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Title: German Entrepreneurs and diplomatic in the South Pacific. A study about his role in the concession of productive land to German enterprises in the Province of Llanquihue, Chile (1890-1914).

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Abstract: In the latter part of the nineteenth century, Germany tried to expand its economic and diplomatic influence in the Pacific Ocean, overcoming the British position and the emergence of the United States in the region. Creating an alliance between their navy and the private transport groups, they built a discourse that apparently merged business objectives with diplomats. In the South Pacific, Chile was in a position strangled by its border claims with Argentina and Peru, this situation created the possibilities for the diplomatic support of Germany to Chile, represented in a regular support to the renewal of the Chilean army and a special treatment to German companies and their shipping companies.

The province of Llanquihue, which received German immigration since 1850, was a disputed border with Argentina as well as being a geopolitical position in the Pacific (due to its proximity to the Strait of Magellan), as well as central point for German enterprise for his possibilities for production and export of raw wool. To consolidate their positions, German businessmen became involved in local politics using the border conflict and growing nationalism, to gain access to land concessions in Argentina and Chile; reaching an almost total control in a territory superior to the million hectares, which appeared in the German press like a virtual colony.

Our objective is to present a new point of view on the problems of the borders in the Southern Cone of America and their interaction with the expansion of European imperialism. The central methodology is to expose studies
of the trajectories of life of German businessmen and politicians, and their relationships with the political establishment of Argentina and Chile. Reconstruction carried out through the use of documentary archives of companies, parliamentary discussions, press and diplomatic documents reserved from archives in Argentina, Chile and Germany.

During the last years there have been investigations that sought to expand the origins of the First World War to extra-European spaces, with the Pacific Ocean emerging as an interesting point to study the commercial tensions between Great Britain, Germany and the United States of America, derived from the opening of China and Japan to the world market (Tolmie & Ville 2015; Possner 2009; Sabato 1983). In line with the scale of trade tensions, particularly Germany since the 1880s fostered collaboration between its industries, as well as with its navy, in order to ensure militarily and diplomatically the markets for the supply of raw materials as future markets for his manufactured goods (Chandler 2004).

On a smaller scale, the Pacific coast of the Americas was also a space for disputes over raw materials, where the Europeanism of American governments facilitated the actions of German diplomacy, particularly in its role as mediator and arbiter in border disputes. The second half of the nineteenth century in the Americas was marked by the border disputes, some of them ended in wars between different countries, and were based on the desires of the governments to retain or conquer a territory that emerged as a potential niche of Wealth in the international market of raw materials. In consideration of the foregoing, it is notable to observe the diligence of the European countries and the USA as mediators or arbiters in such disputes.

This presentation unfolds in the context already presented, seeking to integrate Germany's mediation into the boundary disputes between Argentina and Chile with its particular commercial desires to support German wool-exporting companies in the South American Cone. Traditionally, the studies that have addressed the issue have sought to understand different theories that go deeper into concepts such as "Pan-Germanism" or "European colonialism", although our proposal is not rupturistic, it does propose to see the implementation of such agreements and the reactions of diplomatic and commercial agents in the Americas (Over-
lack 2004 and 1998; Harrison 1904). Being one of our conclusions that many times the German imperial government was hindered by the ductility of its diplomatic and commercial agents, many of them more interested in their personal development than in following the imperial guidelines.

*The wool production in the Americas and its European buyers*

By the end of the 19th century, Britain undoubtedly controlled the world market for wool production, particularly thanks to its Australian, New Zealand, and South African colonies, yet Germany was an emerging manufacturing center without a large production capacity at the national level, necessitating importation of wool and cotton from the Americas, primarily (Tena & Willebald 2013). Although during the first years the purchase was mediated via the port of Antwerp, Germany quickly sought trade agreements with various American countries to favor direct importation, the reduction of customs duties and the arrival of the German merchant marine to American ports. The American Civil War (1861-1865) had an impact on the European garment market, causing that, at least in Germany, part of its textile industry opted for the use of wool. In that way, and during the same decade, Germany signed extensive trade agreements with Argentina and Chile, where it was already beginning to experiment on its Patagonian lands with sheep coming from the Falklands Islands (Wing 1913). The growth of the Patagonian production (never at levels of Australia or New Zealand) had to invariably pass through the port of Buenos Aires, where the British commercial companies preferred to send rough wool to the Antwerp market than to Hamburg or Bremen, an a situation that forced German buyers to seek alliances with commercial groups of similar nationality already settled in the Americas or create new ones, with a view to facilitating the export of wool without going through the main ports of Argentina and Chile —where British companies they had already built their political protection networks and had their own docks and dams (Carrera 1998-1999).

The search for minor ports from which to directly export wool made the Province of Llanquihue (located between the parallels 40 and 42 south latitude, approximately), located in Chile and point of reception of emigrants of the Germanic Confederation since 1845, be a
potential space for the establishment of German companies. The main port of the Province, Puerto Montt, was a small pier and the penultimate port in importance in Chile at the end of the 19th century, however it had a small but active community of German speakers engaged in commerce. This last point, which might seem significant, was smaller if we consider the geographical potentialities of the port: it was less than one hundred kilometers from the cordillera of the Andes, which, at such a latitude, slightly surpassed one thousand meters in height —very different from the six thousand that characterize the natural border between Argentina and Chile—, counting with lacustrine and terrestrial routes that could be used all year. Finally, these routes were already being used on a smaller scale by traders who bought the wool produced in the steppes and valleys on the east side of the Andes (Muñoz 2017).

The economic potential of those Andean routes (and military, thinking in a possible transfer of troops through the Andes) had already been seen by the neighboring countries, and since 1880 had been a space that could not be settled by the argentine and chileans border commissions. In order to overcome such problems, it was decided to submit the award to the arbitration of his British Majesty, an event that made the United States, which had recently acted as arbitrator in the dispute over the Puna of Atacama (Riesco 1950: 180), and certain European countries, see with distrust the British role in the countries of the Southern Cone of the Americas. The first responses was German, and his Ministers in Santiago and Buenos Aires sought to be recognized as an impartial observers to the British role (Huneeus 1908). Position that was measured by the individual negotiations that the armament industry and the German banking made without distinction with Argentina and Chile, to the point that the German Crown informed the ministers of the countries involved that any new arms sales or credits negotiation would be subject to the renegotiation of the commercial agreements signed (in 1857 with Argentina and 1861 with Chile) (Subercaseaux 1899).

This maneuver, which the documents show more as a feigned attitude rather than a real control of the crown over the decisions of its industry and banking, gave the possibility to German commercial companies in the Americas access to places of pressure from the political bodies of Argentina and Chile. Specifically for the Chilean case, the most benefited were those associated with the export of nitrate and, to a lesser extent, those oriented to the export of wool.
By 1898 the English arbitration agreement and the German mediation gave the possibility for shipping companies in Bremen to take advantage of the wool market in the Pacific, highlighting the Roland shipping company that ordered the creation of an associated commercial company to settle in Puerto Montt (Chile) solely for the purpose of being a means of exit from the dirty wools from the basins of the Neuquén and Negro rivers, in the Argentine steppe. The company Hube and Achelis were founded, where the second (Friedrich Adolph Achelis) was the son of one of the main shareholders of the Roland company, which created offices in Puerto Montt and in the main settlements of the Llanquihue, Esmeralda, Cold and Nahuel Huapi lakes. The connection between the lakes was one of the areas disputed by Argentina and Chile for their ease of passage through the Andes and the economic potentialities already described (Hube 1904).

The company sought to win the support of the government representatives located in the area, giving indistinct samples of support to the Argentine intentions as Chileans of sovereignty, to the point of being a key actor at the time of the arrival of the English referee, by granting him transfer, refuge and technical knowledge about the region in dispute (Holdich 1904). Once solved, the company negotiated with the countries the sale or concession of important lands in the mountain range and to install its own ovine cattle. At this point it is remarkable the difference in the situation before the award of 1902 and subsequent to it, previously the company was buying dirty wool from the local creole producers, he moved it through the mountain range and, finally, he embarked it in the vapors of the shipping company Roland—who used the wool as ballast, when returning to Bremen. This business had a low profitability, since it had to pay for inputs and transportation, a situation that changed after the award, where it accessed public property in Lake Nahuel Huapi, being able to raise its own profit, controlling the entire production and lowering costs.

Towards 1902 the Hube and Achelis exported five hundred tons of dirty wool, a figure similar to the levels of the Sociedad Explotadora de Tierra del Fuego, the largest landed export company of Magallanes, however its costs were higher, due to the payment of transfer by borders, use of wharves and warehouses. At that point, the administration opted to make
political agreements that would allow it to grow in autonomy from the government barriers, for which it agreed market shares with the main German shipping companies (making the Roland the only one that came to the ports of southern Chile, thus capturing all the subsidies associated with the transfer of people and correspondence from Chile, Argentina and Germany) and made agreements with German pro-colonial organizations, so their position would be favored by the German chancellery (Editorial 1904).

During the 1880s, groups favorable to German colonization in Africa, Asia and the Americas (referring to the Deutschen Kolonialverein, formed in 1882, and Deutsche Kolonialgesellschaft, founded in 1887), integrated into its majority, were formed by the nobility they had important penetration in the German diplomatic corps and, particularly after the failure of Transvaal, they advocated the construction of a model of commercial colonialism ( Fitzpatrick 2008: 169-170; Seligmann 1998: 80-83). Hence his impulse to the idea of building trade colonies based on the exploitation of a raw material necessary for German industry, which should be accompanied by diplomatic rhetoric to justify and protect the settlers (and their companies). For the specific case of the American countries, a significant percentage of the German diplomats were affiliated with such pro-colonial organizations, both by convictions and by their own convenience, since such positions were very minor in scale of importance and they expected that such affiliations and contacts allowed them to ascend to spaces of greater visibility (Cecil 1976).

In the case of the Hube and Achelis, the Achelis family was directly related to the Prussian army and the company received several visits from Friedrich Wilhelm, cousin of Friedrich Adolph, who was part of the Prussian Dragoon Regiment and pro-colonial and the official German religion in the world (Die Familie Achelis in Bremen 1921: 79). His visits coincided with the transformation of the company into a limited company, where they absorbed minor German companies and created a directory in the capitals of Argentina and Chile. The directories were characterized by the integration of important diplomatic and political representatives from each of the countries, and in Chile to the outgoing ambassador in Germany (Ramón Subercaseaux) and the plenipotentiary minister who negotiated the border agreements with Argentina (Carlos Concha Subercaseaux) (Estatutos 1904). The regulations for the formation of the boards show that none of the directors was a great share-
holder but that they would act as political agents to mediate the interests of the company vis-à-vis the respective parliaments and presidencies.

Succinctly after 1905, year of creation of the joint-stock company, the company (renowned Compañía Comercial y Ganadera Chile-Argentine) made that laws were enacted that allowed the wool not pay customs duties; that their border crossings were recognized by the states, preventing their use by competing companies; it obtained that the subsidies received from Argentina and Chile stopped being negotiated annually in the parliament and be a permanent cost; and, finally, obtained the support of the German chancellery to access large areas of public land along with an autonomous exit to the Pacific Ocean (Muñoz 2017; Blanco 2012; Méndez 2010).

It is better to contextualize this point before tackling it fully, at the time of the creation of the Chile-Argentina company, two clubs in the cities of Osorno (province of Llanquihue) and Río Bueno (province of Valdivia) were created by the German navy. Both cities were Mediterranean but they were connected fluvial with the Andean valleys and their lakes. Being Osorno a thriving center of the ancient Germanic communities arrived in Chile in the mid-nineteenth century. From these centers, the navy sought to recruit young merchants descended from Germans, who shared the foreign policy stance of Wilhelmine Crown and were willing to participate in the commercial colonies that were expected to be created in the region (Manz 2012). Unaware of the circumstances, apparently such a proposal did not have a positive response within the communities of Germans settled in Chile, either because they did not share the colonial vision or had entered into commercial agreements with other immigrant communities, especially English and French, and did not wish to suspend (Brahm 2015). The experience made the Navy and chancellery concentrate their efforts in supporting the Chile-Argentina company.

In 1906, the Chile-Argentina company attempted to acquire a large amount of public land in Chile, which complemented its land already acquired in the Nahuel Huapi Lake in Argentina, but primarily the control of two important river channels: the first it connected the mountain range with the city of Osorno, where in the previous years the railway had arrived, connecting the city with the center-north of the country; and the second, the mouth of Lake Llanquihue, which would allow it to build its own port in the Pacific Ocean. To acquire such land, they was buying different concessions from land to private land, a situation
openly rejected by the local communities of the Province of Llanquihue (including the Germanic communities) together with parliamentarians (Muñoz & Méndez 2018: 99). The Chilean government was hesitant on this point, as it weighed the possible political costs of an open support to the company over local communities, an uncertainty that was broken by the direct intervention of the German Plenipotentiary Minister in Chile, Franz von Richenau.

Richenau was a diplomat of open fervor for the imperial leadership of Wilhelm II and with open desires to scale quickly within the German diplomacy, for which a position in Chile little helped his interests. Already within the chancellery, he joined the Club of Germanity Overseas (Verein für Deutschtum in Ausland) of high political and social ascendancy within the Willheimstrasse (which indirectly financed him), so he noted that his possible intervention in the disputes between the Chile-Argentina company and the Chilean government could serve as a sustenance and springboard to their aspirations in the chancellery (Vermeiren 2016: 209 and 217-218).

A central problem of the policy of land grants in Chile is that they entailed the clause that their delivery was conditioned by the settlement of settlers, a situation that many companies were suspicious of since they wanted the land for install cattle or sheep animals. The Chile-Argentina company did not dissent sustainably at that point, the concessions were to serve as fattening meadows to their sheep herd along with installing warehouses and ports in strategic river beds for the transport of the wool. Richenau, we presume, not ignoring such desire of the company, also requested, in 1906, a private meeting with the Inspector General de Tierras and asked him to extend the term of expiration of the concessions, since he claimed that the hundreds of Germans would come the colony was being selected by the German Crown, however, it was a prerequisite that the land had been delivered before the colonists embarked\(^1\). Richenau's intervention was accompanied by a series of letters from the company's manager, Federico Hube, to the Minister of Foreign Affairs, where he reaffirmed what was stated by the German minister and once again conditioned the arrival of settlers to the previous delivery of the land.

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\(^1\) The interview was so irregular, than the Inspector wrote to the Minister telling about (Anexo Documentos 1906: 1436).
Finally, the Chilean government accepted and granted full use of the land concessioned to the Chile-Argentina company, arousing the rejection of broad political and social sectors, including from the German professors hired at the University of Chile (Bürger 1909). Meanwhile in Germany, the pro-colonial clubs broadcasting organizations praised the decision and published reports on the benefits of the Andean valleys and settlement prospects for German settlers (Fritsch 1908).

If we were to finish at this point our exposition could easily be argued that what is exposed here is a sign of the reality of the Pan Germanist project of the German Crown, which was so profusely disseminated in the Anglo-Saxon press of the time, although the continuation of the story leads us to ponder such affirmations. In 1907 the company Chile-Argentina concentrated land up to one million hectares, in Argentina as Chile, its circuit of wool exploitation was on the rise and the German capitalists had bought large packages of shares to their Creole peers, acquiring publicly control of the company (along with displacing the native representatives of the directory). Context that allowed them to openly abandon the discourse regarding the arrival of settlers and request the Government to eliminate the clause, and replace it with the productive use of land. This turn was accepted by the presidency of Montt but was entered by a series of civil trials that, in subsequent years, made it impossible for the company to use in fullness of the land. In as much Richenau was promoted within the chancellery, being transferred like minister to Rio de Janeiro, where it was until 1909 when he was named Ambassador in Stockholm, Sweden. It is impossible not to see the correlation between his action in favor of Chile-Argentina and his appreciation as a politician within the German chancellery. Apparently his ambition and diplomatic techniques did not change in Sweden, since he convinced the Chancellery that Sweden would be an ally of Germany in a future war, so the declaration of neutrality triggered his fall, which was consolidated with the request for his removal by King Gustav V (Jonas 2016: 93). In the following months, Richenau, was reassigned to the ministry of Buenos Aires, we suppose, following Lamar Cecil, that his return to South America should have been felt by him as a failure and a setback definitive in his diplomatic career.

Conclusions
This brief presentation, which has revolved particularly around the situation of a German wool company located in Argentina and Chile, appears as a representative example of the fragility of the thesis that seeks to understand the expansion of the German economy in the Pacific Ocean basin from positions centered solely on the expansionist and colonial desire of its leaders. Undoubtedly, the German Crown was determined to dispute the economic control of the Pacific with Great Britain and the United States of America, however, that desire hardly responded to a planned model of action, rather it was marked by the individual action of its representative members. In the aforementioned case, we find diplomatic and commercial actors who raised that discourse as a strategy to acquire political and economic relevance, which for some was reflected in obtaining economic benefits over their commercial competitors and, in other cases, responded to his desires for figuration in diplomatic posts of greater relevance than those existing in the American countries.

In short, the grandiloquence of the speeches was counteracted by the prosaic results that the actors sought, a situation that forces us to carefully review the actions supported by the German government, not from the prism of colonialism, but rather, from a heterogeneous strategy of dispersed and momentary supports to subjects that in particular conjunctures seemed to support or represent the ideals promoted by Wilhelm’s Crown. In a space where imperial decisions were adjusted to the turns of the emperor's personality, with the ductility and fragility that characterized him, the chancery leadership was equally variable and lacked the strength of the Bismarckian period, so that to sustain theories about colonizing projects in the Americas seems difficult to sustain and much less to affirm in light of the experiments actually carried out in the years leading up to the First World War.

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