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The Economics of Empires:
An Analysis of British Railway Investments in 1850s Imperial Brazil

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As Brazil embarked into the great unknown as an independent country, it found its economy inextricably linked with Britain's. Splitting from Portugal had economic repercussions that led Brazil to enter the British sphere of influence in the 19th century, affecting commerce, investment, and even politics. Specifically, Brazil took over Portuguese debts to Britain regarding the movement of the imperial court to Brazil during the Napoleonic Wars and the cost of fighting against Brazilian independence.¹ With the Industrial Revolution in full swing in Europe by the middle of the century, the British Empire looked to use its own wealth to expand its influence further into South America, a location with immense natural resources. In 1855, British civil engineer Edward De Mornay wrote to the Brazilian government to request British capital be allowed to fund and build a new railroad that would run from Recife along the Sao Francisco River into the interior of Pernambuco. In *A Report on the Proposed Railway in the Province of Pernambuco, Brazil*, Mornay lays out the economic benefits and modernization that

¹ Thomas E. Skidmore, *Brazil: Five Centuries of Change* (New York, NY: Oxford University Press, 2010), 42.

the Empire of Brazil would reap from such technology, while simultaneously appealing to imperial and conservative concerns and looking out for British interests.

An independent Brazil had both the obligation and now the powers to put itself and its own aspirations first, unlike when it was subservient or equal to Portugal. In the 19th century, a Brazil first attitude meant attempting to compete with powers in South America and abroad in free trade and commerce, as coffee, cotton, and sugar were Brazilian exports that were in high demand and brought money into the national economy.² Some of these products were not grown along the coast or near ports, like sugar, but further inland within the geographic jungle that was Brazil. This meant long transportation times, difficult terrain to traverse, and less than ideal economic productivity. To begin, Mornay explains, “[The railroad] bisects the sugar districts of the province almost from end to end, a district containing more engenhos (plantations) in an equal compass than any other spot in the empire.”³ Mornay hits on two points that likely raised Brazilian interests in his report: lowering transportation times and connecting the agricultural centers to the commercial centers. He continues on with the agricultural benefits, saying, “Besides sugar, many other products will be conveyed by the railway to Recife. The principle articles are sugar, rum, and timber...cotton, maize, and manioc flour.”⁴ The last three products were to be transported from places like Garanhuns, which was well over 100 miles from the port of Recife. Unlike in Britain, where the railroad boom connected the homeland and facilitated the continued rise of domestic manufacturing and industry, rail in Brazil was aimed at cementing the

² Skidmore, *Brazil*, 38.

³ Edward De Mornay, “Report on the proposed railway in the province of Pernambuco, Brazil,” [London]: [Printed Cox (bros.) and Wyman], [1855], *Sabin Americana: History of the Americas, 1500-1926*, 9 (accessed September 20, 2020), <https://link.gale.com/apps/doc/CY0100820811/SABN?u=emory&sid=bookmark-SABN&xid=ae5827de&pg=1>.

⁴ De Mornay, 9.

dominance of the agricultural economy. In line with ideals of Emperor Pedro II, this would have also appealed to conservatives and proponents of slavery, who owned or relied on the economic powers of the large plantations.

Brazil remained in debt to the British government throughout the 1800s, with such an economic situation allowing the British to often put pressure on the Empire of Brazil to acquiesce to their demands. Mornay clearly understands this and writes to the Brazilian government discussing Britain's economic interest surrounding the railway. He explains, "The concession [of the railway] includes exclusive mining privileges over the country lying within twenty miles on either side of the railway throughout its entire length, forming an area of nearly 8,000 square miles."⁵ The region itself, Mornay would further explain, had hardly been excavated, so it was likely to be ripe with precious metals or diamonds. This concession would increase Britain's economic influence and profit from the railway venture, giving them an impetus to complete the railway properly and efficiently, as well as to develop Brazilian lands for which the Brazilian state lacked the funds. Additionally, while Brazil would benefit from the increase in effective commerce that would get its products to European markets more quickly, the growing funds from exports would be used to pay off debts to foreign nations, of which the largest holder was Britain. Not altruism toward Brazil but their own finances were leading the British to bring the Industrial Revolution to the country.

Connecting the port of Recife to the rest of Pernambuco through British rail would also have the added benefit of protecting the Brazilian monarchy from implied threats that Mornay does not openly discuss. For the past half-century, Pernambuco had been a hotbed of instability, with Skidmore writing, "A second issue was how the monarchy could secure the loyalty of

⁵ De Mornay, 13.

Brazil's scattered provinces, especially where republicanism was particularly strong, such as in Pernambuco.”⁶ Only a few years prior to Mornay’s report, Pernambuco erupted into rebellion, with republicans demanding the end of the monarchy in 1824 and regionalism supporting liberals revolting and pushing for limits on Emperor Pedro II’s powers in 1848.⁷ Mornay did not explicitly mention the problems that had marred Pernambuco in the past, but his writings clearly emphasize the uniting, centralizing, and transportation-easing benefits that rail would bring to the region. Such things would give the Brazilian government more direct power over the state, while simultaneously allowing for quicker mobilization times for soldiers in case of another revolt. The lack of infrastructure and means by which to traverse the immense distances in Brazil was apparent to Mornay in his travels, but, he responds, “With the establishment of a railway, a large traffic will immediately be created...and the extensive patches of jungle that are interspersed among the cane and corn-fields, will be brought into cultivation.”⁸ This quote itself is two-fold, with it both explaining the literal benefits of the railway and symbolically detailing how the railway is a tool to tame, control, and utilize the vast interior of the nation.

The increasing globalization and imperialism of the 19th century meant Brazil and the monarchy under Pedro II were aware of their own place in the world. In contrast to the Spanish-American republics, Brazil saw itself as a more stable nation with, by the 1850s, rational politics and factions within a larger constitutional monarchy system that was looking up at Europe and down upon its neighbors.⁹ Mornay employs nationalist and imperialist rhetoric towards the end of his report, saying such technological developments are of “great national importance, and will

⁶ Skidmore, *Brazil*, 38.

⁷ Skidmore, *Brazil*, 47.

⁸ De Mornay, 15-16.

⁹ Skidmore, *Brazil*, 48-49.

effect a social revolution in the most central provinces.” He continues his argument by juxtaposing Brazil against Europe and, by extension, Britain, the world’s superpower. In this rhetorical appeal, he says, “Railroads, those potent civilizers and great vehicles to the acquisition of wealth, will do for Brazil what they have already done for the states of Europe.”¹⁰ Mornay is establishing that Europe is the center of economic prosperity and civilization, while implying that Brazil is currently not on the financial or cultural level of Europe at the moment. However, in the same quote, Mornay is also implying that Brazil can attain such lofty goals, albeit by acquiescing to British investment and, essentially, more economic influence and control.

In conclusion, Edward De Monray’s *A Report on the Proposed Railway in the Province of Pernambuco, Brazil* is more than a factual account of the geography of Pernambuco and the progress and plans to use a railway funded and built by Britain. Rather, it offers us a deep insight into the relationship between Britain and the Empire of Brazil. The former had a clear interest in helping Brazil to modernize, as Britain desired the natural resources of Brazil in the cheapest manner possible, while the latter lacked the capital to fund industrial innovations, such as efficient rail systems, that Britain was able to provide. Building a railway through profitable sugar growing regions would expedite commerce and help Brazil to pay off its debts to Britain more quickly, on top of concessions permitting Britain to extract diamonds if they were to discover deposits. The report also implies the British government had an interest in the security of the Brazilian monarchy, with a railway in Pernambuco being a clear boost to central control of a state that had a history of liberal and anti-monarchical revolts. The contrast between modernity and progress, symbolized by the railroad itself, and the conservative and imperial benefits that the railway could bring to Brazil is apparent and is used by Mornay as a tool of persuasion. Such

¹⁰ De Mornay, 19.

a railway would not only internally link Brazil together, but also more closely link Brazil to Britain for the foreseeable future.

About the author

Scott Benigno is a senior at Emory University studying history and economics. He enjoys writing and research and his hobbies include reading, watching and playing sports, and poker. After college, he hopes to continue his education by attending graduate school to pursue a PhD in history and combine future employment with passion.

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