

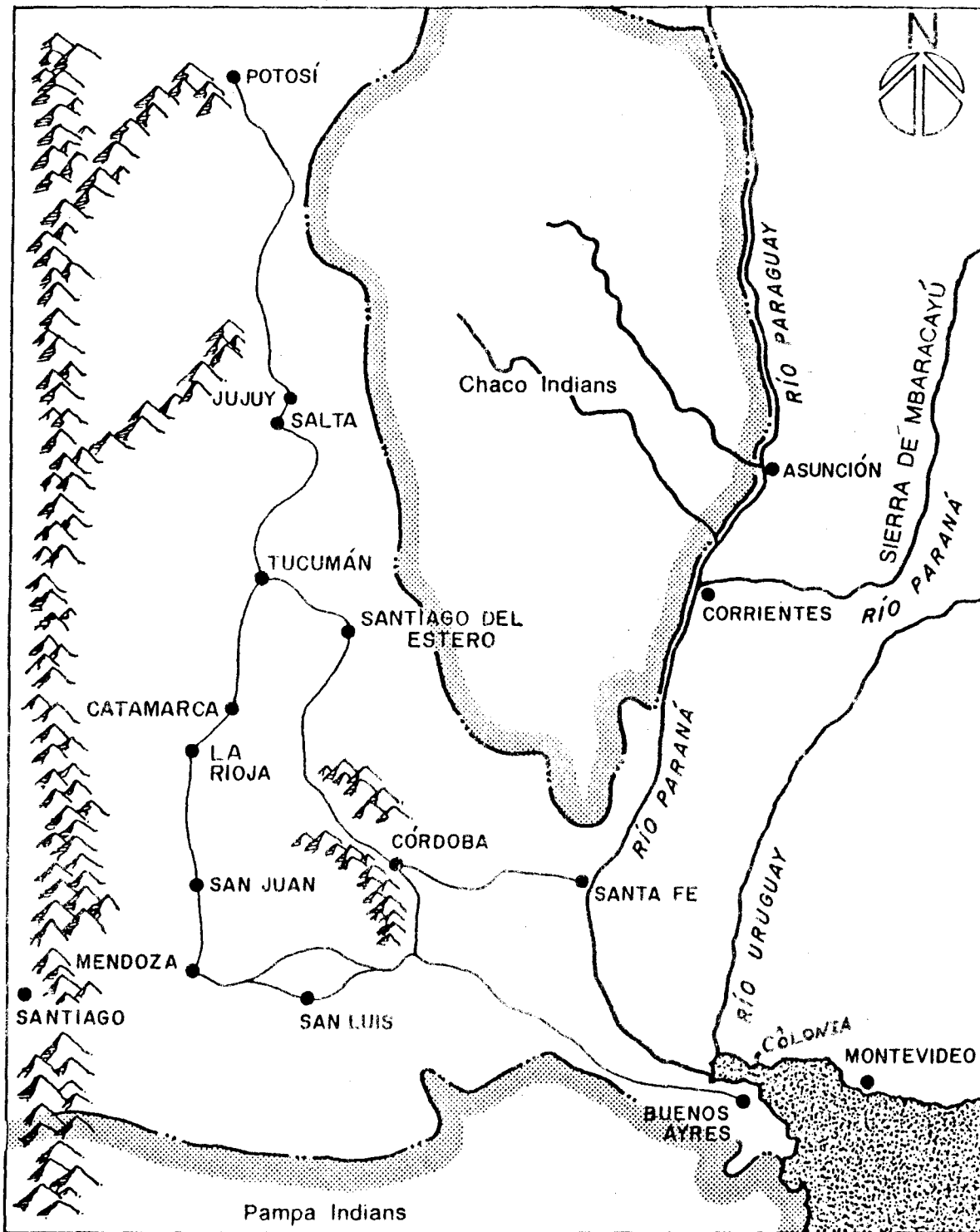
TEXAS PAPERS ON LATIN AMERICA

Pre-publication working papers of the
Institute of Latin American Studies
University of Texas at Austin
ISSN 0892-3507

Decline and Fall
of the Spanish Merchants at Buenos Aires:
Marcó del Pont in the Age of Independence

Jonathan C. Brown
Department of History

Paper No. 87-14



MAP I. REGIONAL TRADE ROUTES OF COLONIAL RÍO DE LA PLATA.

0 kilometers 400

Scale

DECLINE AND FALL OF THE SPANISH MERCHANTS AT BUENOS AIRES:
MARCO DEL PONT IN THE AGE OF INDEPENDENCE

Jonathan C. Brown

In the four decades of commercial growth that followed the establishment of Buenos Aires in 1776 as capital of the new Viceroyalty of the Río de la Plata, Spanish-born merchants resident in that city came to be its leading citizens. *Porteño* society differed from that of many other Spanish American cities in that Buenos Aires' wealthiest and most-respected citizens were not primarily government officials, miners, landowners, or the titled nobility. They were overseas merchants who, of necessity, cultivated political connections but not land.¹ These merchants controlled the importation of slaves and mercury and the exportation of silver and hides. Their credit supported the merchandising of European finished goods throughout the Southern Cone of South America. Invariably marrying native-born daughters of older Spanish merchants in Buenos Aires, these Iberian-born *comerciantes* established families that diversified into local marketing and public office yet seldom into land during the viceregal period. The powerful merchant community also assisted in the political administration of the colonies, financing public officials and collecting taxes and fees on commission for the crown. In fact, much of a Spaniard's access to commercial wealth depended on his political influence. As the leading social group, the merchants supported the social institutions of the Spanish presence in the Río de la Plata—the church, Catholic charities, and the religious brotherhoods. Without doubt, the *porteño* commercial class provided the glue that held together Spain's vast empire in South America.

Yet by 1810, the power of this group had been reduced, and the Spanish-born merchants were unable to prevent the passing of political and economic power to their hitherto less-privileged Creole brethren. The end result of this disintegration was independence. In the process of its precipitous decline, the Spanish merchant class at Buenos Aires lost control of its trade, its social ties throughout the region, its political power and, ultimately, its own wealth. The independence movement in the Río de la Plata, insofar as it transferred political power and income away from the Spanish-born merchants and to a disunified group of native-born politicians and troop commanders, may be considered a social revolution in that it sought to restructure society in an abrupt if limited fashion.

The revolution for independence, of course, would have been impossible had there not been first a breakdown of the Spanish Empire. Tulio Halperín Donghi has remarked how sudden this breakdown was. In a real sense, there were few precedents to the independence movement in the Río de la Plata; rather, a progressive weakening of Spain and the Spaniards in the Americas provoked the political crisis in May 1910 that those who led the revolution had not foreseen even two years earlier.²

External problems induced internal crisis, as events in Europe during the first decade of the nineteenth century tended to undermine the economic and political authority of Spain in America. Spain's initial alliance with Napoleon caused, among other things, a British blockade of Spain and the British invasion of the Río de la Plata in 1806 and 1807. In the next year, Napoleon turned on his ally and sent troops into the Peninsula, capturing the Spanish royal family. Both the loss of royal authority and the recurrent economic depressions throughout the empire induced American-born elites to challenge the political hegemony of Spaniards in the colonies. The first manifestation of independence in 1810 produced the *cabildo abierto* in Buenos Aires, the most dramatic and decisive event in the region's break from Spanish tutelage.

This paper will review those factors that led to the breakdown of Spanish political and commercial hegemony in the Río de la Plata as revealed in the career of one influential Spanish merchant at Buenos Aires. Ventura Miguel Marcó del Pont, born in 1762 at the port of Vigo in Galicia, acted as the

¹Susan Migden Socolow, *The Merchants of Buenos Aires, 1778-1810* (Cambridge, England: Cambridge University Press, 1978), pp. 14-16, 54, 65.

²Tulio Halperín Donghi, *Revolución y guerra: formación de una élite dirigente en la Argentina criolla* (Buenos Aires: Siglo XXI, 1972), pp. 130-131.

commercial representative in Buenos Aires of his father's Spanish merchant house. A collection of his papers at the Benson Latin American Collection of the University of Texas at Austin chronicles the decline of empire at Buenos Aires between 1805 and 1810. The European wars of the first decade of the nineteenth century destroyed those social bonds in America among Spanish-born merchants and officials that for two and one-half centuries had held together the empire in the name of the king - and of individual profit and privilege. Once undermined by external events, the Spaniards at Buenos Aires like Marcó del Pont fell prey to the newly aroused political and economic aspirations of their erstwhile collaborators, the native-born Creoles. Perhaps the very depth of social dislocation that succeeded the war stands as testimony to how important those social and commercial bonds had been.

FOREIGN TRADE IN THE VICEROYALTY

Foreign and internal trade held together the Viceroyalty of the Río de la Plata, whose vast territories spread from the windswept *altiplano* of Alto Perú through the arid foothills of Mendoza, to the rain forests of Paraguay, and to the lush grasslands of the Banda Oriental and Buenos Aires. Marcó del Pont was one of those wholesale import-export merchants residing in the port and capital city of Buenos Aires who connected Spain to the distant cities of the empire. With influence based on family ties and his Galician origin, Marcó actively directed a commercial network that included Lima, Santiago de Chile, Mendoza, and Córdoba in the west, Potosí in the northwest, Montevideo, Colonia, and the smaller river ports in the Paraná River basin, and Vigo and Málaga in Spain (see map). He utilized the legal instruments of invoices and letters of credit (*facturas* and *libranzas*) throughout the Southern Cone to exchange European goods, domestic commodities, slaves, silver, and hides. In this kind of business, Marcó differed little from other successful Buenos Aires merchants of Spanish birth who had been maintaining commercial ties based on kinship. Gaspar de Santa Coloma, an older Basque-born merchant, since the 1780s had been reselling imported goods at a 20 to 80 percent markup in Montevideo, Córdoba, Santa Fe, San Juan, Asunción, Tucumán, and Santiago del Estero.³ Despite its sophistication, the commercial system, even in the best of times, was vulnerable to distance and competition. Under such conditions, the trust born of social ties between the Spanish-born merchants was more important than *libranzas*.

Marcó del Pont owed his leading position in *porteño* commerce to the connections his family with the court of Carlos III and later that of Ferdinand VII. A younger brother served in the Spanish army, eventually becoming a general during the Napoleonic wars. Marcó received shipments of European goods from his father's merchant house in Vigo. He shipped cargo and correspondence to Europe via Spanish ship captains with whom his family had provincial ties.⁴

Credit lubricated the fragile Spanish commercial system in the Río de la Plata, and Marcó extended credit throughout the region beginning at the port of Montevideo. The chief port on the estuary of the Río de la Plata (at least for Marcó) was not Buenos Aires itself but its sister city, Montevideo. All the *fragatas* and *goletas* involved in Marcó's trade with Europe arrived and departed from Montevideo. The largest and most productive of the region's cattle ranches were located along the estuary west of Montevideo, and the first hide- and meat-salting slaughterhouses, called *saladeros*, were established in the Banda Oriental as early as the 1790s to serve the export trade. Despite the advantages of the harbor and the productiveness of its hinterland, however, Montevideo was subordinated politically and commercially to the viceregal capital. Establishment of the *consulado*, or merchant's guild, at Buenos Aires in 1794 made it imperative that the major Spanish merchant houses

³Socolow, *The Merchants of Buenos Aires*, pp. 154-155.

⁴Carlos Camufse (?) to Ventura Miguel Marcó del Pont, Montevideo, March 15, 1809; Pedro Olasarría (?) to Marcó, Montevideo, March 29, 1809, file 17, *Papeles, Ventura Miguel Marcó del Pont*, Benson Latin American Collection, University of Texas at Austin. All the manuscript documents cited below belong to this manuscript collection.

maintain their residences there - even though the Banda Oriental contained much of their export business.⁵

Because of Montevideo's economic importance, Marcó del Pont maintained warehouses, retail shops, and a subsidiary merchant house there. Commercial agents there received Spanish wine and iron products, Brazilian cacao, Portuguese beer, Dutch woolens, and Oriental silks on Marcó's account. In turn, they extended these goods to retail merchants on their own accounts, exchanging *facturas* and *libranzas* for the goods.⁶ Numerous boatmen contracted to the Marcó house carried cargoes and messages between Buenos Aires and Montevideo and Colonia on the Banda Oriental. At times, Marcó expressed some frustration at being the long-term creditor—sometimes for a year or longer—of a large number of retailers. He extended credit only to "morally secure buyers, as my desire is to terminate these brief business deals to avoid the inconveniences that they cause."⁷ Such arrangements were necessary because the export of silver specie by the merchants and by government tax collectors had robbed the prosperous and expanding economy of the viceroyalty of its liquid capital. Nearly one-half of the region's export trade between 1794 and 1810 consisted of gold and silver.⁸ Long-term credit arrangements of necessity tied up Marcó's capital, a fact that rendered him especially vulnerable to wartime disruptions.

From headquarters in Buenos Aires, Marcó del Pont directed the collection of hides and other cattle products from Colonia on the Banda Oriental and from ports on the Paraná and Uruguay rivers. At Colonia, he employed Sosa y Cía. to collect dried and salted hides from the large *estancias* in the vicinity. Sosa then gave out *libranzas* drawn on Marcó that the cattlemen were to present for cash payment in Buenos Aires "at eight days sight." Salt, an important item of trade, was shipped from Buenos Aires to the *saladeros* of the Banda Oriental.⁹ Additional rural products (*frutos de la tierra*) destined for international trade came to Marcó from several river ports. Marcó's merchant house maintained a number of boats (*barcos*) for the river trades, and his itinerant agents traveled on the

⁵Halperín, *Revolución y guerra*, p. 34; Horacio Juan Cuccorese and José Panettieri, *Argentina, manual de historia económica y social*, vol. 1, *Argentina criolla* (Buenos Aires: Ediciones Macchi, 1962), pp. 119-120; Germán O. E. Tjarks, *El consulado de Buenos Aires y sus proyecciones en la historia del Río de la Plata*, 2 vols. (Buenos Aires: Universidad de Buenos Aires, 1962); and Juan Carlos Nicolau, *Antecedentes para la historia de la industria argentina* (Buenos Aires: Published by Author, 1968), pp. 37-38.

⁶Manuel Ximénez y Gómez to Marcó, Montevideo, October 7, 1807; Zamora to Marcó, Montevideo, October 14, 1807; October 21, 1807, file 12.; Karla Robinson, "The Merchants of Post-Independence Buenos Aires," in *Hispanic-American Essays in Honor of Max Leon Moorhead*, ed. William S. Coker (Pensacola, 1979), p. 122.

⁷Marcó to Pedro Nicolás de Chopitea, Buenos Aires, December 16, 1807, file 14; and Lorenzo Antonio Maza to Marcó, Córdoba, May 16, 1807, file 7. [compradores de una moral seguridad, pues mi deseo es de terminar estos cortos negocios para evitarle las incomodidades que le causan.]

⁸Socolow, *The Merchants of Buenos Aires*, pp. 156-157; Laura R. Randall, *A Comparative Economic History of Latin America*, 3 vols. (Ann Arbor: University Microfilms, 1977), II, 183; and John Lynch, *Spanish Colonial Administration, 1782-1810: The Intendant System in the Viceroyalty of the Río de la Plata* (London: University of Lond, Athlone Press, 1958), p. 44.

⁹Sosa to Marcó, Colonia, August 6 and 13, 1807, file 10; July 30, 1807, file 9; March 10, 1807, file 5; January 8, 1807, file 3; Nicolau, *Antecedentes para la historia*, pp. 37-39. [a ocho días vista.]

rivers, purchasing the hides of bulls, cows, and steers; the skins of horses, deer, tigers, and lions; tallow; sacks of horsehair; and dried meat.¹⁰

In the best of times, colonial commerce was filled with the kind of risk and uncertainty that often spelled disaster for many a *porteño* merchant. On board the river craft, moths (*polillos*) infested the hides, reducing their commercial value at Buenos Aires. Occasionally, trade on the rivers consisted of pure barter, and Marcó did not always have the *ponchos* on hand that river merchants wanted in exchange for their hides.¹¹ Cargo was fragile, and transport on ships, riverboats, oxcarts, and muleback often led to the deterioration of goods. Although it was lucrative, dealing in slaves sometimes incurred extraordinary expenses and losses. In 1802, 35 newly imported African slaves (*negros bozales*) making up one of Marco's shipments (*partida*) died shortly after their arrival in Buenos Aires. Not only did his merchant house have to sustain the direct financial loss, but it had to pay for their paupers' burial as well.¹² Moreover, in all their trading activities, Marcó's agents sought to exchange their products for silver, the ideal foreign export, yet silver was in short supply toward the close of the colonial period. Marcó's agents complained repeatedly of their inability to secure any silver at all on their business trips.¹³

Finally, all the export merchants depended on high prices and brisk sales, for unsold products tied up scarce capital. Low prices and slow sales occasionally brought the credit business to the brink of disaster, as all the merchants in the system attempted at once to redeem their *libranzas* for cash in an economy that lacked specie. When this happened, the merchants were not able to pay the boatmen and cartmen nor to honor each other's *libranzas*.¹⁴ The oversupply of hides afflicting the river trades set all the agents to lamenting. "The sad state in which our Montevideo finds itself," wrote Sosa, "has us on this Bank [of the Río de la Plata] generally consternated." When the prices for rural exports fell in 1807, one of Marcó's agents considered everyone in Montevideo to be insolvent. This agent suggested that the way to increase liquidity was to grant a 25 percent discount on their *libranzas* to those who were able to pay cash immediately. Since this meant a loss on his invested capital, Marcó declined.¹⁵

¹⁰Manuel Bautista Brid (?) to Marcó, Conchas, April 24 y 28, 1807, Luis to Marcó, April 3, 1807, file 6; Joaquín Bermúdez to Marcó, San Nicolás, January 18, 1807, and Alberto Luis (?) to Marcó, January 9, 1807, file 3; and Marcó to Luis, Buenos Aires, March 19, 1807, file 5. [cueros de toro, vaca y novillo; pieles de bagual, ciervo, tigre, y león; sebo; sacos de cerda; y charque]

¹¹Manuel Antonio Isasbirib (?) to Marcó, Conchas, December 21, 1807, file 14; Marcó to Ysasbirivil (?), Buenos Aires, January 2, 1808, file 1.

¹²See various documents entitled "Resumen" and receipts, December 17, 1802 to February 7, 1803, and Andrés Sánchez de Quíroz to Marcó, Lima, April 26, 1807, file 6.

¹³Tomás Torizo(?) to Marcó, San Nicolás, January 23, 1807, file 3; Lorenzo Antonio Maza to Marcó, Córdoba, December 6, 1807, file 4.

¹⁴Miguel Zamora to Marcó, Montevideo, July 22, 1807, file 9; Zamora to Marcó, October 7, 1807, Juan de Dulon to Marcó, Montevideo, October 22, 1807, folder 12; F. de Soria to Marcó, Montevideo, September 30, 1807, folder 12.

¹⁵Sosa to Marcó, Colonia, January 22, 1807 file 3; Zamora to Marcó, Montevideo, August 9, 1807, file 10; Marcó to Zamora, Buenos Aires, October 17, 1807, file 12. ["La triste Situación en que Se alla nuestra Montevideo, nos tiene consternado generalment a toda esta Banda."]

INTERNAL TRADE AND COMMERCE

Spanish-born merchants such as Marcó del Pont also provided commercial cohesion to a vast network that bound the distant cities of the Southern Cone to Buenos Aires. Kinship and Spanish origin ensured both the political and the economic unity of the Spanish American empire. Marcó del Pont maintained connections with relatives and kin, all of whom assisted one another in the exchange and retailing of goods in Córdoba, Mendoza, Santiago, Lima, and Alto Perú.

In Córdoba, the second most populous city in the viceroyalty, Marcó had a cousin who coordinated the sale of European imports that came through Marcó's merchant house in Buenos Aires. Addressing Marcó del Pont as "my most beloved cousin" ("mi más amado primo"), Lorenzo Antonio Maza served as the most important auxiliary for the family's commerce in the interior. His warehouse in Córdoba received goods from Buenos Aires via a train of oxcarts (*tropa de carretas*). He separated those goods to be sold in Córdoba and sent the rest on to Mendoza and Potosí. Maza also took charge of retailing goods on Marcó's account in his shop at the center of Córdoba. He sent Marcó letters via the *correo*, which arrived in Buenos Aires within a week, to inform Marcó of the latest prices on the plaza and to notify him of those foreign items in demand by *cordobés* consumers. In all, Marcó carried his cousin for more than 7,000 pesos over a period of several months before sales permitted Maza to deduct his profit of approximately 8 percent and repay Marcó's line of credit.¹⁶

Spaniards seemed to have controlled most retail sales of European goods in Córdoba, often combining political functions and business. Córdoba's town council (*cabildo*) named Maza the Defending Magistrate of the Poor (*Regidor Defensor de Pobres*). His competitor had been a Catalán shopkeeper who was closely associated with the royal governor of Córdoba and with the powerful *porteño* merchant clan of Lezica. Having engaged in local politics to enhance his own business, Maza suffered when rival merchants received political favoritism. He complained to Marcó del Pont that official incompetence and arbitrariness, especially in collection of customs duties and sales taxes (*alcabala*), favored his commercial rivals—despite Maza's own "unselfish" public services.¹⁷ Sales at Córdoba, even in the best of times, had to overcome the other vicissitudes of colonial commerce at the beginning of the nineteenth century: low prices and slow turnover. The scarcity of silver in Córdoba and low prices delayed the payoff of credit.¹⁸ Often the merchant providing credit waited one year or longer to collect on the sales of retail items.

Marcó del Pont extended his ties of kinship and patronage to Mendoza in his effort to join the interests of empire and those of his own profit. The *porteño* merchant expanded his business by sending clients to Mendoza. Immigrating Spaniards who had known Marcó's father in Vigo even left their families in Marcó's household in Buenos Aires while seeking their fortunes in Mendoza, being helped along the way by a number of Marcó's correspondents.¹⁹ The overlapping political and commercial functions of the merchants at Buenos Aires allowed Marcó to solidify his influence in far-off Mendoza. A *mendocino* correspondent requested that Marcó intercede with the captain general in Buenos Aires to secure promotion of two officers of the militias in Mendoza.²⁰

¹⁶Maza to Marcó, Córdoba, January 16, 1807, file 3; March 1807, file 5; April 20, 1807, file 6; August 16, 1807, file 10.

¹⁷Maza to Marcó, Córdoba, January 16, 1807, file 3; Abril 16, 1807, file 6; Septiembre 16, 1807, file 11.

¹⁸Maza to Marcó, Córdoba, December 16, 1807, file 4.

¹⁹Narciso Benavídez to Marcó, Mendoza, February 9, 1807, Antonio Monte to Marcó, Mendoza, February 16, 1807, file 4; Manuel Felipe del Molina to Marcó, Mendoza, August 3, 1807, file 10; Molina to Marcó, Mendoza, September 6, 1807, file 11.

²⁰Molina to Marcó, Mendoza, September 6, 1807, file 11; Faustino Amayl (?) to Marcó, Mendoza, October 29, 1807, file 12.

