *The Ideology of Creole Revolution: Imperialism and Independence in American and Latin American Political Thought*. Cambridge; New York: Cambridge University Press, 2017.

———. "The Ideology of Creole Revolution : Ideas of American Independence in Comparative Perspective." Ph.D. Thesis, Yale University, 2012.

Skeen, Carl Edward. *Citizen Soldiers in the War of 1812*. Lexington: University Press of Kentucky, 1999.

Smith, Marion. "The Myth of American Isolationism : Commerce , Diplomacy , and Military Affairs in the Early Republic." *Special Report from the B. Kenneth Simon Center for Principles and Politics*, 2013.

Smith, Robert W. *Amid a Warring World: American Foreign Relations, 1775-1815*. Washington D.C: Potomac Books, 2002.

Sofka, James. "The Jeffersonian Idea of National Security: Commerce, the Atlantic Balance of Power, and the Barbary War, 1786-1805." *Diplomatic History* 21, no. 4 (1997): 519–44.

Staughton Lynd and David Waldstreicher. "Free Trade, Sovereignty, and Slavery: Toward an Economic Interpretation of American Independence." *The William and Mary Quarterly* 69, no. 1 (2011): 597–630.

Stein, Stanley J., and Barbara H. Stein. *Apogee of Empire : Spain and New Spain in the Age of Charles III, 1759-1789*. Baltimore: Johns Hopkins University Press, 2003.

———. *Edge of Crisis: War and Trade in the Spanish Atlantic, 1789–1808*. Baltimore: Johns Hopkins University Press, 2009.

Stockley, Andrew. *Britain and France at the Birth of America*. Exeter: Exeter University Press, 2001.

Storrs, Christopher, ed. *The Fiscal-Military State in Eighteenth-Century Europe*. Farnham, England: Ashgate, 2009.

Sylla, Richard E., Jack Wilson, and Robert E. Wright. "The Price Quotations in Early US Securities Markets, 1790-1860 Data Set." Accessed June 20, 2016. <http://eh.net/database/early-u-s-securities-prices/>.

Szuchman, Mark D., and Jonathan C. Brown, eds. *Revolution and Restoration: The Rearrangement of Power in Argentina, 1776-1860*. Lincoln: The University of Nebraska Press, 1994.

Taylor, George Rogers. *The Transportation Revolution*. New York; Toronto: Rinehart & Co, 1951.

Ternavasio, Marcela. *Historia de La Argentina, 1806-1852*. Buenos Aires: Siglo Veintiuno Editores, 2013.

———. *La Revolución Del Voto : Política y Elecciones En Buenos Aires, 1810-1852*. Buenos Aires: Siglo Veintiuno Editores, 2002.

Tilly, Charles. *Coercion, Capital, and European States, AD 990-1992*. Cambridge, Massachusetts: Blackwell, 1992.

Verdo, Geneviève. "Organizing Sovereign Provinces in Independent America The Republic of Córdoba , 1776 – 1827." *Annales HSS* 69, no. 2 (2014): 223–53.

Walker, Thomas C. "The Forgotten Prophet: Tom Paine's Cosmopolitanism and International Relations." *International Studies Quarterly* 44, no. 1 (2000): 51–72.

Weeks, William Earl. *John Quincy Adams and American Global Empire*. Lexington: University Press of Kentucky, 1992.

Williams, William Appleman. "The Age of Mercantilism: An Interpretation of the American Political Economy, 1763 to 1828." *The William and Mary Quarterly* 3, no. 15 (1958): 420–37.

Wood, Gordon S. *Empire of Liberty : A History of the Early Republic, 1789-1815*. New York; Oxford: Oxford University Press, 2001.

———. *The Radicalism of the American Revolution*. New York: Knopf, 1992.

Wright, Robert E. "Specially Incorporated Transportation Companies in the United States to 1860 : A Comprehensive Tabulation and Its Implications." *Journal of Business and Economics* 5, no. 7 (2014): 972–89.

Yokota, Kariann Akemi. *Unbecoming British : How Revolutionary America Became a Postcolonial Nation*. Oxford: Oxford University Press, 2011.

Zolt, Eric M. "Inequality, Collective Action, and Taxing and Spending Patterns of State and Local Governments." *Tax Law Review* 62, no. 4 (2008): 445–504.