

The Entrepreneur as an Agent of Change in the Economy:
The Case of James M. Eder in Early Colombia

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ABSTRACT

This dissertation unveils the events that led to the establishment of the first industrial sugar mill in Colombia in 1901. It is a study of entrepreneurial history that tracks the international endeavors the Latvian-born American entrepreneur James M. Eder undertook in the Colombian Cauca River Valley during the second half of the nineteenth century. It shows the process that anteceded and led to the development of the sugar industry in Colombia. Over four chapters, I study the effects of Colombia's colonial institutions and early independent history on its economic performance (Chapter One); the economic culture of the people who inhabited the Cauca River Valley until the end of the nineteenth century (Chapter Two); the international dealings of James M. Eder during his first years in Colombia (Chapter Three); and the international undertakings during the last years of Eder's tenure in Colombia (Chapter Four). Taken together, these chapters suggest that acting within particular historical, institutional and geographical contexts, James M. Eder was an agent of change for the economy of the Cauca River Valley. Over forty years, Eder became a pioneer of Colombia's industrialization, while transforming the Cauca River Valley's infrastructure, commerce, and trade.

GLOSSARY

Aguardiente: a hard liquor made from the distillation of sugarcane.

Bongo: medium size canoe powered by human strength with the help of poles.

Castas: Societal stratification based on racial classification.

Champán: medium size canoe powered by human strength with the help of poles.

Cimarrones: runaway slaves members of a maroon community.

Comuneros: refers to members of a popular assembly or commune.

Cordillera: a range of the Andean Mountains.

Criados: a person in charge of producing handcrafted goods for an employer.

Criollos: Colombian-born whites.

Encomienda: a Spanish labor system through which Spaniards were rewarded with the monopoly on the labor of subject indigenous groups.

Hacienda: an agricultural production unit.

Latifundio: a large tract of land.

Mestizo: Mixed-race person of Native and European.

Montañez: small land owner who had to work on his land.

Mulato: Mixed-race person of African and European.

Terrateniente: a large landowner.

Zambo: Mixed-race person Native and African

Pardo: Mixed-race person of varied racial origin.

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Introduction

“On the first day of the first month of the first year of the twentieth century, the sugar machinery with the latest advances was inaugurated. Steam powered. The first in the country.”¹ Thus wrote James Martin Eder in the opening lines of the coarse notebook that was used in the hacienda La Manuelita to keep the daily records of its new sugar factory. Forty years had passed since Eder set foot in the Colombia, and a few days would remain before his return to the United States of America.² Eder devoted much of his life to meeting the challenges of building a successful agricultural enterprise in the Cauca River Valley in Early Colombia. By the time he died in 1921, a buoyant sugar industry had developed in that region, an industry that revolutionized the valley’s economy and society. The company he founded, Manuelita, was at the time of his death the most successful industrial plantation in the nation. Today it remains one of the top-five largest Colombian sugar producers, besides having expanded its activities to other agricultural and agro-industrial businesses in other parts of Colombia and several countries in South America.

This dissertation unveils the events that led to the inauguration of that sugar mill on January 1, 1901. Thus, it is a study in entrepreneurial history. It is the investigation of a Latvian-born American entrepreneur and the various endeavors he undertook in the Cauca River Valley, a region of Western Colombia, throughout his forty years of tenure in that country during the second half of the nineteenth century. It aims at understanding the process that led to the development of the sugar industry in Colombia in as much detail as possible. To be clear, the dissertation is not about sugar,

¹ Manuelita, Corporate Private Archive, Cali, Colombia.

² Throughout this dissertation, Colombia is used to denote the South American country officially named the Republic of Colombia, irrespective of the contemporary name it has had since its declaration of independence in 1810 (see Chapter One).

but rather about the means and process through which James M. Eder ended up establishing that industry.³ The study is restricted to the international dealings Eder sustained throughout his residence in Colombia, and as such, it is an investigation about the different stakeholders Eder interacted with to develop markets for his export products, during moments of great social and economic transitions and extraordinary political turmoil in the nascent Colombia.

Studying the process that led to the creation of a new industry is important because it complements our understanding of how an entrepreneur becomes an agent of change in the economy. The role of the entrepreneur has escaped most of the economics' discipline theoretical and empirical constructs, and is at the core of entrepreneurship scholarship (Gerschenkron, 1962; Baumol, 1968; Baumol, 1990). Examining the process behind James Eder's entrepreneurial journey also contributes to the understanding of Colombian economic development. His endeavors transformed the Cauca River Valley during the second half of the nineteenth century, and impacted the rest of the Colombian economy over the twentieth century. The dynamic (historical) nature of the case under study substantiates the idea of the entrepreneur as a source of economic change.

Acting within this particular historical and geographical context, James Eder, or don Santiago as he was known among the locals, succeeded in creating international demand for a myriad of agricultural goods. Thanks to the exports of tobacco, cocoa, indigo, quine bark, rubber, hides, but above all coffee, both from his own production as well as from other planters in the valley, Eder amassed the necessary resources to participate in the early attempts at industrialization in Colombia, and to accomplish over four decades the foundation of modern sugar industrial production in the country. But in order to do that, Eder had to participate in the transformation of

³ The development of the sugar is beyond the scope of this dissertation. That industry developed throughout the twentieth century, but this dissertation focuses on the events that occurred during the nineteenth century that triggered the emergence of that industry.

the Cauca River Valley's infrastructure, while continually anticipating and responding to the political, social and economic changes he was facing in Colombian society.

The dissertation is organized in four chapters, besides this introduction and a conclusion. The first chapter situates the Colombian economy in the social, political and institutional contexts prevailing in the nineteenth century; the second chapter focuses on the Cauca River Valley, through an analysis of its economic culture up until the late nineteenth century; the third chapter deepens the study of Eder's international activities during his early years in Colombia; and the fourth chapter is devoted to an analysis of Eder's global dealings towards the end of his tenure in that country.

Chapter One studies how Colombia performed relative to other Latin American countries, in terms of commodity production and access to international markets during the nineteenth century. The chapter points to the country's tumultuous colonial past and early independent history as the main cause for its economics underperformance. Chapter Two examines the economic culture of the people who inhabited the Cauca River Valley until the end of the nineteenth century. The chapter describes the economic activities in which Indians, blacks, Spaniards, Spanish descendants and mixed-race peoples were engaged in during colonial times; as well as those they and other foreigners who arrived into the valley after independence developed. Chapter Three explores in great detail the correspondence James Eder received concerning his international dealings during his first years in Colombia. The chapter shows how he became an exporter of agricultural goods, and how this first period came to an end when the Franco-Prussian war disturbed the course of business of Central and South American exporters. Chapter Four follows the same logic as the previous one, but studies the last years of Eder's tenure in Colombia. The chapter explains how over the years Eder's international undertakings consolidated into larger exports of fewer products to fewer markets, and unveils how his exports, principally coffee, provided him with the resources to acquire

and bring into the valley the sugar equipment that he would use during the following years to develop his industrial sugar complex.

James Eder's World

James M. Eder was the youngest of the four sons of Martin Sass Eder and Dorena Kaiser, all of whom moved away from their homeland of Courland in the Lithuanian area of Old Russia, in present-day Latvia. Most probably, the name Eder is of Germanic origin. At least three of their four to five sisters also migrated from the family's native city of Mitau (now Jelgava). If they lacked economic opportunities at home, they had enough means to relocate in search of possibilities abroad. Eder's eldest brother, Henry Martin Eder (1815-1885), migrated to the United States of America in the 1840's. By 1851, he and his brother Phanor Martin Eder (1828-1909) had prospered as merchants in New York City. Henry moved to California in the early 1850's, and in 1860 he established a company in the Colombian Sovereign State of Panamá. In 1871, Phanor relocated to Guayaquil, in Ecuador. His other brother, David Martin Eder (1829-1883), also lived for several years in Guayaquil and was naturalized English in 1871.

In 1851, upon arrival in New York City from Mitau, James Eder enjoyed good schooling and spent time not only under the supervision of his brother Henry but also under that of his older nephew Julian Allen, who had also established himself as a merchant in the city (Eder, 1959: 31). As early as 1853, Eder visited his brother's Henry new home in California, where he also attended school for at least one year. Eder completed his preparatory studies at the Albany Academy in New York, and he entered Harvard Law School in 1858. In March 1859, he was accepted into the Massachusetts Bar, on April 21st he became an American national, and by December of that same year he was admitted to the California Bar.

By the end of his formative years, James Eder possessed kinship ties throughout the Americas and Europe that would work to his advantage for his enterprising activities in Colombia. The Eder brothers cleverly weaved connections based on diplomatic appointments. Henry M. Eder served in Panamá as vice-consul of Chile and as a consular agent of Bolivia. His daughter's husband, Karl Model, was consul of Colombia and Ecuador in Karlsruhe and Brussels. Phanor M. Eder was consul of the United States in Guayaquil, and later in life he was appointed consul of Ecuador in Brussels. James M. Eder himself was consul of the United States in Buenaventura for over twelve years, and consul of Chile for more than ten years in that same city.

Eder arrived to the Sovereign State of Cauca in mid-1861 to collect accounts on behalf of N. Brandon & Co., the firm his brother Henry had recently established in Panamá in partnership with Nathaniel Brandon. Among the clients of N. Brandon & Co. in the Cauca River Valley figured the Blum brothers (see Chapter Two), from whom Eder collected bills promptly: "the dft (Direct Funds Transfer) of Blum for £600.00 is all right."⁴ Agustín R. Vidal was a top executive at N. Brandon & Co., and worked closely with Henry Eder. But Vidal was also acquainted with David M. Eder, with whom he traveled to England accompanying Nathaniel Brandon in early 1864, where they visited Manchester, from where they were "franchising goods very largely."⁵

But Agustín Vidal was more than a business associate. Vidal was instrumental in connecting the Eders and the high ranks of South American diplomacy. In 1866 Vidal was appointed consul of Chile in Panamá, where he also served as consul of Bolivia under the general consul for that country in Colombia, Enrique Cerruti—brother of Ernesto Cerruti (see Chapter Two). Shortly after, Henry Eder got added to that Bolivian legation in Panamá, as vice consul. Vidal also recommended Henry Eder for the post of vice consul of Chile in Panamá, a position the former held from 1869 until

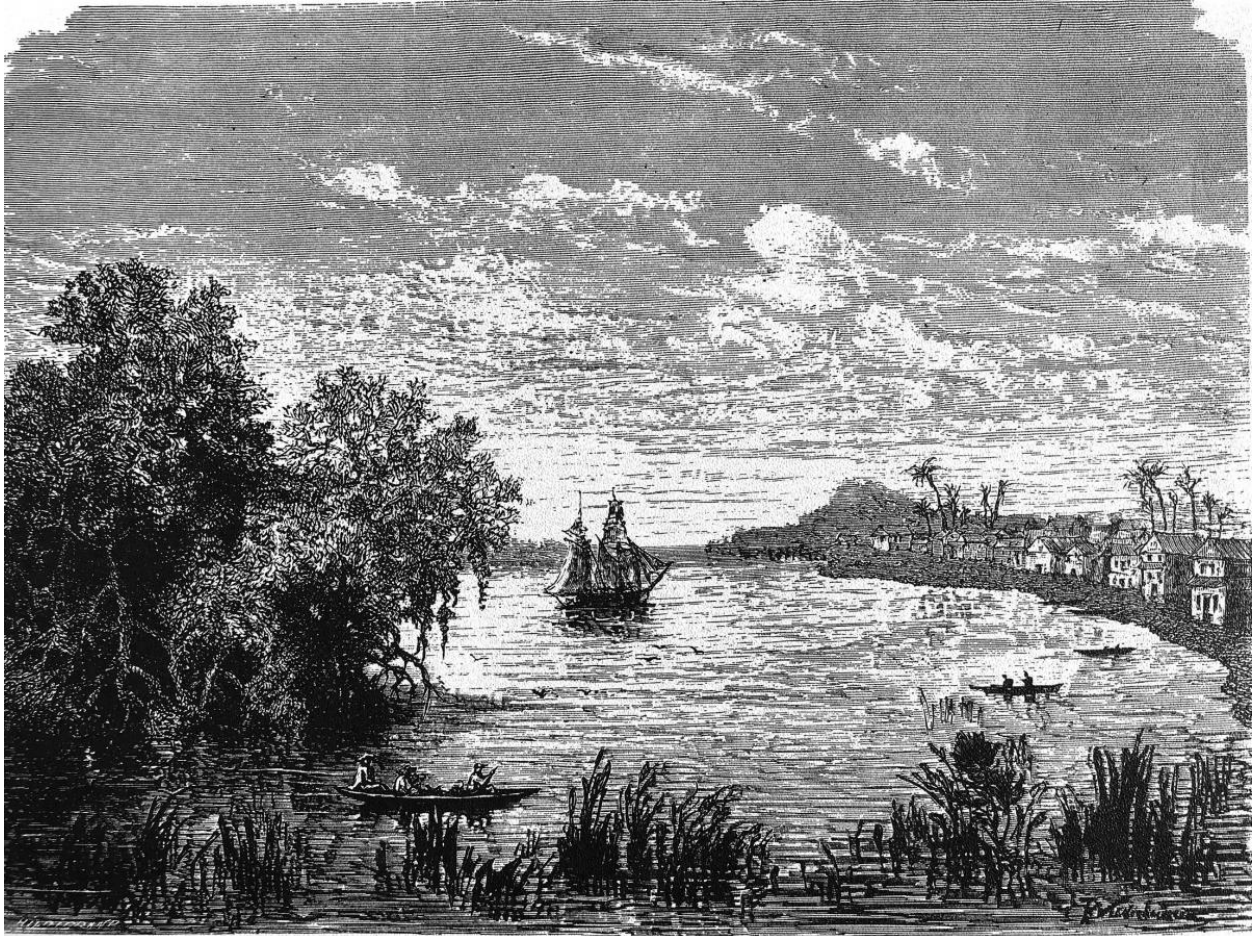
⁴ Agustín R. Vidal to James M. Eder, February 23, 1864, Phanor James Eder Papers, Folder 9, Box 2.

⁵ Agustín R. Vidal to James M. Eder, March 19, 1864, Phanor James Eder Papers, Folder 9, Box 2.

1871 (Eder, 1959: 25). Most probably, Vidal was also behind the appointment of Eder as vice consul of Chile in Buenaventura from December 1866 until 1876.

When James Eder landed in Buenaventura, he must have been adventurous and open to taking advantage of bold opportunities. The port city in the Colombian Pacific Ocean, 360 miles south of Panamá, exhibited at the time a daunting picture. Writing fifty years after his father settled there, the youngest of Eder's children, Phanor James, described Buenaventura in the following terms: "it lacks a dock; its storehouses are insufficient, it affords scant accommodation to travelers, who usually therefore impose on the hospitality of friends ..., and besides is malignantly malarial" (Eder, 1913: 195).

Nonetheless, it possessed an enviable harbor. In 1901, the American explorer George Earl Church attested to its qualities: "I have visited very many of the ports of the Pacific coast [of America], and this one I find the most beautiful of them. It is easy of access from the sea, spacious, and affords ample protection and accommodation for ships of large tonnage" (Church, 1901: 350). However, its importance lay in its proximity to the Cauca River Valley, a mere seventy miles inland. But to go from the port to the valley could take a week, due to the fact that the only way to cross the Western Andes range that separates them, well into the twentieth century, was by foot or by mule. Still, at the end of 1861 Eder had already established himself as commission agent and merchant in Buenaventura.



Buenaventura circa 1864 (Saffray, 1990).

In 1862 Eder joined forces with José Ramón García, a Spanish national. In partnership, Eder and García imported through Panamá numerous goods, chiefly cloth and wine, but also other products such as shoes, metal tools, paper, farm equipment and umbrellas, to be sold mostly in Cali. Despite the fact that “commercial life in the principal cities of the region bordered on stagnation,” and that “progress born of commercial prosperity was no more than a remote possibility,” the partners were importing goods in high demand at that time (Hyland, 1982: 380). Textiles were Colombia’s main import product in the second half of the nineteenth century, reaching two-thirds of Colombia’s imports from midcentury to the 1870’s (Melo, 2015: 137). By weight, imported beverages represented one-third of the textiles imported during the years 1866-1867 and 1869-1870, and wine was by far the most important product under that category (Ocampo, 1984: 156-158).

During those years, the London firm Vogl Brothers was the most frequent sender of merchandise to Eder and García, followed by Cohen Frères & Popert of Paris, cloth and wine being the most prominent products dispatched from those two houses respectively (see Chapter Three). It is worth noting that according to Ocampo (1984: 162) in the late 1860's, over 90 percent of all of Colombia's imports came from England (59.9 percent of the country's total imports), France (23.5 percent) and the United States (6.8 percent).

It is hard to know with certainty when Eder visited the Cauca River Valley for the first time. But because of his trade, it is believed that he painstakingly crossed the Western Andes several times. Eder must have travelled extensively throughout the Cauca River Valley, where he got to visit its main city, Cali, as well as other nascent towns such as Cartago, Buga and the new settlement of Palmira. Due to the nature of his task, Eder met a myriad of people while witnessing their precarious economic conditions, and the underuse of a region he realized as "excellent for all agricultural purposes and produces all kind of fruits of the tropical and temperate zones."⁶ Thanks to the valley's fertility and climate, sugar cane in that region can be cultivated and harvested year-round, in contrast to most other producing regions in the world, allowing it to grow more tons per acre than most of its competitors. Eder himself expressed that the Cauca valley fertility could not be surpassed, adding that "the sugar cane grows for 50 to 60 years without replacement or fertilizers" (Eder, 1959: 166).

Eder continued to run businesses in Buenaventura at least until 1871, when he sold a house he had bought four years earlier. Notwithstanding, his professional ties with this city would continue. Until 1879, he was consul of the United States in Buenaventura despite relocating to Palmira in 1864. As mentioned before, he was also vice-consul of Chile in Buenaventura until 1876. And due to Eder's involvement in the transportation infrastructure in the Cauca River Valley—he

⁶ James M. Eder to U.S. Secretary of State William H. Seward, October 24, 1868, in "Consular Dispatches, Buenaventura," National Archives, Record Group 59, General Records of the Department of State, College Park, MD.

worked to improve the road between the port and Cali, as well as the one from Cali to Palmira; he got involved in the construction of the railroad that would cross the Western range; and invested in as project to navigate the Cauca River (see Chapters Two and Three)—he had to deal with Buenaventura until his last departure from that port to the United States in 1901.

The partnership of Eder and García must have been effective. In 1864, Eder initiated a new partnership, but this time with a renowned native of Cali, Pío Rengifo. In April of that year, Eder and Rengifo bought a large land tract from the heirs of George Henry Isaacs on the eastern side of the Cauca River valley, a little north of the city of Palmira (see Chapter Two). The hacienda La Manuelita was among the acquired properties. Three years after settling in the valley, in 1867, James Eder married the English Lizzie Benjamin, a Jewish woman he met in London through his brother David during a summer sojourn. Less than six months later, Eder reported to one of his associates in London that Lizzie “feels happy and content in her new home.”⁷ And not a year had passed when the couple was receiving copious messages congratulating them for the arrival of Luisa, their first-born, on April 30, 1868. From Panamá, Agustín R. Vidal expressed he “was very agreeable surprised to hear that Mrs. E. had made you a parent of girl.”⁸

By then, James Eder had already turned himself into an exporter, while his role as merchant of imported goods became less and less significant (see Chapter Three). In order to accomplish this new role, Eder had made use of his kinship relationships to partake in the valley’s economy. The foreign stakeholders Eder managed to incorporate into his business endeavors were to a large extent his relatives or people close to them. And these were the main individuals that allowed him to participate in a globalizing market through the commercialization of varied export commodities.

⁷ David Vogl to James M. Eder, May 10, 1868, Phanor James Eder Papers, Folder 8, Box 11.

⁸ Agustín R. Vidal to James M. Eder, May 20, 1868, Phanor James Eder Papers, Folder 9, Box 2.

With the proceedings of these commodities, Eder developed the domestic industrial production of white sugar, nonexistent until the twentieth century (see Chapter Four).

In the nineteenth century, most Colombian households grew or produced most of their food. They used little sugar-cane derivatives in their diets—other than a hard liquor called *aguardiente*—bought in bulk at local weekend markets, where they were brought in from any of the small local rudimentary sugar mills dispersed all over the country. Other goods such as rice, coffee, tobacco, oil and meat were also exchanged in those markets. Nevertheless, the “delicate, fine, pure white granular food and flavoring we call sugar” was not yet an option (Mintz, 1985: xix).

The Cauca River Valley was the site where sugar was to prosper in Colombia. Sugar cane arrived into the country in 1538, brought by Pedro de Heredia through Cartagena. But it was Sebastián de Belalcázar who took it to the Cauca River Valley, two years later, via Buenaventura. The early plantations in the valley were close to Cali, the first city that Belalcázar founded in Colombia in the year 1536. Pedro de Atienza was among the first to cultivate the plant for commercial purposes, motivated precisely by the fact that sugar cane in the Cauca River Valley grew year-round. Gregorio de Astigarreta followed him installing a mill in the late sixteenth century, dispersing its cultivation throughout the Cauca River Valley. Brothers Andrés and Lázaro Cobo each founded mills near the Amaime River in 1588 (Colmenares, 1997). Other mills and plantations followed, but industrial production in the Cauca River Valley would have to wait until the turn of the twentieth century, as part of James Eder’s ambitious endeavors.

Before devoting himself and his land to sugar production, however, Eder undertook numerous alternative export ventures. Also, besides his commercial and diplomatic activities in Buenaventura, he worked to improve the road between Buenaventura and Cali, as well as the one from Cali to Palmira. He also got involved in the construction of the railroad that would cross the Western Andes in 1914, as well as projects to navigate the Cauca River. In his new home near

Palmira in 1865, he became the first person to cultivate coffee in the valley. In this respect, he noted that “coffee grown here is considered as equal as the best ones in Central and South America, and Colombia would soon become one of the leading producers of this bean in the world” (Eder, 1959: 166).

Eder raised cattle and exported hides to Hamburg; he produced tobacco and exported it to various countries in America and Europe; he cultivated and exported quine bark to London, indigo to Bordeaux, cocoa to Bremen; and he also commercialized rubber internationally. He participated in the creation of the first bank in the state of Cauca, and of the Cauca River Valley electricity company; and he founded one of the first newspapers in the region, the daily *El Telégrafo*. In addition, he amply speculated in real estate in rural Valle del Cauca, and later in life and to a lesser extent in urban New York City. It does not come as a surprise that “every merchant was or wished to be like Santiago Eder, the ‘founder’” (Palacios, 1980: 33).

Theoretical Framework

The dissertation is circumscribed under an overarching framework of economic development. But this is first and foremost a study of entrepreneurship, in particular one about the role of the entrepreneur in economic development or economic change. This work studies the entrepreneur as an agent of economic change through the historical analysis of James Eder’s entrepreneurial journey. A historical perspective facilitates the understanding of the economy as a dynamic entity that can be shaped by individual agency. Economic historians like McGreevey (1971), Ocampo (1984) and Kalmanovitz (1985) focus on economic forces for explaining the economic development of nineteenth-century Colombia. More recently, economists like Acemoglu and Robinson (2012) have suggested that institutions are the most important factor for understanding Colombia’s post-colonial economic development, or the lack of it. Both economic forces and institutions are crucial for

understanding this process, but behind these factors there are entrepreneurs shaping the fundamentals of those forces and the design and evolution of the institutions.

It is surprising how little economists and economic historians have considered entrepreneurs. Although economists have been aware of the importance of the entrepreneurs, they have rarely examined them in detail. By confining themselves to studying general economics constructs, economists have for the most part left the entrepreneur understudied, with some notable exceptions (Baumol, 1968; Baumol 1990). Economic historians are aware of the entrepreneurs' importance, but their attention has been directed chiefly to companies and organizations, and lesser attention has been directed to the people behind them, with some notable exceptions among the business historians.⁹ If one accepts these analyses at face value, business organizations seems self-sufficient. But it is worth recalling that “understanding the origins of opportunity sets in any given context is as important as understanding individual and firm-level cognition and behavior in the entrepreneurial process” (Wadhvani and Jones, 2014: 194).

How does an individual entrepreneur's history complement our view of the economic development of the Cauca River Valley during the nineteenth century? In other words, how did the emergence of an entrepreneurial venture actually work, in detail, and to what effect? This study of James Eder shows how an entrepreneur's individual agency operates. In doing so, it also adds an underestimated perspective to a regional historiography that pales in contrast to that of other Colombian regions of contemporary comparable importance such as Antioquia, Bogotá and Cundinamarca, and the so-called Colombian Caribbean (Bejarano, 1994). In addition, this research

⁹ For the case of Colombia, Carlos Dávila is the most connoted business historian, and in his more representative works he ties businesses with the businessmen behind them (see Dávila, 2002; and Dávila, 2012).

shows entrepreneurship as an activity extensively linked by networks that the entrepreneur creates and manages, as entrepreneurship historians have acknowledged for quite some time.¹⁰

Entrepreneurship as a mechanism for economic development through innovation was first established by Schumpeter (1934). He later expanded the concept of the innovating entrepreneur, claiming that

The function of entrepreneurs is to reform or revolutionize the pattern of production by exploiting an invention or, more generally, an untried technological possibility for producing a new commodity or producing an old one in a new way, by opening up a new source of supply of materials or a new outlet for products, by reorganizing an industry and so on (Schumpeter, 1950: 132).

Schumpeter furthermore established that entrepreneurial activity was “primarily responsible for the recurrent ‘prosperities’ that revolutionize the economic organism and the recurrent ‘recessions’ that are due to the disequilibrating impact of the new products or methods” (Schumpeter, 1950: 132). In doing so, Schumpeter established a direct relationship between entrepreneurship and economic change.

Other contemporaries of Schumpeter also recognized the entrepreneur’s role in economic development. For instance, Keynes related the creation of income to the entrepreneur (Keynes, 1937: 220); and Coase referred to the entrepreneur as the one who directed production (Coase, 1937: 388). The theory of economic growth that followed these economists but ensued from a more

¹⁰ It is worth noticing how several of the articles included in one of the first edited volumes on entrepreneurship history address this issue. Lamb (1952: 94, 102) stresses the importance of studying entrepreneurship in a particular community because family ties and kinship are a big source of institution building and economic decision making by the entrepreneur “concerned with the problems of change”. He further claims that “studies of entrepreneurship which play heavy emphasis upon the ‘creative personality’ of the individual entrepreneur are apt to underestimate the importance of the group from which these entrepreneurs derive so much of their strength.” Sawyer (1952: 11) shows how “the institutional system [in Europe] tied occupation and property to family units proudly conscious of their status and identity over successive generations; and emphasized traditional, personal, and communal relationships, as against the impersonality, universalism, individualism, and conscious rationality characteristic of a wide range of capitalist institutions.” Gregg (1952: 121) claims that “in every state a handful of families usually closely interrelated by blood and marital ties, dominated economic, political, and social life. Their alliances and counter-alliances largely dictated the political history of the period.”

neo-classical tradition based on mathematical models, however, removed the entrepreneur altogether from its theoretical constructs.¹¹ One important exception in this line of thought was made by Hirschman, a contemporary of Solow, who stressed the distinction between economic growth and economic development (Hirschman, 1958).

Hirschman's professional experience in Latin America, together with his knowledge on policy issues, allowed him to unveil that "among the proximate causes of economic development, the supply of entrepreneurial and managerial abilities now occupies in official documents a position of pre-eminence at least equal to that of capital" (Hirschman, 1958: 1). For him, entrepreneurial and managerial ability was the resource that showed the largest feedback effects on the available stock of itself: "these are resources that increase directly with and through use (much as the ability to play the piano or to speak a foreign language improves with exercise) while more indirect effects similar to those characteristic of capital are also at work" (Hirschman, 1958: 7). Furthermore, he established that the relationship between entrepreneurship and development was even more important for underdeveloped areas, given that entrepreneurial and managerial ability "which are probably the scarcest at the beginning of the development process are those that may show the fastest increase because of the directness and strength of the feedback effect and because their expansion is limited only by learning ability" (Hirschman, 1958: 7). Thus, according to this theory, the entrepreneur as an

¹¹ The cornerstone growth theory in economics was developed by Solow (1956), who stated that production was a function of physical capital and human labor. According to this theory "technical change," the motive behind higher levels of output, was exogenous. It wasn't until the 1980s that growth models included technology, as an endogenous feature of investments in research and development, and investments in human capital (Grossman and Helpman, 1991). Modern growth theory, as it is known, also takes into consideration the role of institutions and government. Because of its emphasis on market imperfections, and the consequent need for institutional corrections, modern growth theory integrates the market and the government in a framework that allows to think about real-world problems. As a result, these set of models introduced increasing returns to scale, in contrast to the decreasing ones assumed by endogenous growth theories, offering a mechanism for the engine of growth. Nevertheless, both exogenous and endogenous growth models, while useful in accounting for the causes of sustained growth, fail to explain the sources of such growth.

economic agent of change would have been of the greatest relevance for a region such as the Cauca River Valley in the mid-nineteenth century.

More recently, North has led the quest for “understanding the process of economic change” (North, 2005). Acknowledging that “the economic paradigm—neo-classical theory—was not created to explain the process of economic change,” North focuses his study of *the process* on human action (North, 2005: vii). He closely ties the latter with economic development, because for him “the key to improving economic performance, is the deliberate effort of human beings to control their environment” (North, 2005: 1). Economic change, according to this theory, is continually occurring thanks to the existence and interaction of entrepreneurs, “as entrepreneurs enact policies to improve their competitive position ... in a never-ending process of change” (North, 2005: 3). Henceforth, the entrepreneur encapsulates the essence of human decision making in economics, rendering him or her the agent of change in the economy.

This stock of theoretical building blocks is behind the empirical historical analysis presented in the pages to follow. The examination of the international business correspondence of James Eder elucidates his entrepreneurial journey and unveils the forces behind the economic changes in the Cauca River Valley that succeeded it. Exploring this dynamic interplay illuminates how entrepreneurs draw on historical forces to create new markets for their products, while at the same time disrupting these historical forces in order to take advantage of emerging opportunities.

Sources and Methods

Regarding James M. Eder, his family, and his businesses, there are several secondary sources published, mainly in Spanish. Chief among them is the biographical book about his father that Phanor J. Eder published in 1959, titled: *El fundador Santiago M. Eder: recuerdos de su vida y acotaciones para la historia económica del Valle del Cauca*. Also by Phanor Eder is the book *Colombia*, published in

1913 for Scribner's South American Series. Other relevant secondary materials include the chapters on La Manuelita in Carlos Dávila's *Empresas y empresarios en Colombia, Siglos XIX y XX* and *Empresariado en Colombia: Perspectiva histórica y regional*, and Alonso Valencia's *Empresarios y políticos en el Estado Soberano del Cauca: 1860-1895*. However, these three works are based almost entirely on the book by Phanor J. Eder.

Besides the relevant secondary literature, several archives were consulted for the writing of this dissertation. One significant source of information was the communications Eder sustained with the United States Department of State as part of his duties as consul of this country in Buenaventura, from February 1867 until March 1879. These documents are kept in the National Archives in College Park, Maryland, as part of their consular despatches collection. Eder's are part of the records designated as Record Group 59, General Records of the Department of State. His, specifically, belong to the File Microcopies of Records in the National Archives: No. 140, under the title: *Despatches from United States Consuls in Buenaventura, Colombia: 1867-1885*. These communications are relevant for at least two reasons: this is the main known source of written material produced by Eder himself, as compared with the other archives consulted that contain mainly communications directed to him; and because they belong to his first years in Colombia, for which correspondence from the other sources is scarce. Also, this material is relevant given that the consular despatches contain general information on economic, social and political conditions in Colombia during the second half of the nineteenth century.

Another pertinent archive consulted was the corporate archives of La Manuelita, in Palmira, Colombia. The company keeps an archive that dates back to the years when James Eder started his activities in the hacienda La Manuelita. However, for the years of Eder's rule, the documentation is scant and contains primarily deeds, chiefly of the lands that were added over time but also about other deals or judicial matters. In that archive, there is also some business correspondence directed

to Eder, although not too numerous. A related archive to the latter has some private documents that the company keeps in their offices in Cali, Colombia, that were shown to me nevertheless. A fourth archival source of great value corresponds to a cache of previously undisclosed family archives. The value of this archive is that up to the present date, no researcher has been given access to it. The documents kept in this family archive go beyond the Eder family, and start long before Eder set foot in Colombia. However, regarding James Eder, the documents are not too abundant, although of great personal value for the family past and present, in addition to containing a superb photography collection of the years of Eder's tenure in Colombia and beyond.

Finally, the main archive regarding the correspondence of James Eder is the *Phanor James Eder Papers, 1644-1971*. This archive is housed at the University of Miami Special Collections, and consists of 25 boxes of personal and business correspondence and other material compiled by Eder's youngest son, Phanor J. Eder and donated by himself to the University of Miami in the early 1960's. This is the archival material used for the empirical strategy followed in Chapters Three and Four.

As for the methods, on the one hand, this is in its essence a history project. As such, the archival material and its analysis lies at the heart of the research. However, it is also a management scholarly project, and as such incorporates methods from the social sciences pertinent for conducting entrepreneurship research. This is the reason why Chapters Three and Four follow an empirical strategy based on content analysis at three different levels, as is explained in detail in Chapter Three.

As mentioned before, the dissertation seeks to understand the actions of an entrepreneur and their consequences on his environment. This needs to be done by an approach that historically contextualizes the economic and social forces at play at the time Eder's endeavors were taking place.

A historical perspective on entrepreneurship, for instance, has been called upon for a better understanding of this phenomenon, in short:

Historical research on entrepreneurship needs to address its temporal constructs and assumptions explicitly and reflectively. Entrepreneurship theories inherently involve temporal dynamics that historical research and reasoning are uniquely well positioned to reveal. Historical perspective allows researchers to examine the significance of an action in relation to developments before and after it, a point of view Schumpeter (1947) argued was essential for understanding entrepreneurship (Wadhvani and Jones, 2014: 212).

Concluding Remarks

Producers affect consumers through the volume and quality of the goods they produce. Consumers, in turn, influence producers by revealing their preferences when favoring goods with certain characteristics and qualities. But entrepreneurs are the ones who create new products and discover new markets, disturbing established producers and expanding consumers' possibility frontiers. It is somehow difficult to distinguish between producers and entrepreneurs, however. This dissertation upholds that James M. Eder was one of these agents of change in the economy, one of those who keep "the capitalist engine in motion" (Schumpeter, 1950: 32).

This largely unknown story serves to bring into sharp relief the formative role of entrepreneurs in economic evolution through history. Because of James Eder, to a greater or lesser extent, paths, roads and bridges were built and transited; the Cauca River was set up for commercial navigation; banks and utility companies started; newspapers published; railroads extended. After him, sugar cane planters increased in Valle del Cauca and sugar consumption spread across Colombia, bringing changes in eating habits and diets. In sum, this research complements the narratives that economists and economic historians have adopted for explaining the economic development of the Cauca River Valley during the nineteenth century.

Chapter One: A context for nineteenth-century Colombia

This chapter offers a context of the Colombian economy throughout the nineteenth century to help situate the broader environment James M. Eder tried to fit. The second chapter deepens this contextualization, both in time and space, but specifically for the region Eder ended up calling his home. The present chapter depicts Colombia's underdevelopment until the end of the nineteenth century, relative to other Latin American countries in terms of commodity production and access to international markets. In the following pages, in line with Acemoglu and Robinson (2012), I argue that this economic lackluster is rooted primarily in the country's tumultuous colonial past and early independent history. But I also show the challenges imposed by a topologically fractured geography, including difficulties in river navigation and crossing paths connecting a country made of markedly distinct regions.

Despite the struggles brought by such puzzling conditions, the chapter also illustrates that this state of affairs made Colombia both challenging and ripe for intensive development by merchant capitalists willing to face the risks of doing business in that country, such as James Eder. But in order to thrive in their ventures, these entrepreneurs needed to be politically influential, especially in boosting recurrent interest in liberal trade policies, and in developing disconnected regions on a large scale.

Finally, the chapter pays particular attention to Cauca, the region where the Cauca River Valley is located and where Eder settled, because its idiosyncrasies led it to be embroiled in this broader history in a particularly unique way. This region was, to a great extent, shaped and developed by local and foreign entrepreneurs who like Eder embraced the necessary risks to extract the valley's potential.

The Birth of a Nation

In 1713, in the wake of the war against England, Spain saw its commercial monopoly over the Spanish Atlantic World diminished. As a result, the Spanish Empire introduced major amendments to its colonial system, known as the Bourbon Reforms. These changes constitute the most important antecedents of the Spanish America independence movements. Overall, their aim was to subjugate the colonies to the crown's political, social, and economic authority, leading to the alienation of the local elites. The new system dictated that each governor should create viceroalties, one of them being the viceroyalty of New Granada, which included roughly the modern nations of Colombia, Panamá, Venezuela and Ecuador. The reforms also included the promotion of exports from the colonies, support of the application of science to mining and agriculture, and the advancement of universities, all of which were welcomed by the locals. However, there were less popular reforms, notably the expulsion of the Jesuits. But the main objective of the Bourbon Reforms was to strengthen the economic profit derived from the colonies, which resulted in higher tariffs on European goods imported by the colonies, as well as new taxes on local production and trade.

Besides the tax reforms, fiscal monopolies over several articles were created in New Granada whereby the state took charge over specific products, such as aguardiente and tobacco, and destined the profits to the royal treasury. In 1736, the Spanish king Carlos III ordered the exclusive monopoly to produce and sell aguardiente—a hard liquor made from the distillation of sugarcane—to the local provinces. To maximize its revenue, all aguardiente imports were forbidden. By the time the first Spanish viceroy arrived in New Granada in 1739, the colony already boasted a long history of aguardiente production. Latin Americans had produced aguardiente from sugarcane since the sixteenth century, although with periods of prohibition to favor the imports of competing hard liquors from Spain. Small clandestine producers never ceased to exist, and in some regions, they confronted the royal authorities. For example, from 1765 onwards, uprisings and riots raged in the

northern Cauca River Valley's city of Cartago, along other municipalities in western Colombia (Melo, 2017: 89).

The tobacco monopoly faced even more popular resistance. Until 1740, tobacco production and commercialization were free, but starting that year the Crown established its monopoly over it. In practice, the monopoly started in 1764, in the central municipality of Honda, and by 1774 the system was generalized throughout the country. By 1779 tobacco production was confined to four cities, Ambalema, Girón, Pore and Palmira (in the Cauca River Valley) in order for Spain to control production, and as a result the price of tobacco increased. These measures created discontent among producers from places other than those authorized to produce tobacco, and from consumers forced to pay higher prices for this luxury good all over the country. This led to local uprisings that converged in a general revolt in 1781 known as the Revolt of the Comuneros.¹²

As many as 20,000 *comuneros* arrived in Zipaquirá, a mere day on foot from Bogota, where delegates from the authorities in Bogota met them for fear of them reaching the capital. The commission, led by Archbishop Antonio Caballero y Góngora, accepted almost all of their petitions. These included a decrease in the price of aguardiente and the elimination of the tobacco monopoly. In addition, they reached an agreement to end the discrimination against *criollos*—American-born whites—in appointments at the top levels of colonial administration. However, the Spanish authorities and the archbishop secretly declared the settlements invalid because they were forcibly obtained. When the rebels returned to their respective towns, they were sought by an army sent by the viceroy from Cartagena and headed by Archbishop Caballero y Góngora himself. The *comuneros* fought back, but they were defeated. Their leaders were executed, and their heads and other body parts were exhibited in public places all over central Colombia for over six months.

¹² *Comuneros* refers to members of a popular assembly or commune, whence the name of the movement.

The rebellion intended to correct the excess measures recently adopted by the crown, but it did not intend to confront the royal authority (Bushnell, 1993: 31-32). However, in the aftermath of the uprising, both locals and Spanish realized the military weaknesses of the empire. Also, for the first time, the local interests of creoles, mestizos and indigenous coincided; as well as those of merchants, planters and miners (Melo, 2017: 91-92).

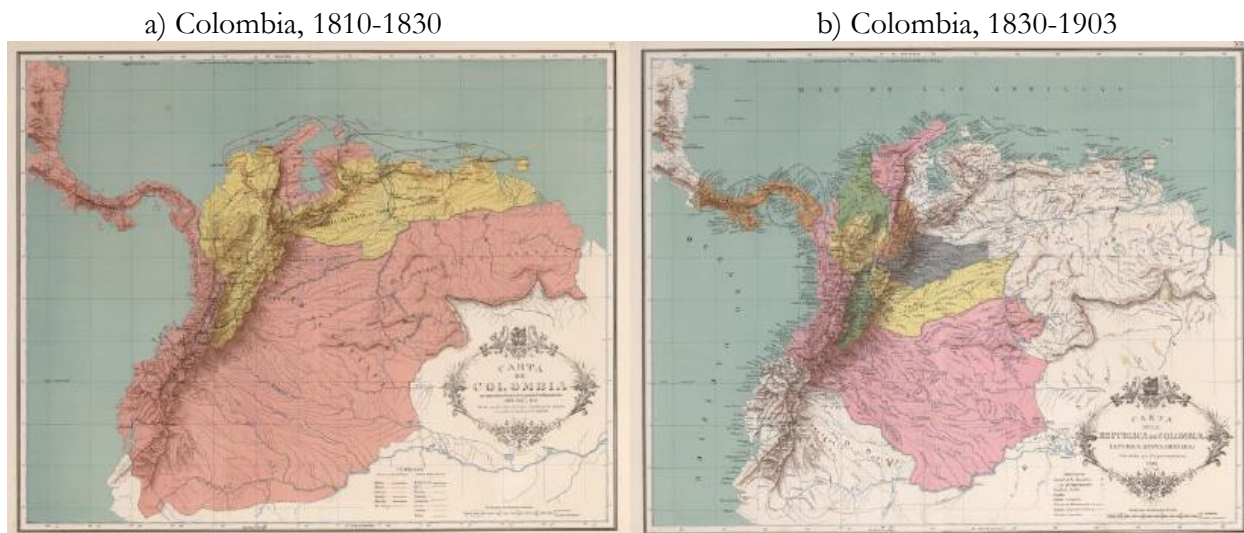
Archbishop Caballero y Góngora was named viceroy in 1782. Among other things, he opened the colony's trade with the Caribbean and favored the entry of vessels from the United States of America. This gave *criollos* a real experience of free trade (Melo, 2017: 92). Furthermore, with the advent of the Napoleonic Wars during the early nineteenth century, Spain found it difficult to supply the colonies with their necessities. To alleviate the emergency, the Spanish crown granted permission rather often to the colonies for direct trade with ports outside the empire. These exceptions also aroused the colonial appetite for free trade (Bushnell, 1993: 25).

Colombia declared its independence from the Spanish Empire on July 20, 1810. But the revolutionary war that took place soon afterwards lasted until August 7, 1819, when the final battle between the royal forces of Spain and the revolutionary army ended in favor of the latter.

The new nation's name itself changed frequently in the coming years, not only as a result of civil unrest, but also according to the will of some of the incumbent presidents. It held seven names during the nineteenth century: Gran Colombia from 1819 until 1830, as it was named after the revolutionary war, and integrated by the territories that made the viceroyalty of New Granada, but dissolved after the death of Simón Bolívar in 1830 when Venezuela and Ecuador became independent republics; República de Colombia from that year until 1832, with a territory reduced broadly to modern Colombia and Panamá; Estado de la Nueva Granada until 1843; República de la Nueva Granada until 1858; Confederación Granadina until 1863; Estados Unidos de Colombia until 1886 after the victory of the federalists over the centralists; and since then República de Colombia

again, the name it still carries. The size and shape of the Colombian territory itself changed considerably during the nineteenth century (Figure 1.1).

Figure 1.1. From Gran Colombia to the Republic of Colombia



Source: Wikimedia Commons contributors, “Atlas Geográfico e Histórico de la República de Colombia (1890),” Wikimedia Commons, the free media repository, [https://commons.wikimedia.org/w/index.php?title=Atlas_Geogr%C3%A1fico_e_Hist%C3%B3rico_de_la_Rep%C3%BAblica_de_Colombia_\(1890\)&oldid=329720468](https://commons.wikimedia.org/w/index.php?title=Atlas_Geogr%C3%A1fico_e_Hist%C3%B3rico_de_la_Rep%C3%BAblica_de_Colombia_(1890)&oldid=329720468) (accessed March 6, 2019).

Colombians gained independence at a high cost. The revolutionary war lasted nearly ten years, during which great disruptions were felt all over the country. With the end of colonial rule, citizens at large had to reimagine their social roles, and although elites tried hard to impose political order, the economic conditions did not improve until several decades after the consolidation of the republican regime. Furthermore, new institutions had to coexist with rooted ones from the colonial legacy such as slavery, discrimination against indigenous populations and fiscal monopolies. This led to a century plagued by conflict. The nation underwent nine civil wars during this period, while some forty struggles took place at the local level along all of its regions. Each national civil war brought the possibility for the winners to write a new constitution. Colombia added nine constitutions from 1811 to 1886.

The rugged origins of Colombian institutions

Nineteenth-century Colombian civil wars were not, in general, too long nor too big in terms of armies of combatants involved, the number of casualties, or even their territorial scope (Deas, 2010: 681). But they caused severe disruptions and sizeable economic losses.¹³ Besides the revolutionary war fought between pro-independence and royalist forces, as mentioned the country suffered from nine civil wars during the nineteenth century. Tracking some of the critical junctures that led to civil unrest, it is possible to have a better understanding of the political and institutional context that ensued with the denouement of the civil wars Colombia experienced throughout the century.

The first main conflict of the country after independence took place in Cauca, after President Santander's allies conspired to kill Simón Bolívar on September 25, 1828. An uprising led by the Caucan generals José María Obando and José Hilario López, and encouraged by William Henry Harrison—who that same year had been appointed American minister to Colombia by John Quincy Adams—was soon joined by the general José María Córdoba in Antioquia. The civil war ended in 1830 with a new constitution that centralized the country's government.

Ten years later, Obando helped trigger the second civil war of the century, one of the longest in that period: The War of the Supremes. What started as a fight between the central government and the Catholic Church because of the closure of some monasteries in the southern part of the Province of Cauca, gave way to local leaders all over the country declaring themselves as supreme chiefs of their local territories. The civil unrest ended with the government as the winner, after almost three years of costly conflict. The war debilitated the ongoing liberalism that started under Santander's regime and the Benthamian doctrines that inspired him, and showed that the core of

¹³ Deas (2010), however, has indicated that despite the highly probable negative impact of disorder and insecurity in the economic prosperity of the country, such impact was not as big as the scholarship on the subject has overwhelmingly argued.

what would become Colombia's liberal and conservative political parties had already formed (Melo, 2017: 133).

In 1845, the conservative Cauca Tomás Cipriano de Mosquera took power. During his term, discussions over universal suffrage—which at the time meant all non-slaved citizens over eighteen years old including women—and the adoption of a liberal democracy resurfaced. Inspired by the French liberal agitation that led to the revolution of 1848, several liberal groups formed, starting with the Sociedad Democrática de Artesanos, to which the conservatives responded by creating their own popular societies. In Bogotá and Cali, as well as in the Atlantic coastal cities, popular resistance to the government increased. In 1848 the liberal party was founded to defend public rights and freedoms, the independence of the branches of power, the separation of church and state, the defense of the poor, and to prioritize public spending on transportation infrastructure. In 1849 the conservatives started their own party to defend society from what they regarded as immoral and anarchic doctrines expounded by the liberals, as well as from their desire to end slavery and to tax the rents and properties of the affluent.

A Liberal Economic Agenda

Mosquera's economic agenda tended to be rather liberal. In 1847, he ended the state monopolies over tobacco, salt and aguardiente, and privatized their production and commercialization. He also liberalized the exports of precious metals by private companies. Mosquera went further than mere economic reforms, however. He contracted the Chorographic Commission, ordered the construction of the Panama railroad that would connect the two oceans at the Colombian isthmus, and prioritized the Magdalena River steamboat navigation. Despite being the most prominent representative of the Cauca elite, Mosquera turned out to be a liberal at heart. He obtained his first presidency (1845-1849) thanks to the support from conservative-minded colleagues. Slowly but

surely, his economic reforms gained him increased support from the moderate liberals. As a result, he became the candidate of the liberal party for his other two presidential terms, 1861-1864 and 1866-1867. Starting in 1847, a liberal program was put in place, a program that would take until 1880 to complete. It included the creation of a federal state (established in 1853), male universal suffrage, freedom of the press, the separation of church and state, the expropriation of ecclesiastical lands and rents, a progressive property tax, and the emancipation of slaves (Melo, 2017: 136-137). The latter two reforms were unpalatable for the elites, especially for the Cauca elite. The Cauca landlords opposed the abolition of slavery, and the country marched once more into a civil war in 1851.

The liberal General José María Obando was elected president in 1853, and Obando along with the new General Assembly passed a new constitution. The document included some of the reforms from the liberal program, such as the freedom of religion and male universal suffrage. The new constitution also organized the republic as a federal state, allowing the provinces to have their own constitutions and to elect their governors. Between 1856 and 1857, the provinces gave way to a new political order constituted by nine sovereign states.

In 1861 Mosquera, acting as provisional president, issued a decree to expropriate the substantial land that the Church had been accumulating from its deceased devotees (mortmain). He planned to use the proceeds of the disentailed mortmain in the construction of public infrastructure, and to make payments to the country's foreign creditors. However, the lands were not sold at good profit. In the end, no land reform was achieved. On the contrary, most of the land cheaply passed to the biggest landholders (Caballero, 2018).

Peace and Conservatism

From 1863 until 1876 the country enjoyed thirteen years of moderate peace, the longest period since independence. With it, exports increased. The first good to thrive as an export product was tobacco,

whose production grew considerably after the abolition of the state monopoly. The economy also progressed because the mortmain lands became productive, the trading of urban properties expropriated to the Church took off, and the authorization to create private banks that would finance the export economy came to fruition. The population grew, as well as their wealth, including that of the emancipated slaves. The only exception was the indigenous population's wealth, which decreased because the end of reservations opened-up the possibility for natives to sell their individual allotments of land, which most did, after which they had no other option than to work for someone else in order to cover their basic needs

The nation's foreign debt crisis decreased in this period. The urban settlements grew significantly. Every region built roads and bridges. The telegraph arrived. Starting in 1870, the railroad system added numerous kilometers, although an interconnected system could not be achieved. The original liberal idea was to connect Buenaventura in the Pacific Ocean with Santa Marta in the Atlantic, but this proved impossible given the difficulties to align the interests of the sovereign states.

But still another civil war erupted in 1876 in Cauca when the conservatives opposed the liberal reforms being put in place, and lasted until 1877. The Caucan general Julián Trujillo, part of Rafael Núñez's liberal 'independents' was elected president for the period 1878-1880, and granted Núñez's election after him. In 1880 the independent Rafael Nuñez was elected president, and in 1884 he was reelected with support of the conservatives to his program of Regeneration. During his first presidency, he created the Banco Nacional, giving it faculties of issuing paper money for forced use—nonexistent until then when the prevailing private banks were able to print their own paper money and compete between themselves for the money to be trusted on a national level. When Nuñez was reelected, a new civil war took place when liberals sparked uprisings, first in the state of

Santander and soon after in Cauca from where it spread to the rest of the country, claiming that the federal government was intrusive on local elections. The civil war lasted from 1884 until 1885.

During Núñez's presidency from 1886 until 1898, the government strengthened the Banco Nacional. However, inflation went up because the Banco Nacional sustained a monetary expansion to finance public expenditures and to cover the government expenses caused by the war (Melo, 2017: 171). Núñez also adopted the expropriation of properties to the liberal chiefs (Caballero, 2010: 255; 262). Additionally, the Regeneration implemented a protectionist policy through which tariffs were increased for textiles and agricultural products (Ocampo, 2010: 228-229).

The most devastating conflict of nineteenth-century Colombia, The War of a Thousand Days, ended Núñez's Regeneration program. The tensions between Liberals and Conservatives escalated up to a point in which each party wanted to eliminate the other. The war lasted from October 1899 until November 1902, and resulted in some 80,000 deaths (Gaitán, 1995: 201), twice as many as all the other conflicts of the century together (Deas, 2010: 681). Additionally, the war incited widespread property damage and national economic decay. It even caused the secession of Panamá one year after the end of the war.

A century of elusive economic prosperity

The Latin American nineteenth century economy has been characterized as one of poor performance in which exports of natural resources were the main source of growth (Engerman and Sokoloff, 1997). As a whole "Latin America became an underdeveloped region between the early eighteenth and the late nineteenth centuries," but the region was not as homogeneous in economic terms as previously believed (Coatsworth, 1998: 26). Political economists now understand that the timing, magnitude, scope of the goods exported and the economic activity that the export-led growth propelled, varied between countries. This explains why the region entered the twentieth

century with great disparities amongst its countries (Ocampo, 2010). For instance, Argentina, Chile and Uruguay showed high levels of exports per capita, a smaller proportion of their labor force devoted to agricultural activities, higher urbanization rates, and a more developed transport and communications infrastructure. Cuba and Costa Rica exhibited above average results, but the rest of Latin America's performance was backward in comparative terms (Cárdenas, Ocampo and Thorp, 2000).

Colombia belonged to the latter group. The country was not able to develop a solid export economy during the nineteenth century, and henceforth experienced an overall slow economic growth. As a result, Colombia did not enjoy the gains of international trade, and its attractiveness in terms of both international capital and foreign workers was almost null and did not play a decisive role in the nineteenth-century Colombian economic history (Ocampo, 2010: 201). In other words, Colombia belonged to what Ocampo (1984) called a "secondary periphery."

Only recently the particular dynamics of such economic dynamics had been established. Kalmanovitz and López (2010) show how the Colombian gross domestic product (GDP) grew steadily until 1850, strongly from then until 1886, and continued to grow, although at a slower pace, until 1905. Nevertheless, the authors estimate that, in per capita terms, GDP decreased throughout the first half of the nineteenth century (-0.2 percent annually on average), then grew slightly from the 1850s until 1886 (0.2 percent), when it fell sharply until the early twentieth century (-0.5 percent). During the latter period of economic decline, "there was also a redistribution of income from poor to rich" (McGreevey, 1971: 16).¹⁴ This analysis contrasts, however, with the traditional interpretation in the historiography of nineteenth-century Colombia, according to which the country lived in political anarchy and economic stagnation for most of the century, and only achieved economic

¹⁴ Regarding the causes of this redistribution of income, McGreevey points to the coffee boom, something other scholars have contested because the social structure of the coffee sector included a high participation of peasants (see, Kalmanovitz, 1985: 211).

progress after the constitutional order brought by the Regeneration (Liévano, 1985). Actually, it was during the first three decades of the second half of the nineteenth century that the country managed to become a player in the world economy, and that is why during the entire second half of the nineteenth century the Colombian economy grew more than any other Latin American economy, except for Argentina, Chile and Uruguay. Yet, in comparison with the United States, while in 1800 Colombian GDP per capita was 39 percent that of the North American economy, by 1870 it was only 22 percent, and by 1913 a mere 16 percent (Kalmanovitz and López, 2010: 338).

Exports played an important role. The export sector was the main source of Colombian economic growth during the second half of the nineteenth century. Thanks to the liberal reforms of mid-nineteenth century, Colombia overcame its colonial export structure. Gold production was hard hit after the emancipation of slaves, but continued to be Colombia's main export commodity until 1860, thanks to the investments and technology brought by foreign miners to overcome the dependence on slave labor, especially in Antioquia. Between 1850 and 1880 agricultural commodity exports took off. There were more tobacco exports than those of gold between 1860 and 1875; quine was the main Colombian export from 1878 to 1885; and coffee started to dominate the country's export basket beginning in the early 1880s (Ocampo, 1984: 100-101). In value, Colombian exports tripled between 1845 and 1875, when they grew 4.1 percent annually, and doubled again during the last quarter of the nineteenth century (Ocampo, 2010: 203).

Ocampo (1984) labeled this export-oriented development stage as "production-speculation," because it was characterized by an unstable export base. The author argued that the export growth was based on a series of regional bonanzas for the different products, due to exceptional prices in the international markets at different points in time, better exemplified by the cases of tobacco and quine. But once these price junctures passed, a stable productive base had not been developed. McGreevey's (1971) supports a similar interpretation for the early twentieth century. For that period,

he shows that “the smaller crises which preceded the Great Depression often brought an export cycle to an end leaving local economic conditions no better (perhaps worse) than they had been to the export boom” McGreevey’s (1971: 1).

In other words, nineteenth-century Colombia had no luck with what Díaz-Alejandro (1984) would name the “commodity lottery,” because it lacked both the availability—besides gold and coffee—and the capacity to respond to the primary products demand of the countries profiting from the Industrial Revolution. Still, others have found the problem to be rooted in the country’s institutions (Acemoglu and Robinson, 2012). Sánchez, Fazio and López-Urbe (2010), for instance, argued that the inability of Colombia to integrate its economy with the international markets at the end of the nineteenth century, was the result of weak property rights of settlers in frontier areas.

The Advantages of Growth

Despite its meager magnitude, economic growth translated into several social changes: increases in the urban population; better standards of living for the population in general and for the elites in particular; the development of banking; and the inception of industrialization (Ocampo, 2010: 200). Urban merchants and rural entrepreneurs fared best as the economy grew, but the population at large also profited through lower prices for foodstuffs and other goods that became more accessible. The expansion of livestock, thanks to the introduction of new types of grass and breeds of cows and the growing use of barbed wire, increased meat consumption for almost everyone (Melo, 2017: 203). At the same time, tobacco and coffee production offered an opportunity for salaried work to countless people (Melo, 2017: 153). Mining, for its part, fostered technical education and boosted the formation of a skilled work force that would later play an essential role in the industrial development of Medellín, the capital of Antioquia (Brew, 1977).

Education was, in general, very poor in nineteenth-century Colombia. Ramírez and Salazar (2010: 421-422) show how the number of students in primary education as a percentage of the total population in Colombia was less than 2 percent, inferior to that of most the Latin American countries, only comparable to that of Brazil, Bolivia and Perú, and much smaller than that of more developed countries (in the United States this ratio was above 20 percent). Antioquia was an exception, in this region the ratio of students in primary education over the total population reached 6 percent, tripling the national average (Ramírez and Salazar, 2010: 448). Among the reasons, the authors include the concern of the state's leaders to boost education to gain competitiveness and foster the nascent industries, and the fact that Antioquia exhibited the highest proportion of land owners in the country. Other authors have also called attention to the fact that Antioquia was the wealthiest state in the country, thanks to gold, coffee and textiles, and henceforth was able to invest more than any other region in its education system (Urrutia, 1979).

Along with exports, imports also expanded. Traditionally, nineteenth-century Latin American economic history scholars aimed to explain the region's export age, an angle that relegated imports and the social impact of their consumption to a secondary level in the scholarship. Safford (1965) offered the only study that directly analyzed the consumption patterns in the country and the social implications of imports for the Colombian population. But imported textiles and agricultural tools empowered peasants, artisans and smallholders to become active participants in this new economic reality (Otero-Cleves, 2017). At the same time, imports of domestic products such as china, glass, furniture and mirrors negatively affected local artisans (Melo, 2017: 154). Otero-Cleves's (2017) study of the consumption of foreign machetes and, to a lesser extent, imported textiles showed that the popular sectors were the largest consumers of foreign goods in nineteenth-century Colombia. Overall, imports doubled between 1840 and 1870, and increased fourfold during the last three decades of the century (Ocampo, 2010: 203).

The colonial ballast

Jaramillo and Meisel (2010: 284) identified three stages Colombia traversed during the nineteenth century in order to dismantle its colonial economic institutions. First, from 1821 until 1845, the national government changed the tax structure rather slowly to make way for tariffs on imports. Second, during the period of 1845-1853, Colombians put reforms in place, eliminated state monopolies, abolished slavery, established indigenous reservations, decentralized fiscal institutions, and adopted the separation of church and state. Third, radical liberalism accelerated the reforms to the education system, distributed the mortmain properties, built transportation infrastructure, and established a national banking system. Because of their impact on the economy and society of nineteenth-century Colombia, the subjects of slavery and transportation merit their own detailed accounts.

Slavery, a rooted and detrimental colonial institution

Slavery was established in Colombia early on during the colonial period, and lasted for nearly three hundred years. The Congress of Cúcuta in 1821 declared the incorporation of black slaves and Indians as citizens of the republic, but manumission, the process through which black slaves were emancipated, took from 1821 until 1851. The abolition of slavery legally started in the country in 1821, when the law of free birth (*Ley de Vientres*) was passed. According to this law, the children of slaves would be freed at age eighteen. But it was not until January 1, 1852 that the complete emancipation of slaves was mandated without restrictions and of immediate application. Previously, during the revolutionary war, slave uprisings took place throughout the country, magnifying the prevailing political chaos, and numerous slaves escaped to frontier areas. Also, even before the emancipation process started, slaves could be freed with a few legal maneuvers, as in the case when

it was the master's will to do so, or when they were able to purchase their manumission (Tovar, 2010: 485).¹⁵

In Cauca slaves were relatively numerous. According to Colombian nineteenth-century population censuses, in 1835 more than one in two slaves in Colombia worked in Cauca. Over 10 percent of the Caucan population were slaves, more than four times the national average of 2.3 percent. More than 5,000 of the 21,599 slaves registered in the country in 1835 resided in the province of Popayán alone. In contrast, Antioquia, despite depending on slave labor for gold extraction, only had 2.2 percent of its population enslaved, or 3,455 slaves in total; and Bolívar, the region where the slave port of Cartagena was situated, counted 2.7 percent of its population as slaves for a total of 4,867 people enslaved.

By 1851, just before the abolition of slavery, the number of slaves had descended considerably all over the country. From the 38,840 slaves nationwide in 1835, 16,468 continued to be so, or 0.7 percent of the population. The enslaved population of Bolívar was reduced to one third of the 1835 figure, and that of Antioquia and Cauca to one half. However, the latter consolidated as the region with more slaves, with 64 percent of the slaves in the country, although the proportion of its own enslaved population was down to 3.3 percent from 10.3 percent in 1835. Nevertheless, “given the slow pace of manumissions before 1846, it seems unlikely that manumission explains the decline before that time,” therefore the decrease of slavery in Cauca was probably reflecting “the

¹⁵ There is evidence of rebel slaves since very early in the Spanish colony, however, the so called maroons (*cimarrones*). This was the case of Bayano, a black African slave who revolted in Panamá in 1550, as described by the Spanish chronicler Lucas Fernández de Piedrahíta; or that of Domingo Bioho, the most connoted boss of the *cimarrones*, who established the first Colombian maroon community (*palenque*) near Cartagena in 1599 (Fals Borda, 1975: 9).

mortality of slaves, the continuing escape of some, and, to a degree, the exportation of slaves.”¹⁶ It should be noted that the latter practice was expressly forbidden in the 1821’s law (Tovar, 2010: 490).

Tovar (2010) identified 5,740 individuals or institutions that together freed at least 16.812 slaves after the abolition law came into force. Not surprisingly, most of the biggest slave-owners were from Cauca. The del Carmen monastery in Popayán was the institution that manumitted the highest number of individuals, with 223 slaves freed. The two most common surnames among the individuals freeing more than fifty slaves are also from Cauca, Mosquera and Arboleda, with seven members for the former family freeing more than fifty slaves and four for the latter (in addition to Julio Arboleda, who freed 43 slaves).¹⁷ Clearly, the biggest slave-owners of Cauca did not free their slaves until it was absolutely mandatory, in contrast to the practice in other regions such as Antioquia. These relatively recent findings supported the idea that the abolition of slavery played an important role in the Caucan elite’s opposition to the liberal reforms of mid-nineteenth century.

Transportation, an overwhelming challenge

José Solís Folch de Cardona, a Spanish colonial administrator and a mid-eighteenth century viceroy of New Granada, complained in a letter from 1758 to the king Fernando VI that infrastructure works in the colony did not make progress (Caballero, 2018: 126). He was referring specifically to the construction of the Puente del Común, a bridge over the Funza river that would facilitate the transportation between Santa Fe (present-day Bogotá) and the northern portion of the province of the same name. In fact, that bridge was among the very few bridges Spain built in the colony despite the abundance of rivers and streams all over its territory. Besides the Puente del Común, the

¹⁶ Safford and Palacios (2002: 183).

¹⁷ The author states that it is not possible to know for sure if the individuals under the same surname belong to the same family, but he is pretty confident this should be the case (Tovar, 2010: 506).

Spaniards only built the Humilladero bridge in Popayán, one over the river Gualí in Honda, and the tiny but important one over the Teatinos river near Tunja—where the competing armies of the revolutionary war fought the final battle in 1819. The Puente del Común, which according to Solís's letter had been planned and approved for years, was only finished in 1796.

Given the fragmentation of the Colombian territory, the country's ruling class always recognized the need to facilitate international trade, and at the same time looked for ways to ameliorate the communication channels of the interior provinces with the ports on the coasts (Ospina, 1955: 215). On the one hand, for cities like Bogotá and those in the surroundings of the central region, this meant having roads to access the Magdalena River, even one as distant and tangled as the one from Cartago, in northern Cauca, to Ibagué in the Magdalena basin, a crossing famed as the Quindío pass (*Paso del Quindío*). On the other hand, a better and more expeditious navigation of the Magdalena River was needed.

Apart from the navigation of the Magdalena and some navigation in other rivers not connected to each other, the country's main transport system since colonial times well into the twentieth century consisted of mule-back transport on bridle paths (Pachón and Ramírez, 2006). In the nineteenth century "mules carried most overland freight, even over principal trade routes" at a high cost.¹⁸ In central Colombia at mid-century, the cost per ton-mile of mule haulage over level ground was, for instance, twice as expensive as moving loads by horse-drawn carts in the United States (Safford, 2010: 527), or nearly ten times the cost of moving freight there by railway in the same period of time. Over mountain slopes, freight costs increased up to four times, depending on rain seasonality, wars and mule scarcity conditions (Safford and Palacios, 2002: 161). Other additional costs incurred included the losses and damage the load suffered on board the *champanes*

¹⁸ Safford and Palacios (2002: 161).

(see below), and on the muddy and slippery trails crossed by the mules. Merchants importing goods from Europe had to emphasize the need for a strong package, because Europeans could hardly imagine the dismal transportation conditions on the other side of the Atlantic. A shipment of coffee machinery sent from London to the Cauca River Valley was, for instance, “packed suitably in cases for mule transport.”¹⁹

Moreover, “some mountain trails were too difficult to use mules at all, and human bearers transported cargo and passengers, at a cost that reached 70 to 100 percent higher than that for mule haulage,” as was the case at least until the 1840s through the Quindío pass (Safford and Palacios, 2002: 161-162). Furthermore, according to Kalmanovitz (1985: 43), to travel on ‘Indian-back’ was common for the entire nineteenth century and still during the first years of the twentieth century for trips such as the one from Cali to Buenaventura. Overall, the bulk of a shipment’s journey, in terms of the effort and time needed to move the load, consisted of paths and trails that were difficult and expensive to traverse. The mountain ranges and jungles separating four geographically independent regions dispersed throughout the country with sparsely populated areas between them, were much too grueling for mules and the shipments had to be crossed almost exclusively by foot to cover this terrain (Melo, 2015: 118-119). Simply put, the muleteer was the biggest conveyor of nineteenth-century Colombia.

Understandably, the communication between Colombian cities was even slower than the one from some of these cities to the oceans. For instance, at the turn of the twentieth century, travel times from Medellín or Cali to Bogotá were between two to three weeks (Melo, 2017: 159). Consequently, transportation costs were prohibitive and discouraged interregional trade. This, in turn, reinforced the difficulties for building transportation infrastructure, because progressive

¹⁹ Vogl Brothers to James M. Eder, February 15, 1869, Phanor James Eder Papers, Folder 8, Box 11.

politicians had difficulties proving that roads and railroads were needed when limited freight was being traded between regions (Safford and Palacios, 2002: 161). All the more, according to Melo (2015: 119), the attainment of an adequate level of load to justify costly communication channels seemed even more difficult given the fact that a mountainous geography not only made the construction of paths and railroads more expensive, but at the same time favored the existence of fairly self-sufficient local markets. On top of that, the centralist government before 1850 favored the assignment of its expenses proportionally to the population in the provinces, as was the case with the narrow budget for transport infrastructure (Safford, 2010: 531). Nevertheless, in order to supply the Magdalena transportation, starting mid-century, the Colombian government made efforts to improve some of the paths existing from colonial times, in particular the one from Bogotá to this important commercial artery.

In 1829 the first steamboat arrived in the country, one of the style of those widely used along the Mississippi River in the first half of the nineteenth century, and which were capable of navigating in shallow waters as well as upriver against strong currents (Melo, 2017: 158-159). Previously, in 1823, Juan Bernardo Elbers, a German citizen, was granted a monopoly for twenty years for establishing steamboat navigation on the Magdalena, among other projects. Elbers brought two steamers to Colombia, the first boat drawing five to six feet of water depth, and the second almost four feet. This made them unsuitable for navigation on the upper parts of the river (Gilmore and Harrison, 1948: 340-342). Elbers also miscalculated the availability of wood upriver to supply the engines, bringing his company to the brink of collapse (Safford, 2010: 546-547). In 1826 president Bolívar cancelled Elbers's monopoly, and it was not until the late 1840s that a regular navigation of the river returned.

Before steamboats, and long after their slow introduction, *champanes* were the norm for transportation along the Magdalena River. These medium size canoe-type embarkations were

powered by human strength with the help of poles for navigating both down and upriver. The *champán*'s 900 kilometers trip from Barranquilla, in the Atlantic, to Honda, the closest Magdalena port to Bogotá, was long and unpredictable depending on the weather. For passengers, the journey could take from forty to seventy days, while for freight the average was from seventy to seventy five days (Safford, 2010: 527). It was not until mid-century that navigation in the Magdalena became more consistent, thanks chiefly to the tobacco bonanza, favoring the volumes traded although the cost per ton transported did not decrease (Melo, 2015: 120). Upriver, costs went down because steamers could carry most of the freight, whereas the *champanes* were at risk of drowning when transporting heavy loads. But on the easier downriver journeys, the costs did not decrease despite the competition from the steamers because the *champanes* were not at high risk (Safford, 2010: 543).

For a country that introduced wheeled vehicles well into the nineteenth century, whether to build roads or railroads was not an easy decision given the budgetary constraints. It was not until 1870 that a policy was put in place for the construction of railroads to connect the country. The only exceptions in this respect were the Panamá railroad, built by an American company and finished in 1856, and the 27-kilometer-long railroad connecting the Atlantic port city of Barranquilla with Sabanilla, finished in 1870. From that year until the advent of the War of a Thousand Days, the construction of nine railroads was started, and some—or parts—of them were finished before the end of the century (Melo, 2015: 120-121). Overall, railroad construction was started in a disorderly way however, making its aggregate impact less significant.

Nevertheless, thanks to railroads in particular, and to lesser transportation costs in general, services grew during the second half of the nineteenth century at an average pace of 5 percent per year, and their contribution to the overall GDP soared from near 5 percent in 1850 to 15 percent at the end of the century (Kalmanovitz and López, 2010: 360).

In conclusion, Colombia could not take full advantage of nineteenth-century Latin America's export age to foster its economic development. However, throughout the century, the Colombian people succeeded in dismantling the main colonial institutions limiting private endeavors and in designing the institutions that would favor the economic growth of the early twentieth century. Likewise, national and local leaders achieved slow but significant progress in transforming the country's once outdated transportation systems during the last quarter of the century, making the country more competitive in its exportation markets as well as in its domestic trade and commerce.

Chapter Two: Economic Culture along the Cauca River Valley until the nineteenth century

This chapter studies the economic culture of the people who inhabited the Cauca River Valley, from the first human settlements until the late nineteenth century. Since the first populations set foot in the Cauca River Valley, a myriad of people has come together on its slopes. The natives of the region were taken to the brink of extinction during the Spanish conquest. Then, most of those who survived worked forcibly for the Spanish miners and *teratenientes*. Those with better luck engaged in trade with the Europeans living in the newly founded cities. When there were not enough Indians to work the land, and because more gold mine deposits were found on the Pacific littoral, African slaves were brought into the valley.

Many of these Africans and their descendants became free blacks over the years, not only because some ran away—the so-called *cimarrones*—but also because some slaves were freed or able to purchase their freedom. The Caucaans of Spanish descent, or *criollos*, grew numerous as well. Countless forms of mixed-race people followed suit. *Mestizos* (Native and European), *mulatos* (African and European) and *zambos* (Native and African) were the more noticeable among the latter, while further mixtures gave origin to the so called *pardos*. This resulted in a stratified society based on racial classifications—or *castas*—during the colony, with social repercussions long afterward. Following the country's Independence, and in particular during the nineteenth century, foreigners joined the valley's racial mix. Predominantly, Americans and Europeans of diverse origins who migrated to the area.

The indigenous populations of the mountains of Cauca, the region to which the Cauca River Valley belonged, and in particular those of the valley were among the most populous in the country at the time of the European conquest. In areas of important Spanish colonial settlements, such as

the province of Popayán, there was a manifest division between big landowners, whose ascendants had received lands from the crown, and small landholders, both *criollos* and Indians. During colonial times, the wealthy elite that resided in the valley configured important estates, turning the province into one of the regions with the largest landholders in the country. The Indians constituted a forced source of labor for latifundios and haciendas, and they used their own land mainly to satisfy their basic food needs. But over time the labor force of the haciendas also included numerous slaves, who were found in large numbers in the exploitation of the vast mineral deposits near Popayán and along the Pacific coast, making the region one of the largest communities of people of African descent.

To better understand the local processes taking place in the Cauca River Valley during the nineteenth century, however, it is important to keep in mind the broader social, political, economic and institutional contexts of Colombia and Cauca presented in Chapter One. As mentioned, independence was gained at a high cost and with the end of colonial rule Colombians had to reimagine their roles, which led them to fight several civil wars. The Cauca River Valley did not escape this volatile reality. Cauca experienced its own conflicts and played a central role in some of the national civil wars. With this larger picture in mind, it is possible to analyze the economic culture of the Cauca River Valley, and to understand its distinctive features and how this region fits into the larger economic history of nineteenth-century Colombia.

This chapter analyzes the economic culture of the Cauca River Valley. It explains how its inhabitants perceived the natural resources of the region and how they created economies based on the production and allocation of these resources. Despite their socioeconomic differences, natives, Spanish, *criollos*, African slaves, free blacks and post-colonial settlers came together to define their lives in the valley along the nineteenth century in relation to the globalizing market economy. Landholders and merchants encouraged valley residents to look at the region's forests and fields as commodities. Those who directed this development of the hinterland, to a greater or lesser extent,

sought to transform the physical environment and make nature yield what they believed was its calling.

The Physical World

The Cauca River Valley is located in today's department of Valle del Cauca, Colombia (Figure 2.1). The valley lies between the Western and the Central Andes *cordilleras*, two of the three ranges into which the Andean Mountains bifurcates at its northwestern end in southwestern Colombia, at an altitude of 3,300 to 3,100 feet above sea-level. It stretches for 125 miles in a south-north direction. It has been known throughout Colombia as "the valley *par excellence*," or simply The Valley, as it is still called (Eder, 1913: 118). There, the Cauca River has formed gentle gradients on its foothills, from a little south of the municipality of Santander de Quilichao and a little north of the city of Cartago. A description from the early twentieth century vividly captures its splendor:

The Cauca is one of the real garden spots of the world. No pen can describe the beauty of the broad smiling valley, as seen from favourable points on either range, with its broad green pastures, yellow fields of sugar-cane, dark woodlands, its towns nestling at the foothills, the Cauca River in the midst, silvered by the reflected sun, and, looking across, the *lomas* of the rapidly ascending foothills, with cameo-cut country houses, topped with the dense forests of the upper reaches of the mountains, rising to majestic heights. From some places in the western range will be seen the snow-clad Huila in icy contrast to the blazing sun shining on the luxuriant tropic vegetation beneath (Eder, 1913: 204).

Its beauty also captivated Jorge Isaacs, son of the immigrant George Henry Isaacs (see below) and the most renowned nineteenth-century Colombian writer, who loved when "the green meadows and woods of the valley appeared as if seen through blue-tinted glass" from his father's hacienda (Isaacs, 1890: 21).

Figure 2.1. The Cauca River Valley



Source: <https://commons.wikimedia.org/w/index.php?curid=17366891>.

From the initial reports of its discovery by Pedro de Cieza de León in the early sixteenth century through the subsequent assessments of its resources by explorers and botanists to the impassioned accounts of residents and visitors in the nineteenth century, it captured people's imaginations. Cieza de León reported that the most prosperous settlements in New Granada were those located throughout the banks of the Cauca River thanks to the beauty of the region, its fertility and the ease of transportation along the river (Cieza de León, 1947: 239-240, 225-226).

Traveling through the viceroyalty of New Granada in the prelude of Colombia's revolutionary war, the German naturalist Alexander von Humboldt attested to the versatility of the Colombian climate. There, it was possible to find any appropriate climate without having to travel more than ten miles, as he recorded in his diary, and noticed that the vegetation of the warmer locations densely mixed with the one at the boundaries of the temperate zones (Humboldt, 1982: 77,a [155]). On his way to Cauca, Humboldt encountered farms "where fathers and sons worked together without slave labour, planting sugar but also edible plants for their own consumption" (Wulf, 2015: 108). While traversing the Cauca River Valley, Humboldt documented its excellent and fertile plains, and conjectured that the country would have benefited the most if its capital had been founded in Cali (Humboldt, 1982: 89,a [171]). However, Humboldt was stunned by the underuse of the valley. He documented the impossibility to encounter farming apart from a few small sugar cane fields near Buga, and he called the whole province of Popayán a paddock (Humboldt, 1982: 89,a [172]).

Nancy Appelbaum noted that Humboldt's analytical and holistic biogeography was particularly influential to Agustín Codazzi, "a Piedmontese engineer trained in Napoleon's Italian army ... commissioned by the government [of Colombia] to produce provincial and national maps and geographic texts" known as The Chorographic Commission of New Granada (Appelbaum, 2016: 2). While mapping mid-eighteenth century Colombia, Codazzi also documented the environmental flexibility of the Cauca River Valley when he described the variety of temperature zones in the region, and related its dry and wet seasons (Pérez, 1875: 38). He further qualified the Cauca River Valley's fertility as astonishing (Pérez, 1875: 39). As for its agriculture, in his report on the province of Popayán in 1855, Codazzi wrote an inventory of the crops he found, documenting the production of maize, cacao, sugar cane, tobacco, plantains, rice, cassava, arracacha, coffee, red beans, coconut, butternut squash, potatoes, and numerous fruits, on the cantons located in the

valley.²⁰ Besides, Codazzi estimated the livestock in the valley as formed by 142,280 bovines, 5,000 sheep, 7,335 goats, and 59,910 pigs; in addition to 38,350 horses, 5,450 mules, and 314 donkeys (Díaz, 1983: 106-109). Maize, potatoes and sugar cane grew in every canton of Cauca, suggesting that these were the basic staples of the time for the region.

New World Expeditions

Post-colonial descriptions of the valley survived in the writings of foreign travelers who visited the region, some of them attracted by the favorable reports they received in Bogotá of a land renowned for its fertility. The latter was true for both banks of the river because of its numerous tributaries all over its 156-mile trajectory in the valley; but even more apparent towards the Andes central range, the east side of the river or what the locals used to call its right bank, where the soil is of volcanic origin and highly fertile (Figure 2.2). In contrast, on the western range, soils are lateritic, and there are some limestone deposits on the foothills, making this bank less fertile but abundant in mine deposits (Irving, 1975).

²⁰ Since its foundation, the Republic of New Granada was divided into provinces that in turn were comprised of cantons. In 1835, the provinces of Buenaventura, Cauca y Popayán were created on the same physical space as the previous bigger province of Popayán. The province of Buenaventura comprise the cantons of Cali, Roldanillo, el Raposo, Iscuandé and Micay. The province of Cauca included the cantons of Buga, Palmira, Tuluá, Cartago, Toro, Anserma and Supía. And finally, the province of Popayán was reduced to the cantons of Popayán, Caloto and Almaguer (Escorcia, 1983: 10).

REGIÃO MINERA DO RAPOSO
Escala 1:750,000

LEGENDA

- ÁREAS DE ÁGUA
- LOCAIS POPULADOS E HABITADOS
- CURVA DE 1.000 M.
- CURVA DE 1.500 M.
- CURVA DE 2.000 M.
- CURVA DE 2.500 M.
- CURVA DE 3.000 M.

Desenho: Alexandre Mendes

John Potter Hamilton was among the first explorers to travel through the young Republic. Sent by the British Crown in the early 1800s, Hamilton visited the valley in 1824, after learning it “was the finest country of the Republic” (Hamilton, 1827a: 264). Once there, he recorded how “the fine river Cauca ... winds to the westward through the rich plains and the charming valley of the same name ... the beautiful and extensive valley of Cauca” (Hamilton, 1827b: 96, 113). Like the explorers before them, Hamilton and his companions were shocked when arriving to the valley that “we did not see a single house or cottage, although fine woods and extensive pasture land ... appeared to offer temptation to settlers,” in a weather “by no means unpleasant” (Hamilton, 1827b:

108). Once in the valley, the commissioner recorded he “had seen no part of Columbia that could bear any comparison with this extensive valley, either in the fertility of its soil, or in the beauty of its scenery” (Hamilton, 1827b: 132).

The French explorer Gaspard Mollien arrived in the nascent Colombia in late 1822, and spent most of the year 1823 there. In August, he traveled through the Cauca River Valley. He noted how well-being is easily found on both sides of the river (Mollien, 1944: 286). He saw well-nourished and properly dressed black slaves working in the haciendas north of Popayán, a fact he attributed to the fertility of a land better cultivated than in other parts of the country, and to the abundant although underexploited gold mines (Mollien, 1944: 286).

By mid-nineteenth century (1852-1854) an American professor, Isaac Holton, visited New Granada and produced “the fullest and best-written assessment of that country at mid-century by a foreign observer,” according to his late editor, Harvey Gardiner (Holton, 1967: x). When Holton arrived to the Cauca River Valley, besides “its vivid green,” he was impressed by its majesty: “I can scarcely believe that there can be a more beautiful scene than that where the plain break in upon the view” (Holton, 1967: 166-167). He called the valley “a very Eden by nature,” and recorded that it was “enriched with the greatest fertility and the finest climate in the world” (Holton, 1967: 206).

Around the same time, another American, the painter Frederic Edwin Church, traversed Colombia and Ecuador looking for inspiration for his famous nature landscapes. In 1853, he arrived in the Cauca River Valley entering from its north side. Like Mollien before him, he discovered a valley more cultivated than that of Magdalena. Church found some parts of the valley reminiscent of New England, except for the tropical vegetation (Navas, 2008: 88). In Buga, he found houses with orange trees so loaded that the fruits were free for anyone to have as many as they wish. In 1864, the French traveler Charles Saffray, a contributor to the French journal *Le Tour du Monde*, crossed the region. He noticed a wasted land given the valley’s fertility. Saffray was shocked by the productivity

of corn, which despite the lack of fertilizers and the minimal labor put into it, yielded impressive harvests twice a year (Saffray, 1990).

The valley, in short, was “the Garden of Columbia” because “Providence has certainly been most bountiful to this favoured valley, which possesses within itself every thing that human beings can covet or desire in the way of food or luxury” (Hamilton, 1827b: 136, 140). The one remaining question was: “What might this valley become in twenty or thirty years, under a good government, possessing such great natural advantages?” (Hamilton, 1827b: 132).

The Settling of the Cauca River Valley

Earliest Human Settlements

America was the last continent occupied by men, and its populations’ origins and paths of development remain controversial. Contemporary scholarly debates acknowledge contrasting explanations about the first arrivals of people to North America. Most probably, the process of peopling the Americas originated in the North Pacific, as a single migration wave from northeast Asia less than 23,000 years ago, and within an 8,000-year isolation period in Beringia (Raghavan *et al.*, 2015: 841). The migrants crossed the Bering Strait, probably by foot because Beringia was a land bridge from Siberia to the interior and coastal areas of Alaska and northwest Canada during part of the last Ice Age—between about 25,000 and 12,000 years ago. Once in America, it is likely that the newcomers diversified about 13,000 years ago giving rise to the northern and southern branches of present-day Native Americans. There is also evidence showing that contemporary Inuit, who settled along the northern Arctic coast from Alaska to Greenland, descend from Siberian ancestors through a separate pulse of North Pacific migration (Raghavan *et al.*, 2015: 841).

Another explanation posits that humans arrived to northeast America from southwest Europe through an ice bridge that formed on the polar front during the Last Glacial Maximum, a

journey that started about 18,000 years ago. Their ancestors would be from the Solutrean culture that flourished in southwestern France and northern Spain between 25,000 and 18,000 years ago (Stanford and Bradley, 2012). The Solutrean hypothesis does not rule out the Bering Strait crossings, and it is based on the similarities of the archeological records of the Solutrean culture tools and the distinctive biface, blade and osseous technologies of the American Clovis culture.

Human encampments with remarkably similar tools produced by people known as Clovis became common about 13,000 years ago throughout North America, and their origins remain under debate. Clovis' tools eventually spread far and wide across the Americas, as far south as Venezuela and Tierra del Fuego. However, it is recognized that the Clovis tradition does not fully explain the first peopling of North America, let alone the southern tip of South America (Dillehay, 2009). Based on archaeological evidence of pre-Clovis cultures, however, it is likely that people arrived in the American Southern Hemisphere between about 15,000 and 14,000 years ago (Dillehay *et al.*, 2008; Goebel, Waters and O'Rourke, 2008). Probably, they first entered the Panama isthmus at the beginning of the Late Glacial Stage— between about 14,000 and 10,000 years ago (Dillehay, 2000). Widespread evidence supports the presence of hunter gatherer Paleo-Indians who lived approximately 11,500 to 10,000 years ago in that land bridge (Cooke, 2005: 136).

Present-day Colombia in the Pleistocene Era

The late Pleistocene period of South America was characterized by a mixed forest environment and savanna grasslands, especially in parts of Colombia, due to less glaciation in those latitudes (Dillehay, 1999). People in the Panama isthmus land bridge engaged in commercial interactions across mountain ranges and between the Atlantic and Pacific Coasts, important enough to stimulate the penetration of remoter and wetter forests (Cooke, 2005: 147). The archeological records suggest that

these areas probably witnessed micro-regional differentiation of material culture between 11,000 and 10,000 years ago (Dillehay, 1999: 2).

Both the genetic signatures and the archaeological records of South America suggest, on the one hand, a relationship to North American populations, and on the other hand, that Andean populations in western South America are different from those on the eastern tropical side. The genetic records in South America make it difficult to estimate the dates and the number of migrations. The differences between western and eastern South American populations could be the result of two different migrations, although both could be derived from the same common ancestor because less population structure and more genetic diversity could have occurred in the west than in the east. Thus, contrasting archaeological records from the Andean region and the eastern lowlands probably point to divergent regional population dynamics and settlement patterns, as a consequence of these two populations being isolated by the geographical barriers of the Andes and the Amazon (Dillehay, 2009: 974).

There is evidence of presence of native populations in Colombian territory since around 12,000 years ago in the surroundings of present-day Bogotá, and around between 10,000 and 6,000 years ago in the country's interior valleys and in the Colombian Amazon basin (Melo, 2017: 19). The Chocoan Embera and Waunana of northwestern Colombia, once thought to have affiliations with eastern South American Carib and Kayapo, are now believed to represent an ancient population centered on the western side of the western Andean range of Colombia (Cooke, 2005). Chocoans would have diverged from Chibchan-Paezan, as did their northern Colombian relatives Kogi and Arhuaco. In contrast, the northeastern, eastern and most southern contemporary native Colombian populations Wayuu, Guahibo, Piapoco, and Ticuna, respectively, share as common ancestor the Equatorial-Tucanoan linguistic family. A third distinct Colombian native population, the Inga, present in the southwestern part of the country, speak an Andean language shared by all of the other

contemporary native populations along the Andes range as far as Tierra del Fuego, home of their Yaghan relatives (Reich *et al.*, 2012). These are believed to be the three linguistic families from which all Colombian native populations descend.

As the Paleo-Indians proliferated and specialized in harvesting local resources, they became distinguished culturally, developing different languages, rituals, myths, kinship systems, and survival strategies. But differentiation did not mean isolation. There is evidence that trade networks developed over long distances. Horticulture evolved from the practices of gathering wild plants and through contact with other cultures around between 6,000 and 3,000 years ago, and native groups originally settled at the south of the Amazon are believed to have brought yucca as far as near Cartagena and as early as around 6,000 years ago (Melo, 2017: 21). The natives living in central Mexico domesticated maize and spread it through the Americas. There is evidence of maize horticulture near Tumaco in southwestern Colombia, and maize pollen grains have been found among the Calima culture of the Cauca river Valley from around 5,000 years ago (Cardale, Bray and Herrera, 1989).

Indigenous groups of the Cauca River Valley

Scholars believe changing cultural geography among Chibchans occurred less than 1,000 years ago, giving rise to population divisions with their own language, as inferred from pottery distributions as well as linguistic and genetic records (Cooke, 2005: 149). But the dispersion of languages of Chibchan descent are dated as far back as 6,000 years ago for the Taironas of northern Colombia, and proliferated until 1,500 years ago as far south as the Pastos of southwestern Colombia (Melo, 2017: 27). During this early period, two especially complex and populous cultures emerged in the Cauca river Valley: the Calimas and the Quimbayas. Both cultures relied primarily on agriculture since about 1,000 years ago, and specialized in intricate gold artisanship (Melo, 2017: 32). Calimas

and Quimbayas evolved over time to consist of several linguistic groups and many politically independent villages, among them: Guambianos, Coconucos, Popayanes, Pozos, Paucuras, Paez, Gorrones, Jamundí, and Catíos.

Since around 3,500 years ago and until the arrival of the Europeans, three societies occupied the Cauca River Valley and made-up the Calima culture: Ilama (between 3,500 and 2,000 years ago), Yotoco (between 2,000 and 800 years ago) and Sonso (starting 1,500 years ago). The Ilama occupied the territory between the Calima and Dagua rivers to the west of the Cauca River, and the physical Cauca River Valley. From pottery, researchers inferred an ordering very close to nature for the Ilama society, their ceramics depict a myriad of animals such as owls, iguanas, armadillos, bats, snakes, jaguars and various types of monkeys (Rengifo, 2016: 38). The Yotoco, believed to have evolved from the Ilamas, peopled the same areas of their predecessors, with a major settlement in Malagana, in the environs of today's Palmira and Cerrito (Motta and Perafán, 2010: 20). They developed an advanced use of water resources, including the construction of drainage ditches for the management of the waters of the Bolo River, near today's Palmira, and on the slopes of the hills of the surrounding Andean ranges (Rodríguez, 2006: 14). The Sonso society occupied the same territories as the Ilama and Yotoco, but also spread towards the Pacific coast along the western Andean range (Motta and Perafán, 2010: 20). Of primary importance in the occupation of the Cauca River Valley were the ethnic groups of: Jamundíes, who settled in the upper part of the river of the same name; Lilíes, established in today's Cali; Bitacoes and Yumbos, settled around today's municipality of Yumbo; and Bugas, dispersed between today's cities of Cartago and Palmira (Rojas, 1985: 236-237).

Spanish Conquistadores

By the time of the Spanish conquest, the indigenous population in present-day Colombia is believed to have reached five million inhabitants. In the aftermath of the conquest, by 1560, fighting, hunger

and disease decimated the population to some 1.2 million, from where it continued to decrease reaching a minimum of 600,000 people in 1630 (Melo, 2017: 16-17). Romoli (1987: 29-31) estimated that at Spanish contact (1501-1519) there were 89 chiefdoms in the Cuevan territory (eastern Panamá and northern Colombia), and a Cuevan population of 230,000. The Spanish who traversed the land bridge between southernmost Nicaragua and northernmost Colombia after 1502, “observed many kinds of settlements ranging from small villages with houses scattered on hill tops amid forests to large towns in savannas and along rivers with gardens, closely packed houses, and small plazas” (Cooke, 2005: 131). Conquerors described fields of maize and cassava, pantries full of deer remains, and huge catches of fish hauled in with sisal nets (Oviedo y Valdés, 1849: 235).

In the Cauca River Valley, the native population has been estimated at up to 1.5 million people by the time of the Spanish conquest, making this region one of the most populated in the country at that time (Motta and Perafán, 2010: 37). Experts discovered that they developed the technique of slash and burn for the cultivation of maize, beans, butter squash, yam and cassava, along with an ample variety of fruits; and made important progress on textile production (Motta and Perafán, 2010: 37). Besides being so numerous, there were diverse ethnic groups spread all over the valley, as noted before, with different dialects but with a common linguistic root that allowed them to communicate with one another (Motta and Perafán, 2010: 39). This made the Spanish colonization of the valley harder than in other places around the country.

Sebastián de Belalcázar was the first Spanish conqueror to discover the Cauca River Valley, a region far from the shores of the Pacific by colonial standards. After having founded Quito in 1534, Belalcázar entered the Colombian valley via Buenaventura and founded Cali in 1536. Belalcázar fought the Colombian natives harshly, killing many of them in combat. Others died due to the lack of food that followed the clashes because the Indians stopped cultivating the land in order to defend themselves from the Spaniards (Cieza de León, 1922: 82). But most of them died when in 1546 the

diseases brought by the Europeans caused a plague among the indigenous peoples that killed nearly one third of them (Cieza de León, 1947: 77).

The majority of the indigenous settlements in the Cauca River Valley were located on its west bank, the same side where Cali was founded. However, the Spanish first colonized the ample and fertile east bank, where Palmira would be located at the turn of the eighteenth century, thanks to the *latifundios* and *encomiendas* that the Crown granted to those interested in settling there.²¹ Several *encomenderos* took the opportunity, and moved indigenous people from the west bank of the river to work in their lands. The natives were gathered in the so-called Pueblos de Indios, towns located in their ancestral lands, where they were forced to work for the *latifundios* (Colmenares, 1997: 16). Thus, the newly mixed population founded several towns on the east bank of the Cauca River along the valley such as Cartago in 1540, Candelaria in 1545, Roldanillo in 1567, Buga in 1569, Toro in 1573 and Caloto in 1582 (Colmenares, 1997: 28; Arboleda, 1956).

The Encomienda and Hacienda Systems

The economic life of the valley during the sixteenth century changed dramatically with the formation of *latifundios* and the imposition of *encomiendas*. These were the roots of the first Spanish productive units of agricultural goods in the vicinities of Buga and Cali, as well as of gold mining around Cartago. One of the first and most important *latifundios* in the valley was that of Gregorio de Astigarreta y Avendaño, son of the conqueror of the same name, who established a *latifundio* in 1611 under the name Llanogrande (Raffo, 1956: 33). Llanogrande—renamed Palmira in 1813—would give birth to several haciendas that produced the livestock, beans, wheat, rice and sugar cane brought by the Spanish, while continuing to cultivate the maize and potatoes consumed by the

²¹ The Encomienda was a Spanish labor system applied during the Spanish colonization of the Americas, through which particular conquerors, or *encomenderos*, were rewarded with the monopoly on the labor of subject indigenous groups for their mines and big tracts of lands, or *latifundios*.

natives, among them: El Alisal, El Chontaduro, El Hatico, La Herradura, El Bolo, and Aguaclara (Rodríguez, 2006: 20-21).

Following severe clashes between the Spanish and the different native populations settled along the valley, the conquerors imposed the *encomienda* system on the Indians. The natives were then forced to work for the *terratenientes*, although they retained land for their own husbandry over which they should pay a tax in kind fixed by the Spanish authorities (Colmenares, 1997: 6-7). The *encomienda* as an institution decayed over the sixteenth century, due to its own rules (i.e. it was limited to two generations) and because of the proliferation of non-*encomenderos* land owners. As a result, starting in the last decade of the sixteenth century and particularly throughout the seventeenth century after the granting of indigenous reservations, Indian labor became freer in the sense that the Spanish Crown could grant it to any agricultural enterprise (Colmenares, 1997: 7-8).

Due to the high rates of mortality among the natives, the Spanish had to look for other sources of labor to keep up with the production of *latifundios* and mines in the seventeenth century. Indigenous populations and creoles from other regions of the country, called *forasteros*, arrived from inside the country, and black slaves were brought from Africa through Cartagena on the Colombian Atlantic Coast. This organization of labor continued during the eighteenth century with the consolidation of haciendas and mines. However, miscegenation brought new population dynamics, such as the conformation of new towns and the emergence of small land owners (Motta, 2007: 133). By the end of the eighteenth century, the mining activity in the Pacific littoral declined, which in conjunction with the havoc brought by civil wars caused and reinforced a pronounced economic depression in the Cauca River Valley during the first half of the nineteenth century (Escorcia, 1983: 11).

The formation of haciendas took hold over the eighteenth century thanks to the mining exploration established in the seventeenth century and increasing throughout the eighteenth century

in the western Pacific region of Chocó (Colmenares, 1997: 19; Rodríguez, 2006: 20). During the first half of the eighteenth century, haciendas developed strongly thanks to the mining boom in Chocó (Escorcia, 1983: 11). Along with cattle raising, sugar cane became the most important product of the haciendas and both goods earned popularity all over the valley and in other mining towns in the Provinces of Popayán and Cauca. *Hacendados* traded sugar cane not only in the form of molasses, but also as aguardiente.

The Racial Make-up of the Cauca River Valley

Many groups ended up establishing communities in this local economy. Along the valley, indigenous, Spanish, blacks and creoles learned they were part not only of a local and national economy, but also of a larger global market. They discovered which goods could be sold, how to transport them inland to the Magdalena River to reach the Atlantic, or westward to get to Buenaventura on the Pacific Coast. In some ways, the development of the colonial economy of the Cauca River Valley resembled that of other noncoastal regions in Colombia. Those with control of valuable commodities shaped the regional commercial system, with long-lasting implications for the resident population.

The natives of the valley, who remained more numerous on the west bank of the Cauca, developed trade with the residents of Cali for their agricultural produce. For instance, by the end of the seventeenth century, the authorities of the city wished for a higher presence of the Indian women who sold fish and vegetables (Arboleda, 1956: 335). Indians became scarcer both because they kept dying from European diseases, and because more land was being colonized on the east bank of the Cauca and further mines were discovered on the Pacific. Slave labor became the solution for miners and *hacendados* alike.

New Granada received African slaves soon after Spanish colonization. Starting in around 1580, gangs of slaves were moved inland to work in the mines. However, the separation of Portugal from Spain in 1640 sparked a long disruption in the slave trade. It was not until 1714 that a regular slave trade in Cartagena de Indias was established under contract with the British South Sea Company (Palacios, 1973: 25-26). In ten years, between 1703 and 1713, most of the almost 4,000 slaves traded in Cartagena were taken to the mines of Chocó in the Pacific. Of the one thousand slaves brought to Cartagena between 1711 and 1712, 800 were destined to Chocó (Palacios, 1973: 141). Between 1714 and 1736, the South Sea Company traded more than 10,000 slaves in Cartagena, most of which should have been destined for Chocó given that these were the years of the biggest mining boom of the Pacific mines, and to the valley haciendas where slave sales became more frequent (Colmenares, 1997: 48, 56).

In the mines of Chocó, black slaves replaced natives doing the mining tasks, in an environment prone to diseases that produced high mortality rates mainly among children. In addition, the marked social segregation according to which whites governed, destined slaves to work in the mines while Indians produced foods and transported goods, what discouraged racial mixing (Sharp, 1976: 34). As a result, miscegenation was low in that area. Interestingly, when bad weather prevented mining, slaves were rented to other miners or even allowed to work for themselves, which gave some economic independence to this population that allowed them to acquire tools as well cattle (Díaz, 1983: 39).

Slaves were also widely purchased in Popayán and Cali to work as servants for the domestic houses of the elite. Over time, the African population in Cali thrived. For instance, the French traveler Mollien was impressed in 1823 by the number of blacks in Cali, as well as for the general economic wealth of its inhabitants (Mollien, 1944: 291). This is not surprising given the evidence that since the eighteenth century there were free blacks and *mulatos* all over Cali, and dark-skinned

pardos appeared as owners of houses in the real estate records of several neighborhoods.

Furthermore, due to the numerous domestic slaves, even the elite neighborhoods looked racially diverse (Colmenares, 1997: 107).

During the first half of the eighteenth century, the slaves were taken inland by Spanish merchants to Cali and Popayán, where they were traded by commission agents, Spanish and *criollos*, to be sold to miners and landlords (Palacios, 1973: 141). After 1739, the slave trade diminished abruptly after the South Sea Company went bankrupt, and most of the slaves traded in Cali between 1739 and 1744 involved slaves previously brought into the valley, or their offspring. During the second half of the eighteenth century the trade of slaves brought from Cartagena ceased almost completely (Colmenares, 1997: 49-52). During the early eighteenth century, the slave population was apparently insufficient to cover the labor needs of the increasing number of haciendas however, and policies were put in place to force *mestizos* and dark-skinned *pardos* to work on them (Colmenares, 1997: 16). Some slaves, chiefly women, were also witch-doctors (*curanderos*) for wealthy whites who believed they had special powers given by their African gods (Mina, 1975: 32).

Freed and runaway slaves came to control trade and transport between Cali and Buenaventura, as porters and canoe polers on the stretch covered by the Dagua River. By the eighteenth century, Indian porters of both merchandise and people had been replaced by Africans and free people of all colors “whose strength, familiarity with the terrain, seasoned feet, and muscle memory was often the only guarantee of getting from point A to B” (Wiersema, 2018: 82). Because of its strong currents, sudden turns, and multiple waterfalls, only one third of the Dagua’s 100 miles could be navigated in the colonial period in only one way, into the Pacific Ocean. And this only could be done by the use of small canoes guided by two black men “shirtless, standing resolutely on the bow and stern of the boat, barefoot, with feet wide like ducks” (Wiersema, 2018: 81). The canoe was the only embarkation agile enough to navigate the Dagua’s currents. Canoes shipments supplied

mines downriver and ferried extracted gold to Buenaventura, representing “a lifeline to both miners and inhabitants along the Dagua’s shores” and were the most reliable way to traverse the area, since “while the river was risky, Spaniards knew that travel by road incurred even greater cost” (Wiersema, 2018: 89). Depending on the weather, the trip between the two cities could take from eight to twenty days (Hyland, 1983: 103).

The Dagua was, according to the French botanist and horticulturist Edouard François André—who explored Western Colombia between 1875 and 1876—one of the fastest and most treacherous rivers in New Granada (André, 1884: 701). Saffray called the Dagua difficult and dangerous (Saffray, 1990: 248). It is worth noting that a similar kind of river transportation, canoes but bigger ones made of guadua were offered by Indians and blacks and widely used to transport people and merchandises from one bank to the other of the Cauca River near Cali during the nineteenth century (Motta y Perafán, 2010: 129). Over time, and before the introduction of steam navigation on the Cauca River during the last quarter of the nineteenth century, these canoes would be replaced by *champanes* and bongos that would transport goods and people throughout the valley (Motta y Perafán, 2010: 117). But free blacks were still occupied in numerous other activities. Very telling is the astonishment of the aforementioned American artist Frederic Edwin Church, when in 1853 he noted a black professor and two dark-skinned *pardos* were teachers at the local school (Navas, 2008: 92). There is even the case of a black free woman who used two of her slaves as collateral to obtain a credit that would cover the expenses of the ordaining of the son of her previous master (Colmenares, 1997: 70).

The Spanish Population in Rural and Urban areas

Since the beginning of the colony, the political structure of the Spanish colonies favored *terratenientes* with strong local family roots. But the existence of a mining economy next to the Cauca River Valley

also encouraged the emergence of merchants. On the one hand, they provided the mines with slaves, aguardiente, tobacco and meat, and on the other hand, given the abundance of currency in the region, they also supplied the region with luxury goods (Colmenares, 1997: 97-98). Over time, merchants of gold and other mine products became wealthy and they eventually sought to gain the same type of privileges as the *terratenientes*. They bought land when available, but more frequently they became related with the local landholder elite of the valley through marriage links (Colmenares, 1997: 13). This class benefitted the most from the slave system given that they could easily move slaves between the mines and the haciendas, with the further incentive to do so when the slaves were not apt enough for the mine work but still suitable to some land tasks, while also able to form a family and have children. Slaves were in turn a valuable asset, in many cases more valuable than the land itself, and after land, human property was the most important source of collateral for getting a credit (Colmenares, 1997: 52-54).

The Spanish elite in Cali during the eighteenth century used to call themselves nobles, mainly due to the fact that they held Crown-awarded posts and hence were referred to as “don.” They differentiated their identity sharply from that of the *castas* (Indians, *mestizos* and *pardos*) but also from that of white *criollos* and even from other Spaniards, some of whom they dubbed *montañeses* because they were small land owners who had to work on their lands themselves (Colmenares, 1997: 113). *Criollos* and people of Spanish origin not belonging to the elite engaged for the most part in commerce, as tradesmen in their own shops, or as itinerants between the towns dispersed throughout the valley and the mining centers (Colmenares, 1997: 124). Those in charge of producing handcrafted goods such as hats and shoes were called *criados* (peons) because they were dependent on their wealthier employers (Colmenares, 1997: 113). Other artisans, for instance those capable of fixing a mill or those skilled in carpentry, were well-regarded and well paid for their work and for teaching slaves their trade (Díaz, 1983: 44). But the top echelons of the non-elite free men were the

hacienda administrators, who received an annual salary in addition to free housing and food from the haciendas (Díaz, 1983: 45).

By 1770, nearly half (46 percent) of the country was comprised of ethnically diverse free people (*libres de todos colores*), just over a quarter (26 percent) white, both Spanish and *criollos*, 20 percent Indians, and 8 percent enslaved blacks (McFarlane, 1993: 34-38). In general, as a primarily mixed-race society, racial divisions mattered much less in New Granada than they did in societies with more rigid ethnic hierarchies (McFarlane, 1993: 38).

However, in the cities, social distinctions, or classes, depended pejoratively on people's race and trade. For instance, Cali's nobles perpetuated their preeminence through kin relationships that made this an extremely closed group, although a relatively big one: nobles accounted for nearly 20 percent of a population of a little over five thousand people in Cali in 1777, according to that year's census, while *mestizos* and *pardos* (which included the people from African descend, enslaved and free) added 40 percent each (Colmenares, 1997: 115-125). In the preamble of the revolutionary war, by 1809, the population of that city had grown by 50 percent, to 7,546 people, from which 1,140 (15 percent) were slaves (Escorcia, 1983: 12). By 1825, there were 6,700 slaves in the province of Buenaventura; that is, 38 percent of the population of that province (Escorcia, 1983: 67). By 1843 the slave population had been reduced by half to some 3,000 slaves, but the concentration in Cali was astonishing: 44 percent of the slaves in the province lived in that city (Escorcia, 1983: 72).

From the mid-eighteenth century onward, thanks to the increasing demand of tobacco from the mining towns in Cauca and the Pacific, creoles proliferated in the valley as *cosecheros*, forced tenants of the haciendas who produced and commercialized tobacco, mostly in the southern part of the valley. When the Crown established the state monopoly over tobacco in 1778, the crops moved to the northern part of the valley, and the *cosecheros* became tenants of the several haciendas that had

formed over the century in what had previously been the lands of Astigarreta in Llanogrande (Díaz, 1983: 88).

The Post-Colonial Economy

As part of the Bourbon Reforms, in the late eighteenth-century, the Crown established monopolies on tobacco and aguardiente, as previously noted. Beginning in 1777, royal aguardiente factories emerged in several main cities throughout the country. Juan Bautista Monzón, a Spanish engineer who worked on the fortification of La Habana, took charge of the construction of the factory in Cali. These were the most advanced industrial complexes of the time. For their functioning, big *hacendados* provided molasses (Melo, 2017: 88-89). The Bourbon Reforms also included tax reductions for mining activities, the imposition of tithes, and subsidies to promote the purchase and use of mining supplies. Mining continued to be the main economic activity of the viceroyalty of New Granada during the second half of the eighteenth century, and experienced a sound economic growth by the end of the period thanks to gold production and to high prices. By 1800, mining accounted for 11.6 percent of New Granada's GDP, after gold production grew at an annual average of 2.5 percent during the second half of the eighteenth century (Kalmanovitz, 2006). This particularly benefitted the Cauca River Valley, as previously shown, because of its role as supplier of meat, sugar, aguardiente and tobacco to the towns and mines of Chocó, and to the rest of the Colombian Western Pacific. The changes to the tax revenue structure, especially the strengthening of tithes, also fostered the economy in general and that of the Cauca River Valley in particular (Melo, 1980: 60).

After independence, however, gold production in Cauca stopped expanding because of the revolutionary war and the first civil wars of the republic. By mid-century, the abolition of slavery accentuated this trend. The Caucan haciendas converted their slaves into servants, which created

resistance among a population that rebelled and moved along the rivers to the frontier areas of southwestern Colombia (Mina, 1975: 50-51). The uprisings catalyzed a Caucan regional recession, and led Popayán to a decline in political power that lasted two decades.²² The Caucan economy only recovered after the opening of the path to Buenaventura in 1865, when capital and immigrants arrived, although not to Popayán but to the Cauca River Valley (Kalmanovitz and López, 2010: 347).

Population Growth in Cauca and its Economic Effects

While the Caucan population grew at an annual average rate of 1.04 during the period 1778-1835, it grew at a yearly rate of 2.14 percent for the years 1835-1898 (Flórez and Romero, 2010: 404). The latter demographic rate is also a result of the Antioqueño colonization, which advanced all the way to the north of the Cauca River Valley, an area that was entirely part of the sovereign state of Cauca (Parsons, 1968). According to Flórez and Romero's (2010: 404) estimates, population in Cauca and Antioquia increased by almost 300 percent between 1835 and 1898, while the country's population on average did so by 166 percent. Cauca increased its share of the total population from 13 percent to 19 percent during that period, and Antioquia from 10 to 15 percent. Antioquia benefited from legislation that aimed to protect the settlers on vacant lands, as well as to expand the agricultural frontier (LeGrand, 1988), which would later favor the Antioqueño colonization of the last decades of the nineteenth century. Cauca also profited from this process of land colonization because its economy became more integrated with that of Antioquia given the population dynamics north of the Cauca River Valley (Palacios, 1980: 162-168).

These trends also arise in Flórez and Romero's (2010: 410) compiled data on urban centers. The population of Medellín more than doubled between 1851 and 1870, and its share of the total

²² Popayán, the capital of Cauca, held a preponderant place throughout the Viceroyalty of New Granada. Its large mineral deposits as well as its strategic geographic position for the commerce between the provinces of Quito and Santa Fe, made of the province of Popayán a major political center since long before the times of Spanish rule, but also during the early republic.

population went from 0.7 to 1.1 percent during the same period. Cali, for its part, evidenced a rate of growth of its population below the national average between these two years, and actually lost participation in the total, from 0.6 to 0.5 percent. Notwithstanding, from 1870 to 1905, while the population of Medellín increased 85 percent that of Cali did so by 141 percent. In northern Cauca, Palmira's population increased more than tenfold between 1851 and 1870, when it reached a population almost as big as the one of Cali, and more than doubled again since then until 1905.

Foreigners in Cauca in the 1800's and their Economic Endeavors

In the years following the declaration of Independence, several foreign colonists migrated to the Cauca River Valley. Since the early years of the republic, Colombian politicians had the idea that immigration would bring development and wealth (Tovar, 2015: 83-85), and “the favorable attitude of the authorities toward foreign capital and foreigners in general encouraged European and North American entrepreneurs to descend on Colombia to open trading houses, set up mining and colonization companies, and engage in countless other projects” (Bushnell, 1993: 58). But the policies put in place to attract immigrants failed despite several attempts throughout the nineteenth century, due to safety issues, political chaos, insalubrity and the lack of transportation infrastructure (Kalmanovitz, 1985: 107). In Cauca, most of the immigrants invested in speculative and short-term ventures that produced rapid profits, either in the exportation of natural resources or in contracts with the State (Valencia, 2003: 120). Nevertheless, despite being a region marginal to the nineteenth-century export economy, some foreigners stayed and invested in long term endeavors and still some other dedicated themselves to establishing their own haciendas in the valley.

But the shrinkage of the mining activity in Cauca and to a greater extent in Chocó, added to the political instability in the wake of the revolution and the ravages of the subsequent civil wars, and led the valley's haciendas to the brink of collapse during the first half of the nineteenth century.

Slaves were abundant during the first years of the century, but due first to the need of armies from the part of the military, and then thanks to the ongoing manumission process, a freer workforce was also imposing new dynamics to the haciendas operation. This led to the development of a real estate trade, until then very precarious, when the big haciendas that resulted from the dissolution of the *latifundios* because of hereditary distributions of land, were in turn divided into smaller haciendas (Carvajal, 1979: 57). The new real estate opportunity opened settlement of the valley to foreign entrepreneurs.

George Henry Isaacs, a Jamaican native, arrived in present day Colombia in 1822. He settled in the Cauca province of Chocó interested in its mines, before moving to Cali in 1833. In 1837, he bought his first hacienda in the valley, San Antonio, as well as a nearby smaller tract of land called La Cajita in partnership with Pío Rengifo, from don Lorenzo Umaña. That same year, Isaacs purchased the hacienda Santa Rosa and another piece of land in the banks of the Cali River to Pedro José Piedrahíta. Five years later he bought another terrain near Cali, and in the following years he obtained the Hacienda Potrerillo near Palmira from Francisco Barona (Escorcía, 1983: 36). Isaacs subsequently acquired more land near Palmira, including the Hacienda El Paraíso near Buga and the Hacienda Real, expropriated to the Jesuits the previous century, a property he would rename Manuelita and that would later be bought by James M. Eder and Pío Rengifo in 1864. According to Isaacs's son, his father "made great improvements [to La Manuelita]: a fine and expensive sugar-mill, many acres of cane to supply it, large pastures with droves of cattle and horses in them, good stables, and an excellent house for the overseer" (Isaacs, 1890: 10). However, despite being one of the first to improve sugar production in the valley, Isaacs failed to develop a sustainable agricultural business and at the time of his death, his heirs inherited considerable debt due to Isaacs's gambling addiction (McGrady, 1972: 14).

Another European to settle in the Cauca River Valley during the early Colombian republic was the Irish consul in Colombia, Frederick William O'Byrne. He arrived in the country in 1850 and bought an hacienda in the province of Neiva that he sold to the former president of Colombia José Hilario López before moving to Cali (Preston, 1983: 86). A few years later he had one of the three most taxed properties in the Cali canton, suggesting that his hacienda was one of the biggest in that area (Escorcia, 1983: 51). The hacienda was named Albión, which was sold in 1853 to O'Byrne by Manuel María Mallarino, who would be president of Colombia a little later, from 1855 until 1857 (Preston, 1983: 86). During his sojourn in the valley, the painter Church stayed at this hacienda, where he was impressed by its sugar cane plantations—Church also stayed at one of the haciendas of George Isaacs (Navas, 2008: 92). The American professor Isaac Holton also stayed at this property on his trip through the valley, and noted how O'Byrne was eager to hire as many people as possible for his big dominion (Holton, 1967: 188). O'Byrne was one of the most prominent merchants in the city of Cali, and supporter, with George Isaacs, of the conservative party in the valley between 1840 and 1860 (Escorcia, 1983: 115).

The German citizen Joseph Felix Böhmer settled in Colombia in the early 1850s, attracted by the prospects of quine cultivation. He rented a tract of land he later bought in the southern part of the valley, and exported the quine bark he produced until he started raising cattle instead, while mining the deposits of lime, silver and gold found on his land. His son and his two grandsons became merchants and established their businesses in Cali (Arroyo, 2014: 143-144). His son, Hermann Sartore Böhmer, born in 1858 in the southern part of the valley, figured among the most prosperous and influential businessmen in Cali by the beginning of the nineteenth century. He married the daughter of José Quillici, an Italian merchant who also settled in the southern part of valley during the second half of the eighteenth century. Hermann Böhmer thrived in Cali in several

business endeavors, but he is mostly remembered because he built the iconic Jorge Isaacs Theater during the early 1930's.

Also of German descent, Luis Fischer, born in 1843 in Iserholm, was one of the first foreign merchants to settle in Cali in the early 1870s. At the end of the nineteenth century Fischer acquired an hacienda he called La Alemania, and in the early twentieth century he established a partnership with Hermann Böhmer and Otto Linzen. Fischer became the German consul in Cali in the early twentieth century, and was one of the first *caleños* to establish a weekend house in the close-by hill of San Antonio—later to become a wealthy suburb of the city known for its cooler, more pleasant climate (Arroyo, 2014: 318; Eder, 1959: 542). But his most memorable business endeavor was the Almacén Universal, a hardware store that used to sell imported German tools and machinery that became very popular among the people of Cali and the valley (Arroyo, 2014: 319). Fischer was very close to James M. Eder and they were business partners: Fischer was an intermediary between Eder and the firm Tillmans Hermanos in Remscheid, present-day Germany, from whom Eder imported cloth to the valley (see Chapter Three), represented Eder on the Cauca steam navigation company and helped Eder significantly when the latter was transporting machinery for his sugar factory from Buenaventura at the end of the nineteenth century (Eder, 1959: 484; Arroyo, 2014: 317).

Still another individual of German origin to prosper in the valley was Carl Hauer Simmonds, who settled in the Colombian Atlantic coast in 1848, after spending a few years in the West Indies. In Cartagena, Santa Marta and Barranquilla he was known for being a successful merchant, but more so for his interests in nautical transportation. Thirty years later, he moved to the Sovereign State of Cauca and shortly after, he invested in transportation in the Cauca River in partnership with James M. Eder (Patiño, 1989: 38). The brothers Adolph, Max and Hermann Blum, also German, arrived in the Cauca River Valley in the mid-1800s. The Blum brothers dabbled in agricultural activities, sugar cane among them, but were not successful in this enterprise despite their efforts to transform the

traditional way of doing business in a Cauca River Valley hacienda (Rojas, 1983: 52). As tobacco dealers in Palmira, however, they flourished (Eder, 1959: 356).

Ernesto Cerruti, moved to Colombia from his native Italy in 1869. After six months in Panamá, he relocated to Buenaventura, where he associated with Sebastiano Tassara, an Italian merchant whose business Cerruti would promptly acquire. As a merchant, Cerruti managed to become one of the wealthiest persons in the province of Cauca, after moving to Cali in 1871. But it was not until 1879 that Cerruti undertook agricultural activities in the valley (Valencia, 1988: 66-68). He bought several tracts of land near Yumbo, including the hacienda Salento, an estate James M. Eder deemed very comfortable and luxurious (Eder, 1959: 343-344). But Cerruti devoted his land mainly to cattle rearing and did not improve the agricultural conditions of the valley. Besides, he had to leave the country because of a dispute that took international proportions, due to the fact that he was the Italian consul in Cauca.²³

Other foreigners migrated to the Cauca River Valley during the second half of the nineteenth century, primarily to Cali and Buenaventura, most commonly as merchants (Díaz, 1983: 88). But foreigners in the valley were also important as state contractors and as school and college teachers, or because they were involved in the construction either of roads or the railroad from Buenaventura to Cali. Some of the most prominent individuals from this group include: the Americans William Barney, the United States consul in Cali who had a sugar cane hacienda since the XIX century (Eder, 1959: 488), Adolph Price, an American merchant of German origin (Arroyo, 2014: 317), David Smith, president of the Valley Mining and Construction Company starting in 1872 (Arroyo, 2014: 39), and Frank Modica, partner of Smith in the aforementioned company (Eder, 1959: 135); the Italian brothers José and Lázaro Quilici, merchants who got involved in the

²³ On the so called affair Cerruti see, among others: Restrepo (1889); Hagebup, Aldunate and Grippo (1912); Eder (1959: 333-352); and Fazio (2015).

distillation of aguardiente (Hyland, 1983: 169); the British Robert White, who worked on the construction of the road from Cali to Palmira and from Cali to Buenaventura (Eder, 1959: 135); and the Polish Estanislav Zawadzky, who worked on railroad construction and as mathematics teacher at the Santa Librada School (Arroyo, 2014: 46).

Despite their importance for the development of the region, these foreigners did not participate directly in the transformation of the physical valley or of its agricultural vocation. As the following two chapters will show, during the second half of the nineteenth century, James M. Eder stood out among them. Eder cared about making a profit from his investments, and he believed that economic success could be found along the banks of the Cauca River if the valley could be connected to the world. And to that end he devoted forty years of his life.

Chapter Three: James M. Eder and The Valley's Integration into the Nineteenth Century International Trade

This and the following chapter are about James M. Eder and his international business undertakings during the second half of the nineteenth century. This chapter shows how what started as an import business, rapidly evolved into an export endeavor, in line with the contemporary trends in most of Latin America and other regions of Colombia (see Chapter One). The following chapter examines how, over time, Eder's international business transformed into an export enterprise that provided him with the resources to acquire and bring into the valley the sugar equipment that he and his descendants would use during the twentieth century to create and develop the domestic sugar industry. Together, these two chapters show how Eder's entrepreneurship unfolded. In doing so, a detailed account is offered regarding the creation of an export-oriented agricultural enterprise in nineteenth-century Colombia.

The two chapters also follow the same methodological strategy. They both use content analysis of parts of the information contained in the international correspondence of James M. Eder. This is complemented with a detailed study of the correspondence, in order to better understand Eder's entrepreneurial actions. Content analysis has increasingly been used by historians as a means by which to explore archival data. By doing so, it is possible to see how particular features emerge from written material sources. Furthermore, these features reveal their relative importance within themselves, allowing for the exploration of particular themes or the understanding of underlying patterns. This chapter examines the international correspondence of Eder for the first years Eder lived in Colombia, while the following one is devoted to the study of the international correspondence he received from 1882 to 1885, as well as from 1894 to 1901.

In the following pages, I show that the vast majority of Eder's international communications were with established companies instead of particular individuals, even the exchanges with his brothers were mediated by a firm. I also show that Eder's role was more of a broker of other people's products than a producer-exporter during his first years at work, contrary to what has been previously argued (Eder, 1959; Dávila, 2003; Dávila 2012; Valencia, 1993). Notwithstanding, he also exported some of the products from his own production, alone or in partnerships. Besides, it is also shown throughout the chapter how the products of Eder and others, especially tobacco and coffee, were not of the best quality, something that would be of great importance by the end of the period when first class goods continued to enjoy good demand from Europe despite the economic depression they experienced during the first half of the 1870's.

The chapter also unveils the different ways Eder used to access market information, whether through his business associates, or by directly subscribing to specialized newspapers and magazines both in the United States and in Europe. Likewise, it is shown how through the dealings of Eder with the American firm Tracy & Co., the first industrial equipment for processing sugar arrived in the country, revealing the initial steps he took to move from agriculture to manufacturing in 1873, much earlier than those who pushed for the industrialization of the country (Ospina, 1955), and which consolidated at the beginning of the twentieth century when Eder installed a modern sugar mill (see Chapter Four). Finally, this chapter shows the devastating impact the Franco-Prussian war had on Central and South American exporters of agricultural goods, which coincides with the end of the period considered here.

Becoming global

During his forty years of tenure in Colombia, Eder developed business relationships with a myriad of people living abroad. Eder managed to incorporate them as stakeholders in his Colombian

business endeavors as partners, clients, providers, brokers, financiers, transporters, sources of information, among others, which allowed him to participate in a globalizing market through the commercialization of different export commodities. During that time, Eder played an important role in the development of the Cauca River Valley's export market. Eder cultivated coffee and was among the first exporters of the bean from that region. He also produced tobacco and exported it to London, Bremen and New York; he cultivated and exported quine bark to London; indigo to France; sugar to Guayaquil; leather to New York and London; cocoa to London; and coffee to South America, North America and Europe. He did so both from Buenaventura and from the smaller port of Tumaco, also in the State of Cauca, from which "small shipments of sugar and coffee have been made" despite the fact that "the heavy cost of land carriage is almost a prohibition to their exportation."²⁴

How did an immigrant influence the integration of Colombia's Cauca River Valley into the international trade markets of the nineteenth century? This chapter tracks the evolution of Eder's foreign connections starting with his arrival in Colombia to show how he developed his export business activities. In turn, it shows the way he managed his international stakeholders, which led him to take export-enhancing entrepreneurial decisions that eventually favored the Cauca River Valley's integration into global trade.

Latin American economic historians have focused mainly on explaining how the region entered the "First Globalization" (O'Rourke and Williamson, 1999). Scholars have emphasized the links between the export sector and local Latin American markets to show how the region "fell behind," and to characterize the nineteenth century as Latin America's age of export-led growth (Engerman and Sokoloff, 1997; Coatsworth, 1998). Colombia was a late-comer to this age, as shown

²⁴ Abraham N. Henriques to 2nd Assistant Secretary of State William Hunter, June 6, 1873, in "Consular Dispatches, Buenaventura."

in Chapter One, but the scholarship has nevertheless highlighted the preponderance of the export sector as the main explanatory variable for the country's economic growth by the turn of the twentieth-century (Ocampo, 1984).

In contrast, studies of Colombia by historians and business historians have regions, industries, companies and entrepreneurs as their main subjects of historical examination. Among the most representative works in this area are Parsons's study of Antioquia colonization, Safford's analysis of commerce and enterprise, Palacios's history of coffee, and Dávila's edited volume on Colombian enterprises and businessmen (Parsons, 1968; Safford, 1965a; Safford, 1965b; Palacios, 1980; Dávila, 2003). The latter includes a chapter on James M. Eder, but based solely on Eder (1959), and does not make use of any primary sources. Unlike other studies on nineteenth-century Colombian history, these works investigate the internal factors that enabled the development and emergence of regions, sectors, and individual actors throughout the century. By opening the spectrum to other social agents, these approaches furthered an interest in Colombian social and economic history, as well as in its entrepreneurs and their endeavors, while complementing the Colombian historiography about this period which traditionally focused on political and power struggles.

This chapter contributes to that literature. By studying the business activities of James M. Eder, this chapter and the subsequent one show that the way he managed his foreign relationships was key to the success of his undertakings in nineteenth-century Colombia, including the development of an international market for several Cauca-River-Valley-produced goods. In addition to what has been previously demonstrated by business historians of nineteenth-century Colombia, this chapter explains how Eder not only took advantage of the Cauca River Valley's existing opportunities, but that he created new ones thanks to the foreign stakeholders with whom he interacted.

Data

As noted in the introduction, for the purposes of this dissertation, besides the relevant secondary literature, several archives were consulted. But for the analysis presented in this and the following chapter, the main primary source used is the archive under the name *Phanor James Eder Papers, 1644-1971*. This archive is housed at the University of Miami Special Collections, and consist of 25 boxes of personal and business correspondence and other material compiled by Eder's youngest son, Phanor J. Eder. Since this is by far the most abundant repository of correspondence sent to Eder, this is the archival material used for the empirical strategy followed in this and next chapter to understand how Eder developed his business endeavors.

In this archive, there are only letters received by Eder, with minimal exceptions, henceforth this is a one-sided conversation. Most of the correspondence is from the late nineteenth century and early twentieth century. Around half of the documents that comprise the collection are used in chapters Three and Four because those are related to the years when James M. Eder had businesses solely under his name—from his arrival to the country in 1861 until his departure to New York in 1901. The rest of the archive is composed of documents for the following twenty years, when two of Eder's male sons remained in Colombia and were involved in the company until James Eder's death in 1921 and beyond. The foreign correspondence of James Eder, the object of this and the following chapter, is composed of nearly 700 letters for the period 1867-1901.

There are not documents corresponding to the first three years after the arrival of Eder in Colombia, however, and from 1864 until 1867 the number of letters is scant. It is only after 1868 that both the domestic and the foreign correspondence is of considerable volume, although nonexistent for several years. Given that periodization is an essential element of the analysis, I have taken advantage of this lack of continuity in the correspondence to impose three time periods to study Eder's entrepreneurial journey. These roughly correspond with the beginnings (1864-1874),

the subject of this chapter; and the maturity (1882-1885) and consolidation (1894-1901) of Eder's business enterprise in Colombia during the second half of the nineteenth century, the subject of the following chapter. To be clear, the study focuses on the letters received by James M. Eder between 1864, the date of the first letter in the archive, and 1901, the year Eder left Colombia to relocate in New York.

Empirical Strategy

Phanor J. Eder gathered the documentation that became the *Phanor James Eder Papers, 1644-1971*, as part of a family and personal interest to reconstruct the story of his father, James M. Eder. Phanor was born in La Manuelita and moved to New York City in 1901, at 20 years old, when his parents decided to relocate to that American city. Phanor would never live in Colombia again, but he would be the only of the male siblings to live by his father's side during the last twenty years of his life. By the time of his father's death, Phanor was trusted with all the documents relating to La Manuelita. By then, the company was registered in New York, and Phanor was in charge of its legal matters there. More than thirty years after James Eder had passed away, Phanor, by then a reputable lawyer in New York City, decided to revisit that documentation to write a sort of biography of his father. After finishing a book published in Colombia under the title *El fundador* (Eder, 1959), Phanor decided to donate these papers to the University of Miami. The book, despite being rigorously written, reads at times eulogistic and lacks an overarching framework. Besides his duties as a lawyer, Phanor Eder was at the time an adjunct professor at the Inter-American Law Institute at New York University. He had written, more than forty years earlier, a reference book about Colombia (Eder, 1913), in addition to several translations and compilations of foreign, comparative and Colombian Law. However, Phanor Eder did not approach the writing of his father's memoir from an academic

perspective, although he was remembered for mixing “a high ethical sense with dry wit,” according to an obituary published by the New York Times (New York Times, 1971).

This research intends to be as factual as possible. That is why the four primary sources described in the introduction are used to understand how Eder developed his entrepreneurial activities, but especially the *Phanor James Eder Papers* are reexamined here as if they were never studied before. There are numerous references in the literature to the case of James M. Eder and La Manuelita, but all of them are based on Phanor Eder’s book. Even the most comprehensive study of Cauca businessmen during the second half of the nineteenth century bases its case study of James Eder on Phanor Eder’s book (Valencia, 1993: 286-298). This is also the case for the chapters about James Eder in Carlos Dávila’s general histories of Colombian businessmen (Dávila, 2003: 83-108; Dávila, 2012: 212-231). That is not to say that the *Phanor James Eder Papers* have never been consulted, but that to the best of my knowledge there are not references to this collection in the published academic literature neither in English nor Spanish. Unless noted otherwise, the analysis presented in the following pages refers only to this collection and, again, the other primary and secondary sources are only used to complement the narrative.

One last thing that should be noted concerns the classification of Panamá as domestic or foreign. The *Phanor James Eder Papers* classifies the documents from Panamá as international correspondence. This makes sense since the collection was cataloged in the 1960s, long after the secession of Panamá from Colombia in 1903 (see Chapter One). However, given that this research deals with events that occurred before 1901, and despite the fact that Panamá was always considered the most isolated region in the territory, and frequently treated as exterior (in the correspondence the shipments to and from Panamá are referred to constantly as exports and imports), there is no reason to assume contemporaries before 1903 considered Panamá as a different nation than

Colombia. That is why throughout this dissertation Panamá is treated as one more of the regions of “the country of regions” (Appelbaum, 2016).

Methods

In order to systematically explore the archive and its contents, for every correspondence in the *Phanor James Eder Papers*, I digitized the information regarding its date, the place from where the letter was sent, the sender, and the company he was tied to (if possible) to create three level of analysis. Then, in order to have a comparative perspective about the importance of the actors within Eder’s connections, I constructed word clouds with the frequency of the words used in each of the categories digitized, by time frame. As is the norm when graphing word clouds, the text is shown with the most frequent words in a larger font size proportional to the frequency of all the other words on the dataset. In the visualizations below, I assume that the larger the node or word, the more important or of greater concern the place, actor or company was to Eder. I argue that, together, these visualizations facilitate a novel analysis, over time, of the people and geographical connections within Eder’s stakeholders, a type of network narrative.

Business historians are favoring this analysis style, particularly since the so called “narrative turn.” Mordhorst and Schwarzkopf (2017) discuss the performative nature of historical narratives to argue that narratives do not “exist” but rather they “become.” This means, as Popp and Fellman (2017) note, that when writing history, a new narrative is produced above the one already “constructed” by the extant archive. For instance, it is argued that firms create their own narratives for strategic purposes, to promote or change the perceptions society has about them, or to change their internal culture. Another example of a narrative constructed to serve a purpose is when companies write their histories in a way that creates legitimacy or authenticity, as in the case of Jack Daniels (Foster *et al.*, 2017).

Throughout the analysis presented below, the places, actors or companies that deserve further investigation become apparent. The method allows for an objective understanding of Eder's dealings, in comparative terms. This methodology offers several further advantages: it gives a picture of the scale and scope of Eder's connections. It suggests how these relationships changed over time. And most significantly, scholars can empirically identify the importance of the actors involved and, again, the evolution over the years. Since this is complemented with a detailed analysis of the letters, it becomes possible to understand how key elements behind every conversation or thread of conversations, and the dynamics through the actors' mentions and relationship of and with other actors in the correspondence, played into the unfolding of Eder's entrepreneurial journey. An example helps illustrate the nuances captured when following this approach. One would expect, for instance, all of Eder's brothers to play an important role in his endeavors, but from Eder (1959) we would hardly imagine that his brother David in London was as critical as shown below.

Managing the international stakeholders: the beginnings

James M. Eder wrote regularly to his brothers in Panamá, Guayaquil and London, as well as to his business partners in the United States and several parts of Europe. Given the familiarity with most of his correspondents, the letters fused private and personal matters more frequently than those that might have been written for a formal business associate. Also, since most of his correspondents did not know the Cauca River Valley thoroughly, from the replies he received during the first years, it looks like on occasions Eder felt the need to be expansive about the people he met and the business practices he encountered in that region.

The evolving endeavor Eder undertook in early Colombia managed a trans-Atlantic trade network for over forty years. He approached this challenge as a relational task, building sets of international relationships out of the preexisting correspondents and connections he brought to the

business. Eder managed the relationships and conducted his international businesses through writing. The foreign correspondence included reports and descriptions of political and economic events, and at times explanations and analyses of the direction of business and social life. Much of the letters were routine, carried on with existing members of his family and other participants in his commercial network. Yet some of it was new, focusing on potential collaborations with European and American merchants and providers of agricultural tools and machinery, and speculations concerning new opportunities.

This section considers Eder's dealings from his arrival in Palmira in 1864 until 1874, when the correspondence kept in the archive gets interrupted, but which coincides with an international financial crisis which gives unity to this first period. There are 490 foreign letters for this period. There are only two letters for 1867, one confirming his appointment as consul of Chile, and another one from George Sauer in Paris. Sauer asked Eder about a cable granted in Colombia to a Charles Rebello, and wondered if he would be interested in entering that business in partnership with Sauer's company, The Franco-American Telegraph Co.: "I am in hopes that you will interest yourself in this matter and set to work at once with the view of paving the way for the consumation of the enterprise," he wrote.²⁵ But there is no evidence this idea took off and there are not more letters from Sauer in the archive.

After 1868, the cache of correspondence becomes substantial for understanding Eder's procedures. A general view of some characteristics of the correspondence for this period is shown in Figures 3.1 to 3.3. The provenance, the sender, and the sender's business affiliation—when available or possible to reconstruct—are shown according to their relative importance with each other. From Figure 3.1, the importance London in the development of the endeavors of Eder during this period is evident. The city is by far the one from where the most correspondence was sent to him. The

²⁵ George Sauer to James M. Eder, November 1, 1867, Phanor James Eder Papers, Folder 9, Box 2.

reason becomes apparent in Figure 3.2, where the firm of his brother David Martin Eder, D. M. Eder & Co. dominates the senders' correspondence, followed by the firm Vogl Brothers, also located in the British Capital. Furthermore, when the correspondence is sent from particular individuals and it is possible to assign them a company to which they were attached to (Figure 3.3), the London firms D. M. Eder & Co. and Vogl Brothers are even more relevant as Eder's main stakeholders during his early years of business activities in Colombia. This does not mean that people in other places are not important, it signifies rather that in relative terms it is possible to discover facts such as that, in general, Eder's brother David Eder was his main foreign stakeholder at the beginning of his export business.

Figure 3.1. Foreign correspondence, period 1, by city of provenance



Source: Phanor James Eder Papers. Key: A larger node reflects the relatively higher usage of the city of provenance.

Also from Figure 3.1, it is clear that in the United States, New York and Hartford appear important, the former because Eder's merchant associates M. Pérez & Obarrio were located in that city, and the latter given that it was the residence town of the company Tracy & Co. of Connecticut, through whom Eder imported agricultural tools and equipment. In France, Bordeaux and Paris stand out, and in Germany Hamburg, Bremen and Rensselaer played important roles. In South America, Guayaquil is most pertinent, and from Perú, Lima and its port Callao also figure somewhat

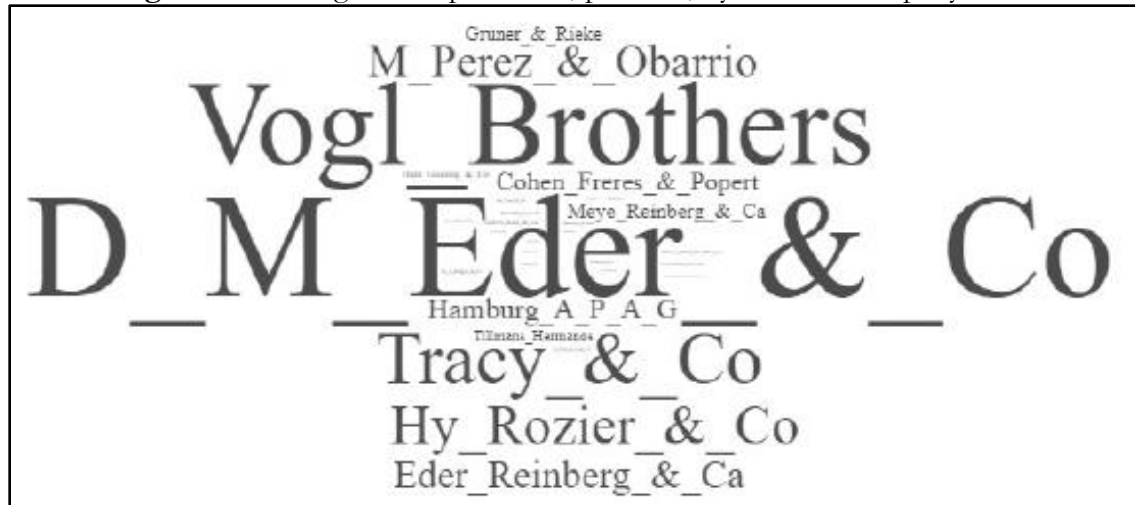
relevant. Kingston, on its part, barely noticeable in Figure 3.1, is worth noticing because in Jamaica, H. J. Jacobs received tobacco from Eder from as early as 1868 and until mid-1873.

One in two letters James Eder received in 1868 came from London, and these, with the exception of two from his brother David, were directed from the firm Vogl Brothers. By 1869, James Eder had expanded his international business relationships to also include New York and Bordeaux. Still, London remained the most recurrent city from which he received correspondence for that year, when 60 percent of the international correspondence arrived from that city. Four out of five letters from London still came from Vogl Brothers, while the remaining twenty percent were from the firm of David Eder in that city. In 1870 still more than 60 percent of the correspondence Eder received arrived again from London, and Bordeaux started to gain importance, with over 10 percent of the letters coming from the city where H. Rozier & Co. was located. One year later London still accounted for over half of the correspondence's home, but Guayaquil in Ecuador, the city where David Eder had his other company and Eder's brother's nephew Martin Reinberg resided, increased its participation to represent almost 20 percent of the letters.

By 1872 Eder's use of his international connections seems to have been diversified: London continued to dominate, but with less than 30 percent of the correspondence, while Bordeaux's presence increased and almost equaled that of London with 24 percent; followed by Hartford with 14 percent; and New York and Guayaquil both with 10 percent. 1873 presented a pronounced increase in the number of letters Eder received, with around three times more correspondence for this year compared to the previous three. London was still on top, but had receded to represent just over 20 percent of the correspondence. New York on the contrary increased its presence to 14 percent, followed by Hartford with over 10 percent, Guayaquil (10 percent), Hamburg (9 percent), Bordeaux (5 percent), Callao (5 percent) and Lima (4 percent). Lima had appeared since 1871 with a modest presence, but by 1873 if added to its port Callao it already represented almost 10 percent of

stakeholders of his own ventures. Following this hierarchy facilitates an analysis of the roles played by these actors in Eder's enterprising activities.

Figure 3.3. Foreign correspondence, period 1, by sender's company name



Source: Phanor James Eder Papers. Key: A larger node reflects the relatively higher usage of the name of the company of affiliation of the sender.

David M. Eder

David Martin Eder, the second oldest of the Eder brothers was the first of the Eders to live in Guayaquil, before relocating to London in 1865. In Guayaquil, David was the main partner at the firm Eder, Mayer & Seckel until 1869. From that year until 1873, he partnered with his nephew Martin Reinberg and H. Meye at the firm Meye, Reinberg & Co.²⁶ Phanor Eder joined the company that succeeded the latter, in 1873, when Meye's participation was acquired by David. M. Eder.²⁷ The new Ecuadorian firm was named Eder, Reinberg & Ca.²⁸

After settling in London, David Eder appeared to be using his recently created company there, D. M. Eder & Co., and his successive firms in Guayaquil to send merchandise to James Eder in Colombia. In a letter from Guayaquil in 1868, it is clear that D. M. Eder & Co. was sending

²⁶ Martin Reinberg was the eldest son of Pauline Eder, one of the sisters of the Eders, who moved to Guayaquil in the late 1860s to work with his uncle David Eder (Eder, 1959: 41).

²⁷ David. M. Eder to James M. Eder, May 15, 1873, Phanor James Eder Papers, Folder 11, Box 2.

²⁸ Eder, Reinberg & Ca. to James M. Eder, May 16, 1873, Phanor James Eder Papers, Folder 11, Box 2.

merchandise via Liverpool to Ecuador, from which Eder, Mayer & Seckel were to forward “3 Back Saddles” to James Eder in Palmira.²⁹ The saddles were to arrive through Ruiz & Hill in Buenaventura, a firm James Eder’s son-in-law Alfred Hill held in association with the Chilean Eduardo Ruiz—who also served as Eder’s consular agent in that port.³⁰ In said letter, Eder, Mayer & Seckel also inform James Eder that “owing to the great destruction of life and property by earthquake sugar is getting scarce,” hence “you better send us a sample of 100 # of yours to see whether any business can be done for you.”³¹ That is the first mention of sugar in the foreign correspondence of James Eder, as this opportunity presented itself to Eder for exporting this product from Palmira to Ecuador. Regarding the earthquakes, from London David Eder expressed he was “pleased the almighty in his providence has spared your part of the country of the terrors of the dreadful earthquake that has befallen Peru and Ecuador.”³² In this same letter, David Eder makes clear that he is sending more merchandise to James Eder through Eder, Mayer & Seckel in Guayaquil.

D. M. Eder & Co. seemed to be sending the merchandise to Eder in Palmira on credit, and James Eder appeared to be late for payments with the London firm during the first years of business, according to an account “showing a balance of £421.5.4 due to us,” which included “interest at 6% on £41.13.5, which is owing to us since nearly a year.”³³ James Eder used to pay his brother’s firm using different channels: directly through remittances; crediting the sales of Palmira

²⁹ Eder, Mayer & Seckel to James M. Eder, September 10, 1868, Phanor James Eder Papers, Folder 9, Box 2.

³⁰ Alfred Hill was the son of James Eder’s sister Hedwig Eder (Eder, 1959: 51). Ruiz & Hill were in charge of most of Eder’s dealings in Buenaventura, as it becomes clear with the cases of Vogl Brothers and Cohen Frères & Popert among others (see below).

³¹ Eder, Mayer & Seckel to James M. Eder, September 10, 1868, Phanor James Eder Papers, Folder 9, Box 2.

³² D. M. Eder to James M. Eder, October 1, 1868, Phanor James Eder Papers, Folder 9, Box 2. In mid-August 1868 a series of three earthquakes occurred in South America’s Pacific coast. On August 13 a major earthquake and tsunami took place in Arica, then part of Peru. On August 15 an earthquake occurred in El Ángel, on the border between Colombia and Ecuador, and the following day the Ecuadorian city of Ibarra was devastated by a third earthquake.

³³ D. M. Eder & Co. to James M. Eder, July 1, 1869, Phanor James Eder Papers, Folder 8, Box 11.

tobacco D. M. Eder & Co. made in London, Bremen and Bordeaux; or crossing accounts with the sales of Eder's tobacco and coffee Vogl Brothers attained in London. For instance, said letter from D. M. Eder & Co. states that "the above amount of £41.13.5 is the balance after deducting £377.1.6 paid from Messrs. Vogl Brothers from the total of your account."³⁴ However, this method of payment appeared to be uncertain, as inferred by a previous communication in which D. M. Eder & Co. informed James Eder "that Messrs. Vogl Brothers have not handed us the amount of the proceeds for the 50 Bales of tobacco, as they say you have drawn against it."³⁵

It is recurrent to read in the correspondence from London that Eder's tobacco arrived ruined, as when it reached London "damaged and many of the leaves almost rotten," or because "two of the bales are very hardly damaged," or even when "there were 195 lb of tobacco damaged and quite worthless."³⁶ A few times, however, Eder managed to pack and ship his tobacco properly, as attested in 1871 by D. M. Eder & Co.: "This is the finest tobacco we have ever received from you, where being no damaged bale among them."³⁷ It is also possible to realize that several other people must have been sending tobacco from Palmira to London and to Bremen: "there is a very large quantity of Palmira Tobacco in this market, and report received from Bremen today show a downward tendency."³⁸

But the market apparently overturned quickly. The following year, from London Eder was informed that "the demand for Palmyra Tobacco is pretty lavish and likely to keep so for some time, unless very large arrivals should come in. We should therefore advice to send."³⁹ Moreover, a month and a half later, "Palmira Tobacco is still in very good demand," and still six months later "Palmira

³⁴ D. M. Eder & Co. to James M. Eder, July 1, 1869, Phanor James Eder Papers, Folder 8, Box 11.

³⁵ D. M. Eder & Co. to James M. Eder, February 1, 1869, Phanor James Eder Papers, Folder 9, Box 2.

³⁶ D. M. Eder & Co. to James M. Eder, July 1, 1870, Phanor James Eder Papers, Folder 9, Box 2; and D. M. Eder & Co. to James M. Eder, August 1, 1870, Phanor James Eder Papers, Folder 9, Box 2.

³⁷ D. M. Eder & Co. to James M. Eder, April 1, 1871, Phanor James Eder Papers, Folder 8, Box 11.

³⁸ D. M. Eder & Co. to James M. Eder, July 1, 1870, Phanor James Eder Papers, Folder 9, Box 2.

³⁹ D. M. Eder & Co. to James M. Eder, April 1, 1871, Phanor James Eder Papers, Folder 8, Box 11.

Tobacco is rather scarce in the market.”⁴⁰ Regarding prices, despite the quality of the tobacco not always favoring a good price, D. M. Eder & Co. were confident they were realizing better prices for Eder than Vogl Brothers: “we may safely assert we have always done better than our neighbors.”⁴¹ By the end of 1871, the price of tobacco in London seems to have peaked, and therefore D. M. Eder & Co. asked Eder if “you will favor us with further consignments of this article and also induce your friends to do so.”⁴²

Around that same time, D. M. Eder & Co. mentioned coffee for the first time in their communications with Eder, to inform him that “the coffee market is very firm.”⁴³ In the meantime, they had received “one case of Indigo” from Eder to be sold in London.⁴⁴ On top of that, Eder also sent quine bark to D. M. Eder & Co., but this article proved difficult to sell: “we are happy to inform you that after great efforts we have succeeded in selling your 40 bags Bark.”⁴⁵ In less than three years, Eder was able to diversify the products he was sending for sale in the European markets.

However, by mid-1872, things changed radically on the market for tobacco: “the tobacco market for Palmira is rather low at present and we are afraid it will go lower still.”⁴⁶ And they were right, since later that year they informed that “tobacco stands very light in the market.”⁴⁷ Moreover, the following year, by mid-1873 things grew worse and David Eder told Eder that “Palmira Tobacco is going down in price.”⁴⁸ By September that year “the market for this article does not look very bright,” and Eder was advised to be “very careful in making your purchases of tobacco as the

⁴⁰ D. M. Eder & Co. to James M. Eder, May 16, 1871, Phanor James Eder Papers, Folder 8, Box 11; and D. M. Eder & Co. to James M. Eder, October 16, 1871, Phanor James Eder Papers, Folder 8, Box 11.

⁴¹ D. M. Eder & Co. to James M. Eder, April 15, 1871, Phanor James Eder Papers, Folder 8, Box 11.

⁴² D. M. Eder & Co. to James M. Eder, November 16, 1871, Phanor James Eder Papers, Folder 8, Box 11.

⁴³ D. M. Eder & Co. to James M. Eder, November 1, 1871, Phanor James Eder Papers, Folder 8, Box 11.

⁴⁴ D. M. Eder & Co. to James M. Eder, December 16, 1871, Phanor James Eder Papers, Folder 8, Box 11.

⁴⁵ D. M. Eder & Co. to James M. Eder, September 16, 1872, Phanor James Eder Papers, Folder 8, Box 11.

⁴⁶ D. M. Eder & Co. to James M. Eder, August 1, 1872, Phanor James Eder Papers, Folder 8, Box 11.

⁴⁷ D. M. Eder & Co. to James M. Eder, September 16, 1872, Phanor James Eder Papers, Folder 8, Box 11.

⁴⁸ David M. Eder to James M. Eder, August 1, 1873, Phanor James Eder Papers, Folder 11, Box 2.

market in Germany is a very downward one and prices are likely to recede further still.”⁴⁹ By the beginning of the following year the trend was accentuated even more, causing that “tobacco is gone down very much in price,” and D. M. Eder & Co. cautioned Eder “that if you ship tobacco to this market, you must be able to buy it at a very low rate.”⁵⁰ Furthermore, after stating that “the tobacco sale here is very slow,” David Eder asserted to Eder that “the Palmyra Tobacco was never a very large trade in England.”⁵¹

Fortunately, thanks to Eder’s incursion into the coffee business, he strategically switched from tobacco to the bean. Since early-1873, David Eder shared information about good prospects for the coffee market with Eder. In a personal note, David Eder expressed to Eder, “[he] [hoped] that [he] will send coffee as is in good demand,” and again a month later he asserted “coffee brings a good price.”⁵² Furthermore, a year later David Eder is making James Eder aware of an opportunity to sell coffee in Lima.⁵³ As a result, by mid-1874 D. M. Eder & Co. declared “we have received 49 bags of coffee which we have handed to Vogl Brothers.”⁵⁴ Notwithstanding, the story behind Eder’s coffee production is better understood through the dealings with the latter actor, the Vogl Brothers.

David and Maurice Vogl

It is known that during his summer sojourn in London in 1867, James Eder registered a company for the exportation of the coffee he had been planting since 1865, under the name Palmyra Coffee Plantation Company, a partnership of James Eder, his brother Henry in Panamá, and his brother David and the Vogl brothers in London (Eder, 1959: 442). The latter were partners with David M.

⁴⁹ D. M. Eder & Co. to James M. Eder, September 1, 1873, Phanor James Eder Papers, Folder 11, Box 2.

⁵⁰ D. M. Eder & Co. to James M. Eder, January 31, 1872, Phanor James Eder Papers, Folder 19, Box 3.

⁵¹ David. M. Eder to James M. Eder, February 28, 1874, Phanor James Eder Papers, Folder 19, Box 3.

⁵² David M. Eder to James M. Eder, March 15, 1873, Phanor James Eder Papers, Folder 11, Box 2; and David M. Eder to James M. Eder, April 16, 1873, Phanor James Eder Papers, Folder 11, Box 2.

⁵³ David. M. Eder to James M. Eder, February 28, 1874, Phanor James Eder Papers, Folder 19, Box 3.

⁵⁴ David. M. Eder to James M. Eder, July 1, 1874, Phanor James Eder Papers, Folder 20, Box 4.

Eder, with whom they were acquainted because both had offices in Sambrook Court, Basinghall Street, where David Eder conducted his main business, a diamond trade (Hobman, 1945: 33; Eder, 1959: 28). David and Maurice Vogl were merchants, and innovative: David Vogl was granted a provisional protection patent in early 1860 “for an invention for ‘improvements in knapsacks, haversacks, and such like portable receptacles’” (Woodcroft, 1861: 10).

During the summer of 1868, the Vogl brothers received tobacco from Eder through Ruiz & Hill in Buenaventura. From the Vogl Brothers’ letters, it also becomes clear that James Eder was also importing different sorts of cloths to the valley: “we have therefore secured for you already 3 to 400 pieces of regattas, prints, white shirtings, which we consider advantageous.”⁵⁵ At the beginning of 1869, the Vogl brothers kept selling Eder’s tobacco at “a very fair price, which you could not have got in Bremen,” and were sending him “some coffee knives.”⁵⁶

The beginnings of the coffee endeavor were not without difficulties, however. This was in part because in the Cauca River Valley Eder was lacking the necessary machinery for producing coffee adequately. In February 1868, Vogl Brothers were telling Eder “we hope that things will now take a more favourable turn and everything will go on swimmingly, especially when you are in possession of the new machinery,” which was picked by his brother Henry with the advice of Hoggard, “who are evidently the right people for this sort of machinery.” The machinery consisted of a “husking mill”, a “blower”, and a “pulping machine,” “packed suitably in cases for mule transport.”⁵⁷ By March, the Vogl brothers announced to Eder that they were about to ship a “coffee pulper mill ... via Southampton,” besides once more exchanging information about sales of tobacco from Eder.⁵⁸

⁵⁵ Vogl Brothers to James M. Eder, June 5, 1869, Phanor James Eder Papers, Folder 9, Box 2.

⁵⁶ Vogl Brothers to James M. Eder, January 1, 1869, Phanor James Eder Papers, Folder 9, Box 2.

⁵⁷ Vogl Brothers to James M. Eder, February 15, 1869, Phanor James Eder Papers, Folder 8, Box 11.

⁵⁸ Vogl Brothers to James M. Eder, March 6, 1869, Phanor James Eder Papers, Folder 9, Box 2.

The mentioned mill most probably is part of “the machines for the coffee plant” the Vogl brothers mentioned they were looking for a month earlier.⁵⁹ The same must have been true for the “drawing books for plantation implements” they sent the following April “so that you get the proper things, as it would be a pity to pay the high freight per # on articles which you could not perfectly use.”⁶⁰ By May, “3 bags of coffee [had] not arrived yet” and the Vogl brothers were still wondering “what the expenses on them are delivered on board in Bremen” because they were confident they could realize a better price in London.⁶¹ They used to say the same about tobacco, arguing that “Palmyra Tobacco” was better known in London than in Bremen, and that its stock was lesser, and they added that “the Palmyra Tobacco is principally used as a cover leaf.”⁶² The coffee bags arrived by early June. In a letter from mid-November, James Eder informed Vogl Brothers that a Mr. Perez was going to send them some tobacco on his behalf. Most probably, Eder was referring to one of the Pérez brothers, who dealt as brokers in both Palmira and Buenaventura, and with whom he had done business at least starting in mid-1868, when an invoice enclosed in a letter from Emiliano Pérez was directed to him. By the end of that year, however, David Vogl showed some symptoms of health decay: “my health has somehow given way, and I hope I shall get my strength back again.”⁶³

On May 1868, the Vogl brothers expressed to Eder how desperately they wanted him to prosper, “so that we make up for the 7 hungry years that we have suffered here on the continent of Europe.”⁶⁴ They had reasons to be anxious about the partnership prospects. That same May, David Vogl said to Eder they “shall be happy to receive your favourable reports about it [the coffee plantation] from time to time,” and asked to “send us all the particulars and vouchers for expenses

⁵⁹ Vogl Brothers to James M. Eder, February 1, 1869, Phanor James Eder Papers, Folder 9, Box 2.

⁶⁰ Vogl Brothers to James M. Eder, April 1, 1869, Phanor James Eder Papers, Folder 9, Box 2.

⁶¹ Vogl Brothers to James M. Eder, May 1, 1869, Phanor James Eder Papers, Folder 9, Box 2.

⁶² Vogl Brothers to James M. Eder, June 5, 1869, Phanor James Eder Papers, Folder 9, Box 2.

⁶³ David Vogl to James M. Eder, October 1, 1869, Phanor James Eder Papers, Folder 8, Box 11.

⁶⁴ Vogl Brothers to James M. Eder, May 1, 1868, Phanor James Eder Papers, Folder 8, Box 11.

incurred.”⁶⁵ By the summer of that year, the Vogl brothers were hoping “everything is progressing favourably at the Plantation.”⁶⁶ Later that summer, instead of coffee they were receiving “the first lot of 18 bales Palmyra tobacco,” although in a report their broker “appears very unsatisfactorily about them.”⁶⁷ By summer’s end, the firm Vogl Brothers was sending a “report about the second lot of 18 bales, which were a little more satisfactory than the first” and for which they “consider the price we realised a very good one.”⁶⁸ However, that same day a letter from Maurice Vogl was also sent. In this, he discusses a report Eder sent regarding the “Coffee Plantation,” which he found “a little beyond our conception.”⁶⁹ Three months later, in a letter from the Vogl Brothers, the London merchants were still hopeful, expressing “we shall be glad to hear how you are going on with the coffee plantation.”⁷⁰

By 1869, the Vogl brothers referred to “the machines for the coffee plant,” noting that they “shall take every information and then forward them to you.” They still looked anxious when they expressed they “hope by this time the weather will be more favourable for the plantation, and that the planting will grow with greater success,” and they signed “trusting soon to hear from you.”⁷¹ But on February 15, Vogl brothers were telling Eder “we have only received your report of the Coffee Plantation and we can easily imagine that you deal with a great many obstacles at the first set out of a for your parts comparatively new industry, but we hope that things will now take a more favourable turn and everything will go on swimmingly, especially when you are in possession of the new machinery, which is promised to us in 12 days and we will consequently be able to ship them by next Liverpool steamer the 12 of next month.” But again, by March 1869 the Vogl Brothers, who by then

⁶⁵ David Vogl to James M. Eder, May 10, 1868, Phanor James Eder Papers, Folder 8, Box 11.

⁶⁶ Vogl Brothers to James M. Eder, July 1, 1868, Phanor James Eder Papers, Folder 9, Box 2.

⁶⁷ Vogl Brothers to James M. Eder, August 1, 1868, Phanor James Eder Papers, Folder 9, Box 2.

⁶⁸ Vogl Brothers to James M. Eder, September 1, 1868, Phanor James Eder Papers, Folder 8, Box 11.

⁶⁹ Maurice Vogl to James M. Eder, September 1, 1868, Phanor James Eder Papers, Folder 8, Box 11.

⁷⁰ Vogl Brothers to James M. Eder, December 1, 1868, Phanor James Eder Papers, Folder 9, Box 2.

⁷¹ Vogl Brothers to James M. Eder, February 1, 1869, Phanor James Eder Papers, Folder 9, Box 2.

were directing their correspondence to Eder as director of the Palmyra Coffee Plantation Co., seemed uneasy when expressing: “your remarks about the Plantation we shall report to our Co. partners, and trust the coming season will be more favourable.”⁷² Still, by mid-1869, David Vogl replied to a letter from Eder in which Eder complained about “not being able to go on planting your coffee trees on account of having too dry a season.”⁷³

And if things were not complicated enough, business was not going very well for the Vogl Brothers back in London. On July 31st, Maurice Vogl expressed to James Eder: “there is always so much anxiety in business and very often such unpleasantness, that the moments of quietude and evenness of temper are very rare in this continuous struggle.”⁷⁴ In contrast, Eder appears to be reporting doing very well on the other side of the Atlantic: “I am very pleased to see and hear that you are going on very nicely and comfortably in your own business and domestic affairs and with your success in all your undertakings with all my heart.”⁷⁵ As for the Palmyra Coffee Plantation Co., Vogl hoped “will also improve in time and send out the success you prognosticated from it and be a satisfaction to all concerned.”⁷⁶

On top of everything, Vogl Brothers were having difficulties with Nathaniel Brandon, Henry Eder’s partner, in Panamá: “Our connection with Panamá is, as you know perhaps, going from bad to worse, much to our regret, a major and positive loss.”⁷⁷ I do not wish to accuse N. Brandon, but the facts are very much against them as you will easily believe when I tell you, that since November last we have not received a single penny from them, although they owe us £5000. They certainly send pearls and wheat to Mr. D. M. Eder and ordered him to pay us £800 out of the proceeds of the

⁷² Vogl Brothers to James M. Eder, March 17, 1869, Phanor James Eder Papers, Folder 8, Box 11.

⁷³ David Vogl to James M. Eder, July 1, 1869, Phanor James Eder Papers, Folder 8, Box 11.

⁷⁴ Maurice Vogl to James M. Eder, July 31, 1869, Phanor James Eder Papers, Folder 8, Box 11.

⁷⁵ Maurice Vogl to James M. Eder, July 31, 1869, Phanor James Eder Papers, Folder 8, Box 11.

⁷⁶ Maurice Vogl to James M. Eder, July 31, 1869, Phanor James Eder Papers, Folder 8, Box 11.

⁷⁷ Maurice Vogl to James M. Eder, July 31, 1869, Phanor James Eder Papers, Folder 8, Box 11.

former and £1000 of the latter, but the pearls are it appears unsaleable and the cargo of wheat claimed by various other parties.”⁷⁸

All these troubles led them to refuse to pay “a bill [that] was presented at us for acceptance drawn by yourself [James Eder] at Panamá—we did not know you were there—of Cohen Frères & Popert.”⁷⁹ And they were furthermore asking for remittances from the coffee plantation “as we are terribly short owing to the shortcomings of Messrs. N. Brandon, of whom we have received by the last mail again excuses and explanations instead of the long promised remittances.”⁸⁰ Things got so complicated in financial terms for the Vogl Brothers that by October 1869, David Vogl was telling Eder that “in monetary matters we are awfully tight, one of the reasons is your own brother [Henry Eder], he keeps us out of money (large amounts) 18 months overdue, I wish you could induce him to settle accounts with us, of course we would not be trading with a house you can never depend upon, if you can assist us with any remittances of any kind, I shall be very much obliged to you it would be much assisting us. I wish the coffee would be up and growing.”⁸¹ But the prospects for the coffee plantation continued to be uncertain.

That same day, in another letter to James Eder from the Vogl Brothers marked with the PCPC on the headings instead of the Vogl Brothers logo, they were notifying him that “we have communicated to the partners on this side your report about the plantation and advised them of your recent draft, and in reply they made various observations, which we cannot help communicating to you, the more so as we consider them not unjustified and must endorse them ourselves.”⁸² The observations included an overestimated yield per tree Eder made in his prospectus, a considerable delay on the planned 100,000 trees to be planted to that date, and the determination

⁷⁸ Maurice Vogl to James M. Eder, July 31, 1869, Phanor James Eder Papers, Folder 8, Box 11.

⁷⁹ Vogl Brothers to James M. Eder, August 16, 1869, Phanor James Eder Papers, Folder 8, Box 11.

⁸⁰ Vogl Brothers to James M. Eder, August 16, 1869, Phanor James Eder Papers, Folder 8, Box 11.

⁸¹ David Vogl to James M. Eder, October 1, 1869, Phanor James Eder Papers, Folder 8, Box 11.

⁸² Vogl Brothers to James M. Eder, October 1, 1869, Phanor James Eder Papers, Folder 8, Box 11.

to not make further contributions. They departed “hoping soon to hear more encouraging reports.” In November, David Vogl seemed pleased with the explanations Eder offered and all he had to add was: “I hope you will be more fortunate now, so that we get on a little better with our coffee speculation.”⁸³

Yet, the issues with his partners regarding the coffee plantation did not cease. By the end of 1871, the Vogl Brothers were still awaiting the first shipment of coffee, “we now hope soon to receive your advice of the first shipment of coffee.”⁸⁴ They were also asking again if the Plantation was registered in Colombia, something they had been asking for at least two years, when Maurice Vogl asked James Eder: “Do not you think it would be the proper time now to have the Plantation Co. registered there?”⁸⁵ It was not until May 1872 that Vogl Brothers got the first ten bags of coffee to be sold in London. However, it was not of the finest quality: “we have to make the following observations, a great many of the berries seem to have been spoiled by rain, and they lost all brightness and looked quite sprinkled. There were also a great many very light and broken beans, of which we send you enclosed a few specimen which in future shipments must be separated from the good beans and shipped in separate bags as they deteriorate the value of good coffee considerably. We also send you a few beans of Ceylan coffee to show you how it must look to fetch a good price here.”⁸⁶

The dealings between Eder and his partners in London continued to deteriorate to the point that some serious action needed to be taken. Throughout 1873, Eder looked for a deal so he could keep the coffee plantation, buying Vogl Brothers out. From the correspondence from both Vogl Brothers and David Eder from that year, it is understood that the best option for Eder was to buy

⁸³ David Vogl to James M. Eder, November 1, 1869, Phanor James Eder Papers, Folder 9, Box 2.

⁸⁴ Vogl Brothers to James M. Eder, October 16, 1871, Phanor James Eder Papers, Folder 9, Box 2.

⁸⁵ Vogl Brothers to James M. Eder, October 16, 1869, Phanor James Eder Papers, Folder 9, Box 2.

⁸⁶ Vogl Brothers to James M. Eder, May 1, 1872, Phanor James Eder Papers, Folder 9, Box 2.

the participation of Vogl Brothers, but it took them a year to define the terms. In April, the Vogl Brothers “[had] made you through him [David Eder] a proposition ... to accept for us and the other members here, the paying back of the amount paid for the Plantation until now with 10% interest within one year.”⁸⁷ Eder did not accept this offer, and a few months later offered to return only the capital and to add 10 percent to the capital but not paying interests. Vogl Brothers strongly rejected the offer, adding “it would be unnecessary to enter into any further correspondence in this matter as your propositions do not offer any basis for negotiations.”⁸⁸ Still, by year’s end Vogl Brothers kept insisting that “any further correspondence about the purchasing of our interest in the Plantation is useless if you are not inclined to amend your liberal offer of 15th September.”⁸⁹

The following year they were “glad to receive your favourable report about the plantation,” but soon afterwards the tone of the communications changed once again.⁹⁰ In April 1874, Vogl Brothers were rejecting some payments for Eder, and complaining to him for his sales of coffee in Peru “as Mr. Blum in the course of conversation told us that you had offered to sell him coffee out there,” and begged “to call to your mind that § 16 of our Agreement ... distinctly provides that you have to ship all the produce of the Plantation to us.”⁹¹ Apparently Eder’s responses did not have the kindest of tones either, but rather seemed “dictated by an unfriendly spirit” because they sounded “rather unpleasant and quarrelsome.”⁹² They further added in the said letter: “surely if anybody have ground to be dispirited and annoyed in this affair it is not you but we, Hell we have shown much patience till now.” Vogl Brothers made sure Eder registered the company in Colombia, and by mid-1874 apparently the deal with Eder was not going anywhere and they were instead figuring out how

⁸⁷ Vogl Brothers to James M. Eder, April 16, 1873, Phanor James Eder Papers, Folder 11, Box 2.

⁸⁸ Vogl Brothers to James M. Eder, September 1, 1873, Phanor James Eder Papers, Folder 11, Box 2.

⁸⁹ Vogl Brothers to James M. Eder, December 31, 1873, Phanor James Eder Papers, Folder 11, Box 2.

⁹⁰ Vogl Brothers to James M. Eder, February 28, 1874, Phanor James Eder Papers, Folder 19, Box 3.

⁹¹ Vogl Brothers to James M. Eder, April 29, 1874, Phanor James Eder Papers, Folder 19, Box 3.

⁹² Vogl Brothers to James M. Eder, August 1, 1874, Phanor James Eder Papers, Folder 20, Box 4.

much “we ought to ask or to get for it [the Coffee Plantation], if we can dispose of it.”⁹³ In order to do so, they contacted Guillermo Wills, a Colombian coffee expert at the time, who observed that the “public opinion there does not seem to consider coffee planting in the Cauca a profitable thing on account of the remoteness from a port,” to which they added “we shall therefore have the thankless task of the pioneers, and shall be happy, if we can disprove public opinion by facts.”⁹⁴

The Vogl brothers and James Eder seemed to have made peace with each other finally by the end of 1874. In a joint letter from Vogl Brothers and David Eder sent to Eder, they appeared “pleased to see by the tenor thereof that although you complain very much you are in a more conciliatory mood and losing the high horse you had ridden till now,” hence they were “ready if you are, to forget and forgive and as now we are in the same boat to paddle well together and go on in the same amicable and trusting manner as when we started.”⁹⁵ In the last letter from the Vogl Brothers in the archive, they “were pleased with the satisfactory report you give of the state of the Plantation,” however no further information is shared regarding the fate of the joint enterprise, and there is no more correspondence kept in the archive to figure out what happened with this venture.⁹⁶ However, it is known that in 1878 Eder sold the hacienda that included the coffee plantation, called La Rita, to the Blum brothers, with whom, as seen before, the Vogl brothers were acquainted. At the time, La Rita had some 80,000 coffee trees that could have produced some 100,000 pounds of coffee beans per year (Eder, 1959: 447). But apparently the Blums did not take good care of the plantation and they were in need of selling La Rita in 1885, an opportunity Eder took advantage of to get his hacienda back after an arduous dispute with the Blum family (Eder, 1959: 448).

⁹³ Vogl Brothers to James M. Eder, August 1, 1874, Phanor James Eder Papers, Folder 20, Box 4.

⁹⁴ Vogl Brothers to James M. Eder, August 31, 1874, Phanor James Eder Papers, Folder 20, Box 4.

⁹⁵ Vogl Brothers to James M. Eder, October 1, 1874, Phanor James Eder Papers, Folder 20, Box 4.

⁹⁶ Vogl Brothers to James M. Eder, October 31, 1874, Phanor James Eder Papers, Folder 20, Box 4.

David M. Eder, Martin Reinberg, and Phanor M. Eder

As mentioned before, David M. Eder lived for some time in Guayaquil, where he was the main partner at the firm Eder, Mayer & Seckel until 1869, since when he associated with H. Meye and his own nephew Martin Reinberg under the firm Meye, Reinberg & Co., until 1873. That year, Phanor M. Eder, another of the four Eder brothers, who had moved to Guayaquil two years prior (Eder, 1959: 30), joined his brother David and his partners at the company that succeeded the latter, called Eder, Reinberg & Ca. Evidently, Martin Reinberg had proven his business acumen to his elders. In 1869, James Eder proposed his nephew to move from Guayaquil to Palmira to work with him. But Reinberg declined the offer because he chose instead to continue working for the firm of his uncle David Eder and his partners in Ecuador, who in turn offered him a pay raise to retain him.⁹⁷

By the beginning of 1871, Meye, Reinberg & Ca. received a shipment of 2 bales of tobacco from Eder in Guayaquil sent, as usual, by Eduardo Ruiz.⁹⁸ A month later, however, the Ecuadorian house was telling Eder that the price they were able to obtain for the tobacco was not profitable for any of the stakeholders, and asked Eder not to send more of this product to that market.⁹⁹ They had also received sugar from Eder that Eduardo Ruiz had promptly delivered, and despite having not sold it yet, they were confident they could make a profit out of this product. It is worth remembering that Eder, Mayer & Seckel had asked Eder to send sugar when three earthquakes destroyed that part of South America in mid-1868, but the archive lacked evidence that such sugar was effectively dispatched by Eder.

⁹⁷ Martin Reinberg to James M. Eder, November 10, 1869, Phanor James Eder Papers, Folder 9, Box 2.

⁹⁸ Meye, Reinberg & Ca. to Santiago M. Eder, February 2, 1871, Phanor James Eder Papers, Folder 9, Box 2. Notice that they refer to James Eder as Santiago, which is the name he adopted in Spanish for being the translation that derives from the Hebrew name Jacob. To be more precise, Eder was called since the beginning, and still today is remembered in Colombia, don Santiago.

⁹⁹ Meye, Reinberg & Ca. to Santiago M. Eder, March 2, 1871, Phanor James Eder Papers, Folder 9, Box 2.

According to the said letter, Meye, Reinberg & Ca. had also just sent cocoa to Eduardo Ruiz at his request, and they had also sent some additional bales for Eder to see if he could make business out of it, given that they had recently sold some cocoa to a Mr. Castillo in Popayán at a very advantageous price. The following month, they confirmed the good price they had realized for Eder's sugar, and asked him to please have no doubts sending more, while at the same time warning him against sending tobacco because it had been very difficult to sell.¹⁰⁰ By October of that year, the Guayaquil house was sending Eder two bales of cocoa, and like others before him, they were sharing prices of "tobacco palmira" and sugar with Eder.¹⁰¹ The last communication of that year unveiled the fact that Meye, Reinberg & Ca. sent a payment to Eder through Samuel Piza & Ca. in Panamá for the tobacco they finally sold.¹⁰²

In April 1872, Eder received a letter from his nephew in Guayaquil telling him of a good business opportunity that had just opened because Santiago Rodríguez, an Ecuadorian from a town near Guayaquil, was interested in buying significant amounts of sugar from Cauca.¹⁰³ Earlier that year, however, Rodríguez had already sent a letter to Eder introducing himself and presenting the deal. Rodríguez was interested in buying 200 *quintales* (20 tons) per month of high-quality white sugar, at the price he was currently sending it to Martin Reinberg, with the option of increasing the number of *quintales* after one year of establishing the business.¹⁰⁴ It took Eder almost four months to give a response to the opportunity, but apparently the price of sugar in Colombia had increased and at that price, Rodríguez was no longer willing to import Eder's product given that a lot of sugar was entering that market coming from Perú.¹⁰⁵ Yet, by the end of that year, Meye, Reinberg & Ca.

¹⁰⁰ Meye, Reinberg & Ca. to Santiago M. Eder, April 2, 1871, Phanor James Eder Papers, Folder 9, Box 2.

¹⁰¹ Meye, Reinberg & Ca. to Santiago M. Eder, October 3, 1871, Phanor James Eder Papers, Folder 9, Box 2.

¹⁰² Meye, Reinberg & Ca. to Santiago M. Eder, December 3, 1871, Phanor James Eder Papers, Folder 9, Box 2.

¹⁰³ Martin Reinberg to Santiago M. Eder, April 3, 1872, Phanor James Eder Papers, Folder 9, Box 2.

¹⁰⁴ Santiago Rodríguez to Santiago Heder, January 31, 1872, Phanor James Eder Papers, Folder 9, Box 2.

¹⁰⁵ Santiago Rodríguez to Santiago M. Heder, July 3, 1872, Phanor James Eder Papers, Folder 9, Box 2.

encouraged Eder to send them sugar again since the custom duties for that product had gone down enormously.¹⁰⁶

Meye, Reinberg & Ca., as noted before, existed until mid-1873 when it was succeeded by the firm Eder, Reinberg & Ca., where both David and Phanor Eder were partners, as well as their nephew Martin Reinberg. The new company assumed all the debts and accounts of the previous one, and regarding James Eder, they kept receiving sugar and sending cocoa and other merchandise from and to Buenaventura.¹⁰⁷ By year's end, the Guayaquil house was hosting the Colombian don Manuel Augusto Martínez at Eder's request, who apparently wanted to start doing business with the Eders. Martínez had arrived through Esmeraldas, seeking commercial prospects for rubber trade on his trip, but unconvinced, told them he would not enter that business. This in turn confirmed Eder, Reinberg & Ca.'s own inquiries about that market.¹⁰⁸ Around the same time, Phanor Eder told Eder the prices of coffee "[would] be very high," and asked Eder to "send some."¹⁰⁹

In early 1874, Phanor Eder was sorry "that you have lost so much money on tobacco."¹¹⁰ Still, less than a month later, Phanor once again apologized but this time because "coffee [was] falling;" and he also mentioned to Eder that their brother David "[had] a great deal of trouble to get his money from that thief his formerly partner Mayer;" and on top of everything Phanor Eder himself was having "hard work to make [his] payments."¹¹¹ And if the aforementioned was not enough, a month later Phanor Eder brought bad financial news about their brother in Panamá: "Henry I am sorry to say will also lose quite a lot of money in the coffee."¹¹² In June, Martin

¹⁰⁶ Meye, Reinberg & Ca. to Santiago M. Eder, December 3, 1872, Phanor James Eder Papers, Folder 9, Box 2.

¹⁰⁷ Phanor M. Eder to James M. Eder, September 15, 1873, Phanor James Eder Papers, Folder 11, Box 2.

¹⁰⁸ Eder, Reinberg & Ca. to Santiago M. Eder, November 16, 1873, Phanor James Eder Papers, Folder 11, Box 2.

¹⁰⁹ Phanor M. Eder to James M. Eder, December 16, 1873, Phanor James Eder Papers, Folder 11, Box 2.

¹¹⁰ Phanor M. Eder to James M. Eder, March 19, 1874, Phanor James Eder Papers, Folder 19, Box 3.

¹¹¹ Phanor M. Eder to James M. Eder, April 15, 1874, Phanor James Eder Papers, Folder 19, Box 3.

¹¹² Phanor M. Eder to James M. Eder, May 16, 1874, Phanor James Eder Papers, Folder 19, Box 3.

Reinberg was also complaining because business declined because, in his view, there was too much poverty in Ecuador, the bank had already closed the credit lines to all the merchants and the currency had depreciated to a level never thought possible, making the Ecuadorian peso lose international purchasing power.¹¹³

The last letter from the Guayaquil house revealed that the Ecuadorian house also had dealings with the Blum brothers in the valley. They had been mentioned in earlier correspondence declaring they were worried because a Mr. Blum was late in his payments, and in the said letter Eder was informed of an account “drawn against Messrs. A. R. Blum & Co. to your order,” and “we will be very thankful to you if you will do all possible to collect that amount from them.”¹¹⁴

Tracy & Co.

Tracy & Co. was a key actor for James Eder during his early days in Colombia, when his trade was more about selling imported goods in the valley and building his farm. In this case, Tracy & Co. appeared to be the most important provider of agricultural machinery, tools and equipment for Eder. In 1870, they were placing an order for Eder of “four plows,” which they were sending through N. Brandon in Panama.¹¹⁵ The following month, they shipped “agricultural tools.”¹¹⁶ The payments were made by “D. M. Eder London.”¹¹⁷ Although from the correspondence for that year from David Eder it is not possible to trace these payments. On the other hand, in 1873 payments to Tracey & Co. are mentioned in April both in the correspondence of D. M. Eder & Co. and in a personal letter sent to James Eder by his brother David on the same day.¹¹⁸ But before then, in 1871,

¹¹³ Martin Reinberg to Santiago M. Eder, June 16, 1874, Phanor James Eder Papers, Folder 10, Box 11.

¹¹⁴ Martin Reinberg to Santiago M. Eder, October 16, 1874, Phanor James Eder Papers, Folder 19, Box 3.

¹¹⁵ Tracy & Co. to James M. Eder, August 19, 1870, Phanor James Eder Papers, Folder 9, Box 2.

¹¹⁶ Tracy & Co. to James M. Eder, September 19, 1870, Phanor James Eder Papers, Folder 9, Box 2.

¹¹⁷ Tracy & Co. to James M. Eder, November 29, 1870, Phanor James Eder Papers, Folder 9, Box 2.

¹¹⁸ D. M. Eder & Co. to James M. Eder, April 16, 1873, Phanor James Eder Papers, Folder 11, Box 2; and David M. Eder to James M. Eder, April 16, 1873, Phanor James Eder Papers, Folder 11, Box 2.

they had also been paid through “Perez & Obarrio of New York” (see below).¹¹⁹ In that same letter, Tracy & Co. offered Eder, “should [he] require them,” iron presses for indigo. The following year they were shipping directly to Buenaventura from New York “a cooking stove for burning wood” and an “excellent mowing machine called The Clipper.”¹²⁰

However, by mid-1872 Eder seemed to be late on his payments to Tracy & Co., and the latter stated “how important it is to us to obtain prompt remittances.”¹²¹ Once this got resolved, the Connecticut Company was sending the “sewing machines ... for poor people” Eder asked for, as well as machetes from Collins & Co.¹²² By the end of that year, Tracy & Co. not only provided what Eder requested, but also asked if he could sell “a few cases of Connecticut Clocks, we can supply them all kinds to cost from \$1.00 up to any price required.”¹²³ By the beginning of the following year, Tracy & Co. were pleased to be paying prompt attention to an order of “clocks” added to a “mule cart” placed by Eder.¹²⁴

By that same time Eder asked them to gather information regarding a sugar mill, and two months later Tracy & Co. sent Eder “a catalogue of the Squier & Brother mills and ... we think we shall send out the ‘Louisiana’ Mill #1,” despite the fact that “several parties here state that such heavy mill cannot be transported to Palmira.”¹²⁵ Two weeks later they were shipping “by steamer Ocean Queen at New York one Louisiana #1 sugar mill made by Geo. L. Squier & Co. of Buffalo,” again despite the manufacturer’s warning of it being “difficult to transport on mules,” declaring there were several pieces weighing more than 500 pounds.¹²⁶ Still, by mid-year Tracy and Co. felt

¹¹⁹ Tracy & Co. to James M. Eder, October 28, 1871, Phanor James Eder Papers, Folder 9, Box 2.

¹²⁰ Tracy & Co. to James M. Eder, April 13, 1872, Phanor James Eder Papers, Folder 8, Box 11; and Tracy & Co. to James M. Eder, April 29, 1872, Phanor James Eder Papers, Folder 8, Box 11.

¹²¹ Tracy & Co. to James M. Eder, August 19, 1872, Phanor James Eder Papers, Folder 8, Box 11.

¹²² Tracy & Co. to James M. Eder, September 9, 1872, Phanor James Eder Papers, Folder 8, Box 11.

¹²³ Tracy & Co. to James M. Eder, November 29, 1872, Phanor James Eder Papers, Folder 8, Box 11.

¹²⁴ Tracy & Co. to James M. Eder, January 29, 1873, Phanor James Eder Papers, Folder 11, Box 2.

¹²⁵ Tracy & Co. to James M. Eder, April 4, 1873, Phanor James Eder Papers, Folder 11, Box 2.

¹²⁶ Tracy & Co. to James M. Eder, April 18, 1873, Phanor James Eder Papers, Folder 11, Box 2.

“much gratified ... by the contents of your letter approving of the sugar mill and machinery.”¹²⁷ For the remainder of 1873, Eder also received from Tracy & Co. several other things, from kettles for making sugar loaves to medicine books. In 1874 more orders were sent from articles like a “pinion for the sugar mill,” also made by George L. Squier & Brother, “iron kettles” and “two medical books.”¹²⁸ The conversations ensued for the rest of that year, mentioning goods shipped and payments received, at times through direct remittances but also through drafts from David Eder in London. Among the most important deals of that year, it is worth mentioning the purchase that James Eder made through Tracey & Co. of a “Printing Press and Type” from the manufacturer R. Hoe & Co.¹²⁹ Undoubtedly, the press was to be used by Eder to print the newspaper that he had founded in 1870 with the Palmira local Teodoro Materón.

H. Rozier & Co.

Eder’s dealings with another stakeholder, the firm H. Rozier & Co., from whom Eder’s brother Henry M. Eder had imported wine to Panamá for several years, commenced in 1869. H. Rozier & Co. bought indigo from James Eder per Henry Eder’s recommendation, and they sample of the product excellent.¹³⁰ James Eder entered into the indigo business in partnership with Mariano Olarte, Henry’s close friend. Indigo was made in El Albergue, Olarte’s hacienda in the Cauca River Valley (Eder, 1959: 435-436).

As other foreign merchants before him, H. Rozier & Co. brokered through Ruiz & Hill in Buenaventura. The first case of indigo arrived in Bordeaux in September, but the quality was not as good as the one from the previous sample because it had too much grey in it, something they attributed to the extraction process whereby they recommended Eder consult producers in El

¹²⁷ Tracy & Co. to James M. Eder, July 18, 1873, Phanor James Eder Papers, Folder 11, Box 2.

¹²⁸ Tracy & Co. to James M. Eder, February 6, 1874, Phanor James Eder Papers, Folder 19, Box 3.

¹²⁹ Tracy & Co. to James M. Eder, March 20, 1874, Phanor James Eder Papers, Folder 19, Box 3.

¹³⁰ H. Rozier & Co. to James M. Eder, April 29, 1869, Phanor James Eder Papers, Folder 9, Box 2.

Salvador.¹³¹ The following month they assumed the cost of a small sample that had been hard to sell, and are once again articulated to Eder that the quality was very mixed, an obstacle they said must be avoided in the future.¹³² But less than a month later they sold the sample, and were asked Eder about the best way to send him the money.¹³³

By April 1870 H. Rozier & Co. found the quality slightly improved and expected to achieve at least the same price as the year before.¹³⁴ However, by May they announced that, despite their efforts, they could not secure 7 Fr like the previous time, but just 6.50 Fr.¹³⁵ By mid-year, H. Rozier & Co.'s writings revealed they were paid through the firm N. Brandon in Panamá.¹³⁶ Moreover, the following year, they sent part of Eder's credit to his brother David Eder in London.¹³⁷ However, because of The Franco-Prussian War, the dealings between Eder and the Bordeaux house slowed down for the second half of 1870 and for almost all of 1871. According to H. Rozier & Co., the importation of all sorts of merchandise from colonial origins were suspended during ten months in France.¹³⁸ But Colombian indigo was by then more and more appreciated by the French dyers, who had to import it from London, where it arrived from the port of Santa Marta in the Colombian Atlantic coast, apparently produced in the vicinities of Bogotá. By mid-1871 Eder sent indigo anew to H. Rozier & Co., who told him to have no fear to send as much indigo as he could directly to Bordeaux, either from him or from other houses they both could franchise in partnership.¹³⁹

Early the following year, Eder sent indigo to Bordeaux from his own plantation that H. Rozier & Co. deemed first class, very superior to the ones sent before, and which they esteemed

¹³¹ H. Rozier & Co. to James M. Eder, September 30, 1869, Phanor James Eder Papers, Folder 9, Box 2.

¹³² H. Rozier & Co. to James M. Eder, October 29, 1869, Phanor James Eder Papers, Folder 9, Box 2.

¹³³ H. Rozier & Co. to James M. Eder, November 15, 1869, Phanor James Eder Papers, Folder 9, Box 2.

¹³⁴ H. Rozier & Co. to James M. Eder, April 24, 1870, Phanor James Eder Papers, Folder 9, Box 2.

¹³⁵ H. Rozier & Co. to James M. Eder, May 28, 1870, Phanor James Eder Papers, Folder 9, Box 2.

¹³⁶ H. Rozier & Co. to James M. Eder, July 27, 1870, Phanor James Eder Papers, Folder 9, Box 2.

¹³⁷ H. Rozier & Co. to James M. Eder, March 1, 1871, Phanor James Eder Papers, Folder 8, Box 11.

¹³⁸ H. Rozier & Co. to James M. Eder, March 1, 1871, Phanor James Eder Papers, Folder 8, Box 11.

¹³⁹ H. Rozier & Co. to James M. Eder, September 27, 1871, Phanor James Eder Papers, Folder 8, Box 11.

easier to sell at a higher price to that of London.¹⁴⁰ They were so pleased with the indigo, and the market must have been in such a good shape for the Colombian product, that the Bordeaux house asked Eder to send 500 kilograms every month of what they called a beautiful indigo. Moreover, they asked Eder to tell them to how to pay him the value of the merchandise, specifically to which house in London they could send the payment, even before the same got sold.¹⁴¹ A month later Eder exported two parcels of indigo worth 1,501 Fr and H. Rozier & Co. knew to refer to David Eder in London, undoubtedly the house Eder provided to liquidate transactions.¹⁴² The shipment included a parcel of indigo from Eder himself while the other one was from a producer identified as S&C, which the market appreciated the most and was of a magnificent quality, well colored, light and pure, and devoid of any bad mixes. They furthermore proposed to share with their 2 percent commission with him if he kept sending consignments of indigo from his neighboring planters as valuable as the one from S&C.

The Bordeaux house was so interested in Colombian indigo that they applied for a customs duty for indigo arriving to France directly from producing countries, and they were able to get the same fee treatment they had for their own colonies, with which they also offered Eder half of the profits made thanks to this initiative.¹⁴³ For this reason, by the end of 1872 they suggested for Eder to avoid sending the merchandise by way of Panama City-Colon-Liverpool.¹⁴⁴ Also, similar to what Vogl Brothers used to do for tobacco, H. Rozier & Co. informed Eder of the market prospects for indigo. For instance, in 1872 they warned Eder that the prices were likely to drop in the European markets according to Calcutta reviews, where most of the world indigo was produced, that had

¹⁴⁰ H. Rozier & Co. to James M. Eder, February 15, 1872, Phanor James Eder Papers, Folder 9, Box 2.

¹⁴¹ H. Rozier & Co. to James M. Eder, February 15, 1872, Phanor James Eder Papers, Folder 9, Box 2.

¹⁴² H. Rozier & Co. to James M. Eder, June 5, 1872, Phanor James Eder Papers, Folder 9, Box 2.

¹⁴³ H. Rozier & Co. to James M. Eder, February 15, 1872, Phanor James Eder Papers, Folder 9, Box 2; and H. Rozier & Co. to James M. Eder, June 5, 1872, Phanor James Eder Papers, Folder 9, Box 2.

¹⁴⁴ H. Rozier & Co. to James M. Eder, November 13, 1872, Phanor James Eder Papers, Folder 9, Box 2.

announced the following harvest to be one of the best seen for many years both in terms of quality and quantity.¹⁴⁵ Most probably because of this, Eder was very active during the last quarter of 1872. Through Rodas & Otero in Buenaventura, he sent bigger quantities of indigo, while at the same time H. Rozier & Co. drafted higher amounts of Francs to David Eder in London, and dispatched wine, sherry, muscatel and the like to Palmira for Eder to sell there.¹⁴⁶ These products traveled via Guayaquil on the Kenilworth Castle steamer belonging to the Pacific Steam Navigation Company that covered the route from Liverpool to Valparaiso—with stops in Bordeaux, Lisbon, Rio de Janeiro and Montevideo—from which they were shipped to the Ecuadorian port, and still from there to Buenaventura where the cases of 12 and 24 bottles would have to be transported by mule for the majority of the 100-mile haul.¹⁴⁷ It is not surprising that the price realized by Eder for these liquids barely covered the costs declared by H. Rozier & Co., and he therefore proposed to be debited just the said costs for those products.¹⁴⁸ The merchandise took three months to arrive in Buenaventura, and still six months later Eder had not reported any information about the sale of these products.

For the remainder of 1873 and in the minimal correspondence from 1874, it appeared that Eder kept sending his indigo, which continued to lack the quality and color of the so-called Indigo Nouvelle Grenade in high demand all over France and in other places around Europe. In fact, W. Rozier asked Eder once more to provide them some recommendations about the producers from the surroundings of Bogotá that kept sending high quantities of beautiful indigo to London and

¹⁴⁵ H. Rozier & Co. to James M. Eder, September 18, 1872, Phanor James Eder Papers, Folder 9, Box 2.

¹⁴⁶ H. Rozier & Co. to James M. Eder, October 16, 1872, Phanor James Eder Papers, Folder 9, Box 2; and H. Rozier & Co. to James M. Eder, November 13, 1872, Phanor James Eder Papers, Folder 8, Box 11.

¹⁴⁷ W. Rozier to James M. Eder, December 3, 1872, Phanor James Eder Papers, Folder 9, Box 2.

¹⁴⁸ W. Rozier to James M. Eder, July 31, 1873, Phanor James Eder Papers, Folder 11, Box 2.

Paris “via Cartagena and Savanilla.”¹⁴⁹ There are no more letters from H. Rozier & Co. in the archive after mid-1874, and the last one insinuated that Eder was ending his indigo venture.¹⁵⁰

M. Pérez y Obarrio

The firm M. Pérez & Obarrio of New York started with intense activity among Eder’s stakeholders, beginning in 1873. As mentioned earlier, in 1871, they appeared in the correspondence of Tracy & Co. because the latter had received drafts from “Perez & Obarrio of New York,” but in the correspondence sent to Eder, the New York brokers only figured starting in 1873.¹⁵¹ That year, they reported to Eder that they had delivered twelve sacks of quine bark from Luis Olarte to A. de Castro & Co., to be sold by them, while also declaring that an additional twelve sacks Eder consigned to them had not been sold due to the unfavorable market for that product.¹⁵² M. Pérez & Obarrio were also behind some of Eder’s tobacco dealings in New York, and regularly sent him magazines with market and price information for Eder to stay informed.¹⁵³ One of such magazines was Frank Leslie’s publication to which Eder subscribed.¹⁵⁴ Through the New York house, Eder also placed six sacks of rubber in that market via Ruiz & Hill in Buenaventura for a value of \$465.92.¹⁵⁵ By the end of October 1873, Eder exported nine more sacks of rubber in addition to twenty-five hides of leather, and like he did before with Tracy & Co. he asked them to provide him with some books.¹⁵⁶ By year’s end, Eder requested that M. Pérez & Obarrio send him 1,000 feet of wood.¹⁵⁷

¹⁴⁹ W. Rozier to James M. Eder, December 27, 1873, Phanor James Eder Papers, Folder 11, Box 2.

¹⁵⁰ W. Rozier to James M. Eder, August 21, 1873, Phanor James Eder Papers, Folder 20, Box 4.

¹⁵¹ Tracy & Co. to James M. Eder, October 28, 1871, Phanor James Eder Papers, Folder 9, Box 2.

¹⁵² H. G. Sierra to James M. Eder, January 29, 1873, Phanor James Eder Papers, Folder 11, Box 2.

¹⁵³ M. Pérez & Obarrio to James M. Eder, February 27, 1873, Phanor James Eder Papers, Folder 11, Box 2.

¹⁵⁴ M. Pérez & Obarrio to James M. Eder, June 26, 1874, Phanor James Eder Papers, Folder 19, Box 3.

¹⁵⁵ M. Pérez & Obarrio to James M. Eder, May 20, 1873, Phanor James Eder Papers, Folder 11, Box 2; and M. Pérez & Obarrio to James M. Eder, May 26, 1873, Phanor James Eder Papers, Folder 11, Box 2.

¹⁵⁶ M. Pérez & Obarrio to James M. Eder, October 31, 1873, Phanor James Eder Papers, Folder 20, Box 4.

¹⁵⁷ M. Pérez & Obarrio to James M. Eder, December 10, 1873, Phanor James Eder Papers, Folder 20, Box 4.

The following year, M. Pérez & Obarrio provided Eder information he asked them to gather for him, concerning an alembic and a sawmill. The latter they promptly dispatched, as soon as Eder confirmed sizes and measurements.¹⁵⁸ Three months later the New York house remitted press types made by MacKellar, Smiths & Jordan for a cost of \$217.31, a little higher than expected due to the fact that the manufacturer had to alter the types to be suitable for Spanish language printing.¹⁵⁹ The timing coincided with that of the printing equipment from Hoe & Co. he acquired through Tracy & Co. for his newspaper. The last communication kept in the archive opened up the possibility of a bad ending to this business relationship of Eder. In it, M. Pérez & Obarrio mentioned the bad news about Colombia they had been receiving lately, and since they had not been able to accept a draft for \$200 they announced to Eder that they would not accept further drafts from him.¹⁶⁰

Secondary actors

There were other actors that communicated less copiously with James Eder during this period, but who also must have played significant roles in the development of Eder's international business in its early stages. Such is the case of the house Cohen Frères & Popert in Paris, pivotal for Eder's dealings with indigo. But most of this secondary correspondence came from Germany, as this was an important market for tobacco. The trade with Perú appeared relevant because of Eder's incursion in the coffee business. And finally, Kingston in Jamaica revealed itself as another destination of Eder's tobacco.

- Paris

Cohen Frères & Popert were behind all the business correspondence Eder received from Paris during this period, except for the letter from George Sauer already mentioned. During the summer

¹⁵⁸ M. Pérez & Obarrio to James M. Eder, January 26, 1874, Phanor James Eder Papers, Folder 19, Box 3.

¹⁵⁹ M. Pérez & Obarrio to James M. Eder, April 16, 1874, Phanor James Eder Papers, Folder 19, Box 3.

¹⁶⁰ M. Pérez & Obarrio to James M. Eder, September 10, 1874, Phanor James Eder Papers, Folder 20, Box 4.

of 1868, the French brothers and their partner sent Eder a half-year account “showing a balance of Fr 1,303 to our favour.”¹⁶¹ Two weeks later, they reported having received the £46 from Vogl Brothers (see above) and recalculating Eder’s remaining credit as Fr 1,150. It becomes clear, from a letter dated later that year, that the merchandise the French merchants were sending to Eder consisted of shoes and cloth for the most part, and also arrived in Buenaventura through Ruiz & Hill “via Liverpool.”¹⁶² Popert, in particular, appeared to have a close relationship to James Eder and his family. For instance, he was informed of the whereabouts of the brother Henry Eder in Europe during the fall of 1868.

All the correspondence from Paris in 1869 once again hailed from Cohen Frères & Popert. The topic continued to be merchandise being sent to Palmira through Ruiz & Hill in Buenaventura. In addition, they mentioned the growing account owed by Eder. They were also selling Eder’s tobacco in Paris. But the financial troubles worsened in September, when they were refused a payment sent by Eder both by Vogl Brothers and by Eder’s brother David.¹⁶³ Yet, by the beginning of 1870 the Paris house sent Eder six parcels of paper, and they debited the money from the sales of 50 bales of tobacco from his debt.¹⁶⁴

The last letter from Cohen Frères & Popert preserved in the archive was a personal note from A. D. Popert, from the same date of the previous formal business correspondence. In it, his dear friend and godfather of the first of the male sons of Eder—Walter James Eder, who would die at age four—was expressing his worries about the deterioration of his relationship with Henry M. Eder because of the problems the firm N. Brandon & Co. in Panamá underwent. Popert asked Eder

¹⁶¹ Cohen Frères & Popert to James M. Eder, July 31, 1868, Phanor James Eder Papers, Folder 9, Box 2.

¹⁶² Cohen Frères & Popert to James M. Eder, October 31, 1868; and Cohen Frères & Popert to James M. Eder, November 30, 1868, Phanor James Eder Papers, Folder 9, Box 2.

¹⁶³ Cohen Frères & Popert to James M. Eder, September 1, 1869, Phanor James Eder Papers, Folder 8, Box 11.

¹⁶⁴ Cohen Frères & Popert to James M. Eder, January 7, 1870, Phanor James Eder Papers, Folder 9, Box 2.

to intervene on his behalf whenever he had the opportunity to communicate with his brother, given that the latter had not responded to his letters in more than four months. It is understood that the Paris house had just started a business relationship with the Panamanian one by recommendation of David M. Eder, but Popert feared he would not be able to recover his money.¹⁶⁵ Unfortunately, it has been impossible to reconstruct what may have happened later.

- Hamburg

The multinational Hamburg Amerikanische Packetfahrt Actien Gesellschaft (HAPAG) appeared sending correspondence to Eder by mid-1873, first appointing Eder as an agent for their West-Indies line in Buenaventura, for which they promised him a 2.5 percent commission.¹⁶⁶ The rest of the correspondence referred to information about boats to and from Colon in Panamá, with descriptions of their matters on the freight. For instance, from a few months before Eder was appointed their agent, there was a letter in the archive directed to Juan María Caicedo in Buenaventura—which must have been remitted to Eder—declaring shipments from Colon via Hamburg to both Bordeaux and St. Petersburg of merchandise including coffee, cocoa, cochineal and indigo, among others.

Also from Hamburg, the firm H. Meyer Jr. & Co. appeared to be importing tobacco from Eder starting in mid-1874.¹⁶⁷ By September they received 35 bales of tobacco of good quality, although the price realized was not the best possible given that the depressed market and also due to the big quantities that had recently arrived to Bremen.¹⁶⁸ But the following shipment was predominantly of second-class tobacco, which Meyer found very difficult to sell and realized a rather poor price.¹⁶⁹

¹⁶⁵ A. D. Popert to James M. Eder, January 7, 1870, Phanor James Eder Papers, Folder 9, Box 2.

¹⁶⁶ HAPAG to James M. Eder, June 21, 1873, Phanor James Eder Papers, Folder 10, Box 11.

¹⁶⁷ H. Meyer Jr. to James M. Eder, July 14, 1874, Phanor James Eder Papers, Folder 20, Box 4.

¹⁶⁸ H. Meyer Jr. to James M. Eder, September 30, 1874, Phanor James Eder Papers, Folder 20, Box 4.

¹⁶⁹ H. Meyer Jr. to James M. Eder, October 14, 1874, Phanor James Eder Papers, Folder 20, Box 4.

There was no further correspondence from this house for this period, but there were still two more letters Eder received from that house in 1884 (see below).

- Bremen

In early 1871, the company Gruner & Rieke reached out to Eder to offer him their services as merchants, and they shared prices for their latest sales of Latin American tobacco, indigo and quine bark for Eder to have a better idea of the solidity of their business.¹⁷⁰ But it was not until late 1873 when Eder communicated to Gruner & Rieke his “willingness to enter into business relations with ourselves,” as they expressed, while gladly accepting the establishment of a business relationship.¹⁷¹ In said letter, it is also understood that, like others before them, even though they still did not have a business relationship, Gruner & Rieke “[had] taken the liberty since some time to send [him] regularly our monthly market report.” From then on, according to the volume of correspondence from the Bremen house, this firm became Eder’s main stakeholder in Bremen during the first period considered here. In said reports, Gruner & Rieke repeatedly told Eder that the Palmira Tobacco reaching Bremen was not of the best quality, as was the case with the product that arrived in early 1874, which was found of “deficient quality in leaf and colors, principally however for being too much mixed a few the ‘Prima’ with ‘Segunda,’” which they did “fear that considerably lower prices will yet have to be accepted.”¹⁷² The following shipment to get to the German port did not fare better, again due to the fact the tobacco was “poor in leaf or colour.”¹⁷³

Around that time Eder announced to the Bremen house his interest in finally starting to send “consignments of tobacco,” that was received very well by Gruner & Rieke who nevertheless advised him to take care “in purchasing and selecting the tobacco on [his] side” to improve the

¹⁷⁰ Gruner & Rieke to Santiago M. Eder, January 28, 1871, Phanor James Eder Papers, Folder 9, Box 2.

¹⁷¹ Gruner & Rieke to Santiago M. Eder, November 29, 1873, Phanor James Eder Papers, Folder 11, Box 2.

¹⁷² Gruner & Rieke to Santiago M. Eder, January 30, 1874, Phanor James Eder Papers, Folder 19, Box 3.

¹⁷³ Gruner & Rieke to Santiago M. Eder, February 17, 1874, Phanor James Eder Papers, Folder 19, Box 3.

chances of realizing a good price.¹⁷⁴ By the end of April the merchants wrote from Bremen to thank Eder for the “44 bales tobacco kindly consigned to us,” deemed to be “generally speaking ... of pretty good condition in leaf as well as colors.”¹⁷⁵ The following month the Bremen house appeared expressing good news about the market for first class tobacco because they were “at a very favorable moment of our market, which after all [had] shown some improvement for really fine tobacco since beginning of this month.”¹⁷⁶

By mid-year, Gruner & Rieke encouraged Eder to keep sending them more tobacco consignments, arguing that “what we have seen and sold so far of your tobacco EM and SE, it ranges among the best brands of Palmira Tobacco,” and stating that “our market remains in very fair condition for Palmira Tobacco of superior quality.”¹⁷⁷ Four months had passed before the last letter from this house in the archive arrived in October 1874. From Bremen, Gruner & Rieke wondered why Eder had not sent more tobacco, while at the same time delivering the proceeds from the sales of the last EMC and SE tobacco still in their possession, not without first noting that “the mark EMC did not result as good as the former parcel of same mark,” and adding that “it does not appear likely to see prices advance shortly. Deficient parcels and ‘segunda’ tobacco are as neglected as before and difficult of sale.”¹⁷⁸

- Remscheid

As mentioned in the previous chapter, as a result of his friendship with Luis Fischer, Eder established a commercial relationship with the German firm Tillmans Hermanos that spanned over the course of almost two years. Fischer was Tillmans Hermanos’ commercial agent in Colombia, and he was behind an order of cloths Eder made from the catalogue of the Remscheid house that were

¹⁷⁴ Gruner & Rieke to Santiago M. Eder, March 30, 1874, Phanor James Eder Papers, Folder 19, Box 3.

¹⁷⁵ Gruner & Rieke to Santiago M. Eder, April 29, 1874, Phanor James Eder Papers, Folder 19, Box 3.

¹⁷⁶ Gruner & Rieke to Santiago M. Eder, May 30, 1874, Phanor James Eder Papers, Folder 19, Box 3.

¹⁷⁷ Gruner & Rieke to Santiago M. Eder, June 29, 1874, Phanor James Eder Papers, Folder 19, Box 3.

¹⁷⁸ Gruner & Rieke to Santiago M. Eder, October 30, 1874, Phanor James Eder Papers, Folder 20, Box 4.

to arrive to Buenaventura through Rodas y Otero.¹⁷⁹ In the said letter, it also appeared that Eder was to send two bales of quine for them to examine its quality. It took them five months to dispatch the mentioned order.¹⁸⁰ The rest of the correspondence from Tillmans Hermanos is about their inability to collect the money for orders made at the same time as that of Eder from other Caucan merchants, especially that of Escarpetta and Cuadros, and asked Eder to intervene on their behalf because Fischer was in Europe, which Eder actually accomplished. From what has been kept in the archive it remains unclear if Eder made more orders from the Remscheid house, but given that he did not do so for over a year, most probably he did not place further orders either.

- Lima and Callao

Most of the correspondence from Lima and Callao referred to a partnership Eder established with Theodor Schmidt. Schmidt was Eder's partner in the firm Santiago M. Eder & Co. in Buenaventura, a trading firm created in 1873 and closed in 1874, and the company under which Eder acted as commercial agent of HAPAG (Eder, 1959: 79). From the correspondence, it seemed that Schmidt lived in Lima by the early 1870s, where he also worked for the firm Huth, Grüning & Co., which sent Eder samples of felt and cotton but apparently did not develop business dealings with him.¹⁸¹ In Callao, Eder and Schmidt also solidified a partnership with Horatio Battle in the ownership of the steamer Elvira from the Pacific Steam Navigation Company (Eder, 1959: 80). Unfortunately, from the correspondence it is inferred that the boat suffered irreparable damage and the partnership lost the money invested in this venture.

From Lima Eder also received some personal correspondence from C. Koch, and a few business letters from Castillo Kast & Ca. in 1874. The latter appeared to be clearing some drafts for

¹⁷⁹ Tillmans Hermanos to Santiago M. Eder, November 4, 1872, Phanor James Eder Papers, Folder 9, Box 2.

¹⁸⁰ Tillmans Hermanos to Santiago M. Eder, April 3, 1873, Phanor James Eder Papers, Folder 11, Box 2.

¹⁸¹ Huth, Grüning & Co. to Theodor Schmidt, September 13, 1872, Phanor James Eder Papers, Folder 10, Box 11.

Eder, while also sending an order of hop Eder made through them to Santiago M. Eder & Co.¹⁸²

Two months later, Eder received acknowledgement of receipt of several bales of tobacco but mostly of coffee from the Lima house.¹⁸³ Without a doubt, this was the coffee that had created trouble to Eder with the Vogl Brothers and his other partners of the Cauca Valley Coffee Plantation (see above).

The vicissitudes of a globalizing world

As noted before, the correspondence in the archive for the first years of Eder's dealings in the Cauca River Valley ended in 1874. This was a period of crisis, not only for Eder, but also for his three brothers and other family spread through western South America. This was obviously not a coincidence, but rather particular individual cases that exemplified something that was happening on a global scale caused by the financial crisis of 1873.

The Franco-Prussian War, that as shown above was instrumental for the positioning of Colombian indigo in France, triggered economic depressions in several parts of the world economy. With the payment of the French indemnity of five billion francs to Germany in half the agreed time of five years established in the Treaty of Frankfurt of May 10 1871, inflation in Germany ballooned and a financial crisis was unleashed exactly two years after the signing of the treaty, on May 9 1873. The said indemnity sum amounted to one third of Germany's gross national product in 1871 (Foreman-Peck, 1995: 85). The crisis of 1873 quickly spread to Vienna, followed by London in less than a month, and it had only been three months when the American crisis broke, on September 19th. Soon afterwards, Italy, Holland and Belgium followed suit.

¹⁸² Castillo Kast & Ca. To Santiago M. Eder, April 11, 1874, Phanor James Eder Papers, Folder 19, Box 3.

¹⁸³ Castillo Kast & Ca. To Santiago M. Eder, June 11, 1874, Phanor James Eder Papers, Folder 19, Box 3.

The effects in South America were devastating. In Brazil, banks almost ceased lending, and in Argentina they actually did so. As seen above, this was also the case in Ecuador. According to Foreman-Peck (1995: 85), the link was to be found in the transportation revolution of the second half of the nineteenth century, when “transport improvements caused marked and unexpected price declines. The Suez Canal had been opened in 1869 and the railway system of the world had been rapidly extended.” Moreover, the impact on Latin America must have been pronounced if, like Foreman-Peck (1995: 86) argued, “the raw material producing countries suffered more from the recession than did economies specializing principally in manufactures” because “transport improvements more immediately affected their earnings.” This period of crisis was even known as the Great Depression until the crash of 1929 (Musson, 1959). In Colombia, the effects were so severe that tobacco cultivation diminished profusely, going from 23.3 percent of the country’s exports by the mid-1870s to a mere 1.2 percent in the early 1880s (Melo, 2015: 133). Kalmanovitz (1979: 306) dated the tobacco crisis in 1875, and declared that with the collapse of tobacco cities were found in decay and that not only the exporters, but also the regions and sectors linked to them were ruined.

Chapter Four: Coffee in the Cauca River Valley: an Idiosyncratic History

This chapter follows the same methodological strategy used in the previous one to explore Eder's international endeavors from the Colombian Cauca River Valley, for the years from 1882 until 1884 and from 1894 until 1901. The following pages show how over the years Eder's international undertakings evolved into a less diversified enterprise, compared to that of the first period both in terms of geography and products, respectively: mainly London, New York and Hamburg; and chiefly coffee, although also leather and some cocoa. From the analysis of his correspondence, it becomes clear that this export activity provided Eder with the resources to acquire and bring into the valley the sugar equipment that he would utilize during the following years to develop his industrial sugar complex. Eder's export undertakings also secured him large amounts of foreign currency that he used not only to credit his purveyors of machinery and other industrial implements, but also to amass the funds—mainly under his wife's name—that they would draw on after moving to New York City in 1901.

Again, a detailed account is offered regarding Eder's export business for a period defined as “maturity,” from 1882 until 1884, as well as for a period deemed as “consolidation” that goes from 1894 until 1901. From the analysis of the international correspondence for these two periods gathered in the *Phanor James Eder Papers*, I also elucidate how Eder almost exclusively developed business relationships based on kinship or on long acquaintances born of past referrals from people close to him. Evidence is also provided regarding the negative effects of the civil war of 1884-1885 (see Chapter One) on Eder's export business during the period of maturity. References to The War of a Thousand Days (see Chapter one) are also made explicit, an event that coincided with the end of the period called here “consolidation.”

Despite the vast disruptions that occurred all over Colombia because of the latter civil war, Eder seems to have been somehow lucky that the war did not affect the region comprised between Cali and Buenaventura at first. Eder's activities were concentrated in this area at the time, because he was transporting the sugar mill for his industrial sugar plantation. Undoubtedly, the war made the process more difficult, but the main challenges during the almost three years of the machinery's journey through the Western Colombian Andes had to do with transportation logistics.

Managing the international stakeholders: Maturity

There were only two houses from the first period that continued to have dealings with James Eder during the first half of the 1880's, the second period considered here: the firm of his brother David Eder in London, and H. Meyer Jr. & Co. from Hamburg. By this time, Eder's brother Phanor had relocated to London, and there was some correspondence from him as well. Furthermore, the company George L. Squier & Bro., from whom Eder acquired a mill in 1873 through Tracy & Co. of Connecticut, directed communications to him.

From Figure 4.1, it is clear that London lost preponderance in favor of New York, while Manchester and Bremen continued to show some importance relative to places like Hamburg. Other places, such as all of the French cities, disappeared altogether from the records.

Figure 4.1. Foreign correspondence, period 2, by city of provenance



Source: Phanor James Eder Papers. Key: A larger node reflects the relatively higher usage of the city of provenance.

The importance of London continued to rest on the fact that David M. Eder continued playing an important role in James Eder's dealings. New York's importance, for its part, does not correspond to a particular house or person, but rather to the existence of a group of people Eder initiated contact with sometime during the second half of the 1870's (Figure 4.2).

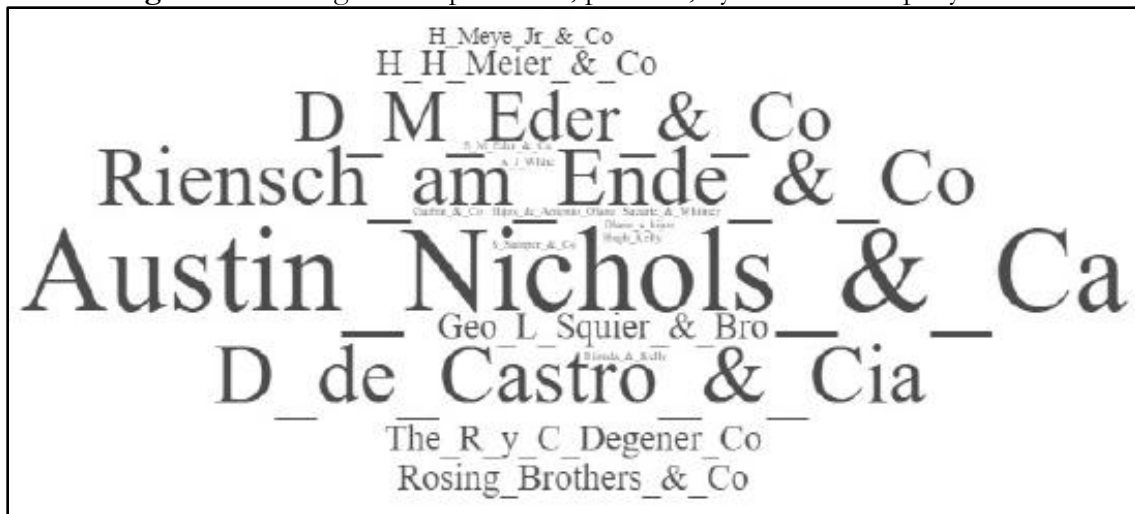
Figure 4.2. Foreign correspondence, period 2, by sender's name



Source: Phanor James Eder Papers. Key: A larger node reflects the relatively higher usage of the name of the sender.

When grouped by company of origin (Figure 4.3), it is clear that the individuals from New York belonged to a cluster of firms that became instrumental for Eder's endeavors. Chiefly among the latter are the firms Austin Nichols & Ca. and D. de Castro & Cia.

Figure 4.3. Foreign correspondence, period 2, by sender's company name



Source: Phanor James Eder Papers. Key: A larger node reflects the relatively higher usage of the name of the company of affiliation of the sender.

But before analyzing the new and apparently important dynamics played by the actors in New York on Eder's dealings, let us start by studying the last correspondence of the firm of his brother David M. Eder in London. As mentioned before, besides H. Meyer Jr. & Co. in Hamburg, D. M. Eder & Co. was the only stakeholder from the first period still communicating with Eder. Regarding the Hamburg house, given that there are only two communications from mid-1884, it would suffice to say that in those letters they were handing over some money collected on Eder's behalf to David M. Eder in London.¹⁸⁴ In addition, for the sake of order, a new actor of relevance from London, Rösing Brothers & Co. will also be examined before moving to the ones from New York, Manchester and Bremen.

David M. Eder

The initial communication for this period with the house of David Eder requested that Eder pay them a remaining balance due, after having covered some of Eder's expenses and letting him know

¹⁸⁴ H. Meyer Jr. & Co. to Santiago M. Eder, June 15, 1884, Phanor James Eder Papers, Folder 23, Box 4; and H. Meyer Jr. & Co. to Santiago M. Eder, June 28, 1884, Phanor James Eder Papers, Folder 23, Box 4.

his portion for the payment of his “life policy.”¹⁸⁵ One month later, D. M. Eder & Co. confirmed receipt of Eder’s remittances from Samuel Piza in Panamá with which they covered his “commission for the life insurance,” as well as a “mercantile insurance.”¹⁸⁶ Remittances from Piza arrived again the following month, and likewise in April, and once again in May. By July, Eder’s account current with D. M. Eder & Co. was “showing a balance in [his] favour,” from which the London house were paying the aforementioned insurances, and also the school fees of Eder’s eldest son, Charles J. Eder, who had recently moved to study in Lausanne.¹⁸⁷ For his part, Phanor M. Eder also wrote from London, and used the same business letterhead as D. M. Eder & Co. used in their correspondence, mostly dealing with personal issues, but at the same time confirming to Eder the remittances that were arriving to London from Samuel Piza of “£40 per month.”¹⁸⁸ There is no more correspondence in the archive from any of these two brothers of James M. Eder.

Rösing Brothers & Co.

On the first letter from this firm in the archive, Rösing Brothers & Co. let Eder know that his account current with them for the previous year was “showing a balance of £21.16 to our favour,” besides telling him that they have asked the Colombian Faustino Fajardo to hand him a payment from him in their favor, and sending him “our sundry market-reports.”¹⁸⁹ Two months later, Eder was paying his balance due, and sending the London house the money collected from Fajardo. As for the market report, which gives an idea of the kinds of products Eder had been trading with them before 1884, Rösing Brothers & Co. announced that “our produce-market is very dull at present for

¹⁸⁵ D. M. Eder & Co. to Santiago M. Eder, January 1, 1884, Phanor James Eder Papers, Folder 23, Box 4.

¹⁸⁶ D. M. Eder & Co. to Santiago M. Eder, February 1, 1884, Phanor James Eder Papers, Folder 23, Box 4.

¹⁸⁷ D. M. Eder & Co. to Santiago M. Eder, July 1, 1884, Phanor James Eder Papers, Folder 23, Box 4.

¹⁸⁸ Phanor M. Eder to Santiago M. Eder, March 17, 1884, Phanor James Eder Papers, Folder 23, Box 4. Notice that at the time, even his brothers were calling James, Santiago, as he became famed in Colombia.

¹⁸⁹ Rösing Brothers & Co. to Santiago M. Eder, January 17, 1884, Phanor James Eder Papers, Folder 23, Box 4.

all your articles, such as Tobacco, Coffee, Cocoa (other kinds of Cocoa are in demand, but Cauca quality is not wanted here) and Rubber, as you will see from our to-day's Revista."¹⁹⁰ There are no more correspondence from this house for this period, but it is worth noticing that during the third period this firm played a critical role among Eder's international stakeholders (see below).

Austin, Nichols & Co.

The correspondence from Austin, Nichols & Co. in New York constitutes the best example of a company that wanted to start a business relationship with Eder but which did not prosper, most probably because they were not acquainted, as it is established that there is not a single crossed reference of this house from the information kept on the archive. Nevertheless, this is the house from where most correspondence arrived to Eder from the city of New York for this period.

In May 1883, Austin, Nichols & Co. approached James Eder by correspondence to offer him their more than thirty years of experience in the New York market providing their services as producers, packers and owners of their own flour mills, in addition to possessing a vast shop for direct sales to the costumers.¹⁹¹ The New York house sent five communications like the said one throughout most of 1883, and finally, in early 1884, a two way communication began between Eder and Enrique T. Martin, director of the export department at the New York house. However, in his only reply letter to them, Eder seemed to have told them that the business environment in Colombia was not on its best shape due to the nascent civil war that took place between 1884 and 1885 (see Chapter One).¹⁹² By the end of April the New York house had not received any consignment from Eder, but are advising him not to send rubber because the market for that product was severely depressed, but at the same time encouraging him to send leather because the market is very active

¹⁹⁰ Rösing Brothers & Co. to Santiago M. Eder, March 15, 1884, Phanor James Eder Papers, Folder 23, Box 4.

¹⁹¹ Austin, Nichols & Co. to Santiago M. Eder, May 21, 1883, Phanor James Eder Papers, Folder 2, Box 5.

¹⁹² Enrique T. Martin to Santiago M. Eder, February 4, 1884, Phanor James Eder Papers, Folder 23, Box 4.

and demand high and they expressed they had no doubt the high prices would continue for the rest of the year.¹⁹³ Yet, by the end of the summer of 1884, Austin, Nichols & Co. were once again asking Eder to favor them with his products, chiefly leather that apparently was still in high demand; besides, they were letting Eder know that two merchant houses from that city had gone bankrupt due to their speculations in sugar and molasses.¹⁹⁴ In the last letter from that house, they asked Eder (most probably for the last time) to send them his products, especially leather once more, but the evidence indicated that such dealings never took place.¹⁹⁵

D. M. Piza

In early 1882, Eder initiated contact with D. M. Piza, a general commission merchant established in New York City since 1874, with whom Eder dealt during the mid-1880s and from whom he received market reports as he had before from other business associates in Europe and America. D. M. Piza must have been a relative of Samuel Piza, a Panamanian merchant who dealt extensively with Eder and who had a partnership with D. Lindo, who in turn must have been a relative of Joshua J. Lindo, who some years later would be the father-in-law of Eder's youngest son, Phanor J. Eder. In the 1882 letter, Piza enquired if Eder could "extend [Eder's] consignments to [Piza's] care to an average of about \$1,000 monthly" so he could charge him half his regular commission of 5 percent.¹⁹⁶ It can therefore be inferred that Eder and Piza had been doing business from before 1882, while also giving a better idea of the scale of Eder's dealings in New York. However, by early 1884 Piza communicated with Eder because since October of the previous year he had been "without [his] valued favors to refer to," but he had just received from Ruiz & Sarria of Buenaventura the shipping documents of 37 slices of sundries and ten bales of cocoa from Eder's

¹⁹³ Enrique T. Martin to Santiago M. Eder, April 28, 1884, Phanor James Eder Papers, Folder 23, Box 4.

¹⁹⁴ Enrique T. Martin to Santiago M. Eder, August 11, 1884, Phanor James Eder Papers, Folder 23, Box 4.

¹⁹⁵ Enrique T. Martin to Santiago M. Eder, September 19, 1884, Phanor James Eder Papers, Folder 23, Box 4.

¹⁹⁶ D. M. Piza to Santiago M. Eder, April 30, 1882, Phanor James Eder Papers, Folder 23, Box 4.

account, which sales would be added to a balance already in Eder's favor.¹⁹⁷ But the cocoa was not good enough, and "would have been disposed of at a fair rate, were the quality better."¹⁹⁸

From a letter dated February 1884, it is clear that as he did in the 1870's with the help of M. Pérez & Obarrio also in New York, Eder prioritized staying informed about the market and the new tendencies. In said letter, D. M. Piza informed Eder about his subscriptions "to *Harper's Monthly Magazine* and the *New York Weekly Herald*, for one year."¹⁹⁹ As was the case with the only communication Eder sent to Austin, Nichols & Co., because of the civil war of 1884-1885, by the end of March Eder elucidated D. M. Piza that the situation in Colombia was not good, to which the latter could "only hope that a favorable change may soon take place, and enable you to favor me with some consignments of your produce, which will at all times meet with prompt and careful attention."²⁰⁰ In the said letter, Piza also confirmed Eder's subscriptions to the two aforementioned publications, in addition to a subscription to *Harper's Bazaar*. But by the end of May, the New York house again received consignments of sundries from Eder, most probably leather, while sending a balance in his favor to D. de Castro & Cia., with whom Eder also did business in that city (see below).²⁰¹ In the last letter from this house in the archive, D. M. Piza and D. Lindo informed Eder that they were sending the earnings from the sundries to José R. García in Buenaventura (see above) "as you desired," and they regretted to "have been disappointed in getting off" some articles Eder was purchasing, including a "machine oil" and "iron barrels."²⁰²

¹⁹⁷ D. M. Piza to Santiago M. Eder, January 8, 1884, Phanor James Eder Papers, Folder 23, Box 4.

¹⁹⁸ D. M. Piza to Santiago M. Eder, January 31, 1884, Phanor James Eder Papers, Folder 23, Box 4.

¹⁹⁹ D. M. Piza to Santiago M. Eder, February 7, 1884, Phanor James Eder Papers, Folder 23, Box 4.

²⁰⁰ D. M. Piza to Santiago M. Eder, April 18, 1884, Phanor James Eder Papers, Folder 23, Box 4.

²⁰¹ D. M. Piza to Santiago M. Eder, May 29, 1884, Phanor James Eder Papers, Folder 23, Box 4.

²⁰² D. M. Piza to Santiago M. Eder, July 10, 1884, Phanor James Eder Papers, Folder 23, Box 4.

D. de Castro & Cia.

The first letter from the D. de Castro & Cia. presented this house as a broker for Eder's bills from London into dollars, a service for which the New York agents charged 1/8 percent.²⁰³ Like D. M. Piza, D. de Castro & Cia. were also acquainted with José Ramón García, to whom they were sending merchandise, tar among them,²⁰⁴ for Eder in March 1884.²⁰⁵ On the same day, D. M. Piza sent a bill to D. de Castro & Cia. (see above), the latter also sent Eder acknowledgment of receipt of the said bill, which suggested how promptly this house communicated their financial movements.²⁰⁶ Other than the above, there is nothing to add from the correspondence from this house, and unfortunately no more correspondence remained from them in the records archived.

The secondary New Yorkers

Apart from the three houses previously studied, the records contained some scant correspondence from other people and firms in New York City, and given their prevalence, they are gathered together. The first firm in this group, The R y C Degener Co., wrote to Eder to thank him for having hosted and assisted Mr. Rudolf Degener in his voyage to Palmira, and in turn offered their services in that city. Another New York firm worth mentioning, Geo. L. Squier & Bro., revealed above when they provided a sugar mill to Eder in 1873 through Tracy & Co., nine years later, in 1882, sent Eder some "rollers,"²⁰⁷ an invoice to Eder through Ruiz in Buenaventura for the expenses of the reparations to some machinery,²⁰⁸ and acknowledged receipt of their payment through Piza in

²⁰³ D. de Castro & Cia. to Santiago M. Eder, February 6, 1884, Phanor James Eder Papers, Folder 23, Box 4.

²⁰⁴ D. de Castro & Cia. to Santiago M. Eder, April 23, 1884, Phanor James Eder Papers, Folder 23, Box 4.

²⁰⁵ D. de Castro & Cia. to Santiago M. Eder, March 7, 1884, Phanor James Eder Papers, Folder 23, Box 4; D. de Castro & Cia. to Santiago M. Eder, May 7, 1884, Phanor James Eder Papers, Folder 23, Box 4; and D. de Castro & Cia. to Santiago M. Eder, July 18, 1884, Phanor James Eder Papers, Folder 23, Box 4.

²⁰⁶ D. de Castro & Cia. to Santiago M. Eder, May 29, 1884, Phanor James Eder Papers, Folder 23, Box 4.

²⁰⁷ Geo. L. Squier & Bro. to Santiago M. Eder, January 17, 1882, Phanor James Eder Papers, Folder 1, Box 5.

²⁰⁸ Geo. L. Squier & Bro. to Santiago M. Eder, April 6, 1882, Phanor James Eder Papers, Folder 1, Box 5.

New York.²⁰⁹ Finally, Adolph Price, an American merchant who moved to the Cauca River Valley before Eder (see Chapter Two), appeared writing to Eder from New York City in 1884, apparently tied to the company of H. H. Brockway, called Ashland House. However, the first letter displayed a personal nature, letting Eder know how “bewildering” it was to arrive to New York “when you first come from Cali,” and noting how happy he was “without being obliged to return to the Cauca.”²¹⁰ A month and a half later, Price sent a letter to José Ramón García subsequently forwarded to Eder, asking García about the business environment in Cauca, although he expressed he was convinced it could not improve.²¹¹

In the last letter signed by Price from abroad, sent to Eder by the end of the summer from a beach sojourn Price enjoyed in Long Branch, “the Brighton of New York,” he appeared asking again for the situation in Cauca expecting “to hear that it will go better from day to day,” and acknowledging the passing away of A. Blum (see Chapter Two), for whom he had “always pronosticated a sudden death” and adding that “by appearance your lawsuit with him ought to have ended with his death,” although he was “very much afraid that Ernesto the son of his father will follow his footsteps.”²¹² It is worth remembering that Eder and Blum had several conflicts, which even led them to pass the hacienda La Rita with its coffee plantation from one hand to the other during the course of the first half of the 1880’s (see above).

²⁰⁹ Geo. L. Squier & Bro. to Santiago M. Eder, September 5, 1882, Phanor James Eder Papers, Folder 1, Box 5.

²¹⁰ Adolfo Price to Santiago M. Eder, May 20, 1884, Phanor James Eder Papers, Folder 23, Box 4.

²¹¹ Adolfo Price to José R. García, July 9, 1884, Phanor James Eder Papers, Folder 22, Box 4.

²¹² Adolfo Price to Santiago M. Eder, September 9, 1884, Phanor James Eder Papers, Folder 23, Box 4.

Manchester - Riensch am Ende & Co.

From Manchester, Eder imported cloth from Riensch am Ende & Co., from a list of products managed by Ramón Mercado.²¹³ In said letter, from early 1884, it is also understood that the Manchester house sent a market report as well. By March, Eder received a list of the numerous textile products he ordered from Riensch am Ende & Co.²¹⁴ Apparently, Eder's import activities were still solid, at least with respect to fabrics and other dry and yard goods.

Bremen – H. H. Meier & Co.

The only house from Bremen with which Eder had dealings during the second period considered here was the firm H. H. Meier & Co. There was a letter from that house from the first period, back in 1874, in which they acknowledged receipt of a letter from Eder apparently asking them to establish a business relationship with them. Eder obtained references about that house from the company Koppel & Shrader of Bogotá, to whom Eder apparently requested an introduction to their business acquaintances in the German city.²¹⁵ In the letter from Bremen the conditions for dealing with them were stated, and they expressed their interest in good quality Palmira Tobacco.²¹⁶ However, since the correspondence for the following years was nonexistent, it is impossible to know with certainty when Eder and H. H. Meier & Co. actually started their business relationship.

Notwithstanding, in early 1884, a letter from the Bremen house acknowledged receipt of a consignment of tobacco from Eder from January 11th, which apparently Eder asked to be sold at any price, most probably because he continued to experience quality issues.²¹⁷ By April the Bremen

²¹³ Riensch am Ende & Co. to Santiago M. Eder, January 4, 1884, Phanor James Eder Papers, Folder 23, Box 4.

²¹⁴ Riensch am Ende & Co. to Santiago M. Eder, March 1, 1884, Phanor James Eder Papers, Folder 23, Box 4.

²¹⁵ Koppel & Shrader to Santiago M. Eder, March 9, 1874, Phanor James Eder Papers, Folder 13, Box 2.

²¹⁶ H. H. Meier to Santiago M. Eder, June 29, 1874, Phanor James Eder Papers, Folder 19, Box 3.

²¹⁷ H. H. Meier to Santiago M. Eder, March 1, 1884, Phanor James Eder Papers, Folder 23, Box 4.

house sold the last seven bales of Eder's tobacco at a very poor price, and announced to Eder that the prices for Colombian tobacco were very depressed, and demand low. They also announced that the coffee process remained stable and that leather had returned to enjoy more demand.²¹⁸ In the last letter from that house, from mid-1884, Eder was informed that the prices for Palmira tobacco were extremely low and that there was no demand for that product, and the prices of coffee were also running low. Eder, for his part, apparently communicated to them in his previous letter that exporting from Cauca was at the time a very challenging enterprise, somehow indicating that the business between the two houses were ending. This concludes the analysis of the short second period of correspondence preserved by the archive.

Managing the international stakeholders: Consolidation

As mentioned before, there is one house from the second period that becomes critical during this third period, defined as the consolidation period of Eder's endeavors: Rösing Brothers & Co., from London. This period is labeled as "consolidation" because, as it becomes clear from Figures 4.4-4.6, by the third period, Eder's international businesses had consolidated into dealings with a few houses in a few cities, in contrast with the beginnings, when dispersion and diversification were more the rule than the new concentration exhibited below.

It is also worth noting that Eder's nephew Martin Reinberg, absent from the correspondence for the second period but crucial during the first one, is an active actor again, only that this time he appears writing from Hamburg, where he must have relocated (Figure 4.5-4.6).

From Figure 4.4, it is clear that London acquired prominence once again, followed by New York, that continued to be relevant, and to some degree by Hamburg and Paris. Other cities that

²¹⁸ H. H. Meier to Santiago M. Eder, April 15, 1884, Phanor James Eder Papers, Folder 23, Box 4.

were important before, like Manchester and Bremen, lost preponderance. And, although incipient, other places like Granada in Nicaragua acquired an emergent presence in the records.

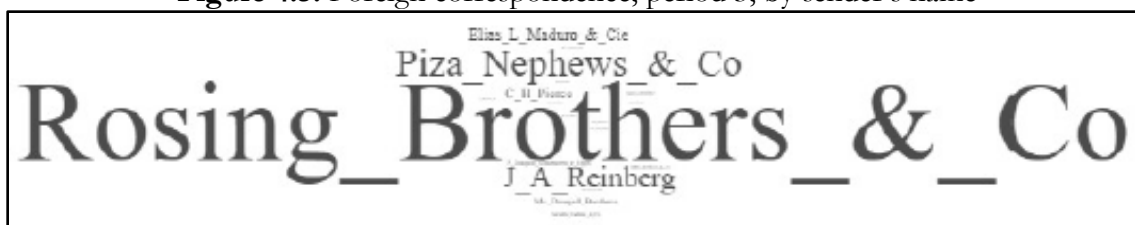
Figure 4.4. Foreign correspondence, period 3, by city of provenance



Source: Phanor James Eder Papers. Key: A larger node reflects the relatively higher usage of the city of provenance.

London continued to be the main foreign remitter of correspondence for Eder, but this time not because of his brothers, but almost exclusively because the company Rösing Brothers & Co. was located there (Figure 4.5). The importance of New York is due to the evolution of a firm from the second period, D. M. Piza, only that this time business was conducted by his nephews (Figure 4.5).

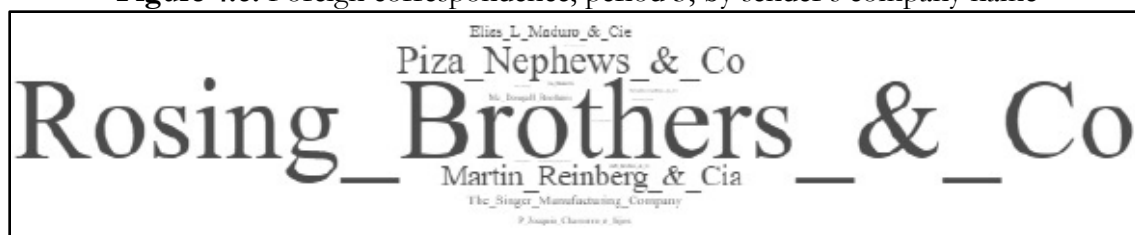
Figure 4.5. Foreign correspondence, period 3, by sender's name



Source: Phanor James Eder Papers. Key: A larger node reflects the relatively higher usage of the name of the sender.

In Figure 4.5, Eder's nephew J. A. Reinberg appeared as a new actor. He worked with his brother, the aforementioned Martin Reinberg, in the city of Hamburg (Figure 4.6).

Figure 4.6. Foreign correspondence, period 3, by sender's company name



Source: Phanor James Eder Papers. Key: A larger node reflects the relatively higher usage of the name of the company of affiliation of the sender.

London: Rösing Brothers & Co.

The first letter from Rösing Brothers & Co. in the archive for this period was dated January 1894, and the vast majority of the letters for the third period came from that year and from 1901, with very scant correspondence for the years between. In said letter, the London merchants were letting Eder know that they had sold his 76 coffee bags of very good quality in an auction where nearly 1,000 bags of Colombian coffee were placed.²¹⁹ In addition, the London house told Eder that another 68 of his bags were still to be sold. In said letter, Rösing Brothers & Co. also expressed they expected the prices to improve, since news from Brazil indicated that the harvest would be inferior to what had been forecasted.

Two weeks later, Rösing Brothers & Co. received another shipment of 160 coffee bags, and gave Eder news about the remaining 68 bags, which were sold at a lesser price because the coffee was humid. The London merchants believed the cause, not only for Eder but also for other farmers in Cauca, was not due to packaging or transportation issues but rather to the fact that they were not paying enough attention to the coffee beans' drying process.²²⁰ Also, according to that letter, in the latest auction some 700 bags of Colombian coffee were traded. Eder's participation in the London

²¹⁹ Rösing Brothers & Co. to Santiago M. Eder, January 16, 1894, Phanor James Eder Papers, Folder 25, Box 4.

²²⁰ Rösing Brothers & Co. to Santiago M. Eder, January 30, 1894, Phanor James Eder Papers, Folder 25, Box 4.

market for Colombian coffee seemed then to be of relative importance, given the quantity traded in the auctions.

By the end of February 1894, Eder had sent another 88 bags of coffee, while Rösing Brothers & Co. had finished selling the previous consignment.²²¹ Two weeks later, the London house reported sales of part of the newly received bags, but they insisted on the importance of good drying in order to achieve better prices.²²² Still an additional 66 bags arrived in March, by which time the previous consignments had already been sold.²²³

Eder's coffee shipments continued for the remainder of the year, although some presented humidity issues, as clarified here: 40 bags in April;²²⁴ 40 bags in May,²²⁵ when some 2,000 Colombian bags were auctioned by the beginning of the month and around 1,200 by month's end;²²⁶ 50 bags in June;²²⁷ 50 bags in early July and 20 more in late July;²²⁸ 86 bags in August of excellent quality, when higher prices were achieved and some 1,500 Colombian bags were sold at an auction (at the time the daily arrivals from Brazil totaled between 25,000 and 30,000 bags);²²⁹ 30 bags in September sold at

²²¹ Rösing Brothers & Co. to Santiago M. Eder, February 27, 1894, Phanor James Eder Papers, Folder 25, Box 4.

²²² Rösing Brothers & Co. to Santiago M. Eder, March 13, 1894, Phanor James Eder Papers, Folder 25, Box 4.

²²³ Rösing Brothers & Co. to Santiago M. Eder, March 24, 1894, Phanor James Eder Papers, Folder 25, Box 4.

²²⁴ Rösing Brothers & Co. to Santiago M. Eder, April 24, 1894, Phanor James Eder Papers, Folder 25, Box 4.

²²⁵ Rösing Brothers & Co. to Santiago M. Eder, May 9, 1894, Phanor James Eder Papers, Folder 25, Box 4.

²²⁶ Rösing Brothers & Co. to Santiago M. Eder, May 9, 1894, Phanor James Eder Papers, Folder 25, Box 4; and Rösing Brothers & Co. to Santiago M. Eder, May 22, 1894, Phanor James Eder Papers, Folder 25, Box 4.

²²⁷ Rösing Brothers & Co. to Santiago M. Eder, June 19, 1894, Phanor James Eder Papers, Folder 25, Box 4.

²²⁸ Rösing Brothers & Co. to Santiago M. Eder, July 3, 1894, Phanor James Eder Papers, Folder 25, Box 4; and Rösing Brothers & Co. to Santiago M. Eder, July 31, 1894, Phanor James Eder Papers, Folder 25, Box 4.

²²⁹ Rösing Brothers & Co. to Santiago M. Eder, August 14, 1894, Phanor James Eder Papers, Folder 25, Box 4; Rösing Brothers & Co. to Santiago M. Eder, August 28, 1894, Phanor James Eder Papers, Folder 25, Box 4; and Rösing Brothers & Co. to Santiago M. Eder, August 31, 1894, Phanor James Eder Papers, Folder 25, Box 4.

the upper extreme price in an auction, while from September 5th until September 11th some 2,500 Colombian coffee bags were placed;²³⁰ 34 bags in October,²³¹ and 22 bags in November.²³²

As for the proceeds of the coffee sales, by mid-1884, Rösing Brothers & Co. shared with Eder that they were sending a bill for £500 to New York, to the account of Piza Nephews & Co. (see below), most probably to cover Eder's balance with that house.²³³ Again, two months later they sent another remittance of £500 to New York.²³⁴ In August, Rösing Brothers & Co. forwarded money to M. D. Eder in London.²³⁵ By the end of September the London house was sending remittances on behalf of Eder to Mauricio Lindo & Co. in Panamá.²³⁶ And by the end of October, Rösing Brothers & Co. sent remittances directly to the Panamanian firm Piza, Lindo & Co.²³⁷

Besides the transactional information about coffee sales and money remittances, Rösing Brothers & Co. also sent Eder market information, like others before them, not just about coffee but also about the markets of cocoa, leather and at times tobacco, as well as the quantities auctioned of such products from Colombian origin. Although the correspondence only included detailed information about the coffee dealings, it seemed likely that in 1883 Eder had sent some tobacco,²³⁸ and based on the market reports, he may also have previously sent leather and cocoa.

²³⁰ Rösing Brothers & Co. to Santiago M. Eder, September 11, 1894, Phanor James Eder Papers, Folder 25, Box 4.

²³¹ Rösing Brothers & Co. to Santiago M. Eder, October 23, 1894, Phanor James Eder Papers, Folder 25, Box 4.

²³² Rösing Brothers & Co. to Santiago M. Eder, November 20, 1894, Phanor James Eder Papers, Folder 25, Box 4.

²³³ Rösing Brothers & Co. to Santiago M. Eder, June 5, 1894, Phanor James Eder Papers, Folder 25, Box 4.

²³⁴ Rösing Brothers & Co. to Santiago M. Eder, July 31, 1894, Phanor James Eder Papers, Folder 25, Box 4.

²³⁵ Rösing Brothers & Co. to Santiago M. Eder, August 17, 1894, Phanor James Eder Papers, Folder 25, Box 4. M. D. Eder must refer to Eder's nephew Montague David Eder, son of David M. Eder.

²³⁶ Rösing Brothers & Co. to Santiago M. Eder, September 25, 1894, Phanor James Eder Papers, Folder 25, Box 4. Mauricio Lindo must have also been a relative of Joshua J. Lindo, an in law James M. Eder.

²³⁷ Rösing Brothers & Co. to Santiago M. Eder, October 23, 1894, Phanor James Eder Papers, Folder 25, Box 4.

²³⁸ Rösing Brothers & Co. to Santiago M. Eder, January 16, 1894, Phanor James Eder Papers, Folder 25, Box 4.

From December 1894 until Christmas Day 1900, there was only one letter from Rösing Brothers & Co. in the archive, from September 1896. In that communication, the London house replied to a letter from Eder dated earlier that month in which Eder informed them about the favorable prospects of his business endeavor with Carl Hauer Simmonds regarding the steamboat navigation on the Cauca River (see Chapter Two): “The news of the steamer ‘Cauca’ you give is certainly anything but satisfactory”.²³⁹ The London house also acknowledged “consignment of 129 Bags Coffee and 59 Hides,” and on their market report they express “there was a brisk competition for all fine qualities [of coffee], particularly for Columbians, which fetched higher prices.” Finally, informed Eder of a shipment they sent for him, something absent from the 1894 correspondence, of “2 cases dispatched to the consignment of Mr Francisco Menotti, Buenaventura,” one of the cases containing “three Ox Collars ... rather large for mule transport.”

On December 24th, 1900, the London merchants seemed well aware of the civil war that had been developing for almost three years in Colombia, The War of a Thousand Days (see Chapter One), and apparently wrote because “news has come to hand ... about the revolution there, to the effect that the Government has gained a victory.”²⁴⁰ Apparently they were ready to resume business because they were “advised that Buenaventura is now open again, and are consequently ordering the goods we have on order for you to the port for shipment.” Worth noting, at that time Eder was about to inaugurate his modern sugar mill, and must have been in need of implements. The said order should have been made a long time before, because “the Inguinal Trusses ... are no longer made.” Most probably because of the war, some orders may have gotten lost because “with regard to your Insurance Claim for the lost Vacuum Pan, negotiations are still proceeding with the

²³⁹ Rösing Brothers & Co. to Santiago M. Eder, September 22, 1896, Phanor James Eder Papers, Folder 26, Box 4.

²⁴⁰ Rösing Brothers & Co. to Santiago M. Eder, December 24, 1900, Phanor James Eder Papers, Folder 3, Box 5.

underwriters.” And respecting the transportation of the machinery from Buenaventura to Palmira, the said letter indicated that some parts got lost due to the difficulties of the terrain: “We also trust shortly to be in a position to give you some definite news as to your claim for Salvage Charges on the pieces that fell over the precipice on the road.” On top of that, the London house expressed that “respecting our markets, we have, unfortunately very bad news to give all round to-day.”

From January 1901, and for the remainder of that year, the communications from that house followed a similar ilk to those of 1894, including accounts of Eder’s consignments, although the quantities were much higher as well as detailed market reports. However, markedly different were the orders he made through the London merchants, which were related to his sugar equipment and business, and rather often. In January, among others, Rösing Brothers & Co. sent drafts to Martin Reinberg & Co. in Hamburg (see below), and to M. D. Eder in London.²⁴¹ They also expressed being “very pleased to hear that the Sugar Machinery has escaped uninjured and that now practically everything has been brought in” as Eder must have expressed given that on January 1 he officially inaugurated that mill. Besides, they acknowledged receipt of 29 bags of cocoa from Eder, as well as 700 hides, while also noting “the different produce you have on hand for us, and trust that you will soon be able to get it safely off to the port.” Additionally, Eder had placed orders for more goods and machinery: “your order for a Crane Weighing Machine to weigh up to 2 tons ... we trust to advise you of shipment of same very shortly;” and “the goods we have on order for you at present are being shipped by the ‘William Cliff’ sailing this week.” That same letter showed that in 1901 Eder also subscribed to a publication called ‘Sugar.’

Regarding sugar, by March, Eder received a note from the London house stating that “it is very satisfactory to note that you are turning out such good sugar and do not experience much

²⁴¹ Rösing Brothers & Co. to Santiago M. Eder, January 8, 1901, Phanor James Eder Papers, Folder 3, Box 5.

difficulty in selling it.”²⁴² They confirmed that his orders of “cotton sugar bags, Hydrochloric Acid &c. are nearly all ready.” In April, Eder ordered “gauge Glasses and Peon Books.”²⁴³ One month later, the London house expressed they were “extremely pleased to hear that your Centrifugal sugar has proved such a success,” while thanking him “for the drawing of your Sugar Factory for insurance purposes.”²⁴⁴ In said letter, Eder had also ordered “Iron Cart Wheels and axles.” In addition, Eder seemed to have informed them of the good news that the civil war was finally over “in your part of the country and in Antioquia.” Two weeks later, the London house had received a new order for “Sugar boxes, Pressure-gauge rings, wheels and oil.”²⁴⁵ In October Eder appeared ordering more implements, such as “24 Iron Cart Wheels and 12 Axles,” as well as belts, lanterns packing and a vice.”²⁴⁶

In 1902 Eder also seemed to have continued to export coffee in large amounts, both from his own production as well as from others, as attested in a correspondence from Rösing Brothers & Co.: “We are very pleased to note that you have over 500 bales of coffee ready to come forward to us, as well as 200 A.E.B. from Antioquia. We are glad to say that this coffee is very much liked here.” The same went for the hide trade: “It is very gratifying for us to note that you have still over 1300 hides ready to go forward for shipment to us.”²⁴⁷ Also, by May of that year the London merchants had “disposed of 227 bags of your coffee,” which “were only paid because very little has lately come forward from Columbia.”²⁴⁸ Hides, although still in good demand, “especially for the heavy ones,” experienced a complete national embargo because of the war, which the London

²⁴² Rösing Brothers & Co. to Santiago M. Eder, March 19, 1901, Phanor James Eder Papers, Folder 3, Box 5.

²⁴³ Rösing Brothers & Co. to Santiago M. Eder, April 16, 1901, Phanor James Eder Papers, Folder 3, Box 5.

²⁴⁴ Rösing Brothers & Co. to Santiago M. Eder, May 14, 1901, Phanor James Eder Papers, Folder 3, Box 5.

²⁴⁵ Rösing Brothers & Co. to Santiago M. Eder, May 28, 1901, Phanor James Eder Papers, Folder 3, Box 5.

²⁴⁶ Rösing Brothers & Co. to Santiago M. Eder, October 1, 1901, Phanor James Eder Papers, Folder 3, Box 5.

²⁴⁷ Rösing Brothers & Co. to Santiago M. Eder, January 22, 1901, Phanor James Eder Papers, Folder 3, Box 5.

²⁴⁸ Rösing Brothers & Co. to Santiago M. Eder, May 28, 1901, Phanor James Eder Papers, Folder 3, Box 5.

merchants were “distressed to hear.”²⁴⁹ However, in the last letter from this firm in the archive, Rösing Brothers & Co. were “glad to read your, on the whole satisfactory, report about the revolution.”²⁵⁰

New York: Piza Nephews & Co.

As already mentioned, Eder held conversations with the house Piza Nephews & Co. of New York, the successors of D. M. Piza (see previous chapter), during the last period considered here, chiefly during 1897 and about financial issues. With them, Eder was crediting \$500 in his wife’s name in New York, while also crediting Joaquín Chamorro & Hijos of Granada, Nicaragua, and two more people never before mentioned in the correspondence.²⁵¹ In January 1897, from the New York house they sent an invoice for goods Eder’s son Henry J. Eder had bought in that city and which would then be dispatched to Buenaventura.²⁵² They kept sending drafts to Chamorro in Nicaragua in January 1897, as well as others to London. In February they deposited an additional \$500 in New York under Lizzie Eder, and \$419.40 more under Henry J. Eder, but were waiting for a remittance from Chamorro to cover the mentioned draft which got contested.²⁵³

Later that month, it was made clear that Piza Nephews & Co. had a consignment of coffee from Eder to be sold in that market, but the moment was not the best one for selling: “Our Coffee market has not improved, we regret to say, great dullness still prevailing, but we continue on the alert and shall not fail to avail ourselves of the first favorable offer that presents itself to dispose

²⁴⁹ Rösing Brothers & Co. to Santiago M. Eder, September 3, 1901, Phanor James Eder Papers, Folder 3, Box 5.

²⁵⁰ Rösing Brothers & Co. to Santiago M. Eder, October 29, 1901, Phanor James Eder Papers, Folder 3, Box 5.

²⁵¹ Piza Nephews & Co. to Santiago M. Eder, December 30, 1896, Phanor James Eder Papers, Folder 26, Box 4.

²⁵² Piza Nephews & Co. to Santiago M. Eder, January 19, 1897, Phanor James Eder Papers, Folder 26, Box 4.

²⁵³ Piza Nephews & Co. to Santiago M. Eder, February 9, 1897, Phanor James Eder Papers, Folder 26, Box 4.

your small parcel.”²⁵⁴ A month later the New York house once again drafted \$500 to Lizzie Eder’s account, among other drafts of lesser amounts, and regarding the coffee market, they were expressing the same had “declined again within the last weeks and we have been unable to obtain a fair bid for your parcel.”²⁵⁵ By the end of that month the situation remained unchanged, and “your coffee is still unsold, our market is dull and declining, in sympathy with those of Europe.”²⁵⁶ By May the coffee market was still depressed due to the “reports of large crops in Brazil,” and hence they were “holding on to your parcel in the hope that a favorable turn may soon take place.”²⁵⁷

The deposits in favor of Lizzie Eder continued, as well as some for Eder’s relative Michael Meyendorff, and others credited to one of Eder’s daughters, Fanny Eder. In June, Piza Nephews & Co. still regretted “having not favorable news to give you regarding our coffee market.”²⁵⁸ At the end of June, they finally recovered “the amount of the contested draft” in Nicaragua, and credited Lizzie Eder with over \$2,500, \$500 to Fanny Eder and other amounts to Meyendorff and others.²⁵⁹ \$1,000 more were credited to Lizzie Eder in July,²⁶⁰ and in the last letter in the archive from this house Eder’s was informed that his coffee finally sold and was “delivered to Mrs. Kunhardt & Co. here, in accordance with your instructions.”²⁶¹ This concluded the correspondence from Piza Nephews & Co., showing how tight the coffee market was in New York during all of 1897.

²⁵⁴ Piza Nephews & Co. to Santiago M. Eder, February 19, 1897, Phanor James Eder Papers, Folder 26, Box 4.

²⁵⁵ Piza Nephews & Co. to Santiago M. Eder, March 19, 1897, Phanor James Eder Papers, Folder 26, Box 4.

²⁵⁶ Piza Nephews & Co. to Santiago M. Eder, March 29, 1897, Phanor James Eder Papers, Folder 26, Box 4.

²⁵⁷ Piza Nephews & Co. to Santiago M. Eder, May 7, 1897, Phanor James Eder Papers, Folder 26, Box 4.

²⁵⁸ Piza Nephews & Co. to Santiago M. Eder, June 18, 1897, Phanor James Eder Papers, Folder 26, Box 4.

²⁵⁹ Piza Nephews & Co. to Santiago M. Eder, June 30, 1897, Phanor James Eder Papers, Folder 26, Box 4.

²⁶⁰ Piza Nephews & Co. to Santiago M. Eder, July 19, 1897, Phanor James Eder Papers, Folder 26, Box 4.

²⁶¹ Piza Nephews & Co. to Santiago M. Eder, October 29, 1897, Phanor James Eder Papers, Folder 26, Box 4.

Hamburg: Martin Reinberg & Cia.

From the multinational offices in Hamburg of Eder's nephew Martin Reinberg's company, the former received correspondence for this period beginning in late 1895, when the Hamburg house acknowledged receipt of a "consignment of J. L. 38 bags Coffee."²⁶² Henceforth, Eder also sent coffee from other producers to Germany. In said letter, Martin Reinberg & Cia. also credited Eder for the sales of previous coffee and cocoa shipments he must have sent in 1895. However, a few days later, the Hamburg merchants insisted "your cocoa is not too high priced for Germany."²⁶³ The following year Eder's coffee seemed to have been sold solidly since the Hamburg house "were very much pleased to see that you were well satisfied with the sale of the 38 bags," but noted that "since then, as you know, price for all classes of coffee has declined, still, we believe we can always do better for you here than you can do anywhere else."²⁶⁴ They furthermore asked him, "please don't forget to consign us also some hides ... and also rubber, both of which we can also place very well here." In a memorandum sent from J. A. Reinberg to his cousin Henry, the son of James Eder who at the time was visiting New York, the former appeared asking the latter whether he had any cocoa, adding that "the Cauca cocoa sells very high here," which contrasted with what Eder heard from Rösing Brothers & Co. in London a couple of years later (see above).²⁶⁵

By mid-1896, a consignment of 46 coffee bags from Eder arrived in Hamburg as well as an undisclosed number of hides.²⁶⁶ Eder exported another 58 bags in July, at a time when "the market keeps very quiet, especially for lower qualities."²⁶⁷ Later that month, Martin Reinberg & Cia. received

²⁶² Martin Reinberg & Cia to Santiago M. Eder, December 19, 1895, Phanor James Eder Papers, Folder 25, Box 4.

²⁶³ J. A. Reinberg to Santiago M. Eder, December 30, 1895, Phanor James Eder Papers, Folder 25, Box 4. J. A. Reinberg also called James Eder uncle, hence he must have been brother of Martin.

²⁶⁴ Martin Reinberg & Cia to Santiago M. Eder, February 27, 1896, Phanor James Eder Papers, Folder 26, Box 4.

²⁶⁵ J. A. Reinberg to Henry J. Eder, February 27, 1896, Phanor James Eder Papers, Folder 26, Box 4.

²⁶⁶ Martin Reinberg & Cia to Santiago M. Eder, June 8, 1896, Phanor James Eder Papers, Folder 26, Box 4.

²⁶⁷ Martin Reinberg & Cia to Santiago M. Eder, July 9, 1896, Phanor James Eder Papers, Folder 26, Box 4.

from Rösing Brothers & Co. 78 bags of coffee from Eder, as well as 124 hides, which the London firm got “by mistake from Buenaventura,” showing that these companies used to cooperate between themselves.²⁶⁸ By the end of July, the coffee prices were declining so that the Hamburg firm was waiting to sell Eder’s coffee, “however we must say that Columbian coffees have not suffered so much in the decline as other grades.”²⁶⁹ By August, 75 more bags of coffee from Eder were dispatched to the Hamburg house, in addition to 26 hides “which we trust will meet a good market upon arrival,” according to Martin Reinberg & Cia.²⁷⁰ The last letter from this company kept in the archive revealed the Hamburg merchants acknowledging receipt of 110 bags of coffee sent by Eder from himself and other producers, as well as 235 hides exclusively from Eder.²⁷¹ Unfortunately the correspondence from the Reinbergs in the archive ended here and it is not possible to know what happened with these dealings for the year 1896 which seemed to be growing quite profitable.

Paris: Elias L. Maduro & Cie.

By 1896, Eder also sent coffee to France, consigned to the house Elias L. Maduro & Cie., as attested by the 50 bags received by the end of November by the Paris house.²⁷² More than six months passed before the following correspondence from that house, which in 1897 acknowledged receipt of 24 bags of coffee from Eder in May and which were sold at a magnificent price, an unexpected result given the current market situation according to them.²⁷³ In June Eder sent another 30 bags of

²⁶⁸ Martin Reinberg & Cia to Santiago M. Eder, July 13, 1896, Phanor James Eder Papers, Folder 26, Box 4.

²⁶⁹ Martin Reinberg & Cia to Santiago M. Eder, July 30, 1896, Phanor James Eder Papers, Folder 26, Box 4.

²⁷⁰ Martin Reinberg & Cia to Santiago M. Eder, August 21, 1896, Phanor James Eder Papers, Folder 26, Box 4.

²⁷¹ Martin Reinberg & Cia to Santiago M. Eder, September 7, 1896, Phanor James Eder Papers, Folder 26, Box 4.

²⁷² Elias L. Maduro & Cie. to Santiago M. Eder, November 3, 1896, Phanor James Eder Papers, Folder 26, Box 4. Elías L. Maduro was almost certainly a relative, perhaps brother, of Henry L. Maduro, husband of Eder’s daughter Fanny mentioned above.

²⁷³ Elias L. Maduro & Cie. to Santiago M. Eder, July 2, 1897, Phanor James Eder Papers, Folder 26, Box 4.

coffee.²⁷⁴ But still, by mid-September the Paris house had not sold those last 30 bags, because of the recent trend of dropping prices which they were confident was about to change.²⁷⁵ But the prices continued to fall, although they finally attained a fairly good price for the said 30 bags of coffee in November.²⁷⁶ The last letter from this house in the archive included the credit for that last sale, and a request for Eder to keep sending them coffee consignments.²⁷⁷

Other international stakeholders

There was also some scant correspondence from other people and places (see Figures 4.4-4.6) that played a role during this period, but seemingly less important than those previously mentioned. Such is the case, for instance, of L. Chacon & Co., manufacturers of cigars and cigarettes from Kingston, Jamaica, from whom there was only one letter among the Eder papers, from December 1895. From that letter, it can be deduced that Eder and the Jamaican house were dealing with tobacco, but in smaller quantities than with Eder's North American and European counterparts, and not on consignment, but sold directly by Eder at a previously defined price; as attested by the 4 bags of coffee they received in Kingston in November.²⁷⁸

Another curious business relationship of Eder's was sustained with two companies in Nicaragua. As mentioned before in the correspondence from Piza Nephews & Co., Eder had a client in Granada called Joaquín Chamorro, from whom the New York house had issues collecting a draft that got protested (see above). This client was in dealings with Eder for cocoa. In May 1896,

²⁷⁴ Elias L. Maduro & Cie. to Santiago M. Eder, July 27, 1897, Phanor James Eder Papers, Folder 26, Box 4.

²⁷⁵ Elias L. Maduro & Cie. to Santiago M. Eder, September 17, 1897, Phanor James Eder Papers, Folder 26, Box 4.

²⁷⁶ Elias L. Maduro & Cie. to Santiago M. Eder, November 2, 1897, Phanor James Eder Papers, Folder 26, Box 4.

²⁷⁷ Elias L. Maduro & Cie. to Santiago M. Eder, November 22, 1897, Phanor James Eder Papers, Folder 26, Box 4.

²⁷⁸ L. Chacon & Co. to Santiago M. Eder, December 21, 1895, Phanor James Eder Papers, Folder 25, Box 4.

Diego Chamorro, from the firm P. Joaquín Chamorro e Hijos, ordered 100 cocoa cobs.²⁷⁹ These arrived in July in perfect condition, which they paid for through Piza Nephews & Co., igniting the aforementioned conflict.²⁸⁰ A year later, another Nicaraguan house, Salvador Cardenal & Co., approached Eder because they had done business in cocoa with Carl H. Simmonds (see above and Chapter Two) whom Eder had served as a liquidator.²⁸¹ But apparently the proposed business relationship did not prosper.

Coda

Despite having cultivated sugar for more than three centuries, colonial Cauca River Valley haciendas failed to develop a market for the product beyond the valley's cities and the mining towns in the Pacific littoral. Thanks to the international dealings that James M. Eder developed over four decades from the Cauca River Valley, and in particular thanks to coffee, he was able to start a sugar revolution in the country that would unfold throughout the twentieth century.

²⁷⁹ Diego Chamorro to Santiago M. Eder, May 12, 1896, Phanor James Eder Papers, Folder 26, Box 4.

²⁸⁰ P. Joaquín Chamorro e Hijos to Santiago M. Eder, August 26, 1896, Phanor James Eder Papers, Folder 26, Box 4.

²⁸¹ Salvador Cardenal & Co. to Santiago M. Eder, October 19, 1897, Phanor James Eder Papers, Folder 26, Box 4.

Conclusion

James M. Eder was a prominent entrepreneur who with his endeavors transformed the entire economy of the Colombian Cauca River Valley. The sugar agro industrial developments that took place all over that region during the twentieth century are his legacy. Having started the oldest, continually operating company in Colombia, it is no wonder that he is famed throughout the country as The Founder. The study of his foreign correspondence, contained in the Phanor James Eder Papers, unveils in detail the process that anteceded these developments. In doing so, this research shows how Eder's international dealings throughout the second half of the nineteenth century leveraged the necessary investments that allowed him to become an industrial pioneer in Colombia.

This research depicted Eder as an entrepreneur, as an agent of change in the economy. He was capable of seizing the contingent opportunities of the Cauca River Valley during the nineteenth century, and exploited all means at hand to fulfill a myriad of contemporary and future possibilities. In the process, Eder shaped the environment he was immersed in, and created markets for his products thanks to the economic decisions he made.

What started as a punctual task of collecting bills for one of his brothers, quickly evolved into an import venture that promptly gave way to an export endeavor that propelled the establishing of the Colombian sugar industry. All this happened not only thanks to Eder's decisions, but also to a large extent thanks to the exchanges of information, goods and resources that over forty years he carried out with a plurality of foreign stakeholders. Chiefly among these stakeholders stand out his brothers and other close relatives.

Findings

This dissertation showed how Colombia underperformed in economic terms relative to other Latin American countries during the nineteenth century, in terms of commodity production and access to international markets. The country's tumultuous colonial past and early independent history are found to be the main factors behind this poor performance. But it is also shown that the Colombian geography made transportation a difficult task that needed to be overcome for the country to participate in international trade. This state of affairs made Colombia both challenging but filled with opportunities for merchant capitalists like James Eder willing of doing business under those circumstances.

This research also examined the economic culture of the people who inhabited the Cauca River Valley until the end of the nineteenth century. It is shown how the indigenous populations of the valley were hardly decimated after the arrival of the Spanish conquerors, who forced the Indians who survived to work for them. It is also shown how African slaves were brought into the valley and how over time numerous free blacks populated the region as well. Racial mixes became common, and as a result a stratified society prevailed during colonial times. After Independence, and in particular during the nineteenth century, other foreigners arrived into the valley in search of economic opportunities.

The dissertation explored in great detail the information concerning the international connections of James Eder, contained in the Phanor James Eder Papers. It is shown that most of Eder's international communications took place with established companies. It is also shown that family and relatives, as well as some of their acquaintances, were for the most part the stakeholders with whom Eder established business relationships. The evidence supports the fact that during his first years in Colombia Eder was an active importer, while also becoming an exporter of the goods he and others produced in the valley. It is also shown that the products exported by Eder were

frequently defective or of second quality. The research also documents the ways used by Eder to access market information, and examines the disturbing effects of the Franco-Prussian war on Central and South American exporters of agricultural goods.

Finally this study showed how, over the years, Eder's international undertakings evolved at the turn of the twentieth century into an export enterprise of greater volumes, but of lesser scope when compared to that of the late 1860s and early 1870s both in terms of geography and variety of products exported. There is evidence to show that Coffee constituted Eder's main export good, and that its exports procured him with the resources to acquire and bring into the valley the sugar equipment that he would use during the following years to develop his industrial sugar complex. Moreover, the dissertation also contributes to an understudied aspect of the history of coffee in Colombia, an account of coffee in the Cauca River Valley.

Implications for management research

A first implication of this dissertation concerns the use of a historical approach for management research in general, and for entrepreneurship research in particular. In order to understand the dynamic forces at play when studying entrepreneurship or decision-making, a historical analysis presents itself as a great instrument. It is pertinent for studying change, something comparative, cross-sectional, or even longitudinal quantitative analyses are not able to capture. Because of the granularity and depth it captures, a historical approach renders the object of study full of detail.

In line with the above, the use of a multidisciplinary approach for the analyses presented in this dissertation also has implications for research. This research relied on management, entrepreneurship, economics and economic and business history literatures to inform us about nineteenth century Colombia and its economic activities. All of these disciplines, in one way or another, seek to better understand the process of decision making, the impact of the entrepreneur

on the broader society, and more to the point of the dissertation, the link between entrepreneurship and economic development.

Additionally, the combination of content analysis to guide the study of historical archives proved to be a useful tool for understanding the broader dynamics contained in the historical records. The different levels of analysis, in the case of these dissertation: places, people and companies, allows for a structured and comprehensive way to approach the archival information, while also facilitating a sort of meta-analysis. This, combined with the detailed examination of the records provides the necessary evidence to illuminate the worlds of the subjects under study.

That networks were so crucial for a business to prosper in nineteenth century Colombia, although expected from what the scholarly literature has shown copiously, has nevertheless significant implications for entrepreneurship research. Studies of other entrepreneurs in nineteenth century Colombia, for instance, could benefit from analyzing their network structure or the stakeholders involved in their journeys. Most studies of businessmen by Colombian business historians are silent about the importance of relationships, even though the larger historiography has made clear that the formation of closed and small economic and political elites were a distinctive feature in post-colonial Latin America.

Implications for entrepreneurship research

The implications for the entrepreneurship research agenda are likewise telling. As mentioned before, a historical approach allows for an understanding of the dynamic forces at play when analyzing decision-making. Besides, as argued extensively by the pioneer entrepreneurship history scholars, to study change in the economy is to study the dynamic—that is, the historical—side of the economy hardly captured differently.

This research also shines light into the realm of family business. Manuelita, as a company, is still run today by the Eder family after more than one hundred and fifty years in the business. Four generations of James Eder's descendants have been in charge of the company, and despite some openness in recent years to external investors and partners, the company could be studied as a case of an intergenerational family business.

This dissertation also speaks to the immigrant entrepreneurship literature. Latin America represents an important source of material for studying immigrant entrepreneurship during the last two centuries. Although substantial work has been done for the cases of Argentina, Chile, Brazil, Mexico and Venezuela, the so-called Andean countries—Colombia, Ecuador, Peru and Bolivia—have not gotten the necessary attention in this respect due to the fact that immigration to these countries was not as prescient as in the abovementioned. The case of James M. Eder, along with the other foreigner businessmen mentioned in Chapter Two shows how promising could this subject be for a region like the Cauca River Valley, not to mention for the rest of the country.

The emphasis on networks, in this case, was oriented towards stakeholder networks. In that respect, this research showed how an understanding of networks as a collection of stakeholders' relationships could inform our understanding not only about networks but also about the importance of stakeholders in the past, something that has not gotten enough attention in the current entrepreneurship scholarship.

Finally, although present intangibly throughout the entire document, it is worth mentioning at this point that this dissertation could be understood as the unveiling of an effectual logic (Sarasvathy, 2009). The case of James M. Eder exemplifies effectuation at work. Adding to the growing literature on effectuation, this research documents all of the characteristics of an effectual logic at play in entrepreneurship. The contribution is, however, the possibility of finding these

features in an entrepreneur from the past and based on archival evidence, something not explored in the literature so far.

Limitations and Further Research

This dissertation was confined to the study of the international dealings of James M. Eder during the second half of the nineteenth century, henceforth there are some limitations as well as room for future research regarding the business activities of James M. Eder and their effect on the Cauca River Valley. This research is limited to what the foreign correspondence of Eder can show, but could be expanded to also include the analysis of the domestic correspondence for the same period, something that could be done following the same empirical strategy used here.

Also, since the company is still in business more than 150 years after its founding, the study could be expanded to include not only the undertakings of James Eder but also those of the following four generations of his descendants who have been in charge of the company over the last 120 years. Furthermore, the company as such could be studied, independently of the family behind it. For example, parallels or differences with other sugar mills established in the same region over the first half of the twentieth century could be shown. Furthermore, comparative studies with other agricultural companies in other regions of Colombia or other countries in Latin America and beyond could be developed.

Moreover, as mentioned before, the evidence presented regarding the cultivation of coffee in the valley, although suggestive, deserves further investigation to better disentangle its minutiae. For instance, unveiling who were those individuals from which coffee Eder used to export their coffee and what happened to these coffee plantations may be of interest for scholars interested in coffee. Early on in the twentieth century the Cauca River Valley started to be widely cultivated with sugar cane, since when it consolidated as the solely agricultural vocation of the valley.

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