

The Rise and Fall of James Birckhead: How the Brazil–U.S. Coffee Trade Became the World’s Largest

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This mid-day of life, when living forces find their equilibrium and put forth their productive powers with full effect, is common not only to organized beings but to cities, nations, ideas, institutions, commerce, and commercial enterprises, all of which, like noble races and dynasties, are born and rise and fall.¹

1. Introduction

James Birckhead disembarked on Rio de Janeiro's rustic pier in December 1817, arriving on the American brig *Daphne*. He was only twenty-five years old, inexperienced, and likely unable to speak Portuguese². Yet, over the next three decades, he would rise to become a prominent *grosso trato* merchant, cultivating direct connections with both Brazilian and American governments and playing a pioneering role in the emergence of the global coffee trade. When Birckhead first set foot in Brazil, coffee remained a costly and limited good, consumed only sporadically in the United States. By the time he fled Brazil in the late 1849, pursued by creditors, the landscape had been dramatically transformed. Coffee had become one of the world's most valuable commodities: extensively cultivated in Brazil, widely consumed in the United States—including by the enslaved and the poor—and central to an enduring commercial bond between the two largest nations in the Americas³. By the mid-century, Brazil supplied between two-third and three-quarters of the coffee imported into the United States.⁴ Birckhead's rise mirrored coffee's ascent, yet his eventual fall did not slow the trade he helped to build.

Establishing this transnational coffee market was neither an inevitable outcome of global structural forces nor the achievement of a single individual. Connecting two distant economies—one producing and the other consuming—posed immense logistical, financial, and political challenges that could not be resolved automatically by macro-structures, nor by the decisions or a single merchant, planter or politician. Historians and economists have examined how long-distance trade functioned in the medieval and early modern periods, showing how firms mitigated the principal-agent problem through kinship networks and specialized institutions⁵. These micro-historical studies illuminate the mechanisms that allowed individuals to cooperate and link distant markets. Yet they often leave the material and practical dimensions of trade underexplored. Commerce did not occur in the abstract: it unfolded in specific environments that imposed real physical obstacles—rivers to cross, roads to maintain, goods to store, and ships to load. Contracts and agreements alone could not move coffee from Brazil's interior to American tables.

The early nineteenth century marked the rise of a new kind of commerce: not only long-distance but also large-scale, involving unprecedented volumes of goods. This transition magnified the logistical and organizational challenges of trade, which remain understudied⁶. As

Geoffrey Jones observes in *Merchants to Multinationals*, classical economic theory places trade at the center of efficiency gains, yet it largely ignores the functioning of trading companies themselves: “there is no place for intermediaries in a world of perfect information and enforcement”⁷. Such abstractions highlight the benefits of trade but obscure the daily labor and problem-solving required to connect supply and demand. Creating this connection was not a straightforward process; it required arduous work carried out not by rulers but by traders and workers, whose expertise, risk-taking, and local knowledge linked producers and consumers, making large-scale commerce possible—a reality that Arjun Appadurai captures when he notes that “the articulation of the supply and demand of commodities has not been made only by rulers, but of course, traders”⁸.

Traders like Birckhead were indispensable for overcoming the day-to-day challenges that underpinned the early coffee trade. These included moving high volumes of goods from Brazil’s interior to coastal ports and onward to the United States, managing storage and shipping, navigating environmental hazards, responding to price fluctuations and political instability, and orchestrating complex credit arrangements. These tasks were not automatic or predetermined; they were contingent, risky, and deeply dependent on experience and coordination. Structural approaches in economics and history often assume that logistical problems resolve themselves within market systems, missing the practical complexities of trade. At the same time, frameworks that exaggerate the agency of individual actors—treating powerful merchants as heroic architects of commerce—are also misleading. No single actor could independently assemble or sustain the vast infrastructure required for large-scale trade. As business historians have pointed out, merchant houses were not isolated units but functioned as connectors—linking diverse actors across regions, institutions, and cultures to make trade function. This connective role was especially critical in the early nineteenth century, as long-distance commerce expanded in scale and complexity. Yes, as Jones notes, the role of trading firms as central nodes in the architecture of international business remains little understood.”⁹

Scholarship on trading companies faces two main limitations. First, it has rarely examined the practical, spatial, and material conditions in which trade unfolded, often treating commerce as an abstract flow detached from the physical infrastructures and environmental setting that shaped it. Second, it has focused disproportionately on British merchant houses.¹⁰ This emphasis is partly explained by the availability of sources—few non-British merchant houses left consistent, detailed operational records—but also reflects Britain’s central position in the global economy during the nineteenth century. As Jones observes, “Britain’s position as the birthplace of the Industrial Revolution led to its becoming the largest foreign trading economy in the nineteenth century”¹¹. Yet even as British firms dominated global trade, American commercial houses were rapidly gaining ground, particularly in one of the fastest-growing global markets: coffee.¹² The Brazil-U.S. trade, while often using British credit, was developed largely through a network of American merchants who operated outside the direct control of British firms. In doing so, they forged one of the largest commodity markets in the world¹³.

To understand how coffee became a multi-dollar business in the early nineteenth century, it is essential to examine the role of American merchants based in Rio de Janeiro—which became the world’s largest coffee-exporting port—who overcame formidable logistical and organizational obstacles. By the 1850s, Brazil and the United States had propelled the global coffee boom, becoming, respectively, the world’s leading producer and consumer.¹⁴ While Britain continued to supply most Brazilian imports, the United States rapidly emerged as Brazil’s principal export market, particularly for coffee, its main exporting article.

This study situates the early coffee trade at the core of a broader transition from small-scale to large-scale global commerce, a shift that redefined how goods moved across borders¹⁵. Like sugar and cotton, coffee experienced a dramatic surge in production, trade, and consumption during this period. Yet while these commodities have received substantial scholarly attention, the critical role of merchant houses in scaling trade and building multi-purpose commercial infrastructure that linked different commodity markets—along with the practical, material challenges this entailed—remains underexplored. Rather than assuming a natural and inevitable convergence between supply and demand, this study examines the numerous obstacles that shaped early coffee commerce and the strategies that merchants like James Birkhead employed to overcome them. I argue that by mobilizing three key resources—knowledge, credit, and sociopolitical networks—these merchants bridged Brazil’s interior plantations with U.S. urban and rural markets, creating one of the nineteenth century’s largest commodity circuits. Whereas production and consumption have dominated both Latin American and U.S. historiography, the practical complexities of trade itself remain understudied. As some historians have observed, traditionally, “the researcher, like the export merchant, stands on the dock waving goodbye without examining what happens to his shipment afterward, or even wondering why there was a market for it in the first place¹⁶.

By combining empirical evidence with a theoretical framework, this study examines one of the first and most prominent American merchant houses established in Rio de Janeiro and a pioneer in the Brazil-U.S. trade. It identifies three interrelated factors—knowledge, credit, and networks—as central to the success or failure of trading firms in the early nineteenth century.¹⁷ In doing so, it places the Brazil-U.S. coffee trade at the heart and broader and enduring global economic transformation: the emergence of large-scale, transnational commerce¹⁸. Understanding how trading companies not only adapted to this shifting landscape but also actively shaped its development is essential to grasp the dynamics of global trade and its long-term consequences. The case of James Birkhead offers a particularly revealing lens—not only because his firm was one of the earliest and most ambitious coffee-export houses in Rio, but also because it allows for a close analysis of the forces behind both the rise and collapse of a trading company during this pivotal period.

The absence of a dedicated company archive has made reconstructing Birkhead’s trajectory particularly challenging. Following his activities required piecing together the fragmented traces of his business across multiple cities – Rio de Janeiro, Baltimore, Washington D.C., New York, Philadelphia, Newport (RI), and London—where scattered and often unindexed documents survive. These include bank records, inventories, consular correspondence, bills of lading, legal proceedings, correspondence, letters, and newspaper reports. One unexpected yet invaluable source proved especially illuminating: the personal diary of Birkhead’s mother-in-law, Mary Robinson Hunter. Diaries are rarely used in economic and business history, but Mary Hunter’s writings provide an intimate window into everyday realities of transnational commerce. Spanning more than 1,500 handwritten pages over two decades—composed in both Brazil and the United States—her diary captures daily reflections, emotions, frustrations, and observations, frequently referencing Birkhead and his commercial activities. Her perspective offers a rare insider view of the business evolution and its broader social and familial entanglements¹⁹.

To complement this qualitative material, I compiled an original database documenting Birkhead’s shipping operation. Drawing on 3,462 newspaper announcements of shipments published in nineteen Rio de Janeiro newspapers, I identified at least 1,463 unique consignments between 1819 and 1850 (see Table 5 in Appendix). This dataset sheds light on the transformation

of scale of Birkhead's business over time, which mirrored the development of global trade, offering a systematic perspective on the rhythms and reach of his firm during its active decades in Brazil.

These large-scale operations depended on coordination among diverse and interdependent actors. This cooperation took shape through three principal and mutually reinforcing dimensions: *knowledge, credit, and socio-political networks*. In the volatile commercial environment of the early nineteenth century, these factors rarely operated in isolation. Rather, they functioned in dynamic interaction—knowledge about commercial opportunities could facilitate access to credit; financial solvency might expand political and social connections; and strong networks, in turn could open privileged channels for market knowledge and credit opportunities. None of these elements was fixed or guaranteed. Although they could be accumulated and carried across different phases of a merchant's career, they could just as easily be eroded or lost under shifting circumstances. Understanding this fragile interplay is essential to explaining both the rise and the fall of trading houses like Birkhead's.

Knowledge refers to the access to information, techniques, and interpretive skills that a merchant possessed at a given moment. While often cumulative—developing through experience and enabling a deeper understanding of market dynamics, consumer behavior, and supply chains—knowledge could become obsolete. In rapidly evolving markets, outdated information or misplaced assumptions could lead to costly miscalculations. A merchant might possess deep expertise in one domain, such as trade routes or customer relations, yet still falter due to a lack of timely updates on price shifts, tariff changes, or logistical disruptions. Delays in communications, broken trust, or limited access to official data could all hinder a trader's endowment of knowledge and their responsiveness.

Both state and private actors contributed to the generation and circulation of commercial knowledge. States played a vital role in centralizing, organizing, and disseminating commercial intelligence. By publishing official price bulletins, establishing regulatory frameworks, and investing in infrastructure such as bookkeeping systems and trader training, states created and promoted the essential knowledge for large-scale trade. While some of this information—such as shipping data or regulatory changes—was publicly available, access and interpretation were often unequal. Privileged merchants often gained a competitive edge by obtaining or decoding such intelligence faster or more effectively. In addition, traders cultivated private knowledge—insider insights into market niches, crop forecasts, or buyer behavior—that gave them an advantage in navigating uncertainty and anticipating market shifts.

Credit was not less essential. Coffee trading required substantial upfront investments—for goods, shipping, labor, and insurance. Therefore, access to liquid and trust was a prerequisite for operations. Credit enabled merchants not only to seize opportunities (for example, buying a high-quality lot at a favorable price) but also to survive delays, bad harvest, or downturns. Large-scale merchants like Birkhead relied on expansive transatlantic credit networks, linking financiers and brokers in London, Liverpool, Baltimore, and New York. Yet credit also flowed upward: local Brazilian producers and middlemen frequently extended merchandise or advances to even well-established foreign firms—a pattern documented in the surviving records of Birkhead's bankruptcy. This mutual dependency reveals the reciprocal and multi-layered nature of credit, which embedded in both informal relationships and state-backed institutions that lent it a degree of predictability and enforcement.²⁰

Networks refers to the web of individuals and institutions—family, partners, brokers, state officials, and social intermediaries—whose actions, often informal and interdependent, sustained

commercial ventures. Long distance, large-scale trade could not be executed by merchants acting alone. It required coordination across logistical chains, financial arrangements, and political jurisdictions. To succeed, traders needed not only economic partners but also access to state bureaucracies for legal recognition, dispute resolution, and favorable trade policy. Birckhead, especially during his rise, cultivated such ties in both Brazil and the United States. He strategically drew on his institutional and political connections to access public infrastructure for private gain, secure official protections and private credit, and navigate overlapping imperial and national legal frameworks. Yet by the time of his bankruptcy, these relationships had frayed, leaving him exposed.

Among the most enduring and complex of these networks were family ties, which served as bridges across geographic distance and institutional boundaries. Scholars have rightly emphasized the stabilizing and trust-enhancing qualities of kinship in trade.²¹ Yet I underscore their double-edged nature. Familial loyalty could improve communication, foster trust, and reduce transaction costs, but it also could constrain decision-making and introduce emotional liabilities—particularly when personal obligations clashed with commercial rationality. In this sense, family ties could sometimes embody “the weakness of strong ties”: relationships too dense or too entangled to respond flexibly to changing market conditions²².

Birckhead’s success—and eventual failure—was rooted in his ability to navigate and mediate across the interdependent spheres of knowledge, credit, and networks. His merchant house was among the first in Rio de Janeiro to engage seriously in the then-uncertain coffee export trade, contributing to the city’s transformation into the world’s leading coffee-exporting port during the first half of the nineteenth century. Although the firm speculated in a variety of goods exchanged between Brazil and the United States—including flour, ice, apples, lumber, and furs—no other commodity mobilized capital and commercial effort on the scale that coffee did. Birckhead was not merely an opportunistic trader; he was a key architect of the early coffee market. He mobilized capital, devised commercial strategies, and forged transnational partnerships that helped integrate Brazil and the United States, thereby advancing the transformation in the scale and structure of global trade.

2. The Rise of a Coffee Merchant: Putting Together Knowledge, Credit and Networks

On the last day of 1834, Mary Robinson Hunter caught her first glimpse of the Brazilian coast near Cabio Frio. She was aboard *Louisiana*, an American vessel that had departed from Norfolk 40 days earlier, carrying 3,350 barrels of flour consigned to the firm Maxwell, Wright & Co. Alongside her were her husband, William Hunter—recently appointed United States Chargé d’Affaires—their three daughters, two sons, a servant, and a significant diplomatic mission.

Two days later, amid the rain and violent heat typical of January in Rio de Janeiro, she disembarked at the city’s bustling pier and made her way down Rua do Ouvidor to Johnston’s Hotel. There, awaiting her husband, was a delegation of American merchants: Mr. Wright and his family, Mr. Hamilton, Mr. Ouseley, and Mr. Birckhead—the only one who deserved an additional comment in her diary: “a handsome and agreeable gentleman”²³.

That first impression would soon be reinforced by Birckhead’s calculated generosity. Within days, he began showering the family with gifts. One of the earliest was a six-year-old enslaved boy named Roberto, whom Birckhead sent “to wait on the ladies”—a gesture that underscores the intersection of hospitality, domestic servitude, and the racialized hierarchies of

elite social life in the slaveholding empire of Brazil. Among the ladies Roberto was tasked with serving was Eliza Hunter, Maty's daughter—and Birkhead's future wife. Like Birkhead, Eliza arrived in Rio for the first time at the age of twenty-five ²⁴.

Birkhead wasted little time in cultivating ties with the Hunter family. He hosted dinners, offered exquisite foods—such as *rusk* brought from Hamburg—and gifted items that were both luxurious and practical—including a shower that fascinated Mrs. Hunter: “I always think of him with gratitude when I bathe on these hot mornings”²⁵, she confessed in her diary. He also frequented social events like the *Catete Ball*, where he met the Hunters in a more informal and relaxed settings.

Birkhead quickly established himself as an indispensable figure within their social circle. Yet these gestures of generosity and sociability were more than mere acts of goodwill—they were strategic investments. In Rio's merchant community, commercial success depended not only on capital or shipping access, but in trust, recognition, and affiliation with influential networks. Birkhead's courtship of Eliza Hunter was not solely romantic; it was also pragmatic. As the daughter of the most senior U.S. diplomat in Brazil, Eliza represented not only a socially prestigious alliance but also a vital conduit to political protection and economic advantage.

In March 1837, Birkhead's efforts bore fruit: his marriage with Eliza was formally announced. Mary Robinson Hunter, fully aware of Birkhead's calculated attentions, nonetheless acknowledged the match in her diary, writing that he was “the first one of her numerous admirers and lovers who I am quite willing to surrender her to, if she must be married”²⁶—a remark that also underscores the desirability of Eliza as a marriage partner due to the material and social advantages such a union could offer. As the son-in-law of the United States Chargé d'Affaires in Brazil, Birkhead would secure direct access to one of the most powerful diplomatic figures in the country—a position that did not go unnoticed in commercial circles. In a letter dated February 11, 1837, the American merchant Keehmle, of the Rio-based firm Lewis & Keehmle, informed his partner in New York, William Delafield of Delafield & Co., of the rumored engagement between his neighbor, Birkhead, and “Miss Eliza H.” Although the news was not yet confirmed, Keehmle grasped its significance: “such an important matter cannot be kept secret for a long time” ²⁷. In the world of international trade, where reputation, access, and influence were essential currencies, this marriage offered Birkhead far more than personal companionship—it delivered material economic advantage.

The marriage took place during the commercial turmoil of the Panic of 1837, which severely impacted Birkhead and many other American firms²⁸. Nevertheless, Birkhead emerged from the crisis strengthened, having secured a direct connection to the highest U.S. authority in Brazil.²⁹ This relationship granted him privileged access to political and economic intelligence, protection from adverse government measures, and even the use of U.S. government ships for transporting merchandise³⁰. These advantages not only facilitated his coffee trade but also extended to another lucrative and quite connected enterprise—the illegal transatlantic slave trade.

Following his marriage, Birkhead's coffee business expanded rapidly³¹, bolstered by his privileged access to political intelligence, economic protection, and logistical support³². These advantages strengthened his coffee trade but also extended to another, more controversial venture: the illegal transatlantic slave trade. Hunter's influence was critical in shielding Birkhead's involvement in this market. In 1838, George Slacum, the U.S. consul in Rio de Janeiro, attempted to curb the use of American vessels in the slave trade. But Hunter intervened

to block his efforts. Years later, an American newspaper reported that Hunter had lamented the necessity of restricting the profitable sale of U.S. ships to slave traders—sales in which his son-in-law played a significant role³³. Despite Slacum's repeated warnings to Washington about American complicity, Hunter succeeded in curtailing his influence while in office, ensuring that Birkhead's operations—both legal and illicit—remained protected under the veil of diplomatic immunity.³⁴

We do not know whether Mary Robinson Hunter was aware of the illicit support her husband extended to enslavers, but her diary offers revealing glimpses into the everyday realities of the slave economy. In one 1837 entry, she recounted the brazen way in which a ship bearing the American flag entered the Guanabara Bay, launched the customary protocol cannon shots, and then disembarked a large number of enslaved people directly onto Botafogo beach. Despite such public displays, and the evident tolerance of both Brazilian and American authorities towards the illegal slave trade, the political dynamics surrounding the “human flesh” trade began to shift with the appointment of a new U.S. consul.

George Gordon, who succeeded George Slacum's, continued to report on the active involvement of American merchant houses in the illegal transatlantic slave trade. Unlike his predecessor, Gordon's reports often bypassed Chargé d'Affaires William Hunter. Between 1840 and 1845, Gordon documented the sale of at least 34 American ships—totaling 6,206 tons—to slave traders. Birkhead acted as consignee for at least twelve of these ships—more than a third. One of the recorded transactions points to the infamous slaver Manuel Pinto da Fonseca as the purchaser of the *Pilgrim*, a ship operated by Birkhead's firm for at least four voyages³⁵. According to the *Slave Voyages* database, the *Pilgrim* completed two documented trips between Cabinda and Rio de Janeiro in 1840, both under the command of American captains who had previously sailed for Birkhead³⁶.

Gordon's records further reveal at least 56 slave-trading voyages from Rio to Africa aboard American ships during the same period, with Birkhead overseeing 18 of them, nearly a third. These ships did not operate within separate economic circuits: the same American vessels that transported enslaved Africans to Brazil were often repurposed to export Brazilian coffee to the United States. For instance, the *Sterling*, after making multiple voyages between Angola and Rio returned to New Orleans in 1844 carrying 2,555 bags of coffee³⁷. This case illustrates the material and logistical overlap between the slave and coffee trades, highlighting a deeper structural integration that extended beyond the plantation and into the shipping and credit networks. Birkhead's role in facilitating this intersection was not exceptional—it exemplifies how the infrastructure of large-scale commerce could simultaneously sustain both licit and illicit forms of trade.

Other American coffee exporting firms such as Maxwell- Wright & Co, C. Coleman & Co, and Valentin Forbes & Co also appear in Gordon's report as directly importing slaves or selling ships to other slave traders. Birkhead and his peers in Rio understood that sustaining the expanding coffee trade required keep their growing coffee exports going, they needed a constant injection of slaves brought from Africa to work on the plantations³⁸. This reality helps explain their active participation in the illegal slave market, despite growing diplomatic pressure and formal prohibitions. Yet the relationships between coffee and slavery extended far beyond labor. These two “commodities”—harvested beans and human beings—were linked by shared infrastructures of finance, shipping, and institutional support. The same business and credit networks spanned Africa, Brazil and the United States, enabling the growth of both markets in tandem. Specifically, firms like Birkhead & Co., Maxwell, Wright, & Co., and Valentin Forbes

& Co., maintained credit accounts at the same U.S. bank: Alex Brown & Sons in Baltimore. Thus, not only were the same vessels used to traffic enslaved Americans and export coffee, but the same financial institutions helped sponsoring both enterprises. In this system, credit, and commerce circulated through the same infrastructure—sustaining a transnational economy in which profit and racial supremacy, rather than legality or ethics, was the guiding principle³⁹.

Birckhead, like many traders of his era, leveraged his commercial resources and institutional protections to expand his presence in both coffee and slave trades. The 1831 law prohibiting transatlantic slave trade did little to deter him, nor did moral qualms seem to trouble him. To the contrary, he pursued these activities with confidence, shielded by the diplomatic influence of his father-in-law and embedded with a tolerant business and political environment. His mother-in-law, Mary Hunter, portrayed him as an attentive and affectionate man—a devoted husband and thoughtful companion. She admired his habit of reading scripture aloud and leading household prayers, and noted his patient demeanor when playing chess with her, especially in contrast to her own husband's violent temper whenever they played whist⁴⁰. While Birckhead may have embodied certain personal virtues, honesty was not one among them. His disdain for black people, relenting pursuit of profit, and access to elite protection enabled him to circumvent the law and facilitate the trafficking of enslaved Africans—either directly or by supplying ships to notorious slavers like Manuel Pinto da Fonseca. Although these traits may appear morally contradictory when viewed through the lens of individual character, they formed a coherent and useful foundation for the expansion of global capitalism. In practice, racial hierarchy, legal evasion, and profit-seeking enabled the construction of solid foundations for increasing the volume of trade in the early nineteenth century.⁴¹

Yet William Hunter's patronage was neither the initial nor the only socio-political connection that supported Birckhead's ascent in Rio. His first and perhaps most foundational benefactor was likely his father, Dr. Solomon Birckhead, a physician who engaged in commercial and political activities in Baltimore. As Jucá Sampaio has shown in his study of eighteenth-century businessmen in Rio de Janeiro, sons of merchants entered commerce with significant advantages—inheriting not only capital but also networks and specialized knowledge that enabled their early ventures to expand⁴². This was certainly true in Birckhead's case. Records from Alex Brown & Sons bank in Baltimore reveal that Dr. Solomon Birckhead personally applied for what appears to be one of the earliest credits issued by the bank to support his son's commercial operations in Brazil.

On May 5, 1825, at the behest of his father, Alex Brown & Son extended a credit of £20,000 in favor of James Birckhead "for use as required.". At the time, this amount would have enabled the purchase of roughly 1,300 sixty-kilo sacks of coffee—nearly half a full shipment.⁴³. The credit was designed to guarantee any bills of exchange issued or endorsed by James Birckhead or his firm, protecting against the risk of non-acceptance by drawers or endorsers—a risk especially acute at the outset of a career. The credit was denominated in pound sterling and ultimately underwritten and disbursed through WJ Brown & Co in Liverpool (later Brown Shipley & Co), reflecting the presence of Anglo-American credit networks financing early Brazil-U.S. trade.

Alex Brown & Son justified the loan based on Solomon Birckhead's financial reliability: "The Doctor is very well-off". "Hugh Birckhead informs us"—they also explained—"that James has \$70,000 invested in 'stocks' in this country, in addition to investments in Rio, where he is now the principal of the firm, and we believe is the best American trading house since settled there."⁴⁴ This endorsement—only possible through family ties and transatlantic reputational

capital—was instrumental in securing the necessary financial leverage that launched Birkhead's early ventures. It exemplifies how family-based credit and inherited trust networks played a decisive role in enabling the transformation from small-scale operations to sustain, large-scale global commerce.

In addition to the assistance from his father, Birkhead enjoyed the backing of his elder brother, Hugh Birkhead, who managed the firm Birkhead & Pearce in Baltimore. Hugh provided not only financial assistance but also logistical coordination and access to key commercial intelligence—for instance shipping schedules, price trends, and currency markets. His role was also instrumental in facilitating James's access to British-denominated credit, a critical factor in the firm's profitability as the Brazil-U.S. coffee trade expanded. Throughout the 1830s and 1840s, Birkhead maintained active lines of credit with Alex Brown & Sons, which extended funds both in U.S. dollars and, more importantly, in pounds sterling through its Liverpool branch. This access to sterling credit became especially valuable as Brazil's trade imbalance with the United States deepened, driven largely by the rapid growth of coffee exports⁴⁵. As transactions in Rio increasingly favored British bills of exchange, access to sterling became a central requirement of the coffee export business—one that Birkhead was able to meet through the transatlantic financial relationships he and his family cultivated with British financiers. These connections allowed him not only to secure sterling credit for his own firm but also to negotiate British bills in the Rio market, extending his role beyond importer-exporter to that of a financial intermediary within the local commercial ecosystem.⁴⁶

These credit arrangements were frequently coordinated through American partners. Firms like Birkhead & Pearce and Henry Payson & Co in Baltimore played a central role in settling James Birkhead's accounts with Alex Brown & Sons and their branches in the U.K.⁴⁷ For instance, on June 6, 1831, Birkhead obtained a credit of £9,000 to be settled within 60 days by Henry Payson & Co⁴⁸. Similarly, on October 20, 1834, Alex Brown authorized a credit of £8,000 to Birkhead & Co in Rio, which was debited to Birkhead & Pearce's account in Baltimore⁴⁹. These recurring transactions not only ensured ongoing liquidity for Birkhead's operations but also reinforced his credibility within the transatlantic financial community. "We have seen Messrs Birkhead & Pearce respecting the open credit with you granted to Birkhead & Co"⁵⁰, Alex Brown reported to its Liverpool branch. Establishing and maintaining regular reciprocal relationships with both American and British creditors was foundational to the coffee trade. In this system, commercial success depended as much on strategic relationships and family networks as it did on capital itself.

This transnational network of financial and logistical support enabled Birkhead to pursue a range of commercial ventures. One notable example was the ice trade, a niche but profitable enterprise. Data from commercial publications show that Birkhead's first shipment of ice arrived in April 1835 aboard the brig *Eight Sons* from Boston, carrying 190 tons as recorded at Rio's customs house⁵¹. The groundwork for this trade, however, had been laid several years earlier. The 1828 appointment of William Tudor as U.S. Chargé d'Affaires in Brazil played a key role in opening the ice market in Rio. Tudor, a prominent Boston merchant, and his brother Frederic Tudor, established the Tudor Ice Company. The Tudors developed a robust trading network that transported ice from Boston to places where heat was the rule like New Orleans, Rio de Janeiro; and even distant Hong Kong⁵². Frederic Tudor became so successful that he was nicknamed "The Ice King"⁵³. During Tudor's residence in Rio, Birkhead maintained close ties with him. Leveraging his political and financial connections, Birkhead capitalized on this emerging

opportunity, demonstrating once again how privileged information and elite networks enabled access to profitable but otherwise inaccessible markets.⁵⁴

Still, Birckhead's most successful and lasting venture was coffee. By 1840, he had accumulated substantial expertise in the trade, and demand for coffee in the U.S. appeared capable of absorbing the growing Brazilian supply. Positive market prospects were essential for securing credit, as lenders prioritized commodities with predictable performance. The close link between demand reliability and creditworthiness is captured in a letter from Alex Brown & Sons to English merchant Nathan Cairns, who had recently arrived in Rio seeking to launch commercial activities. In response to Cairns's inquiry, the bank noted that Rio was "the best market in the United States for coffee," offering him to keep him informed and assist with consignments, "if [your] house really thinks about making any consignment [of coffee] here we will serve you, and if your house wishes, we can keep you informed about our market, the opportunities here being more frequent than in any other port in the United States"⁵⁵

This sustained demand for coffee facilitated a deeper and more regular relationship between Birckhead and Alex Brown & Sons, with coffee increasingly functioning as collateral for transatlantic credit. Over time, the bank began granting credit to Birckhead backed solely by future coffee shipments—a testament to both the commodity's financial value and to Birckhead's standing as a reliable operator in the trade. On November 28, 1840, for example, Birckhead secured a £5,000 credit, allocated to the account of Birckhead and Pierce, intended for the purchase of the cargo of the ship *Arctic*, bound for Rio. From 1840 onwards, credits in Baltimore secured against coffee multiplied. On May 12, 1841, Birckhead obtained two credits: one for £1,500, backed by 500 bags of coffee that came on the bark *Leonidas*, and another for £1,000, backed by 269 bags aboard the brig *Archibald Gracie*⁵⁶. Similar agreements followed with coffee shipped on vessels such as the *Lyda Ann*, the *Fabius*, the *Brandywine*, the *Hebe*, the *Uncas*, and others. In this way, coffee evolved into both a commodity and a financial instrument—a source of liquidity, credit, and market leverage, much like wheat in the Chicago grain market later in the century⁵⁷. Through these mechanisms, the scale and scope of the coffee trade expanded—and Birckhead's business with it.

3. The Turning Point:

By the early 1840s, coffee had become the backbone of Birckhead's business. Charts 3 and 4 show that, by 1842, coffee accounted for over 50% of his total consignments (imports and exports), and more than 90% of his reported exports involved coffee shipments. This marked the peak of coffee's dominance within his commercial portfolio. Following his marriage, Birckhead's exports surpassed his imports (refer to Chart 5), and coffee emerged as the central focus of his firm's activity. However, despite a modest absolute increase in coffee exports in the second half of the 1840s (as shown in Chart 2), coffee's proportional share within his overall operations began to decline (Charts 4 and 5)⁵⁸. Simultaneously, his firm lost ground in the export market, retreating from its earlier leadership position. In an increasingly competitive export market Birckhead opted for diversification—shifting focus to new commercial adventures such as rosewood and leather—instead of reinforcing his foothold and expertise in an expanding trade⁵⁹. In hindsight, this decision proved ill-suited to the structural demands of his business.

In an era of expanding trade volumes and intensifying competition, diversification became increasingly costly. It required not only extensive knowledge of multiple commodity chains but also broader social and logistical networks to handle larger flows of goods, as well as greater access to credit across a widening range of markets. As John Killick has shown in his

study of Alex Brown and Sons and Bolton Ogden & Co, the aftermath of the 1837 financial panic triggered a marked a shift toward specialization—a strategy driven by mounting competitive pressures and the growing complexity of global trade⁶⁰. Fernand Braudel in *The Wheels of Commerce*, likewise, underscores the strong relationship between rising trade volumes and specialization in Mediterranean commercial hubs⁶¹. While some scholars have interpreted the history of commerce as a move from narrow specialization to broad diversification, the midnineteenth-century trend was, in fact, the reverse: firms were consolidating, not expanding, their scope of operations.⁶² This was especially true for merchant houses increasingly involved in financial intermediation. In this context, specialization emerged as a key strategy for survival. Birckhead, by contrast, pursued breadth over depth—at a moment when the structure of global trade was moving decisively in the opposite direction.

Paradoxically, Birckhead—a pioneer in the development of the coffee trade—was gradually excluded from the very market he helped build, precisely because he failed to specialize in it. As Geoffrey Jones aptly notes, “A distinctive feature of trading companies is that, by removing or reducing the obstacles to trade [...], they ultimately undermine their own business”⁶³. This was precisely Birckhead’s predicament. By not concentrating his effort in the coffee market, he lost competitiveness, not only in that sector but also in others he sought to enter. As global trade volumes increased and more firms entered the booming coffee trade, competitiveness required deeper market knowledge, enhanced logistical capacity, and expanded access to credit. Firms could adjust to this context by concentrating their resources on a single, or few, well-understood market rather than dispersing them across multiple sectors, each with distinct dynamics and networks.

The failure to specialize was not merely a strategic misstep; it reflected a deeper mismatch between the evolving demands of global commerce and the internal capacities of firms like Birckhead’s. The rapid expansion of global trade placed increasing pressure on merchant houses to scale up their operations. However, the internal development of a firm—its ability to grow its staff, deepen its market expertise, extend its logistical networks, and secure adequate credit—often lagged behind the accelerating tempo of global markets. This widening gap made it increasingly difficult to operate across multiple sectors. In this context, specialization in few markets became not only a comparative advantage but often a necessary condition for survival. Success in this environment required timely information in a market evolving faster than ever before, increasingly precise logistical coordination, stable access to credit, and tightly knit commercial networks. By concentrated on a single or few high-demand commodities, firms could deepen their expertise, simplify operations, and secure more favorable financial terms. For Birckhead, however, the limits of diversification became increasingly evident as he expanded into rosewood, leather, furs, slavery, and other trades. While diversification could serve as a prudent hedge when trade volumes were modest, it became a liability as the scale of commerce intensified. Rather than enhancing resilience, Birckhead’s multi-sector strategy overstretched his firm’s resources, diffused its focus, and ultimately undermined his competitiveness in the very sector—coffee—that had once been the core of his commercial success.

Yet, specialization was not an automatic choice, it depended on the knowledge, credit available, and connections. Birckhead’s continued commitment to diversification coincided with his new partnership with John Greenway, an English merchant based in Montevideo. In December 1841, Greenway married Kate Hunter, the youngest daughter of William and Mary Hunter, thereby forging familial ties to the Birckhead household and creating what seemed to be a promising commercial alliance. Greenway’s connections in the Rio de la Plata, the United

States, and the United Kingdom positioned him as a potentially valuable asset in broadening Birckhead's geographic reach.

At first, the results appeared positive. After 1842, shipments from the Rio de la Plata to Birckhead's firm increased significantly (refer to Charts 6 and 7), and by 1845 -46, the region had become the second-largest source of vessels received by his house in Rio de Janeiro. On the surface, Greenway seemed to offer not only market expansion but also additional capital in the firm's operations. Yet, the deeper demands of diversification—maintaining updated knowledge, financial, and coordination across multiple commodity chains—soon revealed the vulnerabilities of this strategy.

Rather than enhancing resilience, diversification forced Birckhead to commit disproportionate attention and resources to less profitable ventures. The Rio de la Plata mired in regional conflict, making commercial stability tenuous at best. Moreover, key goods such as furs, leathers and rosewood—sourced respectively from the Rio de la Plata and Brazil—were primarily destined for Boston, a market that by the mid-1840s was declining in relative commercial importance compared to faster-growing ports like New Orleans, New York, and Chicago. In effect, this shift toward broader but less dynamic markets drew capital, time, and organizational capacity away from the most profitable and expanding trade: coffee.

Thus, rather than consolidating his position in the dynamic and expanding coffee trade between Rio and New Orleans—as American firms like Maxwell-Wright, Coleman & Hutton, and British houses such as Phipps Irmãos or Edward Johnston successfully did—Birckhead remained tied to an increasingly unprofitable alliance with his brother-in-law, Greenway. What had initially seemed a prudent diversification strategy now proved a structural liability. As global trade scaled up, logistical demands intensified and efficiency became paramount. The firms that adapted most successfully, such as Maxwell-Wright & Co in the coffee trade or Alex Brown & Sons in the credit market, pursued specialization, concentrating resources where their competitive advantages were strongest. By contrast, Birckhead's commitment to managing multiple commodities across widely dispersed markets drove up the costs of coordination, finance, and expertise—costs that his firm, without a corresponding expansion in operational capacity, could no longer absorb.

In many ways, 1843 marked a decisive turning point for Birckhead's business. The appointment of George Proffit as United States Minister to Brazil signaled a shift in American policy. After Proffit failed to secure ratification by the U.S. Senate, his successor, Henry Wise, took office in 1844⁶⁴. Although a Southern planter who supported slavery, Wise was firmly committed to suppressing the transatlantic slave trade⁶⁵. This stance posed a direct threat to Birckhead, whose business model depended not only on commodity exports but also on privileged access to illicit slave-trading networks—networks increasingly subject to diplomatic and legal pressure.

Our database indicates that, rather than withdrawing, Birckhead intensified his involvement in the slave trade, possibly as a misguided hedge against the instability of his other ventures. Yet as Brazilian and American authorities increased enforcement, the risks and costs mounted. At least nine of his ships were seized during the 1840s slave-trade-related charges. In 1847, his associate Joshua Clapp was interrogated by the U.S. consul for trafficking with Africa through the ships *Whig* and *Camilla*. Clapp defended himself by claiming that Birckhead had sold him the vessels, providing documentation of payment as evidence⁴². In 1849, the *Senator*, another ship under Birckhead's consignment, was reported to authorities by the American consul after completing a voyage from Africa to Brazil with a cargo of enslaved people, resulting in

what was described as “a terrible loss of life”⁶⁶. These incidents marked a turning point in U.S. oversight and revealed a new vulnerability: the erosion of the political and social protections that had once shielded Birkhead’s involvement in the trade.

Beyond the immediate financial blow of these seizures, Birkhead faced a deeper structural challenge: the erosion of the very networks that had sustained his business. The death of his father 1837 and the removal of William Hunter—his father-in-law and a pivotal political broker in Rio—deprived him of two of his most influential patrons at precisely the moment when legal and diplomatic pressures on the slave trade were intensifying. The departure of much of his wife’s extended family further weakened his firm’s capacity to navigate Brazil’s increasingly competitive commercial environment. Without Hunter’s influence, Birkhead lost access to intelligence, credit, and institutional backing—three pillars that had once insulated his operations from external shocks.

The support Greenway could offer Birkhead fell far short of what his father and father-in-law had once provided. An Englishman based in Montevideo, Greenway lacked the nuanced understanding of the coffee trade between Brazil and the United States necessary to capitalize on the most lucrative opportunities of the time. Mary Hunter’s diary provides a striking illustration of Greenway’s incompetence: “Greenway listens to ill-informed advisors and is ignorant of our country’s harsh climate and geographic locations”⁶⁷, she wrote, frustrated by his poor handling of her return journey to the United States. Paradoxically, the very partnership that was supposed to expand Birkhead’s commercial reach ended up undermining his position in the coffee trade—a sector he had helped pioneer but was now ceding to rivals. By the close of the 1840s, Birkhead’s family networks had thinned, his diversification strategy had proven ill-judged, and the high-level state protection that once shielded his operations was gone. These setbacks left him increasingly vulnerable to credit shortages.

3. The Fall of a Coffee Merchant: Bankruptcy, Fraud and Escape from Rio de Janeiro

In the waning days of May 1849, several newspapers in Rio reported that “one of the main commercial houses in this city, that of Mr. James Birkhead, an American merchant, had declared its inability to meet financial obligations”⁶⁸. Although the full extent of his liabilities was still unclear, estimates placed the debt at over 400,000,000 réis. Against this staggering sum, Birkhead could offer no more than 30,000,000 to 40,000,000 réis—barely eight to ten percent of what he owed. *O Correio da Tarde* warned that, given the breadth of Birkhead’s operations, “the ramifications of this collapse may extend to other closely affiliated establishments, precipitating further crisis”⁶⁹.

Despite the uncertainty surrounding the total debt, within a week, a purported majority of Birkhead’s creditors convened, formed a committee, and scrutinized the company’s books: “The commission members confirmed that the books were in order and aligned with the presented balance sheet”. Subsequently, Birkhead was permitted to resume his commercial operations. Reports from *Correio da Tarde* and *Correio Mercantil* indicated that creditors had granted Birkhead a general discharge under specific conditions, including his commitment to settle 25% of the outstanding debts, relinquish current assets, and allocate 40% of future business profits towards debt repayment.⁷⁰ Thus, according to this version of the story, the bankruptcy appeared to be swiftly resolved. However, the actual circumstances greatly differed from the public announcements.

The next day, *Correio Mercantil* issued a correction, acknowledging the intricacies of the reconciliation process: “Upon further review, we must clarify that our coverage of the second meeting of Mr. James Birckhead’s creditors in yesterday’s issue was not entirely accurate”⁷¹. This admission underscored the superficiality of the information disseminated by the press. The stakes were high, as the impact of information dissemination on financial markets and business operations was profound. Information possessed the capability to influence prices, quotations, and market prospects, thus holding the potential to create or obliterate wealth. Traders as well as the press were well aware of the power of information, so they exercised discretion and selectiveness in their public disclosures⁷². The shallowness of the public information about bankruptcies, such as that announced in the newspapers, presents a challenge for scholars interested in detailing these processes. Therefore, analyzing additional sources is necessary to attain a more comprehensive understanding of aspects such as the financial state of the merchant houses. Legal proceedings, for instance, might provide more precise insights into the real status of commercial affairs.

Yet, even the legal processes surrounding Birckhead’s bankruptcy revealed inconsistencies, particularly in the reported number of creditors and the scale of his debt. In July 1849, a bankruptcy case was filed, listing 58 creditors, to whom “the insolvent owes the large sum of 588,000,000 réis”. The filing acknowledged that, although Birckhead’s assets were valued at 170,000,000 réis, “it might not be possible for him to liquidate more than 40,000,000 réis”⁷³. This sum fell far short of the 147,000,000 réis required to meet the 25 percent repayment he had pledged. Matters worsened when the process later updated: his total debt was recalculated at 624,416,604 réis—fully 55 percent higher than the already alarming figure first reported in the press. At this revised level, the 25 percent repayment rose to 156,000,000 réis. Despite these discrepancies, the court-appointed administrators—João Henrique Ulrich and Joaquim Antônio Camarinha—proceeded to sign a bankruptcy concordat. Under these terms, Birckhead was to transfer control of his merchant house along with “all assets and possessions that he currently holds” and to allocate 40 percent of his profits until 25 percent of the debt was cleared, with payments to begin on December 31, 1850. However, this ostensibly generous arrangement failed to win unanimous acceptance among his creditors.

A fraction of creditors—led by *Comendador* João Pereira de Andrada and Domingos de Azevedo—opened a separated legal case contesting 41 unpaid bills totaling 184,428,370 réis, plus an additional 2 percent in interest and fees⁷⁴. Both men were Birckhead’s largest creditors named in the bankruptcy process, with claims of 36,875,000 réis for Andrada and 77,910,000 for Azevedo⁷⁵. The day after Birckhead’s failure was announced, both declared their own insolvencies. Established merchants in the flour and credit trades, they were well-versed in the legal maneuvers of debt recovery, with Andrada in particular notorious for his aggressive tactics. Newspaper accounts detailed not only his frequent debt seizures but also his pursuit of escaped slaves, one of whom was described as bearing “signs of physical punishment in his body”⁷⁶. In August 1849, Andrada pressed his claim by submitting the contested bills to court and petitioning for the immediate seizure and auction of Birckhead’s property. When Birckhead neither settled the debt nor presented a conciliatory proposal within the ten-day window, the judge ruled in Andrada’s favor, awarding him the full value of the bills plus interest and fees, and authorizing the confiscation of Birckhead’s assets.

Consequently, Birckhead’s remaining assets were confiscated and placed under public custody. His most valuable possessions were his eleven slaves, including Roza, a woman of Mina descent, who was “about 30 years old”, and her four children: Henrique (aged seven), Diogo

(aged three), Helena (two) and little Thomas (only one year old). The value of the four children and their mother was assessed at 1,200,000 *réis*. Initially, Damazo Moreira de Souza Mirelles won the auction, but within days the sale was annulled when liquidators discovered that Mirelles was insane and in fact “had nothing of his own”. In a subsequent auction, Felipe Damazio Gonçalves Leite, a resident of Rua do Príncipe 56, purchased the family for 1,300,000 *réis*.⁷⁷

The sale of Birkhead’s other enslaved property proceeded with fewer complications. We know that at least one of them, Ignácio Quilimame, aged 42, was transported to labor at Fazenda Cachoeira, in the coffee-producing municipality of Vassouras. The purchaser, Pedro José Vieira de Andrade, paid 300,000 *réis* for his acquisition. Altogether, sales of enslaved people brought in 3,100,000 *réis*—by far the largest share of the 3,741,660 *réis* expected from the liquidation. The remainder came from miscellaneous goods of strikingly low value: “eight boxes of worthless paper,” “a bucket for storing dirty clothes,” and “several small used tables” collectively valued at only 900 *réis*. Among the highest-priced items were an iron bar (200,000 *réis*), a rosewood writing desk with green cloth (30,000 *réis*), and a rosewood table repurposed as a bed (30,000 *réis*)⁷⁸. The meager proceeds from the auction spoke not only to the depth of Birkhead’s financial collapse but also to the erosion of the very foundations—credit, networks, and market knowledge—that had once sustained his operations. The modest assets that creditors now sought to liquidate stood in stark contrast to the refined gifts Birkhead had once bestowed upon the Hunters during his courtship of Eliza.

It is telling that exactly one year prior to Birkhead’s bankruptcy, he organized the public sale of a substantial portion of his possessions. On May 26, 1848, the firm Campbell and Greenwood announced an auction to be held on June 1, “at the residence of Mr. James Birkhead (whose family is departing this city) [...] comprising all his furnishings, mahogany and rosewood furniture, chandeliers, crystalware, silverware, porcelain, beasts, and more”⁷⁹. While the surviving evidence does not definitively confirm it, this auction may have been an early signal of looming liquidity problems. What is certain is that the sale reduced the pool of assets available for liquidation a year later, weakening the safety net for his creditors. Despite the diminished inventory, disputes over the remnants of his estate continued. Another group of creditors, led by Ferreira & Carvalho, initiated further legal proceedings to recover some of the outstanding debt.⁸⁰

Ferreira & Carvalho’s lawsuit targeted not only Birkhead—who owed them 12,939,450 *réis*—but also the faction of creditors led by *Comendador* Andrada, alleging that Andrada’s group had received illegal preferential treatment. Birkhead’s debt to Ferreira & Carvalho arose from the sale of 1,436 bags of coffee, for which Birkhead “purchased on credit and subsequently refuses to settle”⁸¹. The case highlights that smaller firms also provided credit to large merchant houses. Birkhead contended that the confiscation of his belongings and slaves deprived him of his means of work and lucrative possibilities, resulting in a daily loss of 300,000 *réis*⁸². Ferreira & Carvalho’s attorney regarded this claim as dubious, noting that the seizure of “a few slaves, furniture, and 3,000,000 *réis* in currency would not plausibly result in such substantial losses”. The lawyer questioned: “If the defendant was capable of earning so significantly with so little capital, what became of the substantial sum exceeding 600,000,000 *réis* entrusted to him, which subsequently vanished?”⁸³

Amidst ongoing litigation, Birkhead quietly fled to the United States, arriving in Baltimore on February 27, 1850, while the court proceedings in Rio continued⁸⁴. Ferreira & Carvalho alleged that, “prior to his flight, Birkhead acquiesced to all demands made by Andrada and his associates”—a fact they claimed was common knowledge in Rio’s mercantile circles⁸⁵.

Given Andrada's well-known aggressiveness in recovering debts, it is plausible that he exerted heavy pressure on Birckhead to comply with his terms. According to Ferreira & Carvalho, this illicit arrangement was designed to strip them of any remaining claim to Birckhead's assets, allowing Andrada's faction to "appropriate everything for themselves, thereby causing Ferreira & Carvalho the total loss of the credit they gave to Birckhead."⁸⁶

The legal standoff between Ferreira & Carvalho's and the Andrada-Azevedo's faction dragged on until April 1851, without resolution. In the end, Ferreira & Carvalho—a comparatively small firm alongside the powerful houses of Andrada, Azevedo, and Birckhead—emerged empty-handed, recovering nothing from the liquidation. This was not the only example of dubious conduct during the bankruptcy. Greenway, hitherto unremarkable in mercantile pursuits, exhibited a talent for financial deception. Though their commercial ventures had collapsed, he and Birckhead worked in concert to conceal assets, falsify records, and orchestrate Birckhead's escape from his creditors—demonstrating that, even in fraud, certain connections were essential.

In the bankruptcy proceedings, Greenway appeared as one of Birckhead's largest creditors, claiming 83,578,221 reis. This substantial sum gave him considerable leverage over the management of the liquidated estate while proportionally diminishing the influence and recoverable shares of other creditors. In bankruptcy settlements, the share each creditor ultimately received was proportional to the size of their claim relative to the total debt. This meant that the larger other creditors' reported claims, the smaller the percentage of the remaining assets any single creditor could recover. Inflating a debt—or fabricating it entirely—therefore reduced the payout to legitimate creditors while benefiting those who controlled the inflated claims. Alongside Greenway, another major creditor was the firm Birckhead and Pierce., with a reported debt of 61,468,882 réis. Together, these two claims accounted for more than 145,000,000—representing nearly a quarter of Birckhead's total debt. While the authenticity of Birckhead & Pearce's debt remains uncertain, evidence suggests that Greenway's claim was fabricated, or at least deliberately inflated.

In August 1849, news of the Birckhead's collapse reached Newport, Rhode

Island, where Mary Hunter, Eliza, their two children, and Greenway were staying. Mary Hunter recorded that the news dealt a severe blow to Eliza, while Greenway convened with fellow traders to discuss "the wreck of Birckhead's affairs."⁸⁷ Within weeks, he announced his intention to sail for Rio, telling his mother-in-law that his \$45,000 investment in Birckhead's enterprise was at trisk⁸⁸. Converted into réis, this figure would have been between 22,000,000 and 24,000,000 (depending on the method employed for currency conversion)—barely a quarter of the nearly 84,000,000 he was claiming in the bankruptcy case.⁸⁹ The discrepancy point to a common form of nineteenth-century commercial fraud: fabricating creditors or inflating existing debts to reduce the recovery of legitimate claimants. Balzac depicted this tactic in his 1837 novel *The Rise and Fall of César Birotteau*. In Birckhead's case, the scheme would have allowed him and Greenway—partners in failure—to exploit the legal process for their own benefit, deepening the losses of genuine creditors such as Ferreira & Carvalho.

Yet, manipulating financial accounts was not the sole method employed by Birckhead and Greenway to evade legitimate creditors. Greenway also played a pivotal role in concealing assets from creditors and smuggling them to the United States. In January 1850, he arrived in New York from Rio with twelve trunks addressed for Eliza, reportedly filled with valuables "shielded from creditors"⁹⁰. Mary Hunter confessed she had no idea how they had managed such a feat, lamenting only that the family's paintings remained in creditors' hands. Decades later, in her

1890 testament, Eliza Hunter Birckhead listed items that were almost certainly among the smuggled goods, including a purple tea set, a dessert set, and a purple Chinese dinner set that had belonged to Dom Pedro I and that Birckhead purchased after his abdication⁹¹.

Although their commercial ventures had failed, Birckhead and Greenway proved remarkable efficient in orchestrating fraud. Yet, deception could not substitute for the deeper resources that sustained long-term success. Unlike Solomon Birckhead or William Hunter—whose influence had once underpinned Birckhead’s prosperity—Greenway lacked the expertise, political connections, and financial liquidity necessary to navigate efficiently the transatlantic coffee trade. Indeed, he is absent in the records of the probably the most prominent bank financing U.S.-South American commerce—Alex Brown & Sons—until the 1850s. The partnership with Greenway coincided with a sharp diversion from prevailing market trends: Charts 3 and 4 document coffee’s declining share in his operations, while Table 9 shows his loss of the United States’ principal coffee hub for Brazilian coffee in the 1840s: New Orleans

If during his prosper years Birckhead had relied on the privileges conferred by his race, class, gender, and political connections, during his bankruptcy proceedings he resorted on concealment, fraud, and ultimately flight—abandoning the country where he lived for over three decades. Approaching sixty, he no longer had the extended family network that might have facilitated delegation and growth, as firms like Maxwell-Wright did.⁹² His only son, William, was eight years. Without the credit, networks, and knowledge that had once sustained his ventures—and saddled with an inept partner—Birckhead found himself ill-equipped to navigate the increasingly competitive and specialized world of mid-nineteenth-century global trade.

Despite the apparent boom in Birckhead’s business activity during the three years preceding his bankruptcy (see Chart 1), this expansion proved unsustainable under his diversification strategy. His downfall stemmed from three interconnected weaknesses: his lack of market insight, his diminished network of trusted associates, and his waning access to credit. First, he dispersed his trade toward multiple suboptimal markets instead of focusing his resources on few and become more competitive. Second, without the strong personal and professional connections that had once underpinned his ventures, he struggled to manage large trade volumes effectively. Third, the absence of influential socio-political allies slowed his access to crucial credit. Indeed, by the late 1840s, evidence suggests that Birckhead had nearly exhausted his credit with Alex Brown & Co., further constraining his ability to weather financial shocks.

In 1848, for example, Alex Brown extended unsecured credits to Birckhead, including a £4,000 loan in September⁹³. Earlier that year, the firm had cautioned its Liverpool office that Birckhead had surpassed the credit limit allocated for coffee shipments aboard the Brig *William Price* bound to New Orleans. Yet, despite these irregularities, Alex Brown & Son reassured its partners that the matter would be clarified Birckhead's correspondence arrived⁹⁴. By the time his financial troubles deepened, however, Birckhead had little recourse. The available evidence supports the hypothesis that the 1848 auction of his household goods was driven by liquidity shortages. When news of his bankruptcy reached Alex Brown’s Baltimore office, the firm offered a modest concession—credit for three-quarters of the coffee’s value rather than the customary two-thirds—but this was too little, too late⁹⁵. Had Birckhead enjoyed greater access to credit or the backing of a powerful patron at that moment, he might have been better equipped to withstand and adapt to the shifting trade dynamics of the mid-nineteenth century.

The late 1840s posed challenges for international commerce. Political turmoil in Europe, armed conflicts in the Rio de la Plata region, and the formal cessation of the slave trade all contributed to price instability in a context of shifting trade patterns. In 1849, the price of coffee

plummeted to historically low levels, driven by Brazil's unprecedented output flooding the world market over the preceding years. Lower prices stimulated U.S. demand but squeezed margins for traders. Success now depended less on exploiting large price differentials between markets and more on executing high-volume transactions within small markups. Instead of consolidating one of few markets, Birkhead persisted with scattered, low-volume dealings, a strategy ill-suited to these conditions. His case illustrates that while macroeconomic trends shaped opportunities and constraints, they did not alone determine commercial outcomes. Rather, success in this context depended on the interplay of market knowledge, networks, and access to credit—the very combination that had once propelled Birkhead's rise but, when misapplied or diminished, accelerated his collapse.

4. Conclusions

Birkhead arrived in Rio as a flour importer, capitalizing on the surge in demand triggered by the transfer of the Portuguese court in 1808 and the subsequent influx of European immigrants⁹⁶. As Daniel Rood has shown, Baltimore—Birkhead's hometown—had emerged as a pivotal port uniquely positioned to supply this market, channeling the immense output of flour from Virginia, Maryland, and Pennsylvania⁹⁷. Equipped with knowledge of this opportunity, along with the credit facilities and connections inherited from his father, young Birkhead launched his entrepreneurial career in Brazil. In these early years, the United States and Brazil were only sporadically connected⁹⁸; over the following decades, flour gave way to coffee as the central commodity in their trade, and Birkhead became a key intermediary in integrating the two economies—reinforcing the commercial and political ties between the two most populous nations in the Americas.

By the time Birkhead left Rio de Janeiro in late 1849, the United States and Brazil were no longer two distant markets. Coffee had become a staple in the American diet, while wheat bread was firmly established in Brazil. The integration was so advanced that even minor events in Rio—such as coffee auction—could, within days, trigger price changes in New Orleans and New York⁹⁹. Birkhead's career thus illustrates how coffee entered and secured a lasting foothold in the creation of a new kind of global market: one operating at mass scale, where substantial profits no longer depended on wide price differentials but on the ability to move immense volumes. This shift, evident in coffee, paralleled transformations in other leading commodities of the era—such as sugar and cotton—that likewise became everyday goods, shared a common commercial infrastructure, and relied on slave labor, marking a decisive stage in the history of global capitalism defined by mass production and mass consumption.

From the merchants' perspective, forging such a market required far more than simply buying and shipping coffee. It demanded mastery of market dynamics—prices, consumer preferences, crop forecasts, and purchasing power—as well as constant attention to external forces such as wars, tariffs, trade agreements, technological innovations, and environmental conditions. It also depended on securing the active cooperation of the state, without which the coffee boom might never have materialized, and on mobilizing vast amounts of credit. No single individual or firm, however wealthy and powerful, could finance and manage the full range of infrastructure the trade required—bills of exchange, warehouses, piers, ships, labor, sacks, weighing scales, accounting systems, and more. Only by combining these three elements—knowledge, connections, and credit—from different sources, could an undertaking of such magnitude become feasible.

When viewed from a macro-structural perspective, the rise of coffee—and Birckhead’s rise—appeared almost inevitable. It unfolded within a broader trajectory of nineteenth-century economic expansion. Both Brazil and the United States were experiencing rapid population growth, rising incomes, expanding transport infrastructure, and developing financial systems. In such a context, the emergence of a coffee merchant like Birckhead could seem like a natural consequence of the age.

Yet the micro actor-centered perspective tells a different story—one of improbability, complexity, and risk. A merchant like Birckhead had to marshal vast resources from various sources and coordinate the efforts of a wide range of actors—brokers, customers, business partners, ship captains, state officials, bankers, and others—often with competing interests. This view also reveals that aggregate forces such as population growth, rising incomes, frontier expansion, and transport development were not only causes of the coffee boom, but also consequences of it.

Birckhead’s career offers a window into two broader historical processes. First, it sheds light on how coffee entered the U.S. economy and culture, transforming from a luxury good into a staple—a shift in which Brazil played a central role. Second, it helps explain the emergence of a new form of global trade in which falling prices were offset by ever-larger volumes. Sugar, cotton, and coffee shared this trajectory, relying on the same infrastructures of finance, transport, and coerced labor that redefined the global economic system. His case also underscores that family ties are not inherently beneficial or detrimental to business—they can be both. His father, Salomon Birckhead, and his father-in-law, William Hunter, were instrumental in his early success, whereas his brother-in-law, John Greenway, proved damaging. Family connections could not only facilitate commerce but also outweigh sound business judgment and make harmful connections difficult to sever, revealing “the weakness of strong ties”¹⁰⁰.

The scale of Birckhead operations—and of his collapse—was exceptional. Enforcement actions in Rio de Janeiro between 1846 and 1850 averaged just 1,6 *contos de réis*¹⁰¹, a very tiny fraction of the more than 600 *contos de réis* involved in his bankruptcy. His failure was likely the largest in Rio during the first half of the nineteenth century, and while several of his creditors also went bankrupt, his was the only major coffee-exporting house to collapse. Competitors such as Maxwell-Wright and Edward Johnston swiftly moved to fill the gap, expanding their share of the market he pioneered and once dominated.¹⁰²

By the end of 1849, Birckhead had left Rio—the city where he had spent over three decades, built his fortune, and raised his family. He departed not as a respected merchant but as a fugitive, financially ruined and socially disgraced. His personal trajectory mirrored the rise of the global coffee trade, but his fall coincided with another major transformation: the decline and eventual abolition of the transatlantic slave trade, in which he himself had participated. Both he and the slave trade had been integral to the coffee boom, yet coffee continued to thrive without them—adapting, expanding, and ultimately becoming one of the most enduring global mass commodity markets of the modern era. In the end, Birckhead’s story is not just that of one merchant’s rise and fall—it is a lens into the making of a global market. His career shows how coffee entered the U.S. economy and became a staple, how the Brazil–U.S. trade was consolidated, and how nineteenth-century mass commodity markets emerged: markets built not solely on macroeconomic forces but on the fragile, hard-won combination of knowledge, connections, and credit. These were the forces that could propel a merchant to the center of global capitalism—and, when they failed, could bring even the largest enterprises to collapse.

The following appendixes include:

- 1) Charts on Birckhead's trade based on the original database I built from the newspapers.
- 2) A simple mathematical model showing how Knowledge, Credit, and Networks interplayed Birckhead's business and how the greater endowment of these factors hedged against uncertainty.
- 3) Tables on his trade based on the original database I built (Table 10 compares Birckhead's export trajectory with Brazil's export trajectory).
- 4) Graphs on Birckhead's shipping trade.
- 5) Maps on the places to which Birckhead held trade with during his time of activity in Rio de Janeiro (1817-1849).
- 6) Notes to the text above.

5 . Appendix 1, Charts

Chart 1

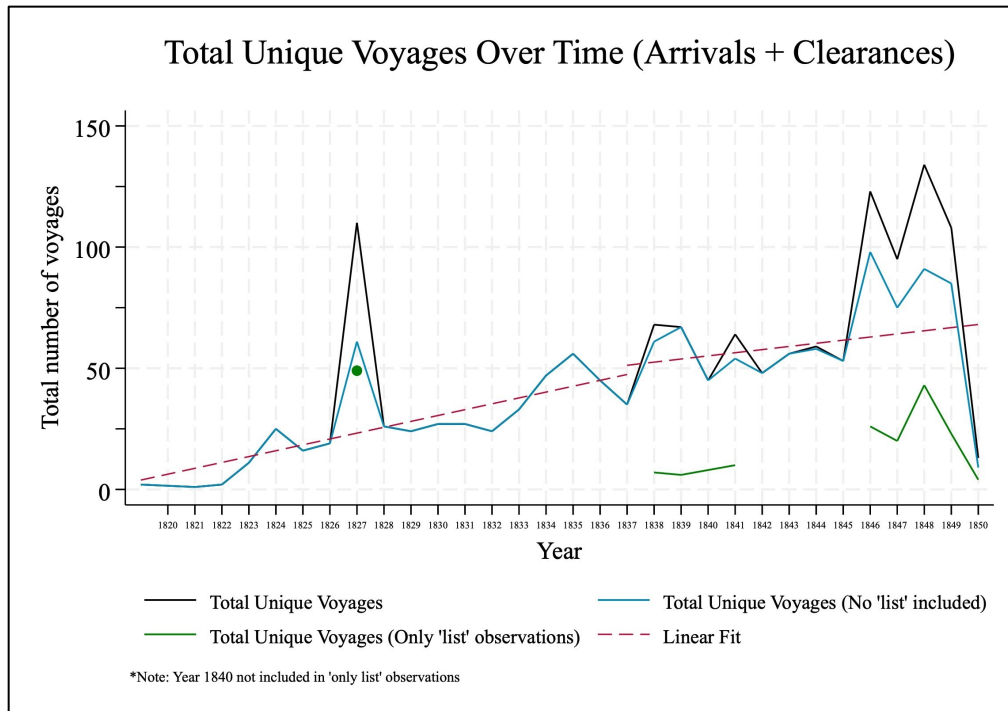


Chart 2

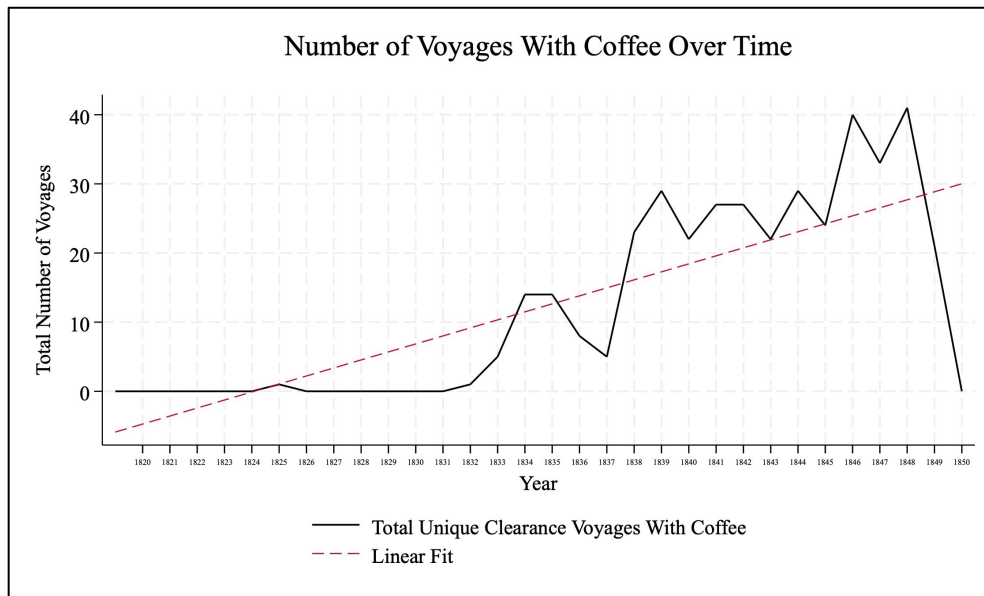


Chart 3

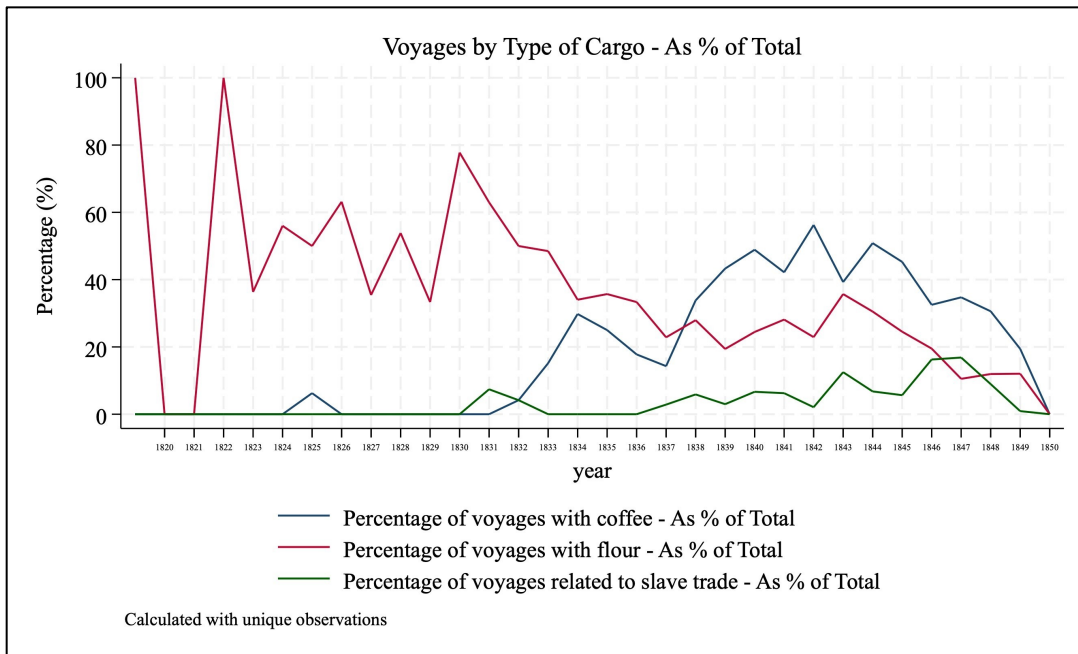


Chart 4

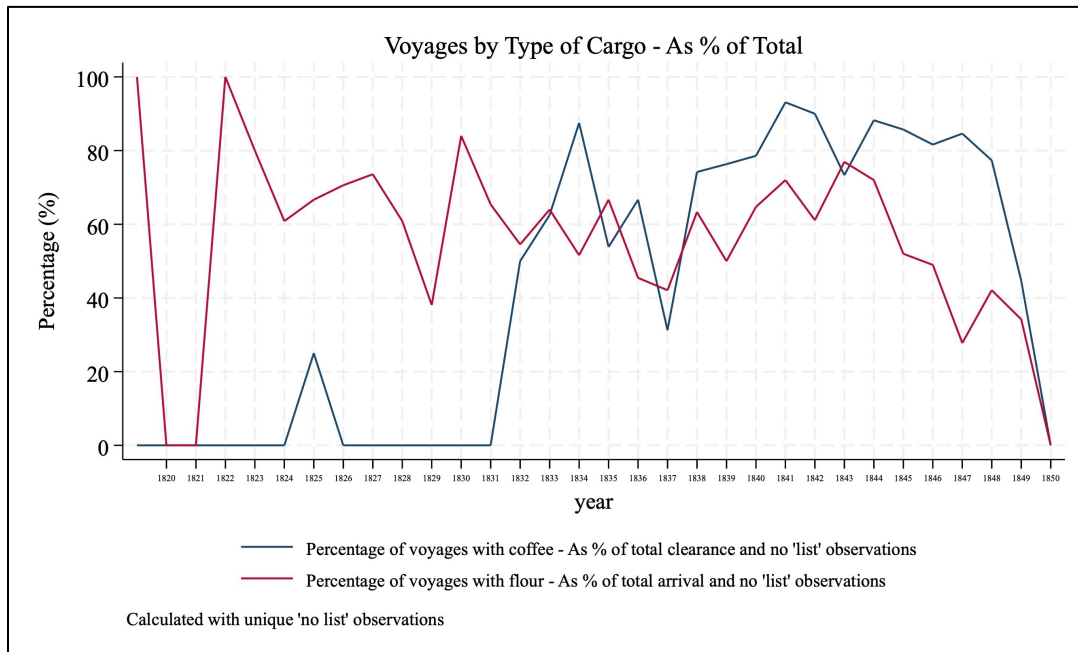


Chart 5

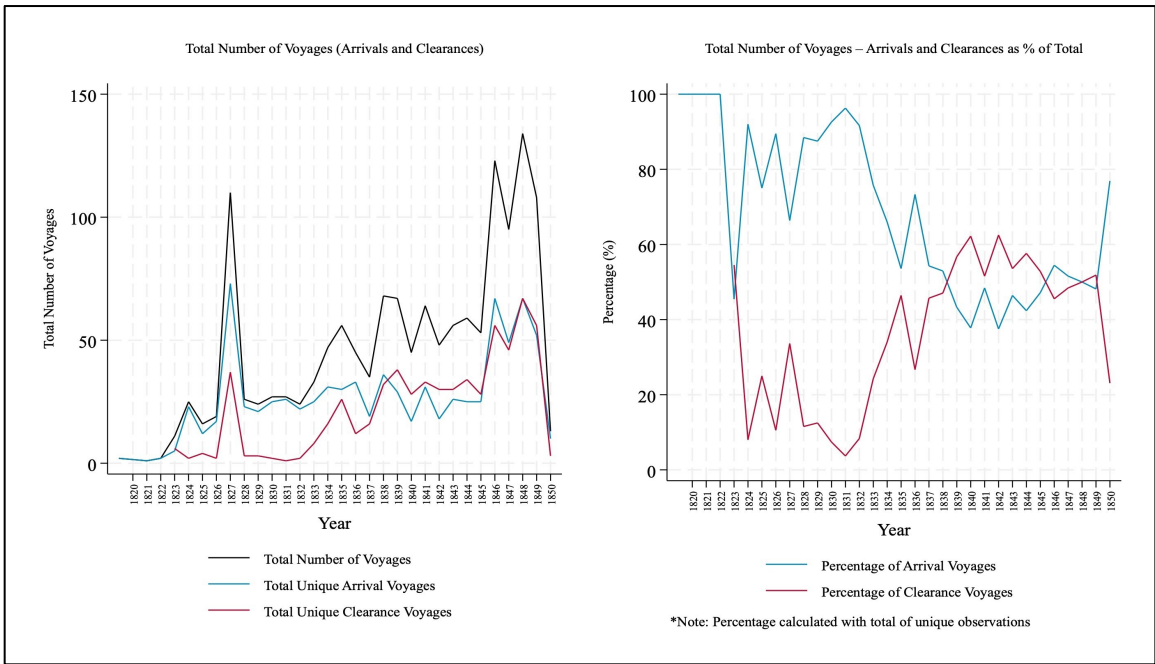


Chart 6

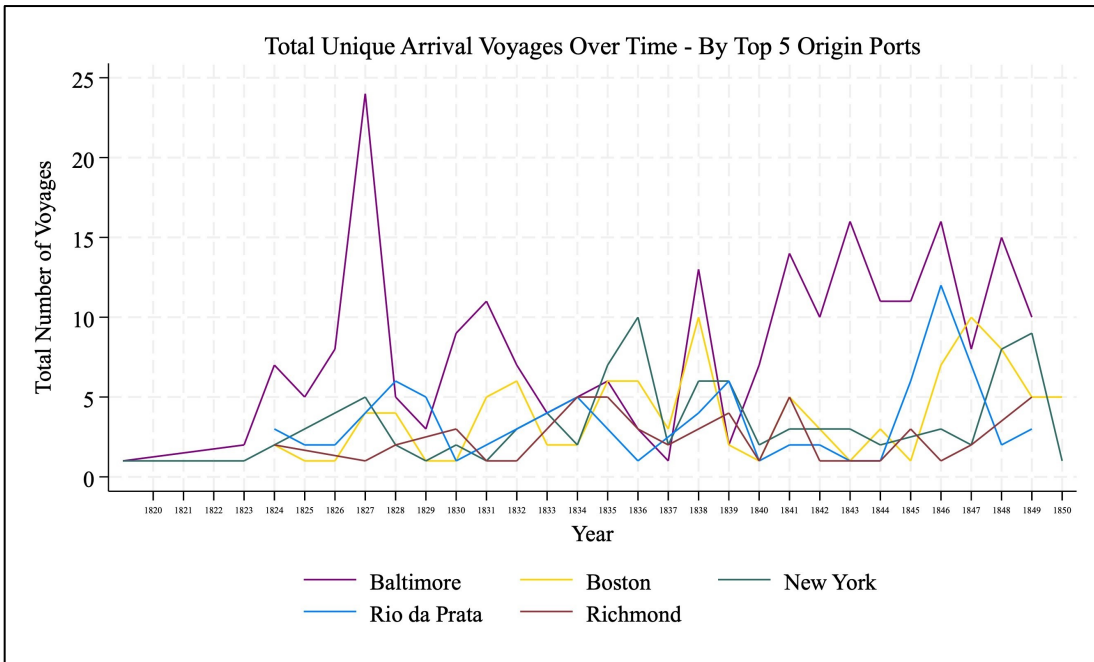
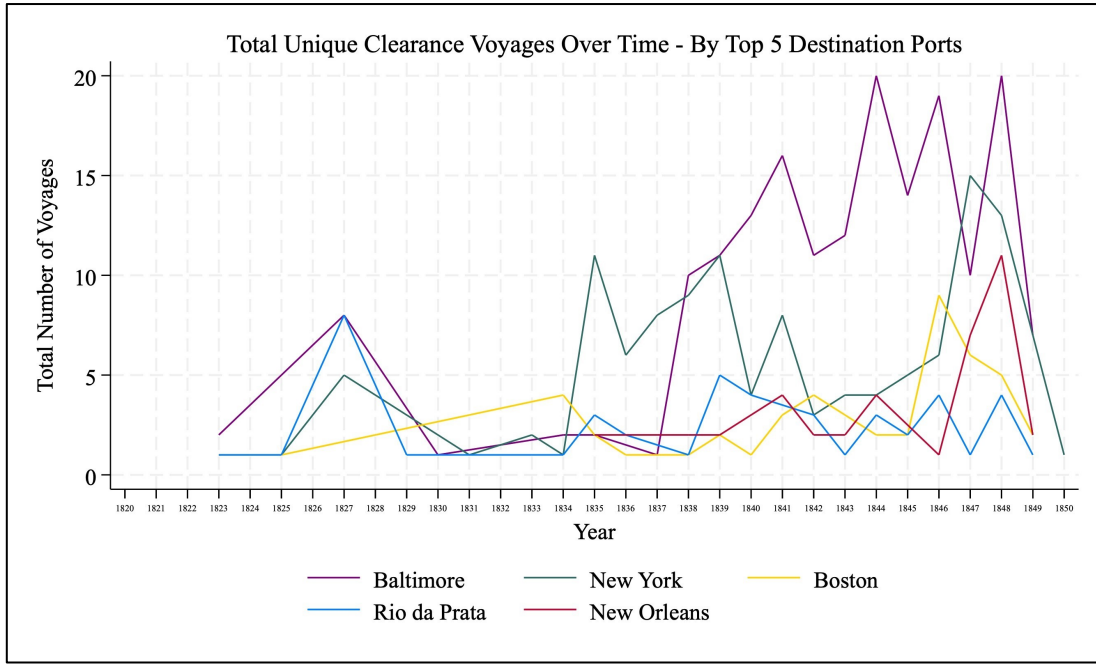


Chart 7



6. Appendix 2: A simple merchant business model

$$\pi_{t+1} = Q \cdot (p_{t+1} - p_t) \quad (1)$$

Where:

π_{t+1} = Profits at $t + 1$

Q = Quantities traded

p_t = Price he buys Q in t

p_{t+1} = Price he sells Q in the next period

The benefits of the merchant in p_{t+1} are given by the difference between p_{t+1} and p_t . This can be assumed as the difference between the price he purchases a set of goods Q in the period t and the price he sells those good in the next period. In turn, the price he is able to charge in the subsequent period is given by

$$p_{t+1} = p_t + \gamma_1 KFC_t + \gamma_2 \alpha_{t+1} \quad (2)$$

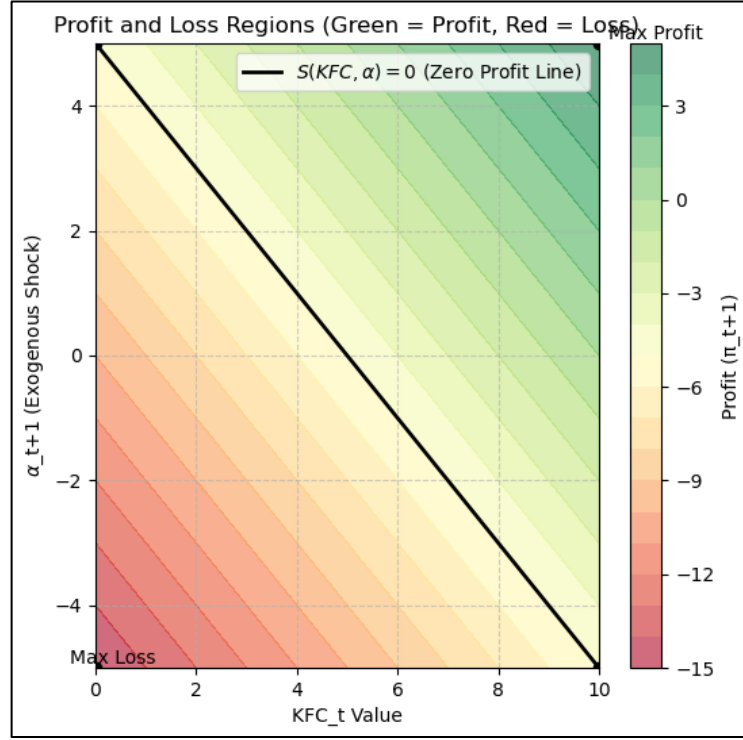
Where KFC is the level of Knoweldge, Financial Credit, and Networks that the merchant has, and α_{t+1} is a stochastic shock. The profits' function, therefore, can be defined as:

$$S_{t+1} = p_{t+1} - p_t \quad (3), \text{ or}$$

$S_{t+1}(KFC, \alpha) = \gamma_1 KFC_t + \gamma_2 \alpha_{t+1}$ (4) A function that depends on KFC and on a random shock. Hence:

- $\pi_{t+1} = QS$ (5)

Graph 1: Interaction between Knowledge (K), Financial Credit (F), and Socio-political networks (C), with unexpected risks and shocks α . The greater the level of KFC, the less need of an expected positive shock to earn profits. Similarly, greater levels of KFC can hedge against unexpected negative shocks (negative values of α)



A slightly more complex model and endogenizes the demand function is as follows:

$$\pi_{t+1} = (p_{t+1}^i - p_t^i) \cdot Q(KFC, p^i, p^j)$$

Where p_{t+1}^i is the price the merchant can charge for the merchandise Q in the next period and p_t^i is the price he purchased merchandise in the period before. The demand function Q depends on the level of KFC of the merchant to find better suppliers and customers, the price he pays for merchandise in p^i and the price his competitors offer for the same type of merchandise p^j . Thus,

$$\begin{aligned} Q &= \gamma_1 + \gamma_2 KFC_t - \gamma_3 p_{t+1}^i + \gamma_4 p_{t+1}^j + \alpha_{t+1}, \text{ where } \gamma \text{ is simply the share of each factor.} \\ \pi_{t+1} &= [p_{t+1}^i - p_t^i] \cdot [\gamma_1 + \gamma_2 KFC_t - \gamma_3 p_{t+1}^i + \gamma_4 p_{t+1}^j + \alpha_{t+1}] \\ &= \gamma_1 p_{t+1}^i + \gamma_2 KFC_t p_{t+1}^i - \gamma_3 p_{t+1}^i p_{t+1}^i + \gamma_4 p_{t+1}^j p_{t+1}^i + \alpha_{t+1} p_{t+1}^i \\ &= \gamma_1 p_t^i - \gamma_2 KFC_t p_t^i + \gamma_3 p_{t+1}^i p_t^i - \gamma_4 p_{t+1}^j p_t^i - \alpha_{t+1} p_t^i \end{aligned}$$

$$\frac{\partial \pi_{t+1}}{\partial p_{t+1}^i} = \gamma_1 + \gamma_2 KFC_t - 2\gamma_3 p_{t+1}^i + \gamma_4 p_{t+1}^j + \alpha_{t+1} + \gamma_3 p_t^i = 0$$

$$2\gamma_3 p_{t+1}^i = \gamma_1 + \gamma_2 KFC_t + \gamma_4 p_{t+1}^j + \alpha_{t+1} + \gamma_3 p_t^i$$

$$* p_{t+1}^i = \frac{\gamma_1 + \gamma_2 KFC_t + \gamma_3 p_t^i + \gamma_4 p_{t+1}^j + \alpha_{t+1}}{2\gamma_3}$$

$$= \frac{p_t^i}{2} + \frac{\gamma_1 + \gamma_2 KFC_t + \gamma_4 p_{t+1}^j + \alpha_{t+1}}{2\gamma_3}$$

The optimal price a merchant can charge for the goods he has bought will depend positively on his level of KFC, the price his competitors offered for that merchandise, and the price he paid for that merchandise.

7. Appendix 3, Tables on James Birckhead's business in Rio de Janeiro (1817-1850)

Table 1

Total Observations	Total Number of Voyages	% of Total Number of Voyages	Total "No list " Observations	% of Total "No list " Observations	Total "List" Observations	% Total "List" Observations
3,461	3,401	98.3%	2,523	73.2%	929	26.8%

Table 2

Total Observations	Totally Unique Voyages	% of Total Unique Voyages	Total "No List" Unique Voyages	% of Total "No List" Unique Voyages	Total "List" Unique Voyages	% of Total "List" Unique Voyages	Total Arrival Unique Voyages	% of Total Arrival Unique Voyages	Total Clearance Unique Voyages	% of Total Clearance Unique Voyages
3,461	1,463	42.3%	1,279	87.4%	184	12.6%	842	57.6%	621	42.4%

Table 3

Total Unique Voyages	Total Number of Voyages with Coffee	% of Total Number of Voyages with Coffee	Total Number of Voyages with Flour	% of Total Number of Voyages with Flour	Total Number of Voyages Related to Slave Trade	% of Total Number of Voyages Related to Slave Trade
1,463	387	26.5%	414	28.3%	81	5.5%

Table 4

TOTAL UNIQUE VOYAGES															
ARRIVAL								CLEARANCE							
842								621							
NOT LIST				LIST				NOT LIST				LIST			
730				112				549				72			
TOTAL FLOUR	FLOUR%	TIED WITH SALVERY TOTAL	TIED WITH SALVERY %	TOTAL FLOUR	FLOUR %	TIED WITH TOTAL SALVERY	TIED WITH SALVERY %	TOTAL COFFEE	COFFEE %	TIED WITH TOTAL SALVERY	TIED WITH SALVERY %	TOTAL COFFEE	COFFEE %	TIED WITH TOTAL SALVERY	TIED WITH SALVERY %
391	53.6%	32	4.4%	0	0.0%	20	17.9%	386	70.3%	16	2.9%	0	0.0%	13	18.1%

Table 5

Flag of the Ship	Total	%
U.S _	1,403	95.9%
England	18	1.2%
Bremen	5	0.3%
Hamburg	5	0.3%
Denmark	5	0.3%
Sardinia	4	0.3%
Brazil	4	0.3%
France	3	0.2%
Oldenburg	two	0.1%
Sweden	two	0.1%
Netherlands	1	0.1%
Prussia	1	0.1%

Lubeck	1	0.1%
Eastern	1	0.1%
Portugal	1	0.1%
Norway	1	0.1%
Buenos Ayres	1	0.1%
Missing	5	0.3%
Total	1,463	100%

Table 6

Newspaper Used as Source	Total	%
Commerce Journal	752	51.4%
Rio de Janeiro Diary	311	21.3%
The Afternoon Mail	77	5.3%
Mail Mercantile	69	4.7%
Daily Mercantile	58	4.0%
Empire of Brazil: Diario Fluminense	41	2.8%
The alarm clock	34	2.3%
Universal Political Mercantile and Instructive Mail	32	2.2%
Official Gazette of the Empire of Brazil	26	1.8%
Weekly Mercantile	16	1.1%
Rio Mercantile Journal	13	0.9%

Mail : In Medio Posita Virtus	10	0.7%
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Empire of Brazil: Darius of the Government	6	0.4%
Rio de Janeiro Gazette	5	0.3%
Empire Lighthouse _	4	0.3%
The Seven d'Abril	4	0.3%
The Rio Paquete	3	0.2%
The Constitutional , Diary Mercantile , Political, and Literary	1	0.1%
The Newsman	1	0.1%
Total	1,463	100%

Table 7

Port of Destination (Clearances)	Total	%	Port of Destination (Clearances)	Total	%
Baltimore	178	28.7%	Chile	two	0.3%
new York	119	19.2%	Antwerp	two	0.3%
Boston	48	7.7%	Lisbon	1	0.2%
River of silver	47	7.6%	U.S _	1	0.2%
New Orleans	37	6.0%	Falkland Islands	1	0.2%
California	32	5.2%	Havana	1	0.2%
Africa	27	4.3%	Norfolk	1	0.2%
Philadelphia	27	4.3%	Saint Catherine	1	0.2%
Valparaiso	16	2.6%	Pernambuco	1	0.2%

Cowes	16	2.6%
big River	12	1.9%

canton	1	0.2%
Paranaguá	1	0.2%

Bahia	7	1.1%
Gibraltar	4	0.6%
Hamburg	4	0.6%
Fishing	4	0.6%
Santos	3	0.5%
Trieste	3	0.5%
Havre	3	0.5%
Pacific Sea	two	0.3%
Richmond	two	0.3%
Marseille	two	0.3%
Salem	two	0.3%
lime	two	0.3%

Matanzas	1	0.2%
To charter or sell	1	0.2%
Portsmouth	1	0.2%
Charleston	1	0.2%
Mobile	1	0.2%
Genoa	1	0.2%
Southern Ports	1	0.2%
Batavia	1	0.2%
Atlantic Ocean	1	0.2%
Providence	1	0.2%
Onim	1	0.2%

Total	621	100%
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Table 8

Port of Origin (Arrivals)	Total	%	Port of Origin (Arrivals)	Total	%
Baltimore	231	27.4%	Portsmouth	3	0.4%
Boston	100	11.9%	Newcastle	two	0.2%
new York	90	10.7%	Canton	two	0.2%
River of silver	64	7.6%	Calhão	two	0.2%
Richmond	51	6.1%	Charleston	two	0.2%

Africa	49	5.8%	Hamburg	two	0.2%
Philadelphia	35	4.2%	Setubal	two	0.2%
Bahia	29	3.4%	Antwerp	two	0.2%
big River	25	3.0%	St. Petersburg	two	0.2%
norfolk	21	2.5%	London	two	0.2%
Pernambuco	10	1.2%	St. Johns	two	0.2%
Alexandria	9	1.1%	washington	1	0.1%
Lisbon	9	1.1%	Genoa	1	0.1%
Bangor	9	1.1%	Arribada	1	0.1%
Cadiz	9	1.1%	Havre	1	0.1%
Georgetown	7	0.8%	Cape Palmas	1	0.1%
Saint Catherine	6	0.7%	Virginia	1	0.1%
Patagonia	5	0.6%	Coquimbo	1	0.1%
Salem	5	0.6%	Guayaquel	1	0.1%
Fishing	5	0.6%	Porth-Amboy	1	0.1%
New Orleans	4	0.5%	Angra	1	0.1%
Marseille	4	0.5%	Providence	1	0.1%
Santos	4	0.5%	Trieste	1	0.1%
New land	4	0.5%	Cable	1	0.1%
Gibraltar	4	0.5%	Falkland Islands	1	0.1%
Valparaiso	3	0.4%	Rio Negro	1	0.1%
lime	3	0.4%	This	1	0.1%
New Bedford	3	0.4%	Bordeaux	1	0.1%
Tarragona	3	0.4%	Liverpool	1	0.1%
Total				842	100%

Table 9

COFFEE AND FLOUR VOYAGES AS % OF UNIQUE "NO LIST"						
Year	Total Clearance Voyages	Total Coffee Voyages	% of Total Coffee Voyages	Total Arrival Voyages	Total Flour Voyages	% of Total Flour Voyages
1819	0	0	0.0%	two	two	100.0%
1820	0	0	0.0%	0	0	0.0%
1821	0	0	0.0%	1	0	0.0%
1822	0	0	0.0%	two	two	100.0%
1823	6	0	0.0%	5	4	80.0%
1824	two	0	0.0%	23	14	60.9%
1825	4	1	25.0%	12	8	66.7%
1826	two	0	0.0%	17	12	70.6%
1827	8	0	0.0%	53	39	73.6%
1828	3	0	0.0%	23	14	60.9%
1829	3	0	0.0%	21	8	38.1%
1830	two	0	0.0%	25	21	84.0%
1831	1	0	0.0%	26	17	65.4%
1832	two	1	50.0%	22	12	54.5%
1833	8	5	62.5%	25	16	64.0%
1834	16	14	87.5%	31	16	51.6%
1835	26	14	53.8%	30	20	66.7%
1836	12	8	66.7%	33	15	45.5%
1837	16	5	31.3%	19	8	42.1%
1838	31	23	74.2%	30	19	63.3%
1839	38	29	76.3%	26	13	50.0%
1840	28	22	78.6%	17	11	64.7%
1841	29	27	93.1%	25	18	72.0%
1842	30	27	90.0%	18	11	61.1%
1843	30	22	73.3%	26	20	76.9%

1844	34	30	88.2%	25	18	72.0%
1845	28	24	85.7%	25	13	52.0%
1846	49	40	81.6%	49	24	49.0%
1847	39	33	84.6%	36	10	27.8%
1848	53	41	77.4%	38	16	42.1%
1849	47	21	44.7%	38	13	34.2%
1850	two	0	0.0%	7	0	0.0%
Total	549	387	70.5%	730	414	56.7%

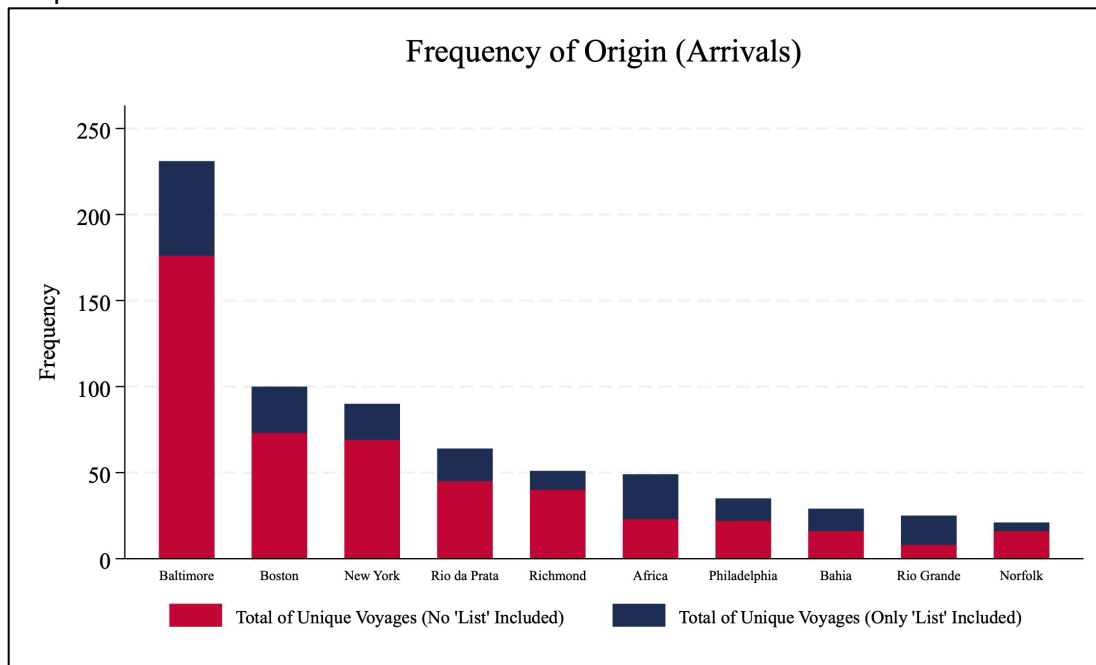
Table 10

Rio de Janeiro coffee exports by port of arrival, and Birckhead coffee exports by port of arrival

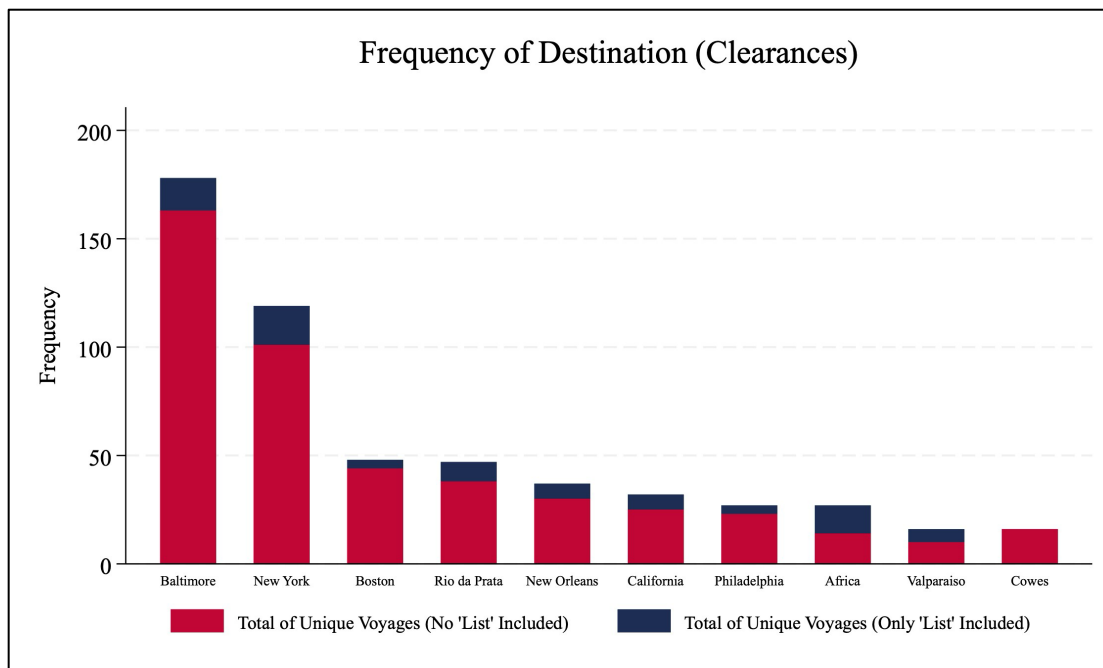
Years	Total of Bags of Coffee US	Balfmore	Balfmore Birckhead	Boston	Boston Birckhead	New York	New York Birckhead	New Orleans	New Orleans Birckhead	Philadelphi a	Philadelphia Birckhead	Charleston	Charleston Birckhead
1841	400,186	28.0%	55.6%	4.6%	3.7%	30.9%	14.8%	28.2%	14.8%	7.7%	7.4%	0.6%	0.0%
1842	250,711	27.6%	40.7%	6.8%	11.1%	29.3%	11.1%	29.7%	7.4%	5.7%	3.7%	0.9%	0.0%
1843	407,741	26.0%	50.0%	6.4%	13.6%	30.9%	18.2%	28.2%	9.1%	5.6%	4.5%	1.0%	0.0%
1844	422,669	23.7%	62.1%	11.0%	6.9%	32.7%	13.8%	24.0%	10.3%	5.1%	0.0%	2.1%	0.0%
1845	434,402	21.4%	58.3%	8.5%	8.3%	31.5%	20.8%	31.3%	0.0%	6.4%	8.3%	0.5%	0.0%
1846	728,696	20.9%	47.5%	10.4%	17.5%	28.7%	15.0%	31.5%	2.5%	6.6%	2.5%	1.1%	0.0%
1847	713,630	15.5%	30.3%	4.6%	18.2%	34.4%	33.3%	37.3%	15.2%	3.3%	3.0%	2.8%	0.0%
1848	810,890	27.3%	46.3%	6.2%	9.8%	24.0%	19.5%	32.8%	17.1%	5.5%	2.4%	3.0%	0.0%
1849	459,605	27.7%	28.6%	3.4%	4.8%	25.5%	28.6%	32.9%	0.0%	6.9%	14.3%	3.2%	0.0%
1850	645,812	24.4%	0.0%	1.1%	0.0%	25.9%	0.0%	39.6%	0.0%	5.4%	0.0%	2.6%	0.0%
1851	434,505	31.2%	0.0%	1.1%	0.0%	28.5%	0.0%	28.5%	0.0%	8.1%	0.0%	1.6%	0.0%

8. Appendix 4, Graphs

Graph 8

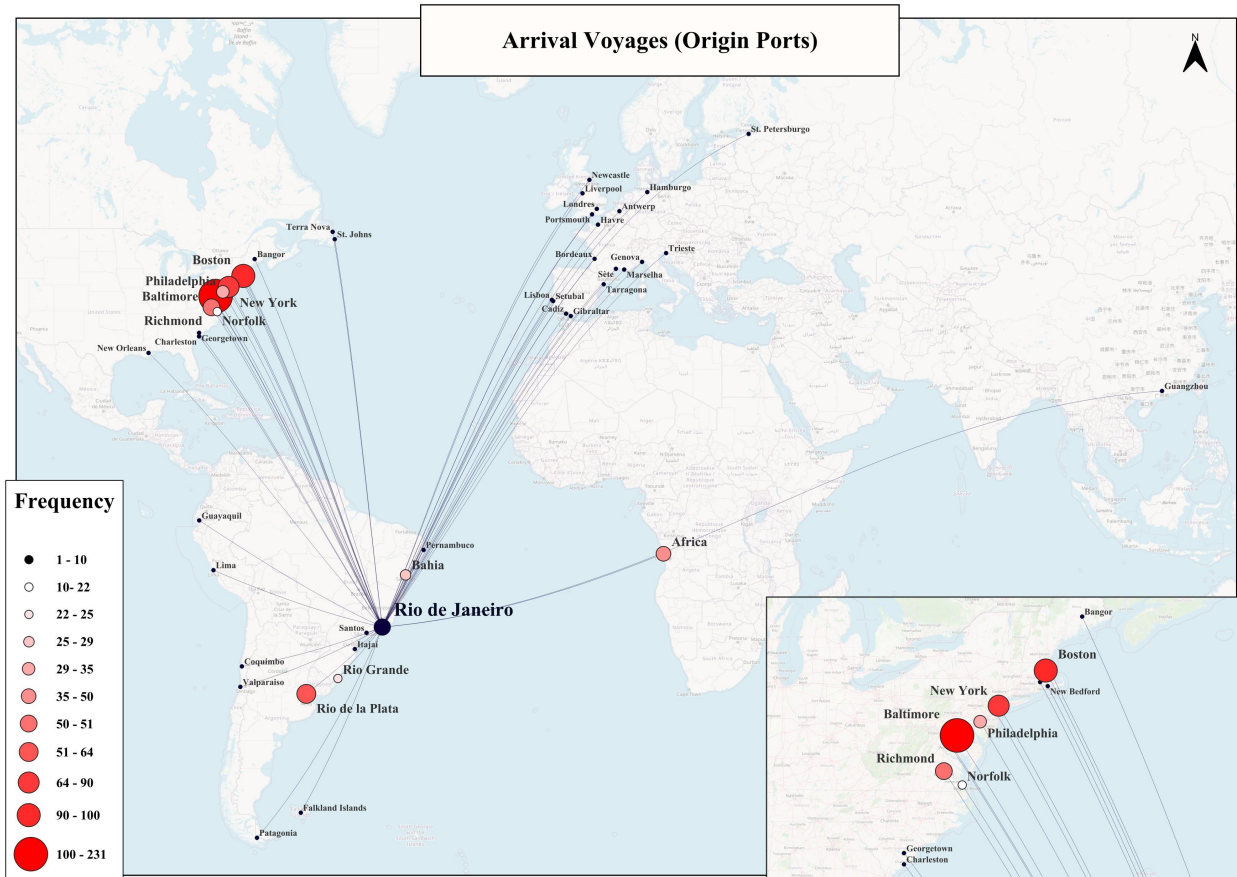


Graph 9



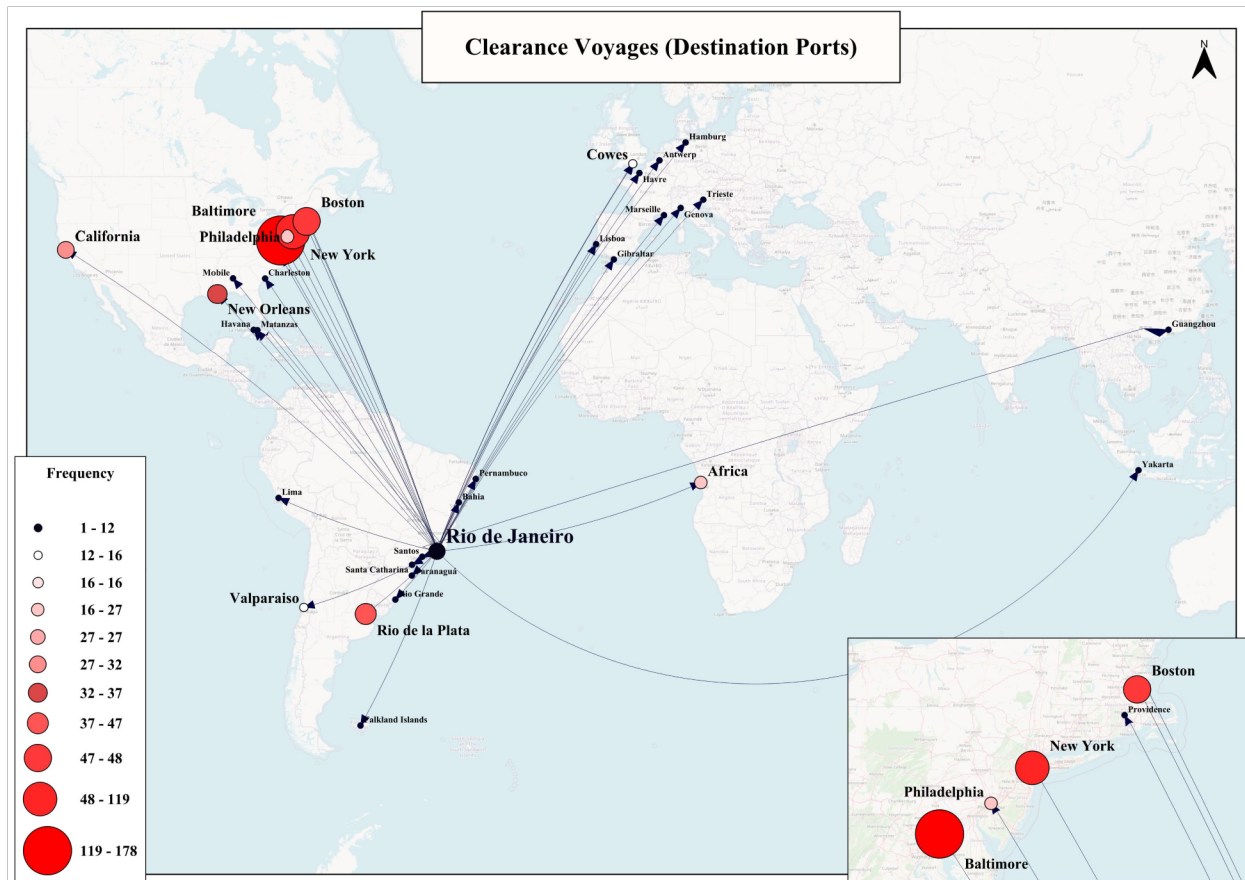
9. Appendix 5, Maps

Map 1



Map 2

Map 2 Birckhead's shipments from Rio de Janeiro.



Notes:

¹ Honoré de Balzac, *The Rise and Fall of César Biorzeau*

² See National Archives, Rio de Janeiro, Polícia da Corte (OE), Codice 381, Volume 7.

³ In the last section of my dissertation, I made a detailed study about how coffee consumption spread in the U.S. during this period time. Using plantation records, and other documents, I show how it was regularly consumed by enslaved people. I also created a detailed and original database on the coffee prices, showing how in the period 1821-1849, coffee prices dropped around 80%.

⁴ The Merchants' Magazine and Commercial Review, New York: Freeman Hunt, Vol. XXXII, No.1, January, 1855 ⁵ Samper and Fernando "Historical Statistics on the Coffee Trade".

⁶ Braudel, in *Wheels of Commerce* highlights the importance environmental and material in the operation of trade. A few other studies that studies that have approached material and logistical aspects of trade are Marc Levinson: *The Box on the Shipping Container Made the World Smaller and the World Economy Bigger* (Princeton University press, 2006) and Leleh Khalili: *Sinews of War and Trade: Shipping and Capitalism in the Arabian Peninsula* (London & New York: Verso, 2020)

⁷ Geoffrey Jones "Trading Companies in Theory and History" in *Merchants to Multinationals: British Trading Companies in the Nineteenth and Twentieth Centuries* (Oxford and New York: Oxford University Press, 2002, p.4)

⁸ Appadurai p. 33

⁹ Jones "Trading Companies ..." p.3

¹⁰ Carlos Gabriel Guimarães is probably the author who has studied more in depth the British merchant houses acting in nineteenth century Brazil. See for example: Trading in an Emerging market: E. Johnston & Co and the Brazilian Coffee trade 1840-1880 *Journal of Iberian and Latin American Economic History* 2019, pp. 157-190. A *presença britânica no império do Brasil: o caso da firma Edward Johnston & Co. no Rio de Janeiro, c.1842-c.1852* (São Paulo: Hucitec, 2023) *A presença inglesa nas finanças e no comércio no Brasil Imperial: Os casos da Sociedade Bancária Mauá, MacGregor & Cia. 1854-1866 e da firma inglesa Samuel Phillips & Cia. (1808-1840)* (São Paulo: Alameda, 2012). In addition to the articles of Llorca-Jaña cited above, another classic work on the trade between Britain and Latin America include Prat's classical book *Latin America and British Trade* (London: A&C Black, 1972 ¹¹ Jones "Trading Companies..." p. 3

¹² On the growing importance of American maritime trade in terms of volume and productivity during the early nineteenth century see Charles Keene "American Shipping and Trade, 1798-1820: The Evidence from Leghorn" *The Journal of Economic History* 1978 pp.681-700

¹³ The rise of the United States in the Brazilian trade prompted a gradual challenge to British dominance, both economically and politically. On this point see: Antônia Almeida de Wright, *Desafio à preponderância britânica no Brasil 1808-1850* (Rio de Janeiro, Imprensa Nacional, 1972). In this work, the author states that Birkhead acted as US consul in Rio de Janeiro; however, any of the vast archival sources consulted for this research could confirm this information.

¹⁴ For statistics on the Coffee Trade, see: Samper, in Topik & C.

¹⁵ O'Rourke and Williamson show that the 1820-1849 was one of the historical periods with faster growth in world exports—an average rate of 4.18 per annum; only surpassed by the period 1950-1992, which had a 5.65 rate per annum. However, if taking a larger span, the period 1820-1899 has a larger rate of growth (3.87 per annum) than the 1900-1992 period (3.65 per annum). See Kevin H. O'Rourke and Jeffrey G. Williamson "After Columbus: Explaining Europe's Overseas Trade Boom, 1500-1800" *The Journal of Economic History* 2002 pp.417-456, p.421 ¹⁶ Topik Steven; Marichal, Carlos; and Zephyr Frank (eds): *From Silver to Cocaine: Latin American Commodity Chains and the Building of the World Economy 1500-2000* (Durham: Duke University Press, 2006) p.9

¹⁷ An early study on the factors affecting success and failure of American Merchant firms in Foreign Trade is Stuart Bruchey "Success and Failure Factors: American Merchants in Foreign Trade in the Eighteenth and Early Nineteenth Centuries" *The Business History Review* 1958 pp. 272-292. The author mentions the importance of elements such as prudence, diligence, housekeeping habits, intelligence, foresight, and degree of control, among other factors that included luck. More concretely, the author also refers to the importance of "having first knowledge of a market and arriving before the crowd" p.284,

¹⁸ A few studies addressing the formation of the Brazil- U.S. relations are Laura Jarguing. *The Confluence of Transatlantic Networks: Elites, Capitalism, and Confederate Migration to Brazil* (Alabama: Alabama University

Press, 2008). The Work of Alan Marcus *Confederate Exodus* is also an important contribution to understanding the economic link between the United States and Brazil in the first part of the 19th century and the specific role of Baltimore's port.. See particularly chapter 2 "The Baltimore Connection" Other contributions are Daniel Rood "Bogs of Death: Slavery, The Brazilian Flour Trade, and the Mystery of the Vanishing Millpond in Antebellum Virginia" *The Journal of American History* (2014) pp19-43, focused on flour trade; Leonardo Marques *The United States and the Transatlantic Slave Trade on the Americas, 1776-1867* (New Heaven & London: Yale University Press, 2016), and Carlos Gabriel Guimarães *A Presença Britânica no Império do Brasil: o Caso da Firma Edward Johnston & Co. no Rio de Janeiro c.1842-1852* (Rio de Janeiro: Hucitec, 2023), which although focused on a British firm addresses the Brazil U.S.-trade of that company. These works are significant contributions to understanding how transnational trade operated in the early nineteenth century, particularly by highlighting the importance of family ties, friendship networks, kinship, associations, and political connections. Yet, these studies devote little attention to the material and environmental dimensions of trade—the concrete infrastructures, geographic constraints, and practical challenges that shaped how goods actually moved across long distances.. *Environmental Forces in the Migration of U.S. Southerners to Brazil* (Nebraska: University of Nebraska Press, 2021).

¹⁹ Part of the diary was published by the Newport Historical Society in 2001 as *A Diplomat's Lady in Brazil*. The full and original diary remains in the collections of the Newport Historical Society.

²⁰ For a history of credit circulation in Rio de Janeiro, see: Clemente Penna *Economias Urbanas*, and Clemente Penna "An Enslaved Credit Market:" In *Beyond Banks*

²¹ See for example Francesca Trivellato *The Familiarity* and Laura Pang *Confederate Exodus*. More specifically for the case of Brazil see Mariana Muaze: *Memórias da Viscondessa: família e poder no Brasil Império* (Rio de Janeiro: Zahar 2008), in which the author traces the family business of the prominent coffee plantation owners Ribeiro Avellar.

²² The weakness of the Strong ties is implicit in the famous article of Mark Granovetter: "The Strength of Weak Ties" *American Journal of Sociology* 1973 pp. 1360-1380.

²³ Evelyn Cherpak (ed.). *A Diplomat's Lady*, p. 30

²⁴ *Jornal do Commercio*, 1835, Rio de Janeiro, Ed. 3, p. 3, January 5th. Collection of "Fundação Biblioteca Nacional – Brasil"; Evelyn Cherpak (ed.). *A Diplomat's Lady*, p. 29-31.

²⁵ Evelyn Cherpak (ed.), *A Diplomat's Lady*, p. 74-79.

²⁶ Evelyn Cherpak (ed.), *A Diplomat's Lady*, p. 74-79. p.81-82

²⁷ Delafield Family Papers, Box 112, Folder 3. Princeton University Special Collections,

²⁸ Birkhead's financial difficulties during this year were kept strictly confidential. I knew of them accessing the private correspondence he sent to Baring Brothers in London asking them credit extensions. See The Baring Archive, London. House Correspondence 4. Latin America.

²⁹ See appendix tables and charts

³⁰ For example, the US Navy ship *Brandywine* entered and left Rio de Janeiro consigned to Birkhead in 1847. See: *Jornal do Commercio*, 1847, ed. 235, August 25th.

³¹ See appendix tables and charts

³² For example, the US Navy ship *Brandywine* entered and left Rio de Janeiro consigned to Birkhead in 1847. See: *Jornal do Commercio*, 1847, ed. 235, August 25th.

³³ *Providence Journal*. "The United States and Brazil", April 24th, 1845

³⁴ On American participation in the slave trade between Brazil and Africa, see: Leonardo Marques, *The United States and the Slave Trade to the Americas, 1776-1867* (Yale: Yale University Press, 2016).

³⁵ *George Gordon papers*, New York Public Library ,Special Collections

³⁶ Voyages found on the Slave Voyages database, IDs: 2109 and 2114. See: slavevoyages.org.

³⁷ See: *Jornal do Commercio*, 1844, February 27, 1844 and database.

³⁸ For example, in a letter to Baring Brothers in London, Birkhead explained to them: "The coffee crops cannot be increased without a proportional increase of labor—the loss of slaves on the estates is estimated at 10% per annum---- [...] the sale and slave trade throughout the interior is unmasked and prices are low—say 200 or 300\$000 réis cash". Birkhead to Baring Brothers & Co. The Baring Archive, London. House Correspondence 4. Latin

America

³⁹ On the relationship between credit and slavery in nineteenth century Rio de Janeiro see: Clemente Gen1l Penna, *Economias Urbanas: Capital, Créditos e escravidão na cidade do Rio de Janeiro c. 1820-1860* (São Paulo: HUCITEC Editora, 2023). Leonardo Marques, *The United States* ⁴⁰ Evelyn Cherpak (ed.), *A Diplomat's Lady*, p.321, p. 337.

⁴¹ In her diary, Mary Hunter makes clear Birkhead's and her own contempt and prejudice towards the enslaved and black people of Rio de Janeiro. For example, when complaining about the work that enslaved people did for her and the lack of obedience on their part, she lamented... "As Birkhead says every few minutes, 'a nigger's a nigger and you cannot change them'". See Evelyn Cherpak (ed.), *A Diplomat's Lady*, p. 368.

⁴² João Luís Ribeiro Fragoso, Carla Maria Carvalho de Almeida, Antonio Carlos Jucá de Sampaio, *Conquistadores e negociantes: histórias de elites no AnEgo Regime nos trópicos: América lusa, séculos XVI a XVIII* (Rio de Janeiro: Civilização Brasileira, 2007), p. 246.

⁴³ In May 1825, with £20,000 it would have been possible to buy between 1,142 and 1,429 sacs of sixty kg of coffee, depending on the quality, in Rio de Janeiro. For coffee prices in Rio see: "Preços Correntes dos Gêneros em Grosso", *Diário MercanEl do Rio de Janeiro*, 1825 Ed. 164, p. 4, May 27th. For the current exchange rate between mil-réis dollars, and pounds see: Heitor Pinto Moura Filho, *Câmbio de longo prazo do mil-réis: uma abordagem empírica referente às taxas contra a libra esterlina e o dólar (1795-1913)*. Cadernos de História, Belo Horizonte, vol. 11, no. 14, p. 9-34, 2019. For the equivalence between arrobas and sacs of coffee see: João Joaquim Ferreira de Aguiar, *Pequena Memória sobre a plantação, cultura e colheita do café* (Rio de Janeiro: Imprensa Americana de I.P. da Costa, 1836), cited by Stantley Stein:

⁴⁴ Alex Brown & Son papers, Box 9. Library of Congress, Washington DC, 1825.

⁴⁵ About that point, see for example, the report by American consul John Mar1n Baker, *A View of the Commerce Between the United States and Rio de Janeiro, Brazil* (Washington DC: Office of the Democra1c Review, 1838).

⁴⁶ Alex Brown & Son papers, Box 22; Library of Congress, Washington D.C. 21, January 1840.

⁴⁷ Hugh Birkhead worked in Henry Payson's company, as shown in *Matchet's BalEmore Directory* of 1829. See: Archives of Maryland Online, City Directories, Bal1more, Volume 524, p.29. This shows that the two companies worked together and cooperated.

⁴⁸ Alex Brown & Soon papers, Box 14. Library of Congress, Washington D.C. October 20, 1834.

⁴⁹ Alex Brown & Son papers, Box 14. Library of Congress, Washington D.C. October 20, 1834.

⁵⁰ Alex Brown & Son papers, Box 14. Library of Congress, Washington D.C. April 11, 1834.

⁵¹ Journal do Comércio, April 21, 1835 and own database.

⁵² See: Mercedes Huwon, *The icy side of Hong Kong*. BBC, 23 January, 2020.

<https://www.bbc.com/travel/ar1cle/20200122-the-icy-side-to-hong-kong-history>

⁵³ The archives of the Tudor Ice Company are found at the Baker Library Special Collec1ons and Archives, Harvard Business School. See "Tudor Company records "

⁵⁴ From Mrs. Hunter diary, we know that years later, in 1841, William Hunter also supported Birkhead's ice business, as he held mee1ngs with the Minister for Foreign Affairs in which he promoted the import of ice free of customs du1es. See: Evelyn Cherpak (ed.), *A Diplomat's Lady*, p. 204.

⁵⁵ Alex Brown & Son papers, Box 22, Library of Congress, Washington DC, June 11, 1840 ⁵⁶ Alex Brown & Son papers, Box 22, Library of Congress, Washington DC, 12 May 1841.

⁵⁷ See: William Cronon, *Nature's Metropolis: Chicago and the Great West* (New York: W. W. Norton & Co., 1991), p. 97-147 pp97-147.

⁵⁸ For 1845, 1846 and 1847 exports see: Eduardo Laemmert, *Almanak AdministraEvo MercanEl e Industrial da Corte e Província do Rio de Janeiro para o Anno de 1849*. (Rio de Janeiro: Eduardo e Henrique Laemmert, 1849), p. 569.

⁵⁹ See appendix chart 4. From 1844, the share of coffee within his exports secularly declines.

⁶⁰ John R Killick "Bolton Ogden & Co: A Case Study in Anglo-American Trade, 1790-1850" *Business History Review* 1974. pp. 501-519

⁶¹ Braudel *The Wheels of Commerce* pp.30-31

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- ⁶² See Llorca-Jaña “Shaping Globaliza1on” p.483, and Chapman *The Rise of Merchant Banking* pp.35-36. In “Shaping Globaliza1on”, Llorca-Jaña points out that the Huth merchant house was unique because of the trade on an extensive type of commodities that included sugar, tobacco, rum, coffee, cocoa, and others. When observing American merchant houses in Rio, this was the common pattern. Other merchant bankers such as Alex Brown & Sons also traded on different goods but during the 1840s moved strongly towards specialization in the credit market and abandoned other trades like cotton, as Killick shows. The “diversified” merchant was typical of the Early Modern period, as Braudel shows, but in new scenario of the mid-nineteenth century, tended to specialize.
- ⁶³ Jones “Trading Companies” p.7
- ⁶⁴ 13th Congress—Second Session Ex. Doc. 61. House of Representatives. Correspondence between the consuls of the United States at Rio de Janeiro, with the Secretary of State, on the Subject of the African Slave Trade, p. 23. ⁶⁵ See: James Pinkey Hambleton: *A biographical sketch of Henry A. Wise : with a history of the political campaign in Virginia in 1855: to which is added a review of the position of parties in the Union, and a statement of the political issues: disengaging them on the eve of the presidential campaign of 1856* (Richmond (VA): J.W. Randolph, 1856)
- ⁶⁶ 13th Congress—Second Session Ex. Doc. 61. House of Representatives. Correspondence between the consuls of the United States at Rio de Janeiro, with the Secretary of State, on the Subject of the African Slave Trade, p.5.
- ⁶⁷ Evelyn Cherpak (ed.), *A Diplomat's Lady*, p. 420.
- ⁶⁸ Correio da Tarde, 1849, Rio de Janeiro, Ed. 406, p. 3, May 29th.
- ⁶⁹ Correio da Tarde, 1849, Rio de Janeiro, Ed. 406, p. 3, May 29th.
- ⁷⁰ Correio da Tarde, 1849, Rio de Janeiro, Ed. 413, June 8th; Correio Mercantil, Rio de Janeiro, 1849, Ed. 156, p. 2-3, June 9th.
- ⁷¹ Correio Mercantil, Rio de Janeiro, 1849, Ed. 156, p. 2-3, June 10th.
- ⁷² On the relationship between markets and information see: Richard White, “Information, Markets, and Corruption: Transcontinental Railroads in the Gilded Age”. *The Journal of American Studies*, 1842-1852, vol. 90, no. 1, pp. 19-43, 2003.
- ⁷³ National Archives, Rio de Janeiro, 3rd Civil Court of Rio de Janeiro. 1852. Number 3545. Pack 179 ⁷⁴ National Archives, Rio de Janeiro, Relação do Rio de Janeiro (84). 1849. Number 4986. Box 1730.
- ⁷⁵ The figures was later updated to 96,608,000 in the case of the former and 97,450,000 in the case of the latter.
- ⁷⁶ Jornal do Commercio, Rio de Janeiro, 1846, ed. 328, p. 4, November 26th.
- ⁷⁷ National Archives, Rio de Janeiro, Relação do Rio de Janeiro (84). 1849. Number 4986. Box 1730.
- ⁷⁸ National Archives, Rio de Janeiro, Relação do Rio de Janeiro (84). 1849. Number 4986. Box 1730.
- ⁷⁹ Jornal do Commercio, Rio de Janeiro, 1848, ed. 146, p. 3, May 26th.
- ⁸⁰ National Archives Rio de Janeiro. Fundo Relação do Rio de Janeiro (84) 84.0.ACI. 8601 “Os apelados requerem pagamento de dívida proveniente de café que o apelante comprou a crédito e não vem querendo pagar.”
- ⁸¹ National Archives Rio de Janeiro. Fundo Relação do Rio de Janeiro (84) 84.0.ACI. 8601
- ⁸² National Archives Rio de Janeiro. Fundo Relação do Rio de Janeiro (84) 84.0.ACI. 8601
- ⁸³ National Archives Rio de Janeiro. Fundo Relação do Rio de Janeiro (84) 84.0.ACI. 8601 ⁸⁴ “Diary of Mary Robinson Hunter” Newport Historical Society. March 3rd, 1850.
- ⁸⁵ National Archives Rio de Janeiro. Fundo Relação do Rio de Janeiro (84) 84.0.ACI. 8601
- ⁸⁶ National Archives Rio de Janeiro. Fundo Relação do Rio de Janeiro (84) 84.0.ACI. 8601
- ⁸⁷ “Diary of Mary Robinson Hunter” Newport Historical Society. Tuesday, 10th July 1849 and 13th July 1849.
- ⁸⁸ “Diary of Mary Robinson Hunter” Newport Historical Society. Sunday, 5th August 1849.
- ⁸⁹ Heitor Pinto Moura Filho, “Câmbio de longo prazo”.
- ⁹⁰ “Diary of Mary Robinson Hunter” Newport Historical Society. NHS ID 6578, Sunday, 6th January, 1850.
- ⁹¹ “Mrs. Birkhead's will and Genealogy of family” Newport Historical Society, NHS ID 416, 1888
- ⁹² See Alan dos Santos Ribeiro “The Leading Commission-house of Rio de Janeiro: Os Negocios da Maxwell-Wright & Co (c.1827-1850)” *Tiempo & Economia* 2021 pp.48-74, and the M.A. thesis that has the same name. Universidade Federal Fluminense, 2014.

⁹³ Alex Brown & Son papers, Box 27. Library of Congress, Washington D.C. setembro 23, 1848 ⁹⁴ Alex Brown & Son papers, Box 27. Library of Congress, Washington DC, 31 Dic, 1847 ⁹⁵ Alex Brown & Son papers, Box 26. Library of Congress, Washington DC, 31 Aug. 1849.

⁹⁶ On the significance of this event see: Jurandir Malerba *A Corte no Exílio: Civilização e Poder às Vésperas da Independência 1808-1821* (São Paulo: Companhia das Letras, 2000) Kristen Schultz *Tropical Versailles* (New York: Routledge, 2001) and Mary Karash *Slave Life in Rio de Janeiro 1808-1850* (Princeton: Princeton University Press, 1987)

⁹⁷ Daniel Rood: “Bogs of Death...” and “An International Harvest: The Second Slavery, the Virginia-Brazil Connection, and the Development of the McCormick Reaper” pp.87-104 In: *Slavery’s Capitalism* Sven Beckert and Seth Rockman (eds).

⁹⁸ Commercial ties between Brazil and the United States dated back to colonial times, but they remained tenuous and often operated through illicit channels. For these early connections between the two countries, see: Tyson Reeder: *Smugglers, Pirates, and Patriots*

⁹⁹ Newspapers reported on telegrams that informed the New Orleans and New York markets about coffee auctions in Rio, prompting price drops. See *Jornal do Commercio*, Rio de Janeiro, 1849, ed. 4, p. 2, January 4th

¹⁰⁰ Mark Granovetter studies the opposite case: “The Strength of Weak Ties”

¹⁰¹ Théo Lobarinhas Piñeiro and Luiz Fernando Saraiva, O mercado de crédito no Rio de Janeiro – 1821-1850. *Locus: Revista de História*. Vol. 20, No. 2, 2014.

¹⁰² About Edward Johnston's firm see Carlos Gabriel Guimarães: *A presença britânica*