



The Rothschild Network of Commodities: Quicksilver and the Mexican Silver Market

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This paper will address the importance of the involvement of the Rothschilds in the quicksilver markets in the nineteenth century by stressing the importance of the Mexican market that emerged following independence from Spain. The paper will outline the elements that permitted the creation of a new network system that fed from preexisting infrastructure in Spain, but was enriched by connecting with other mercury producers, and maximized through their increasing business experience and control of trade routes. This will allow scholars to assess the importance of Mexico as a major market for quicksilver and the impact of this connection for further promotion of trade and financial services on both sides of the Atlantic by including new commodities traded to and from Mexico by the Rothschilds.

Introduction

Most of the literature concerning business and business entrepreneurship has given more importance to financial and banking business aspects in order to explain the expansion of the world economy. Notwithstanding the importance of this sector, the possibility to consult firsthand archival information from within companies and firms makes it possible to reassess the influence of this, against the weight of the commodity trade, especially those commodities with high strategic value.

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The study of such firms as the House of Rothschild with a large variety of activities gives the opportunity to look, within the same firm at a wide spectrum of business from the banking and financial arena to a specialized trade in commodities flourishing during the nineteenth century.

This paper will try to explain some of the most important features that show that high value commodity trade played a role as important as that of banking, through the case of quicksilver, since this commodity was essential to silver and gold production, the foundation of the monetary system and world transactions of the expanding economy of the period. The most significant findings reveal the importance of the House of Rothschild at various levels.

The first one shows the capacity of organization of this firm in the context of the first half of the nineteenth century which, through specific conditions at both sides of the Atlantic, allowed for the establishment of the link with the Mexican market for quicksilver. A second, which has to do with the capacity to incorporate a well-organized infrastructure inherited from the Spanish producers of quicksilver. A third element having to do with a successful display of organizational skills in the area of mobility of supplies, which guaranteed the monopoly of the mercury trade for several decades on the one, and multiple benefits upon the rest of their entrepreneurial activities. And, finally the emerging market in Mexico as a major force behind the world demand of quicksilver required for the production of precious metals, mainly silver.

The World Expansion of the House of Rothschild

It is widely known that The House of Rothschild began as a commercial house trading in textiles and expanded in the eighteenth century to the trade in specie and precious metals in England, laying the platform that promoted the consolidation of their business during the Napoleonic Wars through financial activities. This was accompanied by their expanding role in the swelling textile industry in Manchester and the north of England.¹

During that period, the firm granted its first government loans to Great Britain and other European countries, during the wars in Europe.² Countries in financial distress like Prussia, Austria, Russia, Belgium and Denmark received loans from the Rothschilds.³ The continuous expansion of the firm reached the recently independent United States of America at the end of the 1770s, where not only they granted loans but started using the growing infrastructural works like ports and also commercial infrastructure that were developing there. In due time, some of their

¹ Although it is not the object to offer a complete historiographical account on the subject, it should be mentioned that the literature on the Rothschilds is extensive. A few relevant examples concerning the subject of this paper are: Ball, Ignatius, *The Romance of the Rothschilds*, published in 1913, Count de Corti's, *The rise of the house of Rothschild*, published in 1927. Other more recent works are: Ferguson, Niall, *The House of Rothschild, Money's Prophets 1789-1848*, London, Penguin Books, 1999; Herbert, H. *Nathan Mayer Rothschild and the Creation of a Dynasty, the critical, years 1806-1816, 2006* and other concentrated in the other European branches of the Rothschilds like: Lottman, Herber, R, *The French Rothschilds. The Great Banking Dynasty. Two turbulent centuries*, 1995.

² See particularly, Kaplan, *op.cit.* pp.74-90.

³ Ferguson, *op. cit* pp.84-110.

most important commercial agencies, would be in the US. In the early nineteenth century the Rothschilds established agencies in Philadelphia and New York.⁴ Credit activities filtered into local governments in the United States and into public works.

Almost as a natural consequence, in the 1820, the Rothschilds, started investing in debt bonds of other Latin American countries that had recently gained their independence from Spain and Portugal, such as Brazil and to a lesser extent of Mexico.⁵

The essential flow of money (particularly that in precious metals), required by commercial and banking activities was already a commercial interest to this firm.⁶ Later, they incorporated to this activity the attractive benefits of producing specie⁷ and in addition they completed a circle by entering the business of supply of mercury, essential for the production of gold and silver.⁸

The advantages of entering the mercury trade were given by the technological conditions of silver and gold production since the sixteenth century up until de late nineteenth century, since quicksilver was a basic supply intensively used in metal production due to the generalization of amalgamation methods of production, like the patio system, widespread all over Mexico and in many other regions in Latin America and even the United States. Reason enough to turn mercury into one of the most highly valued market commodities of the nineteenth century and a very promising and profitable business for those involved in its distribution.

For the Rothschilds, entering the quicksilver business, and eventually becoming the holders of the monopoly of distribution obtained from the producers of Almaden in Spain, granted them a lot of benefits derived from its trade which was fed by a stable and growing demand from silver producing countries like Mexico. And, in turn, benefited from the growing production of precious metals both in bar form and coins, in which they could expand their other commercial operations.

The Atlantic Network of Operations

The mercury trade in the Atlantic was an activity that was carried out efficiently under the control of the Spanish Crown since the sixteenth century when the use of this commodity became widespread in all mining related activities carried out in the Spanish dominions. Mining was one of the Crown priorities, therefore the supply of basics like salt, mercury, and other

⁴ Rothschild Archives London, (Hereafter RAL) Correspondence Lionel Davidson 1843-1853.

⁵ Bazant, Jan, *Historia de la deuda exterior de México*, México, El Colegio de México, 1995, p. 51.

⁶ The firm had a long tradition in the precious metals trade, Ferguson, *Op. Cit.* 135, Kaplan, *Op. cit.* pp. 48-65.

⁷ Blagg, Michele, "The Royal Mint Refinery, 1852-1968", in: *The Rothschild Archive Review*, April 2008-March 2009, pp. 48-52.

⁸ There is evidence of previous purchases and distribution of mercury before the Rothschilds obtained the contract for the distribution of mercury from the Spanish government in 1835, through shipments sent by their agent in Bordeaux. (RAL, Ansoategui Correspondence 27 December, 1833. Ansoategui to N.M. Rothschild.

sulphates required for the production of silver and gold were put under the control of the government through the “estancos” or Crown monopolies.⁹

Quicksilver was transported to the New World by the Spanish fleets. It started its journey in the mines of Almaden, where it was mined and refined, passed through the ports of Cadiz and Seville, and arrived at the main ports in Spanish America, particularly Veracruz in New Spain (Mexico).¹⁰

The incursion of the Rothschilds into mercury trade was possible due to the loss of control by the Spanish government, which for three centuries had managed to consolidate a network that included production within Spain and distribution to all of Spanish America in what has become known as “the monopolistic Andalucian complex.”¹¹

Figure 1: Packing warehouses for quicksilver in Almadén, Spain.



Source: Biblioteca Nacional de España

⁹ There is also considerable literature on the functioning of the Spanish monopoly of mercury during the colonial period. The classic text of Mervin Lang, *El monopolio estatal del mercurio en el México colonial, 1550-1710*, México, Fondo de Cultura Económica, 1977. Brown, Kendall W., “La distribución del mercurio a finales del período colonial y los trastornos provocados por la Independencia hispanoamericana”, in: Avila, D., Inés Herrera y Rina Ortiz, comp. *Minería Colonial Latinoamericana*, México INAH, 1992, p.159 y Rafael Dobado, “Las minas de Almadén, el monopolio del azogue y la producción de plata en Nueva España en el siglo XVIII” in: Sánchez Gómez Julio, Mira Delli-Zotti y Rafael Dobado, *La savia del Imperio, tres estudios de economía colonial*. Ediciones Universidad, Salamanca, 1977.

¹⁰ Dobado, *Op. cit.* 432-436.

¹¹ García-Baquero González, Antonio, *Andalucía y la carrera de Indias, 1492-1824*, Sevilla, Biblioteca de Cultura Andaluza, 1986 p. 24.

The monopoly of Spanish mercury was carried out from a regional space not only devoted to the export of quicksilver, but from a region where all export trade and re-export trade, even from other countries was sent to America, New Spain, or other countries under Spanish domain.¹²

To that effect, the Spanish government had established a complex administrative apparatus that established the link between the managers of the mine of Almaden, one of the most important sources for quicksilver in the world, (alongside Idria and to a less extent Huancavelica in Peru), the Spanish “transportistas” (carriers) within that province and the carriers in the Andalucía region who were in charge of distributing and preparing the quicksilver for transport within Spain and export to international destinations.

Thus, the favorable conditions that allowed the Rothschilds to obtain a contract for the distribution of quicksilver, which substituted the Spanish in that activity, from the 1830s combined successfully with a previous infrastructure in Cadiz and Seville upon which the House of Rothschild would carry out and expand the distribution of mercury to the main markets.

The Leading Factors to the Rothschild Quicksilver Monopoly

At the turn of the nineteenth century, both the independence wars in Spanish America and those engaging Spain in Europe gave a hard blow to the finances of most of the nations involved. The resources needed for recovery made necessary the abandonment of the government monopolies such as mercury that had functioned under Spanish rule. This opened opportunities to private entrepreneurs, not only from the newly established countries, but also from other countries, most particularly Britain and France, who, for considerable time, had been trying to penetrate American markets, in many sectors.

Spain’s policies were guided by provisional measures enforced during the harshest moments of wars embedded in “comercio neutral” which allowed foreigners to perform some of the activities restricted to Spanish traders or entrepreneurs, or by the Spanish monopolies in order to facilitate continuance of economic activities, including mining. The financial distress resulting from wars compelled the government to release permits, at first and later contracts or concessions to private investors, to participate in commercial activities. While mercury allotments were granted to some merchants based in Mexico with connections in Spain during the wars of independence, the long-term solution was to grant concessions for the distribution of mercury.

One of the first contracts given by the Spanish government to private entrepreneurs was the so called Ezpeleta contract at the beginning of the nineteenth century. The Commercial House of Iñigo Ezpeleta received this concession allowing them to distribute all production from the mines of Almaden.

The Spanish government change in policy reflected a similar process experienced in other countries where the governments renounced to some government controlled activities in order to reduce government expenditure and incorporate them to the taxing system in the hope of

¹² *Ibid*, p. 196.

obtaining additional income from profitable activities in private hands. Similar experiments were carried out in countries like Mexico as they faced economic distress and political upheaval.¹³

The granting of the contract of the Almaden mines to Ezpeleta can be partly explained by the effort of his commercial house in the process of bidding. Ezpeleta's firm included some partners who were Spanish expelled from Mexico as a result of the Independence from Spain. Some of these exiles, like Ezpeleta, had established successfully in Spain and other European cities but carried their Mexican experience and the knowledge of the potential of silver mining and the activities related to it. The growth of silver production in that country had been only halted by the war so it became a renewed prospect for investment particularly as a major consumer of mercury.¹⁴

From then onwards, the House of Ezpeleta became one of the companies which benefited from their close links to the Spanish government through the concessions for the distribution of quicksilver between 1830 and 1834.¹⁵

The House of Rothschild and the Quicksilver Business

Ezpeleta and Company which had its base in Bordeaux, another strategic port of European trade, had previous links with the House of Rothschild. The Rothschild used to buy from Ezpeleta important shipments of mercury to send to their agencies in the United States, primarily, since the beginning of the 1830s. As Rothchild's purchases of mercury increased, particularly after 1832, Ezpeleta encouraged a direct relationship between the Rothschilds and Domingo Pérez de Ansoátegui, who was in charge of the actual shipments of quicksilver in Cadiz and the organization of the business on site. Ezpeleta main objective was to give this merchant of Cadiz, also his brother in law, the responsibilities of the whole operations regarding international shipments.

From that moment Ansoategui established a permanent communication with London, from which most shipments were directed, on ships either owned or contracted by the Rothschilds. Therefore by the time Nathan Mayer obtained the Almaden contract, he already had a few years of experience in dealing, apparently at his entire satisfaction, with Ansoategui in charge of his shipments.

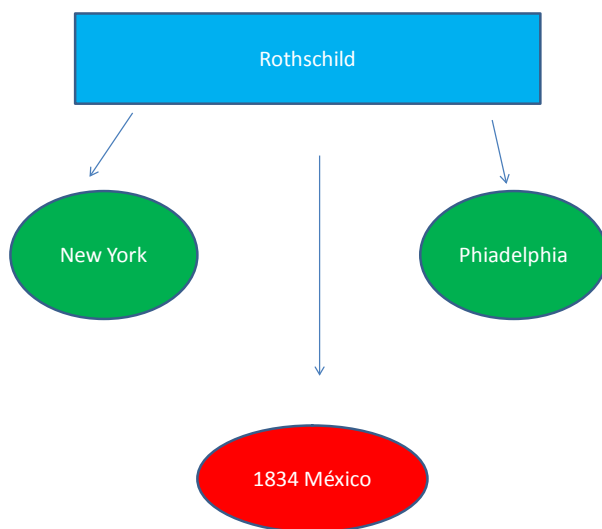
¹³ Álvarez y Mendizábal, J. *Memoria presentada a las Cortes de la nación española sobre el presupuesto general de gastos y medios para cubrirlos y recursos para llenar el déficit...* Madrid, Imprenta Nacional s/f. In the case of Mexico, the concessions to private entrepreneurs were also widespread like those of the House of Mint. See: Parra, Alma, "Control estatal contra control privado, la Casa de Moneda de Guanajuato en el siglo XIX", in: Bátiz Vázquez, José Antonio y José Enrique Covarrubias, *La moneda en México 1750-920*, México, Instituto Mora/El Colegio de México, 1999, the same case applied to the concession of salt mines. See: Vázquez Salguero, David, *Intereses públicos y privados en la configuración del territorio y la propiedad. Las Salinas del Peñón Blanco, 1778-1846*, San Luis Potosí, COLSAN, 2014.

¹⁴ Ruíz de Gordejuela, Urquizo, *La expulsión de los españoles de México y su destino incierto*, p. 212.

¹⁵ De la Peña y Aguayo, José, *Tratado de la hacienda de España*, Madrid, Imprenta de la Compañía Tipográfica, 1838, p. 216 y Álvarez y Mendizábal, J. *Memoria presentada a las Cortes de la nación española sobre el presupuesto general de gastos y medios para cubrirlos y recursos para llenar el déficit...* Madrid, Imprenta Nacional s/f.

Since 1832, Ansoategui organized shipments addressed to the Rothschilds in London. They normally include shipments of approximately two thousand flasks of mercury every three months. Most of the shipments were consigned to the Rothschild's agent in Philadelphia¹⁶

Figure 2: Major ports of destiny of the Rothschild's quicksilver shipments in America.



Source: Parra, Alma, “Mercurio y plata en las corrientes comerciales en expansión del siglo XIX”, 2015 (forthcoming)

In 1834 a new auction issued from the Spanish government, cancelled the contract of Ezpeleta and put in the hands of the Rothschilds the contract for the exclusive distribution of the quicksilver of the mines of Almaden, apparently with no harm for their business relationship.¹⁷

The contract allowed the Rothschild to reorganize flows and routes and to gain the control of the major markets for quicksilver. No doubt the reorganization of distribution of mercury

¹⁶ (RAL) Ansoategui Correspondence. Ansoategui to N.M Rothschild Esq. 6 June, 1832.

¹⁷ Alfonso de Otazu, illustrates the way in which the Rothschilds approached the Spanish government and finally obtained the contract of the mines of Almaden, who according to this author gave donations to the civil list of the Queen of Spain, and donations to other of the negotiators of the contract. At the same time the House of Rothschild in Paris was trying to get the contract of the mines of Idria in order to achieve a complete control of all mercury produced in the major producing areas. *Los Rothschild y sus socios españoles*, España, Madrid, O.Hs Ediciones, 1987, p. 38. Both this author and the correspondence of Ezpeleta suggest there was an agreement between Rothschild and Ezpeleta.

contributed to the enlargement of the markets¹⁸ covering the United States and South America; however, the size of the Mexican market must have played a major role in the expansion of the Rothschild monopoly.

The impact of the Mexican demand had a direct relationship with the consolidation of the Atlantic network of distribution of mercury under this firm. In fact, the combination of an efficient and successful unit of distribution in Cadiz and Seville, alongside another unit of distribution within Mexico, which also was successfully organized, made for a complete circle of distribution.

Demand for mercury in Mexico was composed by a very large number of mining establishments of the traditional mining areas of the country since colonial times. Pachuca and Real del Monte and Guanajuato in the central region, as well as northern mining sites like Zacatecas and Durango, had by the 1830 acquired a constant rhythm of production based on amalgamation processes with intensive use of quicksilver.¹⁹

The demand for mercury on the other hand, had a direct relationship with mining extraction productivity and their fluctuations, which depended largely on the quantity and quality of mineral deposits, rather than technological methods applied to these tasks. However taken as a whole, during the period, mineral extraction remained on the rise, considering that mining bonanzas and their decline, in specific mining sites, were almost always substituted by bonanzas elsewhere.

The most important mining districts contributed with different amounts of metal production at different paces. Therefore, districts in Zacatecas showed a better performance during the 1820s and 1830s while other famous regions like Guanajuato recovered slowly after the wars of independence, only to regain its dominance until mid-nineteenth century. Furthermore, from the mid-century other regions started to show some importance, regions in the north of the country, which also used amalgamating methods which implied an intense use of mercury.

¹⁸ Platt, Tristan, Makes a calculation of the growth of world demand based on the series produced by the *Parliamentary Papers*. "Spanish Quicksilver a preliminary note. The London market, global trade and the Rothschild monopoly (1830–1850), en: *The Rothschild Archives Review*, 2010-2011, pp. 38-48. This paper makes an assessment of the international network with emphasis on the shipments made by Huth and Co. to South America. This company had links with the first Rothschild agent in Mexico, Drusina. For an overview of Drusina's activities in Mexico, see also: Parra, Alma, "Willhelm Drusina", en: Ludlow, Leonor, Coord., *200 Emprendedores Mexicanos, México*, Editorial LID, 2010.

¹⁹ Parra, Alma, "Elementos locales y extranjeros en la configuración de la tecnología mexicana", in: *ISTOR*, no. 56, Spring 2014, pp. 141-165.

Figure 3: Value of silver coinage, Mexico, 1822-1873

Source: Velasco Avila, Cuauhtémoc, Eduardo Flores Clair, Alma Laura Parra, Edgar O. Gutiérrez, *Estado y Minería en México, 1767-1910*. México, Fondo de Cultura Económica, 1988.

Andalucia and Mexico

With a secure contract for exclusive distribution of quicksilver and a promising market, the next step for the Rothschilds was to link administrative structures in order to supply the Mexican mines.

In Cadiz they nourished the previous relationship with Ansoategui and kept him in charge of the complete organization in Andalucia. There two important cities were involved. One was Seville, where the mercury was sent from Almaden by road and Cadiz, where the shipments were organized for destinations overseas.

However the Rothschilds had several other interests in Spain, and had an agency in Madrid run by Weisweiler,²⁰ who supervised and negotiated all financial concerns, from the debt bonds and investments in public works, amongst others.²¹

Weisweiler was a central figure in the negotiations regarding Spanish business in general particularly in times of continuous political turmoil, however, other “minor” agents like Perez de Ansoategui played a significant role in their business in commodity trade.

²⁰ Penn, Elaine, “The Spanish Agents, *Rothschild Archive Review*, April 1999-March 2000, pp. 15-18.

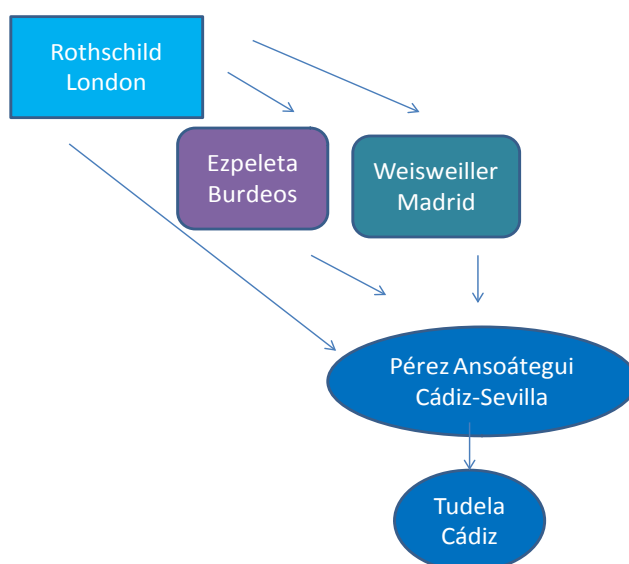
²¹ López Morell, *La Casa Rothschild en España (1812-1841)*, Madrid, Marcial Pons, 2005 reviews the role of this agent, in subsequent articles he has given more details of the Rothschilds’ interests in Spain in: “La comercialización del mercurio de Almadén durante el siglo XIX y el primer tercio del siglo XX, 2008, he makes a summary for the first half of the nineteenth century and a long term review considering the forms of commercialization of mercury in Spain.

In 1834, Ansoategui accepted the Rothschild agency in Cadiz, thanking the appointment assuring Nathan M Rothschild that he would serve “with loyalty and honesty with which we are accustomed” (“con la lealtad y franqueza á que estamos acostumbrados”).²²

Ansoategui became an asset to the Rothschilds while he managed to transform the old administrative structure of the Spanish Crown into a productive private business. By controlling the dealings with the key individuals in the Almaden mines, “the transportistas”, carriers, the ship captains, hide producers, the flask producers and maintaining and creating a steady flow of communication with other Rothschild’s agencies, including the London base, as well as an efficient system of book keeping, in hands of an assistant, Tudela which supported all operations including fiscal matters.

An additional major change was to move the operations from Cadiz to Sevilla at first temporarily and then permanently in order to reinforce control over the arrivals of mercury from Almaden.²³

Figure 4: Hierarchical structure of the quicksilver administration in Spain.



Fuente: Parra, Alma, “Mercurio y plata en las corrientes comerciales en expansión del siglo XIX”, 2015 (forthcoming)

²² (RAL) Ezpeleta Correspondence. Ezpeleta to N.M. Rothschild, 13 January, 1834.

²³ (RAL), Ansoategui Correspondence. Since 1836, Ansoategui communicates to NM. Rothschild the need to move the agency to Seville and leave Tudela in charge of the Cadiz agency. The only tiny reference to Pérez Ansoategui is available in Otazu, *Op. Cit*, p.41.

In Cadiz, his most important tasks were carried out at various levels. On the one hand, he took care of demand through the orders received from N.M. Rothschild directly, other chores had to do with the supervision of mercury stocks both in Seville and Cadiz, in order to distribute the loading of the ships according to destination, namely the US, London, Mexico and South America. The different kind of vessels, boats made the difference for the efficient and secure shipment.

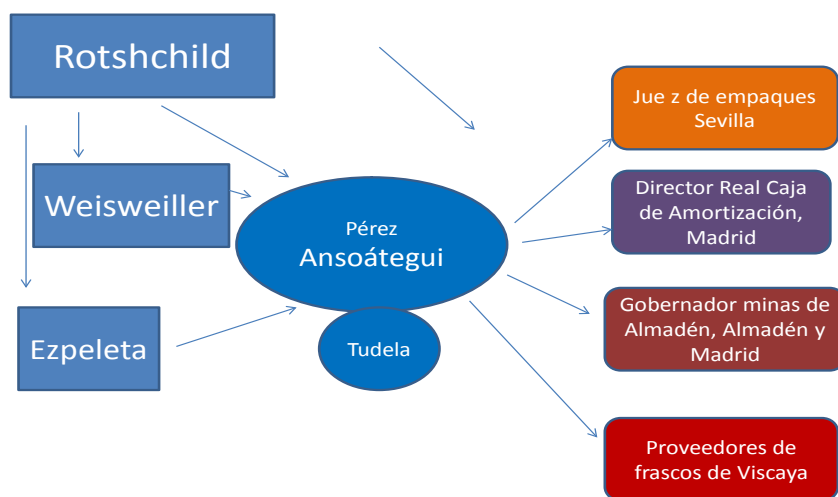
Packing was also a basic concern during Ansoategui's administration, since he managed to make the transition from traditional hide bags containers to iron flasks to transport the mercury.²⁴

His performance was permeated with constant weather problems, as well as civil insurrections which reached the region of Andalucia. Independently of the Madrid agency and the constant supervision of the Bordeaux agency under Ezpeleta, real hard work came into Ansoategui's responsibilities. He was effectively putting the Almaden contract at work.

In the long run, his performance in keeping an adequate rhythm of deliveries resulted in an expanding flow of supply²⁵ that allowed the Rothschild House to maneuver with prices of mercury as they kept the monopoly in their hands.

Ansoategui's skills mirrored those of the agents in Mexico, who also contributed to build a solid administrative structure to organize demand in what was probably the largest market of mercury in the nineteenth century.

Figure 5: Rothschilds' network of administration of Spanish quicksilver.



Source: Parra, Alma, "Mercurio y plata en las corrientes comerciales en expansión del siglo XIX", 2015 (forthcoming)

²⁴ (RAL), Correspondence Ansoategui, Ansoategui to Weisweiller, 10 octubre 1844.

²⁵ *Ibid.*

From 1835, once the Rothschild contract of Almaden was at work, there was a notable increase in mercury available in the international market. Mexico became one of the most important consumers. The benefits for the Rothschild would become also noticeable as they carried out in Mexico a parallel business trading bullion and precious metals.

During the nineteenth century, the Rothschilds put into the hands of various agents their business in Mexico, two of them were specifically sent to that purpose. In 1837 they contracted Wilhelm Drusina, to supervise some of their interests in Mexico, particularly the mercury that was being sold in that country. After considerable thoughts they decided to organize their own agency.

In 1843 the agency was opened in Mexico following one of their strategies in keeping their business within the family. Lionel Davidson took charge of this new office in Mexico City. His brother Nathaniel took over the office at his death in 1853.

Lionel Davidson activities seem to indicate that the quicksilver business came before all other Rothschild concerns in Mexico at that time, including their participation in the Mexican debt which later became one of the interests that concentrated much of their attention.

This agent embarked into the creation of a network for the distribution of quicksilver in the most important mining regions in Mexico from 1843.

Although further research has to be completed to reach certain conclusions, between 1843 and 1853, was a period of high consumption and the Rothschild contracts made possible to maintain high prices²⁶.

Lionel Davidson's skills seem to have been key to maintaining the market despite high prices for quicksilver. Many of his remarks to the Rothschild House in London suggested the need to control prices to avoid a reduction in purchases of mercury.²⁷ In the same manner that Ansoategui in Andalucia, Lionel Davidson had to confront constant menace of insurrections and civil wars.

Both had to adopt pragmatic measures as they carried out practical tasks involving transportation of commodities, management of labor and administrative work. They coincided in pointing out the obstacles that insecurity on the roads and irregularity of services put to the performance of their duties.²⁸

The demand side which fell into Davidson hands, confronted the threat of competition both inside Mexico and from other countries. He constantly warned about the promotion of production in Mexico and the discovery of deposits of mercury in Mexico, and fiercely tried to offset the effects of the discovery of mines of quicksilver in New Almaden in California.²⁹

²⁶ Ines Herrera, "Mercurio para refinar la plata Mexicana en el siglo XIX", in: *Historia Mexicana*, Vol. 40, julio-septiembre, 1990.

²⁷ (RAL), Lionel Davidson Correspondence., 28 de agosto, 1843.

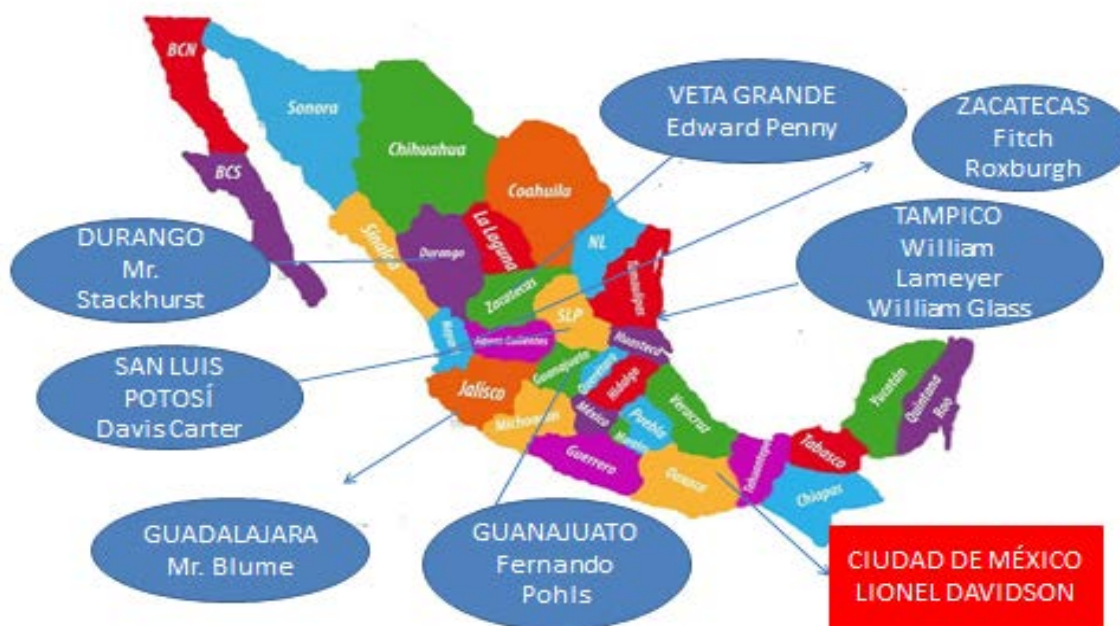
²⁸ (RAL), Ansoategui Correspondence, 12 October, 1836 and Lionel Davidson, 22, May 1854.

²⁹ For a more ample review of the role of the different Rothschilds' Mexican agents see: Parra, Alma, "Mercury's Agent, Lionel Davidson and the Rothschilds in Mexico", *The Rothschild Archive Review of the Year 2007-2008*, Londres, 2008, (RAL) Lionel Davidson Correspondence. Davidson to N.M. Rothschild, 29, December, 1846.

He organized an efficient network of distribution between 1843 and 1850. He also managed to maintain a constant flow of mercury into the main mining districts as well as a flow of money, and bullion remittances. He dealt directly with government authorities in order to obtain special treatment regarding customs, transit on the roads and use of warehouses.³⁰

His strategy was to establish agencies in the main points of arrival of mercury, as well in each of the most important mining districts, where they negotiated prices and deliveries to either major companies or smaller silver producers. He established differentiation of prices according to volume of purchase. Therefore companies like Fresnillo Company or producers in Guanajuato such as the Perez Galvez family obtained much lower prices.³¹

Figure 6: Distribution of local agents in Mexico.



Elaborated from: Parra, Alma, "Mercury's Agent, Lionel Davidson and the Rothschilds in Mexico", *The Rothschild Archive Review of the Year 2007-2008*, London, 2007/2008

³⁰ Davidson favored Tampico as port of arrival of mercury since this port had easier routes of access to some of the mining destinations, particularly from 1846 when as a consequence of the war with the US, the port of Veracruz was blocked and transportation through this port caused several losses.

³¹ (RAL), Lionel Davidson Correspondence November, 1843, and December 1846.

In 1853 Lionel Davidson died and his brother Nathaniel took over the agency. He followed his steps in keeping the same organization for the distribution of mercury, but he took a visible role in expanding the Rothschild interests in the Mexican debt.

Preliminary conclusions

The Rothschilds' agency in Mexico, alongside the key role that his administrative office in Cadiz achieved, guaranteed a successful circle of production of silver, based on the monopolistic control of distribution and prices of mercury.

This paper has tried to emphasize the importance of effective administrative organizations that allowed for the completion of tasks in both sides of the Atlantic. Through the analysis of the correspondence of various agents in Spain and Mexico it has argued that the skills and effective measures carried out by his agents in both countries had much to do with the possibilities of the Rothschilds in maintaining the contract in Spain and their mercury consumers in Mexico.

Much research is still pending in terms of including quantitative analysis through series of purchases and deliveries of quicksilver outwards Cadiz and Seville and inwards into the Mexican mining districts. Also movements of international prices of silver and quicksilver and the role of Mexican silver internationally. It is still necessary to make a comparison of official figures, when available and those existing at the Rothschild Archives. In the meanwhile, I have pointed out in this paper, the basic considerations which were conducive to the functioning of the monopoly of mercury and the growth of silver production in Mexico, which depended on mercury supplies up until the late nineteenth century.