

# **Symbioses imperative and convenient: The Evolution of Crony Capitalism in Puebla, Mexico, 1920-1940<sup>1</sup>**

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## **Abstract**

Several historians have used “crony capitalism” to label the cozy and inefficient relationships between business and political elites prevailing in Mexico since the 19<sup>th</sup> century. But it is a nebulous term, stigmatizing various behaviors not all of which are harmful to state formation or economic growth. I seek to solve this problem of conceptual vagueness by differentiating between forms of state-capital interdependence. The first, necessary to both parties at times of uncertainty, I term a “symbiotic imperative,” which operates between institutions and purports to serve the greater good. The second, involving exchanges of favors that are merely advantageous, I term “symbiotic convenience,” which tends to operate at a more interpersonal level. As a case study, I consider relations between governors and the leading industrialist William Jenkins in Puebla after the Revolution.

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## **Introduction**

For the last century and a half, the prevailing relationship between the Mexican state and the private sector has been one of mutually-satisfactory interdependence. While that relationship has at times come under strain – notably during the second half of the Mexican Revolution (1915-20), the presidency of Lázaro Cárdenas (1934-40), that of Luis Echeverría (1970-76), and the bank nationalization of 1982 – the bonds between political and business elites have generally endured. The chief purpose and effect of such bonds has been to ensure that a political monopoly, whether the dictatorship of Porfirio Díaz (1876-1911) or the 71-year rule of the Institutional Revolutionary Party (PRI; 1929-2000), is sustained in great part by the support of leading industrialists, who in return enjoy special favors, often a protected business monopoly.

Such relationships, wherein political elites exchange favors with business elites, are usually termed “crony capitalism.” But as is noted in the Preface to this dossier, that term is problematic for at least two reasons. First, it may suggest a misleading dichotomy between clean forms of capitalism and corrupt forms, respectively found in advanced and developing economies. Second, the label is nebulous. It has been used to cover a wide variety of relationships between public and private actors.<sup>2</sup>

This essay treats the second of these two problems, taking as its departure point the assertion that “crony capitalism” beclouds distinct dimensions of state-capital bonds, which

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<sup>1</sup> At different stages, this essay has benefitted from the comments of Mauricio Tenorio, Jonathan Brown, José Galindo and my colleagues at the CIDE, particularly Luis Barrón, Pablo Mijangos, and Michael Bess. This paper develops themes outlined in my forthcoming book *Jenkins of Mexico: How a Southern Farm Boy Became a Mexican Magnate* (New York: Oxford University Press, May 2017).

<sup>2</sup> The term’s nebulous nature extends to whether or not it includes behavior that is illegal, a category in turn complicated by the issue of anachronism: what is considered illegal today in the USA or UK may have been legal and even standard practice in, for example, the Mexico of 1900. The same problem applies to the question of whether or not certain behavior is perceived to be unethical. For the purposes of this article, I focus on crony capitalism as an *economic* arrangement.

can more usefully be considered separately. These I call a “symbiotic imperative” [*imperativo simbiótico*] between state and capital on a broad level and a “symbiotic convenience” [*conveniencia simbiótica*] between individual politicians and industrialists.

My term “symbiotic imperative” reflects how at times of great political and economic uncertainty state and capital *need* each other. The bond is altruistic, at least in intent, as it seeks the common good. After the Revolution, for example, Mexico’s government depended on business elites to help rebuild the economy, through investment, job creation, the paying of taxes, and the securing of loans. Industrialists likewise depended on the state: to restore order, build roads, tame radicalized labor, enforce property rights, and enact favorable legislation that tempered the radicalism of the 1917 Constitution. When President Cárdenas increased expropriations (of large rural estates and the oil industry) and let strikes proliferate, he upset the symbiotic balance. This prompted massive capital flight, jeopardizing the economy. His need to restore the balance forced him to retreat, backing pro-business legislation and picking a moderate successor.<sup>3</sup>

This symbiotic imperative is distinct from but often linked with a personalistic “symbiotic convenience” (a more properly “crony-ish” relationship). It represents mutual self-interest, without regard for anyone else, even those within the same sector or political party. Because it tends to rob governments of funds and business rivals of opportunities, it generally works to society’s detriment. It includes such favors as covert business partnerships or credit arrangements, no-compete contracts, the selective application of laws and regulations, and even outright criminal acts such as the fixing of judicial verdicts in return for bribes. These practices pervaded the era of Porfirio Díaz, re-emerged with a mostly new set of players in the 1920s, and reached spectacular heights under Miguel Alemán (1946-52).<sup>4</sup>

There is a gray area, or overlap, between these two kinds of symbiosis. My terms describe tendencies rather than discrete categories. Elites may believe exchanges of favor to be necessary to the survival of their regimes or sectors, or vital to the common good, whereas viewed from outside such circles these exchanges merely privilege certain political parties or business groups against rivals. (Of course, the “common good” is also a contested category; for example, a state that prioritizes Gross Domestic Product may offer little development to the rural poor.) The intentions of actors therefore clarify the distinction between symbioses. But they are not the main yardstick, for symbiotic convenience remains chiefly defined by its interpersonal nature; under it, the benefits accrue to individual actors. As such, the resulting political privileges (such as self-enrichment) and economic inefficiencies (such as protected monopolies) are more readily visible.

This essay takes Puebla as its case study, focusing on relationships between that state’s governors and its business elite, particularly the expatriate U.S. industrialist William Jenkins, who lived in the state from 1960 until his death in 1963.<sup>5</sup> Jenkins utilized both kinds of interdependence. In terms of the symbiotic imperative, he committed to investing heavily to revive Puebla’s blighted sugar sector just as President Álvaro Obregón (1920-24) was needing to revive the economy as a whole, which made him willing to protect large-scale agriculture; similar arrangements arose between Obregón and sugar planters in other states.

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<sup>3</sup> Nora Hamilton, *The Limits of State Autonomy: Post-Revolutionary Mexico* (Princeton, NJ: Princeton Univ. Press, 1982); Stephen Haber, *Industry and Underdevelopment: The Industrialization of Mexico, 1890-1940* (Stanford, CA: Stanford Univ. Press, 1989); Noel Maurer, *The Power and the Money: The Mexican Financial System, 1876-1932* (Stanford, CA: Stanford Univ. Press, 2002).

<sup>4</sup> For the Porfirian era and 1920s, see Stephen Haber, Armando Razo, and Noel Maurer, *The Politics of Property Rights: Political Instability, Credible Commitments and Economic Growth in Mexico, 1876-1929* (Cambridge: Cambridge Univ. Press, 2003); for Alemán, see Stephen Niblo, *War, Diplomacy, and Development: The United States and Mexico, 1938-1954* (Wilmington, DE: SR Books, 1995), 221-44, and *Mexico in the 1940s* (SR Books, 1999), 207-16, 253-303.

<sup>5</sup> On Jenkins, see Paxman, *Jenkins of Mexico*.

Along with other industrialists, Jenkins also made loans and donations to cash-poor authorities in Puebla during the 1920s and 1930s. Together, these moves help explain how an American could accumulate and retain vast landholdings in an era of growing xenophobia and land confiscation.

In terms of symbiotic convenience, Jenkins helped pro-business politicians get elected, consolidate their popularity, and enrich themselves, while he produced contraband alcohol without interference from Puebla's government, enjoyed protections against organized labor, and forged a legally-dubious local (eventually national) monopoly in film exhibition. Mutual favors were especially notable in Jenkins' relationship with Governor Maximino Ávila Camacho (1937-41).

### **A Porfirian Precedent: Governor Mucio P. Martínez**

For most of the Porfirian era Puebla was governed by General Mucio P. Martínez, a close ally of Porfirio Díaz. In his usual fashion, Díaz cemented Martínez' long-term loyalty by allowing him pieces of Puebla's economic pie. Martínez habitually raked off funds from public works projects, controlled a dozen illicit gambling houses, and held a monopoly on the meat supply to butchers. One of Puebla's main sources of tax revenue was the distribution of *pulque*, and Martínez and two partners pocketed most of the levy for themselves. A member of Díaz' inner circle estimated that Martínez benefited from his office by US\$2 million.<sup>6</sup>

At times Martínez' greed bordered on the entrepreneurial. His interests included several joint-stock companies, one of which owned the Calipam sugar plantation. In 1904, when Calipam needed new capital, four leading Puebla families invested most of the US\$220,000 required. For most of that decade, Calipam was the state's top sugar producer. Another Martínez firm made cement, a promising business given that municipal construction contracts were multiplying. For partners in such ventures, the Governor recruited a mix of old-money Mexicans and Spanish immigrant textile barons, some of whom joined his inner circle of advisers.<sup>7</sup>

Such relationships of symbiotic convenience typified the Porfirian era. They featured practices that were not illegal, and by the standards of the day they may not even have been particularly unethical. What is important to this analysis is that they were harmful in economic terms. Simply put, these links enabled the rich to get richer, to the detriment of less-connected rivals (whose businesses may well have been more efficient), to the doubtful benefit of the consumer, and at a cost to the public purse.

This kind of interdependence was distinct (at least conceptually) from the symbiotic imperative that was a governing principle of Díaz' early years, when overcoming a legacy of political disorder and economic stagnation necessitated mutual support between these elites. With its history of failure to repay loans, the Mexican government had found it hard to borrow at home or abroad, so it depended on the private sector to lend and invest. President Díaz gave it the confidence to do so by awarding monopoly concessions and protective tariffs and by letting it help shape policy. These privileges, along with guarantees of public order

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<sup>6</sup> Ernest Gruening, *Mexico and its Heritage* (New York: The Century Co., 1928), 59, 468; David LaFrance, *The Mexican Revolution in Puebla, 1908-1913* (Wilmington, DE: SR Books, 1989), xxxii-xxxiv, 68.

<sup>7</sup> Timothy Henderson, *The Worm in the Wheat: Rosalie Evans and Agrarian Struggle in the Puebla-Tlaxcala Valley of Mexico* (Durham, NC: Duke Univ. Press, 1998), 17f; Leticia Gamboa Ojeda, *Los empresarios de ayer: El grupo dominante en la industria textil de Puebla, 1906-1929* (Puebla: Univ. Autónoma de Puebla, 1985), 153, 158, 166f, 192f; Horacio Crespo and Enrique Vega Villanueva, *Estadísticas históricas del azúcar en México* (Mexico City: Azúcar S.A., 1990), 132-248; Registro Público de la Propiedad, Puebla, Libro 3 de Comercio, Tomo 10, no. 8.

and compliant labor, made bankers and industrialists in turn dependent on the state. Governors cultivated similar reciprocity within their states.<sup>8</sup>

Initially the two forms of symbiosis existed in barely-distinguishable parallel. By the early 1900s, however, systems designed to build mutual trust, including shareholdings and seats on company boards for cabinet members, governors, and other politicians, had contributed to spectacular concentrations in personal wealth and business ownership.<sup>9</sup> After a quarter-century of *Pax Porfiriana* and industrialization, the symbiosis ceased to include an imperative dimension. Where once a coziness between capitalists and politicians – including personal friendships between businessmen and Díaz himself – could be justified by the needs of the state as an institution, with its goals of “order and progress,” interdependence was now merely a matter of convenience.

None of this is to argue that crony capitalism (in either form) was the overriding characteristic of the Porfirian economy. As Paolo Riguzzi and others have argued, the regime cultivated much more of a formal industrial policy than state-sponsored histories of the Revolution once supposed, especially from the mid-1890s.<sup>10</sup> But the evidence does affirm that the interdependent relationships between state and capital that were so prevalent in the post-revolutionary era had substantial precedent.

### The 1920s: A New Need for Interdependence

Between 1920, when he entered the sugar business, and the late 1930s, William Jenkins rose to be best-known businessman in Puebla and probably the richest. He had already accumulated a fortune of US\$5 million, the fruit of an innovative cotton hosiery business and wartime property speculation. His sugar plantation, the Atencingo System, became the state’s biggest private-sector employer and host to the most productive sugar mill in the country, and sugar profits allowed Jenkins to diversify into banking, film exhibition, and venture capital.<sup>11</sup> More than anything, what would explain Jenkins’ extraordinary rise to prominence were the relationships he developed with authorities. These arrangements illustrated a new symbiotic imperative – and eventually a new symbiotic convenience – between government and private business, in the wake of a ten-year revolution.

At the heart of the symbiotic imperative lay the banking system.<sup>12</sup> Finance Minister Alberto Pani resurrected the mutual bond between the ministry and private bankers of the Porfirian era. Needing to revive the economy, presidents Obregón and Plutarco Elías Calles (1924-28) – Pani served under both – were forced into accommodation. The Revolution’s pledges could hardly be fulfilled if the tax base were still meager and the few existing banks unable to lend; social policy and political stability were at stake. Revival meant restoring the confidence of investors, badly shaken by the wartime plunder of bank deposits and frantic printing of money. Pani responded by allowing the bankers to benefit from high barriers to entry, minimizing competition; he let them write their own regulating legislation; and he

<sup>8</sup> Stephen Haber, et al., “Sustaining Economic Performance under Political Instability,” in Haber, ed., *Crony Capitalism and Economic Growth in Latin America* (Stanford, CA: Hoover Press, 2002), 37-42. See also Haber, et al., *Politics of Property Rights*, esp. 42-51.

<sup>9</sup> Haber, *Industry and Underdevelopment*, 29; Haber, et al., *Politics of Property Rights*, 125-37.

<sup>10</sup> Riguzzi, “From Globalisation to Revolution? The Porfirian Political Economy,” *Journal of Latin American Studies* 41 (2009): 347-68.

<sup>11</sup> Paxman, *Jenkins of Mexico*, chs. 3, 5 & 7.

<sup>12</sup> Maurer, *Power and the Money*, 160f, 173-7; Sylvia Maxfield, *Governing Capital: International Finance and Mexican Politics* (Ithaca, NY: Cornell Univ. Press, 1990), chs. 2-5; Emilio Zebadúa, *Banqueros y revolucionarios: La soberanía financiera de México, 1914-1929* (Mexico City: Colegio de México, 1994), chs. IV-VII; Luis Anaya Merchant, *Colapso y reforma: La integración del sistema bancario en el México revolucionario, 1913-1932* (Mexico City: Miguel Ángel Porrúa, 2002), ch. 3. On the bankers’ alliance: Maxfield, 9.

invited them to help create a central bank. Pani was also motivated by the bankers' rapport with international lenders, for foreign loans were deemed vital to recovery.

So the symbiotic imperative of the early Porfirian era – that bond based on mutual need – made a comeback, as top financier-industrialists and Hacienda built a bankers' alliance. This arrangement would dominate economic policy until the early 1980s. The state dealt likewise with the manufacturing elite, helping revitalize production by permitting monopolies and duopolies and protecting them with trade tariffs.

Relationships of mutual need also prevailed in the provinces. In Puebla, Jenkins cultivated protection for his threatened assets, both by arguing his worth as an entrepreneur to the federal government and by making loans to the perennially underfunded state treasury, which made successive governors indebted to him. In the early years, when the government of Puebla was subject to frequent regime change, Jenkins' bond with Obregón proved the more useful. After Obregón's term, Jenkins drew closer to Puebla's governors, especially the conservatives. Owing greatly to the support of Jenkins and other wealthy Pueblans, pro-business governors were able to hold on to office for longer than their radical counterparts.

In January 1922, a month after purchasing Atencingo – the estate that would lie at heart of the nine-hacienda Atencingo System in Puebla's Matamoros Valley – Jenkins wrote to Obregón. The small town of Chietla had provisionally obtained tracts of Atencingo land, as its villagers laid claim to the promise of the Constitution of 1917 that land would be redistributed from haciendas to create or enlarge indigenous communal farms. So Jenkins sought guarantees for the plantation's canefields. His letter marked his first salvo in a two-decade battle against activist land-seeking campesinos, or *agraristas*.<sup>13</sup>

Jenkins began by extolling Atencingo's potential. It was an estate that once produced 20 to 25 million pounds of sugar per year and generated significant taxes. Now it was starting to yield its first harvest since its destruction in 1914. To date he had spent 1.5 million pesos on its reconstruction and he intended to spend more. The problem was the people of Chietla, who had requested land from Atencingo while failing to cultivate their own. Besides, there was much abandoned land elsewhere in the area. Jenkins requested the same protection that Obregón had given El Potrero, a heavily-capitalized plantation in Veracruz, also owned by U.S. investors.<sup>14</sup> The very life of Mexico's great sugar industry was in Obregón's hands.

Jenkins' letter was an exercise in exaggeration and provocative lobbying. He inflated Atencingo's historical output. The abandoned land was an allusion to neighboring estates, whose owners lacked the capital to revive them; if further weakened by *agrarista* incursions, they might opt to sell out to him. Jenkins also asked his well-connected lawyer Eduardo Mestre to visit the President and plead his case. Then Jenkins himself secured an audience. Obregón gave him his assurances that Atencingo would be protected.<sup>15</sup> This was not a matter of special favor, for President Venustiano Carranza had established a precedent of exempting sugar estates from division several years earlier, and because Obregón added that that regulations would soon formalize the rights of large landowners. Yet the President's personal attention gave Jenkins the confidence to carry on investing. It also sent a message of caution

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<sup>13</sup> Jenkins to Obregón, Puebla, 24 Jan. 1922, AGN Obregón-Calles, Exp. 818-J-4; Francisco Gómez Carpineiro, *Gente de azúcar y agua: Modernidad y posrevolución en el suroeste de Puebla* (Zamora: Colegio de Michoacán, 2003), 162.

<sup>14</sup> Horacio Crespo, ed., *Historia del Azúcar en México* (Mexico City: FCE, 1988), I:114.

<sup>15</sup> Presidencia to Jenkins, Mexico City, 28 Jan. 1922, AGN Obregón-Calles, Exp. 818-J-4; interview with Manuel Mestre, Mexico City, 22 Aug. 2007. The pending regulations probably refer to the Agrarian Regulatory Law of 1922.

to Puebla's governor, the *agrarista* sympathizer José María Sánchez, who was making provisional land grants elsewhere in the Matamoros Valley.<sup>16</sup>

Obregón was a realist and a believer in private agro-industry. In a congressional debate just before his inauguration, he had said that while awarding land to campesinos was a noble goal, if carried to the extreme advocated by radicals, it would cause the destruction of agricultural credit, great loss of taxes, risk of famine, and the flight of much-needed foreign capital. He declared that the rural reforms needed most were technical advancement and higher productivity. He was also mindful that the United States was withholding diplomatic recognition of his government, pending guarantees for U.S. investors.<sup>17</sup>

Here was the symbiotic imperative at work. Though it was not a bond of equals, Jenkins represented the *kind* of investor that Obregón needed, as did the owners of the El Potrero and San Cristóbal sugar mills in Veracruz. He was a middle-class entrepreneur, ready to risk his capital, and he was proposing an ambitious scheme to help revive a vital sector and create many jobs. At the same time, he did not represent a politically-awkward concentration of wealth.<sup>18</sup>

Jenkins was thus a useful kind of man. Throughout his presidency, Obregón showed his appreciation by being attentive to his needs. In December 1922, it emerged that Puebla's Local Agrarian Commission might recommend for expropriation some Atencingo land that included cane fields.<sup>19</sup> So Jenkins told Obregón of his petition before the National Agrarian Commission (CNA) to have Atencingo declared an Agricultural-Industrial Unit, which would legally exempt its cane fields from seizure. Wishing to dedicate himself to the hacienda's development, he asked the President to have the CNA hurry the certification. Obregón telegraphed the CNA's director the next day. Within weeks, *agraristas* complained about Atencingo's newly exempt status: it ignored the legal requirement to give land to Mexicans "before gringos." Obregón replied that the law respected rights, regardless of nationality.<sup>20</sup>

The second part of Jenkins' protection-seeking strategy involved the governors of Puebla. (This element became more important after Calles took office in 1924, as Jenkins lacked the access and the rapport with the new president that he had enjoyed with Obregón.) In May 1920, ten days after the flight of Alfonso Cabrera, a staunch ally of recently-deposed President Carranza, the press revealed that state coffers were virtually empty. The news was an ominous welcome for Rafael Rojas, who took over as interim governor the day of the report. Nonetheless, after seven weeks, Rojas could record a surplus of 70,000 pesos. What made the healthy balance possible was his successful appeal to businesses to advance their tax payments. These included sums from William Jenkins.<sup>21</sup> Rojas's short tenure established a precedent: incumbents could ensure a degree of stability by obtaining credit from the business elite.

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<sup>16</sup> David LaFrance, *Revolution in Mexico's Heartland: Politics, War, and State Building in Puebla, 1913-1920* (Wilmington, DE: SR Books, 2003), 173; F. Lozano Cardoso to Obregón, Puebla, 6 Feb. 1922, AGN Obregón-Calles, Exp. 818-C-43.

<sup>17</sup> John W.F. Dulles, *Yesterday in Mexico: A Chronicle of the Revolution, 1919-1936* (Austin: Univ. of Texas press, 1972), 94-8, 158-72.

<sup>18</sup> Crespo, *Historia del azúcar*, I:110f, 114-16, II:815-7.

<sup>19</sup> *Excelsior*, 5 Jul. 1922, 1; 7 Jul., II-7; Lozano to Obregón, Puebla, 18 Dec. 1922, AGN Obregón-Calles, Exp. 818-J-4.

<sup>20</sup> Jenkins to Obregón, Puebla, 19 Feb. 1923, Obregón to Pres. CNA, Mexico City, 20 Feb., F. Rivera et al., Lagunillas, Pue., to Obregón, 8 Apr., Obregón to Rivera et al., 9 Apr., AGN Obregón-Calles, Exp. 818-J-4.

<sup>21</sup> Jenkins to G. Summerlin, Puebla, 10 May 1920, RDS, 812.00/24101; W. Hardaker to N. King, Puebla, 20 May 1920, Foreign Office records, National Archives, London, Series 371, doc. 4494:50f; *El Monitor*, 8 May 1920, 1; *El Universal*, 18 Jun. 1920, 4; *Excelsior*, 4 Aug. 1920, 5.

Puebla's governors looked often to the industrialists, as the paltry tax haul faced disproportionate demands. Bureaucracy consumed most of the budget, and further amounts needed to be allotted for the upkeep of federal troops. This left little for fulfilling the mantra of modernization: laying highways, paving city streets, providing sanitation and drinking water, and building schools. For example, Puebla faced the educational challenge of an 82-percent illiteracy rate.<sup>22</sup> In response, the business class gave financial support to conservative incumbents, reached compromises with moderates, and withheld aid to radicals. So doing, it selectively strengthened gubernatorial tenure. Conservative and accommodationist governors proved increasingly able to meet Puebla's needs and resist pressures to step down.

Deals between politicians and businessmen were usually covert, going uninvestigated by a generally timid press that often relied on state subsidies. Evidence is therefore fragmentary, often coming to light only decades later. Rojas' borrowing emerges because Jenkins mentioned it in a dispatch to the U.S. Embassy, declassified long afterwards. Late in life, the veteran labor leader Vicente Lombardo Toledano recounted how during his short spell as governor in 1924 he had been determined to kick-start agrarian reform but found his path obstructed by Jenkins. The problem was that Puebla was beholden to the American because he had been lending the state government money.<sup>23</sup>

Private-sector support for the treasury did sometimes surface in the newspapers. In 1925, Governor Claudio Tirado secured a 300,000-peso advance from the industrialists, equal to twelve percent of the budget. Four months later, Jenkins saved the state university from closing by relocating one of his business to Puebla: the annual 30,000 pesos due upon it in taxes allowed the state to cover the professors' salaries. In the late 1920s, Governor Donato Bravo requested that sugar and alcohol producers, among whom Jenkins was now by far the leader, make half of their annual tax payment each preceding autumn. By the standards of a decade in that saw *fifteen* men hold Puebla's highest office, Tirado and Bravo, both conservatives, lasted long: 22 and 19 months respectively, three times the era's average.<sup>24</sup> Already the symbiotic imperative was allowing business to shape politics to its advantage.

Central to the Mexican state's modernization program was road-building, so to physically unite the fragmented nation, and governors needed help with the costly task. In 1927, aiming to halt misuse of public funds for paving Puebla City's potholed streets, Bravo created a committee of "distinguished citizens." The so-called Paving Board included Jenkins, in his capacity as US consular agent, along with several other foreign consuls and various chamber of commerce chiefs. Together they proposed a special tax on businesses to support the work. A year later, business leaders praised Bravo for the Board and for putting its budget, now a healthy 100,000 pesos, beyond the reach of state officials. Meanwhile Jenkins and other industrialists subsidized new highways, including those leading from Puebla City to Matamoros and to the state's second city, Tehuacán.<sup>25</sup>

In doing such favors, Jenkins and his peers unlikely benefited from a direct *quid pro quo*, although there was arguably an example of that in the arrangement with Tirado, who was reported to have promised edicts against *agraristas* in exchange for the tax advances. (As a moderate, Tirado may have held reservations about land redistribution anyway.) In most cases, the dealings probably contributed to a common understanding that when the state

<sup>22</sup> *Periódico Oficial*, 24 Dec. 1927, 53-74; M. Barrientos, report, 31 Dec. 1922, Archivo del Congreso del Estado de Puebla (hereafter, ACEP), Libro 224-1, Exp. 452.

<sup>23</sup> James Wilkie and Edna Monzón de Wilkie, *México visto en el siglo XX* (Mexico City: Instituto Mexicano de Investigaciones Económicas, 1969), 266-9.

<sup>24</sup> *El Universal*, 5 Apr. 1925, II-1, 16 Apr. 1925, 10; *Excélsior*, 11 Aug. 1925, II-7; *La Opinión*, 13 Sept. 1929, 1.

<sup>25</sup> *Excélsior*, 23 Aug. 1927, 8; *La Opinión*, 17 Jul. 1928, 1; Alejandro Manjarrez, *Puebla: El rostro olvidado* (Puebla: Imagen Pública y Corporativa, 1991), 107f; F. Lozano Cardoso to Legislature, 18 Jul. 1921, ACEP, Libro 225, Exp. 478; interview with Sergio Guzmán Ramos, Puebla, 16 May 2005.



wrote laws or issued a ruling, the interests of business would be foremost. Given the new sense of revolutionary entitlement among campesinos and workers, Puebla's industrialists and landowners needed less to gain a governor's guarantees about the solving of a specific strike or land-grab – after all, the official might be gone in a few months – than to cultivate a climate of reciprocal obligation that transcended changes of regime.

As a creditor, as a landowner, and later as a multi-industrialist, Jenkins needed the protection of the Puebla judiciary and bureaucracy, and all such officials were under the governor's thumb. Jenkins needed the terms of his loans enforced when debtors defaulted, so he could foreclose on their properties – thus enhancing the size and viability of the Atencingo System – without a lengthy lawsuit. He needed his estates to be safeguarded from the leftists that gravitated to Puebla's Agrarian Commission; with the federal government slow to gain hold over the provinces, local officials tended to wield greater influence over land reform than their Mexico City counterparts.<sup>26</sup> As violence and property disputes continued to flare, he needed his lands and his personnel shielded from *agrarista* encroachers. From the late 1920s, as Jenkins diversified into cement manufacture, automobile assembly, and the textile sector, he needed favorable rulings from the state's Conciliation and Arbitration Board at times of labor unrest.

Such protections were forthcoming. When campesinos took over fields belonging to Atencingo or a sister property without due process, governors usually had them evicted. Three different governors, in 1922, 1924, and 1925, intervened with force to reverse the encroachments of country folk on Jenkins' land.<sup>27</sup> Accounts of Jenkins' property gains mention no protracted legal battles. This suggests the complicity of local judges, who were appointed by the governor.<sup>28</sup> Judges were also widely held to be purchasable.<sup>29</sup> The likelihood that Jenkins paid bribes, as he privately admitted doing in other contexts, is one sign among many that businessmen were not always willing to rely on the symbiotic imperative alone to protect their assets. After all, unlike local judges, federal district judges – who may have heard appeals by landowners resisting foreclosure – were officially free from gubernatorial influence. Such bribes exemplify a simultaneous recourse to interpersonal symbiotic convenience.

Indeed, a gray area between forms of symbiosis is evident in Jenkins' takeover between 1924 and 1935 of seven of Atencingo's neighboring sugar estates, at the expense of five distinct families. These acquisitions would enable the Atencingo System to account for more than 80 percent of Puebla's sugar harvest by 1937/38.<sup>30</sup> According to the symbiotic imperative, what compelled the post-revolutionary state to pact with sugar producers such as Jenkins was economic growth, job creation, a higher tax haul, and in the case of foodstuffs, enough production to satisfy demand. Jenkins' near-monopoly over Puebla sugar allowed economies of scale and thus greater reinvestment; moreover, some of the estates Jenkins acquired had been so devastated by Zapatistas during the Revolution that their cash-poor owners could not revive them. On the other hand, other things being equal, competition lowers prices to the consumer, generates higher levels of employment, and encourages wages (and therefore consumption) to rise; furthermore, there is evidence that the neighboring estates were hindered in part by an absence of the military protection against *agraristas* that

<sup>26</sup> Michael Ervin to author, personal communication, 18 Dec. 2006; cf. Ervin, "The 1930 Agrarian Census in Mexico," *Hispanic American Historical Review* 87:3 (2007).

<sup>27</sup> *Excelsior*, 5 Jul. 1922, 1; 7 Jul., II-6 (Froylán Manjarrez); 29 Jun. 1924, 1 (Alberto Guerrero); 4 Jan. 1925, 1 (Enrique Moreno).

<sup>28</sup> David Ronfeldt, *Atencingo: The Politics of Agrarian Struggle in a Mexican Ejido* (Stanford, CA: Stanford Univ. Press, 1973), 8-10; Gómez Carpinteiro, *Gente de azúcar*, ch. IV; Henderson, *Worm in the Wheat*, 86f; Mariano Torres Bautista, *La familia Maurer de Atlixco, Puebla* (Mexico City: Conaculta, 1994), 177-83.

<sup>29</sup> Gruening, *Mexico and Its Heritage*, 498-505.

<sup>30</sup> Crespo and Vega, *Estadísticas históricas*, 30.



Atencingo enjoyed. Coupled with the likelihood of judicial favoritism, these factors suggest that Jenkins gained his local monopoly in part by forging bonds of mutual convenience with individuals at various levels of state and municipal government.<sup>31</sup>

The unusual weakness and chronic bankruptcy of the Pueblan government during the 1920s – no other state witnessed as many governors – begs the question of typicality. Did other states experience at least some degree of symbiotic imperative, pushing state and capital into a bond of mutual support at the expense of radical programs? There was certainly evidence of this in Chihuahua, as Mark Wasserman found.<sup>32</sup> But since analysts of that era have chiefly addressed issues of land, labor, and religious conflict, and in doing so shown little interest in how state governments paid for themselves, the Puebla case remains suggestive rather than conclusive.

### **The 1930s: Continuity and Change in the Symbiosis**

During the 1930s, what began as an institutional relationship between Puebla's state government and its business elite, one shaped by imperatives on both sides, transformed into one characterized largely by interpersonal exchanges of favors based less upon need than upon convenience. The transformation is seen most clearly with the 1936 election and 1937-41 governorship of Maximino Ávila Camacho, elder brother of President Manuel (1940-46). In the short run, Maximino's election helped consolidate stable rule amid a climate of persistent violence in Puebla; in the long run it helped establish a right-wing dynasty that would reign until 1963, arguably longer.<sup>33</sup> In the short run, it shielded capitalists like Jenkins and the state's textile barons from property seizures and strikes; in the long run, it afforded them frequent privileges.

It is worth repeating that the two kinds of bond – symbiotic imperative and symbiotic convenience – are not always distinct. From Maximino's point of view, there was no other course but his, that of the iron hand, by which Puebla might achieve stability and growth. Once in power, he would continue to find alliances with business elites to be imperative, relying on them to satisfy many a need. These stretched from day-to-day favors, such as access to their bullrings and theaters for mounting displays of populist demagoguery, to longer-term ones like supplements for Puebla's inadequate budget, so to build roads and generate jobs.

Seen from the revolutionary left, however, or from the viewpoint of electoral democracy, Maximino's victory was not imperative at all. It was merely convenient. It demonstrated a pact between a would-be autocrat and an already-privileged coterie of capitalists. Peace in Puebla might have been better achieved by fulfilling the Revolution's promises of social and electoral democracy. Similar questions could be raised of state-capital alliances at the national level, where after 1940 the threat of another violent regime change all but disappeared.

While the two terms are not fully discrete, symbiotic imperative and symbiotic convenience describe separate tendencies. They distinguish between exchanges made in good faith, with a degree of openness, hoping to benefit society in general (albeit with a firm preference for capitalistic modes of development), and those designed with exploitative intent, in the shadows, to the advantage of the very few.

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<sup>31</sup> I pursue this argument in *En busca del señor Jenkins*, ch. 5, section "Círculos concéntricos de protección".

<sup>32</sup> Wasserman, *Persistent Oligarchs: Elites and Politics in Chihuahua, Mexico 1910-1940* (Durham, NC: Duke Univ. Press, 1993), ch. 5.

<sup>33</sup> Wil Pansters, *Politics and Power in Puebla: The Political History of a Mexican State, 1937-1987* (Amsterdam: CEDLA, 1990).

The Puebla gubernatorial primary of 1936 offers a particularly instructive case study of the power of elite alliance.<sup>34</sup> At his 1934 inauguration, President Cárdenas had promised state intervention in the economy would be “increasingly great, increasingly frequent, and increasingly profound.” Strike activity spiraled. Business leaders fretted about an advent of communism.<sup>35</sup> To the Puebla elite, the 1936 vote might permit continuity with the conservatism of incumbent José Mijares Palencia and a buffer against the socialists in Mexico City, or it might bring a turn to the left, giving those radicals free rein and jeopardising the state’s economic recovery. Of course, Cárdenas’ paradoxical support for the brutal but useful Maximino, rather than his ideological soul mate, the leftist contender Gilberto Bosques, was a major factor in the outcome, but so was that symbiotic imperative that impelled Jenkins and his peers to open their checkbooks. In conversation with the U.S. Consul General, Jenkins later would admit to having made a major donation: not the 500 pesos a head that members of Puebla’s cash-poor textile fraternity were contributing, but 40,000 pesos, equivalent now to US\$200,000. Maximino would tell Sergio Guzmán, who served under him as Puebla City mayor, that Jenkins had been his chief campaign donor.<sup>36</sup>

A need for cash was also to characterize Maximino’s years in office. Despite his pro-business ideology, the dire condition of the state treasury meant that one of his first decrees was to raise taxes. Over his first two years in office the state budget grew by 25 percent.<sup>37</sup> But incremental success was insufficient for Maximino’s needs. First, the state posed immense challenges. The 1930 census showed Pueblans were still undereducated, with 68 percent of the population illiterate, against a national average of 59 percent. Since the Revolution, Puebla City had grown much more slowly than its rivals. Its population had grown by a mere quarter, versus a tripling of Mexico City’s and a doubling in size of Guadalajara and Monterrey. Within a generation, Puebla had fallen from Mexico’s second-most populous city to fourth.<sup>38</sup> To reverse the relative decline of city and state, the Governor needed the help of the private sector.

Maximino also wanted help because his vision of leadership insisted on self-enrichment. In part this was sheer greed. In part it was a matter of maintaining an aura he felt to be fitting of the office, hence his expensive suits, flashy automobiles, and hosting of foreign dignitaries. Hence the largesse he bestowed at his annual saint’s day celebrations, when the public was invited to the city bullring and entertained for free.<sup>39</sup> To fund the satisfaction of these tastes, the imperative that motivated his alliance with businessmen and persisted through his reign was complemented by ties of convenience. Industrialists like Jenkins not only made campaign donations, loans, and tax advances, they subsidized the Governor’s lavish lifestyle and partnered with him in business.

Here we face a problem: most of the evidence for such relationships is lost. At the end of his term, Maximino sold almost the entire executive archive to a paper company, which pulped it.<sup>40</sup> What remains are the surmise of historians, the narratives of chroniclers, the memories of the living, and fragments of documentation. However, these accounts meet a high degree of consensus.

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<sup>34</sup> For a full account of the primary election, which was more important than the gubernatorial poll, see *En busca del señor Jenkins*, ch. 7, section “Se compra una elección”.

<sup>35</sup> Knight, “*Cardenismo*,” 84-6.

<sup>36</sup> Guzmán Ramos interview, 16 May 2005; J. Stewart to State Dept., Mexico City, 7 Dec. 1938, RDS, 812.114 Narcotics/873.

<sup>37</sup> *La Opinión*, 16 Apr. 1937, 1; 16 Jan. 1939, 1; cf. 13 Jan. 1941, 1.

<sup>38</sup> Gonzalo Bautista, *Los problemas de 1,300,000 mexicanos* (Puebla: n.p., 1940), 15; *La Opinión*, 20 Jan. 1936, 3; Richard Boyer and Keith Davies, *Urbanization in 19th-Century Latin America* (Los Angeles: UCLA Latin America Center, 1973), 37, 47.

<sup>39</sup> Niblo, *Mexico in the 1940s*, 281-9; *La Opinión*, 24 Aug. 1938, 1, 24 Aug. 1939, 1.

<sup>40</sup> Interview with Pilar Pacheco (director, State of Puebla General Archive), Puebla, 27 Apr. 2006.

Historians agree that Maximino used political office to feather his nest, first in Puebla and from 1941 as head of the Ministry of Communications and Public Works. Stephen Niblo writes that in the 1940s “money and political protection formed a symbiotic union” that was best illustrated by Maximino’s business links with Jenkins.<sup>41</sup> Evidence from witnesses is sparse but comes from credible sources. The U.S. Consul General wrote that Maximino was “undoubtedly a secret partner of Jenkins,” implying that the Governor held a stake in the Atencingo Company. Decades later, at a dinner convened for Puebla chroniclers [*cronistas*], the guests pooled their knowledge of Maximino’s assets and front men. Jenkins was first to be named, followed by his private secretary and his two closest partners. One attendee would record that Maximino had a stake in Atencingo and in Jenkins’ Puebla movie theaters. He also noted that Jenkins and Maximino bought 50,000 acres of land at risible prices outside Puebla City, anticipating the construction of a reservoir. Whatever land was to be flooded they sold to the federal government at inflated prices, while the rest was transformed into valuable irrigated farmland, once the reservoir began to operate in 1944.<sup>42</sup>

Maximino’s last surviving son swore that Jenkins was one of the men with whom his father held covert partnerships. He said he had the documents to prove it, but he died before retrieving them. Jenkins’ eldest grandson, while silent on the issue of partnerships, conceded that his grandfather did favors to ease Maximino’s personal cash flow, in several cases buying houses that he owned in Mexico City. By Jenkins’ own admission, this kind of favor worked both ways, as and when required. He told the Consul General that Maximino had made him personal loans of up to 100,000 pesos.<sup>43</sup>

Maximino’s favors to the Puebla private sector included an iron-handed approach to labor, which not only suppressed strikes but also weakened the local affiliate of the Confederation of Mexican Workers (CTM) and strengthened the presence of the more compliant Mexican Regional Labor Confederation (CROM). In Jenkins’ case, Maximino’s labor policy enabled him to maintain a company union [*sindicato blanco*] at Atencingo.<sup>44</sup> Yet much the biggest service to Jenkins was the Governor’s intervention to prevent President Cárdenas from seeing through his declared intention to expropriate his entire sugar business.

At a ceremony in December 1937, Maximino gave Atencingo’s 2,043 resident peons provisional possession of a 21,170-acre communal *ejido*, in accordance with an expropriatory decree by President Cárdenas the previous May. The following summer, Cárdenas would confirm the Governor’s resolution and award them definitive possession of the land. But despite press headlines proclaiming “fulfilment of the promises of the Revolution,” Maximino handed Jenkins a victory by the shaping the terms of the expropriation.<sup>45</sup>

These terms bound Atencingo’s cane growers to multiple obligations: they must work collectively, only produce sugar cane, and only sell it to the Atencingo mill; only the field hands and mill employees of the Atencingo Company, the least mobilized campesinos and workers in the vicinity, could qualify as *ejido* members; funds for the crops were to be provided on credit, with interest, by Jenkins, rather than by the state’s Bank of Ejidal Credit;

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<sup>41</sup> Niblo, *Mexico in the 1940s*, 266f. Cf. Luis Medina, *Historia de la Revolución Mexicana*, v. 20: *Civilismo y modernización del autoritarismo* (Mexico City: Colegio de México, 1979), 15; Sergio Valencia Castrejón, *Poder regional y política nacional en México: El gobierno de Maximino Ávila Camacho en Puebla* (Mexico City: INEHRM, 1996), 76, 80.

<sup>42</sup> J. Stewart to State Dept., Mexico City, 25 May 1939, RDS, 812.00/30744, 6; Rigoberto Cordero y Bernal, *Maximino Ávila Camacho: El ejercicio absoluto...del poder* (Puebla: n.p., 2012), 104-6, 128-31, 139f.

<sup>43</sup> Interviews with Manuel Ávila Camacho López, Mexico City, 16 Aug. 2006; William A. Jenkins, Mexico City, 29 Mar. 2001; Stewart to State, 7 Dec. 1938, RDS, 812.114 Narcotics/873.

<sup>44</sup> Gregory Crider, “Material Struggles: Workers’ Strategies during the ‘Institutionalization of the Revolution’ in Atlixco, Puebla, Mexico, 1930-1942,” Ph.D. diss., Univ. of Wisconsin, 1996, ch. 5; Ronfeldt, *Atencingo*, 48.

<sup>45</sup> *La Opinión*, 21 Dec. 1937, 1; 20 Jun. 1938, 1; Ronfeldt, *Atencingo*, 72.

and the Atencingo Company manager had the right to select the manager of the Ejidal Cooperative Society, the *ejido*'s administrative organ, which oversaw work schedules, wages, the sale of the harvest, and so on. In practice, Jenkins came to control the appointment of all posts within the *ejido*. The biggest operational change was that Jenkins now had to pay for his cane, but as sole buyer he could more or less fix the price. Better still for him, the *ejido*'s legal constitution served as a block against further designs on the plantation by *agraristas*.<sup>46</sup>

Exchanges of favor over Atencingo would not end there. During the debate over the plantation's future, the U.S. State Department had contacted the Mexican government to express its concern that so large an American-owned asset faced expropriation. At once Maximino sent for Jenkins and confessed his worry that the U.S. government might retaliate by confiscating Mexican deposits in American banks; he therefore intended to transfer his U.S. savings into Jenkins' account. For several months, Jenkins felt obliged harbor US\$250,000 of Maximino's wealth.<sup>47</sup>

This personal favor was reciprocated before long, when Maximino proposed to the Puebla legislature that it withdraw the funds of the state welfare department from its bank account and invest them in the Atencingo Company. He claimed the funds would thus earn a higher return. The proposal was approved but went unreported in the press.<sup>48</sup>

Until after World War II, Jenkins would continue to reap profits from Atencingo. Cane productivity in tons per hectare remained high. The mill workers and cane growers stayed subservient. The state maintained a price cap on sugar, but wartime demand far outpaced supply, so like other mill owners Jenkins managed to evade the cap by selling massive amounts on the black market. Jenkins also made covert shipments of large quantities of contraband alcohol. The Puebla government turned a blind eye to both forms of illicit activity. Referring to the expropriation, Jenkins later told a friend: "I came out on top."<sup>49</sup>

Maximino came out on top as well. He scored political points by negotiating to the President's satisfaction a prickly agrarian problem at Atencingo, marked by three decades of violent tussles. He secured a productive future for the largest private unit within the state's economy, an employer of 5,000, a major source of taxes, and an investment option for state-controlled moneys. This outcome helped him look "revolutionary," in being better able to bring tangible benefits to the people.

His relationship of symbiotic convenience with the state's leading industrialist benefitted his personal wealth too. It gave him a safe place in which to hide some of his loot and it apparently enabled him to take a lucrative covert stake in the Atencingo Company. It also allowed him quite a bit of business on the side. So did his friendships with other Puebla industrialists, like Gabriel Alarcón and Miguel Abed. These crony relationships harkened back to the Porfirian era, but they also offered a crude prototype for a more entrepreneurial abuse of authority that soon became widespread at the federal level, notably under Miguel Alemán, "the businessman president."<sup>50</sup>

## Conclusion

<sup>46</sup> Ronfeldt, *Atencingo*, 37-48.

<sup>47</sup> Stewart to State, 7 Dec. 1938, RDS, 812.114 Narcotics/873.

<sup>48</sup> Maximino to Legislature, Puebla, 7 May 1940; J. Pérez Moyano and P. Briones to Maximino, Puebla, 25 Jul. 1940, ACEP, Libro 321, Exp. 2336.

<sup>49</sup> Ronfeldt, *Atencingo*, 45-8; Crespo, *Historia del azúcar*, I:258f; *Time*, 26 Dec. 1960, 25; Gustavo del Ángel interview with Manuel Senderos Irigoyen (former Bancomer shareholder), Mexico City, 7 Dec. 2006; interview with former Atencingo truck driver, Mexico City, 7 Apr. 2002.

<sup>50</sup> Alejandro Manjarrez, *Crónicas sin censura* (Cholula, Pue.: Imagen Pública y Corporativa, 1995), 369f, 375f; Cordero y Bernal, *Maximino*, 70, 77f, 139-43; Enrique Krauze, *Mexico: Biography of Power* (New York: HarperCollins, 1997), ch. 18.

In post-1940 Puebla, Maximino's political machine was so dominant that elections went all but uncontested for decades. So, with institutional stability assured and with few rivals, rebels, or radicals to worry about, the state-capital alliance became a series of symbioses of mere convenience. For business leaders, matters of need lapsed into matters of privilege. Monopolies were permitted and cossetted, such as Jenkins' Atencingo System (which he sold intact to another business leader in 1946) and his control by early 1941 of all of Puebla's movie theaters. A decreasing proportion of strikes were ruled legal. A real-estate boom favored the connected few. For governors, money-making became standard practice, often via business partnerships with cronies.<sup>51</sup>

Such relationships continued to be ignored by the press as long as the Ávila Camacho machine persisted. But in 1963 the federal government began to impose its own choice of governor, and the first of these, Antonio Nava Castillo, was ousted from office a year later after a public scandal. While he was proposing a milk pasteurization law, it emerged that he held a stake in a firm that would benefit as the sole authorized distributor of pasteurized milk.<sup>52</sup> Since then, Puebla's leaders have taken more care to conceal their partnerships, but it remains conventional wisdom in the state today that most all governors have used their power to involve themselves in covert investments, with real estate the most popular choice.

After 1940 the state-capital alliance was increasingly a marriage of convenience at the nationwide level too. The financial imperative that had driven the state to a symbiotic pact with business elites diminished. So did the need of Jenkins and his peers for protections from revolutionary radicalism, as unions became ever more submissive, notably so after Alemán's precedent-setting co-optation of the railworkers' union in 1948. As late as Manuel Ávila Camacho's presidential campaign of 1939-40, the ruling party could feasibly argue that its continuity in office was necessary, so to fend off the rebellions led by malcontent generals that had plagued Mexico for two decades, most recently the revolt of Saturnino Cedillo in 1938. But as of 1940, neither Almazán nor any other general would rebel, and the economy was about to receive an enormous boost through U.S. investment during World War II. The PRI would enjoy another sixty years of uninterrupted rule.

Certainly the party faced challenges, most immediately the mounting of the masses who left the countryside for the cities and proved ready to strike for better pay. As I argue elsewhere, the state would enlist the private sector to help contain them, notably via the media of film, radio, and television. In each case, the state talked of the *need* for mass media to foster bonds of national cohesion in what was still a highly fragmented country. In each case, magnates such as Jenkins and broadcast mogul Emilio Azcárraga Vidaurreta were permitted to develop sector-wide monopolies – taking over or suppressing rival operators – in exchange for loyalty to the PRI, both as party propagandists and as purveyors of entertainment steeped in social conservatism.<sup>53</sup> Viewed objectively, however, the old symbiotic imperatives had receded. Industrial monopolies were convenient interlocutors for the state, and for the businessmen that held them they guaranteed great wealth. Shortly before his death, *Time* magazine would label Jenkins as Mexico's richest individual.<sup>54</sup>

Altogether, the history of post-revolutionary Mexico reveals a plethora of symbiotic relationships at local or federal levels. But not all of them were politically or economically

<sup>51</sup> Pansters, *Politics and Power*, 63, 100-2, 118-20; Guzmán Ramos interview, 28 Nov. 2005; interview with Pedro Ángel Palou, Puebla, 11 Aug. 2009.

<sup>52</sup> Leonardo Lomelí Vanegas, *Breve historia de Puebla* (Mexico City: FCE / Colegio de México, 2001), 381-3; Pansters, *Politics and Power*, 117-22; *El Sol de Puebla*, 15-31 Oct. 1964.

<sup>53</sup> Paxman, "Cooling to Cinema and Warming to Television: State Mass Media Policy from 1940 to 1964," in P. Gillingham and B. Smith, eds., *Dictablanda: Politics, Work, and Culture in Mexico, 1938-1968* (Durham, NC: Duke Univ. Press, 2014). See also Paxman, *Jenkins of Mexico*, ch. 8.

<sup>54</sup> *Time*, 26 Dec. 1960, 25f.

damaging to the nation. Some relationships were necessary to state and capital alike, providing the former with greater economic stability after an era of wartime destruction and market stagnation, and providing the latter with reasons to regain confidence and invest anew. These relations, institutional and more or less overt, I have described as exhibiting a “symbiotic imperative” between the two parties. While ethical issues are secondary to economic issues in most discussions of crony capitalism, the symbiotic imperative is furthermore distinctive in that it seeks the common good, albeit defined in terms that may ignore such intangible considerations as the dignity of those who work the land.

On the other hand, other relationships arose that were not at all necessary but merely privileged particular industrialists and the careers and pockets of those politicians who favored them. These relations, inter-personal and behind-the-scenes, I have described as exhibiting a “symbiotic convenience.” Such relations often arose once a symbiotic imperative had been established, bringing stability and profitability to state and capital. They might thus be described as a dividend to key participants; certainly politicians like Maximino and businessmen like Jenkins felt entitled to do well, having colluded to tame the radical tiger unleashed by the Revolution of 1910. Such entitlement helps explain why such crony-ish arrangements proliferated. But they came at certain costs: in this case, to the evolution of a democratic political culture and to the welfare of thousands of sugar workers.

Then there are relationships that inhabited a gray area. These occurred in two ways: arrangements undertaken when imperatives demanded them, but in which protected individuals sought additional advantage, as did Jenkins in the sugar sector of 1920s Puebla; and arrangements that were imperative in the minds of the parties entering into them, but which from a historical perspective were characterized at least as much by convenience, such as the pact between Jenkins and Maximino, or the one between Jenkins and Maximino’s brother Manuel that allowed the creation of a near-monopoly in film exhibition nationwide. Again, the effect was generally to weaken democracy in favor of authoritarianism (whether of the hard or soft variety), and to cause the politically less-connected to lose out, thereby leaving film producers and distributors at the mercy of monopolists.

Finally, the disaggregation of symbioses described here offers something to the debate about the first of the issues regarding crony capitalism mentioned at the outset: whether or not the term is analytically useful given the existence of the trait in all societies. The Mexican experience suggests that the term *does* retain usefulness, because it suggests that not all capitalisms are equally crony. The war-ravaged conditions that prompted the Porfirian emergence and post-revolutionary resurgence of the symbiotic imperative in Mexico had no equal, for example, in the United States.<sup>55</sup> Given the tendency of such state-capital bonds to foster symbiotic convenience, a phenomenon that grows over time as the parties involved take their dividend of self-enrichment and privileges, it makes sense that such excesses were more common in Mexico. The crux here is not the presence or absence of crony capitalism, but the matter of degree.

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<sup>55</sup> During the USA’s greatest internal conflict, the civil war of 1861-65, the Northern and Western states experienced a boom that far outweighed the destruction borne by the South.

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