

Irish Migration Studies in Latin America

Society for Irish Latin American Studies

William Russell Grace (1832-1904), merchant in Peru



W.R.Grace (1832-1904)
(Library of the Congress)

Grace, William Russell (1832-1904), merchant, was born in Riverstown, near Queenstown (Cobh) in County Cork, Ireland on 10 October 1832, to James Grace and Eleanor Mary Russell. William was raised in the family home in Ballylinan, Queen's County (present-day County Laois). He became one of the most prominent businessmen between Latin America and the United States in the post-Civil War era and the company he founded, W. R. Grace & Co., developed into the leading commercial multinational linking the Americas through trade and commerce.

He left Ireland in 1846 bound for New York. The push factor was the famine afflicting Ireland in that era, while the pull factor was provided by the opportunities in the Americas. Grace eventually found his way to Peru in 1851 where his father invited William to join him in an agricultural enterprise. William, however, was no farmer. He gravitated towards Callao where he joined Bryce Brothers, a ship chandler and purveyor engaged in supplying the large international fleet taking guano off the Chincha Islands.

Hundreds of ships anchored off the Chinchas each year loading this rich fertiliser that was revitalising over-used lands in Europe and the United States, and the ships needed re-victualling and refitting for the long return voyage to the Atlantic via Cape Horn. William soon pitched in with his own ideas.

He decided to take an old hulk, stock it with provisions for sale and anchor it amidst the guano fleet. This saved the guano ships from having to make a separate voyage to Callao, the port of Lima, before returning to the Atlantic. The young entrepreneur put Bryce Brothers ahead of its competitors and William was on his way, quickly recognised for his talents and energies by the older Bryce brothers, and much appreciated by ship owners, captains, and masters in the guano fleet.

William was not only a talented young entrepreneur, but a gregarious and charming young man. He met Lillius Gilchrest, the daughter of George Gilchrest, one of the ship captains. Lillius was travelling with her father on these long voyages and after a courtship there amidst the most improbable circumstances of stinking dung consignments, William and Lillius returned to her hometown of Tennants Harbor, Maine, USA, and married on 11 September 1859. Their first child, Alice Gertrude, was born on 11 June 1860 on the storeship anchored at the Chinchas.

By 1862, the Civil War was raging in the United States and William had transferred himself to Callao to be closer to the commercial and political capital of Peru, Lima. He returned to Ireland in 1862, on the advice of doctors who told him that he did not have long to live, as he suffered from Bright's Disease. William had a wonderful homecoming in Ireland and returned to Peru via New York in 1863. He lived forty-one more years, confounding the doctors' diagnosis and embarking upon an immensely successful career not only as a pioneering entrepreneur spanning the Americas, but also being elected the first foreign-born Mayor of New York in 1880, launching a high-profile trajectory into US politics in the late nineteenth century.

In the meantime, William began inviting his younger brothers, cousins, and other family members, by blood or marriage, to join him in Peru to help operate the expanding business. The first of these brothers was Michael who came in the 1850s. Others followed as the company founded by William, W. R. Grace & Co., expanded the reach of its commercial activities to include not only Peru and the United States, but also Europe and other Latin American countries, especially along the west coast of South America in the 1870s and 1880s.

In 1866 William, a good friend of the Union in the struggle between the States, moved his growing family to New York, then emerging into a rising cycle of business expansion and prosperity as the commercial and financial capital of the United States. It was a natural move for William. He left his brother Michael Grace in Callao in charge of Grace Brothers (which absorbed the old Bryce Brothers) and from New York, while living in a fashionable neighbourhood in Brooklyn Heights across from Manhattan, William moved with the times. He had married a US-American girl, had developed close personal and business ties with North Americans while in Peru, and New York drew him like a magnet. The other pole of his growing business was Peru, and the biggest business in Peru at the time was building railroads, the apotheosis of modernity which had captured the imaginations of Peruvians.

At the centre of the railroad building fever in Peru was Henry Meiggs, a flamboyant, charismatic entrepreneur who had made and lost several fortunes all the way from California to Chile before showing up in Peru in the late 1860s. Once there he contracted for the first major railroads to be built in Peru. The Peruvian government indebted itself for over \$30 million to pay for the railroads, and Meiggs went to work. William met Meigg's purchasing agent in New York, Joseph S. Spinney, and through Spinney the flow of goods - locomotives, cars, ties, iron, lumber - began from the US to Peru, much of it transported through the Grace houses, on many ships chartered, or built and owned outright, by the Graces. Under William's guidance from New York, the houses grew from simple ship chandlers to purveyors of guano and nitrates, railroad supplies, and just about anything Peruvians and other Latin Americans needed. William hired a young American, Charles Flint, who became a master salesman, travelling into the interiors of Peru, Ecuador, and Chile, sizing up markets and measuring needs. Flint eventually broke with the Graces much later in his career, putting together the US Rubber Company after he and the Graces had diversified into the rubber business of Brazil and Bolivia in the 1880s.

Amidst this dramatic business expansion in the 1870s, William developed an affinity for his adopted city, and soon found himself in the middle of its politics, running for mayor in 1880 on a reformist Democrat ticket. He was elected in 1880 and again in 1884, each time for a two-year term. His career as mayor carried his attention away from Latin America for much of the 1880s. In the meantime, the other pole of his growing business, Peru, suffered a disastrous setback in its national destiny.

In 1879, Peru and Bolivia went to war against Chile. When the War of the Pacific ended four years later, Chile emerged victorious as a major power and Peru and Bolivia were humiliated, stripped of territories and saddled with a huge debt. The Graces had supported Peru in this war, buying and sending arms to the Peruvians and vehemently advocating the intervention of the United States to preserve the territorial integrity of Peru after Chilean victories. In New York, William presided over his growing family and the fortunes of the city, and when he left office in early 1887, he was a nationally recognised figure in US politics.

His business enterprises expanded even more in the closing decades of the century. The Grace Line was formally established in this period, and the line became the principal conduit of commerce, and later passengers, between New York and the west coast of South America for much of the following century. With Charles Flint, William plunged into the rubber boom along the Amazon before Flint eventually broke with the Graces and pushed them out of rubber.

In 1898, William assumed the leadership of a powerful political and economic faction in the US desiring to build a trans-isthmian canal across either Nicaragua or Panama as a private venture. They eventually lost out to the Panama lobby and President Theodore Roosevelt's own vision of destiny, but when the Panama Canal was completed in 1914, one of the first ships to pass through was a Grace Line steamer, taking advantage of the new route to make connections between the US and South America even more rapid and efficient.

In his biography of William Russell Grace, Marquis James described him as follows: 'Billy was not tall for his age, but he was well set up and strong. He had blue eyes, tawny hair, and an excellent temperament for a first son, being a daredevil and a natural leader. He was hotheaded and a fighter. He taught John [a younger brother] to fight, so that the crippled boy could hold his own against most boys of his size who had sound legs.' (James:1993, p9) When comparing William to brother Michael, Marquis James wrote, 'William had the gift of leadership, the sounder judgments, the greater foresight. In making a decision, he bore in mind more factors. Though William fought it, the hot temper of his boyhood could still assert itself. He would blow up at Michael in a stiff letter ; then apologize for his language, though not his opinion. The younger brother would write that no apology was necessary.' (James: 1993, pp. 64-65).

Early on he had fallen in love with Peru and its people, and much of William's character comes through in this letter he wrote to his brother John in 1872. 'I like the Peruvians. I always enjoyed their society and I never looked upon them as more deceitful than [other] people [...] The English in foreign lands, I never liked; they are, in my experience, presumptuous and self-opinionated [...] I know [mercantile] houses in Peru that were in my time hated as haters of Peru.'

Not so William. He hired and promoted Peruvians who demonstrated the same work ethic he expected of his family and his US American and Irish subordinates. He imparted to his brothers, his nephews, and all who came to work for him, a devotion to learning the languages and cultures of the countries of Latin America. When he died on 21 March 1904 in New York City, he was remembered for weaving new and stronger ties between the United States and Latin America through his many enterprises, both private and public.

The *New York Times* wrote that 'even in this country of self-made men, of great business houses, and of great fortunes, the career of ex-Mayor William R. Grace was a conspicuous one. He developed markets, he established transportation lines, he embarked in mercantile ventures, and directed them with such skill that while he was building up a personal fortune he was also contributing to the expansion of this country and of other countries. Whenever he took an active part in politics, it was as a man of sound principles working in behalf of honesty and efficiency in public administration.' And the *New York Daily News*, as always with a penchant for the colourful, produced this epitaph: 'Romantic life story of an Irish lad who ran away from home to be a Robinson Crusoe, who twice became Mayor of New York and died a multimillionaire.'

That arguably was the embodiment of the American dream at the turn of the century, and the one for which William R. Grace's contemporaries remembered him best.

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References

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