## **CHAPTER III**

## THE YOUNG ENTREPRENEUR

In Chapter II, the genesis of Longoria capital was examined. Chapter III will investigate how Chito applied this capital to a maximum effect in the 1930's while honing his skill as a young entrepreneur. This chapter traces the creation of the Longoria banking and industrial empires and recounts the death of Chito's father and its repercussions.

The Garza-Sada family of Monterrey, which owned the Cuauhtemoc brewery, was so pleased with the profits made from distributing its beer in the Laredo-Nuevo Laredo area that they eliminated the Longorias as the distributors, and gave distribution rights to one of their relatives.

Since he no longer had the beer distribution, Chito's father in 1921 purchased a soap factory that had been recently built in Nuevo Laredo. The soap plant had been built by a family from Guadalajara who also operated flour mills in the state of Jalisco. The soap plant in Nuevo Laredo was not large, employing only six or seven workers, and produced about 500 cases of soap per month. The family from Guadalajara had invested twenty thousand pesos in the

plant and then discovered that it was too distant for them to run efficiently. They decided that it would be to their advantage to dispose of the soap plant and limit their operations to the state of Jalisco. They sold the plant to Chito's father for not much more than it cost them to build. Chito's father moved the soap plant to the location of the ice plant, piece by piece, from bricks to kettles to boilers. Locating both plants at the same site was more efficient and easier to administer, but it took time and kept Chito's father fully occupied for several years.

While his father oversaw the reconstruction of the soap plant at the industrial site, Chito supervised their banking operation which was rudimentary at best because of circumstances that were both social and political. Through the 1920's, the economic health of the Mexican banking system was precarious to say the least. Few people trusted bank notes which could be issued at will by the private banks that made up the unregulated banking system of Mexico. Metallic money was the only secure method of conducting business.

In September of 1925, the Mexican federal government created Banco de México S.A, which functioned as the

In 1921, the exchange rate was 2.038 per U.S. dollar which means that the plant cost \$9,813.54 in 1921 dollars. The cost in 1985 dollars is \$228,860.00.

central bank of Mexico. The Mexican government granted the bank a monopoly over the issuance of paper money and the authority to establish the rates of exchange between the peso and foreign currencies. Unfortunately, the institution of Banco de México did not immediately change the complexion of banking in Mexico. It took several years for Banco de México to gain control over the independent and private banks scattered throughout the country.<sup>2</sup>

Still outside the centralist regulations of the Banco de México, twenty year old Chito recognized that the Longoria warehouse was no longer a suitable place to conduct their private banking activities. Those activities had become much too complicated for the kind of "seat of the pants" operation they were currently running. Chito suggested to his father that they erect a proper building in which to operate their banking activities. His father consented. Chito found an architect and arranged for its construction.<sup>3</sup>

Chito created a neo-classical monument, a two story bank building made of Indiana limestone with a classic pillared facade, interior marble floors, and teller windows made of bronze. One of the reasons for the building in the

Brothers, Solis, <u>Mexican Financial Development</u>. P. 9-11.

O.L.L. Oral History, Tape 6.

classical style was to promote an aura of solidity and permanence and to attract customers through this look of respectability. The bank building was larger than the Laredo National Bank across the river, and even today overshadows the rest of Guerrero Street in Nuevo Laredo. The bank was inaugurated in 1925 and the cost of the construction was nearly 50 thousand dollars. 4

Chiseled on the lintel above the main entrance was "O.L. Longoria, Banquero". "Banquero" denoted that the senior Longoria, for whom the bank was named, was a private banker. The private bank's main responsibility was to hold demand deposits and to honor checks drawn upon them.

Another responsibility was to loan money. O.L. Longoria Banquero did not print its own bank notes.

When the new bank building was finished in 1925, customers came slowly to the bank. People on both sides of the border still distrusted checks and bank notes.

Merchants preferred to keep their metallic money tucked away in some handy spot that was more accessible.

Attracted by favorable loan and exchange rates, local merchants slowly started patronizing the bank. By the end of the 1920's, O.L. Longoria, Banquero probably had deposits of 200 thousand pesos.<sup>5</sup>

 $<sup>^4</sup>$  101,250. pesos in 1925 rates. See appendex.

Deposition of O.L.L., vol 1, p. 57.

Besides supervising the banking operation, Chito's cattle partnerships, which had begun in the early part of the 1920's, grew and prospered. Memories of the the Mexican Revolution were still vivid to the North Americans. They were less than enthusiastic about crossing the border to buy cattle directly from Mexican ranchers. There was still the fear of being attacked by bandits or recalcitrant Indians. The business of cattle raising in Mexico was left to the intrepid natives, like Chito and his partners.

Chito's first cattle partnerships, as mentioned in Chapter II, were fairly simple. The partners bought the cattle south of Nuevo Laredo, had the herd driven to pasturage near the town, fattened for a few weeks and then sold on the U.S. side to local cattle brokers. As time progressed it became obvious that more money could be made for the partners if they shipped the cattle directly to the Kansas or Oklahoma markets and skip the middle men of Laredo.

The cattle partnerships of the last seven years (1920-1927) had been phenomenally successful. Chito had entered into the partnerships at times with his father and at times alone, and each transaction had shown a profit for all the partners involved. One day George Alexander, one of Chito's principal partners called from his ranch to report that since the northern part of Tamaulipas was in the midst

of a tremendous drought, they had some tough choices to make concerning the partnership cattle that were feeding on his ranch. First, they could do nothing and the cattle would probably die from lack of feed or certainly those that survived would be too scrawny for the U.S. market and they would lose their investment. Or second, they could raise more money and buy approximately 2,000 tons of cottonseed cake in order to feed their 4,000 head of steer. Included in the cost of the cottonseed cake was the freight and transportation, bringing the total cost of the feed to somewhere between thirty and forty thousand dollars. In 1927 money terms, this was like asking for one hundred thousand dollars.

Chito did not have enough cash to buy the cottonseed cake by himself. He approached his father and asked for his advice. In the end, his father loaned him the money to buy the seed cake. The cattle and the partnership were saved. Fortunately for Chito and unfortunately for the other cattlemen of the region, most could not afford to purchase supplemental feed and ultimately lost a major portion of their herds and their investment. Chito and George Alexander made a handsome profit and paid back Chito's father with interest. From this experience Chito

In 1926 Cottonseed cake was selling for about \$31.50 in Texas, which would make the purchase of 2,000 lbs. of cottonseed cake worth \$63,000.00, without freight.

learned that there was no need to worry about drought so long as there was a plentiful supply of money and cottonseed cake. After this revelation, Chito was determined to make sure that both were in ready supply. 7

Planning for the future, Chito started looking around south Texas and Northern Mexico for cheap supplies of cotton, or its by-product, cottonseed. There was some cotton farming around Nuevo Laredo, but it was of minor consequence. Dam construction which in the future would enhance cotton growing and make it one of the major products of northern Mexico, was in the planning stages but in 1928, cotton farming was not very important. The federal government was building a dam west of Nuevo Laredo called Don Martin, but it was not yet operational.<sup>8</sup>

Around Nuevo Laredo, there was one cotton gin and one shortening plant, which was owned by the González family. The cotton gin ginned cotton and sold the residue seed to the shortening plant which crushed the seed and used the resulting oil to manufacture shortening. Cotton seed that was not used for shortening was shipped to Matamoros where it was turned into cottonseed cake, shipped back to Nuevo Laredo and sold to the local cattlemen for feed.

<sup>&</sup>lt;sup>7</sup> O.L.L. Oral History, Tape 8.

<sup>&</sup>lt;sup>8</sup> With the advent of dams for irrigation, the area around Nuevo Laredo became for a time an important cotton growing area in Mexico.

Transportation of the cotton seed was even more complicated because there was no direct rail line between Nuevo Laredo and Matamoros. Trains travelled from Nuevo Laredo, west to Monterrey and then eastward to Matamoros, so the transportation costs doubled.

Having learned about drought the hard way, Chito was sure that he could make a profit if he could avoid the oil mill in Matamoros and build his own oil plant in Nuevo Laredo. His own oil plant would give him access to cottonseed cake for his cattle at cost, save on transportation, use of some oil for the soap plant, and best of all, he could sell the excess oil to the shortening plant. Toward this end, Chito started combing the southwestern part of Texas looking for a good price on an oil mill. Chito again approached his father and asked him to help finance the cost of the oil mill. He assured his father that the all the costs could be recovered within sixteen months. His father refused. "It was too much money, it could never make a profit. We already have too much to worry about". 9 The more optimistic Chito became about business opportunities and the future, the more pessimistic was his father's response.

For several weeks Chito did nothing about the oil plant. Out of the blue, his father brought up the subject

<sup>9</sup> O.L.L., Oral History, Tape 8.

inquiring if Chito still had his mind set on building an oil mill. Eventually, after a lengthy debate, permission was half-heartedly given but Chito ignored his father's lack of enthusiasm and immediately contracted to buy and build the mill.

He imported the plant from Texas and arranged to buy the cottonseed from the gin in Nuevo Laredo. Chito was milling about 12 to 15 tons of cotton seed per day. He used the cottonseed oil for the production of soap in their plant and the cottonseed cake to feed their cattle. The extra oil and seed cake that was not used was sold on the open market. The oil mill had paid for itself in less than two years. By 1929, the Longorias, father and son, could look upon themselves as very successful. They owned an oil mill, a soap factory and an ice plant. Economically, they were considered upper middle-class. Yet frequently the senior Longoria would chastise Chito, warning him not to think about expansion; that they already had more than enough to worry about. Chito was twenty four.

Chito rarely deposited the profits from his cattle and gold ventures into his own bank so that it could accrue interest or at least be put to work for the benefit of the bank. He kept the monies in either silver or gold coin in Laredo banks or in the safe of his own bank, unregistered

as a deposit, so that he could avoid paying taxes to the Mexican Government. 10

There were other reasons for remaining "liquid". large amount of gold coin became available for purchase, immediate access to cash was imperative in order buy and resell the gold on the U.S. side of the river. "I tell you that people did not trust the banks. No? Everybody kept it under the mattress. And they wouldn't take your check, even if you were a Rockefeller. If you wanted to buy something, you paid with cash."11 Staying liquid meant there was no record of his deposits or of his profits. It also meant there was no record of his business transactions, some of which were illegal, and nothing for the Mexican government to tax. Although Chito was the master-mind of the successful gold smuggling operation, he never touched the gold himself. He arranged for others to take care of the actual transfer. Chito was not unique in his gold ventures. The same thing was happening all along the U.S.-Mexico boarder, from Matamoros to Juarez. The Mexican government was aware of what was transpiring, yet enforcement of the prohibition of selling gold to the United States was ineffective. In this situation, Mexican law and its enforcement seemed to be more of a nuisance

<sup>10</sup> O.L.L., Deposition, Vol. 1, p. 63.

<sup>&</sup>lt;sup>11</sup> Ibid, p. 64.

than an actual danger. While still conducting his lucrative gold and cattle businesses and supervising the bank, Chito found time to court and marry Alice Penn, a young woman from Laredo, Texas.

Chito married Alice Penn on the 18th of May, 1927.

They were both twenty two years old. He had known and admired Alice since his days at Laredo High School.

Alice's father Justo (Justin) Penn emigrated to Laredo from England, and married a Mexican. He was the owner and editor of the Laredo Times, the leading newspaper of the area. After their marriage, Chito built Alice a home on the Laredo side of the river where they lived for the next two decades. They had three children, Sara Alice, born in 1928, Gloria, born in 1930 and Octaviano (Chito Jr.) born in 1934.

Life for Chito went on much as it had before his marriage, except that he now dined with his family at breakfast and lunch in order to discuss with his father what business needed to be taken care of during that particular day.

As the 1920's progressed, the senior Longoria often lapsed into mental depressions in which he was unwilling or unable to speak for weeks at a time. He was described as

<sup>12</sup> O.L.L., Oral History, Tape 7.

having "nerves". 13 When one of these attacks beset Chito's father, Sara took her husband to Mexico City in order to divert him from his imagined troubles. 14 His main concern was that all of his businesses were on the brink of financial doom. On other occasions Sara sent her husband to stay on the Laredo side of the Río Grande with Alice and Chito. Chito spent his time convincing his father that there was no financial shortfall and that their businesses were sound. They poured over the ledgers and recalculated their debts so that his father could see for himself that they were solvent. For the next few days or weeks, his father would be fine, and then the depressions would commence once again, and the circle of convincing and cajoling would begin anew. While his father was in Mexico City seeing doctors and being diverted by Sara, Chito was responsible for all the Longoria enterprises. Chito's brothers Federico and Shelby began to work for their father full time after 1926 or 1927. The others were still in school.

<sup>13</sup> Ibid.

<sup>14</sup> O.L.L., Oral History, Tape 7. It is important to note this inherited strain of melancholy, because it appears often in the history of the Longoria family, and especially in Chito's later years. His exact quote from the tape is: "But my father had nerves. He would get depressions. We inherited that from our father. The only ones that haven't had depressions were Laura, my oldest sister, and Alfredo, my youngest brother. The other six, we've gone through depressions like that, that we inherited."

In the latter half of the 1920's, several events added to the deteriorating mental condition of Chito's father. First, Chito and his father started dealing with a man named Alfred Matthews. Matthews had cattle ranches on both sides of the Río Grande and was considered one of the biggest cattle ranchers in that part of the country. Matthews was slow about repaying his loans to the Longorias and eventually he stopped paying anything. The loan amounts increased because of the interest that accrued and O.L. senior began to fret. Chito was not particularly worried about the size of the loan because Matthews also had Certificate of Deposit at the bank that was worth seventy five thousand dollars. By the beginning of 1930 Matthews owed the bank almost fifty thousand dollars.

Second, by the 1930's Mexico had established a banking commission which had licensed the senior Longoria to do business as a private bank. This also gave the federal bank examiners the right to examine the bank's books upon demand which caused Chito's father more unfounded anguish.

Third, in the early part of 1930, Chito had made arrangements to buy a large quantity of cottonseed in partnership with the González family, the owners of the local shortening plant. The family also had an oil mill in Matamoros, and owned the distribution rights for Monteczuma

<sup>15</sup> O.L.L., Deposition, p.85.

beer in both Matamoros and Nuevo Laredo. In the past Chito and the Gonzálezes had bid against each other for the same This time they decided it would be more cottonseed. profitable if they bought all the cottonseed available from M.J. García Hermanos in Matamoros at a favorable price and split the seed equally, rather than pushing the price higher by their competitive bids. The deal was finalized and Chito, wanting to impress his new partners, arranged to obtain the cotton seed at a price two dollars per ton less than they had agreed upon. He also paid for the entire transaction in advance, later billing the Gonzálezes. After billing them several times they finally paid, but the The large cotton ginning firm in Matamoros, check bounced. M.J. García, also started bouncing the checks that they were running through the Longoria bank. The bank was left holding bad checks worth about twenty thousand dollars. total, O.L. Longoria, Banquero was holding between sixty to seventy thousand dollars worth of bad debt, including Matthews, M.J.García Hermanos and the Gonzáezes. On top of that, the federal bank examiners had noticed their intention of examining the bank's books within the next few weeks. This placed a terrific mental strain on Chito's father who was becoming less stable by the day.

Immediately upon discovering that García Hermanos was insolvent, or on the verge of it, Chito raced to Matamoros

that very night. He discovered that the ginning firm was in very bad shape financially and they had bad checks all over Texas and Mexico. One of the García family members was the sheriff of Matamoros. He and other García family members had decided that the best way to settle their account with the Longorias was to kill Chito. 16

Fortunately, with the help of one of the García managers, who was a personal friend of Chito, the family agreed not to kill Chito and to make good on their checks by turning over to O.L. Longoria Banquero some cotton gins, cottonseed, cattle and a ranch. The cotton gins and the cottonseed were turned over to Chito to cover the bad checks and Chito bought the cattle and the ranch for himself. It was a successful outcome to a situation which could have been a disaster.

When Chito returned to Nuevo Laredo he was elated that he had recouped any loss the bank might have sustained, plus a little more. His father was not as sanguine. His fear of bankruptcy was growing stronger, and no assurances by Chito could convince him otherwise. Meanwhile, Chito approached the Gonzáezes and told them that if they wished to receive their share of the cottonseed, they had better make good on their bad checks. The González brothers put Chito off, telling him to come back later for a check.

<sup>16</sup> O.L.L., Deposition, p. 88.

When he returned, they presented him with a check for only half the of obligation for the cottonseed. That evening, Chito's father telephoned the head of the family to complain and González hung up on him. The situation was not helping his mental outlook.

By circumstance, Chito now had too much cottonseed oil. He could only use a certain amount for his soap production, and he was certainly not going to sell the overage to the González family for their cooking oil plant. He was too angry with them. His revenge was to build his own shortening plant and try to put the González family out of the business. Chito erected this plant on the same site as the soap, oil, and ice plants, but his father never knew about it. By the end of 1930, the elder Longoria was filled with inertia and too depressed to go to the plant site.

The problems that increased the strain on the senior Longoria's mental state had developed within the context of the Great Depression which was in full force. Banks in the United States were folding by the hundreds, and the notion that their small banking operation might fail was a real possibility. The U.S. had a cold and Mexico was definitely sneezing.

On November 20, 1930, Chito's father legally incorporated the soap plant, the oil plant and the ice

plant into one organization called Industrias Unidas. He was unaware of the shortening plant that was being built by Chito, so that was not included. In a Mexican corporation there must be according to the law a minimum of five stock holding members. Therefore the senior Longoria named himself, Chito, Sara, Federico and Shelby as stock holders and board members of the corporation of Industrias Unidas. After all, who better to trust than members of one's own family? Also under Mexican law, unlike that of the United States, the corporation must be capitalized with real money and not intangible assets. The actual amount of the capitalization was two hundred and fifty thousand gold pesos. Chito was named president, Federico was vice president, and Shelby was secretary. The senior Longoria was chairman and Sara was named a director.

The articles of incorporation provided that the stock was payable to the "bearer", so long as no foreigner acquired the stock without the permission of the Mexican government. Bearer stock also meant that whoever had physical possession of the stock was the legal owner. A few days after the incorporation, Chito's father gave him the stock.

With the bank construction complete and the additions to the industrial site in progress, Chito considered his family's old home inadequate to their newly acquired status

in Nuevo Laredo. He tried to convince his father to build a new and grander home. His father would not hear of it. He constantly fretted that there was never enough money to pay his creditors, and support his family. He saw no point in wasting money on a new house.

Since his father would not build one, Chito decided to make his parents a gift of a new home, paid for with the profits from his gold running and cattle partnerships.

Subsequently, he purchased land not far from the bank and hired the same architect that designed the bank to create a home for his parents and unmarried siblings that was commensurate with their position in the Nuevo Laredo community. The house was of similar design to the bank. It was built of stone, with a neo-classical facade and gave the appearance of great prosperity.

While the new home was under construction, Sara and the girls lived in a small older house already on the property, which would eventually house the kitchen and servant's living quarters. Chito's brothers and his father lived above the bank on the second floor, since there was not enough room for the entire family in the old house.

1931 brought more bad news. Uncle Shelby Theriot, who was Sara's brother and a very close friend of Chito's father, died unexpectedly of influenza. The senior

Longoria was deeply saddened by his death. For several days after the funeral he could speak of little else. 17

On January 12, 1931, Sara came into the bank looking for her husband, complaining that he had not appeared for breakfast. She went to his rooms above the bank and discovered his body lying on the floor. He was dead. He had found one of Shelby's guns and used it to commit suicide. He left no note of farewell or explanation.

Chito and his next oldest brother Federico immediately closed the bank. They feared that there would be a run on the bank once the depositors learned of their father's death. There was a rumor in Nuevo Laredo that Chito's father had committed suicide because his bank was in bad shape. By two that afternoon, Chito decided that if there were a run on the bank, they could cover the withdrawals from the bank's funds and Chito's private funds. They kept the bank open until midnight, but fortunately few customers withdrew their money.

As the news of Chito's father's death spread, bankers from the U. S. and Mexico called Chito to offer their assistance. Ben Alexander, president of the Laredo

Federico Longoria, Deposition, Vol. VI, p. 46.

<sup>18</sup> O.L.L., Deposition, Vol I, p. 80.

<sup>19</sup> Federico Longoria, Deposition, Vol. III, p. 804.

National bank called as did Don Ignacio Alvo and Rodrígo Gómez from Monterrey. 20 Chito was only twenty-six.

In the event, there was not a run on the bank and no one lost confidence in the bank's stability. Chito continued to run the businesses just as he had before his father's death.

In his will Chito's father left all of his real property, the capital of the bank, their home, and two cotton gins given as security by García Hermanos to cover their bad debts to the bank, to his wife Sara. Industrias Unidas was never mentioned, since he had already given the stock to Chito.

The question of why O.L.L. senior gave the bearer bonds of Industrias Unidas to Chito has to this day remained a mystery. Did the father give them to the son in order to keep the government from taxing the industries? Or did he give them to Chito because he had been the major creator of the industries? Forty years later his motives were still being questioned.

In 1931, the ascension of Chito as patron of the family coincided with the "Maximo", which was a six year period of Mexican government dominated by Plutarco Elias Calles. Calles had been duly elected President of Mexico

O.L.L., Deposition, p. 77. Rodrígo Gómez later became the director of Banco Mexico.

and had served his mandated six years as President (19241930). Alvaro Obregón, who had preceded Calles as
President (1920-1924) had worked out an arrangement with
Calles, whereby Obregón and Calles would circumvent the
constitutional ban of re-election. It was the plan of
Calles and Obregón to alternate the presidency of Mexico
between themselves. Legally, the laws of the constitution
had not been broken, since Calles and Obregón were not
succeeding themselves. Obregón was announced as the
official candidate for the presidency. Before the election
could take place, Obregón was assassinated. Calles,
although not allowed by the Constitution to succeed
himself, arranged for the appointment of the next three
Presidents of Mexico, who were more or less his minions.

Out of this government dominated by Calles yet officially governed first by Portes Gil (1928-1930), then by Ortiz Rubio (1930-1932), and finally by Abelardo Rodríguez (1932-1934), came significant governmental and financial reform. What was good for Mexico at this point was not necessarily good for the Longoria family bank.

One of the financial reforms of the Maximo was a tightening of regulations for credit institutions in Mexico which were now firmly under the control of the Bank of Mexico. Shortly after his father's death, Chito received a telegram from the Mexican Banking Commission notifying

Chito that he had thirty days to liquidate the bank because the government was in the process of eradicating private bankers from the Mexican economic landscape. Upon receipt of the telegram Chito raced to Mexico City in order to determine why the Banking Commission wanted to close the bank. The commission told Chito that his father had been authorized to establish a private bank, but his father was now deceased and therefore the bank was no longer chartered. If Chito wanted to continue the banking operation, he must apply for a new charter.

As luck would have it, Chito's negotiations with the Banking Commission of Mexico were facilitated by his sister Laura's husband, Ramón Salido. Not only did Salido work for the banking commission, his father General Salido was a cousin of Alvaro Obregón, the late president of Mexico. General Salido held a position within the government in 1932, and loaned his private secretary Carlos Novoa (later Director of Banco de México) to Chito. Novoa helped Chito acquire the new charter that was necessary for future operation. 21 The bank was no longer called O.L. Longoria Banquero, but was now officially registered as Banco Longoria.

The new charter was officially registered on the 20th of November, 1932. As usual the laws of incorporation

O.L.L., Deposition, Vol. III, p. 1515.

demanded five share holders. Chito named himself, his mother Sara, his sister Hortencia, Manual García González, a loyal bank employee, and Federico his brother, as the stockholders and members of the board of directors. The capitalization was one hundred and fifty thousand gold pesos. Although the bank was now known as Banco Longoria out of respect to his father, Chito left the lettering on the lintel of the bank the old way, "O.L. Longoria, Banquero".

Part of the capitalization of Banco Longoria came from Chito's private funds. There was not enough cash in the bank to recapitalize it with Sara's inheritance. It was here, in 1932, that the seeds for the destruction of the Longoria empire were sewn. The brothers, forty years later would swear that Chito was only running the bank and Industrias Unidas on their behalf, and that all the monies earned for all times were monies belonging equally to the brothers (ironically, not including the sisters). They would also swear that their mother Sara made Chito promise to share all profits. In the year 1932, Chito was twenty seven, Federico twenty six, Shelby twenty four, Eduardo nineteen, and Alfredo sixteen.

The senior Longoria had purchased several small contiguous ranches, which had been left in his will to his wife Sara. Through Article 27 of the constitution of 1917,

the ranch land, which had totaled approximately 4,000 hectares, was redistributed among the landless peasants. <sup>22</sup> Sara's inheritance was reduced to 400 hectares. <sup>23</sup>

By 1932, Industrias Unidas was incorporated and making a profit. Banco Longoria was incorporated and licensed by the Mexican banking commission and solvent. Chito, because of his position of eldest son, had become the patriarch of the Longoria family. He had already shown his flair as an entrepreneur. At the age of twenty seven, he had become responsible for all the Longorias, their children, their servants, and even the children of the servants.

Sara, the mother, remained a dominant force within the family. As long as she lived, she expected and received obedience and harmony from all of her children. Her sons lunched at her home daily. Although she never participated in business discussions, she prepared the food and kept a watchful eye.

One hectare equals 2.4 acres.

Federico Longoria, Deposition, Vol I, p.16.