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978-0-521-10234-6 - The Merchants of Buenos Aires 1778-1810: Family and Commerce

Susan Migden Socolow

Excerpt

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## Introduction

Spanish society in the New World, far from homogeneous and monolithic, was composed of numerous social groups, which varied according to the regions of the Empire. Clergymen, merchants, bureaucrats, artisans and craftsmen, peddlers, innkeepers, and the perpetually unemployed were among the ranks of Spaniards found throughout the colonial realm, especially in urban or semi-urban settings.

Social group differences in the Spanish or white population in the New World were not limited to Lima or Mexico City. In the 1778 census of Buenos Aires,<sup>1</sup> sixteen major occupational and social categories are specifically delineated, and it can be assumed that these groups were present in other small colonial cities as well. The nature of the society in which these varied occupational groups functioned, the amount of interaction between groups, and the degree of social mobility among members of different occupational groups are all matters for study raised by the presence of these disparate groups in Spanish colonial society. This study examines in detail one of these groups, the wholesale merchants (*comerciantes*) of Buenos Aires.

The choice of time (the late eighteenth century), social group (the merchants), and locale (Buenos Aires) is not accidental. The *comerciantes* were an especially important and powerful social group in the Río de la Plata, a region which began to emerge from relative isolation in 1750. Merchants were a target group of the Bourbon monarchs who attempted, during the late eighteenth century, to revitalize the economy of the Spanish Empire by overhauling the entire system of colonial trade. In Buenos Aires, merchants were among the major local beneficiaries of the restructured Bourbon political and economic system. Although the literature on colonial Argentina abounds with repeated reference to the *porteño*<sup>2</sup> merchants and to their status as members of the upper strata of local society, no systematic study has yet attempted to define and analyze the merchant group or to investigate its local social, political, religious and economic roles.<sup>3</sup>

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The *porteño* merchants were an urban group, located in the chief city of the region. Economic and political roles can be readily identified, as the merchants were very much a part of the developing economy of the River Plate region. Extensive documentation on the social role of the merchants in the Viceroyalty of Río de la Plata also exists, documentation heretofore neglected by students of Argentine history. Wills, dowries, estate papers, Cabildo and Consulado records, parish records and a variety of legal proceedings involving individual merchants all allow the historian to uncover the social dynamics of the merchant group.

The nature of extant documentation for this group lends itself well to prosopographic, or group biographic, techniques.<sup>4</sup> This approach, resulting in a composite picture of the merchants, is used extensively throughout this study. In addition, a detailed biography of one merchant is included to provide a specific case by which to test patterns suggested by the data for the merchant group at large. Issues of group identity, status, mobility, power and recruitment are critical to a discussion and analysis of the formation and perpetuation of any social group, and are therefore central to this study of *porteño* merchants. Throughout, these issues are approached and viewed from a number of perspectives. Specifically, this study concentrates on group demographic and social characteristics, on inter- and intra-generational mobility and recruitment patterns, on marriage, kinship and fertility, on group identity and life style, and on occupational, religious, property-owning and political roles of the merchant group.

Trade was of paramount importance to the development of Buenos Aires. The Spanish Crown, interested primarily in controlling the flow of silver and foreign goods to and from their American Empire, designated Lima, capital of the Viceroyalty of Peru, as the only city eligible to engage in commerce with Spain in the sixteenth century. This decision postponed for 200 years the commercial development of Buenos Aires. All legal trade to and from the mother country was required to follow the arduous route across Panama to Lima and from there, over the Andes, via Alto Peru to the Argentine pampas. During the seventeenth century, the Crown periodically realized the weakness of this artificially enforced commercial isolation, and allowed fleets to sail to Buenos Aires under special royal licenses (*permisos*) from time to time.<sup>5</sup> Goods legally shipped to the city were specifically earmarked for local use; their re-export to towns of the interior was forbidden by the Crown. But the Crown was never able to control effectively the Buenos Aires trade, and contraband with neighboring Portuguese colonies flourished.

From the earliest days of the colony, it was apparent to the inhabitants

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that commerce, although severely restricted by the Crown, was essential if settlement was to survive. Buenos Aires, isolated from the major cities of the Spanish colony, and lacking both a large Indian population and native industry, was totally dependent on commerce with Brazil and Europe. The city's very isolation, its proximity to the Portuguese colony of Brazil, and its access, through the backdoor, to Potosí and Peruvian silver, produced an early flowering of contraband trade.

The internal market for both contraband and legal trade was relatively small, and except for periodic crackdowns, relatively unharrassed. The city of Buenos Aires was a minor military outpost, populated primarily by poorly paid soldiers throughout the seventeenth and beginning of the eighteenth centuries. The Crown viewed the city and its surrounding regions as important to the Empire only because of the strategic proximity of the Portuguese settlements. The Río de la Plata area, although administered by a governor in Buenos Aires, continued to be dependent politically and economically on the distant capital of the Viceroyalty of Peru, Lima.

By the middle of the eighteenth century, the Bourbon conflict with England and Portugal led to a basic shift in Spanish policy. Because of the Anglo-Portuguese threat to her colonies, two new priorities became central to Spanish policy: the need to maintain closer control of the colonies on the fringes of the Empire, and the need to generate additional revenues with which to finance this control. Both political and economic considerations, therefore, were important in the adoption of a new colonial policy by Carlos III. Throughout the Spanish American Empire this policy included an increase in the number of Viceroyalties and a consequent reduction of the traditional power of Lima and Mexico City; the opening of new (often Atlantic) ports in both the Old World and the New; and the adoption of the French-inspired intendant system of local government.<sup>6</sup> An important part of this policy was the founding in 1776 of the Viceroyalty of the Río de la Plata, with its capital at Buenos Aires, and the extension in 1778 of the Free Trade Ordinance to the city.

The Río de la Plata was of special concern to the Spanish Crown because of its close geographical proximity to Brazil, a major Portuguese colony. In addition, the ouster of the Jesuits from their missions in Uruguay and Paraguay (1767) created a power vacuum which both the Spanish and Portuguese hoped to fill. British interest in the area had also grown since their experience with the Asiento trade (1713–39). For these reasons, the need for strong leadership in the La Plata area was increased in the eyes of the Spanish king. A growing European demand

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for bulk export of the area's commodities, and the evolution of larger, faster sailing ships provided the economic stimulus for a change in the status of the Río de la Plata. A major export of the area, heavy cattle hides, could now be shipped directly from Buenos Aires or Montevideo, Atlantic ports, to Spain and the rest of Europe.

From the second or third decade of the eighteenth century, Río de la Plata commerce had gradually increased, a development played out against the continuous struggle of the city of Lima to limit the power and growth of a rival seaport on the Atlantic. Most active in this struggle were the merchants of Lima, a strong group with important vested interests in maintaining commercial hegemony over the Andean and Platine regions. The *limeño* merchants sought to control their *porteño* counterparts and to limit the threat both to their commerce and the primacy of their city. In spite of the efforts of Lima merchants, policy considerations and the changing nature of trade eventually convinced the Spanish Crown of the need to elevate Buenos Aires to a vice-regal capital and to recognize the growth of its commerce.

The founding of the Viceroyalty was of great importance to the continued development of the port of Buenos Aires. In addition to placing Buenos Aires on an equal footing with Lima, the city's shift from military garrison to commercial center was further encouraged. Buenos Aires was elevated to the long-desired status of an official port, and the populous mineral-producing area of Alto Perú was included in the new Viceroyalty's domain. Because of the inclusion of Alto Perú, Buenos Aires officially gained control of both a new market for imported goods and a major source of gold and silver for export to Spain. The entire traffic in bullion thereby entered legally into the hands of the *porteño* merchants.<sup>7</sup> In addition, with the ousting of the Jesuits from the mission areas of Paraguay, Uruguay and Corrientes, the merchants of Buenos Aires had more direct access to the Indian populations of the area. This was in effect another new market which could be forced by its administrators to purchase goods. Similarly, following the Jesuit departure, Buenos Aires also gained more direct control in the purchase of the mission area's major export crop, *yerba maté* (Paraguayan tea). Of course, Buenos Aires' new status as a seat of a Viceroyalty, and the consequent founding of an Audiencia in Buenos Aires, produced an influx of government officials and clerks, and a corresponding growth of local purchasing power and demand for luxury goods.

Two years after the Viceroyalty was founded, a new commercial code, the Ordinance of Free Commerce of 1778, opened the port of Buenos Aires to legal trade with the cities of Spain. With the opening of the port,

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the merchants of the city could trade directly with the Spanish centers, bypassing the old and arduous Lima route entirely. Although preference in shipping was still given to Spanish ships and licenses were still required for trade with the colonies, duties were lowered and the traditional *flota* system of shipping, which had limited the trade of the New World to large convoys, was ended. Ships now sailed separately, not in fleets. Transportation patterns reflected more directly the needs of the merchants; a ship could sail when it was loaded with cargo, without waiting for other ships to be readied, or for specific dates. Since ships did not leave and land together, it was hoped that the previous disastrous economic pattern of a surfeit of goods followed by long periods of scarcity would be avoided.<sup>8</sup> The risk to the merchant of economic hardship because of a glutted market would be lessened considerably by this new provision of the 1778 Ordinance.

A demise of contraband trade did not follow the opening of the port of Buenos Aires, as trade was only legal if conducted with Spain or other Spanish colonies. Before 1778 Río de la Plata trade consisted of specially licensed ships sailing in fleets, coupled with contraband trade by sea with passing English, Portuguese or French vessels, and by land with Brazil. After the 1778 Ordinance individual sailings replaced the *flota* system, but contraband continued to be an important activity for many merchants.<sup>9</sup>

The principal economic activities of the Viceroyalty of Río de la Plata were the production and export of silver and cattle products. External markets were critical to the development of the local economy. European demand for cattle products, and the relative accessibility of the area's exports after 1778, gave impetus to the production of hides, tallow, and dried and salted meats in the litoral area surrounding the city of Buenos Aires. By mid-eighteenth century, the extractive hunting expeditions (*vaquerías*) had been replaced in the pampas around Buenos Aires by cattle-breeding ranches (*estancias*). Steadily increasing exports of the pastoral products of these ranches encouraged gradual extension of *estancias*, expansion of cattle production, and growth of population in these rural areas.<sup>10</sup>

Even with the growth of pastoral production geared to an external market, it was Potosí and the production of its legendary mines, which continued to supply the major export by value of the La Plata Viceroyalty.<sup>11</sup> But silver mining as an industry did not enjoy the same growth or expansion as did cattle raising. Dependent on traditional forms of Indian labor, characterized by deep mines which were subject to flooding, and low grade ore, this sector of the region's economy failed

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to respond to the new climate of economic growth which characterized the Viceroyalty.

In addition to production for external markets, the area experienced a renaissance of production for internal markets. The buying power of Buenos Aires' domestic market increased yearly, as a consequence of both large expenditures of vice-regal funds on defense and bureaucratic salaries, and a rapidly growing population.<sup>12</sup> Increased local demand for foodstuffs caused *estancias* to earmark some production, especially small grain surpluses, for the *porteño* market.<sup>13</sup> In addition, a ring of small farms around the city produced food for the growing urban population. The prosperity of the city affected the interior, which also experienced substantial population growth during the vice-regal decades.<sup>14</sup> Demand for goods caused an upturn in production, as the *yerba* of Paraguay, the coarse woolen textiles of Córdoba, and wines and liquor (*aguardiente*) of San Juan and Catamarca became basic staples in the growing market places of the Viceroyalty.<sup>15</sup>

Although a majority of the modes of production of the Viceroyalty could be classified as either agricultural or extractive, some small-scale industry did exist.<sup>16</sup> Manufacturing was rudimentary and the market small, but artisan industries supplied local necessities.<sup>17</sup> Artisans produced a variety of goods for internal urban consumption, including clothing, shoes, silver objects, furniture, harnesses, belts, bricks, and bakery products.<sup>18</sup> Some cities specialized in one industry, producing for local consumption and for internal export throughout the Viceroyalty. Tucumán's artisans, for example, manufactured furniture for all of the interior and Buenos Aires.<sup>19</sup>

In addition, expanded river trade in hides and domestic products gave rise to considerable boat building in Buenos Aires, Asunción and Corrientes.<sup>20</sup> To provide land transport, production of wooden carts (*carretas*) multiplied in Tucumán.<sup>21</sup> Greater demand for transportation of goods increased the numbers of men employed as carters. These men led caravans filled with silver, dried fruits, wines, brandies, flour and cattle products to Buenos Aires; they would return to the interior with European dry goods.<sup>22</sup>

Commercial production for growing external and internal markets was the key to the economic vitality of the La Plata region. By the late eighteenth century, the Viceroyalty and its capital were, more than ever, active members of the Atlantic trading community, prospering when trade was good, suffering when trade was disrupted. In turn, production of the *estancias* rose and fell with trading conditions.<sup>23</sup> The city served as a link between Spain (and Europe) and its hinterland, which extended

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as far afield as Asunción, Potosí, Mendoza and Montevideo. The merchants of Buenos Aires imported European textiles, hardware and luxury goods for this wide-ranging market, while exporting the production of *estancias*, silver mines and beef-curing establishments from throughout the region.

With the rise of the litoral, the creation of the Viceroyalty, and the institution of 'free trade', Buenos Aires became the principal center for overseas trade for the extreme south of the Spanish Empire.<sup>24</sup> Supplying local retailers, selling directly to the public, and shipping goods to agents, wholesalers and retailers of the interior, the *porteño* merchant, essentially a middleman between European and American markets, received a high margin of profit. Although dependent on Spanish mercantile houses, the *porteño* merchant took care to insure that he dealt with a number of suppliers, thereby avoiding tight control by any one Spanish firm. In addition, distance and ignorance as to the conditions of the local market put Spanish merchants at the mercy of their *porteño* colleagues.<sup>25</sup> *Porteño* merchants took pains to limit the commercial contacts of their agents and clients in the interior. As a consequence, the Buenos Aires merchants enjoyed high profit margins at the expense of their Spanish suppliers and their inland clients.<sup>26</sup>

At least three major internal trade circuits converged in Buenos Aires. To the north and west lay the major *estancia* regions – the Banda Oriental (the east bank of the Uruguay River), the Entrerrios area – and the city of Montevideo. Trade with this area centered around the export of hides in exchange for cash, European and locally produced textiles, imported knives, ponchos and other clothing, *yerba* and tobacco. Transportation of goods to and from this region was by river boat.

To the north lay a second trade route, the cities of Santa Fé, Corrientes and Asunción along the Paraná River. Transportation to these cities was also by boat. Asunción, the major exporter of *yerba*, imported a variety of products including European and local textiles, slaves and spices. Corrientes and Santa Fé both exported hides, receiving in payment essentially the same variety of goods as those sent to Entrerrios. In addition, Santa Fé, linked by land to the third major trading circuit, supplied mules for the mines of Potosí.<sup>27</sup>

The third trading circuit led from Buenos Aires northwestward across the pampas to the city of Córdoba, and on to Santiago del Estero, Tucumán, Salta, Jujuy, Potosí and the markets of Upper Peru. South of Córdoba, a branch route continued westward to San Luis, Mendoza (and eventually to Santiago de Chile) and then north to San Juan, La Rioja and Catamarca. Each of these cities supplied one or more

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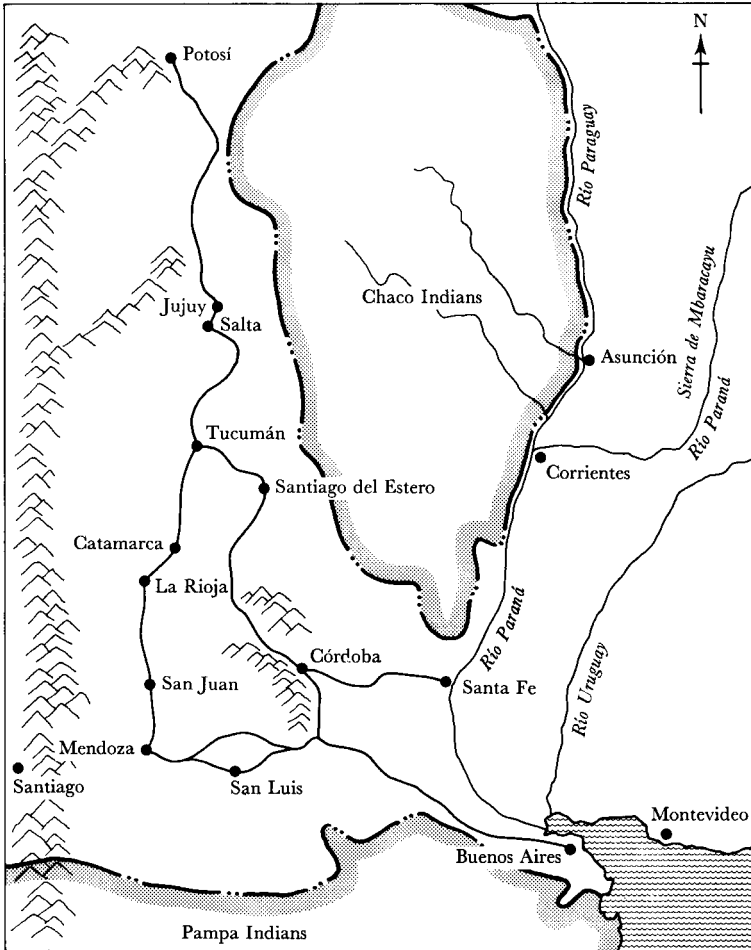
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*Map 1. Regional trade routes of colonial Río de la Plata. Source: Jonathan C. Brown, 'The Commercialization of Buenos Aires: Argentina's Economic Expansion in the Era of Traditional Technology', unpublished PhD dissertation, University of Texas at Austin, 1976.*

commodities to the Buenos Aires market (e.g., coarse textiles, furniture and rice from Tucumán; wine, raisins, grapes and figs from Mendoza), but the silver exported by Potosí was the most important product of the area. Each city also imported European goods, hardware, slaves and *yerba* via Buenos Aires.

This trade, which marked a commercial golden age for Buenos Aires, was paradoxically undynamic and routine.<sup>28</sup> The market for European



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imports was limited by their high price, leading merchants to prefer a low volume of trade combined with high profits. *Porteño* merchants experimented little with variation in markets or goods, but in spite of their lack of innovation, trade continued to grow. Profits were high, for merchants controlled both the source of imported goods and the price offered for exports. The merchants of Buenos Aires benefited from the Spanish mercantile system, a system which gave the economic advantage to the marketer over the producer.<sup>29</sup>

Because the region's economy was linked closely to the export of raw materials and silver, and because the *porteño* merchants held a central position in the colony's trade, a nucleus of powerful merchants came to exercise virtual hegemony over the economic system of the entire Viceroyalty.<sup>30</sup> 'Free trade' made possible more permanent trading relationships between *porteño* merchants and Spanish firms, and consequently extended the *porteño* merchants' access to credit. Credit arrangements granted by Spanish suppliers allowed the *porteño* traders to increase the volume of goods imported into the city. In turn, the Buenos Aires merchants also extended credit to customers in the interior, thereby enticing clients to make larger purchases. The merchants of the interior, acting as local agents for *porteño* merchants, or on their own behalf, soon came to be directly dependent on Buenos Aires for both goods and credit.<sup>31</sup>

Buenos Aires trade grew during the remaining decades of the eighteenth century. Although the continuing European conflicts adversely affected trade from time to time (because of English blockades and the danger of English warships on the high seas), the wars did not always harm the commerce of Buenos Aires. The Spanish king was pressed into allowing a reduction of the traditional restrictions against trade with other nations in order to keep supply lines open to allow the colonies to survive.<sup>32</sup> Commerce with neutrals, therefore, tended to replace trade with Spain during periods of protracted international conflict. So successful were the *porteño* merchants in supplying their markets that over-abundance of imports became a major problem from the mid-1780s.

The creation of the Viceroyalty of Río de la Plata and the consequent growth in size, population, and stature of Buenos Aires, also signaled the beginning of the decline in relative importance of the cities of the interior. Although this decline was not as rapid as many historians have thought,<sup>33</sup> the cities of the interior began to feel the combined effects of the relocation of the pulse of the region toward the coast and the increased importation of manufactured goods and food products from Europe. The importation of woven goods from Spain and the rest of

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Europe, to mention one example, eventually affected the weaving industry of Córdoba. As trade increasingly became the domain of the *porteño* merchants, the communication network between the cities of the Viceroyalty came to resemble the spokes of a wheel, all leading back to Buenos Aires.

Population growth and expansion of trade produced a change in the social composition of the city of Buenos Aires. In general terms, the city, by the later decades of the eighteenth century, was prosperous, but far from opulent. By 1773, it was considered the fourth-ranked city of Spanish South America,<sup>34</sup> but compared to the traditional vice-regal capitals of the New World (Mexico City and Lima), the city was both architecturally and socially provincial. There were few fine houses, no opulent churches, no university and little diversion or entertainment. The densely inhabited zone of the city consisted of an area approximately eight by thirteen city blocks; beyond this area lay small farms.

During the seventeenth century Buenos Aires society was characterized by a small military ruling group, some few merchants and low-ranking administrators and a great number of soldiers. Beginning in 1750, the upper social groups were enlarged by growing numbers of civilian, religious and military administrators, and merchants. By 1778 the most prestigious positions in the local Spanish social hierarchy were high-ranking bureaucratic, military and clerical figures of the colony. They were followed closely in social power, and perhaps exceeded in economic power, by the major wholesale merchants. Below these two groups came a growing number of clergymen, less prosperous wholesalers and retailers, lawyers and lesser ranking civilian and military officials. These groups together comprised the colony's upper and middle social sectors. Surprisingly, ranch owners were not generally within the ranks of either the upper or middle sectors of society.<sup>35</sup> Along with artisans, small farmers, peddlers, tavern owners, soldiers and clerks, ranchers were counted among the lower sectors of colonial Argentine society. Below these occupational groups were the *peones*, day laborers and domestics, and an army of beggars. Beneath the entire Spanish social pyramid were a considerable number of free blacks and slaves, many of whom worked as domestics or semi-skilled artisans or farmed on the outskirts of the city.

Social position in this class structure was determined more by occupation, money and race than by familial status. Family name, although a factor, never rose to a position of primacy; none of the permanent residents of Buenos Aires could claim relationship to important, noble Spanish families. A family's name rested more on its economic power