

## Archival Note

# Banking History and Archives in Latin America

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In recent years, business history has become a rich and varied terrain for research in Latin America. In this essay, I will present an overview of key aspects of banking history in the region, with an emphasis on the sources that are available in Argentina and Mexico. The extensive archives that have been built up in both countries offer historians the opportunity to study an array of topics: histories of individual banks; the evolution of banking systems; the relation between banking firms and industrial and agricultural development; the role of banks in government finance; the unique historical trajectories of central banks; the rise and relative decline of state-development banks; and the complex history of foreign banks in Latin America from the nineteenth century to the present.

Publication of bank histories proceeded at a slow pace in the diverse nations of Latin America from the late 1960s until the 1990s. In the last fifteen years, by contrast, there has been a veritable boom in published research. This recent dynamism has much to do with the identification of Latin American banking history as a relatively neglected area of both economic and business history. Scholars in the region and researchers in the United States, Great Britain, and Spain who are interested in specific areas of banking and financial history have moved to fill the vacuum. These scholars have paid particular attention to Argentina, Brazil, and Mexico, but they have also produced studies on the history of banking in Colombia and Peru, as well as critical monographs on Cuba, Peru, and Uruguay.<sup>1</sup>

One factor that has stimulated research on the banking and financial histories of the Latin American nations has been the dawning awareness of the rich holdings of key bank archives, a number of which are already well conserved and organized. In recent years, financial

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<sup>1</sup>A rising number of references to Latin American banking history literature can be found in the *Financial History Review*, particularly in the annual bibliographical reviews prepared by Serge Noiret.

*Business History Review* 82 (Autumn 2008): 585–602. © 2008 by The President and Fellows of Harvard College.

historians and a few banks have devoted attention to the conservation, organization, and classification of historical banking archives in several countries, but the challenges are still great. Bank directors and high government functionaries are generally unaware of the cultural, historical, and monetary value of these large documentary repositories. They rarely consult specialists to assess the market value of archival and documentary holdings. Therefore, many archives or collections of bank documents have been destroyed in the past, due to ignorance. My purpose in writing this essay is to outline the sources (particularly archival sources) that are most important to the history of banking and finance in Argentina and Mexico in the nineteenth and twentieth centuries. I will supplement these observations with comments on sources for other countries of the region.

### Early Banks in Latin America

Banks are among the oldest operating enterprises in Latin America. Beginning in the nineteenth century, banks provided models for new business organization, as did the early railway companies. Since banks generally were organized as joint-stock firms, they began, in the 1860s, to act as a stimulus to the development of the slowly rising formal capital markets in Latin America. They also helped to expand local credit markets and to spread knowledge about how to use modern financial instruments. Banks also required more sophisticated and complex accounting methods that, once established, were adopted by municipalities and by state and national governments. Furthermore, the early banks fostered business innovation by developing more complex managerial and organizational structures than the ones that were in place at existing merchant banking firms. Many of these firms pooled resources to form the capital of the first banking institutions. Early banks also provided governments access to previously unavailable amounts of short- and long-term credit, which accounted for the new-found interest of Latin America states in establishing banks—initially only a few did so early in the nineteenth century, followed in later decades by a growing number of countries.

The first important banks were established early in the nineteenth century in response to political change. The Banco do Brasil was established in Rio de Janeiro in 1808, after the Portuguese royal court was transferred to that city following the outbreak of the Napoleonic wars in the Iberian peninsula. This early government bank acquired a national character after Brazil became independent in 1822. It received deposits and provided credit both for the state and for local merchants and prop-

erty owners until 1838, when it closed its doors, more than a decade later. The bank was subsequently restructured, and then, in 1851, a second Banco do Brasil was established that was to play an important role in Brazilian state finance and in its economy until the early 1890s, when the bank collapsed amid one of the financial crises of the era. It was reborn as the third Banco do Brasil in 1905 and has operated continuously since then, becoming the largest commercial bank in Latin America. It has an important, but underutilized, historical archive in Rio de Janeiro. Beginning in the mid-nineteenth century, other banks also began to develop in Brazil, particularly banks that operated on a regional scale. In recent years, studies by a few leading economic historians have begun to demonstrate the importance of these regional financial firms in the economic history of Brazil.<sup>2</sup>

In Mexico, following the country's independence in 1821, there was also rising interest in the possibility of establishing banks. In the late 1820s, in the state of Zacatecas, silver miners supported an attempt to found an investment bank, but the project never materialized.<sup>3</sup> In 1830, the national bank set up an investment bank, known as the Banco de Avío, which financed many early textile and manufacturing firms in Mexico, although it went bankrupt in 1841.<sup>4</sup> Subsequently, some two dozen banking projects were presented to government authorities in Mexico before the first commercial bank, the Bank of London, Mexico and South America, was established in 1864.<sup>5</sup>

While various Latin American nations established a few banks during the 1850s and 1860s, it was in Argentina that banks took hold more quickly than in other Latin American countries and on the largest scale. Their forms ranged from state banks, to mortgage banks, to provincial banks, and to a wide variety of commercial banks, investment banks, and private financial firms. Because of the Argentinean banks' special historical record, I will focus, in the next section, on the main documentary and archival sources on that country's financial institutions that are available for research.

<sup>2</sup>The first important study on Brazilian regional banks was that of Flavio Saes, *Crédito e bancos no desenvolvimento da economia paulista, 1850–1930* (São Paulo, 1986). A more recent major contribution is by Anne G. Hanley, *Native Capital: Financial Institutions and Economic Development in São Paulo, Brazil, 1850–1920* (Stanford, 2005).

<sup>3</sup>Leonor Ludlow, "El debate en torno a la banca de fomento: el proyecto del gobernador de Zacatecas Francisco García (1829–1832)," in *Historia del pensamiento económico: Del mercantilismo al liberalismo*, vol. 2, ed. María del Pilar Martínez López-Cano and Carmen Yuste (Mexico, forthcoming).

<sup>4</sup>On this early bank, see the classic study by Robert A. Potash, *The Banco de Avío de Mexico: A Study of Government Efforts to Develop Industry, 1821–1846* (Amherst, 1983).

<sup>5</sup>See the discussion of early banks in Leonor Ludlow, ed., *Temas a debate: Moneda y banca en México* (Mexico City, 2006).

## The Historical Archives of Argentinean Banks

The first bank to be established in Argentina was the Banco de Depósitos de Buenos Aires, which was set up in 1822 by Argentinean and British merchants a decade after independence. It operated as a commercial bank but also served as a bank to the government, which deposited revenue in its coffers, including the proceeds from the country's first foreign loan, the famous Baring loan of 1824. That money was ostensibly loaned to pay for port works, but it was mostly used to pay for the naval war with Brazil that broke out in 1826 and lasted until 1828. In 1826, the bank was nationalized and renamed Banco Nacional, but it remained open only until 1835. For the next twenty years, the government, headed by the dictator Juan Manuel de Rosas, used the official mint (Casa de Moneda) to print paper money on a large scale. After the fall of Rosas, proposals for establishing a bank gained support among merchants and landowners. The Banco de la Provincia de Buenos Aires (established in 1854) began operations initially as the Casa de Moneda y Banco de la Provincia de Buenos Aires, but by 1863 it had been transformed into a joint-stock company, with heavy participation by the provincial government. The bank rapidly set up branches, which underwent an eighty-year economic expansion throughout the province (based mainly on ranching and agriculture, transport and services) that had few parallels in Latin America. By the 1870s, this bank was the largest in Latin America, in terms of capital, deposits, and number of bank offices. Over the following decade, it continued to expand and to help finance not only the provincial government but also a state-run railway (the largest company of its kind in Argentina at the time), ranching and agricultural enterprises, and a great number of commercial, service, and manufacturing firms. The bank closed after the financial crash of 1891 and did not reopen until 1905, when it reasserted itself as a premier bank in most of the towns of the province. It continues to operate as a major state bank, combining public with private commercial business.

The Banco de la Provincia de Buenos Aires has the largest historical archive of any bank in Argentina, in fact of any Latin American nation. The documents are conserved on three basement floors under the bank's huge numismatic museum in downtown Buenos Aires.<sup>6</sup> Researchers are well treated by a small staff of archivists, who supervise a veritable treasure trove of documents harking back to 1822. The bulk of the documents span the years 1860 through 1940, and they include reports of directors' meetings, a vast amount of bank correspondence with clients

<sup>6</sup>The Web site of the Archive and Museum of the Banco de la Provincia de Buenos Aires is <http://www.bapro.com.ar/museo/index2.htm>.

and local bank officers, accounting records, and information on mortgages, deposits, and loans. The abundant, well-preserved documents are an extraordinary, largely untapped, resource for economic and financial historians. The leading academic expert on this archive is the historian Gerardo Martí, who, in addition to several essays on the operations of the bank and its relation to monetary policy in the 1880s, has written an article summarizing the bank's holdings.<sup>7</sup>

In the early 1870s, during the presidency of Domingo Faustino Sarmiento, the national government of Argentina established the Banco Nacional, which set up more than twenty branches throughout Argentina. Since it controlled the accounts of the federal government, this bank soon rivaled the Banco de la Provincia, but its importance was also derived from its introduction of banking practices in many Argentinean provinces of the interior that had previously been without any banks. The Banco Nacional lasted until 1890, when it collapsed as a result of government bankruptcy during the Baring crisis. However, the Argentinean economy was so dynamic that, in a few years, the financial sector was restructured and allowed to prosper once again. In 1891, in the midst of a financial crisis, the Banco de la Nación of Argentina was established, and it has continued to be the country's largest bank up until today.

The Banco de la Nación does not have a historical archive. Its documents are overseen by the personnel of a small numismatic museum located in the central office of the bank in Buenos Aires. A number of years ago, when I visited the museum on the top floor of the bank, which is located on a corner of the Plaza de Mayo next to the Casa Rosado, the presidential mansion, I was able to consult an extensive range of documents. The minutes of the governing board of the old Banco Nacional (1872–90) can be found there, although most of the other documents pertaining to that period were destroyed. On the other hand, there is a large accumulation of material from the Banco de la Nación, dated 1891 and thereafter, that a few scholars, such as Jeremy Adelman at Princeton, have used to reconstruct the economic history of Argentina.<sup>8</sup>

Two great mortgage banks, the Banco Hipotecario de la Provincia de Buenos Aires and the Banco Hipotecario Nacional, which two leading state banks helped to create in the 1870s, operated for more than a century. These banks played a crucial role in financing landowners and urban property owners in Argentina during the golden age of sustained economic expansion from 1870 to 1930. The historical archives of both

<sup>7</sup>Gerardo Marcelo Martí, "El Archivo del Banco de la Provincia de Buenos Aires," *Revista de Historia Económica de América Latina*, no. 3 (Jan.–June 1995): 29–37.

<sup>8</sup>Jeremy Adelman, *Frontier Development: Land, Labour and Capital on the Wheatlands of Argentina and Canada, 1890–1914* (Oxford, 1994).

banks have survived, at least in part, but they have scarcely been explored by economic and banking historians. Several years ago, I was able to review the large holdings of the Banco Hipotecario Nacional in the offices of the Academia Nacional de la Historia, just off the Plaza de Mayo. My guide to the documents contained there, the distinguished economic historian Samuel Amaral, explained how the material came to the Academia and made suggestions for ways to use them in order to study the agrarian and financial history of Argentina.<sup>9</sup> The historical archives of the rival Banco Hipotecario de la Provincia de Buenos Aires have fortunately also been conserved and can be consulted in the state archives, the Archivo de la Provincia de Buenos Aires in the city of La Plata.

While the Argentinean government was active in founding large banks, many commercial banks also set up shop during the 1870s and 1880s in the main mercantile district of the Argentinean capital, which came to be known as the “City” of Buenos Aires, an expression still used there to describe the local financial market. Among them were the Banco de Londres y Río de la Plata (1863), the Banco de Italia y Río de la Plata (1873), and the Banco Francés del Río de la Plata (1887), which were established mainly by the more prosperous immigrant merchants of European origin.<sup>10</sup> While many of the documents produced by these old companies were destroyed at the time of the bank sell-offs that occurred during the presidency of Carlos Menem in the 1990s, a considerable number of documents have survived. Most of these are presently held in the excellent Prebisch Library of the Banco Central de Argentina in Buenos Aires. Among the materials listed in the library catalogue are historical collections from the following institutions: Banco de Italia y Río de la Plata (*Actas* [Official Minutes], 1871–1956), Banco Español del Río de la Plata (*Actas*, 1886–1943), Banco Germánico de la América del Sur (*Inventarios* [Inventories], 1945), Banco Alemán Transatlántico (*Inventarios*, 1945). The same library holds documents from two banks that operated in sugar-producing regions in central and northern Argentina: the Banco Comercial de Tucumán (*Actas*, 1912–65) and the Banco Comercial del Norte (1965–79).<sup>11</sup>

The library of the now defunct Tornquist investment bank is another important depository of banking and financial records. Between 1880

<sup>9</sup> See Samuel Amaral, *The Rise of Capitalism on the Pampas: The Estancias of Buenos Aires, 1785–1870* (New York, 1998).

<sup>10</sup> The best guide to the important French immigrant merchant community and to foreign investments in the period in Argentina is the study by Andrés Regalsky, *Mercaderes, inversores y elites: Las inversiones francesas en Argentina, 1880–1914* (Buenos Aires, 2002).

<sup>11</sup> I wish to thank Liliana Cove of the Prebisch library as well as Professor Andrés Regalsky, leading expert on the history of Argentine banking, for information on these archival sources. For on-line information of the Biblioteca Prebisch see <http://www.bcra.gov.ar/index.asp>.

and 1930, this leading private investment bank in Argentina actively promoted industry (in which it played a vanguard role) and operated both as an intermediary for the foreign banks that were providing loans to the Argentinean government and as a promoter of foreign direct investments to the River Plate, particularly between 1900 and 1914. With its almost forty thousand volumes, the Tornquist library, now at the Prebisch Library of the Argentinean central bank, has perhaps the best specialized historical library on the economic and financial affairs of the period from 1880 to 1940 of any South American country. While specializing in Argentina, it also holds many international journals and business guides from that early period of economic globalization.<sup>12</sup> The private archive of the Tornquist bank, which presumably holds the banking correspondence of Ernest Tornquist and his son Carlos Tornquist with clients, including European bankers and government functionaries during the period 1870 to 1940, is in the hands of the family descendants, who have refused to give researchers access to these documents.

### Banking History and Archives in Mexico

Of the larger Latin American nations, Mexico was relatively slow to develop banks. The Bank of London, Mexico and South America, which established its main office in the nation's capital in 1864, soon opened branches in five provincial capitals, mainly in regions with silver mines. This early financial firm introduced bank notes and enabled circles of Mexican merchants and property owners to become familiar with modern banking practice. But it was not until the 1880s that a true banking system began to take root. The largest institution, the Banco Nacional de México (later known as Banamex), was founded in 1884 by a coalition of French bankers and investors who became allied with a large group of merchants and merchant bankers in Mexico, mostly of Spanish and German origin. This joint-stock company (with a nominal capital of twenty-million silver pesos, or some sixteen million dollars) immediately became banker to the federal government, handled its accounts, and issued much of its internal and external debt. At the same time, Banamex performed as a commercial bank, soon setting up over twenty branches throughout the country and thereby creating the first broad-scale network of branch banks in the nation.

The Banamex and the Banco de Londres y México remained the two largest financial firms until the outbreak of the Mexican revolution

<sup>12</sup> See the detailed report that I prepared to save this library in the mid-1970s, "La Biblioteca Tornquist," published in the collection *Guía Para Investigaciones Históricas en la Argentina*, Serie II, Bibliotecas, No. 1 (Buenos Aires, 1974). Anyone interested in receiving a digital copy can write me at [cmari@colmex.mx](mailto:cmari@colmex.mx).

(1910–20).<sup>13</sup> But, beginning in the 1880s, a fairly large number of regional commercial banks began to emerge in most provincial capitals. By 1910, there were some twenty-five regional banks, as well as five investment banks and two small mortgage institutions. Virtually all placed their stock in formal and informal capital markets, and most prospered until the crisis of 1907, from which they recovered quickly.

The early stirrings of the Mexican revolution, which broke out in late 1910, did not immediately threaten the banks, since fighting was initially most intense in the rural areas. But as the conflict broadened and the government of Victoriano Huerta (1913–14) faced more opposition, financial markets weakened. The Mexican stock market soon closed, and the government suspended payments on the foreign debt. Following the defeat of the Huerta administration in February 1914, an all-out struggle broke out between the revolutionary forces of Pancho Villa and Emiliano Zapata and the constitutional army led by Venustiano Carranza, pushing the country into full-fledged civil war. The immoderate issue of paper money by all the rival armies led swiftly to a process of hyperinflation and the virtual collapse of the banking system. Most banks were taken over in late 1915 by the new administration of Venustiano Carranza, who placed them under the control of a new government office, the *Comisión Monetaria*, which nationalized their gold reserves and started many banks on a course of liquidation. The process of financial reconstruction would take years. Some banks began operating normally, but on a much reduced scale, after 1920, although not until the establishment of the central bank, the *Banco de México*, in 1925 did it become clear that the government authorities desired financial reconstruction. The 1930s saw the establishment of a number of development banks and regional commercial banks, and by the 1950s the Mexican banking system was contributing to the expansion of the economy.

Several excellent archival sources are available to business and economic historians who are interested in the rise and fall of the early Mexican banking system and its subsequent reconstruction. There is the magnificent historical archive of Banamex, which was organized from 1989 to 1990 as the result of a cooperative agreement between the bank and the *Colegio de México*, which provided academic counsel and support. This archive offers excellent services to researchers.<sup>14</sup> Located

<sup>13</sup> For an overview, see Carlos Marichal and Paolo Riguzzi, “Bancos y banqueros europeos en México, 1864–1933,” in *México y la economía atlántica (siglos XVIII–XX)*, ed. Sandra Kuntz Ficker and Horst Pietschmann (Mexico City, 2006), 207–37.

<sup>14</sup> The Banamex is now owned by Citicorp, which was sufficiently impressed by the historical archive in Mexico that, in the year 2003, it carried out a worldwide survey of its other bank subsidiaries. The result revealed that there was no historical bank archive equivalent in quality to that of Banamex in any other country in which the banking group had offices.

in the annex to an eighteenth-century palace in downtown Mexico City, the holdings include extensive minutes of the executive board from the early 1880s onward, reports of annual stockholders' meetings (with detailed information on the first four decades of stock distribution), extensive bank correspondence with clients, accounting reports, and a wealth of information on branch business. The bank archive also holds the complete series of contracts between the bank and the Mexican government for loans issued by the bank to cover the public debt between 1884 and 1914.<sup>15</sup>

Research in the Banamex archive formed the basis of at least six doctoral theses on the history of Mexican banking and finance written over the last fifteen years: the Stanford doctoral thesis (now a first-rate book) by Noel Maurer of Harvard Business School; the thesis written by Emilio Zebadúa at Harvard University on Mexican finance in the 1920s and 1930s; the University of Chicago thesis on Porfirian finance by Thomas Pasananti; doctoral theses by Mónica Gómez and Luis Anaya at the Colegio de México; and one by Leonor Ludlow at the Colegio de Michoacán on the origins of Mexican banking. Jointly, these works have helped to transform the formerly barren field of Mexican banking history, which is now covered by a broad literature of detailed studies spanning the years from 1860 to the 1980s.<sup>16</sup>

Another rich, but less frequently explored source is the repository of documents known as "Antiguos bancos de emisión" at the Archivo General de Nación (AGN). In this building can be found some three thousand volumes of books and papers from fifteen Mexican banks that were taken over by the government during the revolution in 1916, including the leading banks in Oaxaca, Veracruz, Puebla, Zacatecas, Nuevo León, and Chihuahua.<sup>17</sup> Leonor Ludlow has prepared a detailed study (published by the AGN) of the archival holdings of the Banco Mercantil de Veracruz, which was an especially dynamic bank between the 1880s and 1914. In the same archive, there are five hundred volumes of the Banco Minero de Chihuahua, one of the most important banks in northern Mexico before the revolution. Its founder was the entrepreneur and politician Enrique Creel; fortunately for historians, the Creel papers have been conserved and were recently donated to the private library of

<sup>15</sup> Archivo Histórico Banamex, Isabel la Católica 40, Mezzanine, Centro Histórico, C.P. 06000, México, D.F. Tels: 1226-4019, 1226-4840, 1226-4821, 1226-5161; Fax: 1226-5342; E-mail: ahco@banamex.com.

<sup>16</sup> An extensive review of the banking history literature in Mexico is found in Gustavo del Angel and Carlos Marichal, "Poder y crisis: Historiografía del crédito y la banca en México, siglos XIX-XX," *Historia Mexicana* 52, no. 3 (2003): 677-724.

<sup>17</sup> Several articles that analyze both this repository and others useful for banking history can be found in the *Boletín de Fuentes para la Historia Económica de México*, no. 5 (Sept.-Dec. 1991).

the Condumex/Carso historical foundation in Mexico City. This same library holds the personal archive of José Yves Limantour, minister of Mexican finance between 1892 and 1910. His papers are of particular interest to economic historians because he was behind the key legislation of 1897, which set down the basis for the reorganization of the Mexican banking system in the early twentieth century.

While these sources on the financial history of Mexico are rich and accessible to researchers, there are difficulties in exploring recent bank archives. Some important troves of documents remain largely unclassified, such as the papers of Nacional Financiera, the government investment bank that has been active since 1934, deposited in the AGN.<sup>18</sup> Similarly, the papers in the large archive of the Banco de Comercio Exterior (Mexico's Ex-Im Bank), established in 1938, are inaccessibly stored in an unstaffed warehouse in Mexico City. No banking historian has worked with these papers.<sup>19</sup> Private commercial banks in Mexico have no historical archives, other than the splendid one managed by Banamex. The Banco Serfin/Santander, direct descendant of the first banking institution set up in Mexico in the 1860s, unfortunately has not conserved its historical records. There is no public information on the holdings of other private banks or of banks privatized in the 1990s.<sup>20</sup>

More positively, the Banco de México, the Mexican central bank, is working on a newly organized historical archive. For decades, there was virtually no access to the records of this crucial, powerful institution, but in the last four years a major effort has been launched to save, conserve, and classify its historical documents. A new building is being planned, and some twenty young archival specialists and historians have been hired to carry out conservation and classification tasks under the direction of a small but dedicated supervisory staff.<sup>21</sup> The bank's library holds not only a large collection of economic and financial texts, but also a series of archival sources unrelated to the bank that have been made available to historians in the last year. These include a large portion of the historical records of the Ferrocarril Nacional, one of the two

<sup>18</sup> For some additional information, see Carlos Marichal, "El papel de la banca de desarrollo en México," *Comercio Exterior: Revista de análisis económico* 54 (2004): 812–15.

<sup>19</sup> In 1995 I was invited to take a brief tour of the warehouse of the Banco de Comercio Exterior (located on the Cerro de la Estrella, Iztapalapa) and was impressed by the huge amount of well-organized documents. Though I have requested information repeatedly since then, I have received no response from bank officials. I hope the archive survives.

<sup>20</sup> Gustavo del Angel has recently finished an official history of BBVA/Bancomer, the second-largest commercial bank in Mexico, and he reports that there are considerable historical records for this institution not open to researchers.

<sup>21</sup> The persons in charge of the Archives of the Banco de México are Subgerente Lic. Víctor Manuel Espinosa Mejía and Jefe del Archivo Histórico, Eduardo Cristiani Sierra. The address is Banco de México, Piso 1, Subgerencia de Coordinación de Archivos, Avenida 5 de Mayo, no 20, Col. Centro, México, DF 06059. Tel: 5237-2665.

largest railway companies in the country between 1882 and 1906, and important documents pertaining to the Mexican foreign debt between 1920 and 1946. Through their historical archives, both the Banco de México and the Banamex are leading the way in preserving the records of Mexico's banking and financial history.

### Banking Archives in the Rest of Latin America

In the second part of this essay, I will briefly summarize some of the most important archival sources located outside Argentina and Mexico. I will conclude this portion by commenting on the steps that are being taken by a small group of historians and bank archivists to promote the conservation of the region's valuable banking and financial archives.

Brazil has a number of banking archives. The most important is undoubtedly that of the Banco do Brasil, the largest bank in Latin America, which can also be considered the oldest bank in the region, since its first antecedent was established in 1808. This initial incarnation closed in the 1830s, but was reborn on several occasions during the nineteenth century, until finally, in 1905, it was consolidated and then grew into the greatest financial institution of contemporary Brazil. But this is not the only Brazilian bank with historical holdings. When Gail Triner was conducting her classic study on Brazilian banking between 1889 and 1930, she worked with archival and documentary sources from the Banco do Brasil, Banco do Comercio e Industria de Sao Paulo, Banco do Credito Real de Minas Geraes, and the Banco do Estado de Sao Paulo, as well as British bank archives.<sup>22</sup> Further information on Brazilian archival resources can be gleaned from the business history journal of the Brazilian Association of Economic History.<sup>23</sup>

While archives of contemporary public and private Brazilian banks no doubt exist, they apparently are not organized, and information on them is scarce. For instance, it would be important for banking historians to be able to explore sources on the history of the leading Brazilian development bank, Banco Nacional de Desenvolvimento Econômico e Social (BANADE), which was established in 1952 during the presidency of Getulio Vargas. According to the bank's promotional material, it currently lends funds to Brazilian creditors in amounts that are almost equivalent to the total sum of loans made by the InterAmerican Development Bank to all countries in the region. The BANADE apparently

<sup>22</sup> For more details, see Gail Triner, *Banking and Economic Development: Brazil, 1889–1930* (New York, 2000).

<sup>23</sup> See the eleven volumes of *Historia econômica & história de empresas* (1998–2008) and the Web-site <http://www.abphe.org.br/index.html>.

does not have a historical archive, but an official text describing its fifty years is available on line.<sup>24</sup> More worrisome is the situation of the historical archives of the numerous banks that were privatized or sold in the 1990s. On this subject there is, as yet, little published information. On the other hand, the Banco Central do Brasil, which was established in 1965, has recently begun to systematically organize its historical archives, which will surely become a major resource for financial and economic historians in the near future.

Historical sources on the banking histories of the smaller countries of South America are, in some cases, remarkably rich. For example, the Banco Central de Bolivia, which was founded in 1928, has important library and archival holdings. Among the oldest and most voluminous are the materials it administers through the Archivo Museo de la Casa de Moneda Potosí, the historical archive of the world-famous mint of Potosí (whose holdings date back to the mid-sixteenth century). This archive also contains a large range of documents from nineteenth-century Bolivian official banks, including the financial agencies for silver mining, the Banco de San Carlos for the period 1747 to 1833, and the Banco de Rescates for the period 1825 to 1898. According to Antonio Mitre, the historian of Bolivian banking and silver mining, there are also important documentary holdings in the Sucre National Archives pertaining to the Banco Nacional de Bolivia, which was particularly active between 1870 and 1920.<sup>25</sup>

In the case of Peru, essential information on banking archives has been unearthed by Alfonso Quiroz (at Baruch College), who has carried out extensive studies on the history of Peruvian banks and finance in the nineteenth and twentieth centuries.<sup>26</sup> Raúl Jacob has published various monographs on Uruguayan local banking history. At a recent conference, he noted:

To date there [exist] no complete bank archives in Uruguay covering long periods that are open to the public. In the Archivo General de la Nación there are some documents of the Banco Nacional, founded at the end of the nineteenth century by Emilio Reus; the documents cover the period from its creation in 1887 through its liquidation in 1892–1896. There is evidence, however, that impor-

<sup>24</sup>The BNDES Web site is: <http://www.bndes.gov.br/conhecimento/publicacoes/catalogo/livro50anos.asp>.

<sup>25</sup>The Web site of the Casa de Moneda de Potosí is excellent: <http://www.casanacional.demoneda.org.bo/contacto.html>. For information on the history of Bolivian banking, a good starting point is the book by Antonio Mitre, *Los patriarcas de la plata: Estructura socio-económica de la minería boliviana en el siglo XIX* (Lima, 1981).

<sup>26</sup>See Alfonso W. Quiroz, *Banqueros en conflicto: Estructura financiera y economía peruana, 1884–1930* (Lima, 1989), and *Domestic and Foreign Finance in Peru, 1850–1950: Financing Visions of Development* (Pittsburgh, 1993).

tant archival holdings of a series of public and private financial entities exist that are clearly of importance for future research, although they are not yet accessible.<sup>27</sup>

In Colombia, there are more substantial holdings of bank archives. The leading expert in this subject, Adolfo Meisel, indicates that the Archivo Nacional has preserved documents from the nineteenth-century banks Banco de Bogotá, Banco Nacional, and Banco de Colombia.<sup>28</sup> Undoubtedly, the richest twentieth-century archive is that of the central Banco de la República, which has taken on the ambitious task of modernizing its historical records.<sup>29</sup>

The banking history of the Caribbean countries is still relatively sparse. An exception is Haiti, where many years ago historians like Joseph Chatelain published major studies that indicated the richness of the historical archives of the Banque Nationale d'Haiti, which was founded in the 1880s and later became the central bank of that country.<sup>30</sup> Banking historians interested in Cuba so far have concentrated their research on Spanish banks of the second half of the nineteenth century.

#### International Archival Sources for Latin American Banking History

While national archives (both public and private) are fundamental sources for the reconstruction of the banking and financial history of the Latin American nations, numerous archives exist outside the region. These are repositories of documents and records that are essential for research. This is not surprising, given the important role of foreign banks in most of these countries. A starting point for the study of banking in Latin America, beginning in the early nineteenth century, are the various archives of British banks that have operated in different countries of the region. Beginning in the 1820s, merchant bankers provided loans to governments, and, from the mid-nineteenth century onward, they also promoted direct foreign investments. In addition, the archives of British bank companies that set up overseas commercial offices or

<sup>27</sup> Speech given at the session entitled "Archivos de Empresa en América Latina" at the First Latin American Economic History Congress, Montevideo, 6 Dec. 2007 [originally in Spanish; my translation].

<sup>28</sup> For detailed information on the history of Colombian monetary and banking history, see Adolfo Meisel's essays in *El Banco de la República, Antecedentes, Evolución, Estructura*, 2 vols. (Bogotá, 1990).

<sup>29</sup> The program is being overseen by Carlos Zapata, director of the Banco de la República's historical archive at Bogotá, with the aid of a large staff and considerable investment.

<sup>30</sup> Joseph Chatelain, *La Banque Nationale, son histoire, ses problèmes* (Port au Prince, 1st ed. 1954, 2nd ed. 2005).

investment firms are indispensable. An essential introduction to these resources is the 2001 edition of John Orbell and Alison Turton's *British Banking: A Guide to Historical Records*.<sup>31</sup>

The Rothschild Archive, established in London in 1978, is one of the finest archives maintained by a private banking firm. It is also a research center that produces important paper and electronic publications based on its archival sources, including one major research project covering the financial history of Brazil from the early nineteenth century through the early twentieth century. This project makes available thousands of documents on the history of banking, debts, and foreign investments in Brazil. The Rothschild Archive has an extraordinary Web site that is well worth consulting.<sup>32</sup> Baring Brothers was another classic merchant-banking firm that was heavily engaged in loans and railway investments in Argentina and Uruguay from the mid-nineteenth century to the 1930s. According to the registry of the National Archives of the United Kingdom, the firm's principal historical archives covering the period 1763 to 1899 are held by ING Bank NV (Barings), which requires scholars to obtain permission in order to consult historical documents. Additional abundant Barings materials are held at the National Archives of Canada.<sup>33</sup>

The archives of the Bank of London and South America are held at the library of University College London.<sup>34</sup> This archive is an important resource for research on the history of British commercial banks in Latin America from the 1860s to the 1920s, because it includes all surviving papers from the Bank of London and River Plate, the Bank of London and Brazil, and the Bank of London and Peru. The first, and classic, study of these British overseas banks was by David Joslin.<sup>35</sup> Subsequently, a number of British historians have researched additional aspects of the history of these and other British firms engaged in banking and investments in Latin American countries. A critically important work is the unpublished 1973 doctoral thesis by Charles Jones, "British Financial Institutions in Argentina, 1860–1914," which is a thorough exploration of many of the main archives.

The library at University College London also has the documents of the River Plate Trust Loan and Agency Company Ltd. (founded in 1881),

<sup>31</sup> John Orbell and Alison Turton, *British Banking: A Guide to Historical Records* (Aldershot, 2001).

<sup>32</sup> See the excellent Web site: <http://www.rothschildarchive.org/ta/>.

<sup>33</sup> The Barings archive holds several hundred thousand letters of banking and commercial correspondence, according to D. C. M. Platt, *Foreign Finance in Continental Europe and the USA, 1815–1870* (London, 1984), vii–viii.

<sup>34</sup> See the Web site catalogue: <http://www.aim25.ac.uk/cats/13/1605.htm>.

<sup>35</sup> David Joslin, *A Century of Banking in Latin America* (London, 1966).

which administered various companies in South America and was succeeded in 1961 by the River Plate and Mercantile Trust Ltd. (later renamed the River and Mercantile Trust PLC). The more than 120 boxes are a prime resource for future studies on private banking and ranching in the River Plate. Also in the same repository are the archives of the merchant banking firm of Balfour, Williamson, which was active in Chile and Peru for decades and was engaged in local banking, and the papers of Frederick Huth & Company, comprising documents from the early nineteenth century to its dissolution in 1936. The papers of J. S. Morgan & Company (London), which extended loans to Latin American governments in the late 1860s and in the 1880s, are also housed in London, at the Guildhall library.

While French banks started to organize their historical archives later than British banks had done, they have made good progress since the early 1990s. There are several important sources for Latin American banking and financial history. Paribas (now an associated company of the global banking group BNP), as well as *Crédit Lyonnais* and *Société Générale*, all began to organize their historical archives in the last fifteen years, managing to compile a veritable mine of valuable documents on many countries. Recent research by a group of banking historians has unveiled a wealth of information on Latin America, mainly for the period 1870 to 1930.<sup>36</sup>

At the Paribas archives, for example, there are at least fifty large boxes of documents on Argentina alone that contain contracts and correspondence with Argentinean mortgage banks, port works, and railway companies, as well as contracts for government loans. There are also some forty boxes of financial documents on Brazil, thirty boxes on Peru, twenty boxes on Mexico, and papers pertaining to other Latin American countries. The *Société Générale* historical archives have slightly fewer but similar holdings, mostly regarding loans to governments and investments in banks, railways, and port works throughout Latin America, reflecting the enormous importance of French capital in that era. Finally, the *Crédit Lyonnais* archives are an especially rich source of information on both economy and finance, because of their excellent country reports covering the late nineteenth century.

In Germany, the serious conservation and organization of major historical banking archives date back some three decades. *Deutsche Bank* has been the leader, promoting an astounding number of research projects and publications, many directed by the energetic Manfred Pohl, founder and vice chairman of the European Association of Banking and

<sup>36</sup> Albert Broder and Carlos Marichal, eds., *La banque française en Amérique latine dans la première globalisation, 1870–1930* (Paris, forthcoming).

Financial History (EABFH).<sup>37</sup> Moreover, the Deutsche Bank archive in Frankfurt is an extraordinarily valuable seat of research. The most important German work on Latin America banking continues to be Manfred Pohl's classic study on the Deutsche Bank in Buenos Aires between 1887 and 1987.<sup>38</sup> Furthermore, the Deutsche Bank archive holds the papers of other banks with operations in Latin America, such as the Norddeutsche Bank in Hamburg, which has 1,500 files covering the years 1856 to 1929.<sup>39</sup> A recent essay by Luis Anaya on German banks in Mexico in the first third of the twentieth century testifies to the richness of these bank archives and their usefulness for Latin American financial history.<sup>40</sup>

Spanish bank archives contain few documents on Latin America, except for Cuba. Most of Spain's recent publications have focused on the archives of Spanish-Cuban banks. Economic historian Inés Roldán's history of the Banco Español de la Isla de Cuba between the 1856 and 1898, for example, reconstructs a large part of late-nineteenth-century Cuban financial history. The sources used by Roldán can mainly be found in various archives in Madrid.<sup>41</sup>

### U.S. Banking Archives

The task of finding sources on the historical role of U.S. banks or bankers in Latin America is more difficult, mainly because U.S. banks have not traditionally organized and made their historical archives available to researchers to the degree that European banks have done. The first U.S. commercial banks to open branch offices in Latin America were the National City Bank of New York and the Bank of Boston. Both started with subsidiaries in Buenos Aires in 1914. But economic histori-

<sup>37</sup> See the European Association of Banking and Financial History Web site: <http://www.eabh.info/>.

<sup>38</sup> Manfred Pohl, *Deutsche Bank Buenos Aires, 1887–1987* (Mainz, 1987).

<sup>39</sup> The historical holdings of the Deutsche Bank Archive are summarized in <http://www.deutsche-bank.de/en/content/company/archives.htm>. Unfortunately, the papers of the Disconto-Gesellschaft, the most important German bank prior to 1890 (which was involved in various Latin American loans and in some local banking firms in Argentina) were destroyed during the Great Depression after its merger with Deutsche Bank. Some other German banks have historical archives, although not on the same scale as Deutsche Bank. The Commerzbank has a major historical archive that may have some information on Latin America, although I do not know of any research that has been conducted there. Since it was part owner of the Hamburg South America Steamship Company from 1871, it is highly likely that some researchers have made use of its collection. For the Web site see: <https://www.commerzbank.de/en/hauptnavigation/konzern/geschichte/geschichte.html>.

<sup>40</sup> Luis Anaya, "Del Banco Alemán Transatlántico al Banco Mexicano de Comercio e Industria, 1902–1927," in *México y la Economía Atlántica, Siglos XVIII–XX*, ed. Sandra Kuntz and Horst Pietschmann (Mexico City, 2006), 239–68.

<sup>41</sup> Inés Roldán, *La banca de emisión en Cuba, 1856–1898* (Madrid, 2004).

ans have not studied their activities in any detail, because these banks have not made their historical archives readily available to academics.

Nonetheless, there are significant archival collections in the United States on the role of a number of investment bankers. These contain materials pertaining to Latin American financial history and are open to scholars. Among the most important are the J. P. Morgan Sr. papers at the Pierpont Morgan Library in New York, which include a large number of documents on Latin American loan negotiations as well as bank correspondence with enterprises involved in the region, particularly in Mexico and Cuba, dating from the end of the nineteenth century. Other useful collections of Morgan partners are the Thomas W. Lamont papers at the Baker Library of Harvard Business School and the Dwight W. Morrow papers at Amherst College Library. Historians Robert Freeman Smith and Emilio Zebadúa utilized both archives to analyze the negotiations in the 1920s between the Mexican government and the International Committee of Bankers on Mexico. The Edwin Walter Kemmerer papers deposited at Princeton University in the Seeley G. Mudd Manuscript Library are also of interest. As historian Paul Drake has demonstrated, a good part of the early history of the first Latin American central banks in the Andean countries can be found there.<sup>42</sup>

### The Future of Banking History in Latin America

A number of Latin American central banks and their archivists are currently modernizing their archives and trying to turn their efforts into a continent-wide project. Most central banks in the region, have been actively overhauling their libraries, which serve a large public, in order to make up for the relative lack of specialized economic and financial libraries. They have paid much less attention to their historical archives, but in recent years the central banks of Brazil, Colombia, and Mexico have made large investments in renovations. In each case, the bank authorities have authorized several million dollars to establish archival buildings and for conservation and classification, and they have promised to facilitate future research.

At a seminar in November 2007 on banking history and archives hosted by the Banco de la República (Colombia) and sponsored by the Plala program of the Mellon Foundation, the archivists of three central banks—Mexico, Brazil, and Colombia—and a chief librarian of the cen-

<sup>42</sup> Paul W. Drake, *The Money Doctor in the Andes: The Kemmerer Missions, 1923–1933* (Durham, N.C., 1989).

tral bank of Argentina met with banking historians to discuss proposals for closer collaboration. The participants in the meeting emphasized the need to publicize the fact that conservation of the historical archives of banks is essential, not only for banking and business history, but also for preserving the cultural and historical heritage of each nation. They also agreed to set up an association and a Web site. Collaboration among archivists and historians promises to facilitate future research in the business history of Latin America.

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