

## A New Regional Economy

Population growth in the Arizona Territory had a commensurate effect on agricultural production and trade in northern Sonora. For years, agriculture in the area had been limited by Apache raids and a scant and dispersed population.<sup>[45]</sup> Merchants in the area protested that their trade caravans could not travel without the protection of an armed escort. Payment of guards increased the price of their goods, cutting into their limited profits.<sup>[46]</sup> The resident of the villa de Altar proposed that they be allowed to ship their goods by sea to Guaymas in order to avoid Apache raids. After four years of deliberations, the Mexican government allowed commercial shipping from Ensenada de los Lobos in the district of Altar.

After the Civil War, the return of the United States cavalry to Arizona made travel through the American territory somewhat safer. During this period, the population growth throughout southern Arizona produced a discernible effect on Sonora. In his quarterly report, the district prefect of Altar described this change: "[F]or many years the towns of the district have been reduced to cultivating only small portions of land in order to meet the needs of its inhabitants. Arizona changed

---

— 111 —

these conditions for the farmer, . . . providing reasonable prices for their agricultural products."<sup>[47]</sup> With new markets in Arizona, agricultural production, especially that of wheat, increased throughout northern Sonora. Both large and small ranches placed greater amounts of acreage under cultivation. Flour mills in the proximity of the border, especially those in the district of Magdalena, also expanded production. Not all land owners fared equally. By controlling the refining process, mill operators, such as José Pierson, at Terrenate, could set prices and monopolize output. Terrenate regularly dispatched caravans loaded with flour north to Tucson.<sup>[48]</sup> In turn, Pierson established lucrative partnerships with American agents, such as L. M. Jacobs and Company, who sold his products throughout Arizona. The Sonoran Pierson became well known within Tucson social circle, and the American press reported on his activity.<sup>[49]</sup>

Caravans with as many as seventy or eighty mules made the trek from the flour mills of the northern districts to Tucson. In addition to wheat, according to *La Reconstrucción*, an Hermosillo newspaper, teamsters traveled to Arizona with a wide array of products such as "beans, chile, *panocha*, straw hats, *petates*, soap, dried and fresh fruits, oil as well as mescal. Adolphe Bandelier, a French traveler, reported seeing caravans with dozens of horses, mules, and wagons loaded with products destined for Arizona.<sup>[50]</sup> In his 1873 report, U.S. consul A. Willard indicated that Mexicans dominated the agricultural trade between Sonora and Arizona.<sup>[51]</sup>

Northern Sonoran agriculture became increasingly dependent on markets in southern Arizona. This relationship also implied that the region's production became vulnerable to shifts in the Arizona economy over which Mexicans had little control. Although district prefects in the region expressed optimism over new opportunities in Arizona, they also warned of the danger of relying exclusively on exports. Earlier

experiences with the sale of wheat to Sinaloa alerted them to the risks of relying on one market. Whenever the price of grain and flour dropped in Arizona, farmers in northern Sonora suffered the consequences.<sup>[52]</sup> Authorities at Magdalena and Altar argued that market fluctuations prevented farmers from effectively planning yields. Eager to increase profits, many had invested heavily and expanded production only to see prices drop as supply increased. The prefect of Altar also blamed the large number of Sonorans in Arizona who farmed in the Santa Cruz Valley for undercutting the production of wheat in the northern districts of Sonora.<sup>[53]</sup>

---

— 112 —

Despite these obstacles, new markets in the north elated large landowners. Since mill operators and agricultural brokers stood to make a greater profit from exporting wheat, many sought to monopolize local production. As a consequence, many areas in the state actually experienced occasional grain shortages. In May of 1864, at the height of the harvest season, the district prefect of Magdalena complained about the scarcity of wheat. According to him, although other grains remained in abundant supply, "wheat was scarce in the district because of its export to other Mexican states and abroad."<sup>[54]</sup> Most of the grain in Magdalena had been shipped north to Tucson, where producers obtained a higher price than by selling it to the local inhabitants.

Conditions such as those present in Magdalena could be found throughout the state. The powerful merchants of Guaymas and Hermosillo openly speculated on the price of wheat, buying all the flour ground by local mills in an attempt to monopolize this export product and increase prices. In Sonora, the breadbasket of the northwest, urban dwellers often had difficulty finding wheat—one newspaper reported that whereas bakeries and local stores lacked flour, merchants maintained large supplies of grain stored in warehouses and earmarked for export."<sup>[55]</sup> These speculators either refused to sell the wheat locally or sold it at such prohibitive prices that the population could not afford to purchase the product. In April 1878 a crowd of angry Guaymenses stormed the city council chambers and demanded an immediate end to all exports of wheat and flour until local demand was met. Council members (*regidores*) agreed that shortages resulted from "the considerable export of wheat that occurs through the port of Guaymas to other Mexican states."<sup>[56]</sup> The *regidores* convened a meeting of the city's most prominent merchants, including Juan P. Camou, Juan Möller, and Adolfo Bülle. Each merchant agreed to contribute a certain percentage of his wheat supplies to a store run by the municipio in an effort to appease the populace and forestall the demands for full-scale restriction on exports. Many residents, however, complained that the "establishment of a bakery and butcher shop run by the city would not remedy the situation of the overwhelming majority of the populace which suffers from the lack of wheat and, above all, the prices being charged for basic products."<sup>[57]</sup> Despite the protest, the city-operated store, which resembled the colonial *alhóndigas* (grain storage facilities), calmed most dissent.

These measures, however, proved only a temporary solution. Occasional droughts and continued speculation by merchants worsened the

---

— 113 —

grain crisis in Sonora. As exports increased in the late nineteenth century, most of the region still suffered from lack of wheat. In 1880 General José G. Carbó, military commander of the northwest, complained to Porfirio Díaz that flour continued to be

scarce in the region.<sup>[58]</sup> To compensate for the lack of grain, the federal government, still weary about unstable political conditions in the northwest, permitted wheat from the United States to enter Mexico without paying taxes.<sup>[59]</sup>

Despite the bitter experience with wheat shortages, merchants continued to speculate with the product. In a letter to his uncle, Juan P. M. Camou indicated that no flour existed in Hermosillo since a broker, "Carmelo Echeverria had just purchased the entire stock."<sup>[60]</sup> As a result, the price of common wheat had jumped dramatically. The Camous, however, employed the same tactics as their competitors to inflate the price of flour. As the cost of wheat increased it became more difficult to monopolize production and still make a profit. Hoping to dissuade his uncle from trying to corner the local wheat market, Juan P. M. Camou insisted that the "millers will not sell you all their stock when they know that you are trying to raise the price."<sup>[61]</sup> The argument appeared to discourage the older Camou. As Sonoran merchants fought among themselves to control wheat production, San Francisco interests, such as the Stockton Milling Company took advantage of the shortage caused by speculation and penetrated the local market selling at lower prices.<sup>[62]</sup>



## Chapter 5 Sonora and Arizona: "A New Border Empire"

