The formation of the financial market in Uruguay (1851-1900): currency, credit and capital

Article · September 2024

DOI: 10.62467/RHEAL/01.02.10

1 author:

Rodrigo Salles Pereira dos Santos
Federal University of Rio de Janeiro

 RHEAL, 2/ Agosto 2024 / pp. 33- 58 / ISSN 2982-4443 / Doi 10.62467/RHEAL/01.02.10

THE FORMATION OF THE FINANCIAL MARKET IN URUGUAY (1851-1900): CURRENCY, CREDIT AND CAPITAL

LA FORMACIÓN DEL MERCADO FINANCIERO EN URUGUAY (1851-1900): MONEDA, CRÉDITO Y CAPITAL

Rodrigo Salles Pereira dos Santos[1 2]

Resumen

Este artículo aborda la formación del mercado financiero en Uruguay entre 1851 y 1900, destacando su base política. Durante este período, se experimentaron ciclos de creación y declinación de empresas y bancos, así como conflictos monetarios que evidenciaron una relación de mutua constitución entre el Estado y el mercado. La base teórica se sustenta en las ideas de Polanyi sobre el papel del banco central y la monopolización de la moneda, el análisis weberiano de la bolsa de valores y la perspectiva marxista sobre las sociedades por acciones. Metodológicamente, se realizó una investigación bibliográfica y de archivo, utilizando fuentes del Archivo General de la Nación y la Biblioteca Nacional de Uruguay. Los resultados enfatizan la centralidad del dinero como mercancía ficticia en el proceso de modernización, resaltando la necesidad de un análisis más profundo de los mercados, productos y actores financieros. El estudio de caso evidencia la subordinación del mercado de capitales al mercado monetario, con el Estado centralizando el suministro de crédito, aunque con limitaciones estructurales. Además, los altibajos en las sociedades por acciones sugieren alternativas en la formación de capital, lo que insta a una exploración más profunda para entender integralmente el proceso de mercantilización en Uruguay.

Palabras clave: mercado financiero, mercado de capitales, bolsa de valores, sociedad anónima, Uruguay

Abstract

This paper examines the formation of the financial market in Uruguay during the period of 1851 to 1900, emphasizing its political underpinnings. Waves of company and banking institution creation and destruction, credit mechanisms, and disputes related to monetary policies took over the country, and reveal a mutually constitutive relationship between the state and the market. Theoretical foundations draw from Polanyi's emphasis on the central bank and currency monopolization, Weberian analysis of the stock exchange, and Marxian analysis of the joint-stock company. Methodologically, I conducted bibliographical and archival research, including documentary analysis, utilizing sources from the Archivo General de la Nación and the Biblioteca Nacional de Uruguay. Findings underscore the significance of analyzing money

1 E-mail: rodrigosalles@ifcs.ufrj.br. Universidade Federal do Rio de Janeiro (UFRJ), Brazil.
ORCID: https://orcid.org/0000-0003-3640-3365

2 The author thanks the Programa de Historia Económica y Social (PHES) for the support in carrying out the research, especially Jorge Álvarez, Juan Geymonat, Camilo Martínez Rodríguez, and Rodolfo Porrini. The main ideas presented here were discussed at the IV Simpósio del CA de Ciencias Políticas y Sociales de la AUGM, in 2022, at the 2nd LEPoC meeting and at the 35th annual SASE conference, both in 2023. The author is grateful to Federico Traversa, José Ricardo Ramalho, Mariana Luzzi, Pedro Mouallem, Rodolfo Dias, Simone Polillo, and Thiago Aguiar for their criticisms and suggestions. Finally, gratitude is expressed to one anonymous reviewer and to the RHEAL team.

as a fictitious commodity in understanding modernization, with a need for a more comprehensive examination of financial markets, goods, and actors. Notably, the case study reveals the subordination of the capital market to the money market, with state-centralized credit supply, albeit with structural limitations. Furthermore, the occurrence of booms and crises in stock companies suggests the existence of alternative channels of capital formation, calling for further exploration to comprehensively elucidate the commodification process in Uruguay.

Keywords: financial market, capital market, stock exchange, joint-stock company, Uruguay

Recibido: 03-10-2023 | Revisado: 23-05-2024 | Aceptado: 15-06-2024

1. Introduction

The genesis of capital markets and of nation-states is closely related (Carruthers, 1996), a phenomenon typically overlooked within specialized literature, where the latter is often given preferential attention (Martínez Rodríguez, 2019; Mazzuca, 2021; Oddone, 1986). However, the formation of nation-states largely relied on their capacity to secure economic resources for external defense and internal order. Consequently, the financing of warfare and the development of rational-bureaucratic systems significantly influenced the characteristics of modern states (Centeno, 2015). This was accomplished by the creation of adequate levels of fiscal-based state revenues (Sala de Touron & Alonso Eloy, 1986), by maintaining control and stability over a national currency, primarily through a centralized banking system[3] (Díaz, 2018), and by establishing a public debt market that was largely managed through stock exchanges (Moreno Lázaro, 2023; Weber, 2004).

Although this connection has received relatively little attention, with a predominant focus on central political-economic modernization contexts (Carruthers, 1996; North & Weingast, 1989), it holds significant potential for comprehending the singular conditions that prevail in peripheral regions, particularly within the context of Latin America (Adelman, 2002; Bértola & Ocampo, 2019; Díaz, 2023; Millot & Bertino, 1991; Sala de Touron & Alonso Eloy, 1986). Accordingly, this exploration aims to enhance our understanding of the intricate interplay between politics and economic processes.

Specifically, Uruguay underwent a contentious shift in economic policy during the latter half of the 19th century, transitioning from a liberal consensus to a more state-interventionist approach, particularly concerning international trade and the banking system (Díaz, 2023; Millot & Bertino, 1991). While a protectionist trade policy started to take shape in the last quarter of the 19th century, the establishment of the Banco de la República Oriental del Uruguay (BROU) in 1896 marked what R. P. Díaz (2018, p. 150) described as "the effective abandonment of free banking", in favor of a centralized banking system with the exclusive authority to issue currency[4].

Through an examination of the development of Uruguay's financial market and its core institutions — currency, credit, and capital — as politically driven phenomena, I aim to integrate insights from classic sociological and historical contributions (Marx, 1995b; Marx & Engels, 1995; Polanyi, 2021; Weber, 2004). This integration supports the formulation of a theory on the commodification of money, elucidating diverse circuits of capital accumulation rooted in the experiences of Latin American semi-peripheral and peripheral regions.

The investigation into the origins of the Uruguayan financial market and its financial institutions utilized bibliographic research techniques (Efron & Ravid, 2018), documentary analysis (Bowen, 2009), and archival research (Ventresca & Mohr, 2017). These methods relied on source materials obtained from the Archivo General de la Nación, the Biblioteca Nacional de Uruguay, and the Biblioteca de Facultad de Ciencias Sociales de la Universidad de la República. The data was collected in October 2022 in Montevideo.

3 The Chilean case appears to be a significant exception (Couyoumdjian, 2016).

4 The establishment of one of the most significant modern economic institutions in Uruguay, the central bank, has its most famous predecessor in the Bank of England, which was founded in 1694 (Carruthers, 1996; North & Weingast, 1989).

The article is structured into five main sections, alongside the Introduction and Conclusion. The next section provides a concise overview of financial markets and their core institutions. In the third section, I delve into the issue of currency issuance monopolization through central banking, drawing from Polanyi (2021). Subsequently, I explore the transformation of money into capital within a specialized institution — the stock exchange — drawing insights from Weber (2004). In the following section, I examine the institution responsible for converting capital — the joint-stock company —grounding my analysis in the work of Marx and Engels (1995).

The section before the Conclusion applies these theoretical concepts to the Uruguayan context, referencing Millot and Bertino (1991) and other historical works (Acevedo, 1933, 1934a, 1934b; Artagaveytia, 1944; Barrán & Nahum, 1967, 1971, 1973; G. M. Díaz, 2023; Moreno Lázaro, 2023; Sala de Touron & Alonso Eloy, 1986) to frame the debates surrounding economic policy formation as a "double movement" (Polanyi, 2021, p. 139). It also draws from archival materials and documents to analyze the development of the national capital market, centered on public debt, and the rise of joint-stock companies in Uruguay, establishing a distinct circuit of capital formation. The concluding section provides a summary of the research findings and highlights the primary challenges for future work.

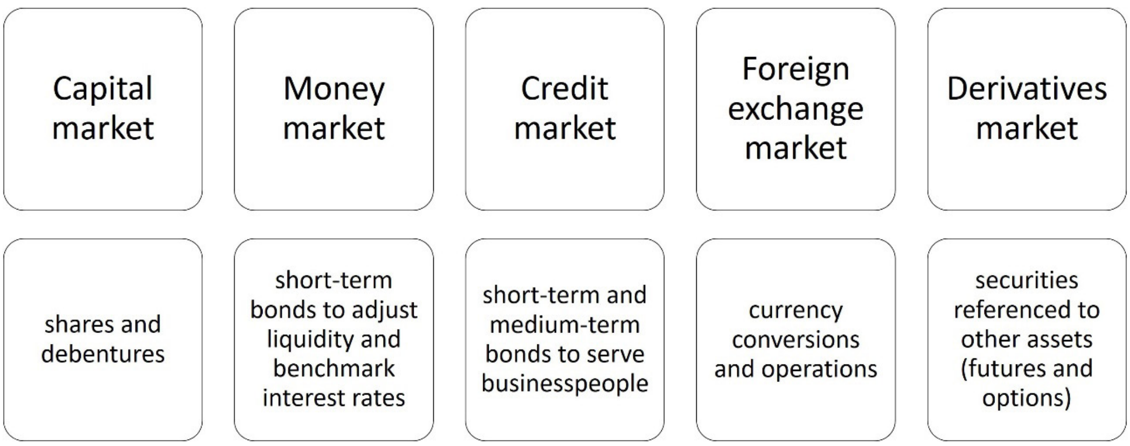
2. Financial markets and their key institutions

Financial markets encompass a wide range of economic institutions devoted to facilitating transactions involving "various forms of money-capital" (Wicha, 2018, p. 84) and involve all the actors engaged in intermediation and financial services. These markets facilitate transactions, as well as enable the formation of liquidity reserves and speculative operations (Cova, 2021). Since they "supply financing for industry, agriculture, home mortgages and government debt", providing "much of the capital raised by firms", these "markets can be said to lie at the heart of the capitalist system" (Abolafia, 2011, p. 277–278).

Given the diversity of forms, commodities, or instruments traded on financial markets, it becomes possible to categorize them, as illustrated in Figure 1 below. The capital market, for instance, handles the trading of shares and debentures, while the money market deals with short-term securities issued by central banks, aimed at adjusting the liquidity of the economic system and determining interest rates.

The credit market facilitates the trading of short and medium-term securities to meet financing needs, the foreign exchange market handles currency conversions and transactions, and the derivatives market enables the creation of private contracts involving securities referencing other assets, such as futures and options (Cova, 2021).

Figure 1. Components of financial markets



Source: the author, based on Cova (2021, p. 15) and Wicha (2018, p. 84).

Recently, academic discussions about particular aspects of these markets have grown significantly (Carruthers, 2012; Heilbron, 2005; Ingham, 1999; MacKenzie & Millo, 2003). Nonetheless, these phenomena have predominantly been examined through a culturalist lens, with the financial market perceived as "a densely structured and coordinated cultural form" (Knorr Cetina, 2012, p. 187).

In contrast, by employing a historical case study (Widdersheim, 2018) of the Uruguayan economy between 1851 and 1900, I make a case for incorporating insights from historical institutionalism (Steinmo, 2008) and political economy (Johnson, 2010) to discuss central banks, stock exchanges and joint-stock companies as interrelated phenomena that account for the institutional variation of financial markets. This approach allows me to uncover aspects that have received limited attention in the specialized literature.

While "the intertemporal transfer of value through time, the ability to contract on future outcomes, and the negotiability of claims" (Goetzmann & Rouwenhorst, 2005, p. 4) constitute key financial pillars, offering strong incentives for participants to partake in their diverse array of transactions, such as mitigating asymmetric information and managing lending-related costs and risks (Wright, 2002), these topics are commonly assimilated within an efficiency-oriented institutional interpretation of financial markets (Musacchio, 2009).

In line with Polanyi's conception of money issuance and central banking, and Weber's perspective on the stock exchange, the paper presents a political view of financial markets where the nation-state plays a key role as a money demander, constructing itself in the process. Moreover, this political dimension is founded upon class interests and actions, which contest and promote specific institutional designs related to currency, credit, and capital, both within and beyond the state, as elucidated by Marxist analysis.

Therefore, the focus on the works of Marx, Weber, and Polanyi on the joint-stock corporation, the stock exchange, and the central bank is justified by the possibility of integrating their contributions[5] into a power-driven theory of the commodification of money into capital based on historical variety. Indeed, such an approach becomes all the more crucial for comprehending the formation and evolution of financial markets in (semi-)peripheral conditions. This is prompted by both the scarcity of analytical explorations and the prevailing tendency within some literature to depoliticize the analysis. In this sense, the paper extends Alborn's conception of 'joint-stock politics' (2002) in favor of a class-based financial market politics.

3. The central bank and the monopolization of currency issuance

In line with Polanyi's groundbreaking perspective[6], the transformation of money into capital is a pivotal facet of the modernization process, underscoring the significance of the money market as the institutional realm where this commodification unfolds. With the emergence of this market, money comes to express the proportions of exchange between other goods, i.e., a means of exchange, and becomes "a commodity whose quantity is controlled by the supply and demand of the goods that may function as currency" (Polanyi, 2021, p. 206).

When looking at the British case, Polanyi sees the historical formation of the money market as a pendulum, describing a "double movement" (2021, p. 139): one of mercantilization and mercantile self-regulation, as described above; and one of resistance and extra-mercantile regulation, which tends to succeed it. In these circumstances, "the creation of currency outside the market, and the act of creating it — both by banks and the government — would constitute interference in the self-regulation of the market" (Polanyi, 2021, p. 207).

Since price fluctuations and processes of "destructive deflation" (Polanyi, 2021, p. 215) are threats to the "organization of production" (Polanyi, 2021, p. 206) in a self-regulating market, Polanyi argues that

5 Other classic authors, such as Thorstein Veblen, who offers an institutionalist perspective on stock exchanges and financial speculation (2011) and the joint-stock corporation (1924); and Rudolf Hilferding (2019), who presents a Marxian theory of money, focusing on the banking system and the modern large corporation, might provide valuable theoretical insights in the future. However, these debates were not explored due to space constraints.

6 Desai (2020) argues that the debate on fictitious commodities was based on a widespread understanding in classical political economy, shared by Karl Marx and even Ferdinand Tönnies.

"the activity of the Central Bank and the administration of the monetary system were necessary to keep factories and other productive enterprises protected from the losses caused by the commodity fiction applied to money" (Polanyi, 2021, p. 207).

As a result, the state establishing either fiat money or paper money, not entirely backed by gold, and more importantly, the rise of "bank money" (Polanyi, 2021, p. 205), invisible or book-entry money, corresponding to spot and short-term deposits in private banks, constitute a spontaneous counter-movement, greatly expanding the role of money as a medium of exchange.

However, a fresh development in the early 19th century paved the way for "sound money (...) [to] transform into a central tenet of economic liberalism"[7], solidifying an "unshakeable belief in the automatic mechanism of the gold standard" (Polanyi, 2021, p. 214). The widespread acceptance of this belief, along with persistent efforts to uphold it, elevated the gold standard to the status of "the supreme goal of organized efforts in the economy" (Polanyi, 2021, p. 216) from the mid-19th century until at least the 1920s.

As far as the double movement is concerned, the central bank is the pivotal economic institution. This is because the central bank serves as the institutional mechanism through which, typically, the modern state asserts a monopoly over money issuance and consolidates control over credit provision. In doing so, it curtails the autonomy of private banks, thereby limiting the scope of self-regulation, and actively guides the counter-movement. For the author, "modern central banks" were "a resource developed for the purpose of offering protection without which the market would have destroyed its own children — the companies" (Polanyi, 2021, p. 281).[8]

Furthermore, the consolidation of currency under centralized banking was an essential prerequisite for the international gold standard system. The stability efforts of emerging national money markets in formation could not be halted, since they were tied to upholding British hegemony (Arrighi, 2006). Because Britain couldn't circulate its "symbolic money" internationally, its economic power relied on offsetting its exports with "commodity money" (Polanyi, 2021, p. 282). This was achieved through the maintenance of "stable exchange rates" (Polanyi, 2021, p. 282), which were primarily guaranteed by adherence to the international gold standard.

Polanyi contended, however, that "the activity of central banks has diminished the automatism of the gold standard to a mere simulacrum", leading to the emergence of a distinct form of "central money management" (Polanyi, 2021, p. 285). In this context, the institution of the central bank "replaced the self-regulating mechanism of credit supply" (Polanyi, 2021, p. 285) with public regulation, effectively designating the state as "the guarantor of the value of symbolic money, which it accepted for payment of taxes and other purposes" (Polanyi, 2021, p. 286), and thereby leading to the establishment of a genuine "monetary policy" (Polanyi, 2021, p. 287).

Ever since, the political realm, both domestically and on the global stage, has revolved around the monetary issue. On the one side, "the clashes between the economic classes tended to crystallize around this issue, closely linked to the gold standard and budget balances" (Polanyi, 2021, p. 287). On the other side, "fiat currencies were established based on the sovereignty of the various central banking systems", leading to "a new nationalism" (Polanyi, 2021, p. 288) based on the state monopoly of currency issuance. Tensions between classes and states would build up to the extent of democratic disruption, eventually resulting in the abandonment of the gold standard[9]. According to Polanyi (2021, p. 290), this signified "the ultimate failure of the market economy".

7 For the author, the public concern regarding currency emerged during the "general rise in the cost of living" in England between 1790 and 1810, and this concern would evolve into an unbreakable principle guiding the organization of the economic system since the "panic of 1825" (Polanyi, 2021, p. 214).

8 The author also contends that central banks can deliberately manage the deflationary process and distribute its adverse consequences in an organized way by "raising bank interest rates and open market operations" (Polanyi, 2021, p. 283).

9 Great Britain did so in 1931 and the United States of America in 1933.

4. The stock exchange as space for converting money into capital

Polanyi skillfully points out two important aspects of turning money into capital in the money market: (1) the monopolization of monetary issuance, which profoundly influences the broadening of money's functions, notably its impact on credit mechanisms; and (2) the relationship of the former to the establishment of a state-conceived and state-directed monetary policy.

However, his analysis overlooks additional facets of financial markets, specifically pertaining to the intricacies of money conversion and the consistent availability of capital in a manner conducive to accommodating the growing demands for private investment, and thus, fostering economic growth within capitalist national economies. Thus, the capital market is the object of exploration in this section, conceiving the stock exchange as the institution par excellence of the commodification of money at the end of the 19th century.

Weber (2004) describes the stock exchange as a "modern market" where wholesale transactions occur for items like commodities, currency, foreign exchange, securities, etc., which are not physically present, and involve suppliers who neither produce nor own these items, and buyers who aim to profit by selling them before taking possession (Weber, 2004, p. 63). Accordingly, "(...) stock exchange transactions concern (...) 'fungible' things, (...) in which the delivery of particular objects is not at stake, but rather the quantity, type, and quality stipulated in the contract" (Weber, 2004, p. 65).

Given the article's topic, it is appropriate to focus on transactions involving "values, such as credit papers, bills of exchange, and funds, i.e., securities of all kinds", rather than "physical goods" (Weber, 2004, p. 66).

At the end of the 19th century, Weber noted that the primary commodities traded on stock exchanges consisted of foreign currency, which included banknotes and bills of exchange, on one hand. On the other hand, there were "funds" or "government bonds", representing creditors' rights (Weber, 2004, p. 70; 74), along with private securities (shares) symbolizing "ownership rights in a company" (Weber, 2004, p. 74).

Even though public debt securities hold historical and contemporary significance (Centeno, 2015; Ingham, 1999), this work places particular emphasis on shares traded on stock exchanges. These shares serve as a crucial link between pre-existing resources (money as a store of value) and investment in productive activities (capital), and hold the potential to complement Polanyian analysis of commodification of money.

Weber proceeds to assert that the prices or quotations of private securities on the stock exchange hold "incomparably greater significance" (Weber, 2004, p. 86) compared to those established in localized physical markets. This is primarily because the former are determined for standardized, large-scale assets and possess a referential nature concerning future fluctuations. Hence, stock exchange prices serve as key parameters for computing costs, profits, interest rates, and so forth. It is through this function that Weber contends that stock exchanges have assumed the role of "regulators and organizers" (Weber, 2004, p. 87) of the national economies of his era.

The author specifically discusses the significance of "forward transactions" (Weber, 2004, p. 118), which are transactions that delay the execution of stock exchange deals, so that "both parties, the buyer and the seller, have all the time they need to try to realize their respective positions at a profit" (Weber, 2004, p. 118). For the author, these operations have resulted in the "expansion of the [capital] market" (Weber, 2004, p. 142), becoming its defining characteristic and functioning as an institutional counterpart to bank money.

The temporal extension resulting from forward transactions had three discernible effects, which significantly influenced the distinctive characteristics of the capital market. Firstly, it reduced the minimum capital requirements, thus expanding the incentives for the proliferation of participants and future transactions. Secondly, it enabled the use of "the same quantity of commodities or securities (...) in multiple speculative transactions" (Weber, 2004, p. 117), raising the scale of the market. Finally, it necessitated the forecasting and exploitation of opportunities associated with price fluctuations, thereby amplifying speculative practices.

Embedding his analysis of economic matters into the political sphere, Weber establishes a link between the extent of forward transactions within a national economy and the "significance and economic power of the (...) financial center" (Weber, 2004, p. 142). More importantly, he emphasizes the correlation between the scale of forward transactions and the power wielded by the nation-state where the financial center is situated. Thus, the "(...) strengthening of the power of national stock exchanges (...), which forward transactions undeniably bring about, also results in a significant increase in the financial and, ipso facto, political power of the nation-state" (Weber, 2004, p. 87).

Surprisingly, his perspective on international relations bears resemblance to the one presented by Polanyi (2021). Setting aside Weber's theoretical emphasis on state and power issues, as well as authors' different political positions[10], his portrayal of interstate economic relations as a "war that nations wage against each other for economic supremacy" (Weber, 2004, p. 149) using various weapons, with the stock exchange being a prominent one, is far from accidental. In this context,

> As long as nations (...) are engaged in a relentless and unavoidable economic struggle with each other for their very existence and economic power, there are, of course, considerable restrictions on the pursuit of purely theoretical and moral demands, bearing in mind that unilateral disarmament is not possible in the economic sphere either. A strong stock market cannot be a club dedicated to promoting "ethical culture", and neither can the capital of the big banks, like rifles and cannons, be "charitable institutions". For an economic policy that sets out to achieve goals in this world, they can only mean one thing: means of power to conduct that economic struggle. This same economic policy will welcome the fact that justice is also done to the "ethical" need for these institutions, but it has a duty to ensure, in the final analysis, that fanatics or naïve apostles of economic peace do not disarm the nation itself (Weber, 2004, p. 150-151).

5. Joint-stock company: the converting institution

If the conversion of money into capital aligns with its rightful social space on the stock exchange, that naturally prompts the need to identify and delve into the instruments or mechanisms involved in this crucial process. In these terms, the focal point of the discussion should revolve around the stock company, particularly the joint-stock company characterized by legal personality and limited liability, which came into existence during the mid-19th century (Johnson, 2010).

> According to Bryer (1997, p. 1997), the key to industrial capital's hegemony in England was the restriction of shareholders' liability in 1855. This legal change was crucial for transforming a gentlemanly elite into passive shareholders or investors, characterized primarily by their detachment from economic activities. Thus, "the individual shareholder does not have to interfere in the management of business, has nothing to do with the workers in a mine or factory that operate as joint-stock companies, and those workers also do not know who he is" (Weber, 2004, p. 77).

In this context, private shares serve as the institutional cornerstone for absentee property, as explained by Veblen (1924). They enable individuals to take part in the capital of the "joint-stock company, as a form of association of capitalists" (Weber, 2004, p. 75). The German author (2004, p. 78) even recognizes the "strong expansion" of the joint-stock company, considered "absolutely indispensable in the case of large companies (...)" (Weber, 2004, p. 85) because it allows surplus money to be pooled on a large scale and over

10 According to McAuley (2019, p. 20), "Otto von Bismarck's coordination of the 'scramble for Africa' at the Berlin Conference of 1884" was a widely acknowledged political reality of the era. More significantly, he asserts that "Weber was a staunch advocate of German overseas imperialism" (McAuley, 2019, p. 2), a position that stands in direct opposition to Polanyi's perspective.

a long period of time, and therefore gives form to capital. This is because it enables surplus money to be pooled on a substantial scale and over an extended duration, thereby shaping the very essence of capital.

Nonetheless, it is the writings of Marx (1995a, 1995b) and his posthumous work organized by Engels (Marx & Engels, 1995) that provide fundamental references for understanding the corporate form. They become particularly valuable when integrated into a cohesive interpretation of the joint-stock company as the institution responsible for the transformation of money into capital, a distinct contribution of this paper.

Marx (1995a, p. 557) initially associates the joint-stock company with the state and the "public debt", which he regards as "(...) one of the most powerful levers of primitive accumulation". In this context, financing state activities emerges as a preliminary form of accumulation devoid of the risks associated with economic ventures. For the author (1995a, p. 557), "(...) the national debt has given rise to joint-stock companies, to dealings in negotiable effects of all kinds, and to agiotage, in a word to stock-exchange gambling and the modern bankocracy".

Nonetheless, this corporate structure is closely connected to what the author terms the "aggregate capitalist", which refers to the "capital stock of all the individual capitalists combined" (Marx, 1995b, p. 304). In this manner, the joint-stock company incorporates individual capital into the "total social capital", transforming money owners into "shareholders in the total social enterprise (...)" (Marx, 1995b, p. 143).

The scale of economic activity is thus a topic that links his ideas to the works of Weber (2004). Seen as an economic institution designed to facilitate the expansion of industrial operations and provide large-scale public goods, "(...) the associated capitalist (joint-stock companies) appears side by side with the individual capitalist and a credit system (...)" (Marx, 1995b, p. 163) in the evolving economic landscape of the transition to the Second Industrial Revolution.

The "joint-stock companies, a collective capitalist" (Marx, 1995a, p. 231), facilitated the consolidation of previously scattered economic resources (money). The productive utilization of these resources into capital relied on the identification of opportunities, often contingent on rare skills and information, and the willingness to take risks that were frequently deemed intolerable, given the potential for profit. In such circumstances, the conversion process often assumed an intermittent nature, causing money to remain dormant or potentially valuable under other arrangements.

For Marx, the joint-stock company fosters both concentration, which initiates the conversion process, and "centralization [which] completes the work of accumulation by enabling industrial capitalists to extend the scale of their operations" (1995a, p. 473). Considering that "(...) more extensive operations of comparatively long duration necessitate large advances of money-capital for a rather long time" and their realization "(...) depends therefore on the magnitude of the money-capital" accumulated, only "(...) the credit system and the associations connected with it, e.g., the stock companies" (Marx, 1995b, p. 253) can surpass the threshold necessary to mobilize substantial, enduring fixed capital.

The increase in the share of fixed capital in the economy is a determining element in the Marxian analysis of capitalism, and explains the transfer of the functions associated with the expanded reproduction of capital from the individual to the aggregate capitalist. Thus, "(...) the stock company is a transition towards the conversion of all functions in the reproduction process which still remain linked with capitalist property, into mere functions of associated producers, into social functions" (Marx & Engels, 1995, p. 302).

According to the author, "long-drawn-out enterprises", often represented by joint-stock companies, and the closely linked process of expanded reproduction, are entirely contingent on the amount of "(...) money thrown (...) into circulation (...)" (Marx, 1995b, p. 135) and therefore on the development of financial markets. Marx and Engels (1995, p. 265) go on to note that "stock companies in general (...) [are] developed with the credit system (...)", underscoring their interdependent nature.

It is within the framework of the joint-stock company that the previously scattered pool of economic resources starts to be consistently and plentifully allocated towards capital formation. According to the authors, in response to entirely new institutional conditions, "in order to facilitate the investment of this mass floating around as money-capital, new legal forms of limited liability companies were established wherever that had not yet been done (...)" (Marx & Engels, 1995, p. 615).

As a result, there was a double "transformation of the actually functioning capitalist into a mere manager, administrator of other people's capital, and of the owner of capital into a mere owner, a mere money-capitalist" (Marx & Engels, 1995, p. 302). Thus, "in stock companies the function [of capital reproduction] is divorced from capital ownership" (Marx & Engels, 1995, p. 302) and this divorce is what allows the gentlemanly elite (Bryer, 1997) to become tributaries of dividends without being involved in the production process (Veblen, 1924).

On the other hand, the joint-stock company also reduced the risk of the "functioning capitalist" (Marx & Engels, 1995, p. 302) so that what he "(...) risks is social property, not his own" (Marx & Engels, 1995, p. 303). Therefore, the ownership of capital gains independence, manifesting itself "(...) in the form of stock, [and] its movement and transfer become purely a result of gambling on the stock exchange" (Marx & Engels, 1995, p. 304).

6. The construction of money and capital markets in Uruguay

6.1. The dynamics of the money and credit markets

Examining the development of Uruguay's money market in the latter part of the 19th century through a Polanyian lens provides a valuable chance to reinterpret the class-based conflicts related to money, credit, and capital in the country, as discussed by Millot and Bertino (1991). This reinterpretation frames these conflicts as a "double movement" as described by Polanyi (2021, p. 139), and effectively combines insights from institutionalist and political economy perspectives.

From the perspective of the self-regulation movement, Uruguay's monetary system was initially "metalist" in the early half of the century, and later transitioned into an "orist"[11] regime (Millot & Bertino, 1991, p. 419). Driven by the need to "attract overseas and transit trade with neighboring regions of bordering countries" (Sala de Touron & Alonso Eloy, 1986, p. 85), the national economy was predominantly under the influence of "mercantile capital" (Millot & Bertino, 1991, p. 419), in which foreign traders and lenders played crucial roles (Sala de Touron & Alonso Eloy, 1986, p. 23).

The resistance to paper currency due to the risks of depreciation and, consequently, exchange rate instability, with deleterious commercial impacts, supported a contractionary monetary stance by this class fraction. Indeed, "the bulk of gold and silver currency" was amassed by "monopolistic merchants, importers and exporters" (Sala de Touron & Alonso Eloy, 1986, p. 82), who primarily directed it towards "long-distance trade" (Millot & Bertino, 1991, p. 419). In 1854, this system was formally designated as a bimetallic regime, incorporating both gold and silver (Millot & Bertino, 1991, p. 421).

Managed with the intent of regulating the supply, scarce credit constituted a significant source of power, to the detriment of "the weakest segments of traders and producers, [of] the old oligarchy (...), and for the popular sectors capable of providing collateral" (Sala de Touron & Alonso Eloy, 1986, p. 83). More important, scant credit gave Uruguayan and foreign merchants established in Montevideo "the control of transactions, including high-interest mortgages (...) to private individuals and the state" (Millot & Bertino, 1991, p. 422). According to Barrán and Nahum (1967, p. 216):

> Speculation and usury became preferred activities of the mercantile bourgeoisie primarily due to the scarcity of capital in the country. The greater demand than supply of money caused an insurmountable gap that the State not only did not fill with its own credit institutions (...), but even contributed to deepen with its own demand for money: public debt.

11 The term "orista" lacks a straightforward, commonly accepted English equivalent and is employed by Millot and Bertino (1991) to refer to organizations and institutions that endorsed the gold standard regime.

The lack of alternative sources of credit allowed for the operation of this "important accumulation mechanism, (...) speculative in nature" (Millot & Bertino, 1991, p. 422), considered by Marx (1995a, p. 557) as "one of the most powerful levers of primitive accumulation".

The scenario changed considerably from the 1850s onwards with the appearance of the first authorized banking institutions in Uruguay. In 1857, Banco Mauá & Cia.[12] was established (Soares, 1957), and the Sociedad de Cambios created an emission bank (Devoto, 1976), which was named Banco Comercial, giving rise to a national private banking system[13].

In the 1860s and 1870s, new banking organizations were established in Uruguay in recognition of the need to expand credit in a growing economy. In 1863, the London and River Plate Bank was established, followed by Banco Montevideano in 1865, Banco Navía y Cia. and Banco Italiano in 1866, Banco Oriental in 1867, and Banco Rio Platense and the London and Brazilian Bank in 1871.

Taking into account the local branches, the Uruguayan banking system became less centralized in nature. Crucially, the absence of government-issued currency allowed private institutions to issue banknotes during the so-called "Mauá period" (Díaz, 2023, p. 145). This contributed to the expansion of both public and private credit during that era, albeit in a somewhat cautious manner.

Until that point, the currency primarily served as a medium of exchange in the Uruguayan economy, predominantly involved in international transactions and controlled by the mercantile capital. For Millot and Bertino (1991, p. 422), "the exclusive circulation of gold and silver [was maintained] thanks to the rigorous discipline of the merchants, who benefited from the transit trade and ensured the equilibrium of the balance of payments through a relatively limited monetary circulation".

As the emerging banking sector became the "main source of short-term credit" (Millot & Bertino, 1991, p. 423), it could directly challenge high commerce, both in economic and political terms. At that point,

> (...) banks received metal deposits which, according to the contract that regulated them, could constitute money. The banks gave credit that could be used not to increase circulation but to increase deposits, i.e., bank money. Banks also lent to the government, using depositors' funds or created money (issuing bills or credit). (Millot & Bertino, 1991, p. 424).

In this context, the somewhat unstable expansion of credit, facilitated by private banks, can be viewed as a spontaneous political and social counter-movement. It addressed the requirements for expanding the country's domestic market and the increasing expenses associated with financing Uruguay's public debt[14].

While Polanyi links the disruptive potential of bank and fiat currencies to mercantile self-regulation (Polanyi, 2021, p. 205), what the Uruguayan case presents is a challenge to the political creation of credit scarcity, i.e., the action of the mercantile capital to capture income through restricting currency circulation. In this regard, Banco Mauá & Cia. was paradigmatic, "(...) capable of moving gold autonomously with regard to Uruguay's commercial operations, with extensive links to the outside world, (...) and, from the outset, closely linked to state finances" (Millot & Bertino, 1991, p. 425).

12 In practice, Banco Mauá had already been operating in Uruguay since the year prior.

13 For a compilation of the banking institutions established in the period, see Díaz (2023).

14 The coercive functions of the Uruguayan state played a significant role in the expansion of public spending and, as a result, the national public debt during this period. While Sala de Touron and Alonso Eloy (1986, p. 163) indicate that the national public debt had increased to 102,5 million pesos after the Guerra Grande (1839-1851), including war reparations owed to the English and French fleets, Martínez Rodríguez (2019, p. 19) underscores the growth in "(...) financing of Administrative Economic Boards and Political Boards of the sub-national units" between 1862 and 1875, and relates it to "wartime events such as the Triple Alliance War (1865-1870) and the Revolution of the Lanzas (1870-1872)". In this context, the armed conflicts that Uruguay was involved in during the 19th century are pivotal, including the Cisplatine War (1825-1828), the War of La Plata (1836-1851), and the civil war that raged from 1870 to 1875. Centeno presents a broader perspective, asserting that the issuance of currency and, consequently, inflationary expansion served as the primary means of financing these conflicts in post-colonial Latin America. He estimates that between 1859 and 1901, the Uruguayan state issued 342 million pesos for this purpose (2015, p. 132).

Banco Mauá & Cia. faced significant opposition because it had "a larger issuance and business volume compared to all other banks combined" (Millot & Bertino, 1991, p. 425). This opposition stemmed from the fact that the bank was vying for "control of the [Uruguayan] economy (currency and credit, state finances and foreign trade) with merchants and moneylenders" (Millot & Bertino, 1991, p. 425). And the antagonism grew stronger because many of the new banks, especially foreign ones like London and River Plate, backed the strict credit policies.

The commitment to the gold standard in 1865, reflecting British hegemony, the interests of the commercial sector, but also "the intellectual Europeanization of the Uruguayan ruling classes" (Barrán & Nahum, 1967, p. 208), failed to avert "financial and monetary chaos in the 1860s and 1870s", which led to the suspension of "convertibility several times" (Díaz, 2023, p. 93). As public finances worsened[15], the series of monetary crises tied the state's monetary autonomy to the very fate of Banco Mauá & Cia. This situation turned the bank into a prime example of an organization that was too big to fail (Abolafia, 2011).

The peso inconvertibility measures taken in 1865, 1866, and 1867 (Acevedo, 1933) aimed to safeguard Banco Mauá from the backlash it faced due to its growing political and economic influence and the resulting monetary expansion it had provoked (Millot & Bertino, 1991, p. 425). In this context, the establishment of the Montevideo Stock Exchange in 1867 created a platform to represent the economic interests of the orista elite. This move formalized their opposition to the coalition led by Banco Mauá & Cia. and the state (Bolsa de Valores de Montevideo, 1867; Ponce de León, 2000).

The counter-movement was in its last phase. In 1870, the Public Credit Board was established with the responsibility of "replacing the bills in circulation guaranteed by the Nation with others issued by the Board itself" (Millot & Bertino, 1991, p. 430). While the Board functioned "as an emissions bank" (Díaz, 2023, p. 142), indicating a "trend of state involvement in currency issuance" (Millot & Bertino, 1991, p. 430), its establishment reinstated a strict monetary issuance system, aligning with the interests of the merchant capital and the orista banks.

Between 1868 and 1873, currency in circulation decreased by about 45%, and the "immediate contraction of credit" (Barrán & Nahum, 1967, p. 299) it caused reinforced the "dominance of speculative capitalism" (Barrán & Nahum, 1967, p. 219) within the Uruguayan economic structure. This trend favored the allocation of scarce capital to urban and unproductive activities, primarily associated to lavish city lifestyles, exacerbating "the crisis in the rural sector" (Barrán & Nahum, 1967, p. 216).

However, the debate on "how to shape the banking and monetary system" (Millot & Bertino, 1991, p. 432) remained far from being resolved. The option of funding "the balance of payments deficit, state finances and the scarcity of gold (...) through external borrowing (...) failed because of the world crisis of 1873" (Millot & Bertino, 1991, p. 432), which opened up an "opportunity structure" (Latorre-Catalán, 2017) for the state actors.

The "interventionists" crafted "several smaller emission projects that occasionally sketched out a genuine National Bank" (Millot & Bertino, 1991, p. 432), but these plans were mostly met with disappointment. At that time, "the market came to a standstill due to a lack of liquidity" (Millot & Bertino, 1991, p. 433) and the effort to address this issue assumed an authoritarian character with the coup d'état led by Pedro Varela in 1875.

The economic situation kept getting worse, and for the first time, the inconvertibility was accompanied by the state's imposition of forced currency. This move sparked a reaction by the Stock Exchange, which expressed the interests of "the high urban commerce and powerful banks" (Barrán & Nahum, 1967, p. 300). More specifically, the actors implemented a pact of non-recognition of the new legislation, persisting in settling all commitments with gold, while also suspending commercial and credit transactions to those who violated it.

15 The "Invasión de Flores" or Liberating Crusade of 1863, which ultimately triggered the civil war between the Blancos and Colorados and led to the Brazilian invasion in 1864, significantly contributed to the deterioration of public finances during that time. It deepened the new state's reliance on credit, causing a simultaneous rise in public spending and a decline in revenue.

While spearheaded by the Comercial and the London and River Plate banks, that commitment was also "signed by the managers of the (...) Herrera and Eastman, Alemán-Belga, and Mercantil banks, as well by more than 500 trading houses" (Acevedo, 1933, p. 789), most of the financial and commercial businesses in the city at that time, according to Díaz (2023, p. 26). Politically supported by "the diplomats from the foreign powers" (Millot & Bertino, 1991, p. 434), these actors organized a fierce opposition and "behaved like a true monetary authority" (Millot & Bertino, 1991, p. 435).

In 1875, there was a proposal for the establishment of an issuing and discount bank, which was to be realized through the Mauá Agreement. However, this proposal was "rejected by commerce and the banks"[16] (Millot & Bertino, 1991, p. 439). Finally, André Lamas' resignation from the Ministry of Finance in 1876 marked a victory for the oristas. With Lorenzo Latorre coming into power, the market had triumphed once more, catering to the interests of the "urban upper class" composed of "merchants, meat packers, and rancher-businessmen" (Barrán & Nahum, 1967, p. 202).

In line with the Polanyian model, this new self-regulation movement involved a long-term commitment to the gold standard, through which Uruguay "managed to link its currency to gold at a fixed rate from 1876 until 1914, with only a brief suspension during the 1890 crisis, after which it returned to gold backed currency at its previous par value" (Díaz, 2023, p. 23). The liberal takeover of the Uruguayan state made the "unshakeable belief in the automatic mechanism of the gold standard" (Polanyi, 2021, p. 214) the cornerstone of its economic policy for almost forty years.

However, the market's victory did not go unchallenged for long. Efforts to establish national banks, which began with the unsuccessful proposal for the Banco Nacional in 1854, were pursued during the government of Lorenzo Latorre (1876-1879) (Acevedo, 1934a, p. 70). But they gained momentum only during the administrations of Máximo Santos (1882-1886) and Máximo Tajes (1886-1890). Finally, in 1887, the new Banco Nacional was established, and Tajes declared: "let's celebrate the economic independence of the Republic" (Millot & Bertino, 1991, p. 444).

The Banco Nacional was established as a means to counter orism, with the government aiming to "break the gold monopoly and increase credit" by leveraging speculative capital. However, the solution turned out to be even more problematic than the issue it aimed to fix. As interest rates fell and credit expanded dramatically, Uruguay had accumulated a trade deficit of 21.5 million pesos during the short existence of Banco Nacional, from 1887 to 1890 (Millot & Bertino, 1991, p. 445).

A "net (autonomous) gold outflow close to 10 million pesos" (Millot & Bertino, 1991, p. 445) and the crisis triggered by the British bank Baring Brothers proved fatal for the Banco Nacional. Hence, during the middle of 1890, the peso was officially declared as non-convertible, compelling the compulsory circulation of the currency yet again. The organization's collapse resulted from its encouragement of and direct engagement in speculative activities, whose "center was the Stock Exchange" (Millot & Bertino, 1991, p. 444).

"High commerce acted as a central bank and sought to demonetize paper currency" once again, as both its national and British factions openly "confronted the government" (Millot & Bertino, 1991, p. 449). As expected, there was significant "deflation" (Moreno Lázaro, 2023, p. 147), "destructive" (Polanyi, 2021, p. 215) enough to disrupt the productive structure, since "many companies liquidated (especially those linked to the Banco Nacional)" (Millot & Bertino, 1991, p. 451). The deflation also pushed Uruguay back "to the primitive and usurious forms of credit it had always had, in the hands of the high commerce and the pulperos" (Millot & Bertino, 1991, p. 450).

These effects clarify why a deliberate second counter-movement emerged. As predicted by the Polanyian model, it centered around the monopolization of currency issuance and the establishment of a central bank with the ability to publicly regulate credit supply, supposedly "the first bank with a public

16 The establishment of the Commercial Center in 1876 marked another significant milestone in the development of the Uruguayan capital market. This entity recommended that the Ministry of Finance took measures to ensure and control the issuance of currency, expedite currency conversion, and curtail public expenditure. Furthermore, it called for measures to oversee and regulate the activities of Banco Mauá.

monopoly on issuance in Latin America" (Moreno Lázaro, 2023, p. 150). Thus, the rise to power of Juan Lindolfo Cuestas (1897–1899) and the subsequent governments mark a significant shift in Uruguayan monetary policy.

According to Barrán and Nahum (1971, p. 308), a crucial factor in this shift was the gradual decline of the "influence of the so-called 'high commerce', formed by registrars and wholesale shopkeepers linked to the importation of overseas goods" since the 1880s. The authors argue it was the Argentinian political consolidation and the nationalization of regional markets both in that country and in Brazil at the end of the century that largely accounted for the downturn of Montevideo's transit trade[17] and, consequently, of the urban elite that commanded it.

The Banco de la República Oriental del Uruguay (BROU) was established in 1896, with a prohibition on either "act in the capital market or provide services for speculation". Additionally, it lacked "authority over monetary and credit policy" (Millot & Bertino, 1991, p. 454). However, the BROU "would act as the State Treasury and would open a current account for the state of up to 1 million pesos" (Millot & Bertino, 1991, p. 455). While the BROU supported medium-sized industrial and commercial activity in Montevideo, it became "a bank for the big cattle farmers and the state" (Millot & Bertino, 1991, p. 455), benefiting "from the increasing confidence of the marketplace in (...) its performance (...) during the [Juan Lindolfo] Cuestas government" (1899–1903) (Acevedo, 1934b, p. 201).

Ultimately, the BROU monopolized the issuing of currency in Uruguay in 1907, with the termination of the issuing concessions of the Bank of London (1905) and the Banco Italiano (1907), but "the gold standard remained" (Millot & Bertino, 1991, p. 455). From this perspective, there was little that could be done, considering the near-universal adoption of the central banking system — a prerequisite for the exchange rate stability required to uphold British hegemony.

Hence, the BROU, just like its counterparts, was an ambivalent institutional apparatus. On the one hand, it served as the central pillar of the deliberate counter-movement initiated by the Uruguayan state, as it sought to assert its monetary sovereignty. On the other hand, it played a role within the new institutional framework of the world system (Wallerstein, 2011), in which the price of money (the exchange rate) was rigorously regulated under the international gold standard regime. This system solidified a competitive international order that would eventually result in devastating consequences in the 1910s.

6.2. What about the capital market and private securities trading in Uruguay?

Nevertheless, a comprehensive elucidation of the commodification of money in modern world cannot be achieved solely by examining the money market. In line with Weber's (2004) argument, to attain a more exhaustive understanding, an analysis encompassing the capital market is imperative. Therefore, the establishment of the Montevideo Stock Exchange[18], which "assembled all brokers operating in the market and regulated trade and financial operations" (Ponce de León, 2000, p. 12), was part of a broader movement to form Latin American capital markets (see Annex, Figure 1).

Uruguayan economic actors had long sought the establishment of structures to convert money into capital, since a diversified and "prosperous commercial sector" justified the existence, as early as 1795, of a Council of Merchants organized as a class fraction. The growth in transactions necessitated specialized institutions, leading to "the first Chambers of Commerce" in Montevideo (CNC, 2021, p. 39).

17 Sala de Touron and Alonso Eloy (1986, p. 22–23) also observe the connection between "the problems of state organization, in which Argentina and Brazil were involved", the "inevitable (...) shaping of (...) [their] national markets", and the central role of "intermediation traffic" to the accumulation process in Uruguay as early as the first half of the 19th century.

18 "On January 15, 1867, in an Extraordinary Meeting attended by 200 members, the provisory regulations proposed by Guillermo Dill and Mauricio Lamas, were approved, and the authorities of the brand-new institution were chosen. The Administrative Committee was formed as follows: Juan M. Martínez, President; Juan MacColl, Accountant; Ramón Arocena, Treasurer; Alcides Montero, Secretary; Fructuoso del Busto, Daniel Zorrilla and Narciso Farriolls, Voting Members; José Arteaga, General Manager" (Ponce de León, 2000, p. 51).

However, the first attempt to establish a stock exchange was not made until the 1850s. While it was "(...) formally planned, including its building, in 1852, when the country didn't even have its own currency" (Ponce de León, 2000, p. 12), the initiative for its foundation made only timid progress. Consequently, in 1856, a venue named Bolsín was established, serving as "a meeting place (...) to deal with all kinds of lawful business and at the same time look after the general interests of commerce and the private sector, of the national economy" (Carrau, 1987 apud Ponce de León, 2000, p. 42).

The Bolsín, however, was short-lived and ceased to operate in the same year "when the Uruguayan state suspended transactions involving public funds" (Bugallo, 2021, p. 10) in the face of such a "rhythm of speculation" that "provoked some ruinous bankruptcies" (Ponce de León, 2000, p. 43). This suggests that the local capital market had gained some prominence during that period, handling transactions related to various public securities, such as "the French, English and Brazilian Consolidated, Demandable, and Innominate debts, as well as the Treasury Promissory Notes" (Ponce de León, 2000, p. 43).

The political conflict partially accounts for the challenges faced in institutionalizing Montevideo's capital market, with a "wave of fratricidal wars" (Ponce de León, 2000, p. 12) severely impeding its progress. Nevertheless, the establishment of the Sociedad Bolsa de Comercio Montevideana[19] in 1867, "at the same time as the adoption of the gold standard" (Moreno Lázaro, 2023, p. 142), provided a venue for the trading of a wide range of commodities, including gold, wool, leather, sugar, land, and public and private securities, etc. (Bolsa de Valores de Montevideo, 1867).

The inauguration ceremony was presided over by the "(...) Provisory Governor, General Venancio Flores, accompanied by all his Secretaries of State" (Ponce de León, 2000, p. 53). "At that time, the Stock Exchange had 350 subscribers"[20] (Acevedo, 1933, p. 464), and "(...) an impressive quantity of documents and debts were quoted[21](Ponce de León, 2000, p. 53). A "clearinghouse or settlement chamber" was also organized complementary to the Stock Exchange, being "responsible for the daily exchange of banknotes and bills" and for settling the resulting balances (Acevedo, 1933, p. 464).

Since its establishment, the Montevideo Stock Exchange has held a significant position within the national economy. It has served as a focal point for the interests of a portion of Uruguay's economic elite, as highlighted by Millot and Bertino (1991). However, such a role proved pivotal concerning public debt, "as more and more quotation instruments appear[ed] in the market, mostly loans with their sequel of unifications and consolidations" (Ponce de León, 2000, p. 27). Moreno Lázaro (2023, p. 142) even attributes "its birth (...) to the governmental need to place public debt".

Taking into account "the immense impact the public debt had", as well as "the equally powerful influence of usurious capital" (Barrán & Nahum, 1967, p. 216) in the country, it is argued that the primary pathway for converting money into capital during the latter half of the 19th century in Uruguay was within the realm of funding state activity. This assertion is in line with Marxian analysis of the links between public debt and the preliminary stages of capitalist accumulation, as the first "(...) endows barren money with the power of breeding and thus turns it into capital, without the necessity of its exposing itself to the troubles and risks inseparable from its employment in industry or even in usury" (Marx, 1995a, p. 557).

19 This organization established its initial statute in 1907, defining itself up as a non-profit company with two directorates: one overseeing internal operations and the other focused on external economic and commercial representation, referred to as "the National Chamber of Commerce" (CNC, 2021, p. 39).

20 Ponce de León (Ponce de León, 2000, p. 51) argues that "the number of shareholders of the brand-new Stock Exchange was 427 and included many people of unquestionable prominence".

21 "On January 21, 1867, inauguration day, the following debts and documents were quoted in the Stock Exchange: funded debt (1859); internal debt (1860), French-English debt (1862); Montevideo-Europe loan (1863), land rescue (1866); British credits (1856); Gounovilhou credit (1856); Capurro Stores (1861); Mauá & Cia. (1866); Bustamante succession (1866); war loans (1864); Antonini (1865); O'Neill (1865); Vaillant (1866); First Funded Bonds (1860); Demandable Debt (1860); Mortgage Credit (1860); Salaries and Pensions until 1865; floating debt up to December 1865" (Ponce de León, 2000, p. 53).

Despite the liberal commercial legislation, particularly regarding foreign investment, which facilitated initial public offerings of about "thirty companies" (Moreno Lázaro, 2023, p. 142) in the Montevideo Stock Exchange's first year and a substantial number of shares in banks[22] and other companies[23] being negotiated thereafter, private securities appear to have played a secondary role in the Uruguayan financial markets since then.

While the capital negotiated in the Montevideo Stock Exchange reached 2.3 times the Uruguayan GDP in 1890 (Moreno Lázaro, 2023, p. 147), when private shares surpassed public debt exceptionally, the amount and volume traded through the shares of companies such as Progreso Urbano ($1,300,000), Progreso Oriental ($2,000,000), Credito Real Uruguayo ($5,000.000), and Compañía Nacional de Credito y Obras Publicas ($20,000,000), among others, could not compete with amortizable, consolidated, Treasury bonds, foreign, municipal, loans and other types of debt in the long run, as Artagaveytia (1944) documents from 1875 onwards.

Crucially, due to the cyclical nature of the Uruguayan economy until the late 19th century, private securities trading in Montevideo could not consistently thrive. As a result, they did not become the primary circuit for converting money into capital in the country. Along these lines, Millot and Bertino (1991, p. 457) argue that Montevideo's capital market "(...) only served to place mortgage bonds and internal public debt" at the end of the 1890s. According to the authors,

> (...), the stock market had traded different securities and even commodities, but since the crisis of the [18]90s it has only been used to place mortgage bonds and domestic public debt. (...) In other cases, capital moved through informal channels (family, business or friendship relationships). (Millot & Bertino, 1991, p. 457).

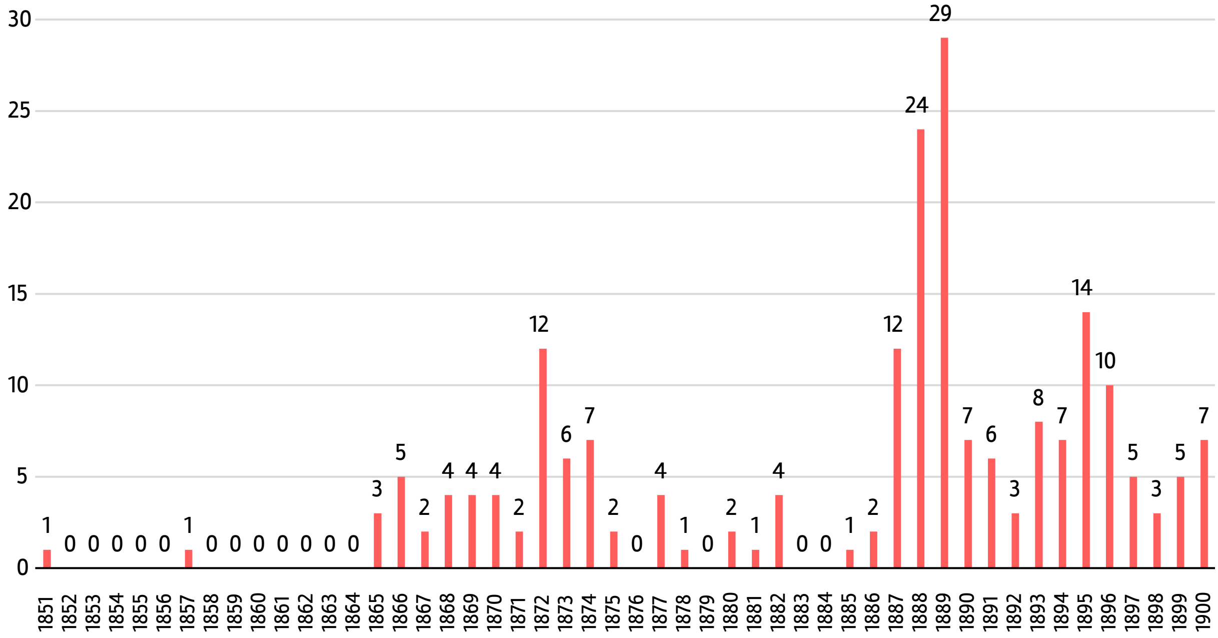
Notwithstanding, the establishment of stock companies in Uruguay during this era exhibited its own distinct dynamics, fundamentally altering the economic landscape in the latter half of the 19th century (refer to Appendix, Table A1). While this dynamic aligns with the roles ascribed by Marx and Engels (1995) to these organizations concerning the processes of capital concentration and centralization that are characteristic of modern business activities, in the Uruguayan case, privately-held stock companies started to prevail, operating "on the fringe of the stock exchange" (Moreno Lázaro, 2023, p. 160).

Graph 1 below illustrates that the establishment of stock companies in Uruguay also exhibited a cyclical pattern. Initially, during the period from 1858 to 1865, just three new stock companies were created, in addition to the existing two. Nevertheless, there was a substantial surge in the creation of stock companies between 1872 and 1874, marked by the establishment of 25 organizations of this nature.

22 Ponce de León (2000, p. 53) lists the following banks: Comercial, Montevideo, the Italian, the Londres, Mauá, and Mortgage Association.

23 Non-financial companies and associations comprised Salteña de Navegación a Vapor, Uruguaya de Navegación a Vapor, Ferrocarril Central, Mensajerías Oriental y Diligencias, Omnibus a la Unión, Pastoril de Merinos de Tacuarí, and Pastoril de Cebollatí; and Fomento Territorial, Mercado del Puerto, Teatro Solís, Plaza de Toros de la Unión, Gran Hotel Americano, La Bienhechora del Plata, and Sociedad Hípica, among others (Ponce de León, 2000, p. 53-54).

Graph 1. Establishment of Stock Companies in Uruguay (1851–1900)



Source: the author, based on Biblioteca Nacional de Uruguay (2022) and Criado (various years).

This surge was associated to the enactment of the Código de Comercio para el Estado Oriental del Uruguay,[24] which was a component of the broader Latin American efforts to regulate commercial matters (Jimeno Borrero, 2021). Crucially, it unveils an unparalleled effort to modernize economic relationships at the periphery.

Between 1875 and 1887, this momentum was restrained, which is largely explained by what Devoto (1976, p. 229) defined as "the banking, monetary, commercial, financial and economic crisis of 1868". However, in a span of merely three years (1887–1889), there was a renewed surge in the promotion of stock companies[25]. This time, the increase was even more substantial, with the establishment of 65 companies of this nature, and it largely reflected "the boom environment of the second part of the eighties" (Díaz, 2018, p. 208). Acevedo (1903, p. 261) has even described it as an "invasion of companies".

The decline in the establishment of stock companies in the subsequent years was also noteworthy. It can be attributed to the repercussions of the Baring Brothers crisis, particularly its impact on the major markets in the subcontinent, notably Buenos Aires, Montevideo, and Rio de Janeiro. In this context, the "crisis of the nineties" (Díaz, 2018, p. 212) significantly impeded the inclination for new business ventures within the country.

Lastly, a third wave occurred from 1893 to 1896, during which 39 stock companies were established, despite challenging economic conditions. This indicates a degree of consolidation for this institution, which adapted to a capital market that had not fully overcome credit constraint. The latter had been imposed by a segment of the economic elite since the early 19th century, and was backed by the strong commitment of economic policy to the gold standard (Díaz, 2023).

7. Conclusion

The dynamics of Uruguay's money, credit and capital markets between 1851 and 1900 reflect the process of capitalist development in peripheral and semi-peripheral contexts (Wallerstein, 2011). However, the

24 The Decree of May 26, 1865 approved the Code of Commerce of the Province of Buenos Aires, Argentina, as the law of the Oriental Republic of Uruguay, "with some variations" (Criado, various years, Tome III, p. 27).

25 Acevedo (1934a, p. 437) mentions "a truly extraordinary number of banks, companies, and societies" registered during these three years, "totaling 186 companies", with a capital of 542.1 million pesos.

formation of these markets was also reliant on particular institutional arrangements that intertwined economic interests and the political organization of distinct class fractions, both internally and externally, operating within the state and in the private sector.

This case highlights the unequal contributions of these markets to the process of capitalist accumulation. It allows us to evaluate Uruguay's path as being structurally dependent on bank financing and, potentially, on private mechanisms for internal capital accumulation. This may help explain why privately-held stock companies dominated in the years shortly after the adoption of a commercial code governing corporate matters, an avenue for future research which may provide insights and address gaps in our understanding of the circuits of accumulation in the Southern Cone.

Therefore, the research suggests that the processes of commodifying or converting money into capital (Polanyi, 2021) should be viewed as open-ended and not confined by paradigmatic occurrences. This required a comprehensive and integrated approach to financial markets, which I strove to demonstrate in the paper. Adding to the Polanyian viewpoint on the state monopoly on currency issuance, contributions from Marxian and Weberian perspectives were incorporated to understand the roles assumed by the stock exchange and the stock corporation in modernizing economic relations, as applied to the Uruguayan case. Such a theoretical framework can also be enriched by incorporating dimensions such as the foreign exchange market, which were not explored in this paper.

In this regard, examining the conditions under which central economic institutions in capital markets, such as central banks, stock exchanges, and stock companies, were established and operated in their early years has drawn attention to a particular gap in historical and sociological discussions on Latin America.

These debates often overlook the specific forms assumed by the process of capital accumulation in the region, wherein class fractions and interest groups may be sufficiently capable of instrumentalizing economic institutions both within and outside the state. This dynamic has produced, in the case of Uruguay, a distinct path of capitalist development, contrasting with accumulation trajectories centered on capital markets (Carruthers, 1996; North & Weingast, 1989).

In order to substantiate this claim, it is advisable to explore other national cases in the future, including Argentina, Brazil, Chile, and Mexico. This exploration should involve the comparative method (Álvarez, 2008) alongside the approach presented here, allowing for the assessment of both the similarities and differences in the historical development of national financial markets. This could potentially result in the development of distinct Latin American institutional models (e.g., one specific to the Southern Cone region) and the examination of conventional Eurocentric hypotheses regarding the evolution of these markets.

Therefore, given the cyclical patterns in the establishment of stock companies, coupled with the limited significance of the capital market and private securities trading, and the preference for public debt as the primary means of accumulation, it is essential to delve deeper into the mechanisms of capital formation in Uruguay, as well as in other peripheral and semi-peripheral economies, during the late 19th century. This investigation should evaluate the extent to which these mechanisms enhance our comprehensive understanding of capitalist development.

Sources

The archival and documentary sources used in composing the empirical basis of the investigation and the non-exhaustive list of 208 stock companies established in Uruguay (1851-1900) presented in Table A1 (Annex) encompassed the statutes of banks, associations, and joint-stock corporations available in the collection of the Biblioteca Nacional de Uruguay – BIBNA (2022) and/or compiled by Criado (various years), as well as supplementary material on stock exchange and banking operations obtained from BIBNA and the Archivo General de la Nación.

References

Abolafia, M. Y. (2011). Financial markets. In J. Beckert & M. Zafirovski (Orgs.), *International Encyclopedia of Economic Sociology* (277–282). Routledge.

Acevedo, E. (1903). *Notas y apuntes: Contribución al estudio de la historia económica y financiera de la República Oriental del Uruguay* (Vol. 2). El Siglo Ilustrado.

Acevedo, E. (1933). *Anales históricos del Uruguay. Tomo 3. Abarca los gobiernos de Berro, Aguirre, Flores, Batlle, Comensoro, Ellauri y Varela, desde 1860 hasta 1876*. Barreiro y Ramos

Acevedo, E. (1934a). *Anales históricos del Uruguay. Tomo 4. Abarca los Gobiernos de Latorre, Vidal, Santos, Tajes y Herrera y Obes, desde 1876 hasta 1894*. Barreiro y Ramos.

Acevedo, E. (1934b). *Anales históricos del Uruguay. Tomo 5. Abarca los Gobiernos de Idiarte, Borda, Cuestas, Batlle y Ordóñez, 1894 hasta 1915*. Barreiro y Ramos.

Adelman, J. (2002). *Republic of Capital: Buenos Aires and the Legal Transformation of the Atlantic World*. Stanford University Press.

Alborn, T. L. (2002). *Conceiving Companies: Joint Stock Politics in Victorian England*. Taylor & Francis.

Álvarez, J. E. (2008). Sobre el Método Comparado. *Boletín de Historia Económica*, *6*(7), 18.

Arrighi, G. (2006). *O longo século XX: Dinheiro, poder e as origens de nosso tempo*. Contraponto.

Artagaveytia, R. (1944). *Valores cotizados en la Bolsa de comercio, 1875-1920*. Impresora Uruguaya.

Barrán, J. P., & Nahum, B. (1967). *Historia rural del Uruguay moderno. Tomo I. 1851-1885*. Ediciones de la Banda Oriental.

Barrán, J. P., & Nahum, B. (1971). *Historia rural del Uruguay moderno. Tomo II. La crisis económica 1886-1894* . Ediciones de la Banda Oriental.

Barrán, J. P., & Nahum, B. (1973). *Historia rural del Uruguay moderno. Tomo III. Recuperación y dependencia 1895-1904*. Ediciones de la Banda Oriental.

Bértola, L., & Ocampo, J. A. (2019). *O desenvolvimento econômico da América Latina desde a Independência*. Alta Books.

Biblioteca Nacional de Uruguay. (2022). *Biblioteca Nacional de Uruguay*. http://catalogo.bn.gub.uy/F?-func=find-b-0&local_base=BNU01

Bolsa de Valores de Montevideo. (1867). *Bolsa Montevideana*. Imprenta a Vapor de La Tribuna.

Bowen, G. A. (2009). Document analysis as a qualitative research method. *Qualitative Research Journal*, *9*(2), 27–40.

Bryer, R. A. (1997). The Mercantile Laws Commission of 1854 and the political economy of limited liability. *The Economic History Review*, *50*(1), 37–56.

Carruthers, B. G. (1996). *City of capital: Politics and markets in the English financial revolution*. Princeton University Press.

Carruthers, B. G. (2012). *Historical sociology of modern finance*.

Centeno, M. A. (2015). *Blood and Debt: War and the Nation-State in Latin America*. Penn State University Press.

CNC. (2021). *Conselho de Câmaras de Comércio do Mercosul*. Confederação Nacional do Comércio de Bens, Serviços e Turismo.

Couyoumdjian, J. P. (Org.). (2016). *Economía sin Banco Central: La banca libre en Chile (1860-1898)*. Ediciones El Mercurio.

Cova, C. (2021). *Uma história ilustrada do mercado de capitais no Brasil*. Andrea Jakobsson Estúdio.

Criado, M. A. (various years). *Colección Legislativa de la República Oriental del Uruguay ó sea Recopilación Cronológica de las leyes, decretos, resoluciones gubernativas, tratados internacionales acordadas del Tribunal y demás disposiciones de carácter permanente sancionadas con fuerza de ley desde la Independencia de la República hasta nuestros dias*. Manuel Alonso.

Devoto, J. E. P. (1976). *Contribución a la Historia Económica y Financiera del Uruguay. Los Bancos: 1824-1868*. A. Monteverde y Cia.

Díaz, G. M. (2023). *Essays on the Gold Standard: The Case of Uruguay*. Universidad de la República.

Díaz, R. P. (2018). *Historia económica de Uruguay*. Ramón Díaz.

Efron, S. E., & Ravid, R. (2018). *Writing the Literature Review*. Guilford Publications.

Goetzmann, W. N., & Rouwenhorst, K. G. (2005). Introduction: Financial Innovations in History. In *The Origins of Value: The Financial Innovations that Created Modern Capital Markets* (p. 3-16). Oxford University Press.

Heilbron, J. (2005). Taking stock: Toward a historical sociology of financial regimes. *economic sociology_ the european electronic newsletter*, *7*(1), 3-17.

Hiferding, R. (2019). *Finance capital: A study in the latest phase of capitalist development*. Taylor & Francis.

Ingham, G. (1999). Capitalism, money and banking: A critique of recent historical sociology. *The British journal of sociology*, *50*(1), 76-96.

Johnson, P. (2010). *Making the market: Victorian origins of corporate capitalism*. Cambridge University Press.

Knorr Cetina, K. (2012). What is a financial market? Global markets as microinstitutional and post-traditional social forms. In K. Knorr Cetina & A. Preda (Orgs.), *The Oxford Handbook of the Sociology of Finance* (187-210). Oxford University Press.

MacKenzie, D., & Millo, Y. (2003). Constructing a market, performing theory: The historical sociology of a financial derivatives exchange. *American journal of sociology*, *109*(1), 107-145.

Martínez Rodríguez, C. (2019). *La construcción del Estado Oriental del Uruguay (c. 1853-1893): Otra mirada con foco en la evolución histórica de sus funciones*. Universidad de la República.

Marx, K. (1995a). *Capital. A Critique of Political Economy. Volume I. The Process of Production of Capital*. International Publishers.

Marx, K. (1995b). *Capital. A Critique of Political Economy. Volume II. The Process of Circulation of Capital*. International Publishers.

Marx, K., & Engels. (1995). *Capital. A Critique of Political Economy. Volume III. The Process of Capitalist Production as a Whole*. International Publishers.

Mazzuca, S. (2021). Party-Driven State Formation in Comparative Perspective: Colombia and Uruguay. In *Latecomer State Formation: Political Geography and Capacity Failure in Latin America* (307-349). Yale University Press.

McAuley, C. (2019). *The Spirit Vs. The Souls: Max Weber, W.E.B. Du Bois, and the Politics of Scholarship*. University of Notre Dame Press.

Millot, J., & Bertino, M. (1991). *Historia económica del Uruguay* (Vol. 2). FCU.

Moreno Lázaro, J. (2023). Finanzas y coyuntura económica en Uruguay: La Bolsa de Montevideo, 1867-1945. *H-industria. Revista de historia de la industria y el desarrollo en América Latina*, (*33)*, 137-173. https://doi.org/10.56503/H-Industria/n.33(17)pp.137-173

Musacchio, A. (2009). *Experiments in Financial Democracy: Corporate governance and financial development in Brazil, 1882-1950*. Cambridge University Press.

North, D. C., & Weingast, B. R. (1989). Constitutions and commitment: The evolution of institutions governing public choice in seventeenth-century England. *The journal of economic history*, *49*(4), 803-832.

Oddone, J. A. (1986). The formation of modern Uruguay, c. 1870-1930. In L. Bethell (Org.), *The Cambridge History of Latin America: Volume 5: C.1870 to 1930* (453-474). Cambridge University Press, Cambridge Core.

Polanyi, K. (2021). *A grande transformação: As origens políticas e econômicas de nossa época*. Contraponto.

Ponce de León, N. B. (2000). *Bolsa de Valores, Montevideo, 1867-2000*. Bolsa de Valores de Montevideo, Javier Irureta Goyena Gomensoro.

Sala de Touron, L., & Alonso Eloy, R. (1986). *El Uruguay comercial, pastoril y caudillesco. Tomo I: Economia*. Ediciones de la Banda Oriental.

Soares, T. (1957). *O Gigante e o Rio: A ação de Mauá no Uruguai e na Argentina 1851-1878*. Cia. Brasileira de Artes Gráficas.

Steinmo, S. (2008). Historical institutionalism. Em D. della Porta & M. Keating (Orgs.), *Approaches and methodologies in the social sciences: A pluralist perspective* (118-138). Cambridge University Press.

Veblen, T. (1924). *Absentee ownership and business enterprise in recent times: The case of America*. George Allen & Unwin.

Veblen, T. (2011). *The Theory of Business Enterprise*. Barnes & Noble.

Ventresca, M. J., & Mohr, J. W. (2017). Archival Research Methods. In *The Blackwell Companion to Organizations* (805–828). John Wiley & Sons, Ltd.

Wallerstein, I. (2011). *The Modern World-System I: Capitalist Agriculture and the Origins of the European World-Economy in the Sixteenth Century*. University of California Press.

Weber, M. (2004). *A bolsa*. Relógio D'Agua.

Wicha, A. (2018). European supervision on financial markets after global financial crisis (2008). In S. Koç, A. Orhan, & S. Y. Genç (Orgs.), *Politico-Economic Evaluation of Current Issues* (83–87). Cambridge International Academics

Widdersheim, M. M. (2018). Historical case study: A research strategy for diachronic analysis. *Library & Information Science Research*, *40*(2), 144–152.

Wright, R. E. (2002). *The Wealth of Nations Rediscovered: Integration and Expansion in American Financial Markets, 1780–1850*. Cambridge University Press.

Annex

Table 1. Establishment of stock companies established in Uruguay (1851-1900)

Stock company	Year of establishment
Compañía Real	1851
Banco Mauá y Cia.	1857
Banco Montevideano	1865
Banco Comercial	1865
Banco de Londres y Rio de la Plata	1865
Sociedad de Crédito Hipotecário	1866
Compañía del Ferro-Carril Central del Uruguay	1866
Caja Popular de Préstamos y Caja de Ahorro con Interés S.A.	1866
Banco Italiano del Uruguay	1866
Sociedad de Crédito Hipotecario	1866
Sociedad Fomento Territorial	1867
Sociedad Fomento Montevideano	1867
Sociedad del Plata	1868
Sociedad del Lavadero Americana	1868
Crédito Mobiliario del Río de la Plata	1868
Sociedad de Amigos de la Educación Popular	1868
Mini, S.A.	1869
Industria Nacional, S.A.	1869
Tramway al Paso del Molino y Cerro	1869
Sociedad Alcázar Lírico de Montevideo	1869
Sociedad Tipográfica Montevideo	1870
Empresa del Teatro Solís	1870
La Sociedad Liebig-Extract of Meat Company Limited	1870
Sociedad del Teatro Solís	1870
Centro Comercial	1871
Sociedad Anónima "Café"	1871
Sociedad Minera Oriental	1872
Sociedad de Tiro Suizo en Montevideo	1872
Sociedad Anónima La Flor Cubana	1872
Sociedad Anónima La Esperanza	1872
La Rural, S.A.	1872
La Colonizadora Agrícola Industrial del Uruguay, S.A.	1872
Gran Caja de Crédito Territorial del Uruguay	1872
Sociedad del Ferro-Carril Central del Uruguay	1872
Compañía Oriental de Navegación a Vapor	1872
Asociacion de la North Western Raylway of Montevideo Company Limited	1872
Banco Aleman-Belga del Rio de la Plata	1872
Empresa del Ferro-Carril del Salto a Santa Rosa	1872
Sociedad Tram-Vía Oriental	1873
Progreso Urbano, S.A.	1873
La Mercantil, S.A.	1873
Compañía Inmobiliaria de Montevideo	1873

Stock company	Year of establishment
Banco Mercantil del Rio de la Plata	1873
Trem-via del Centro	1873
Tram-vía al Buceo S.A.	1874
Sociedad "Caja Comercial"	1874
Compañía del Ferrocarril Central Uruguayo y de Higueritas, Ltda.	1874
Carnicería Central y Normal S. A.	1874
Aserradero Salteño	1874
Sociedad Médico Quirúrgica de Montevideo	1874
Sociedad Biblioteca Popular	1874
Tranvías de Canelones, S.A.	1875
La Industria Oriental	1875
Nueva Compañía Salteña de Navegación a Vapor	1877
Sociedad Protectora de la Inmigración Vascongada	1877
Sociedad "Laurak-bat"	1877
Sociedad Dramática Nacional "Talía"	1877
Centro Mercantil de Montevideo	1878
Sociedad Musical "La Lira"	1880
La Democracia S.A.	1880
Banco de Crédito Real Mixto	1881
Universidad Libre	1882
Sociedad Anónima Bolsa Montevideana	1882
Sociedad Anónima Ferro Carril Uruguayo del Este	1882
Compañía Oriental de Seguros Marítimos y Contra Incendios La Comercial	1882
Empresa del Ferro-Carril Nor-oeste del Uruguay	1885
Wilson hijos y Cía. Ltda.	1886
La Uruguaya S.A.	1886
Sociedad General de Crédito de la República Oriental del Uruguay	1887
Sociedad de Crédito Real Uruguayo	1887
Compañía Anónima "Minas de Poconé"	1887
Caja Nacional de Pequeños Préstamos y Descuentos	1887
Banco Progreso de la Republica Oriental del Uruguay	1887
Banco Hipotecario del Uruguay	1887
Banco Nacional de la República Oriental del Uruguay	1887
Banco Italiano del Uruguay	1887
Banco de España y Río de la Plata, S.A.	1887
Banco de Crédito Auxiliar	1887
Banco Constructor Uruguayo	1887
Banco Constructor Sud-americano	1887
Sociedad Enológica Uruguaya	1888
Sociedad de la Biblioteca Popular de Santa Lucía	1888
Sociedad Cosmopolita Recreativa de Artesanos	1888
Sociedad Vitícola Salteña	1888
Sociedad Mercantil del Plata, S.A.	1888
Obrera Nacional, S.A.	1888
Mercado del Puerto S.A.	1888

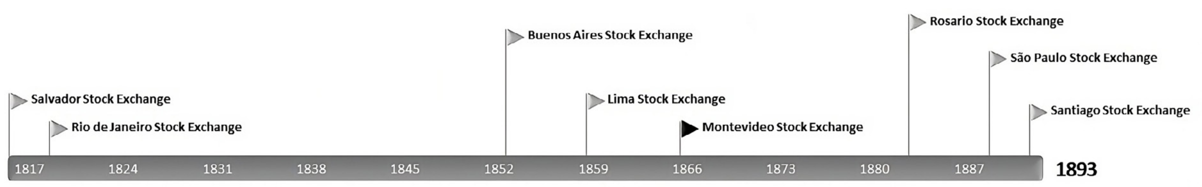
Stock company	Year of establishment
Mercado Central de Frutos del Uruguay S.A.	1888
La Nación. S.A.	1888
La Internacional	1888
Industrias Nacionales "La Estrella"	1888
Falansterio Montevideano, S.A.	1888
Sociedad Cooperativa de Panadería, S.A.	1888
Sociedad Popular Cooperativa de Gas	1888
Compañía Nacional de Consumidores de Gas y Luz Eléctrica	1888
Compañía Nacional de Créditos y Obras Públicas	1888
Compañía General de Inquilinatos	1888
Compañía de Seguros "La Plata" S.A.	1888
Banco Popular del Uruguay	1888
Banco Mercantil Oriental	1888
Banco Inmobiliario y Mercantil Franco-Uruguayo	1888
Club "Conservatorio Cervantes"	1888
Sociedad Unión Militar	1888
Castro, Petty e Cia.	1888
Sociedad "Unión, Paz y Trabajo"	1889
Unión y Progreso S.A.	1889
Sociedad Uruguay	1889
Sociedad Cooperativa de Farmacia y Droguería, S.A.	1889
Sociedad Canteras de Mármol del Uruguay	1889
Sociedad Constructora de Afirmados	1889
Sociedad Auxiliar de Crédito y Alquileres	1889
Sociedad Anónima Agencia de Tierras	1889
La Unidad	1889
La Forestal Colonizadora Uruguaya S.A.	1889
La Edificadora de Montevideo	1889
Crédito Oriental, S.A.	1889
Compañía Telefónica Cooperativa "La Nación"	1889
Compañía Nacional de Crédito y Obras Públicas	1889
Colonización y Fomento del Uruguay, S.A.	1889
Cervecerías del Uruguay	1889
Cervecería Germanía, S.A.	1889
Caja Nacional Uruguaya	1889
Cabaña del Paraíso S.A.	1889
Banco Transatlántico del Uruguay	1889
Banco General Uruguayo	1889
Banco Departamental de la Colonia	1889
Banco del Plata	1889
Banco de Cobranzas	1889
Banco Crédito Unido	1889
Banco Cooperativo del Uruguay	1889
Tranvía Nacional de Montevideo	1889
Sociedad Cooperativa de Consumo de Carne	1889

Stock company	Year of establishment
Sociedad "Hijos de España"	1889
Sociedad "Tiro Suizo de Nueva Helvecia"	1890
Banco Nacional Hipotecario del Uruguay	1890
La Nacional S.A.	1890
Banco Italo-Oriental	1890
Gran Destilería Oriental, S.A.	1890
Sociedad "El Demócrata"	1890
Sociedad de Minería La Providencia	1890
Sociedad "Liga Profesional"	1891
Sociedad del Magisterio	1891
Vegas Uruguayas, S.A.	1891
Sociedad Anónima Extracción de Tesoros Submarinos	1891
Sociedad de Socorros Mutuos del Partido Nacional de la Unión y Maroñas	1891
Sociedad de Caridad y Beneficencia Pública	1891
Sociedad "Cementerio Británico"	1892
Sociedad Cosmopolita de Socorros Mutuos "La Uruguaya"	1892
Sociedad de Colonización y Fomento del Uruguay	1892
Unión de los Amigos	1893
Sociedad Nacional de Socorros Mutuos de Señoritas	1893
Sociedad Cosmopolita da Socorros Mutuos Fraternal Uruguaya	1893
Sociedad Mercantil del Plata	1893
Centro de Almacenaros Minoristas	1893
Compañía Nacional Luz Eléctrica	1893
Casino Artigas, San Eugenio del Cuareim	1893
Banco Departamental	1893
Sport Basque, S.A.	1894
Compañía del Dique Cibils y Jackson	1894
Centro del Comercio y la Industria	1894
Compañía Norte Germánica de Seguros contra Incendios	1894
Sociedad de Beneficencia de San Gregorio de Polanco de Río Negro	1894
Sociedad "Aspiración Coral"	1894
Sociedad "Centro Democrático"	1894
Sociedad Rejeneradores de Obreros Picapedreros	1895
Sociedad Recreativa "El trueno"	1895
Sociedad Escolar Proteccionista	1895
Sociedad Emancipadora de Obreros Marmolistas	1895
Sociedad de Beneficencia de Rivera	1895
Sociedad Cosmopolita de Socorros Mutuos "La Fraternidad"	1895
Sociedad Cosmopolita de Obreros Albañiles y Anexos al Ramo	1895
Sociedad Coral Recreativa	1895
Sociedad "Alberto Palomeque"	1895
Sociedad Agrícola de Socorros Mutuos Italo-Uruguaya	1895
Mensajerías Fluviales del Plata S.A.	1895
Sociedad "Centro de Panaderos"	1895
Caja de Pensiones La Fraternal Uruguaya	1895

Stock company	Year of establishment
Sociedad Cosmopolita de Mutua Protección de Empleados de Tranvías	1895
Sociedad Taurina “Curro Cuchares”	1896
Sociedad Filatélica Uruguaya	1896
Sociedad de Socorros Mutuos de Nueva Helvecia.	1896
Sociedad de Beneficencia “Dios, Patria y Caridad”	1896
Sociedad Criolla “Flor del Pago”	1896
Sociedad Ferrocarril y Tranvía del Norte	1896
Sociedad Anónima de Seguros La Baloise	1896
Banco de la República	1896
Refineria y Destileria del Uruguay	1896
Sociedad Cooperativa Bodega Social Colón	1896
Unión Fabricantes de Carruajes	1897
Monte de Piedad Uruguayo S.A.	1897
Sociedad de Seguro sobre la Salud Fraternidad Obrera	1897
Compañía del Ferrocarril del Oeste del Uruguay y Puerto	1897
Sociedad Cosmopolita de Obreros Albañiles y Anexos de Mutuo y Mejoramiento	1897
Sociedad Recreativa “La Guayaba”	1898
Sociedad “Misteriosos”	1898
Sociedad “Los Criollos”	1898
Sociedad Rural Exposición feria de Paysandú	1899
Sociedad Cosmopolita de Socorros Mutuos de Nueva Palmira	1899
Sociedad Biblioteca del Batallón Florida 1° de Cazadores	1899
Sociedad Victoria Hall	1899
Sociedad Recreativa “La Colmena”	1899
Empresa Ferrocarril Midland del Uruguay	1900
Compañía de los Establecimientos de Minas de Oro del Uruguay	1900
Sociedad “Unión Cosmopolita de Mozos”	1900
Sociedad Recreativa “Tirifilo”	1900
Sociedad “Juventud Unidad”	1900
Sociedad Recreativa “Los Aguateros”	1900
Sociedad Cosmopolita de Socorros Mutuos de Independencia	1900

Source: the author, based on BIBNA (2022) and Criado (various years).

Figure A1. Establishment of selected stock exchanges in Latin America (1817–1900)



Source: the author, based on various sources.