



A New Merchant Elite

Since the late 1850s, a select group of merchants had profited from increased trade with the United States. Economic relations with the north provided the impetus for the formation of a new merchant and landed elite. Individuals who adapted to the growing trade with the United States represented both older established retailers, such as the Aguilar, Camou, and Ortiz families, who had been operating since the 1830s and younger upstarts such as Manuel Mascareñas and Luis Martínez, recent arrivals from the state of Durango. Markets in Arizona, whether civilian or military, provided them with new opportunities and increased revenues.

The old credit system employed by the Europeans had allowed a large number of individuals to establish operations and take part in commerce. This arrangement had benefited European commerce, and as a result, American suppliers who demanded cash for their goods remained uncompetitive.^[118] The American ambassador in Mexico City complained that his countrymen did not have access to long-term credit in the United States, where money remained tight. German merchants operating in Mexico, he insisted, had the backing of large European banks who extended liberal credit terms.^[119] Americans required immediate payment for their goods, and when they did accept credit, it was usually short-term—in most cases less than thirty days. To compensate for granting credit and to cover the cost of transportation, Germans and others inflated the price of their goods. The arrival of the railroad in Arizona increased the availability of inexpensive consumer goods from the United States, providing American businesses with new advantages. Cheaper U.S. products displaced the Europeans and their credit system. Smaller, less capitalized merchants who depended almost exclusively on credit to supply their stores now found themselves excluded from a new important source of supplies. Only a small elite possessed the means to make the transition to the new cash system required by American suppliers.

The 1869 commercial census of Guaymas exposed the fragility of

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the Sonoran elite. Of the 216 contributors, only 13 families possessed capital in excess of ten thousand pesos.^[120]

Matias Alzua	120,000
Francisco Aguilar	48,000
Francisco Espriu	48,000
Juan P. Camou	40,000

José Cobo	24,000
Agustin Bustamante	24,000
Wenceslao Loaiza	24,000
Vicente Oviedo	20,000
José Maytorena	14,400
Santiago Campillo	12,000
Jorge Martínez	12,000
Manuel Fransci	12,000
Francisco Yrigoyen	12,000

The wealth of these individuals represented either urban real estate or the value of existing stocks, not liquid capital. The increasing demands of a cash economy forced many in this group to adapt. To compete under these changing conditions, some merchants pooled their resources and formed partnerships. Before the 1860s, for example, Agustin Bustamante, Wenceslao Loaiza, Francisco Yrigoyen, and Rafael Escobosa had operated independently. Confronted by the changing demands of suppliers, by the early 1870s Bustamante and Loaiza merged operations, as did Yrigoyen and Escobosa, becoming two of Guaymas's most powerful merchant houses. Consolidations, though not always permanent, became common within business circles in Guaymas and Hermosillo. In Hermosillo, for example, such businessmen as Rafael Ruiz and Manuel Mascareñas found it necessary to join forces in order to strengthen their operations.

The 1875 commercial census indicated the growing trend toward mergers with other like-minded businesses or family members. Immediate and extended family structures, such as those of the Camou, Iberri, **Latz**, and others, continued to provide the core of many commercial enterprises. Of the twelve largest Guaymas businesses which handled orders in excess of three thousand pesos during February 1875, eight now involved partnerships or family-owned enterprises. [\[121\]](#)

Loaiza and Bustamante	58,000
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Vicente Ortiz and Sons	55,000
Yrigoyen and Escobosa	16,000
Sandoval and Bülle	14,000
Emilio Clausen	8,000
Dominiciano Buston	8,000
Amado Fernández	6,000
Seldner and Von Borstel	6,000
Iberri and Huerta	5,000
Roundtree and Lubert	4,000
Martins and Bartning	4,000
Camou Hermanos	3,000

In addition to the continuing presence of foreigners in commerce, the report disclosed that only a handful of merchants had the capacity to function independently. By combining resources, either through mergers or by relying on family networks, the new larger firms quickly adapted to the changed market conditions and benefited from increased economic relations with the United States.

The actions of Sonora's merchant elite accelerated the changes occurring within their state. Although they still dealt with German suppliers, many now sought ties with San Francisco business interests in an effort to monopolize contact with key American suppliers. Guaymas merchants, including Camou, Escobosa, and Bustamante, traveled to San Francisco, becoming acquainted with the commercial operations and the business interests of the U.S. port.^[122] As the relationship grew, San Francisco newspapers reported on events in Sonora and on the affairs of elite families. The commercial associations maintained by such merchants as Juan P. Camou and Rafael Escobosa reflect the growing economic interrelationship between economic interests in San Francisco and Guaymas.^[123] Other Sonoran merchants actually found it more advantageous to relocate to San Francisco from where they supplied their former Sonoran counterparts. Wenceslao Loaiza, a respected Guaymas merchant, established operations in San Francisco and shipped American goods to Camou and others.^[124]

Making use of their new American connections, Sonoran merchants, such as the Iberri and the Camou clan, entered into profitable arrangements with firms in San

Iberris provide an example of this new arrangement. Besides a thriving enterprise in Guaymas, the family also managed to become the Mexican representative for several important United States and English firms including the British and Foreign Marine Insurance Company, the Union Insurance Society of London, the Mutual Life Insurance Company of New York, the New York Life Insurance Company, and the Judson Dynamite and Powder Company. Other family-run enterprises also became intermediaries for American firms. Miguel Latz and his brothers, who operated a store in Magdalena, also served as representatives for California Powder Works, the Studebaker cars, Black Diamond Steel Company, and Mutual and Travelers Insurance Company. ^[125]

As a select group of Sonoran merchants established themselves as agents for American business concerns, the ability of European suppliers to operate independently within the state diminished significantly. Trade with Europeans still took place, especially for luxury items, but they gradually lost ground to the Americans. Smaller Sonoran merchants, especially those in the interior, now found themselves purchasing most of their goods from the larger brokerage firms of Guaymas and Hermosillo, who maintained a monopoly over commerce and rigidly fixed the price structures. Credit transactions still occurred but were now controlled by a handful of important Sonoran entrepreneurs. The larger establishments, such as those owned by Bustamante, Loaiza, Iberri, Möller, Ortiz, Aguilar, and Camou, dominated commerce in the state.

Beside their monopolization of commerce and agriculture, the cultural and social orientation of the Sonoran elites also changed. Recognizing the economic predominance of the United States, they approved of increased relations with the north and functioned as a de facto lobby for United States interests in Sonora. This group increasingly depended on economic ties with the United States to advance their position. Free trade with the north became an economic imperative for their continued success. In 1870, for example, the Ortiz brothers from Guaymas sought permission for the American cavalry to operate freely between Magdalena and the American border in order to protect goods destined for the American territory. ^[126] In July of the same year, Guillermo Andrade and Nicolas Gaxiola proposed to establish a telegraph line between Hermosillo, Ures, and Tucson to facilitate orders from Arizona merchants. ^[127] Although the government rejected both petitions, these requests disclosed the growing importance that trade with the United

States had acquired for a new merchant elite. Ties with the north became essential for the continued success of this group.

