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Articles

Imperial connections, investment patterns, and business longevity: The Ugartes, a dynasty of Basque merchants in the Northern Andes, 1750-1840

Conexiones imperiales, patrones de inversión y longevidad empresarial: los Ugartes, una dinastía de comerciantes vascos en los Andes del norte, 1750-1840

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Abstract. The article explores the business history of a dynasty of Basque merchants that operated in Bogotá over three generations during the Age of Revolutions. Following extensive archival research, the paper studies two main areas of business activity: networking and investment patterns. The evidence suggests that the ascendance of the founder of the family rested upon a thick, empire-wide network forged by his dealings with the viceregal court in Bogotá. Businessmen with diversified portfolios and broad geographical scope emerged a century before the late nineteenth-century export-led era in the region. The second generation shifted investments toward supplying local markets and developing rural estates. The imperial-wide network collapsed during the Independence, with the members of the second and third generations

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failing to adapt to a new world in which connections with Jamaica became the mainstream gateways to the world economy. The Independence Wars marked a radical change in the members of the high ranks of the region's mercantile elite.

Key words: merchants; investment patterns; vicerealty; trade networks; business history

Resumen. El artículo presenta la historia empresarial de una dinastía de comerciantes vascos que operó en Bogotá durante tres generaciones en la Era de las Revoluciones. Tras una extensa investigación de archivo, el artículo estudia dos áreas principales de actividad empresarial: redes y patrones de inversión. La evidencia sugiere que el ascenso del fundador de la familia se basó en una densa red de alcance imperial forjada por sus tratos con la corte virreinal de Bogotá. A diferencia de lo sostenido hasta el momento, en la región surgieron empresarios con portafolios diversificados y un amplio alcance geográfico un siglo antes de la era impulsada por las exportaciones de finales del siglo xix. La segunda generación cambió su esquema de inversiones hacia el abastecimiento de mercados locales y el desarrollo de propiedades rurales. La red imperial colapsó durante la independencia, y los miembros de la segunda y tercera generación no lograron adaptarse a un nuevo mundo en el que las conexiones con Jamaica dominaban la entrada a la economía mundial. Las guerras de independencia marcaron un cambio radical en los miembros de la elite mercantil de la región.

Palabras clave: mercaderes; patrones de inversión; virreinato; redes mercantiles; historia empresarial.

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INTRODUCTION

On 6 June 1809, the Bogotá-based businessman José Antonio de Ugarte underwrote a “protest” or a notarial document seeking to “save his honor as a merchant.”¹ The year before, he had drawn a bill of exchange (*libranza*) for 6 000 silver pesos on Miguel Ignacio Miranda, a Veracruz wholesaler, payable to Joaquín de Licht, a Bogotá entrepreneur doing business in Maracaibo. Issuing such instruments on Veracruz had been regular business for Ugarte since the 1790s. This time, however, Miranda's agent (*apoderado*) in the Venezuelan port refused to pay the bill since he needed confirmation from his associates in New Spain. “The dire circumstances affecting navigation during the recent wars,” remarked the *apoderado*, “makes me request such a confirmation every time I get

¹ Archivo General de la Nación (hereafter AGN), Notaría 2 (hereafter N2), v. 215 (1809), ff.458-465. The Viceroyalty of the New Kingdom of Granada encompassed the territories of present-day Colombia, Ecuador, Panama, and Venezuela. By the late 1770s, the Captaincy of Venezuela was granted executive and judicial autonomy. For simplicity, we will use the terms “New Granada” and “the New Kingdom” to refer to present-day Colombia. The capital of the vicerealty, Santafé de Bogotá, was commonly known as “Santa Fe”. Throughout this article, we will use the term “Bogotá” to avoid confusion for readers not familiar with the history of the region.

a *libranza* on my partners in Veracruz.”² The refusal affected two merchants, one in Maracaibo and another in Cúcuta, to whom Licht had endorsed the bill of exchange to get silver coins on the spot. What were the economic drivers behind this inter-city flow of bills of exchange? How come merchants in two distant and distinctive nodes of the Spanish Empire –one, the single largest gateway of the silver-driven economy that sustained global exchange from Cádiz to China, and the other one, the North Andean capital that acted as the internal hinge of the world’s largest gold producer–manage to forge such sophisticated financial links?

The Ugarte-Miranda ties were part of the cacao supply chain that connected producers and consumers across the Atlantic basin (Bedolla, 2020, 2023; Torres, 2013). Businessmen hailing from the North Andean interior financed the crop’s output in Cúcuta and Merida while hiring factors in Maracaibo to export the commodity to Veracruz, Havana, and, to a lesser extent, Cádiz. To finance exports, Bogotá merchants used capital from the trade that connected gold-bearing belts with agricultural and manufacturing-oriented regions of the viceroyalty (Bedolla, 2023; Gutiérrez & Torres, 2021). In Veracruz, merchants such as Miranda forwarded the cargos to interior middlemen who sold them across a wide range of Mexican outlets to get silver coinage in payment (Booker, 1993; Quiroz, 2014). A portion of these argentiferous proceeds were transferred to New Granada via Maracaibo, while another share sustained the negotiation of bills of exchange to undertake import activities across the Caribbean (Torres, 2013).

Recent research has studied how these far-flung, multilateral flows of goods, bills, and metals cemented thick webs of exchange across the Spanish Empire (Torres, 2021; Torres & Henao, 2020). However, the analysis of the micro-level response to aggregate changes in trade flows and the microeconomic behavior of individual entrepreneurs has yielded uneven results across the different regions of the Empire. While generations of scholars have produced significant case studies on businessmen operating in New Spain, Buenos Aires, and Peru, merchant studies in supposedly peripheral regions such as New Granada have remained in their infancy.³ As Daniel Gutiérrez & James Torres (2021) have recently pointed out, the lack of interest in the study of New Granadan traders reflects a dominant historiographical view that depicted the region as one in which market and monetary exchange were limited. Merchants, therefore, were far from constituting an influential group in colonial society. Some historians, in addition, have stated that profit-driven investments and price-sensitive businessmen were overshadowed by a social milieu that rewarded seigneurial values, land tenure, religious salvation, and conspicuous consumption (Colmenares, 1997; Gutiérrez-Ramos, 1998, 2003).

Though business history as a field has experienced impressive progress among Colombian scholars, most research focuses on the 1850-1950 years, a period in which, according to these studies, export-led growth and industrialization led to the emergence of a genuinely national entrepreneurial elite in the country.⁴ Some studies even argue that before this period of substantial economic change, the business landscape was dominated by fragmented business groups that confined their investments to regional-oriented ventures (Palacios, 1980; Safford and Palacios, 2002).

² AGN, N2, v.215 (1809), ff. 460v.

³ For an excellent overview of recent merchant studies see the volumes edited by Guillermina del Valle and Antonio Ibarra (2007; 2017). The two classic studies are the ones of Brading (1971) and Socolow (1978). For an empire-wide historiographical reappraisal of the main studies in the field see Schlez (2015). For New Granada see Gutiérrez & Torres (2021).

⁴ The best overview of the state of the art in Colombian business history are the ones of Dávila & Rodríguez (2008), and Dávila (2012).

As Ugarte's activities show, however, this picture must be seriously revised, and some studies have led the way to craft a new vision of the business history of the late colonial era. For instance, Adolfo Meisel's analysis of the Cartagena-based merchant Esteban Amador (2004) has shown that family ties and investment diversification allowed some entrepreneurs to conduct empire-wide transactions that guaranteed intergenerational transmission of wealth.

Vladimir Daza's analysis of the business career of the Santa Coa Marquis, a Mompox-based merchant, confirms the existence of rational, profit-driven allocation of investments, with a network of agents providing information to New Granadan wholesalers on markets from Lima to Cádiz (2009). By focusing on the mid-scale Barrio&Sordo company, Gutiérrez & Torres (2021) have also illuminated how regional complementarities and financial flows nurtured the existence of a dynamic group of merchants in the viceregal interior. Barrio&Sordo bridged international and domestic trade streams, providing clearing and transfer services that included the discounting of bills of exchange in several cities of the viceroyalty and Venezuela, the negotiation and mintage of gold bars, the reception of deposits, and the bimetallic exchange of gold and silver coins.

This article engages these discussions by exploring the business history of a dynasty of Basque merchants over three generations during the Age of Revolutions. José Antonio Ugarte, along with his cousin Nicolás, belonged to the second cohort of a polyvalent business headquartered in Bogotá and established by his uncle Pedro de Ugarte in the 1750s.⁵ The two cousins did not survive the Independence, impoverishing a third generation that tried to rebuild the golden age of its family during the early republican period. Political compromise and changing economic conditions led the last members of the family to seek refuge in the low levels of the new bureaucratic apparatus that emerged from the collapse of the former Empire. This classic example of what Joseph Schumpeter (1934) called the "three generations from overalls to overalls" will allow us not only to explore patterns of economic change at the firm level over the long run but also identify drivers of social mobility, political commitment behind business practices, and the nature and scope of business longevity in the region.⁶ To do so, the article studies quantitatively two main areas of business activity: networking and investment patterns. This approach will also show how the Independence Wars marked a radical change in the members of the high ranks of the region's mercantile elite.

The paper proceeds as follows. The first section briefly introduces the family's early years in New Granada. The paper then explores the investment patterns of the first generation. The following section studies the business transformations brought about by Ugarte's nephews, while section 4 analyzes the impact of the Independence Wars on the family's commercial configurations. The paper ends with some final remarks.

⁵ Ugarte has been mentioned in several studies dealing with the economic and social history of the viceroyalty (Franco, 2016; López, 2019; McFarlane, 1993). Yet, no scholar has conducted proper archival research on his business career. Marín (2008) analyzed the Basque merchant's role in the city council, while Torres (2024) explored his role as a courtier and science patron.

⁶ According to Lorandini (2015) business longevity is defined as the continuity of a family firm beyond the career span of its founder. A growing body of literature has identified the family's capability to respond to various changes in their financial environment and the ability to transfer skills and family assets from one generation to another as the two main drivers to guarantee longevity (Napolitano, Marino & Ojala, 2015). Ugarte's case will allow us to illuminate the mechanics of these variables in colonial Latin America.

FIRST GENERATION: A BASQUE MERCHANT IN THE LANDS OF EL DORADO

The New Kingdom was the largest gold producer of the Spanish Empire.⁷ A heterogeneous set of small-scale prospectors and slave gangs panning the rivers along the western lowlands of the viceroyalty fueled consumption linkages that benefitted producers of cash crops, textiles, and manufactures ranging from Quito in the south to Cartagena in the north. Regional specialization unfolded, spurring Smithian growth and demographic expansion. Inland waterways and an arc of port from Guayaquil to Maracaibo facilitated domestic and import-export exchange, while shifts in international commodity prices allowed New Granadan suppliers of sugar, cacao, hides, and cinchona bark to serve global outlets. This export diversification did not come at the expense of gold exports since commodity producers were in different regions. On the contrary, auriferous outflows kept growing to the point of transforming New Granada into the world's largest producer after the decline in Brazilian and Western African production in the 1780s. Chinese silks, Indian handkerchiefs, and French linens were quickly supplied to North Andean consumers by a thick network of inland importers. To this promising land, a 24-year-old Basque merchant came in 1750.⁸

Hailing from Délica, in the Basque province of Álava, Pedro de Ugarte arrived at New Granada as a member of viceroy José Pizarro's retinue.⁹ As a courtier, he benefitted from the expanding bureaucracy of the young viceroyalty and right after arriving at Bogotá, he was appointed magistrate (*corregidor*) of Chita, a salt-mining region of eastern New Granada.¹⁰ In 1754, his jurisdiction expanded, encompassing the populous district of Gámeza in the Tunja Province.¹¹ Before his departure to the eastern dominions of the realm, Ugarte forged political and business connections in the viceregal capital. He named Juan Diaz de Herrera, the appointed director of the newly established Bogotá's Customs House, and José Rodríguez, a wealthy bureaucrat, his *apoderados* in the city.¹² In addition, the Basque magistrate obtained the financial backing of the Bogotá-based trader José Ruiz, who sold him over 1 000 silver pesos in European wares on credit in 1752. The duo repeated dealings like these during the 1750s, with Ugarte becoming Ruiz's executor after his passing in 1761.¹³

⁷ What follows builds upon information from McFarlane (1993), Torres (2013, 2021), and Torres & Henao (2020).

⁸ For Ugarte's biographical information see Torres (2024). Ugarte granted three testaments in 1765, 1772, and 1791 and three codicils in 1791. AGN, Notaría Primera (hereafter N1), v. 196 (1765), ff. 446v-448 (hereafter Testament 1); AGN, N2, v. 141 (1771), ff. 28v-31v (hereafter Testament 2); AGN, N2, v.179 (1791), ff. 193-403v (hereafter Testament 3). The three codicils are in AGN, N2, v. 180 (1791) ff. 728v-729v (Codicil 1); AGN, N2, v. 180 (1791), ff. 729v-730 (Codicil 2), AGN, N2, v.180 (1791), ff. 735v-737 (Codicil 3).

⁹ Archivo General de Indias (hereafter AGI), Contratación, 5490, N. 1. For information on his family's social standing back in the Basque country see: Archivo de la Chancillería de Valladolid (hereafter ACHV), Zaldua y Balboa, Pleitos. 4028-3, ff. 5-16. In Bogotá's notarial sources, Ugarte and other Basques from Guipúzcoa and Álava identified themselves as *vizcaínos*, or Iberians coming from the "lordship" of Vizcaya. The latter was also referred to in the notarial records as a "kingdom," though such a kingdom never existed. On the economic and social structure of the Basque Country during the early modern period see Lamikiz (2017).

¹⁰ AGN, N1, v. 178 (1752), ff. 428-428v.

¹¹ AGN, N3, v.198 (1754), ff. 178-178v.

¹² AGN, N3, v. 196 (1752), ff. 206v-207.

¹³ AGN, N1, v. 178 (1752), ff. 428-428v; AGN, N2, v. 127 (1763), ff. 120v-121 and 378v-379; AGN, N1, v. 198 (1767) ff. 14v-15v.

Magistrates in eastern New Granada were not allowed to undertake the forced sales (*repartimiento de mercancías*) that were so distinctive in other areas of the Empire (Herrera, 1996; Torres, 2013). Nonetheless, Ugarte's notarial records show that he acted in tandem as a merchant, with his judicial power likely reducing the risk and transaction costs of his dealings (Baskes, 2000). He gained such an influence in the region that months after he left his office, Viceroy José Solís appointed him as commissioner to mediate a revolt of Indigenous peoples against the local priest.¹⁴ During his tenure, he also cemented his long-term business relationship with the Cadiz-based merchant Pedro Antonio de Paúl, who later created Paúl-Larrieta & Co. Paúl would become the main conduit through which Ugarte acquired European and Asian wares on credit, cashed in bills of exchange, and undertook different activities in Spain.¹⁵ From the outset, he conceived his business as a Bogotá-Cádiz trade conduit without depending on Cartagena intermediaries.¹⁶

Around 1756 Ugarte returned to Bogotá, and by at least 1758 he stopped identifying himself as *residente* (transient) and came to be referred to in the notarial records as *vecino*.¹⁷ Notarial and customs records, analyzed in detail later in this article, show his early specialization in bridging trade flows between the eastern districts of New Granada and the viceregal capital. Cacao, tobacco, mules, woolens, and cottons from Santa Rosa, Pamplona, Socorro, and Tunja were exchanged for European and Asian wares acquired in Bogotá. The Chita years gave him expertise in dealing with local produce while understanding the importance of political connections in regional exchange. There is evidence he actively participated in salt sales to the Llanos and Venezuela, likely obtaining liquidity to fund the bidirectional streams of domestic and global goods.¹⁸ His marriage in 1758 to a creole widow marked a turning point in his business prospects. Ugarte's wife, Josefa Franqui y Lombana, was one of the heirs of a modest family of landed entrepreneurs whose members participated in the city council during the second half of the seventeenth century.

By the time of her wedding to Don Pedro, the influence of Franqui's family in local affairs seemed to have waned, but she brought 6 000 silver pesos to the marriage, matching Ugarte's worth at the time of the union.¹⁹ In his testaments, the merchant consistently emphasized the role of his wife in advancing his fortune, recalling "the industriousness of both" as the source of his success. Franqui's expertise is confirmed by the fact that she was listed as one of the two women belonging to Bogotá's merchant community in 1796, administering part of the business inherited from her late husband.²⁰ In 1804, after registering her will, she emphasized her independent-minded skills, pointing out that his first husband did not bring capital to the marriage while the second one "attained considerable fortune by godly designs."²¹

¹⁴ AGN, Sección Colonia (hereafter sc), Miscelánea, v. 69, ff. 547-548.

¹⁵ AGN, N3, v. 198 (1754), ff. 178-178v; AGN, sc, Civiles Cundinamarca, v. 43, ff. 350-358; ACHV, Zaldúa y Balboa, Pleitos, 4028-3, ff. 29-36. Pedro Antonio de Paúl was likely a distant relative of Ugarte on his mother's side. Hailing from Tertanga, a small village near Délica, Paúl was a Cádiz Consulado member since 1749 (Ruiz, 1988).

¹⁶ Torres (2021) has shown that Bogotá merchants were no mere factors of Cartagena businessmen, as traditionally stated in McFarlane (1993).

¹⁷ AGN, N2, v. 119 (1758), ff. 291-291v.

¹⁸ AGN, sc, Caciques e Indios, v. 3, ff. 390-391.

¹⁹ Testament 1, ff. 447-447v and Testament 3, ff. 194-195.

²⁰ AGN, sc, Consulados, v. 2, ff. 1024-1026.

²¹ AGN, N2, v. 208 (1804), ff. 307v-308 and 345-355.

Testament proceedings do not provide a breakdown of the couple's capital in 1758, only pointing out that the Basque's wealth was composed of "merchandise and coins."²² Notarial records, however, indicate that Franqui's assets were composed of urban real estate and, to a lesser extent, slaves. The very first connection Ugarte had with his future wife was the brokering of the sale of a chattel in Chocó when Franqui was still a widow in 1756.²³ During the following three decades, the couple conducted about 13 sales and purchases of slaves, most of them on behalf of or to influential parties such as viceroys and high judges.²⁴ Only two of the captives came from Cartagena, indicating a lack of engagement of the couple with the transatlantic slave currents. Ugarte brokered the interregional sales of slaves between Cúcuta, Neiva, and Chocó, but this business never acquired centrality in his portfolio.

It was Franqui's dealings with urban holdings that shaped thoroughly Ugarte's business career over the long run. Before her second marriage, indeed, she had invested considerable amounts in buying houses, renovating them, and then selling them or renting them out profitably.²⁵ Ugarte took up the business, and a year after the marriage, the newlyweds negotiated two houses worth 2 500 silver pesos.²⁶ During the following decades, he notarized the purchase and sale of at least six properties whose values ranged from 97 to 12 600 silver pesos.²⁷ Besides providing additional income, investing in urban properties was pivotal to obtaining ecclesiastical loans. Ugarte and Franqui borrowed over 9 000 silver pesos from Church institutions, mortgaging their urban properties during the 1760s.²⁸ These loans proved vital in a moment in which Ugarte's early trade dealings required liquid capital.

By the time of his death, the Basque penned that he and his wife "owned nine houses [...] all of them built by ourselves from scratch, excepting one located in the corner of San Juan de Dios which albeit not built anew, was heavily restructured".²⁹ The evidence suggests most of these properties were rented out, providing Ugarte with a steady flow of income. Besides those properties, the couple owned two properties more that they donated to a school for poor girls and the capuchins.³⁰ Ugarte's investments in real estate, particularly in the growing neighborhood of San Victorino, came to 31 000 silver pesos in 1791, without including the two houses he lived in. These investments compare favorably with those of the San Jorge Marquis, a large landowner who, at his apogee, owned urban property worth 50 000 silver pesos (Gutiérrez-Ramos, 1998, p. 114). Ugarte's numbers in this sector are also comparable to those of the Santa Coa Marquis, a Mompox merchant who became one of the kingdom's wealthiest men in the 1760s (Daza, 2009, p. 79).

²² Testament 3, ff. 194v.

²³ AGN, N2, v. 117, (1756), ff. 342-343.

²⁴ See, for instance: AGN, N2, v. 172 (1786), ff. 118-120, v. 176 (1789), ff. 562-563v; AGN, N1, v. 210 (1784), ff. 319-319v, v.186 (1788), ff. 1-1v; AGN, N3, v. 225 (1772), ff. 254v-256 and v.258 (1780), ff. 691-692.

²⁵ AGN, N1, v. 172 (1749), ff. 223-230, v. 176 (1751), ff. 163v-165v.

²⁶ AGN, N1, v. 188 (1759), ff. 76v-78 and v. 190 (1759), ff. 317v-318v.

²⁷ AGN, N1, v. 205 (1780), ff. 129-134, v.206 (1781), ff. 248v-251; N2, v. 149 (1774), ff. 39v-40, v. 170 (1785), ff. 260-262; N3, v. 253 (1779), ff. 403-404v, v.260 (1786), 198-199v.

²⁸ AGN, N3, v. 205 (1761), ff.36v-41v, v. 211 (1764), ff. 60-61, v. 238 (1774), ff. 199v-200v; N1, v. 200 (1769), ff. 294-294v.

²⁹ Testament 3, ff. 194-195 (see footnote 8).

³⁰ AGN, N2, v. 180, 1791, ff. 636v-638v; AGN, N1, v. 205, 1780, ff. 317v-320.

Besides inducing Ugarte into real estate development, the marriage signaled the meteoric expansion of his commercial career in both sectoral and geographical terms. By the time of his death in 1791, the Basque entrepreneur had left a substantial estate of over 350 000 silver pesos, not including the massive donations he had granted to educational and religious institutions in previous years.³¹ Such fortune is comparable to the one amassed by the wealthiest merchants in Buenos Aires and the mid-scale traders of New Spain and Peru (Brading, 1971; Mazzeo, 1999; Socolow, 1978). As Guillermina del Valle has pointed out, such mercantile fortunes in Mexico City were typically accumulated over two generations through marriage and family links (2007; 2017). Ugarte's business acumen, in short, was successful in the broader canvas of the Empire's wholesalers.

Minting and customs house records allow us to track the Basque's position in Bogotá's commercial hierarchy. Graph 1 contains the relevant information to measure his commercial activities. In terms of percentiles, he imported more global goods than the other 16% importers during the late 1750s, depending heavily on Ruiz's resources and contacts. He, therefore, began at the bottom of the wholesaler community. He then moved to the percentile 61th in the 1760s and 82th in the 1770s, with his ties with Cádiz merchants via Paúl-Arrieta & co securing him mid-size yet affordable and steady cargos of European and Asian wares. Ugarte's import business flourished amid the trade policies that promoted individual ships (*navíos de registro*) to replace the old-fashioned fleet system that linked New Granada and Cádiz after the 1750s (McFarlane, 1993). This nurtured a new breed of businessmen who competed in prices, product differentiation, and quality (Lamikiz, 2010; Torres, 2021). As will be examined below, Ugarte belonged to this dynamic group. His position in the merchant hierarchy somewhat diminished to the percentile 48th in the 1780s. This slowing down of Ugarte's dealings in global imports may have marked a slow exiting of the sector as many merchants in other areas of the empire did after the 1778 *Comercio Libre* decree (Brading, 1971; Valle, 2017).

In 1787, he had already expressed concerns over the future of import trade given the "difficulty in selling throughout the outlets of [Spanish] America [...], and I experience arrears on the payment I expected from my debtors."³² Yet, as Graph 1 points out, the exit from the sector seems to have been gradual and only in relative terms. Given the decline in global goods prices after the 1778 decree, the reduction of Ugarte's consignments in real terms may not have been severe.³³ He, however, was operating now alongside a growing number of new importers that injected significant competition into the sector.

Regarding domestic goods, the evidence suggests Ugarte's position in the sector's hierarchy was stronger (Graph 1). He transacted more textiles, sugar, and cacao than 21, 25, and 38 percent of the merchants in the late 1750s and early 1760s. These percentiles jumped to 94th, 61th, and 88th in the 1780s. By the time of his passing, Ugarte was one the largest dealers in goods hailing from the eastern fringes of the viceroyalty. Naturally, the bundles of merchandise he traded varied over these years. In the late 1750s, for instance, he was a significant importer of tobacco from eastern New Granada, a line of business that disappeared once the crown established a monopoly on this product in the following decade.³⁴ This policy led him to reinforce his investments in the

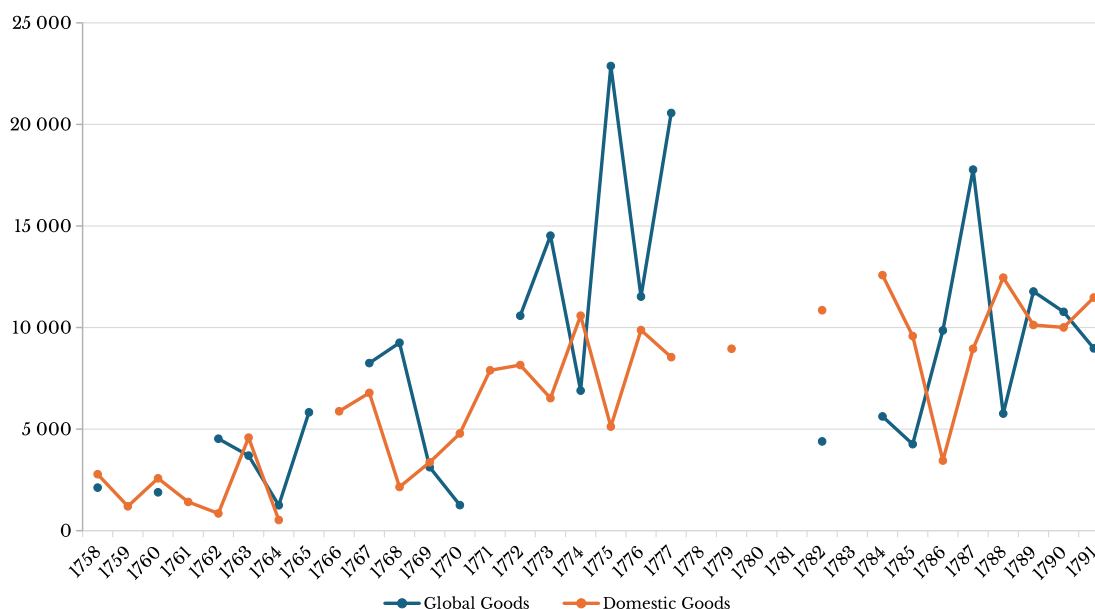
³¹ See the inheritance division in AGN, N2, v. 188 (1795), ff. 55v-58. See also Testament 3 for donations before the division.

³² Ugarte to Juan de la Fuente, Bogotá, October 15, 1786. ACHV, Zaldúa y Balboa, Pleitos, 4028.

³³ For time series of import prices see Torres (2021).

³⁴ AGN, SAAIII, RHC, 291-c.

Graph 1. Value of Ugarte's cargo cleared at Bogotá's Customs House per year (in silver pesos)



Sources: AGN, SAA-3 Real Hacienda Cuentas, and SAA-2 Administración de Alcabalas.

textile trade, covering a wide range of coarse cottons from Socorro, Charalá, and Oiba, woollens from Tunja and Turmequé, and fine cottons from Los Llanos (the so-called *lienzos morcotes*).³⁵ In the 1770s, he started to import high-quality fabrics and paintings from Quito.³⁶

Mintage records, in turn, suggest that Ugarte became a significant gold merchant in the late 1760s, supplementing his bidirectional dealings of domestic and global wares with a third apex of bullion dealings (Graph 2). In the heyday of his investments in auriferous flows, he sold more gold bars to the city's mint than 89 percent of other merchants. During the late 1770s, he slowly exited bullion sales, making a comeback during the 1780s. While more data is needed to understand this investment cycle, Ugarte engaged in what recent literature has named the "North Andean triangular trade," linking mining belts, ports, and agricultural-oriented districts (Torres, 2021).³⁷

In short, along the three edges of the triangular trade, Ugarte worked his way into the ranks of the upper segments of Bogotá merchants. His entrance to the viceroyalty as a courtier with political connections in the capital deviates from the trajectory of those entrepreneurs who started as retailers, itinerant merchants, or as factors of Cadiz-based firms.³⁸ His wife helped him speed

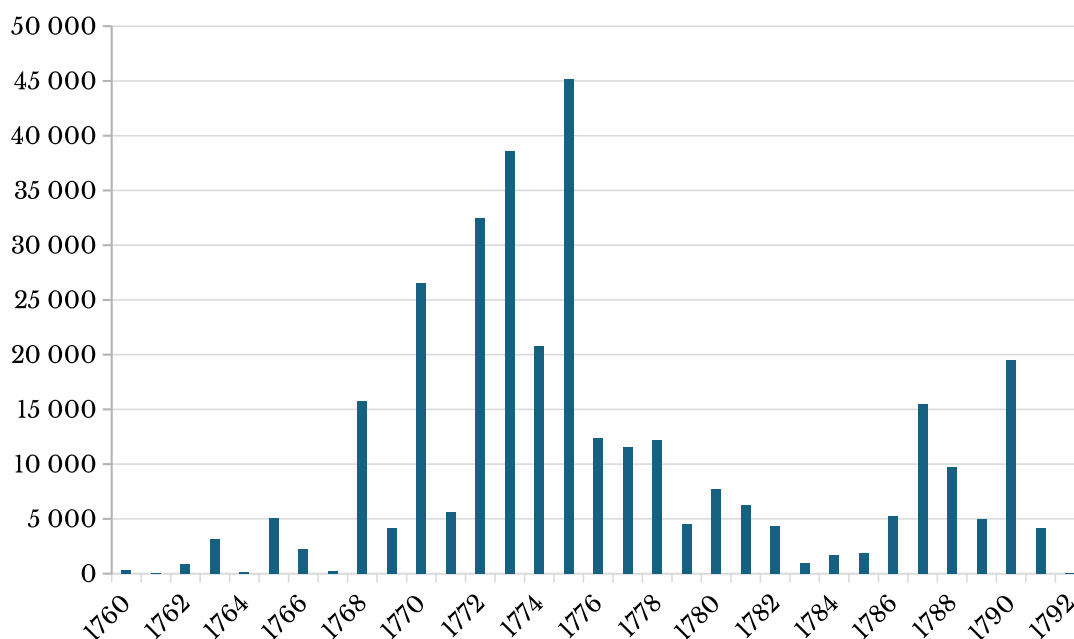
³⁵ AGN, SAAIII, RHC, 1650-c, 1264-c

³⁶ AGN, SAAIII, RHC, 1242-c

³⁷ For some of Ugarte's notarial records triangulating gold, domestic produce, and European goods see: AGN, N2, v.161 (1780), ff. 137-137v, N3, v.259 (1781), ff. 81v-82, N2, v. 176 (1789), ff. 569-569v.

³⁸ The best analysis of individual business careers in the Spanish Empire is the one of Valle (2007, 2017). She identifies family ties as the main driver behind entrepreneurial success. For other paths of social mobility among merchants see Anachuri (2019), Gelman (1996), and Jumar (2016).

Graph 2. Value of gold bars sold by Ugarte to Bogotá's Mint (in silver pesos)



Source: Archivo Histórico de las Casa de la Moneda (hereafter AHCM), Etapa Superintendentes.

up his capitalization process to fully engage with interregional trade and gave him key information on the real estate business. Yet, his portfolio encompassed a wide variety of activities to which we now turn.

INVESTMENT PATTERNS

The growing size of Ugarte's business was reflected in its sectoral and geographical expansion as well. As Map 1 shows, during his last decade of operation, the Basque's commercial activities achieved a viceregal, imperial scope. The literature has rightly pointed out that merchants across colonial markets tended to diversify their portfolios as a mechanism to mitigate losses in a business milieu characterized by high uncertainty and elevated transaction costs (Baskes, 2013). Thus, mark-up profits in one venture covered the losses or zero profits in others. That's why historians have tended to characterize most merchants as generalists lobbying permanently for monopolistic/oligopolistic permits. This vision, however, has led to an overestimation of the occurrence of both monopoly and oligopoly, while underestimating the scope for specialization. North Andean import sector was highly competitive, with many merchants controlling relatively small shares of the market (Torres, 2021). True, merchants tended to deal with as many products as possible, but they developed specializations in both sectoral and spatial terms. Ugarte, in this regard, diversified his investments but some branches remained as his distinctive expertise.

The Basque merchant invested in five main sectors: real estate development, trade, finances, mining, and landowning. No data is available to break down the importance of each sector in the overall portfolio. Yet, the documentation is good enough to provide broad contours on Ugarte's diversification-specialization patterns. In contrast to wholesale merchants in New Spain, Ugarte did not invest heavily in direct agricultural production (Brading, 1971; Valle, 2017). His role in the rural world remained limited to that of middleman and financier (Torres, 2024). More important in his overall portfolio was his silver mining ventures. Rich in gold, poor in silver, New Granada always attracted risk-taker businessmen and technicians in search of argentiferous wealth (Montgomery, 1990). Ugarte was one of them. In 1765, he joined the viceroy Messía de la Cerda and other members of his court, including the famous scientific José Celestino Mutis, in creating a firm to operate La Montuosa mines in eastern New Granada. The endeavor began with a capital of seven shares of 1 000 silver pesos each, with Mutis and Ugarte supervising the shafts during the early draining works.³⁹ The mine's metalliferous vein proved poor, and the company dissolved after a few years. The failure, however, allowed Ugarte to reinforce his standing in the viceregal court while displaying in the public sphere his compromise to develop new areas of economic prosperity (Torres, 2024).

In the late 1770s, at the peak of his business success, Ugarte once again decided to invest in silver mining, joining Mutis in exploiting El Sapo mines in Ibagué, a small town near the old argentiferous zone of Mariquita (Torres, 2021). In addition, the Basque merchant acquired the Padilla mines in the same area for 2 460 silver pesos from the widow and slaveholder María Clemencia de Caicedo in 1781.⁴⁰ Caicedo, who sold the mines with annexed lands and slaves, expressed that Ugarte was the only bidder since nobody wanted to "risk their funds in silver production".⁴¹ The businessman's investment in El Sapo came to 25 000 silver pesos, plowing back all the small profits he got from the venture between 1780 and 1791. Mutis's share amounted to 10 000 silver pesos, reflecting a considerable outlay for a mining concern in New Granada.⁴² The duo wanted to improve existing mining methods while recruiting the expertise of renowned scientists such as Juan José Delhuyar to adapt amalgamation and foundry processes to the chemical composition of local veins (Pelayo, 1990). This attempt at Shumpeterian innovation ultimately failed but strengthened the reputation of the duo in the viceregal court. The merchant and the scientist became members of the Kingdom's Mining Board, while becoming close allies of the viceroy Caballero y Góngora during the 1780s (Torres, 2024).

Trading and finance constituted the lion's share of the Basque's business. Commercial dealings encompassed at least three areas of operation, plus retail activities in his stores in Bogotá. First, the already mentioned triangular trade of gold, domestic produce, and European wares, with the viceregal capital acting as a pivot. Second, the export of cash crops and flour to Caribbean and Atlantic markets. According to Bogotá's outbound waybills of 1780 and 1790, Ugarte was the top exporter of wheat flour to Cartagena, Honda, and markets in the Andean lowlands.⁴³ In his *relación de mando*, viceroy Caballero y Góngora highlighted Ugarte's "honesty and service" in informing about Cartagena's wheat market, providing data on prices and quantities traded (Caballero y Góngora, 1789/1989, p. 446). The Basque merchant, in addition, pioneered wheat exports from the

³⁹ AGN, N3, v. 200 (1765), ff. 16-19v.

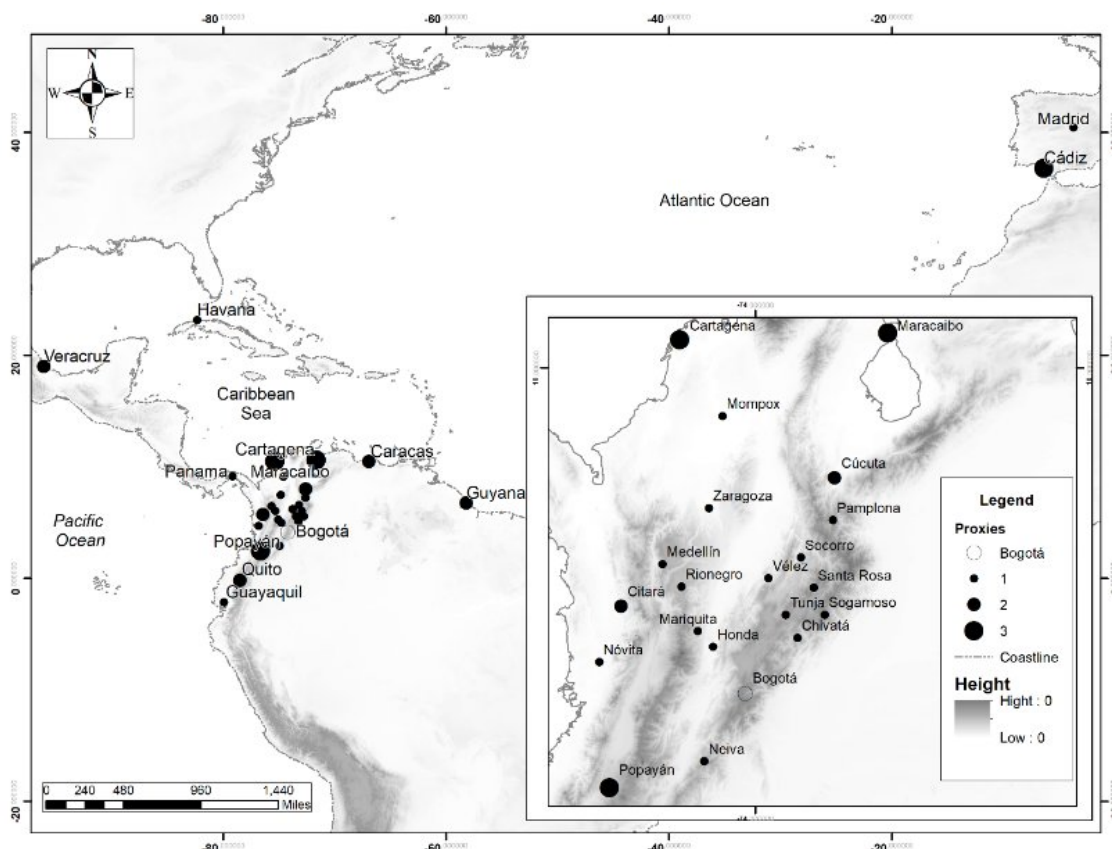
⁴⁰ Testament 3 ff. 195-195v; AGN, N.2, v. 183, 1793, ff. 800-800v.

⁴¹ AGN, N2, v.164 (1781), ff. 25-26v.

⁴² Testament 3, ff. 395-396 and Codicil 1, ff. 729v.

⁴³ AGN, SAAIII, RAC, 2061-c and SAI, paquetes no catalogados, box 129, folder 2-3.

Map 1. Ugarte's agents (*apoderados*) according to the power of attorneys granted in Bogotá's notaries in the 1780s



Sources: AGN, N1, N2, and N3.

Andean heartland to Caracas, Barinas, and Guyana. These flows came to over 10 000 silver pesos per year between 1782 and 1786, with the Basque businessman importing silver and European wares in return from the Venezuelan nodes. Cartagena merchants attacked these activities, arguing that those counterflows of global goods via Guyana and Caracas affected their import activities. Ugarte fought back, and it seems he kept up with this line of business until he died in the early 1790s.⁴⁴

Cacao shipping to Veracruz via Maracaibo constituted Ugarte's second main export activity. Since at least 1764, he developed close ties with treasurers and landowners operating in Venezuela, becoming the agent in Bogotá of several members of Maracaibo's city council in 1767.⁴⁵ These ties facilitated the entrepreneur's investments in the area, financing cacao producers in Mérida and Cúcuta and overseeing the marketing of the cash crop in Veracruz and Havana (Torres, 2013). The proceeds of such exports allowed Ugarte to negotiate bills of exchange and Mexican silver

⁴⁴ AGN, SC, Abastos, v. 1, ff. 446-455. For a recent overview of flour trade in the viceroyalty see Sánchez (2022).

⁴⁵ AGN, SC, Residencias Venezuela, v. 48, ff. 444-445.

in both North Andean and Caribbean markets. In addition, the Basque merchant invested in the tithe collection of Gibraltar, Altamira, and other districts of the Maracaibo province, enhancing his participation in the trade of the cash crops produced in the area.⁴⁶ Ugarte was a pioneer of the so-called “Venezuelan connection,” a term coined by recent research to describe import-export ties that linked Maracaibo, Caracas, and Guyana with the North Andean interior (Torres, 2021).

The third main branch of trading encompassed Ugarte’s business in the Popayán–Quito axis. Dealings in this area were pivotal because they not only sourced the Basque entrepreneur with silver coins from Peru and New Spain via Quito and Guayaquil but also with doubloons from Popayán’s mint.⁴⁷ Besides receiving cash advances, southwestern dealers bought from Ugarte European and domestic wares on credit whose repayments were expected in gold and silver coins. Records in Ecuadorian archives suggest that his commercial activities reached Barbacoas, in the southern fringes of the gold-bearing belts.⁴⁸ In addition, as previously noted, customs records suggest that the Basque dealer frequently imported Quito textiles and paintings to Bogotá.

As for finance activities, Ugarte became heavily involved in lending and exchange activities as his trading business expanded. As stated above, he sourced most of his working capital during his early venture from ecclesiastical institutions and Bogotá-based merchants. Later on, he was able to accumulate ready money to finance a broad set of individuals across the viceroyalty. Dealers, miners, bureaucrats, and landed entrepreneurs borrowed capital from the Basque merchant, fueling bimetallic exchanges, negotiation of bills of exchange, and the export of bullion and cash crops from Maracaibo to Guayaquil (McFarlane, 1993; Torres, 2024).

The dealings with royal treasurers show another area in which Ugarte deployed his financial and political skills. As stated above, his beginning as a magistrate in Chita gave him access to information and rents to begin his commercial endeavors. Besides being a courtier, the Basque merchant became a councilman, trade deputy, head of the city’s hospices, and scientific patron. As recent research has shown, public service and donations reinforced Ugarte’s standing in the political and social milieu of the Kingdom (Torres, 2024). He served as an agent and financier of viceroys, high judges, and officials and backed a wide range of officials across the viceroyalty and Venezuela with securities (*fianzas*) to get royal appointments. All these connections secured him profits and business opportunities. Close contacts with treasurers and viceroys, for instance, transformed Ugarte into a privileged contractor of the royal treasuries. The Basque merchant joined bureaucrats and soldiers to transport the fiscal remittances (*situados*) that from Bogotá flowed out to Honda and Cartagena.⁴⁹ While the fees paid by the Royal Treasury for those services were not considerable, merchants profited from the short-term liquidity of such transfers to fund import purchases and bimetallic exchanges (Torres, 2013). Similar rents sprang from the buying of indigenous textiles auctioned off by the royal treasuries. In 1787, for instance, Ugarte joined his countryman Manuel de Zornoza in securing the sale for two years of all woollens, cottons,

⁴⁶ Testament 3, ff. 195-196. See further transactions of Ugarte with owners of cacao estates in Cúcuta and Mérida in AGN, N3, v.264 (1783), ff. 171v-172.

⁴⁷ For the mechanics of trading in the area see Torres (2018; 2021). For some notarial transactions of Ugarte in this area see: AGN, N1, v. 200 (1769), ff. 270v-271; N2, v. 164 (1781), ff. 18v-19v and v. 176 (1789), ff. 446-446v.

⁴⁸ Archivo Nacional del Ecuador, Pesos, box 104, 1774, folder 1, ff. 1-10.

⁴⁹ AGN, SAAI, Real Hacienda, v. 7, 1763, 552v-554; AGN, N.2, v. 148, 1773, v.171, 1785, ff. 208v-215, v.176, 1788, ff. 886v-889, v. 177, 1790, ff. 103-104, v. 180, 1791, ff. 122v-125.

and apparel with which the Indigenous population of the highlands paid their tributes in Bogotá's royal treasuries. The two merchants gained mark-ups of up to 90% between the retail and auction prices.⁵⁰

A mix of imperial flows, courtier connections, and portfolio diversification was the force behind Ugarte's business success. His beginning as a royal magistrate with political connections in the capital deviates from the trajectory of those entrepreneurs who started as retailers, itinerant merchants, or as factors of Cadiz-based firms. Ugarte did not espouse the daughter of an established merchant or an influential family of landowners to seek capital and integration into local society. Her wife brought capital but also industriousness and information for Ugarte to transform real estate development into his core business. His portfolio diversification was strong in geographical and sectoral terms, though in each sector and region, he tried to focus his efforts on specific products/qualities, driving towards Schumpeterian innovation in some areas. There was a constellation of mercantile paths to success across the Spanish Empire that should be perused in further research. In the meantime, it is time to see how Ugarte's nephews carried on the business he built over his long career in New Granada.

SECOND GENERATION: UNCLE AND NEPHEWS

Though blessed with wealth and fortune, the Ugarte-Franqui couple had no children.⁵¹ This, however, did not alter Ugarte's design to pass his fortune on to the next generation. Like countless Spanish merchants who made a fortune overseas, the Basque contacted two of his brothers back in his homeland, Domingo and Antonio, to ask them to send him one or two of their male children to work with him in his Bogotá-based business.⁵² José Antonio Ugarte, the son of Antonio, was the first to respond to the calling of Don Pedro. Born on 15 September 1755 in Amurrio, José Antonio was taken by his father to Cádiz, where he was apprenticed to Parish&co at age 10 (Ugarte, 1838/1917). Eight years later, he traveled to Bogotá, where, according to a recount written by his son Francisco in 1838, he "amassed a considerable fortune under the protection of his uncle" (Ugarte, 1838/1917, p. 365).

The second nephew who decided to try his luck in the lands of El Dorado was Nicolás, Domingo's second-born son. He was born on 9 September 1769 in Amurrio and got to Bogotá at some point in the late 1780s.⁵³ Information on Nicolás is scarcer, perhaps because he became a sort of junior partner to his elder cousin over the following years. José Antonio, indeed, received a larger share of his uncle's estate and got, in 1793, a power of attorney from Nicolás to collect and manage the debts owed to Don Pedro and bequeathed to him.⁵⁴ The Ugarte cousins forged an intimate business rapport that soured during the independence wars when the two branches of the family followed different political paths.

Since their early beginnings in New Granada, the nephews diverged from their uncle's commerce model. They preserved some of the business lines of the previous generation but focused instead on landowning, livestock raising, and tithe collection. Marriage patterns changed as well.

⁵⁰ AGN, N2, v. 174, ff. 381-383.

⁵¹ Codicil 2, ff. 728v-1729 and Codicil 3, ff. 735v.

⁵² For the family ties between the Ugartes in America and Spain, see ACHV, Zaldúa y Balboa, Pleitos. 4028-3 and Hijosdalgos, 1343-1.

⁵³ Archivo Histórico Diocesano de Vitoria, Bautizados 1700-1779, f. 166; ACHV, Hijosdalgos, 1199-42, ff. 5-12.

⁵⁴ AGN, N2, v. 188 (1795), ff. 55v-58 and v. 183 (1793), ff. 80v-81v.

A few years after his arrival, José Antonio espoused Rosalía Alegría, the daughter of the wealthy Spanish merchant Gerónimo de Alegría and Josefa Porras, the heir of the then head of Bogotá's royal treasury (Ugarte, 1838/1917).⁵⁵ No evidence exists to calculate Alegría's dowry, but the marriage received a house worth 7 500 silver pesos Ugarte sold in 1788 to Antonio Nariño.⁵⁶ Rosalía passed away in the late 1770s, and José Antonio married again, this time to Josefa Azuola (Ugarte, 1838/1917). Though not wealthy, the Azuolas were a family of Basque descent who controlled the collection of the indulgencies (*bulas*) in Bogotá's treasury and had huge political influence as lawyers and intellectuals during the late eighteenth century and the early republican years (Marín, 2008). As for Nicolás, he married Francisca Lozano, the daughter of the San Jorge Marquis, marking a huge drive towards merchant integration into the local group of landed entrepreneurs. As a dowry, he received a house worth 16 000 silver pesos that he later sold in 1805.⁵⁷

Livestock raising to supply Bogotá's growing market became José Antonio's core business, renting properties to fatten cattle he obtained in the lowlands of the viceroyalty. The Basque dealer funded these early ventures through loans from his uncle and partnerships with modest landed entrepreneurs and merchants.⁵⁸ Nicolás joined his cousin after his arrival, and the information contained in Graph 3 indicates that the duo's business size grew despite some volatility over the years. In relative terms, the market share of the two businessmen fluctuated within a band of 4-16% of the city's overall livestock demand. Though not large, these shares were significant given the competitive nature of New Granadan markets in contrast to trade concentration prevalent in other cities of the Empire, such as Mexico City.⁵⁹ Besides their business acumen, a driver behind the success of the Ugartes in the livestock business was their political connections within the city council. The latter intervened in the sector through supply quotas and price controls. José Antonio and Nicolás joined their uncle in buying seats in the city government, becoming, for some years, mayors and deputies (Marín, 2008). Their political influence peaked when José Antonio was named in 1807 as representative of the landowners in a petition to increase meat prices despite the inflationary spiral that characterized New Granada's economy on the eve of imperial collapse.⁶⁰

The new business model, in short, privileged a sector of low yet secured returns in which political involvement was key (Tovar, 1988). Naturally, land was required to operate in livestock raising. After some litigation with his partners during the rental of rural properties in his early beginnings, José Antonio decided to buy rural estates.⁶¹ As Table 1 indicates, the Ugartes became significant landowners as the Independence Wars neared. The involvement in landowning started in 1784 when José Antonio acquired Chaleche, a rural estate (*hacienda*) in Sesquilé containing 600 heads of breeding cattle, 280 head of fattening cattle, 30 mares, 12 horses, 2 donkeys, 550

⁵⁵ AGN, N1, v. 184 (1757), ff. 127, ff. 445v-446v and ff. 457-457v; v. 190 (1759), ff. 84-85v and ff. 332-332v; v. 191 (1760), ff. 142-144 and 560-560v; v. 192 (1761), ff. 292v-294.

⁵⁶ AGN, N2, v. 168 (1788), ff. 364v-376. This property served José Antonio to obtain ecclesiastical loans in the 1770s. AGN, N3, v.272 (1786), ff. 341v-345.

⁵⁷ AGN, N2, v. 186, 1794, ff. 436-439 and N3, v.339, 1805, 41v-42v. The Azuolas were also related through marriage links with the Lozanos, forging indirect ties between the two branches of the Ugartes.

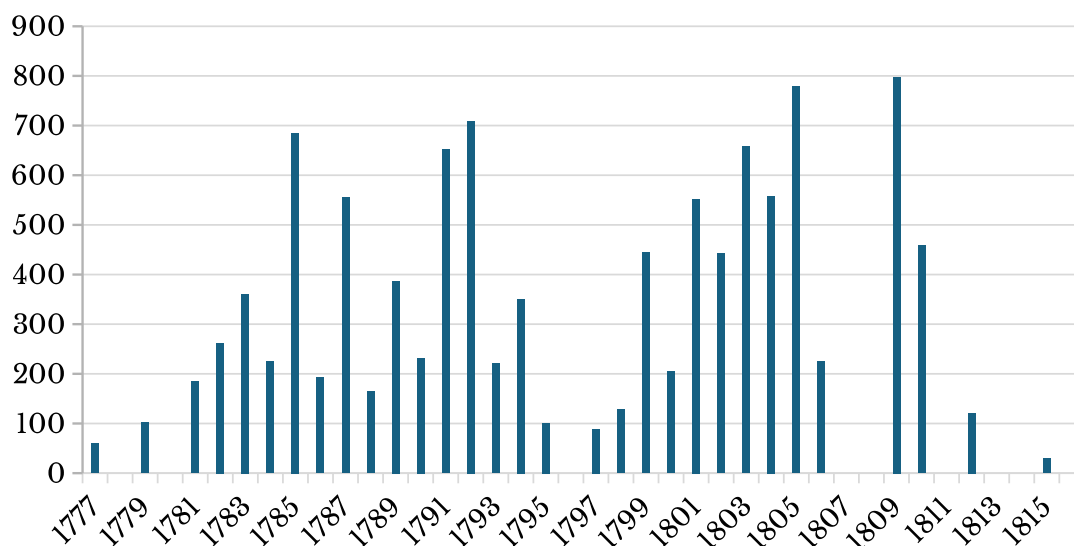
⁵⁸ AGN, N3, v. 249 (1778), ff. 413-413v; N1, v. 207 (1782), ff. 214-214v and 244-244v.

⁵⁹ On this comparative approach to market structures see Torres (2021).

⁶⁰ AGN, N1, v. 224 (1807), ff. 86v-88. For the viceregal-wide inflation see Torres (2013).

⁶¹ AGN, N1, v. 207 (1782), ff. 244-244v.

Graph 3. Head of cattle sold by the Ugarte cousins to the city's slaughterhouse



Sources: AGN, SAA-3 Real Hacienda Cuentas, and SAA-2 Administración de Alcabalas.

sheep, 9 oxen, and a broad array set of tools and ditches.⁶² The following year, Ugarte injected further capital into the *hacienda*, buying 220 more heads of cattle and investing in 100 mares and 10 donkeys, likely to promote mule breeding in the property.⁶³

It seems the passing of the elder Pedro de Ugarte absorbed José Antonio's attention, selling Chaleche at some point in the early 1790s (López, 2019). Did this mean a brief exiting from livestock rising? Not at all. The young Ugarte kept renting estates, among them a set of properties belonging to the Santa Inés Convent. The merchant's relationship with this institution started in the late 1770s when he rented some pieces of land from the convent to breed cattle under terms not indicated in the sources.⁶⁴ In 1791, José Antonio reported having invested 3 000 silver pesos in cattle and pasture in San Antonio and 700 head of fattening livestock in Las Monjas, a famous estate owned by the convent in Bojacá.⁶⁵ Eight years later, he renewed the rental of the properties, including the farms named Corzo, Jabonera, and Zerrezuela, for 1 100 silver pesos a year.⁶⁶ This arrangement lasted until 1807, when litigation ensued between the two parties regarding land improvements.⁶⁷

The cousins made a comeback at landownership in 1797 when they acquired a lowland estate called Luchuta de Bahamón, in Anolaima. A sugar cane-producing *hacienda*, Luchuta marked a drive towards diversification in which the cousins supplied Bogotá with highland and lowland

⁶² AGN, N3, v.267 (1784), ff. 313v-314v.

⁶³ AGN, N2, v.171 (1785), ff. 78v-80.

⁶⁴ AGN, N3, v.249 (1778), ff. 413-413v.

⁶⁵ AGN, N2, v.178 (1791), ff. 138-139v.

⁶⁶ AGN, N2, v.196 (1798), ff. 637v-638.

⁶⁷ AGN, N1, v.224 (1807), ff. 104v.

produce.⁶⁸ There is no evidence they participated in the boom of cash crop exports to mining and Caribbean markets via Honda. Still, they succeeded in gaining market shares in the viceregal capital.⁶⁹ The duo's sales of cane syrup expanded in the decade before the revolution, working their way into the ranks of the top five suppliers of the sector as early as 1801.⁷⁰

Capital injections were allocated again to the acquisition of highland estates, with José Antonio and Nicolás acquiring El Hato and El Prado, respectively. The two properties had a mixed farming vocation, adding to the cousins' focus on raising livestock and producing cereals and tubers. Information contained in Table 2 provides, indeed, a breakdown of El Hato's produce and revenue for a year in which José Antonio had litigation with a tithe collector. Wheat production became central in the entrepreneur's portfolio, likely reflecting an interest in extending his uncle's role as a flour merchant. How significant were these revenues? More data is needed to calculate performance in this sector but a raw, very raw measure to understand efficiency is the sales-to-capital ratio. El Hato's ratio in this regard came to 0.06%, suggesting a low capacity to create cash flows and a high need to inject further investments.

Likely, José Antonio integrated cash flows among his different investments, but the information in Tables 3 and 4 suggests that the liquidity ratio of his portfolio was relatively low. During the first generation, as has been explored, Pedro de Ugarte was a significant financial dealer, extending credits to a broad set of borrowers. In contrast, the second generation could not pay off current debt obligations without raising external capital. The Ugarte cousins relied upon a wide set of lenders who trusted their worthiness thanks to their uncle's support and assets. This model was not necessarily wrong but given the low rates of return on rural estate sales, a high level of indebtedness would prove costly for the cousins when the Independence Wars changed macroeconomic and political conditions.

Though exiting financial operations, the second generation kept close ties to the royal treasury and the viceregal court. The cousins still brokered a significant amount of *fianzas* for various royal officers across the viceroyalty while preserving a strong presence in the *situado* business.⁷¹ These activities accrued rents and contacts for the cousins. In 1799, for instance, Remigio Bobadilla, the Llanos governor, granted a power of attorney appointing José Antonio as his agent in the viceregal capital.⁷²

⁶⁸ AGN, N2, v. 183 (1793), ff. 356v-358 and v.197 (1799), 95v-105v.

⁶⁹ On the sugar exports see Henao (in press).

⁷⁰ AGN-A3, Real Hacienda Cuentas, 2486-c, 1353-c, 1838-c, 2123-c, 1823-c, 1988-c, 2129-c, 390-c, 635-c, 636-c, 2343-c, 2761-c, 2763-c, 2171-c, 2894-c, 2907-c, 1624-r, 1084-r, 1118-r; AGN-A2, Administración de Alcabalas. Cuentas Generales, box 8, folder 1. Cuentas de Cargo y Data, box 8, folders 1-2; Administración de Alcabalas (Paquetes no Catalogados). box 4, folder 1-2; box 34, folder 1; box 56, folder 3; box 60, folder 1; box 78 folder 2; box 129, folder 2-3; box 132 folder 2-3; box 134 folder 2-3.

⁷¹ For a list of the *situadistas* during these years see Gutiérrez & Torres (2021). For a sample of the *fianzas* granted by the Ugarte cousins see: AGN, N2, v. 181, 1792, ff. 528v-529v, v. 184, 1794, ff. 3v-4, v. 188, 1795, ff. 477-477v and 500v-501v, v.190, 1796, ff. 50-51v and 61v-62v, v. 191, 1797, ff. 17v-20, v. 207, 1804, ff. 291v-293, v. 213, 1807, ff. 593.

⁷² AGN, N2, v. 197 (1799), ff. 27v-29.

Table 1. Rural estates acquired by the Ugarte cousins according to available notarial records (all values in silver pesos)

Year	Seller	Buyer	Estate name	Location	Value	Payment mechanism	
						Cash	Mortgage
1784	Nicolasa Portela	José Antonio	Chaleche	Sesquilé	23 300	7 300	16 000
1799	Salvador García y José Antonio Rubio	José Antonio and Nicolás	Luchuta de Bahamón		5 000	4 000	1 000
1804	María Dionisia Caicedo	Nicolás	El Pedregal	Zerrezuela	16 000	6 000	10 000
1804	Vicente Rojo	José Antonio	El Hato de Córdoba	Facatativa	28 000	8 000	20 000
1804	No information	Nicolás	El Prado	No information	24 500		

Sources: AGN, N1, N2, and N3.

Table 2. El Hato's output structure and total revenue, 1805 (in silver pesos)

<i>Item</i>	<i>Quantity</i>	<i>Measure</i>	<i>Unit price</i>	<i>Total value</i>
Calves	53	Units	4	212
Mules	9	Units	9	81
Colt	18	Units	3	54
Wheat	370	Muleloads	2.5	925
Potatoes	300	Muleloads	1.25	375
			<i>Total revenue</i>	1 647

Source: AGN, SAAI, Diezmos, v. 22, f. 161.

The businessman was to back up the governor financially while overseeing the allocation of the region's tributes to the royal treasury and local *encomenderos*, as well as the selling of the *lienzo morcotes* Bobadilla managed to acquire privately. During the following eleven years, Ugarte handled over 12 000 silver pesos worth of goods from this contract, remitting back to Bobadilla silver and European goods.⁷³

Public service and corporate politics were also continued after Pedro de Ugarte's passing, with the cousins serving, inter alia, as deputies for the city's public works, commissioners to deal with the smallpox epidemic of 1804-1803, and members of the city council (Mendinueta, 1802/1989, pp. 65-84; Marín, 2008).⁷⁴ They also served as trade deputies in 1794, 1804, and 1806, with José Antonio leading petitions to create a *consulado* (merchant guild) in the viceregal capital in 1796 and 1804.⁷⁵ As their uncle did during the previous decades, the two cousins preferred to show their credentials in civic service over their membership in the local militia or nobility titles.⁷⁶ Francisco de Ugarte, a member of the third generation of the family, argued that his father's services "and his pretensions to cultivate viceroys and high judges led to significant outlays without tangible profits." (Ugarte, 1838/1917). Be that as it may, the main interregional shift between Don Pedro and his nephews regarding financial connections with the royal treasuries was the funding of tithe collectors across the Northern Andes. As mentioned above, the elder Ugarte had operated the collection of some districts, but José Antonio and Nicolás made this sector a part of their core business.⁷⁷

These forays into ecclesiastical finance required liquidity and clerical ties. Thus, the Ugartes had to grant *fianzas* to local priests who were to ensure the payment of taxes, such as the *media anata* to the crown.⁷⁸ These prelates were key in acquiring information and influencing the decision of the Tithe Boards when it came to auctioning off the collection in some districts (Brungardt, 1974). Naturally, the key actor here was the would-be tithe farmer.

⁷³ AGN, SAAI, Reclamaciones, v. 2 ff. 730-740. The *fianza* Ugarte granted in Bobadilla's favor to serve as governor is in AGN, N3, v.326, 1799, ff. 17-18. The Basque also settled the governor's debts with several merchants in Cádiz. See AGN, N3, v. 328, 1800, ff. 282v-295.

⁷⁴ AGN, SC, EPC, v. 3, ff. 287-290. The best analysis of the smallpox's impact on New Granada's economic milieu is the one by Bejarano (2023).

⁷⁵ AGN, N3, v.306, 1794, ff. 126v-128, v. 315, 1796, ff. 314-315, v. 336, 1804, ff. 112-113, v. 339, 1805, ff. 41v-42v.

⁷⁶ For a discussion on Pedro de Ugarte's enrollment in the local militia, see Torres (2024). For evidence of the membership of José Antonio in the same institution, see AGN, N3, v.331, 1801, ff. 19v-20.

⁷⁷ See the tithe auctions in AGN, N 2, v.206-215.

⁷⁸ See, for instance, AGN, N2, v. 206, 1802, ff. 753-753v, v. 211, 1806, ff. 21v.

Table 3. Loans obtained by the Ugarte cousins (silver pesos)

<i>Year</i>	<i>Creditor</i>	<i>Location/ information</i>	<i>Loan value</i>	<i>Specie</i>	<i>Collateral</i>
1779	Hospital Convent	Bogotá	2 980	Silver	Rosalía Alegría's house
1784	Joaquín Méndez	Choachi/priest	6 000	Dobloons	Chaleche and Pedro de Ugarte's assets
1785	Rafael de la Vega	Landowner	3 000	Silver	Pedro de Ugarte's assets
1785	Concepción Convento	Bogotá	2 000	Silver	Chaleche and Pedro de Ugarte's assets
1785	Francisco Moya	Bogotá/dean cathedral	5 000	Silver	Chaleche and Pedro de Ugarte's assets
1791	Hospital Convent	Bogotá	1 030	Silver	Livestock in Las Monjas Estate
1791	Hospital Convent	Bogotá	2 950	Silver	Houses inherited from Pedro de Ugarte
1793	Enseñanza Convent	Bogotá	12 000	Silver	Houses inherited from Pedro de Ugarte
1795	Juan Antonio Uricoechea	Bogotá/merchant	6 000	Silver	Houses inherited from Pedro de Ugarte
1798	Silvestre Trillo	Bogotá/merchant	6 000	Dobloons	No data
1799	María Petrona de Celis	Bogotá/widow	1 500	Silver	Houses in San Victorino
1800	Vicente Rojo	Bogotá/merchant	8 000	Dobloons	Houses in San Victorino
1808	José María Márquez	Bogotá/merchant	5 000	Dobloons	No data
1808	Juan Antonio Uricoechea	Bogotá/merchant	8 000	Silver	Houses

Sources: AGN, N1, N2, and N3.

Table 4. Loans extended by the Ugarte cousins (in silver pesos)

<i>Year</i>	<i>Debtors</i>	<i>Location/ information</i>	<i>Loan value</i>	<i>Specie</i>	<i>Collateral</i>
1789	Francisco Javier Calderón Francisco Ponce	San Antonio	1 300	Silver	Lands Cacao production
1797	y María Ana Prieto	Bogotá	1 200	Silver	in Mérida
1800	Feliciano Otero	Bogotá/ merchant	3 000	Silver	Andrés Otero's assets
1800	Toribio Rubio	Bogotá	2 000	Silver	Mules and livestock

Sources: AGN, N1, N2, and N3.

The mechanics of this business are well illustrated in one notarial contract signed between José Antonio Ugarte and Francisco Javier Calderón in 1789.⁷⁹ Ugarte was to provide the *fianza* and the money for Calderón to farm out the tithes of Natagaima, Páramo, and Coyaima (Neiva Province) during the board's auction. Liquidity was pivotal since the district boards privileged upfront bids over those offering payment in installments. Calderón was to act as an industrial partner, collecting revenues and transferring the proceeds to Ugarte in Bogotá. Since most farmers paid their tithes in goods, Calderón was responsible for selling those goods in local or regional outlets and acquiring cattle to be fattened in Ugarte's estates in the highlands. The overall profits of the operation were to be split evenly.

The focus on new sectors led to the exit from areas in which the elder Ugarte had made a killing. Real estate development, for instance, was no longer a pivotal concern for the second generation, and most of the urban properties inherited by the cousins were monetized.⁸⁰ In the 1790s, José Antonio invested heavily in house construction in San Victorino, developing eight houses with 17 stores worth over 30 000 silver pesos. However, the Basque sold most of these properties in the following decade, marking a further shift from urban to rural focus.⁸¹ Mining ventures also waned during the second generation. The cousins decided to revamp the Sapo mines by injecting further capital and formalizing Delhuyar's entry into the company as an industrial partner. Still, the early passing of the scientist in 1796 and the intractable nature of the region's veins proved unsurmountable for Pedro de Ugarte's heirs (Torres, 2024). In 1799, "lacking an intelligent person to run the mines," the cousins donated the shafts to Jorge Tadeo Lozano, a scientist and son of the late San Jorge Marquis, reinforcing the family ties with the local patriciate.⁸²

⁷⁹ AGN, N2, v. 168, 1789, ff. 765v-766.

⁸⁰ See the sales of some houses in AGN, N3, v.303, 1794, ff. 132v-137, N2, v. 188, 1795, ff. 242v-245, v. 190, 1796, ff.499-502, v. 193, 1797, ff. 304v-307v.

⁸¹ AGN, N3, v. 327, 1800, ff. 50-51, v. 332, 1802, ff. 7-9v, v. 333, 1802, ff. 203-204.

⁸² The donation, undertaken for the "love and admiration" that both José Antonio and Nicolás had for Jorge Tadeo, did not include the slaves and tools of the mines. These assets were later sold in 1802. See AGN, N3, v. 326, 1799, ff. 121v-122, v.332, 1802, ff. 7-9v.

Continuities and discontinuities also unfolded regarding the family's overall trade business. José Antonio and Nicolás preserved their investments in cacao export via Maracaibo, forging strong ties with the Veracruz-based merchants Ignacio Miranda and Marcelino Almanza.⁸³ As stated at the outset of this paper, the crossflows of silver and cacao nurtured the negotiation of bills of exchange and other financial activities that connected the Northern Andes via Venezuela with the world economy. The Ugartes also started to look for investments in coffee and indigo production in Cúcuta, but further research into Maracaibo's customs records is needed to calibrate the outcome of such ventures.

The two cousins kept and expanded the trade connections with the eastern districts of the viceroyalty. They invariably hovered at the 90th-95th percentiles among the importers of cacao, woolens, and coarse cottons during the 1790s and the 1800s, surpassing their uncle's tally in these sectors. According to customs records, the Ugartes traded in a wide range of merchandise of different quality and specifications, confirming the viceregal-wide drive toward competition in product differentiation and variety. Cargo diversification also unfolded in import trade, but the cousins diverged significantly from their uncle's practices here. Information contained in Graph 4 shows that they did not increase their presence in the import business vis-à-vis the first generation but decided to import a sizable cargo followed by several years of low inflows. The Ugartes were not interested in adapting their business to the new conditions of trade that followed the 1796 outbreak of hostilities with Great Britain. The British blockades led to changes in the traditional circuits of exchange, opening/closing venues that required flexible networks from import merchants. The Maracaibo connection proved vital for the cousins, but they kept their imports at a minimum level during the 1800s. In short, it was 1796 and not 1778, the watershed of the retreat from the international trade of traditional wholesalers such as the ones studied here.

The most significant change occurred in the third branch of the triangular trade that enriched the previous generation. While strengthening their position in domestic produce and limiting their participation in import flows, the Ugarte cousins exited the gold trade on the eve of the 1810 revolution. As Graph 4 shows, the two merchants stopped selling gold bars to the mint in 1801 after marketing relatively small amounts during the 1790s. The duo still acquired some doubloons from their bimetallic dealings with southwestern merchants, but the lack of engagement with the mining belts signaled a new era of local-oriented ventures.⁸⁴ This was the investment philosophy bequeathed to the third generation.

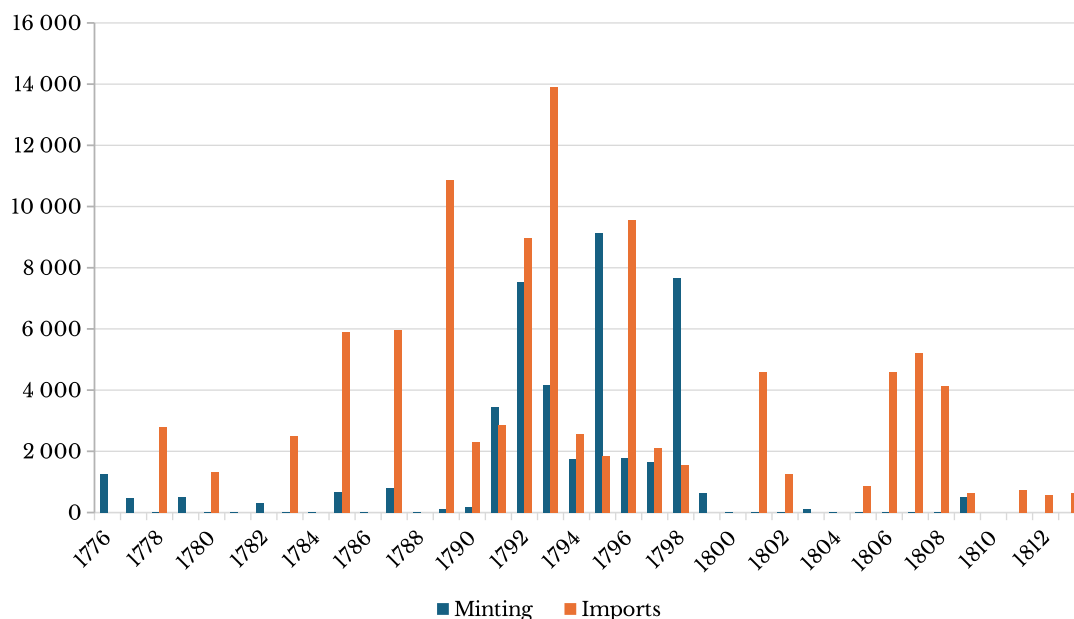
THREE GENERATIONS FROM OVERALLS TO OVERALLS

In his sarcastic yet revealing memoirs, Francisco de Ugarte y Azula posed a common question among those disenchanted by the unfulfilled promises of the Republican era: "If there had been no Revolution, what would be of my fortune today? What would be of the destiny of President [José Ignacio] Márquez and other rascals, thieves, and penniless individuals who control the gov-

⁸³ This paragraph builds upon the correspondence and the bills of exchange of the Miranda-Ugarte dealings located in Archivo Histórico Javeriano (hereafter AHJ), Fondo Camilo Torres (hereafter FCT), folder 2 ff. 37-60 and 79-82, folder 4, ff. 65-69 and 210-215, folder 5, ff. 48-56, folder 8, ff. 6-10, folder 19, ff. 28-30. The powers of attorney granted by the Ugartes to Miranda and Almanza are in AGN, N2, v. 183, 1793, ff.356v-358 and N3, v.319, 1800, ff. 233v-234.

⁸⁴ For some contracts with miners and merchants hailing from the gold-bearing regions, see AGN, N1, v. 219 (1792), ff. 140-140v and 140v-141v, N2, v. 183 (1793), ff. 217v-218v.

Graph 4. Value of the yearly cargo cleared at Bogotá's customs by the Ugartes and value of the gold bars they sold to Santa Fe Mint (in silver pesos)



Sources: Sources: For imports, AGN, SAA-3, Real Hacienda Cuentas, and SAA-2, Administración de Alcabalas; for minting values, AHCM, Superintendentes.

ernment?" (Ugarte, 1838/1917). Ugarte, a fervent revolutionary who graduated as a lawyer during the last days of colonial rule, was confined in an obscure office of the royal treasury where he was asked to present a *fianza* of 1 000 silver pesos or otherwise to lose his job. "The guarantor," remarked Ugarte, "is asking me 2% per month to grant such a security, and my wage comes to 900 silver pesos a year. I simply don't have the money to cover such costs." (Ugarte, 1838/1917). What a reversal of fortune for someone whose family had brokered *fianzas* and big-money services to treasury officials for nearly 70 years!

Though the Independence Wars were the main drivers behind the collapse of the Ugarte business ventures, certain cleavages emerged during the transition from the second to the third generation of the dynasty. This case study may be read as one illuminating the so-called "Buddenbrooks syndrome" or the inability of family firms to survive beyond the third cohort in a family's business endeavors (Allende, 2009). The Ugartes lacked the three aspects that the literature has identified as prerequisites to escape the syndrome: the ability to respond to changes in market environments, the transmission of skills and values to the following generations, and the successful intergenerational transfer of family assets (Lorandini, 2015).

In his recount, Francisco expressed this in a Freudian tone, accusing his father of not thinking about his business career and instead wanting to "imprison" him in the *hacienda* (Ugarte, 1838/1917). Having closed the generational continuity of the merchant tradition for his son, José Antonio forced Francisco to become a lawyer, an idea that the latter did not like initially but that he later embraced as a mechanism to gain freedom vis-à-vis his father. In San Bartolomé Col-

lege, Francisco came to have contact with antimonarchical ideas, making his internship in the law office of Fruto Joaquín Gutiérrez and later collaborating with Joaquín Camacho's legal activities. Camacho and Gutiérrez were two revolutionaries in the making.⁸⁵

A difficult father-son rapport and acute differences among the first generation of the Ugartes born in New Granada indeed explain the reluctance of old José Antonio to foster his son's business career. However, research on merchants in other areas of the empire suggests that most of them wanted to place their male heirs in a career within the army, the church, or the royal bureaucracy (Brading, 1971; Socolow, 1978). It was the son-in-law who was to continue the family's business prospects (Valle, 2017).⁸⁶ And here, José Antonio was not an outlier. He married her first daughter, Ignacia Ugarte y Alegria, to the newly arrived Basque merchant Antonio Gutiérrez y Saravia, giving him a dowry of 8 000 silver pesos.⁸⁷ It was a liquid endowment dedicated, no doubt, to fund the commercial ventures of his son-in-law. If things had gone as planned, Gutiérrez would have inherited Ugarte's merchant house and lands. Yet, at some point in the late 1790s, the Basque fellow fled the city with the entire dowry. To make things worse, a few years later, Ignacia ran away from her home, married a mulatto, and settled in Guaduas, where she prospered, cutting ties with his father's family (Ugarte, 1838/1917).

These events changed the Ugartes' future marriage patterns. No member of the family engaged a merchant or a Spaniard. Francisco married the daughter of Juan Nepomuceno Niño, a Tunja-based land entrepreneur with substantial political influence in eastern New Granada. The young Ugarte resented the union since he considered Niño's family "poor and obscure country-folk." Francisco emphasized in his memories the vast difference in the fortune of the two families, interpreting his father's decision as a further punishment (Ugarte, 1838/1917). Perhaps the union was intended to reinforce the commercial and political links of the Ugartes with the eastern districts of the viceroyalty. José Antonio's other daughter was married to Jacobo Ricaurte y Nariño, while Nicolás Ugarte followed a similar pattern by marrying his only daughter to Rafael Prieto. Both Prieto and Ricaurte were members of well-established, landowning families in the region (Marín 2008).

In short, the generational transition veered away from urban to rural interests and from imperial to local focus. The transition experienced further changes after the Independence Wars.⁸⁸ Francisco became a fervent revolutionary, celebrating the fall of viceroy Amar y Borbón and enlisting in the patriotic army immediately (Ugarte, 1838/1917). José Antonio was a moderate supporter of political change, while Nicolás became an ardent monarchist. Given the political, intellectual, and family ties of Francisco and José Antonio with federalists such as Camacho and Niño, father and son decided to support that cause.⁸⁹ Francisco became a treasurer in one of the federalist battalions while José Antonio provided supplies to the armies that from Eastern New Granada

⁸⁵ The best analysis of Camacho's trajectory is the one of Martínez, Vanegas, & Gutiérrez (2011).

⁸⁶ The few studies available on merchants in New Granada, indicate that this pattern was prevalent in the region. The Santa Coa Marquis, for instance, married his daughter with two nephews who carried on his business after his passing. Daza (2009).

⁸⁷ AGN, N2, v. 192 (1797), ff. 410v-412v.

⁸⁸ The best analysis of the political and social transformations of these years is the one by Gutiérrez (2010).

⁸⁹ Camacho participated actively in the 1810 revolution, became the diplomatic representative of Tunja in Bogotá, and intellectually defended the federalist cause in local newspapers (Martínez, Vanegas & Gutiérrez, 2011). Niño, Francisco de Ugarte's father-in-law, became the first president of the Tunja Republic and a pivotal supporter of the *Provincias Unidas*, the federalist government that agglomerated the provinces that revolted against Bogotá's centralist

sieged Bogotá in 1813.⁹⁰ When Antonio Nariño's centralist army prevailed, he imprisoned José Antonio and his daughter-in-law, embargoing El Hato and some of his urban belongings.⁹¹ By the time the estate returned to Ugarte's hands in 1814, the livestock herd had collapsed to 9% of the pre-1810 levels, with the wheat fields lying in complete abandonment.⁹²

Despite suffering forced loans and imprisonment due to his sympathies with the royal cause, Nicolás Ugarte was able to weather the storm until the arrival of the restorationist armies in 1816. His family ties with Jorge Tadeo Lozano were vital during these years, granting Ugarte political and judicial support.⁹³ While José Antonio and his son collected money and contacts to gain pardons, Nicolás experienced a revival in local influence during the Restoration. He became Bogotá's alcalde and collaborated with the royal authorities on several commissions.⁹⁴ However, this intimate relationship with the Spanish cause proved costly, and Nicolás fled alongside the viceroy Sámano after Simón Bolívar's victory in 1819. He died months later en route to Cartagena while in Bogotá, the remaining of his assets, including the Prado estate, were seized by the newly established republican treasury.⁹⁵ Four years after, José Antonio passed away "poor and flooded in debt," forcing Francisco to use a security that in his favor had left Josefa Franqui to pay off part of his father's liabilities (Ugarte, 1838/1917). Political contacts with Vice President Francisco de Paula Santander helped him to secure employment in the former Court of Accounts, a position he preserved until his controversies with President Márquez (1837-1841) put him on the verge of dismissal.⁹⁶ He calculated his losses during the Independence Wars at 150 000 silver pesos (Ugarte, 1838/1917).

Political interactions acted in tandem with changes in macroeconomic conditions to explain the collapse of the family's business organization. It seems the main driver behind the group's financial crisis was the incapacity of Ugarte's debtors to settle payments, triggering a liquidity crisis that worsened once Nariño seized his assets.⁹⁷ In 1818, José Antonio reported that uncollectable debts in his favor came to over 60 000 silver pesos, with mortgages on his rural and urban holdings increasing to over 50 000 silver pesos plus 25 000 silver pesos in late payment to providers.⁹⁸ Given the decline in the businessman's net worth, acquiring new loans became impossible, and the debt restructuring included the compromise of his son, Francisco, to pay in installments part of the liabilities and the transfer of El Hato's management to his son-in-law, Jacobo Ricaurte.⁹⁹

forces led by Antonio Nariño (Gutiérrez, 2010). Luis Eduardo Azuola, José Antonio de Ugarte's brother-in-law, also became a representative in the Congress of the *Provincias Unidas* (Gutiérrez, 2010). Camacho and Niño were executed during the Restoration.

⁹⁰ AGN, SAAI, Historia, v. 7, ff. 241-274. For Ugarte's activity as an army treasurer, see Díaz (2023).

⁹¹ AGN, SAAI, Historia, v. 7, ff. 249-259 and AGN, Bernardo Caicedo, Patria Boba, v.2, ff. 2-15. José Antonio's daughter-in-law, as mentioned above, was Niño's daughter.

⁹² AGN, SAAI, Historia, v. 7, ff. 262-262v.

⁹³ AGN, N2, v. 2 (1815), ff. 398v-399v. Lozano was also an active revolutionary who challenged Nariño for Bogotá's political prominence (Gutiérrez, 2024).

⁹⁴ AGN, SAAI, Secuestros, v. 1, ff. 200-205 and 260-269.

⁹⁵ AGN, SAAI, Embargos, v. 5, ff. 220-238.

⁹⁶ Ugarte supported Santander's candidate who ran against Márquez during the 1837 presidential election. A recount of Ugarte's political ventures can be consulted in "Señor editor de la Bandera Nacional", *La Bandera Nacional*, Issue 49, September 16, 1838. I want to thank Daniel Gutiérrez for sharing this reference with me.

⁹⁷ According to Francisco Ugarte, most of his father's associates were Spaniards who faced political persecution and asset seizures. See: "Señor editor de la Bandera Nacional", *La Bandera Nacional*, Issue 49, September 16, 1838.

⁹⁸ AGN, SAAI, Reclamaciones, v. 2 ff. 743-750.

⁹⁹ AGN, SAAI, Diezmos, v. 27, ff. 539-574.

The relationship with Nicolás also soured during these years. Part of José Antonio's strategy to mitigate the pressure of his creditors was endorsing several bills of exchange against his cousin, arguing that he had a balance in his favor following the payment of two loans to merchants Juan Antonio Uricoechea and José Márquez. Simón Bolívar happened to be one of the holders of the bills.¹⁰⁰ Nicolás refused to pay and used his authority as mayor to avoid responsibility until 1819. When the republican cause prevailed, one of his houses was sold to settle Bolívar's balance. "These dire times," concluded José Antonio in 1820, "forced me to break relations with a close and dear relative painfully."¹⁰¹

As stated above, the liquidity ratios the Ugartes had before the revolution made them particularly vulnerable to external shocks. According to his testimony during the debt restructuring process of 1818, José Antonio invested heavily in cacao purchases through his agents in Maracaibo and Guayaquil, with further funds acquiring chinchona bark to be sold by Paúl-Larrieta&co in Cádiz during the two years before the revolution.¹⁰² He did not provide the numbers involved in such dealings. Still, notarial records suggest Ugarte borrowed over 18 000 silver pesos from other merchants in 1808-1809, including the two transactions with Uricoechea and Márquez (See Table 3 above). Problems emerged when the revolution disrupted trade circuits, creating cash flow bottlenecks for the cousins in Bogotá. This, in turn, affected the capacity of the merchants to stay afloat in sectors that required ready money, such as tithe collection and interregional trade.

In 1811, for instance, the cousins partnered with Fernando Pabón to farm out the tithe collection in Suatá and Santa Rosa, two prosperous districts in eastern New Granada.¹⁰³ As was the norm before the revolution, the cousins advanced cash to bid at the Board's auctions while Pabón collected tithe revenues and commodities worth 16 000 silver pesos. The business was conducted as usual during 1811, but during the following year, José Antonio started to fall behind on payments. In January 1812, Pabón consigned over 4 000 silver pesos worth of cacao, whose proceeds would be used to pay the Tithe Board. The merchant sold the cargo in Bogotá but used the money to cover another debt, asking the Board to grant extensions on the partnership's payments. "My *hacienda*," Ugarte remarked, "is enough to barely pay my expenses while most of my capital is in the hands of outstanding debtors and over 800 muleloads of cinchona bark warehoused in Cádiz."¹⁰⁴ The board granted the extension, but four years later, Ugarte was still in default. In 1818, he remarked most of his debtors were broke and added that he had "thousands of pesos on my favor in Quito, Guayaquil, and Maracaibo, but collecting them has been impossible during the war years."¹⁰⁵

Similar issues emerged regarding the tithe collection and the selling of *lienzos morcotes* from Los Llanos. As stated in the former section, José Antonio partnered with the local governor, Remigio Bobadilla, to sell the textiles in Bogotá with which the indigenous populations of the area paid their tributes since the 1790s. On the eve of the revolution, Bobadilla finished his term but auctioned the region's tithe collection. Most of the tithe revenues were used to buy *lienzos* that were, in turn,

¹⁰⁰ AGN, SAAI, Secuestros, v.1, ff. 374-390.

¹⁰¹ AGN, SAAI, Secuestros, v.1, ff. 378v.

¹⁰² AGN, SAAI, Diezmos, v. 27, ff. 509.

¹⁰³ AGN, SAAI, Diezmos, v. 27, ff. 492-520. Pabón was, in addition, a key local political figure who participated actively in the federalist politics of eastern New Granada. See Martínez, Vanegas & Gutiérrez (2011).

¹⁰⁴ AGN, SAAI, Diezmos, v. 27, ff. 509.

¹⁰⁵ AGN, SAAI, Diezmos, v. 27, ff. 534.

consigned to Ugarte.¹⁰⁶ The merchant fell behind on payments and owed over 10 000 silver pesos in late 1813. Bobadilla's new agent in Bogotá, Javier Caro, granted an extension of two years that Ugarte could not fulfill. Caro, then, sent a harsh missive telling the merchant that: "You were supposed to pay a portion of the debt in 1816 after receiving news from Paúl-Larrieta in Cádiz about the outcome of the cinchona business. I know such a business came to nothing. Likewise, you promised to pay the remaining portion with the money you expected from Guayaquil, Cuenca, Quito, and other locations. But here again, nothing we know about these dealings. My part does not have to bear the burden of your losses."¹⁰⁷

By the time Francisco took over his father's affairs, most of the urban and rural holdings had been sold to pay off some debts. Francisco preserved one of the houses in San Victorino and the endowment Josefa Franqui had left in his favor. He had to mortgage both assets, paying off the debts in 1824. Francisco tried to make a comeback in the merchant business twice. The first time, amid the Restoration, he mirrored his great-uncle's initial forays: the swapping of global textiles for local produce from the eastern districts of the viceroyalty. After encountering glutted markets in Tunja and Paipa, he gave up the idea, realizing the competitive advantage of those with contacts in Jamaica (Ugarte, 1838/1917). The entry of British, American, and French merchants in the 1820s further complicated the prospects of reviving the old model of Spanish intermediation (Marichal, 1986; Torres, 2021). In 1823, Francisco Ugarte shifted to the supply of local markets, investing in sugar and livestock purchases, but it seems liquidity restrictions precluded him from growing in the sector.¹⁰⁸

Liquidity shortages may have been solved by following Pedro de Ugarte's strategy: the triangulation of the import-local trade with Antioquia's gold flows. Small merchants such as Sinforsoso García, operating in the eastern fringes of the former Kingdom, survived the Independence Wars by making incursions into the mining belts (Gutierrez and Torres, 2021). The decision to exit the gold trade during the second generation proved costly for the intertemporal transfer of wealth and skills of the Basque dynasty. By 1838, Francisco Ugarte complemented his salary as a treasury official with legal services in litigation cases (Ugarte, 1838/1917). He also ran for local government elections with little success during those years.¹⁰⁹ The last heir of one of the most powerful merchant houses of the former kingdom came to be a *tinterillo* in the early republican years.

FINAL REMARKS

The Northern Andes experienced significant economic and social change during the Age of Revolutions. By exploring the business history of three generations of Basque entrepreneurs operating in Bogotá, this paper has provided inputs to understand the micro-level responses to large-scale political and economic shocks and the prospects of business longevity in the region. The analysis of investment patterns, networking, and generational adjustment suggests that long before the export-led growth of the second half of the nineteenth century, a dynamic, viceregal-wide group

¹⁰⁶ AGN, SAAI, Reclamaciones, v. 2, ff. 730-785.

¹⁰⁷ Caro to Ugarte, Bogotá, April 1, 1819, AGN, SAAI, Reclamaciones, v. 2, ff. 753.

¹⁰⁸ AGN, SAAIII, RHC, 848-r.

¹⁰⁹ "Elecciones primarias en Bogotá", *La Bandera Nacional*, Issues 32, and 35, May 27, 1838, and June 17, 1838.

of entrepreneurs had emerged in the region. Pedro de Ugarte's business career was one of social mobility and geographical diversification, forging a core business in financial and exchange dealings, cash crops exports, and real estate development.

In contrast to other Basque merchants that settled in the Americas, Ugarte's family links remained ancillary to the networking he forged with the viceregal court, the city council, and the royal treasury. Though bringing pivotal capital to the marriage, Josefa Franqui provided sectoral expertise and industriousness that proved essential to her husband's sectoral ventures. Ugarte, in short, was a Schumpeterian entrepreneur who prospered in tandem with the viceregal economic growth, investing in innovation, risking capital in opening new markets, and avoiding seigniorial aspirations.

The second generation brought significant changes to the business model of the elder Ugarte. José Antonio and Nicolás focused on sectors of low yet steady returns, such as tithe collection, livestock raising, and urban provision. Political contacts were still pivotal, though the cousins never exercised the courtier activities of their uncle. The new generation exited the world of finance and urban development, fostering holdings with low liquidity ratios and land accumulation. Marriage patterns also changed, with the two cousins sealing unions to daughters of the local landed patriate. Though they reduced their participation in import trade after 1796, the Ugartes reinforced their investments in the export of cash crops that reached international markets via Maracaibo and Guayaquil. The Independence wars affected these circuits, cutting the primary source of liquidity for the two Basque merchants. Political compromise made the family's two branches vulnerable to expropriation and forced loans. At the same time, the new conditions in international trade created barriers to entry for merchants traditionally linked to the old circuits revolving around Cádiz. The third generation tried to shift its focus back to urban provisioning, but it seems the lack of liquidity affected the new ventures. Francisco Ugarte, the last heir of the merchant dynasty, was confined to living hand to mouth from his salary in an obscure office of the republican treasuries. This case study suggests, in short, that the republican era was accompanied by profound changes in the composition of Bogotá's mercantile elite.

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Archives

ACHV Archivo de la Chancillería de Valladolid, Valladolid, Spain.

AGN Archivo General de la Nación, Bogotá, Colombia.

AGI Archivo General de Indias, Seville, Spain.

AHCM Archivo Histórico de las Casa de la Moneda, Bogotá, Colombia.

AHJ Archivo Histórico Javeriano, Bogotá, Colombia.

Archivo Histórico Diocesano de Vitoria, Vitoria, Spain.

Archivo Nacional del Ecuador, Quito, Ecuador.

Newspapers

La Bandera Nacional, Bogotá, Colombia.