

**German and British Banks and Trade in nineteenth century Brazil**

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First World Congress of Business History, Bergen, 25-27 August 2016

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Note: Please do not cite. (Very) preliminary draft

*Abstract*

*Qualitative evidence affirms that the principal objective of the first German Auslandsbanken (foreign banks) founded in the nineteenth century was to provide financial assistance to the foreign trade sector and engage in those markets where German trade only started to evolve. This contrasts British foreign banks that developed along trade and concentrated their activities primary on the increasing investment opportunities in the prospering peripheral markets. The preeminent feature of German banks in financing trade was to offer comparatively better credit conditions than their competitors did. This study analyses and compares the role of German and British banks in trade finance in Brazil, one of the emerging economies and focus of German and British foreign banking and trade in the late nineteenth and early twentieth centuries. Examining the monthly credit performance of the Brasilianische Bank für Deutschland and the London and Brazilian Bank, the two largest German and British banks in Brazil at that time, it provides empirical evidence that the Brasilianische directed significantly more credit to the trade sector than the London and Brazilian, in both, relative and total terms.*

*Key words: German and British foreign banking, Trade finance, Latin America, Brazil, First Globalization*

## 1. Introduction

Having completed an intensive process of industrialization and development of domestic markets in the previous years, in the late 1870s the now fully developed German economy strived to expand beyond national frontiers. Rising Latin America was one of the principal regions of interest and Brazil one of its leading economies.<sup>1</sup> Great Britain was the main trade partner when Germany started to intensify its commercial relations with Brazil in the 1880s. At this time, on average more than 23 per cent of the total exports and imports of Brazil came from and went to Great Britain. In contrast, trade with Germany accounted only for a little bit more than 9 per cent. Yet, German trade grew considerably faster, and less than thirty years later, the share of Germany has increased to more than 15 per cent, while British trade even declined to 18 per cent (see Appendix-Data and Sources, and Graphic 1 and 2).

From a financial perspective, two requirements were defined as indispensable to guarantee a successful expansion of German external commerce. Firstly, the need to get independent from “London” as European financial center and gate to the international trading markets. By the time, German industrial and commercial interests in foreign countries had to rely nearly entirely on the intermediary of English banking institutions. Secondly, to establish and strengthen German financial representation abroad by creating the first *Auslandsbanken* (foreign banks). The particularity of German foreign banking seems to have been that it was “...organized as a stimulus and an aid for progress in markets held by others.” (Hurley, 1914 14). This contrasts with the banking dynamics of economies that by this time already had established themselves in the international commercial markets, such as Great Britain (Hauser, 1906, Whale, 1930). “*The British foreign banking system [...] developed along with trade...*” (Hurley, 1914 14). The primary purpose of British Banks was to broaden trade and engage in the increasing investment opportunities in the prospering peripheral markets and British colonies.<sup>2</sup> Moreover, the literature commonly stresses the fact that German foreign banks apparently concentrated their activities more on the establishment of industry and commerce in the long run, whereas the British banks focused on the maximization of investment benefits in the short run (Riesser, 1911, and Briones and Villela, 2006 334).

The *Auslandsbanken* followed two principal strategies of trade finance. First, (i) the establishment of the German *Valuta* as international trade currency and alternative to the British Pound. Second, (ii) the provision of credit to German exporters and importers, both in London and in the home markets so that “*the German commercial may realize its business without the involvement of foreign banks*” (*Denkschrift Deutsche Bank*, Hauser, 1906 18, see also Barrett, 1930 66-67, Tilly, 1991 106, and Young, 1991 89). In their effort to establish the German *Mark* as international trade currency, recent scholars suggest that German banks failed in breaking the dominance of the sterling or London bills as key currency and access to cheap credit. Nevertheless, not being able to challenge the British pound, it became an important currency and possible alternative that enjoyed increasing utilization in some European countries, such as Sweden, Italy or Austria-Hungary, and in South America that was focus of German foreign banking

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1 In 1881, trade with Latin America accounted for nearly two per cent of total German foreign trade, in 1913 for almost ten per cent. Brazil's share on German trade with Latin America rose from 15 per cent in 1884, to 23 per cent in 1913 (Own calculations, based on *Statistisches Jahrbuch für das Deutsche Reich- Spezialhandel nach Erdteilen und nach Ländern*, various years).

2 The qualitative evidence suggests that British banking internationalization in the 1860s and 70s was rather motivated by a ‘gravitational pull effect’, emerging from increasing trade and investments in the overseas settlements (Battilossi, 2006 7). Until the second half of the nineteenth century, British trade and its financing were managed by the merchant houses, maintaining offices in England and abroad. With British trade and investment accelerating intensively since the 1860s, Banks became indispensable to manage the increasing amount of financial transactions (Hurley, 1914 14ff) Furthermore, prevailing conditions in their home country triggered British banks to go abroad in the 1860s. In 1857-58, the British parliament passed two company acts that extended the privilege of incorporation with limited liability to banks, leading to a boom of joint-stock bank foundations, with many of them aiming for foreign markets (Young, 1991 83-84).

activities (Tilly, 1992 108-109). The credit policies, however, of the German banks and their *Auslandsbanken* is commonly defined by literature as preeminent feature in their successful financing of foreign trade. The *Auslandsbanken* were known to grant comparatively longer credits than their competing counterparts from Great Britain or any other nation at that time. German banks discounted bills of exchange up to 240 days on credit, the standard were 90 days (Strasser, 1924 22, see also Barrett, 1930 87, and Young, 1991 86), and it was common practice that German banks paid German exporters up to seventy per cent of the total value of their delivery before the actual arrival of the same (Hauser, 1906 5).<sup>3</sup>

Recent studies on the relation between finance and trade show that the access to credit has the potential to define a firm's actual capacity to enter the export market (Bergman and Héricourt, 2012 206-209). Credit limitations on the other hand, might restrain exports considerably and especially companies with few and only short-established relationships with creditors suffer from those negative effects (Minetti et al, 2011). The perspective has been widened by the works of Bordo and Rousseau (2012) and Kletzer and Bardhan (1987), showing that trade flows are positively correlated with the size of a country's banking system (Bordo and Rousseau, 2012, 1236-7) and that imperfections in the credit market, such as moral hazard and credit contract enforcement under incomplete information, may define a country's comparative advantage in international trade markets (Kletzer and Bardhan, 1987). The works of Turner (2011) furthermore find that the impact of finance on exports is not only defined by the reliance of the sector on external finance, but also on the availability and efficiency of financial intermediaries. In particular, he affirms a significant positive correlation between geographic bank penetration, in terms of total number of branches, and export volumes (Turner, 2011, 269-70, 279-80). Together those investigations support the view of a close relation between the access to finance and the development of trade. However, there seem to be a lack of studies combining macroeconomic and microeconomic considerations. A similar scarcity seems to exist in the field of comparative studies about German and British bank and trade history in Latin America in the nineteenth and early twentieth centuries. Many works contemplate different aspects. Some deal with wider perspectives, illustrating the German and British international trade developments from a general perspective (Platt, 1968, Forbes, 1975, Bulmer-Thomas, 1998), the emerging trade rivalry between the two nations (The Standard, 1914, Hoffmann, 1964, Neuburger and Stokes, 1979) and the general characteristics of German and British banking (Riesser, 1911, Born, 1977, Pohl, 1982, Tilly, 1992). Other works analyze specific details: the influence of German and British foreign banks on the development of local banks in Latin America (Briones and Villela, 2006), the role of, in particular British, banks fostering investments in the emerging markets (Arndt, 1912, Halsey, 1918, Rippey, 1959, and Corley, 1994), the possible effects of competition between German and British banks (Young, 1991), and the individual history of selected banks (Joslin, 1963, Pohl, 1987). Empirical analysis of the relation between bank and trade dynamics comparing the case of Germany and Great Britain seem missing. This study wants to contribute to a better understanding of the strategies and methods of trade finance of a late coming, in comparison with an economy already established in the financial and commercial markets, and to provide new evidence and insights about the link between finance and trade in general, and the development of German and British banks and trade in Latin America in particular.

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3 They moreover granted *Kreditbriefe* (direct letter of credit) that permitted the exporter to receive the payment at the moment of arrival of the shipping and paying documents (*Konossement*), but before the actual arrival of the delivery. The *Kreditbrief* was emitted by the *Auslandsbank* and sent to its mother institution based in Germany. Interestingly, German banks seemed to act as some sort of "buyer of last resort" for German exporters. In case of non-payment by the overseas importer, German banks granted an "Akkzeptkredit" ("reimburse" credit) to the German exporter with an amount up to 74% of the invoice. They furthermore, received and stored the shipment and administrated the further selling (Hauser, 1906 6, Riesser, 1911 246-428).

It illustrates and quantitatively compares the role of German and British banks in financing trade in the late nineteenth and early twentieth centuries in Brazil; one of the largest emerging markets and focus of German and British foreign banking and trade. The principal argument is that the *Auslandsbanken* were key factors in the dynamics of German trade expansion and played a more pivotal role in the establishment of foreign trade than the British banks did. German banks were pioneers of trade, penetrating those markets where German industry and commerce was only marginally developed, providing financial and informational assistance to the German export sector. In contrast, British foreign banks followed trade, emerging mainly at the moment when capital and commodity flows reached the limits of the administrative and financial capacities of the British Merchant houses. This study analyses and compares the monthly credit performance of the two most important German and British banks in Brazil, the *Brasilianische* and the London and Brazilian Bank, between 1883 and 1914. The amount of bills of exchange received and discounted by the banks serves as the indicator of their ability (and the extent) to provide credit to the trade sector.<sup>5</sup> For this purpose a complete new data set on monthly performance of the two banks has been constructed, using as a primary source the financial reports published in various contemporaneous Brazilian newspapers (for more detailed information see Appendix-Data and Sources). The results show that the *Brasilianische* was comparatively more involved in financing trade than the London and Brazilian Bank, discounting and receiving more bills in both, relative and total terms.

The paper is structured as follows. Chapter 2 illustrates the development of German and British trade in Brazil in the late nineteenth and early twentieth centuries. Chapter 3 deals with German and British banking in Brazil, focusing on the histories of the *Brasilianische* and *London and Brazilian Bank*. Chapter 4 compares the performance of the *Brasilianische* and *London and Brazilian Bank* in general and in providing credit to the trade sector in particular. Chapter 5 concludes.

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4 The years mark the entry of the *Brasilianische Bank* in Brazil and the outbreak of World War I, with German and international political and economical conditions changing drastically.

5 Bills of exchange were the principal tool of international trade transactions throughout the nineteenth and early twentieth century. They were „negotiable bank overdrafts. (...) issued to finance trade between distant places. Shipping commodities between two centers entailed a waiting period between the time when the exporter sent the goods and the time cash rolled in. Bankers enabled importers to draw on them a „bill of exchange“ in order to settle purchase.“ (Flandreau and Jobst, (2005), „The Ties that Divide: A Network Analysis of the International Monetary System, 1890-1910“, The Journal of Economic History, Vol. 65, No. 4, pp. 980).

## 2. German and British trade in Brazil

*“The progress of Brazilian commerce shows that those nations enjoying the preponderance of its trade are the two great maritime and over-sea banking powers, Great Britain and Germany”*  
Edward N. Hurley, 1914<sup>6</sup>

The British were the dominant force in the Latin American trade markets when Germany started to intensify its commercial relations with the continent in the 1880s, and continued to be in total terms until 1914. However, having reached a relatively high level of maturity, British trade grew far less impressively than German trade. In less than thirty years Germany became the second most important trade partner of Latin America behind Great Britain (Bulmer-Thomas, 2003 74, 76). Between 1880 and 1913, German trade with Latin America grew on average by more than 9.8 per cent. British trade by 4.5 per cent. In 1881, trade with Latin America accounted for nearly two per cent of total German foreign trade, in 1913 for almost ten per cent. In case of Great Britain, it accounted in the same years for 4 and 8 per cent respectively (see Table 1, and Appendix – Table 7 and 8).

**Table 1: German and British trade by continent - growth rates in % –1880-1913**

<i>1880-1913</i>	<i>Germany</i>	<i>Great Britain</i>
Africa	<i>10.76</i>	<i>4.27</i>
America Central	<i>11.01</i>	<i>0.69</i>
America North	<i>6.15</i>	<i>1.43</i>
<i>America South</i>	<i>9.76</i>	<i>4.47</i>
Asia	<i>9.11</i>	<i>2.53</i>
Australia	<i>11.75</i>	<i>1.69</i>
Europe	<i>3.18</i>	<i>2.14</i>
<b><i>Total</i></b>	<b><i>4.34</i></b>	<b><i>2.35</i></b>

*Source:* Own Data Set – See Appendix – Data and Sources

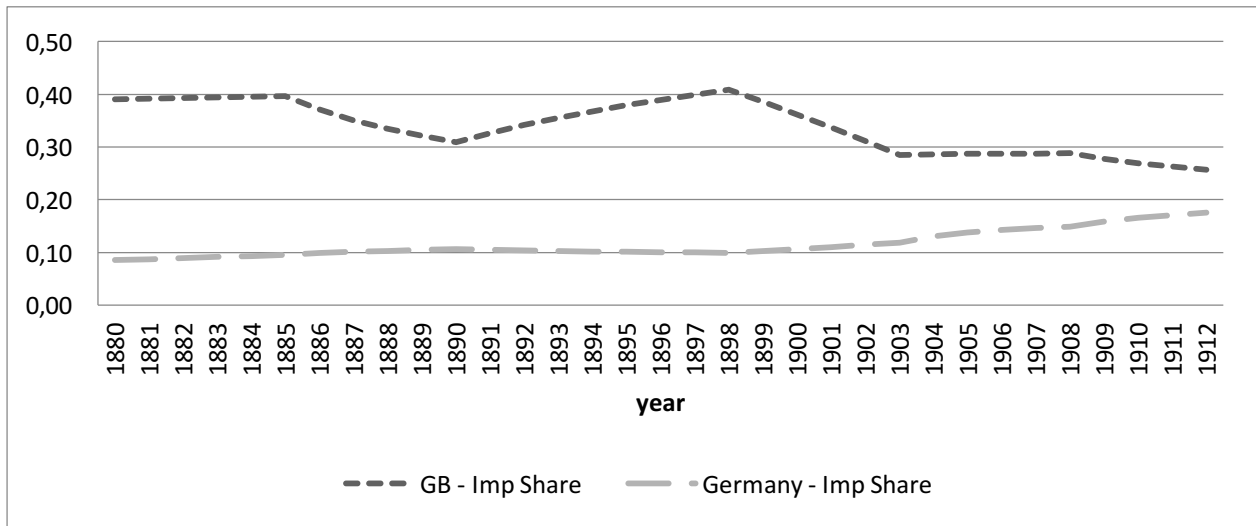
The commercial relations and interests of Great Britain and Germany in Latin America emphasized on the three largest, most economical developed and political stable republics; Argentina, Brazil and Chile. In 1860, together they were the destination of nearly 4 per cent of Great Britain’s worldwide exports, and accounted for more than a half of British exports to Latin America (Bulmer-Thomas, 1998 3, 8). In the entire period between 1884 and 1913 on average together they were origin and destination of more than 75% of the total trade between Germany and Latin America. In the 1880s, Great Britain was the main trade partner of Brazil, with 10 per cent of total exports and more than 39 per cent of its imports going to and coming from Great Britain. German exports and imports only accounted for a bit more than 9 and 8 per cent respectively. Yet, German trade with Brazil increased constantly while British share, in case of imports, even declined and by turn of the century Germany’s share on exports was higher than the British share (own calculations based on: see Appendix-Data and Sources, see also Young, 1991 77). Graphic 1

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6 In Hurely, 1914 p. 38

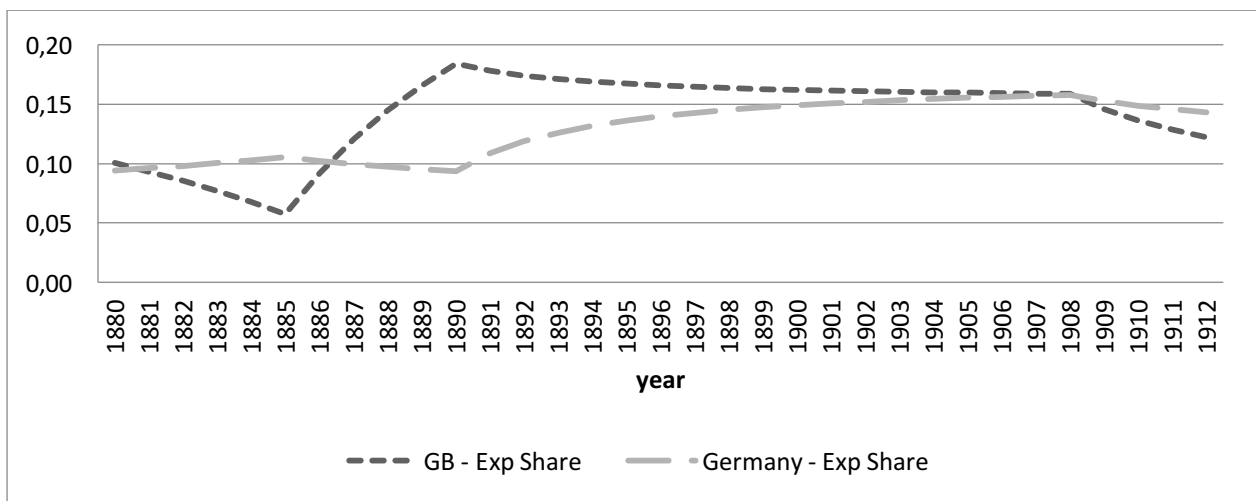
and 2 show the German and British share in Brazilian imports and exports between 1880 and 1913 respectively.

**Graphic 1: Great Britain and Germany – share in Brazilian total imports – 1880-1912**



Source: own elaboration based on: see Appendix - Data and Sources. Note: from 1880 until 1890 the data is for Rio de Janeiro. For missing years data have been interpolated.

**Graphic 2: Great Britain and Germany – share in Brazilian total exports – 1880-1912**



Source: own elaboration based on: see Appendix - Data and Sources. Note: from 1880 until 1890 the data is for Rio de Janeiro. For missing years data have been interpolated.

The Brazilian economic development in the nineteenth and early twentieth century was export led, with coffee and rubber being the principal export products (The Pan American Union, 1920 1). Between 1889 and 1919, the Brazilian coffee production accounted for more than 57 per cent of Brazilian exports and some 71 per cent of the total world production. Rubber gained in particular in importance by the turn of the century, increasing its share on total exports to 25.6 per cent in comparison to from 14.2 per cent in the previous decade. At this time, the coffee exports experienced a sudden drawback when prices dropped intensively due to an overproduction in the previous decades and the resulting saturation of the international coffee market. Although the prices already started their downfall around 1898, the coffee producers needed some time to adapt to the changes in demand and consequently the decrease in production started a few years later between 1900 and 1905. The fall did not stop until the Brazilian government started to intervene in 1905/6 and act as a direct buyer from the coffee producers (Hutchinson, 1909, Strasser, 1924 148, and Absell and Tena Junguito, 2016). Graphic 9 in Appendix shows the quantity and prices of Brazilian coffee exports between 1880 and 1913. The problems of the coffee sector were sharpened by a financial crisis that was inflicted by a deflationary monetary policy of the Brazilian government. Between 1899 and 1900, the latter reduced the money supply by more than 11.5 per cent –it actually burnt the notes-, causing a sudden revaluation of the Brazilian currency. The revaluation was additionally accelerated by the banks in Brazil, foreign and national, speculating on and investing intensively in the Brazilian currency. In only ten days in the month of March in 1900, the exchange rate increased from 10 to more than 14d. This overvaluation of the currency not only caused an overall stagnation of the Brazilian trade, but also gave incentive to foreign investors to sell their Brazilian bonds and securities on large scale. The consequent money outflow together with the increasing foreign debt of Brazil ultimately ended up in a financial crisis (Strasser, 1924 148). The importance of the substituting product rubber in Brazilian exports found a sudden end when Southeast Asian producers entered heavily into the world market in the beginning of the late 1910s. In 1919, they accounted for only 5 per cent of total Brazilian exports (Abreu and Bevilaqua, 1996 6-8, Bértola and Ocampo, 2010a 99, see also Absell and Tena Junguito, 2016 19, 27). Table 2 shows the export shares of the principal commodities of Brazil between 1870 and 1919. The principal destinations for rubber export were the United States with more than 50 per cent of all exports in 1912, followed by Great Britain and France with 35 and 11 per cent respectively. Germany only received 4 per cent of all rubber exports.

**Table 2: Commodity export shares Brazil (% of total) – 1870-1919**

<i>Year</i>	<i>Coffee</i>	<i>Sugar</i>	<i>Cotton</i>	<i>Rubber</i>	<i>Total</i>
1870-79	56.3	11.8	9.7	5.5	83.3
1880-89	60.5	10.6	4.4	7.6	83.1
1890-99	65.4	6.1	2.5	14.2	88.2
1900-09	53.1	1.5	2.3	25.6	82.6
1910-19	52.1	2.4	1.7	16.4	72.6

Source: Abreu and Bevilaqua, 1996 p. 9

Yet, Germany was, after the United States, the second most important destinations of Brazilian coffee exports. In 1912, 42 and 15 per cent of the total coffee exports went to the USA and Germany respectively. Exports to Great Britain accounted for a bit more than 1 per cent (own calculations based on: *Anuario Estatístico do Brazil*, 1908-1912 120-121). The most important coffee producer and single exporter in Brazil before the outbreak of World War I was the German merchant Theodor Wille. His

company the “*Theodor Wille and Co*”, founded in 1844, was the largest export house in Santos, with branches in Rio de Janeiro and Sao Paulo. Since 1847 the company’s head office was in the city of Hamburg, Germany, that equally was the main destination of coffee exports from Brazil to Germany and one of the principal coffee-importing ports in Europe<sup>7</sup> At this time, coffee consumption in Germany was the highest in Europe, and Hamburg was the hub for transports to northern and eastern Europe (Albers, 1978 611, Krause, 2004 144ff).<sup>8</sup>

### 3. German and British banks in Brazil

The Latin American continent was focus of nineteenth century German and British overseas banking alike (see Table 3). Following the ambition to expand German trade in the emerging Latin American markets, the first German oversea bank was founded in Argentina in 1886. Yet, Germany was late. At this time, British Banks had already been present since more than twenty years. The majority of most influential British institutions had already been established by the middle of the century, such as *the London and River Plate Bank* in South America founded in 1862. Between 1862 and 1886 a total number of ten British banks were founded in Latin America (Riesser, 1911, Lough, 1915), while Germany only established one that was liquidated in 1885. However, German financial institutions managed to rapidly and consistently broaden their presence. By the end of 1914, eighteen British and fourteen German Banks<sup>9</sup> were operating in Latin America (see Appendix – Table 9, 10 and 11).

The two largest and most influential German and British financial institutions in nineteenth century Brazil were the *Brasilianische Bank für Deutschland* and the *London and Brazilian Bank*. The latter was the first foreign bank to establish in Brazil, opening its first branch in 1863 in Rio de Janeiro (Orbel and Turton, 2001 342ff). The driving force of British banking engagement in the second half of the nineteenth century in Brazil were the increasing investment possibilities in the capital markets and infrastructure projects (Hurley, 1914 14ff). The integration of the Brazilian economy into global markets made large-scale infrastructure work necessary. Mainly driven by coffee the export boom triggered the construction of harbour and, most important, railway systems. Rothschild & Sons, the most prominent of them all, started right after Brazil got independent (1822) to issue loans at the “request of the Brazilian government”. In 1855 *Rothschilds* managed to be appointed the Brazilian government’s financial agent in London. It went on to run the government’s needs on the London capital market and remained “close” to Brazil’s financial policies almost ever since<sup>10</sup>, and it was *Rothschilds* that raised loans for some of the most important railway companies from 1858 on (Shaw, 2005 171-178).

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7 Total Brazilian coffee export in 1886 was 318.96 Mio Kg (*50 Jahre Deutsche Überseeische*, 141) in 1911 = 675 Mio Kg (anuario estatistico, 1908-12 121). Import of Brazilian Coffee in Hamburg in 1886 was 47,9 Mio kg with a total value of 44,3 Mio *Mark* and in 1911 it was 104 Mio kg with a total value of 128,7 Mio *Mark* (*Brasilianische Bank für Deutschland*, 5). Thus, the share of Hamburg imports on Brazilian’s coffee export in 1886 was 15 per cent and 15,4 per cent in 1911.

8 Since 1887 Hamburg moreover accounted for a futures markets in coffee, Krause, 2004 pp. 144ff

9 For the purpose of correctness; it were eight different institutions, accounting for fourteen banks in the different countries in Latin America.

10 The overthrow of emperor Pedro II and the declaration of the First Republic 1889 took Rothschild – somewhat surprisingly - by surprise, but they were quick to adapt to the new situation. “Since everyone, even the Emperor, is satisfied in Brazil, we don’t see why we should be more royalist than the King.” (Alphonse de Rothschild in a letter to English cousins. Source <http://www.rothschildarchive.org/ib/?doc=/ib/articles/previewbusiness>) All the more so since the following governments needed help in their strive for a centralized national bank system. It was again Rothschilds which gave advice and assistance with the *Banco da Republica do Brazil* (1893) and the *Banco do Brazil* (1905). Their confidence into Brazilian governments in general and those of the republic in particular was well founded: “We are glad to learn that Brazil continues to make you remittances. This country must be rich indeed to be able to pay for its civil war and at the same time repay its debts.” (A. Rothschild, *ibid*).



**Table 3: Regional Distribution German and British Foreign Banks (% of total) – 1881, 1900, 1913**

<i>Continent</i>	<i>1881</i>		<i>1900</i>		<i>1913</i>	
	<i>German</i>	<i>British</i>	<i>German</i>	<i>British</i>	<i>German</i>	<i>British</i>
<i>Africa</i>	0	10.22	0	14.17	10.81	13.39
<i>America Central</i>	0	5.84	0	5.83	2.7	6.3
<i>America North</i>	5.26	5.84	10.71	9.17	4.05	7.09
<i>America South</i>	10.53	9.49	17.86	14.17	18.92	14.17
<i>Asia</i>	0	27.74	7.14	35.83	17.57	29.92
<i>Australia</i>	0	8.03	0	6.67	0	8.66
<i>Europe</i>	84.21	29.2	64.29	12.5	45.95	18.9
<i>Oceania</i>	0	3.65	0	1.67	0	1.57

*Source:* Own Data Set – See Appendix – Data and Sources

Decisive factor in the internationalization of German banking was the stretch relationship between German banks and industrial firms. In contrast to the British, German banks were directly linked to the banking system in their home country, as they were founded as subsidiaries of the German *Grossbanken* (Great Banks).<sup>11</sup> With Germany's general economic ambitions shifting in the 1870s from catching up in industrialization in previous years to the development of foreign commercial markets, German industry entered into an intensive process of concentration. Based on the idea that competitive advantage in international markets is achieved by production on large scale, the focus was on creating big concerns that soon dominated the industrial sector. Behind each of the resulting small groups of interest there was one of the German *Grossbanken*. Due to this close connection; one of the primary concerns of the latter was to support their important clients in their effort to expand in foreign markets (Lough, 1915, 44, Barrett, 1930, 15ff, and Riesser and Jacobs, 1911, 420ff).<sup>12</sup>

Interestingly, the coffee exporter Theodor Wille was leading in the foundation of one of the German biggest financial institutes of the nineteenth century, the *Commerz- und Disconto Bank* (Miller, M, 2012 139ff). In his function as Director of the *Commerzbank*, eventually Wille already expressed in 1884 the desire to establish a bank in Rio de Janeiro. The reasons why the idea did not come into effect are debatable. On one hand, the *Commerzbank* was clearly more limited in its resources than the other leading German banks, such as the *Deutsche Bank* or the *Discontogesellschaft*. The estimated costs for

<sup>11</sup> The leading German *Grossbanken* in the nineteenth century and their respective year of foundation were: *Diskonto-Gesellschaft* (1851), *Bank für Handel und Industrie*, *Berliner Handelsgesellschaft* (1853), *Deutsche Bank* (1870), *Dresdner Bank* (1872), *Nationalbank für Deutschland* (1881) (Barrett, 1930, see also Riesser and Jacobs, 1911)

<sup>12</sup> The perspective finds additional support by the literature on banking internationalization, defining one of the principal triggers of banks going abroad as the purpose to follow their clients. Disposing over competitive advantages –such as size, reputation, information, customer base, human capital- in comparison to domestic banks, foreign banks are able to support their clients more efficiently (Battilossi, 2006, and see also Buch, 1999).

the establishment of a bank in Brazil were 10 Mio *Marks*, which corresponded to one third of the capital of the *Commerzbank*, but only one sixth of the capital from the *Deutsche* and the *Disconto* bank. On the other hand, eventually the competing institutions were simply faster in the race for financial influence in Brazil (Albers, 1978 611, Krause, 2004 144ff).

In 1887, the *Diskonto-Gesellschaft* in Berlin and the *Norddeutsche Bank* in Hamburg founded the *Brasilianische Bank für Deutschland*. It opened its first branch in 1889 in Rio de Janeiro. While the *Diskonto* was interested in entering the infrastructure and railway construction business in Brazil, the *Norddeutsche* already has been an important player in the exporting and importing sector with Brazil in previous decades (*Brasilianische Bank für Deutschland*, 4).

*“Hamburg takes in the European coffee import, which mainly comes from Brazil, the first place. The Diskontogesellschaft shows high interest in the Brazilian railway companies and the resulting bond issues [...] (both) makes a direct representation in the local landing desirable.”*<sup>13</sup>

The *Brasilianische Bank* was the only German bank operating in Brazil until 1911, when the *Deutsche Überseeische* and the *Deutsch-Südamerikanische Bank* established in Rio de Janeiro. In 1913, together these three banks possessed over nine branches in Brazil. The *Brasilianische*, however, was the only institution that exclusively concentrated its business on the Brazilian market. In the same year, three British banks with twenty-two branches were operating in Brazil; the *London and Brazilian*, the *London and River Plate*, and the *British Bank of South America* (see Appendix-Data and Sources, and also Hurley, 1914 12-22 36ff, Hauser 1906 54ff). Yet, the increasing competition from German banks had its impact. In 1906, British banks held some 77% of the foreign deposits in the major financial centers, in 1930 this figure was down to 31%. German banks “were by far the second most relevant actors in the region. (...) in terms of indicators such as total deposits, paid in capital or profits, they were far bigger than their continental competitors, such as the French” (Briones and Villela, 2006, 5-6). Table 12 in the Appendix show the German and British Banks and their branches in Brazil in 1913.

#### **4. German and British trade finance in Brazil – The *Brasilianische* and the *London and Brazilian Bank***

The aim of this section is to analyze and compare the performance of the *Brasilianische für Deutschland* and the *London and Brazilian Bank* between 1889 and 1913<sup>14</sup> in general, and their ability to provide credit to the trade sector in particular. For this purpose, it examines the monthly financial reports (balance sheets) of the Rio de Janeiro branches of the two banks (for sources see Appendix - Data and Sources).

The British bank was the largest one, measured in terms of capital paid in and reserves<sup>15</sup>, when the German bank established in 1889 and continued to be so throughout the whole period of investigation. In 1889, the capital of the *London and Brazilian* was five times the capital of the *Brasilianische* and in 1913 it still was one third more, respectively. Yet, in terms of deposits and credits in current accounts, the *Brasilianische* catches up by beginning of the twentieth century and even outperforms the *London and Brazilian*. Interestingly, the German bank also continuously disposed over significantly more fixed

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13 (Denkschrift der Diskontogesellschaft, Hauser, 1906 53, translated from German.)

14 For the deposits unfortunately at this point there still is no data available for the years before 1893.

15 The capital of the bank was not fixed by law. Hurley (1914), p. 44

maturity deposits, which may be an indicator that it was comparatively more successful in establishing long-term business relations. Most importantly, since 1895 the *Brasilianische* discounted and received more bills of exchange than the *London and Brazilian Bank* in relative and total terms.

**Table 4: Paid in capital – *Brasilianische Bank für Deutschland* and *London&Brazilian Bank* in Rio de Janeiro - 1889 -1913**

<i>Capital Paid in (conto de reis)</i>		
	DBRA	LB
1889 - 1895	1.115,00	5.556,00
1895 - 1910	10.000,00	13.333,00
1910 - 1912	10.000,00	17.777,00
1913 -	15.000,00	22.222,00

*Source:* own elaboration based on: see Appendix - Data and Sources

The development of the two banks can be divided into four principal periods. The first period covers the years before 1895, with the *London and Brazilian Bank* dominating the market. The second period between 1895 and 1900 marks the beginning of the leadership of the *Brasilianische* in trade finance and its first advancement in the local market. The third period, from 1900 to 1905, is characterized by the response of the two banks to the previously illustrated distress in the Brazilian exports sector and financial markets. It is followed by a period of recovery between 1905 and 1910, in which the *Brasilianische*, despite growing comparatively slower, increased its activities in trade finances significantly more than the *London and Brazilian*. Finally, in the years following 1910, the German bank experienced an acceleration in growth, strengthening its leadership in the commercial credit market and eventually dominating the local business market too.

Not surprisingly, in its first years of existence, the *Brasilianische* provided less credit to the trade sector than the *London and Brazilian Bank*. In 1893, the monthly average value of bills of exchange discounted and received by both banks was 5.137 and 6.611 *Contos de Reis*, respectively. Equally, the *London and Brazilian* disposed on monthly average over more than 19 per cent more deposits and credits in current account. However, if looking at the bills of exchange discounted relative to the size of each bank, the *Brasilianische* already outperformed the *London and Brazilian* in the beginning of 1890. This reflects the idea that German banks were particularly important in giving impulse to German trade during its initial phase. In the years between 1895 and 1900, both banks experienced significant growth, with the *London and Brazilian* on annual average showing higher growth rates in their deposits and credits in current accounts. Nevertheless, the *Brasilianische* got continuously involved in the local business, challenging the *London and Brazilian bank* in its dominance. In fact, on a monthly average the German bank disposed over slightly more, 7 per cent, deposits and credits in current accounts than the British bank. Most importantly, the period marks the beginning of the leadership of the *Brasilianische* in trade finance, increasing its amount of bills of exchange discounted and received by an annual average of 3.43 per cent. At the same time, the British bank showed a negative annual average growth rate of 1.25 per cent. In 1898, the *Brasilianische* discounted on a monthly average 80 per cent more bills than its British counterpart did.

**Table 5: Deposits and credits current account - *Brasilianische Bank für Deutschland* and *London&Brazilian Bank* in Rio de Janeiro - monthly averages and changes to previous period – 1893-1913**

	<i>Deposit and credit current account - Monthly Average (conto de reis)</i>		<i>Changes to previous period in %</i>	
	DBRA	LB	DBRA	LB
1893	11,841.97	14,663.09		
1895-1900	24,844.03	23,208.32	109.80	58.28
1900-1905	15,321.79	23,219.61	-38.33	0.05
1905-1910	18,056.80	18,427.04	17.85	-20.64
1910-1913	29,796.48	23,506.95	65.02	27.57

Source: own elaboration based on: see Appendix - Data and Sources

**Table 6: Bills receivable and discounted - *Brasilianische Bank für Deutschland* and *London&Brazilian Bank* in Rio de Janeiro - monthly averages and changes to previous period – 1893-1913**

	<i>Bills receivable and discounted - Monthly Average (contos de reis)</i>		<i>Changes to previous period in %</i>	
	DBRA	LB	DBRA	LB
1893	5.137,31	6.611,96		
1895-1900	18.766,46	13.190,99	265,30	99,50
1900-1905	12.282,90	8.348,62	-34,55	-36,71
1905-1910	18.766,87	10.092,17	52,79	20,88
1910-1913	30.402,46	17.541,22	62,00	73,81

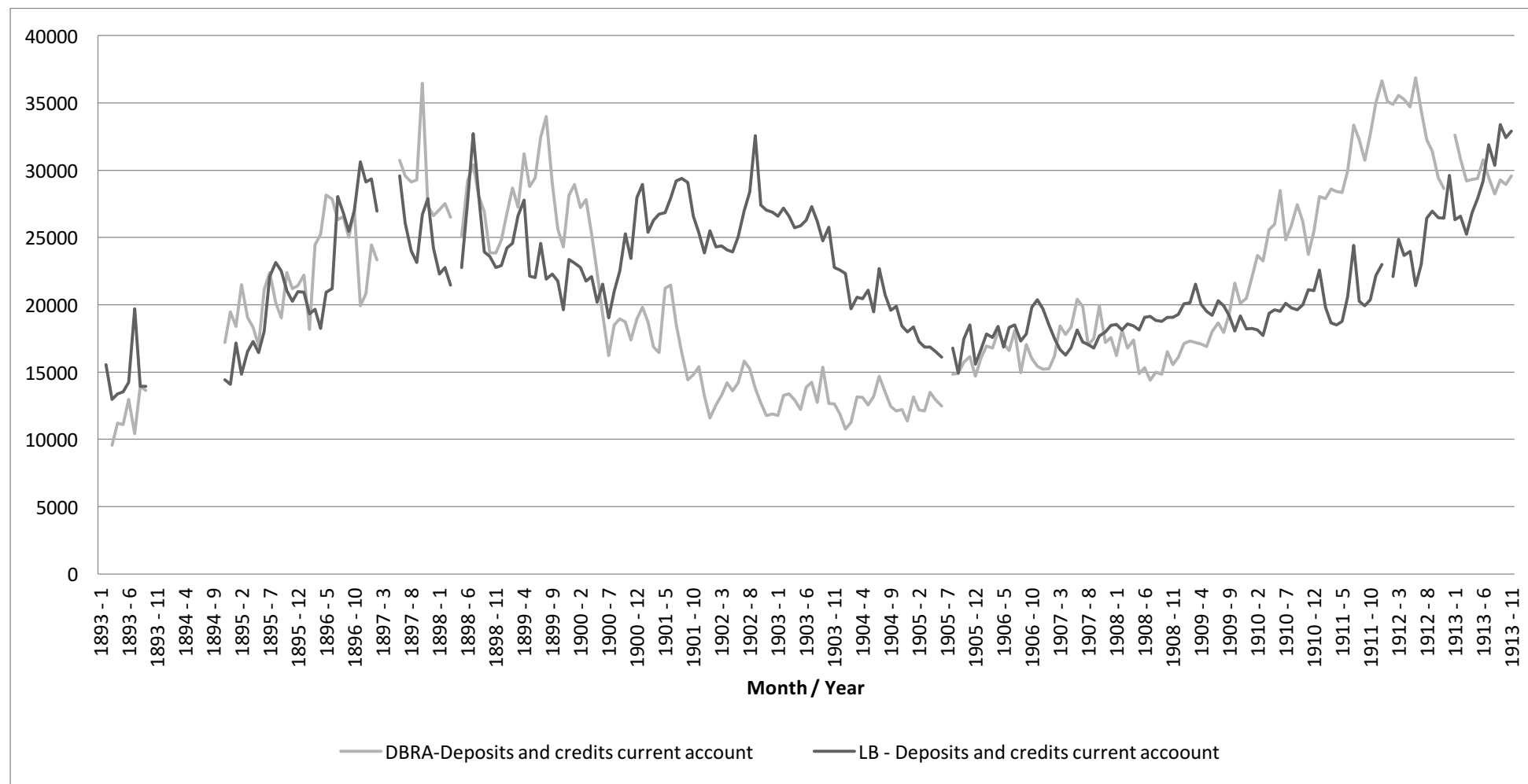
Source: own elaboration based on: see Appendix - Data and Sources

With the Brazilian export-sector and financial market entering into a period of severe drawback by turn of the century, equally the performance of the two banks experience an intensive drop down. Yet, the two banks show significant differences in their development and behaviour. Firstly, one can observe actually an opposite dynamic between the banks involvements in short and long term local business. While the deposits and credits in current accounts of the *Brasilianische* were diminishing constantly since 1900, in case of the *London and Brazilian* they were in fact increasing in the years from 1900 to 1902. In 1902, the latter disposed on monthly average over impressive 50 per cent more deposits in current accounts. At the same time the *Brasilianische* disposed over nearly three times more fixed maturity deposits (see Graphic 4 and Appendix - Table 13). The latter have to be understood as long-term financial instrument, with comparatively higher interest rate payments to the owner of the deposit, but with the restriction that the money paid it cannot be withdrawn before maturity, that is a certain moment to be after the disclosure of the deposit defined by the bank. Between 1900 and 1905, the *Brasilianische* disposed on a monthly average over more than twice as much fixed maturity deposits. That may indicate that German banks were more successful in maintaining their long-term involvement in the Brazilian market than the British banks, even in times of crisis. Secondly, the *Brasilianische* continued to provide more credit to the trade sector than the *London and Brazilian Bank*. This difference is even more pronounced for the credit

provided relative to the size of each bank. Between 1900 and 1905, the monthly average ratio of bills of exchange discounted relative to paid in capital of the *Brasilianische* bank was 1.23 and the ratio of the London and Brazilian Bank 0.63, respectively. Thirdly, together, the previous two dynamics contrast the different focus of activities of the two banks. While the *London and Brazilian bank* attempts to expand its local business during times of financial distress, the *Brasilianische* continues to direct its efforts to the trade sector. The ratio of bills discounted and deposits and credits in current account between 1900 and 1905 of the *Brasilianische* bank was 0.83, while the ratio of the *London and Brazilian* was 0.38 (see table Appenix – Table 15).

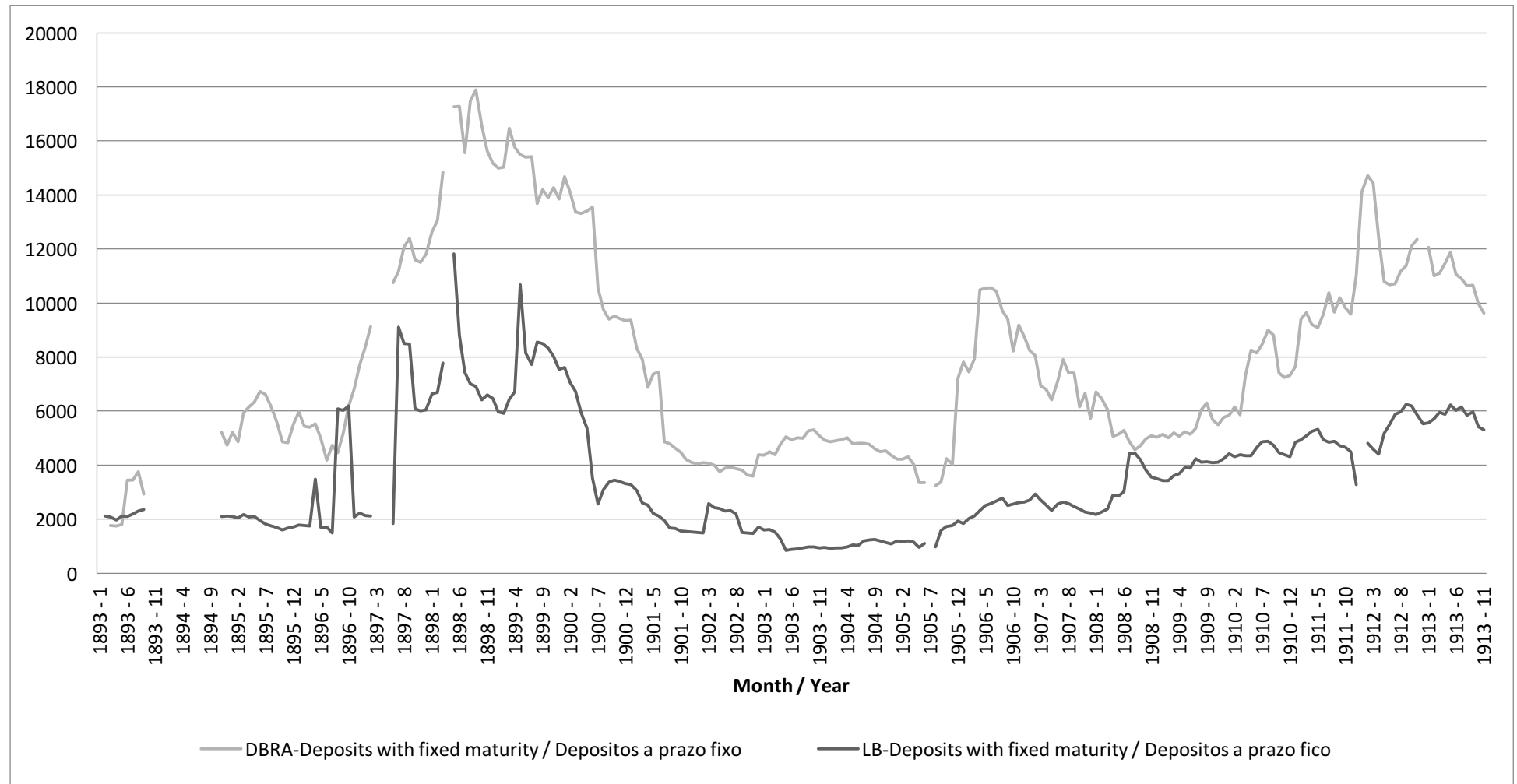
The financial distress hit the German bank comparatively harder, yet, it also recovered comparatively faster. Between 1905 and 1910, deposits and credits in current accounts grew by an impressive annual average rate of 12.67 per cent, while the deposits of the *London and Brazilian* grew only at an annual average rate of 2.99 per cent. Similar, the *Brasilianische* was able to expand more rapidly the amount of credit provided, with an annual average growth rate of the amount of bills discounted of 12.94 per cent in comparison to a bit more than 9 per cent of the *London and Brazilian*. This acceleration eventually results in the dominance of the *Brasilianische* in both, the local business market and the commercial credit market. In the period between 1910 and 1913, the German bank disposed on monthly average 26 per cent more deposits and credits in current account and discounted and received about 73 per cent more bills than its British counterpart did. Interestingly, as illustrated before, at the same time Germany expanded considerably its share on Brazilian trade, while the British share constantly decreased. However, this observation has to be taken with precaution, as so far a direct link between the provision of credit and the development of trade has not been established.

**Graphic 3: Deposits and credits current account - *Brasilianische Bank für Deutschland* and *London&Brazilian Bank* in Rio de Janeiro - Monthly value (conto de reis) – 1893-1913**



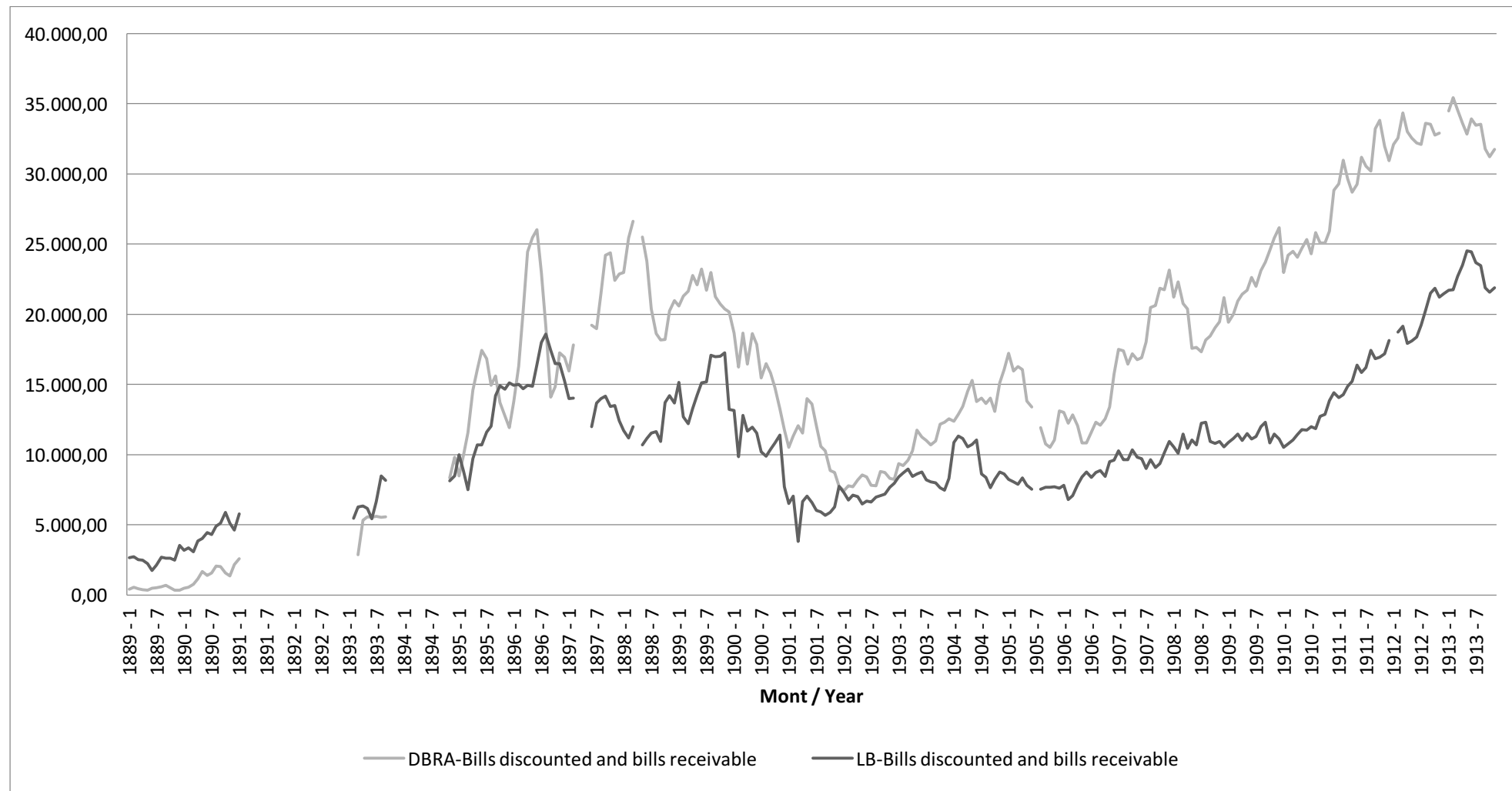
Source: own elaboration based on: see Appendix - Data and Sources

**Graphic 4: Deposits fixed maturity - *Brasilianische Bank für Deutschland* and *London&Brazilian Bank* in Rio de Janeiro - Monthly value (conto de reis) – 1893-1913**



Source: own elaboration based on: see Appendix - Data and Sources

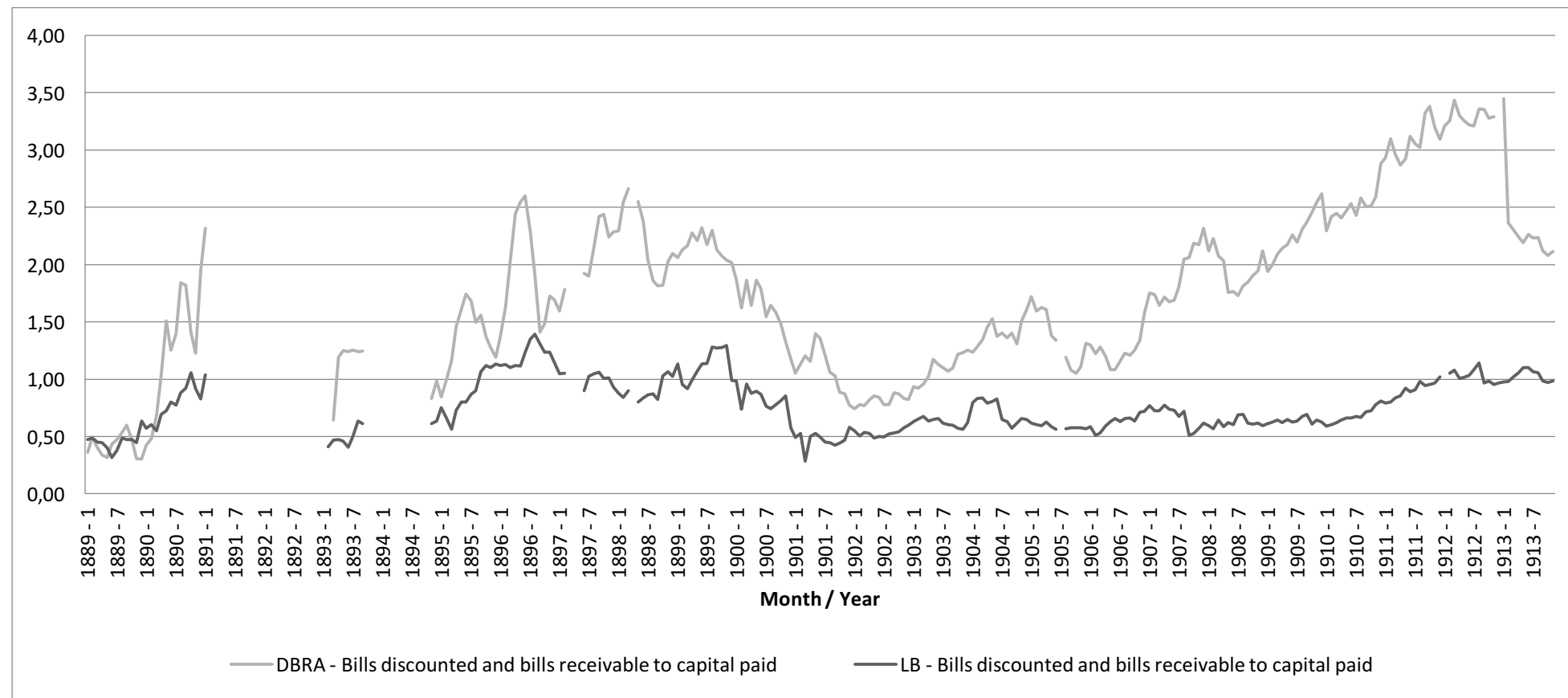
**Graphic 5: Bills discounted and receivable – *Brasilianische Bank für Deutschland* and *London&Brazilian Bank* in Rio de Janeiro - Monthly value (conto de reis) – 1889-1913**



Source: own elaboration based on: see Appendix - Data and Sources

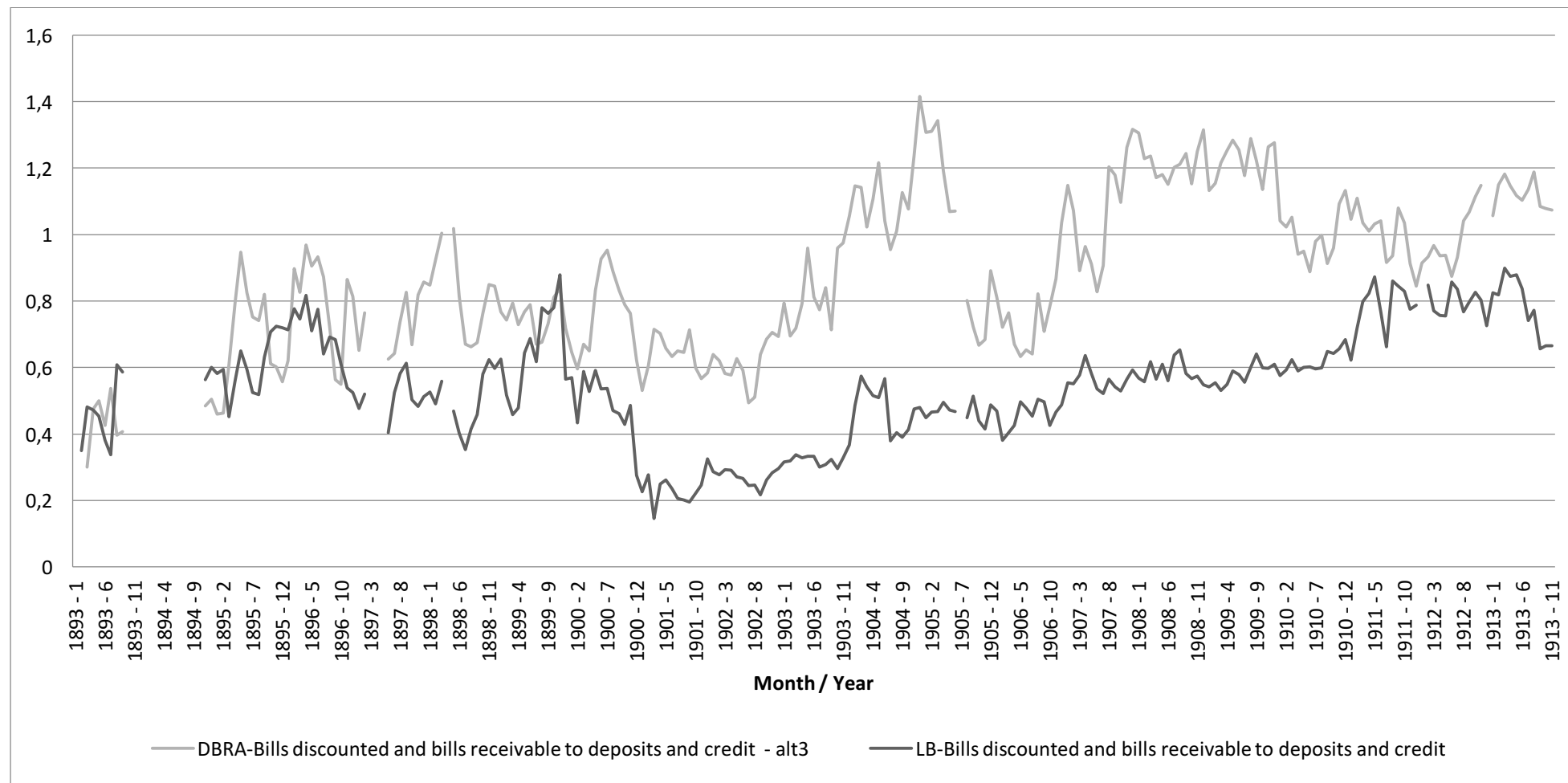


**Graphic 6: Bills discounted and receivable relative to capital paid in – *Brasilianische Bank für Deutschland* and *London&Brazilian Bank* in Rio de Janeiro - Monthly ratio – 1893-1913**



Source: own elaboration based on: see Appendix - Data and Sources

**Graphic 7: Bills discounted and receivable relative to deposits and credits current accounts - *Brasilianische Bank für Deutschland* and *London&Brazilian Bank* in Rio de Janeiro - Monthly ratio – 1893-1913**



Source: own elaboration based on: see Appendix - Data and Sources

## 5. Concluding Remarks

The objective of this article has been to analyse and compare the role of German and British banks in trade finance in Brazil in the late nineteenth and early twentieth centuries. For this purpose, it examines the monthly credit performance of the two largest British and German institutions in Brazil between 1889 and 1913; the *Brasilianische Bank für Deutschland* and the *London&Brazilian Bank* in Rio de Janeiro. The results show that, although being comparatively smaller, the German bank directed more resources to the finance of trade than the British bank did, even in total terms.

The findings not only lend empirical support to the literature on German foreign banking during the period of first Globalization, but also to the study of the role of finance in the development of foreign trade of a “latecomer” in comparison to an economy already established in the international markets. Qualitative studies affirm that the primary purpose of the *Auslandsbanken* was to provide financial assistance to trade. In particular, in those markets where German foreign commerce was underrepresented. They hence acted as pioneers of trade. In contrast, British foreign banks developed along trade and rather focused their activities on the increasing investment opportunities in the emerging markets. This finds support in the fact that already in 1890, one year after foundation, the *Brasilianische* bank provided more than two times more credit relative to its size than the *London and Brazilian Bank*.

However, this study has its limitations, indicating a direction for future versions of this paper. First, the analysis of bank performance concentrates on the branches of the *Brasilianische* and the *London and Brazilian Bank* in Rio de Janeiro. This eventually may bias the view on the overall performance and role of both banks in Brazil. In particular, it has to be taken into account that besides Rio de Janeiro, major parts of Brazilian trade were conducted in Sao Paolo. Actually, Santos was the most important harbour for Brazilian coffee exports. Hence, this study would highly benefit from including the Santos branches of the two banks in the analysis; an endeavour that so far has been restrained by the availability of data. Second, although it becomes clear that the German bank provided comparatively more credit to the trade sector than the British bank, the direct correlation between the credit performance of German and British banks and the respective trade developments remains uncertain. Finally, in case the trade benefited from the credit provided by the banks, the question arises to which specific trade sectors the credits were actually channelled. Literature commonly suggests that German banks were primary involved in the financing of the trade of second industrial revolution manufactures, such as metals and electrical machinery, while British trade and finance focused on primary commodities. It is of a particular importance as there seems to be a lack of studies investigating and comparing the certain channels of German and British trade finance in Latin America.

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## 7. Appendix

### 7.1. Data and Sources

If not otherwise indicated, *the data* for trade were obtained from the official German and British statistics on foreign trade. For Germany: *Statistik des Deutsche Reiches - Auswärtiger Handel des deutschen Zollgebietes nach Herkunfts- und Bestimmungsländern in den Jahren 1880 bis 1896 - Kaiserliches Statistisches Amt*; *Statistisches Jahrbuch für das Deutsche Reich – Spezialhandel nach Erdteilen und nach Ländern – Kaiserliches Statistisches Amt*, Jahrgang 1906, 1908, 1913, 1916.; and for Great Britain: *David Jacks – Taken from the Statistical Abstract for the United Kingdom, London, various years*. Trade for Brazil was obtained from the *Estatistica Comercio Maritimo do Brasil 1870*, the *Mappas estatisticos do commercio e navegação do Porto do Rio de Janeiro. Exercício de 1880-1881, 1885-86, 1890*, the *Estatistica Importacao Brasil 1898*, and the *Anuario Estatistico do Brasil, 1903, 1908-1912*.

The basic information for bank data was extracted from the *Almanac Directory, Year Book and Diary. A Parliamentary Directory and Complete Banking Directory* published by Sir Inglis Palgrave in London, which provides detailed information on the number and location of branches of German and British banks in the world for the years 1881, 1900 and 1913. Furthermore, the data from the *Almanac* has been verified and, if necessary, supplemented with the information provided by the quantitative works of Hauser, R. *Die deutschen Banken im Ausland* (1906), Riesser, J. *Die deutschen Grossbanken und ihre Konzentration* (1914), Strasser, K. *Die deutschen Banken im Ausland* (1924), Lough, W. *Banking Opportunities in South America* (1930), and Barrett, Whale *Joint Stock Banking in Germany* (1930).

All the information regarding the *Brasilianische Bank für Deutschland* and the *London and Brazilian Bank* in Rio de Janeiro was taken from their monthly financial reports (balance sheets) that were collected from the Argentinian newspapers; *The Brazilian Review*, *O Commercio de Sao Paolo*, *Jornal do Comercio Retrospecto*, *The Rio News*, various years.

Exchange rates were extracted from the *Handbook of World Exchange Rates, 1590-1914* (Markus A. Denzel, Ashgate, 2010)

7.2. Tables & Graphs

**Table 7: British exports, imports and total trade by continent as % of total trade – 1880, 1900, 1913**

<i>year</i>	<i>Continent</i>	<i>Imports</i>	<i>Exports</i>	<i>Total</i>
1880	Africa	5.02	5.74	5.04
1880	America Central	2.94	3.43	2.98
1880	America North	30.80	17.30	24.03
1880	America South	3.53	5.29	4.03
1880	Asia	14.22	19.56	15.57
1880	Australia	6.56	6.98	6.39
1880	Europe	41.94	47.45	41.95
1880	Oceania	0.00	0.00	0.00
1900	Africa	5.42	11.16	7.78
1900	America Central	0.75	2.37	1.42
1900	America North	30.25	12.63	23.00
1900	America South	4.95	5.72	5.26
1900	Asia	9.03	17.25	12.41
1900	Australia	4.47	6.33	5.23
1900	Europe	42.95	42.96	42.95
1900	Oceania	2.18	1.58	1.94
1913	Africa	8.27	10.61	9.33
1913	America Central	1.25	2.35	1.75
1913	America North	21.90	13.16	17.93
1913	America South	8.40	7.42	7.96
1913	Asia	12.57	21.18	16.48
1913	Australia	4.75	5.68	5.17
1913	Europe	40.32	37.82	39.18
1913	Oceania	2.54	1.77	2.19

*Source:* Own Data Set – See Appendix – Data and Sources



**Table 8: German exports, imports and total trade by continent as % of total trade – 1880, 1900, 1913**

<i>year</i>	<i>Continent</i>	<i>Imports</i>	<i>Exports</i>	<i>Total</i>
1880	Africa	0.73	0.23	0.48
1880	America Central	0.10	0.09	0.10
1880	America North	7.47	8.40	7.93
1880	America South	2.52	0.92	1.73
1880	Asia	2.82	0.91	1.87
1880	Australia	0.33	0.08	0.21
1880	Europe	86.02	89.37	87.68
1880	Oceania	0.00	0.00	0.00
1900	Africa	1.86	1.47	1.69
1900	America Central	0.60	0.65	0.62
1900	America North	18.22	8.97	14.11
1900	America South	5.61	2.63	4.28
1900	Asia	6.35	3.92	5.27
1900	Australia	1.62	0.80	1.26
1900	Europe	65.75	73.86	69.35
1900	Oceania	0.00	0.00	0.00
1913	Africa	4.49	2.07	3.39
1913	America Central	0.59	0.98	0.77
1913	America North	15.53	8.45	12.30
1913	America South	10.87	7.29	9.24
1913	Asia	9.42	4.69	7.26
1913	Australia	2.76	1.02	1.97
1913	Europe	56.26	75.40	64.98
1913	Oceania	0.08	0.10	0.09

*Source:* Own Data Set – See Appendix – Data and Sources

**Table 9: German and British bank entry in Latin America – 1862-1914**

<i>Year</i>	<i>Bank</i>	<i>Country of Origin</i>
1862	London, Buenos Aires and River Plate Bank*	Great Britain
	London and Brazilian Bank	Great Britain
1863	English Bank of Rio de Janeiro	Great Britain
	British Bank of South America	Great Britain
	Anglo-Portuguese Bank**	Great Britain
	Brazilian & Portuguese Bank	Great Britain
	London & South American Bank***	Great Britain
1864	Mexican Bank***	Great Britain
	London and Venezuelan Bank	Great Britain
1872	La Plata Bank****	Germany
	Mercantile Bank of the River Plate*****	Great Britain
1887	Deutsche Überseeische Bank	Germany
1888	Bank of Tarapacá & London*****	Great Britain
1889	Brasilianische Bank für Deutschland	Germany
	Anglo-Argentine Bank*****	Great Britain
1895	Bank für Chile und Deutschland	Germany
1905	Zentral-Amerika Bank	Germany
	Deutsch-Südamerikanische Bank	Germany
1906	Mexikanische Bank für Handel und Industrie	Germany
	Anglo-South American Bank*****	Great Britain
1907	Banco Commerciale Italiano	Germany / Italy
1912	Deutsche Antioquia Bank	Germany

\* Since 1865 only London & River Plate

\*\*Was amalgamated with the London & Brazilian Bank in 1864

\*\*\* London and South American Bank amalgamated in 1864 the Mexican Bank, from then on called The London Bank of Mexico and South America

\*\*\*\* Liquidated in 1885

\*\*\*\*\* Liquidated in 1876

\*\*\*\*\* Merged in 1900 to form the Bank of Tarapacá & Argentina, and restyled in 1906 as the Anglo-South American Bank

*Source:* Own elaboration based on: Riesser , 1911, Lough, 1915, Young, 1991, Briones and Villela, 2006

**Table 10: German Banks in the World – Number of Banks and Branches – 1881, 1900, 1913**

<i>Continent</i>	<i>1881</i>		<i>1900</i>		<i>1913</i>	
	<i>Banks</i>	<i>Branches</i>	<i>Banks</i>	<i>Branches</i>	<i>Banks</i>	<i>Branches</i>
<i>Africa</i>	0	0	0	0	8	20
<i>America Central</i>	0	0	0	0	2	5
<i>America North</i>	1	1	3	3	3	3
<i>America South</i>	1	1	5	14	14	47
<i>Asia</i>	0	0	2	9	13	27
<i>Australia</i>	0	0	0	0	0	0
<i>Europe</i>	16	18	18	30	34	133
<i>Oceania</i>	0	0	0	0	0	0
<b>Total</b>	<b>18</b>	<b>20</b>	<b>28</b>	<b>56</b>	<b>74</b>	<b>235</b>

Source: Own Data Set – See Appendix – Data and Sources

**Table 11: British Banks in the World – Number of Banks and Branches – 1881, 1900, 1913**

<i>Continent</i>	<i>1881</i>		<i>1900</i>		<i>1913</i>	
	<i>Banks</i>	<i>Branches</i>	<i>Banks</i>	<i>Branches</i>	<i>Banks</i>	<i>Branches</i>
<i>Africa</i>	14	66	17	162	17	284
<i>America Central</i>	8	28	7	27	8	22
<i>America North</i>	8	13	11	128	9	183
<i>America South</i>	13	29	17	60	18	84
<i>Asia</i>	38	99	43	148	38	204
<i>Australia</i>	11	148	8	273	11	602
<i>Europe</i>	40	55	15	25	24	62
<i>Oceania</i>	5	18	2	40	2	80
<b>Total</b>	<b>137</b>	<b>456</b>	<b>120</b>	<b>863</b>	<b>127</b>	<b>1521</b>

Source: Own Data Set – See Appendix – Data and Sources

**Table 12: German and British banks and their branches in Brazil – 1913**

Name of Bank	Branches in
<i>German</i>	
Brasilianische Bank für Deutschland	Bahia
Brasilianische Bank für Deutschland	Porto Alegre
Brasilianische Bank für Deutschland	Rio de Janeiro
Brasilianische Bank für Deutschland	Santos
Brasilianische Bank für Deutschland	Sao Paulo
Deutsch Südamerikanische Bank	Rio de Janeiro
Deutsche Überseeische Bank	Rio de Janeiro
Deutsche Überseeische Bank	Santos
Deutsche Überseeische Bank	Sao Paulo
<i>British</i>	
London and Brazilian Bank, Limited	Bahia
London and Brazilian Bank, Limited	Ceara
London and Brazilian Bank, Limited	Curityba
London and Brazilian Bank, Limited	Manaos
London and Brazilian Bank, Limited	Para
London and Brazilian Bank, Limited	Pernambuco
London and Brazilian Bank, Limited	Porto Alegre
London and Brazilian Bank, Limited	Rio de Janeiro
London and Brazilian Bank, Limited	Rio Grande do Sol
London and Brazilian Bank, Limited	Santos
London and Brazilian Bank, Limited	Sao Paulo
London and River Plate Bank, Limited	Bahia
London and River Plate Bank, Limited	Curityba
London and River Plate Bank, Limited	Para
London and River Plate Bank, Limited	Pernambuco
London and River Plate Bank, Limited	Rio de Janeiro
London and River Plate Bank, Limited	Santos
London and River Plate Bank, Limited	Sao Paulo
London and River Plate Bank, Limited	Victoria
British Bank of South America, Limited	Bahia
British Bank of South America, Limited	Monte Video
British Bank of South America, Limited	Rio de Janeiro
British Bank of South America, Limited	Sao Paulo

*Source:* own elaboration based on: see Appendix - Data and Sources

**Table 13: Deposits fixed maturity - *Brasilianische Bank für Deutschland* and *London&Brazilian Bank* in Rio de Janeiro - monthly averages and changes to previous period – 1893-1913**

	<i>Deposit fixed maturity - Monthly Average (conto de reis)</i>		<i>Changes to previous period in %</i>	
	DBRA	LB	DBRA	LB
1893	2,700.87	2,153.61		
1895-1900	10,682.83	4,997.26	295.53	132.04
1900-1905	5,956.49	2,050.30	-44.24	-58.97
1905-1910	6,480.35	3,024.37	8.79	47.51
1910-1913	10,007.40	4,641.16	54.43	53.46

*Source:* own elaboration based on: see Appendix - Data and Sources

**Table 14: Bills receivable and discounted relative to paid in capital - *Brasilianische Bank für Deutschland* and *London&Brazilian Bank* in Rio de Janeiro - monthly average ratio – 1893-1913**

	<i>Bills receivable and discounted relative to paid in capital- Monthly Average Ratio</i>	
	DBRA	LB
1893	1,15	0,50
1895-1900	1,88	0,99
1900-1905	1,23	0,63
1905-1910	1,88	0,64
1910-1913	2,80	0,90

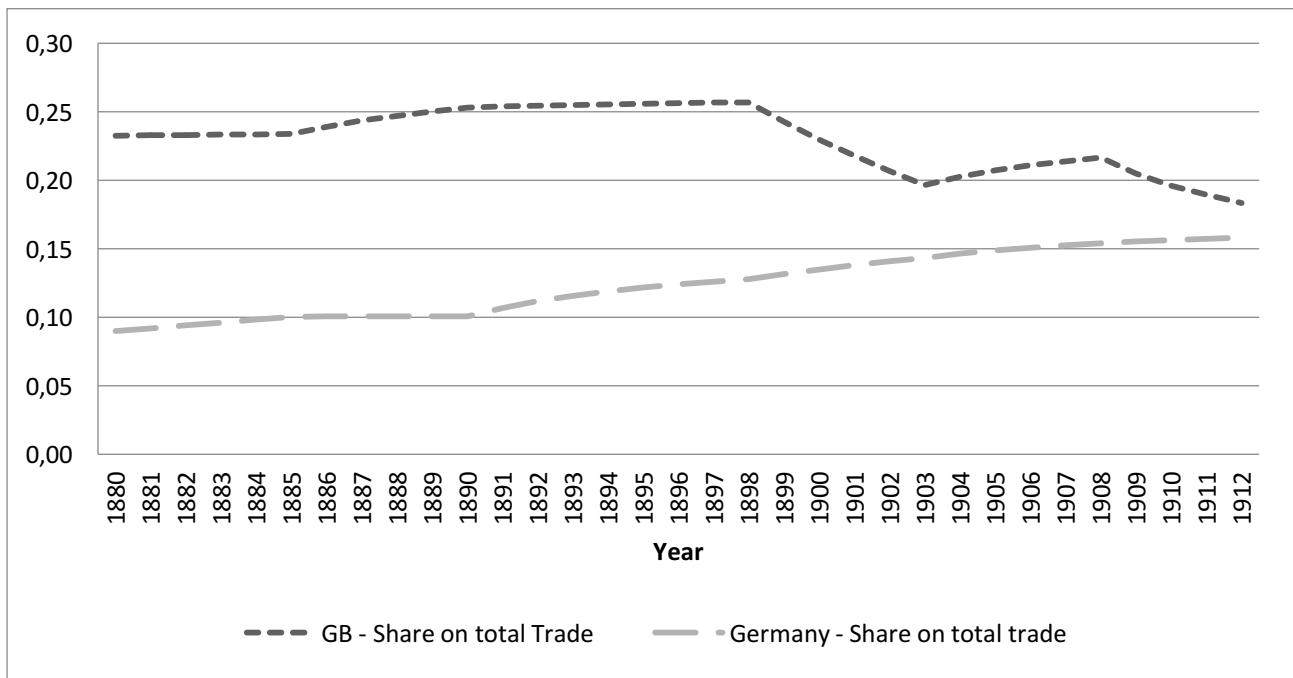
*Source:* own elaboration based on: see Appendix - Data and Sources

**Table 15: Bills receivable and discounted relative to deposits and credits current account - *Brasilianische Bank für Deutschland* and *London&Brazilian Bank* in Rio de Janeiro - monthly average ratio – 1893-1913**

	<i>Bills receivable and discounted relative to deposits and credit current account - Monthly Average Ratio</i>	
	DBRA	LB
1893	0.43	0.46
1895-1900	0.76	0.58
1900-1905	0.83	0.38
1905-1910	1.05	0.55
1910-1913	1.02	0.74

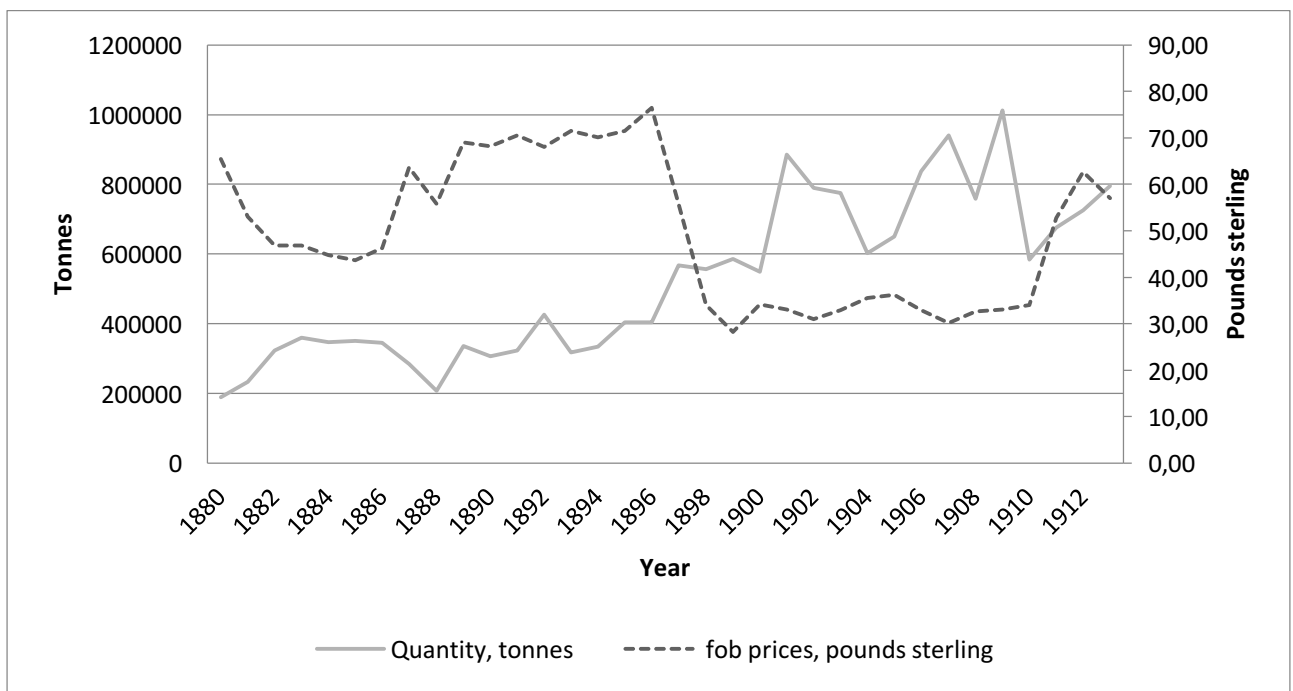
*Source:* own elaboration based on: see Appendix - Data and Sources

**Graphic 8: Great Britain and Germany – share on Brazilian total trade (%) – 1880-1912**



Source: own elaboration based on: see Appendix - Data and Sources. Note: from 1880 until 1890 the data is for Rio de Janeiro. For missing years data have been interpolated.

**Graphic 9: Brazilian coffee exports – quantity and prices – 1880-1913**



Source: Absell and Tena Junguito, 2016 Appendix 1, with special thanks to Christopher Absell for providing the data