

CHAPTER XI

CONCLUSION

Taking root on the periphery of New Spain, the Longoria family became steeped in merchant activity and reflected the findings of John Kicza and David Brading: that merchants invested in land only after they had successfully established themselves in commerce. Chito's spectacular land acquisitions occurred only after Industrias Unidas and Banco Longoria were launched and capitalized. During his life, Chito continued real estate acquisitions as an activity secondary to his industrial and banking businesses. Fortunately, however, this secondary activity may have created a greater net worth than all of the industrial and banking enterprises after the latter became troubled in the 1970's.

The Longoria family prospered in the border environment of Nuevo Laredo and Laredo. That environment produced a schizophrenic outlook among its residents towards Mexico and the United States. This outlook was personified by Chito. Nuevo Laredo was far from the center of Mexico and close to the United States. Because of the

location, intermarriage by Mexicans, including the Longorias, with United States citizens was commonplace. Bi-national economic transactions were the norm. The resulting ambivalent culture was rooted in Hispanic tradition mixed with North American opportunism.

During the Revolution, the Longorias' merchant money was removed from Mexico to Texas for reasons of safety and returned to the Mexican side of the Rio Grande at the war's conclusion. From his youth, Chito took advantage of Mexican and North American opportunities to create his industrial empire. The advent of Prohibition in the United States and the proximity of Nuevo Laredo to the border led the Longorias to deal in liquor. Chito's early gold exchange transactions drove him to sell Mexican gold coins to United States banks for a substantial profit. The same was true of his cattle partnerships. He was able to raise and feed cattle in Mexico and sell them across the border at great profit because United States cattle brokers were hesitant to buy cattle in Mexico.

Through his early entrepreneurial ventures, Chito amassed enough capital to convert his father's banking activities into an institutional bank and rebuild and modernize Industrias Unidas. After steady provincial growth, with the onset of World War II, Chito seized the chance to enhance his fortunes by selling scarce

commodities across the border where the same commodities were rationed.¹

As his industries expanded, Chito used the United States banks to leverage his Mexican industrial expansion. He did not think of his assets in terms of pesos but in terms of dollars. His constant question was how his Mexican assets might be used as collateral for United States loans to expand his empire in Mexico.

Although raised in the same environment, his brothers did not develop Chito's keen sense of the spirit of entrepreneurship. The Brothers thought in terms of pesos and were rooted in a Mexican parochial and conservative philosophy. They were not the risk takers that Chito personified.

Chito made a major contribution to the Mexican industrialization process. Through his vision, he parleyed a small local industrial unit and banking operation into one of the large industrial-banking conglomerates of Mexico which, at its zenith, employed and financed over two million people. Chito was a devoted Mexican patriot, even during his last, embittered years. Although he amassed a fortune, he invested and reinvested with a focus upon the

¹ Even in his declining years, he continued his bi-national outlook. He attempted to create a new fortune by exchanging resources between his new Texas ranches and Rancherías.

Mexican nation he loved so much. With the exception of his monumental homes, which he considered statements supportive of his business expansion, Chito rarely diverted what he perceived to be scarce resources to personal consumption.

Chito's endeavors were supported by the Mexican government for nearly forty years, not because he paid mordidas, but because he was an innovative and important entrepreneur. Indeed, from 1932 to 1974, the administrations of Calles through that of Díaz Ordaz, Chito was heartily supported by his nation's governments. Even in the 1970's, in direct contradiction to their statist orientation, both Echeverría and López Portillo reluctantly concluded that Chito and ELSA had to be saved because of their importance to the Mexican economy. Without ELSA's buying power, employment of thousands, and financing of farmers, an unacceptable vacuum would be created in the Mexican farm, commodity, and labor markets. Their fears were realized.

Chito expected his family to behave in a traditional Hispanic patriarchal fashion. He took for granted the loyalty and respect of his family and the Mexican government. In return, he helped enhance the living standards not only of his extended family, but also of a notable percentage of the Mexican working population. He considered it natural that he should avail himself of the

advantages of a bi-national outlook, but he expected his family to remain firmly within Hispanic tradition. In Chito's eyes, what was sauce for the goose was not sauce for the gander.

In the early 1970's, The Brothers refused to acknowledge Chito's place as head of the Longoria family. He had jeopardized their security. Hispanic tradition might have dictated that The Brothers discreetly retire Chito as the leader of the Longoria empire and replace him with an able younger family member (not necessarily his youngest brother), still honoring Chito as the nominal patriarch. Had this occurred, the war of the five brothers and the disintegration of the Longoria family might have been avoided.

Chito discarded the Hispanic tradition of family loyalty when he did not receive it. His border outlook drove him to the United States judicial system for vindication. He and The Brothers played two separate legal games, one in the United States and an entirely different one in Mexico. The Brothers were forced to defend a bi-national attack because of Chito's maneuvers on both sides of the border. Once in control of the businesses, had The Brothers had their way, the dispute would have been conducted in Mexico alone, leaving Chito virtually defenseless. That they damaged their family relationships

beyond repair was evidenced by the dirty tricks the brothers played on each other and their families.

Jeanette added inadvertently to the disintegration of the Longoria family. She was not within the acceptable Hispanic norms of the Longoria family. She was inconsistent with traditional Mexican patriarchal/matriarchal standards. On the one hand, The Brothers had married low profile border women who understood and accepted Hispanic tradition. On the other hand, Jeanette was a high profile and a free-wheeling American woman with a sense of flair and adventure. Jeanette became another justification for The Brothers and even Chito's older children to ignore Chito's rightful Hispanic position as head of the family. Although Jeanette was never accepted by the Longorias, she played a key role in Chito's life. Not only did she support him in his later years, she kept his international public image intact.

When ELSA's main production plants became the property of the statist government, the Longoria economic base at the center of Mexico was removed. The Longorias were eliminated from the elite power epicenter of the nation. The exception, however, was Chito himself. Until his death, he continued to maintain his mansion on the hilltop of Bosques de las Lomas. Although he was no longer in the mainstream of the economy and politics, the public image

that he had acquired over the decades in both Mexico and internationally remained largely intact, as a result of the social energy of Jeanette. They dined with royalty, the international "jet set" and leaders of the United States. But this later "social image" of Chito was devoid of economic and political reality insofar as the real power elite of Mexico were concerned.

When The Brothers brought Chito and ELSA down, they also unwittingly brought themselves down. They were no longer significant players among the powerful at the center. Although they attempted to maintain contact with the political elite, it was not the same. With Chito debilitated, they lost their political clout.

The Longoria's twentieth century experience was a repeat of a Mexican tradition that existed from the time of Cortés, perhaps even from the Aztec period. The political, economic and social power dwelt in the center. For hundreds of years, Mexico City attracted the powerful to its center. Those on the periphery were of less sophisticated occupations and took a place in the nation's capital only if they first achieved national economic or political power.

As a provincial entrepreneur, Chito developed that great power and became an important force nationally. He and his family were drawn to the center and played a

significant role in the nation's economy and society. With the fall of Chito, the extended Longoria family was relegated to where it began: a relatively prosperous, upper-middle-class, border, Mexican family. Jeanette and Jeanettita continued to live in the Mexico City mansion which was a tribute to Chito's national triumph. Chito's old and important friends visited and helped when they could. Disputes between immediate family members over the remnants of Chito's empire continued. In reality, the power base was gone.

"History is not merely what happened; it is what happened in the context of what might have happened".²

² Lewin, Ronald. American Magic. A quote attributed to Prof. Trevor Roper. P. 289.