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GLOBALIZING THE RIO GRANDE: EUROPEAN-BORN ENTREPRENEURS,
SETTLEMENT, AND MERCANTILE NETWORKS IN THE RIO GRANDE
BORDERLANDS, 1749-1881

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GLOBALIZING THE RIO GRANDE: EUROPEAN-BORN ENTREPRENEURS,
SETTLEMENT, AND MERCANTILE NETWORKS IN THE RIO GRANDE
BORDERLANDS, 1749-1881

A Dissertation Presented to the Graduate Faculty of

Dedman College

Southern Methodist University

in

Partial Fulfillment of the Requirements

for the degree of

Doctor of Philosophy

with a

Major in History

by

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May 16, 2020

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Globalizing the Rio Grande: European-born Entrepreneurs,
Settlement, and Mercantile Networks in the Rio Grande
Borderlands, 1749-1881

Advisor: Professor Neil Foley
Doctor of Philosophy conferred May 16, 2020
Dissertation completed April 07, 2020

This dissertation argues that the borderland region from the Nueces River to the Sierra Madres has been a crossroads of trade since the era of Spanish colonization, and that after Mexico won its independence from Spain, the region became the focus of intense commercial modernization projects initiated by both state agents and individual businessmen from all over Western Europe. These entrepreneurs wanted to transform the Rio Grande and its surroundings from a regional crossroads to a hub of the Atlantic economy. However, their efforts to create rapid change were often stymied by mismanagement, notions of ethnic and cultural superiority, and eruptions of violent conflict. I argue that elucidating the many failed attempts of European-born entrepreneurs to reform the Rio Grande borderlands into the commercial utopia they imagined ultimately shows the contingency of American westward expansion in the 19th century. Their persistent presence, relationships with European governments, and open competition with American projects reveal that European-born entrepreneurs actively pushed against American expansion into the borderlands.

I begin in 1749 when Spanish entrepreneurs took advantage of the Bourbon Reforms to strike out into the Rio Grande borderlands to settle it in the name of Spain and profit on a previously untapped part of the colony of New Spain. These Spanish entrepreneurs created a

foundation for the region's political economy that persisted well into the Mexican national period. Since a key part of this project is interested in exploring how European-born entrepreneurs impacted the borderland between the United States and Mexico, a majority of the book focuses on the national period, with specific chapters on European settlement schemes in Northern Mexico and the Republic of Texas. I then turn to examine the informal ways in which European-born entrepreneurs attempted to extend their control over the borderlands by investigating the expansion of transatlantic mercantile networks and those networks' ability to harness the power of the global cotton trade during the U.S. Civil War. The study ends in 1881, the year the Texas-Mexican Railway tied the region more firmly to North American markets, cutting out the profits and importance of transatlantic shipping to the Lower Rio Grande. The Texas-Mexican Railway helped ensure American domination of the Rio Grande borderlands and contributed to the erasure of the history of European-born entrepreneurs in the borderlands.

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For Mick

INTRODUCTION

“GLOBALIZING THE RIO GRANDE”

In April of 1837, the British vice consul at Tampico, Joseph Crawford, traveled north to the Rio Grande to compile a report about the conditions and prospects of British trade at the port of Matamoros. He noted that more than two-thirds of all the goods that entered Mexico at the Rio Grande came from British manufacturers. The vice-consul believed Matamoros, with its location inland, trade connections with Monterrey, and healthy climate, could become a significant center for trade if foreigners had more guarantees for their property. The threats of indigenous attack and corrupt government officials far from the center of Mexican authority restrained the expansion of trade. However, those conditions applied to everyone in the region giving nobody a sense of advantage. He did not know what the future held for the prospects of British commercial interests on the Rio Grande, but there was a growing community of British merchants in the city vying for the borderlands market. Crawford also knew that there was a British settlement that had recently been founded upriver, as well as a growing number of British entrepreneurs taking residence in towns all along the Rio Grande. He suggested that the British Foreign Office appoint a consular agent at Matamoros to give British entrepreneurs in the region all the advantages to succeed. "That our commercial interests and the residents would be bettered by having a prudent consular agent here, there is no doubt."¹ Crawford believed that a British state agent on the Rio

¹ Joseph Crawford report to the British Foreign Office, April 1837, FO 50/109, The National Archives of the United Kingdom (hereafter cited as TNA).

Grande could spur trade and influence Mexican authorities to protect British commerce. He imagined the Rio Grande becoming an important center of trade and wanted to ensure a strong British state presence there.

The British were not alone in their examination of the future prospects of the Rio Grande. Europeans' interest in expanding their footprint in the region was not new in 1837. Spain and its indigenous allies made the first incursions in 1747. Led by a military officer with commercial designs for the region, the Spanish project for settlement promoted the borderlands' economic potential. Spain succeeded in founding six villas on the Lower Rio Grande. The enterprise proved short-lived and stagnated as political and economic decline wracked the Spanish Empire at the turn of the century. After Mexico achieved its independence in 1821, the region was contested among Indians, Mexicans, Americans, and Europeans.² Those Europeans, primarily from England, France, and German principalities, attempted to extend formal control to parts of the borderlands in hopes of exploiting an untapped market.³ British entrepreneurs tried and failed to establish settlements on the Rio Grande in the 1830s and 1840s. French entrepreneurs attempted similar projects in the 1840s, drawing German-speaking investors and emigrants into their schemes.⁴ What opportunities did all of these Europeans imagine finding in the borderlands

² A note on terms: when I use the term "European," I mean individuals born in Europe. I often default to "European-born" to make that fact explicit. I use "Mexican" to define individuals born in Mexico. This extends past the U.S.-Mexico War to those who may have been born in Mexican Texas but found themselves in the United States after the war. Finally, I utilize "American" to denote individuals born in the United States. I understand the complications of this term, but I find it much more agreeable than "Anglo-American." When Herbert Bolton used Anglo-American in *The Spanish Borderlands*, he did so with the notion that American conquerors of the Southwest succeeded because of the traits of industriousness they inherited from the English. I am explicitly attempting to unhook that association.

³ The Spanish dealt with various Mexican attempts to expel Spaniards from Mexico. See: Harold Sims, *The Expulsion of Mexico's Spaniards, 1821-1836* (Pittsburgh: University of Pittsburgh Press, 1990).

⁴ Graham Davis, *Land! Irish Pioneers in Mexican and Revolutionary Texas* (College Station, Tex: Texas A&M Univ. Press, 2002); Stuart Reid, *The Secret War for Texas* (College Station: Texas A&M University Press, 2007); Bobby D. Weaver, *Castro's Colony: Empresario Development in Texas, 1842-1865*, (College Station: Texas A&M University Press, 1985); Rudolph Leopold Bieseke, *The History of the German Settlements in Texas, 1831-1861* (Austin: Von Boeckmann-Jones, 1930); Milo Kearney and Anthony K. Knopp, *Boom and Bust: The Historical*

and how did reality undermine their imaginations? What did these various incarnations of settlement-building look like? How did they support or threaten Spanish, then Mexican and United States state-building?

Historians tend to view the U.S.-Mexico War as the moment when the United States successfully expanded its mastery over the region using military force.⁵ However, when the United States annexed Texas and declared war with Mexico over the Nueces Strip, European presence in the region actually expanded. Building on small mercantile communities that developed in Matamoros, merchants and clerks from all over Western Europe poured into the broader borderlands region to extract natural resources and exploit its trading potential. They constructed vast networks that connected the Rio Grande to ports all over the Atlantic. Openly competing with Americans in the borderlands, European-born entrepreneurs, on occasion, undermined American commercial domination of the region. Off the battlefield, how much control did the United States have over the Rio Grande borderlands? What actions did European-born entrepreneurs take to seize and maintain their hold on the market in the Rio Grande borderlands? Most significantly, how does shifting the perspective from the American point of view change the way we look at the borderlands in the mid-nineteenth century?

This dissertation tackles these questions and more. It argues that the Rio Grande borderlands has been a crossroads of trade since the era of Spanish colonization and that after Mexico won its independence from Spain, the region became the focus of intense commercial

Cycles of Matamoros and Brownsville (Austin, TX: Eakin Press, 1991); Leroy P. Graf, "The Economic History of the Lower Rio Grande Valley 1820-1875" (PhD Diss, Harvard University, 1942).

⁵ John A. Adams, *Conflict and Commerce on the Rio Grande: Laredo, 1755-1955* (College Station: Texas A&M University Press, 2008), 70-75; David Montejano, *Anglos and Mexicans in the Making of Texas, 1836-1986* (Austin: University of Texas Press, 1987), 20.

One book recognizes that the U.S.-Mexico War created an opening for significant European migration to the Rio Grande borderlands, though it focuses on American-Mexican relations: Omar S. Valerio-Jiménez, *River of Hope: Forging Identity and Nation in the Rio Grande Borderlands* (Durham: Duke University Press, 2013), 134-175.

modernization projects initiated by both state agents and individual businessmen from all over Western Europe. These entrepreneurs wanted to transform the Rio Grande borderlands from a regional crossroads into a hub of the Atlantic economy. However, their efforts to create rapid change were often stymied by roadblocks, including the region's environmental conditions, notions of ethnic and cultural superiority, and continual eruptions of violent conflict. European-born entrepreneurs met success in their ventures on occasion, but, overall, most of the ventures they set out to establish ended in loss, a subsequent migration, or a complete shift in business model.

By elucidating the many failed attempts by European-born entrepreneurs to reform the Rio Grande borderlands into the commercial utopia they imagined, I hope to ultimately show just how contingent American imperial expansion remained in the nineteenth century. Europeans' consistent and evolving approaches preempted American efforts and sometimes worked to actively undermine American designs. Their persistent presence, relationships with European governments, and open competition with American projects reveal that European-born entrepreneurs pushed against American expansion into the borderlands.⁶

European-born entrepreneurs had a consistent presence in the Rio Grande borderlands. From the era of Spanish settlement in the mid-eighteenth century through the early Mexican period, European colonizers encouraged European-born migrants to move to the region and succeeded in drawing in hundreds of entrepreneurial immigrants in each of their successive

⁶ For more on how American perceptions about the British presence in Texas impacted American imperial expansion, see: Sam W. Haynes, *Unfinished Revolution: The Early American Republic in a British World* (Charlottesville: University of Virginia Press, 2010).

attempts.⁷ By 1860, the European-born population of the U.S. counties on the northern bank of the Rio Grande totaled 6.5% of the total population. In comparison, U.S. born residents comprised about 15% while Mexican-born inhabitants occupied an almost 80% majority. Even as they made up a significant portion of the non-Mexican population, European denizens of the Rio Grande borderlands dominated skilled labor positions within society. Almost half of the entire European-born community partook in mercantile activity either as merchants or clerks. This quick demographic overview confirms the significant numbers of Europeans in the borderlands.⁸

After traveling to the borderlands, entrepreneurial migrants faced political, cultural, and economic conditions that diverged from their European understandings of hierarchies of power, interethnic social interactions, and systems of exchange and ownership. They entered the borderlands with expectations that there existed an impersonal governing system like those they left in Europe. Often, they found very limited or even no government authority. They expected a centralized state and found a space dominated by local rulers. European-born entrepreneurs quickly realized that Native Americans tended to wield the most power and controlled the most territory. Powerful Native American groups had vastly different conceptions of exchange than

⁷ Armando C. Alonzo, *Tejano Legacy: Rancheros and Settlers in South Texas, 1734-1900*, 1st ed (Albuquerque: University of New Mexico Press, 1998), 27-36; Lawrence Francis Hill, *José de Escandón and the Founding of Nuevo Santander, a Study in Spanish Colonization*, (Columbus: Ohio State University Press, 1926); Patricia Osante, *Orígenes Del Nuevo Santander (1748-1772)*, 1. ed, Serie Historia Novohispana 59 (México : [Ciudad Victoria]: Universidad Nacional Autónoma de México, Instituto de Investigaciones Históricas ; Universidad Autónoma de Tamaulipas, 1997); Davis, *Land!*; Leroy P. Graf, "Colonizing Projects in Texas South of the Nueces, 1820-1845," *Southwestern Historical Quarterly* 50, no. 4 (April 1947): 431-448; Mary Virginia Henderson, "Minor Empresario Contracts for the Colonization of Texas, 1825-1834," *The Southwestern Historical Quarterly* 31, no. 4 (April 1928): 295-324; Louis E. Brister, "Eduard Ludecus's Journey to the Texas Frontier: A Critical Account of Beales's Rio Grande Colony," *The Southwestern Historical Quarterly* 108, no. 3 (Jan. 2005): 368-85.

⁸ Ancestry.com, "1860 United States Federal Census", Online Database, accessed November 22, 2016; Arnoldo DeLeon & Kenneth L. Stewart, *Tejanos and the Numbers Game: A Socio-Historical Interpretation from the Federal Censuses, 1850-1900* (Albuquerque: University of New Mexico Press, 1989). For my census data, I aggregated the totals for Webb, Cameron and Starr counties.

European understandings of ownership and transactions. Additionally, the new markets they sought to exploit contained Mexicans who were often more interested in maintaining the lifestyles they developed under the Spanish regime than speculating for profits. Furthermore, Americans steeped in Jacksonian democracy defied European notions of hierarchy and propriety. These diverse worldviews mixed through porous ethnic boundaries in the Rio Grande borderlands challenging Europeans to react in individual ways.⁹

Studying European-born entrepreneurs who moved to the Rio Grande borderlands offers a new lens through which to analyze the rapid changes that affected the region in the nineteenth century. Primarily, they provide a perspective of individuals who moved to a new place and actively tried to understand it so that they might better succeed in their ventures. In that acclimation process, some became frustrated with the social, cultural, and political conditions in the borderlands such that they attempted to reshape their localities to meet their own ends. Others adapted quickly to the conditions they faced and entered into kinship relationships with borderlanders. Still others became so disillusioned that they fled the borderlands altogether. All of their accounts demonstrate how individual Europeans actively tried to impose their notions of modernity on this region of the world.¹⁰

While it is true that studying such a broad group of people like European-born entrepreneurs presents certain complications, I argue that their shared European mindset and entrepreneurial spirit make them an ideal slice of borderlands society to investigate. By the end

⁹ David J. Weber, *The Mexican Frontier, 1821-1846: The American Southwest under Mexico* (Albuquerque: University of New Mexico Press, 1982); Brian DeLay, *War of a Thousand Deserts: Indian Raids and the U.S.-Mexican War* (New Haven: Yale University Press, 2008); Pekka Hämäläinen, *The Comanche Empire* (New Haven: Yale University Press, 2008); Sam W Haynes, *Unfinished Revolution: The Early American Republic in a British World* (Charlottesville: University of Virginia Press, 2011); Valerio-Jiménez, *River of Hope*; Andrew J. Torget, *Seeds of Empire: Cotton, Slavery, and the Transformation of the Texas Borderlands, 1800-1850* (Chapel Hill: The University of North Carolina Press, 2015).

¹⁰ C. A. Bayly, *The Birth of the Modern World, 1780-1914: Global Connections and Comparisons* (Malden: Blackwell Publishing, 2004), 2-3.

of the eighteenth century, an increasing number of Western Europeans decided that they were modern and living in modern societies. Entrepreneurs were particularly enmeshed in processes of emulating and spreading modern notions that included freedom of commerce and creating uniformity. European-born entrepreneurs all also shared the entrepreneurial anxieties of taking on tremendous financial and personal risks in ventures half a world away from their European homes in the American borderland. Their shared mindset, experiences, and goals allow for seemingly diverse peoples to be grouped.¹¹

Most historians approach the history of the Rio Grande borderlands from the perspective of Americans, Mexicans, or Native Americans. David Montejano's *Anglos and Mexicans in the Making of Texas, 1836-1986* argues that in the first three decades after the U.S.-Mexico War, an American merchant elite overlaid itself upon the already established Mexican hierarchy in order to assert its control. Within this “rivalship of peace,” as Montejano calls it, both American and Mexican elites retained enough power to continue in a state of détente until the railroads brought changes to the market and caused massive displacement of Mexicans living in Texas.¹² Building on Montejano’s argument, Miguel González-Quiroga emphasizes the interethnic cooperation along the Rio Grande and the relationships that developed there.¹³ Other historians examine the

¹¹ Bayly, *Birth of the Modern World*, 9-10; Davis, *Land! Irish Pioneers in Mexican and Revolutionary Texas*, 6, 238-239.

¹² David Montejano, *Anglos and Mexicans in the Making of Texas, 1836-1986* (Austin: University of Texas Press, 1987), 24-75. For more on the Hispanic heritage of the Rio Grande borderlands see: Rodolfo F. Acuna, *Occupied America: The Chicano’s Struggle toward Liberation* (San Francisco: Harper & Row, 1972); Carey McWilliams, *North from Mexico: The Spanish Speaking People of the United States* (New York: Monthly Review Press, 1948). Some other notable works relevant to the Rio Grande borderlands that have come out of the Chicano movement include Arnoldo De León, *They Called Them Greasers: Anglo Attitudes Toward Mexicans in Texas, 1821-1900* (Austin: University of Texas Press, 1983); Armando C. Alonzo, *Tejano Legacy: Rancheros and Settlers in South Texas, 1734-1900* (Albuquerque: University of New Mexico Press, 1998); Valerio-Jiménez, *River of Hope*; Timothy Paul Bowman, *Blood Oranges: Colonialism and Agriculture in the South Texas Borderlands* (College Station: Texas A&M University Press, 2016).

¹³ Miguel Ángel González-Quiroga, *War and Peace on the Rio Grande Frontier, 1830–1880* (Norman: University of Oklahoma Press, 2020).

role Native Americans played in borderlands development. Brian DeLay's *War of a Thousand Deserts* and Pekka Hämäläinen's *The Comanche Empire* place Indians at the center of their narratives and render them the primary actors in borderlands evolution. By doing so they reframe the borderlands as a place of conflict and contestation among Indians, Mexicans, and Americans.¹⁴ I instead explore how European norms and institutions transferred to and changed within the borderlands context, working partly on the model offered by Graham Davis's *Land!: Irish Pioneers in Mexican and Revolutionary Texas*.¹⁵ European-born entrepreneurs helped maintain Montejano's "rivalship of peace" because their presence opened space for the Mexican elite to maneuver around American elites. Additionally, Indians, Mexicans, and Americans all used Europeans in the region to their own benefit, mobilizing strategies that ranged from peaceful trade to violent raids. The Rio Grande borderlands was a competitive space where parties played off one another in the hopes of attaining their own goals of regional dominance.¹⁶

Furthermore, this study contributes to the history of the political economy of the U.S.-Mexico borderlands. The most thorough and cited work in English on the economic history of the Rio Grande borderlands is an unpublished dissertation written during World War II.¹⁷ Historians of Northern Mexico have produced excellent economic studies of the region, but their breakthroughs have not had significant impact on the broader historiography.¹⁸ Others have

¹⁴ DeLay, *War of a Thousand Deserts*, xiii-xxi; Hämäläinen, *The Comanche Empire*, 1-17.

¹⁵ Davis, *Land! Irish Pioneers in Mexican and Revolutionary Texas*, 3-8.

¹⁶ In this context, I am borrowing from Richard White's notion of the new Middle Ground that opened up after the English and Americans successfully entered the Great Lakes region to undermine the French and complicate power relations with the Algonquin through trade, violence, and diplomacy. See: *The Middle Ground: Indians, Empires, and Republics in the Great Lakes Region, 1650-1815* (Cambridge: Cambridge University Press, 1991), 269-515.

¹⁷ Leroy P. Graf, "The Economic History of the Lower Rio Grande Valley 1820-1875" (PhD Diss, Harvard University, 1942).

¹⁸ Mario Cerutti, *Burguesía, capitales e industria en el norte de México: Monterrey y su ámbito regional (1850 - 1910)* (México, D.F: Alianza Ed, 1992); Mario Cerutti and Miguel A. González Quiroga, *El Norte de México y Texas, 1848-1880: Comercio, Capitales y Trabajadores En Una Economía de Frontera*, 1. ed (San Juan, Mixcoac, México, D.F: Instituto Mora, 1999); Mario Cerutti and Miguel Gonzalez-Quiroga, "Guerra y Comercio En Torno al

focused on the expansion of the borderlands economy after the introduction of railroads.¹⁹ This work attempts to update the field by incorporating ideas from the new history of American capitalism to place the region in a global framework and situate the Rio Grande borderlands as a contested global space from the moment of Spanish settlement.²⁰ In doing so, I focus on the significance of individual networks to demonstrate how their associations came to connect the Rio Grande to the broader Atlantic world.²¹

The English, French, and Spanish all maintained significant interests in the Gulf of Mexico throughout the nineteenth century, especially in the main ports at New Orleans, Havana, and Matamoros; and most of that interest centered on the textile economy. The European trade in cotton and animal hide tied the entire globe into a complex commercial web. In the Rio Grande borderlands, Europeans adopted both formal and informal strategies through settlement projects and mercantile competition, upsetting the expectations of the American commercial elite who assumed the Rio Grande would become a part of the American market with only Mexico as a competitor.²²

While much of the history of the Rio Grande borderlands seems to divide nicely between the colonial and national periods, European attempts to extend their influence in the borderlands did not end with Mexico's independence in 1821. Though New Spain unhooked itself from Iberia, the English and the French continued to try to establish formal settler colonies in the Rio

Río Bravo (1855-1867). Línea Fronteriza, Espacio Económico Común," *Historia Mexicana* 40, no. 2 (Winter 1990): 217-97.

¹⁹ Alicia M. Dewey, *Pesos and Dollars: Entrepreneurs in the Texas-Mexico Borderlands, 1880-1940* (College Station: Texas A&M University Press, 2014).

²⁰ Sven Beckert and Christine Desan, eds., *American Capitalism: New Histories* (New York: Columbia University Press, 2018).

²¹ Bruno Latour, *Reassembling the Social: An Introduction to Actor-Network-Theory* (Oxford: Oxford University Press, 2007).

²² Sven Beckert, *Empire of Cotton: A Global History* (New York: Vintage Books, 2014).

Grande borderlands into the 1850s.²³ By examining the region through the perspective of European-born entrepreneurs over the *longue durée*, I hope to complicate the distinct periodization of the borderlands.²⁴

The evidence base demonstrating the significance of European-born entrepreneurs in the Rio Grande borderlands over this long period is quite broad. This study relies on family and personal papers, travelogues and journals, business records, government documents, and political and commercial correspondence.²⁵ Personal papers show what impact European-born entrepreneurs had on the region and offer insights into ventures and projects that failed or succeeded. They document colonizing schemes and mercantile enterprises from their inception to the point when they floundered demonstrating interconnectedness and change over time. Successive entrepreneurs used their forbears' records to inform them on their next venture. I also utilize government documents from the United States, Mexico, Spain, England, and France.²⁶ Government documents reveal how state agents viewed the Rio Grande borderlands and the European-born entrepreneurs working there. Using customs records, foreign office dispatches, broadsides, and congressional investigations, I piece together the economic and political

²³ As I will demonstrate in chapters 2 and 3, European-born entrepreneurs and state agents took advantage of Mexican and Texan land policies to attempt to extend European control to the Rio Grande borderlands.

²⁴ Jo Guldi and David Armitage, *The History Manifesto* (Cambridge: Cambridge University Press, 2014), 14-38; Fernand Braudel, *The Mediterranean and the Mediterranean World in the Age of Philip II*, vol. 1 (New York: Harper & Row, 1972).

²⁵ Some of the key collections to my research include: José San Román Papers, 1823-1934, Dolph Briscoe Center for American History, The University of Texas at Austin; John Charles Beales Papers, 1832-1855, Dolph Briscoe Center for American History, The University of Texas at Austin; Bustillo Family Papers, 1772-1936, Col 879, Daughters of the Republic of Texas Library, San Antonio, Texas; Charles Stillman Business Papers, 1847-1884 (MS Am 800.27). Houghton Library, Harvard University.

²⁶ The most important government document collections include: Archivo General de Mexico, 1538-1849, Dolph Briscoe Center for American History, The University of Texas at Austin; Despatches from United States Consuls in Matamoros, Mexico, 1826-1906, Microfilm Mf79.01, DeGolyer Library, Southern Methodist University; Ephraim Douglas Adams, *British Diplomatic Correspondence Concerning the Republic of Texas, 1838-1846* (Austin: The Texas State Historical Association, 1918); Nancy Nichols Barker and A. Dubois de Saligny, *The French Legation in Texas* (Austin: Texas State Historical Association, 1971); Foreign Office: General Correspondence before 1906, The National Archives, Kew-Foreign Office.

connections among European-born entrepreneurs, their social and business networks, and the goals European states had for the region.²⁷

I begin in 1749 when Spanish entrepreneurs took advantage of the Bourbon Reforms to strike out into the Rio Grande borderlands to settle it in the name of Spain and profit on a previously untapped part of the colony of New Spain. These Spanish entrepreneurs created a foundation for the region's political economy that persisted well into the Mexican national period. Since a key part of this project is interested in exploring how European-born entrepreneurs impacted the borderland between the United States and Mexico, a majority of the dissertation focuses on the national period, with specific chapters on Northern Mexico, the era of the Republic of Texas, and the time period after the U.S.-Mexico War. The study ends in 1881, the year the Texas-Mexican Railway tied the region more firmly to North American markets, cutting out the profits and importance of transatlantic shipping to the Lower Rio Grande. The Texas-Mexican Railway was also the product of an American business network that worked to destroy a similar rail project, the Rio Grande Railroad, initiated by European-born entrepreneurs trying to use railroads to integrate the region more firmly in the Atlantic market.

My analysis proceeds along three interrelated geographic levels within which Europeans operated. At the broadest level is the portion of the Atlantic World spanning Europe, North America, the Caribbean, and especially the Gulf of Mexico. Regionally, the Rio Grande borderlands is the space where European-born entrepreneurs focused the intensity of their programs. The region is bounded in the north by San Antonio, in the southeast by Corpus Christi, the south by Brownsville/Matamoros, in the southwest by Monterrey, and in the west by Piedras

²⁷ The ability to read and write, purchase paper, and engage in mercantile activity was reserved to the wealthier families in the borderlands. Therefore, their voices take prominence in the narrative. However, they did employ a significant number of laborers, whose lives these entrepreneurs attempted to change.

Negras/Eagle Pass, and includes Laredo/Nuevo Laredo, Roma, Camargo, Reynosa, and other borderland communities. Mexican historians have long argued in favor of the study of the geographic region between San Antonio and Monterrey.²⁸ Finally, the local cities, towns, and villas mark the narrowest of my geographic focus.²⁹

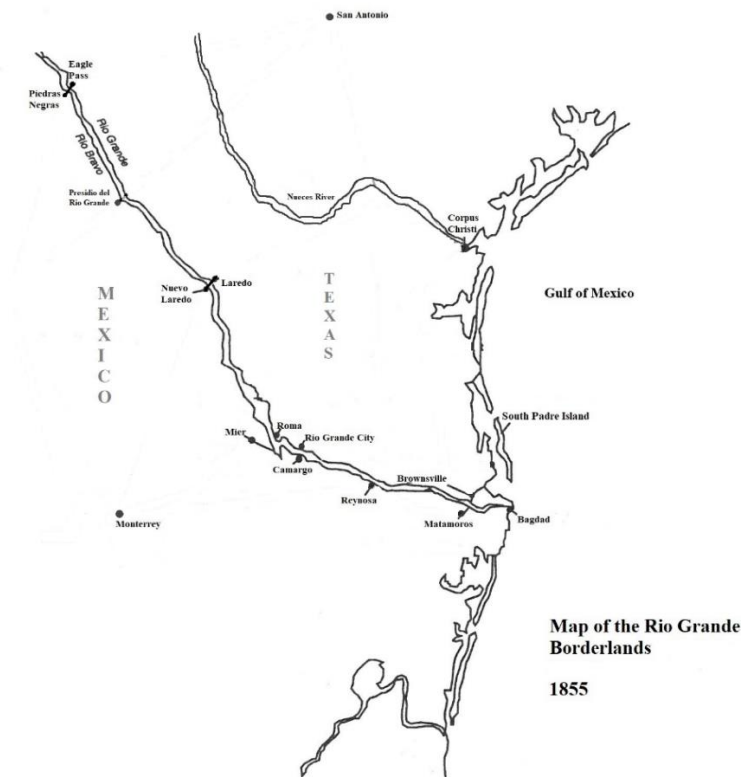


Figure 1 Map of the Rio Grande Borderlands

²⁸ Mario Cerutti, *Burguesía, capitales e industria en el norte de México: Monterrey y su ámbito regional (1850 – 1910)* (México, D.F: Alianza Ed, 1992), 51-61; Miguel Ángel González-Quiroga, "Conflict and Cooperation in the Making of Texas-Mexico Border Society, 1840-1880," in Benjamin Heber Johnson and Andrew R. Graybill, eds., *Bridging National Borders in North America: Transnational and Comparative Histories* (Durham: Duke University Press, 2010), 33-52.

²⁹ Contemporaries conceived of the regional market within similar geographic terms. An advertisement for a new transportation line in 1849 makes the market boundaries clear. Three American investors sought to establish routes connecting Corpus Christi to San Antonio and Mier. From Mier, the new company assured traders would have access to the "Mexican market," which basically meant Monterrey. Other advertisers on the very same page privilege Matamoros or Laredo, but all seem to have the same basic understanding of the region in which they worked. See: *The Corpus Christi Star*. (Corpus Christi, Tex.), Vol. 1, No. 51, Ed. 1, Saturday, September 8, 1849, newspaper, Corpus Christi, Texas.

I conceive of the region as a borderland from 1749-1881 for several reasons. Until the end of the U.S.-Mexico War in 1848, the Rio Grande borderland was contested among several imperial powers, including Spain, Mexico, the United States, the Comanche Empire, Britain, and France. Their failures to extend permanent authority over the region allowed for local freedom of social and economic movement. After the Treaty of Guadalupe Hidalgo, the Rio Grande borderlands became a bordered land on paper. The United States and Mexico had treaties and maps that showed their respective states' control extended to the Rio Grande. For the most part, that control was illusory. Individuals in the borderland still had an incredible amount of local freedom of social and economic movement. Though the language changed to define commercial movement across the boundary at the Rio Grande as "illicit trade" or "smuggling," state agents had little recourse to stop it. Attempts to control the movement of people across the national boundary were virtually non-existent. Geographic distance from government centers, the continued presence of powerful indigenous groups, and the significant power of strong local elites severely limited centralized state authority. European-born entrepreneurs in the region mark one of the many multicultural subjects who took advantage of the fluidity of the region to implement their own schemes. Until the railroads obliterated the distance between state centers and the Rio Grande, the region remained a borderland.³⁰

The dissertation is divided into five chapters that analyze particular events to illustrate how European-born entrepreneurs and state agents attempted to make the Rio Grande

³⁰ Jeremy Adelman and Stephen Aron, "From Borderlands to Borders: Empires, Nation-States, and the Peoples in between in North American History," *The American Historical Review* 104, no. 3 (June 1999): 816; P. Hämäläinen and S. Truett, "On Borderlands," *Journal of American History* 98, no. 2 (September 1, 2011), 345-354; Sabri Ateş, *The Ottoman-Iranian Borderlands: Making a Boundary, 1843-1914* (New York: Cambridge University Press, 2013), 1-4; Peter Sahlin, *Boundaries: The Making of France and Spain in the Pyrenees* (Berkeley: University of California Press, 1991), 4-7.

borderlands a modern hub of Atlantic trade. Chapter 1 examines how José de Escandón settled the region in the name of Spain. It focuses on the blended networks of indigenous and Spanish colonists who worked together to carve out an existence in the harsh climate of the Lower Rio Grande and how Escandón utilized commerce to settle the region. Chapter 2 connects the Mexican state to growing interest in Western Europe for Northern Mexican lands and markets in the 1820s. Mexico encouraged Europeans to move to its northern frontier with favorable land and immigration policies. However, nearly every political and economic strategy Mexican officials and European entrepreneurs employed seemed to fail in the face of the rising power of the Comanche and American empires. By examining one single European-led colonization venture, Englishman John Charles Beales's colony at Dolores, I argue that expectations for the Rio Grande borderlands were so unrealistic that the colony lasted only a few years. Chapter 3 examines the role of European states and state agents, many of whom earned land grant contracts from the government of the Republic of Texas. They actively attempted to harness the power and authority of European states to build settlements for European-born immigrants in the Rio Grande borderlands.

The second half of the dissertation examines the more informal ways that European-born entrepreneurs attempted to extend their control of the Rio Grande borderlands. Chapter 4 compares how two different European mercantile networks worked to gain a foothold in the region after the U.S.-Mexico War. Chapter 5 examines the role of European-born entrepreneurs in the cotton trade during the U.S. Civil War. The outbreak of the Civil War created new tensions as rapid political change forced entrepreneurs to compromise their loyalties and moral principles to earn the profits and power they desired. The epilogue explores the competition between American railroad development and Europeans who wanted their own railroad lines. By 1881,

Americans were able to harness the full power of the United States and Mexican governments to crush their European competition and embark on an era of American domination that effectively erased the remnants – and the history – of their European-born competitors.

CHAPTER 1
"PARTIALLY CONSTRUCTED: BUILDING THE RIO GRANDE BORDERLANDS, 1749-
1821"

In the spring of 1747, a small hunting party of Comecrudos Indians spotted a group of riders on horseback meandering down a plateau toward the wide Rio Grande Valley. At first, the Comecrudos could not tell if the riders were a raiding party seeking plunder and captives. The intruders' plodding pace suggested otherwise. These were Europeans who had come from central New Spain on a diplomatic mission. The Comecrudos hunters worried about what they wanted. Spaniards on horseback had been coming to the Rio Grande since the sixteenth century to capture Indians and enslave them in the silver mines or on large agricultural plantations.¹ The hunting party likely sent runners back to their families to warn about the invading Europeans. The rest of them moved to meet the Spanish riders to investigate their purpose for coming to the Rio Grande.

A single member of the Comecrudos hunting party, a man the Spaniards called Santiago, continually asked probing questions and received direct answers from the Spanish leader, José de Escandón. The Spanish recruited Coahuiltecan-speaking interpreters for the expedition and used them to communicate with Santiago, as the Comecrudos spoke a dialect of Coahuiltecan. During

¹ The silver mines of Zacatecas and San Luis Potosí demanded an incredible amount labor. Agricultural labor, too, became scarce with the passage of the New Laws in 1553 limiting the power of *encomenderos*, or large landowners. Mine owners and landowners supported entrepreneurial individuals willing to trek into the borderlands to take indigenous slaves outside of the view of the Spanish Crown. For more information on the demands for indigenous slave labor see Andrés Reséndez, *The Other Slavery: The Uncovered Story of Indian Enslavement in America* (Boston: Houghton Mifflin Harcourt, 2016).

his questioning, Santiago learned that the Spanish wanted to bring more settlers from the south to build homes near the Rio Grande and they wanted help from people like the Comecrudos to do it. In return, the Spanish promised an unending flow of supplies and peace among the Coahuiltecan people who lived in the Rio Grande borderlands. The deal sounded okay, but Santiago wanted proof the Spanish would follow through on their promises. He invited Escandón and his men to the Comecrudos village to meet the nearly 400 hundred families who lived there and to show their goodwill. Indeed, the Spanish soldiers provided food and tobacco in abundance to anyone who approached them. Before they parted ways, Santiago agreed to welcome new people from the south if Escandón promised that all of the Comecrudos lands would remain secure and none of the people would be relocated. With their agreement struck, the Spaniards continued on, leaving Santiago to imagine how much life in the Rio Grande borderlands might change.²

As one of the first European-born entrepreneurs to seek his fortune in the Rio Grande borderlands, José de Escandón fundamentally changed the way Spain interacted with the region. His primary goal, to create settled towns in a region that had been largely occupied by mobile indigenous people for centuries, meant to satisfy his superiors in the government of New Spain who wanted the *indios bárbaros* Christianized and congregated for productive labor.³ Achieving his goal would also provide Escandón personal opportunities for agricultural and commercial wealth heretofore unavailable on New Spain's northern frontier. He sought to capitalize by acquiring large tracts of arable land and creating a mercantile monopoly through implementing

² Debbie S. Cunningham, "The Exploration and Preliminary Colonization the *Seno Mexicano* under Don José de Escandón (1747-1749): An Analysis based on Primary Spanish Manuscripts," (PhD Diss, Texas A&M University, 2010), 69-70, 78-79; Guy Stresser-Péan, *San Antonio Nogalar: La Sierra de Tamaulipas y la Frontera Noreste de Mesoamérica* (Victoria: Universidad Autónoma de Tamaulipas, 2000), 566-567.

³ *Indios bárbaros* was a term the Spanish in the Americas often used to describe indigenous people who they perceived as wild, ignorant, heathen, or savage. David J. Weber, *Bárbaros: Spaniards and Their Savages in the Age of Enlightenment* (New Haven: Yale University Press, 2005), 14-15.

new, modern policies outlined in Bourbon Spain's imperial reforms. Escandón's initial efforts to build the region through diplomatic, commercial, and military force marked the first in a series of transformational efforts led by Europeans in the Rio Grande borderlands.

When José de Escandón set out on reconnaissance of the Rio Grande borderlands in the mid-eighteenth century, he knew that Spanish expansion to the Rio Grande borderlands required that settlers build alliances with indigenous people. By 1749, incorporating Indians into the Spanish imperial project had become an important institution for how the empire expanded. The Bourbon reforms that swept through New Spain in the eighteenth century shifted the focus of imperial expansion from conquest and exploitation to settlement and cooperation. The Bourbons wanted to defend the empire cheaply and efficiently. Creating indigenous allies to build frontier populations and aid in defense thus served their administrative goals.⁴

Comercio libre, or free trade, was also a key piece of reform designed to tie the empire more tightly together. Not only did the networks built between Spanish and Indians help create Spanish legitimacy on its frontiers, it also formed the foundations of important infrastructures that allowed Spain to expand. Seeking personal wealth and promoting imperial expansion, Escandón sought to merge Spanish and indigenous institutions and infrastructures through trade and exchange to settle the Rio Grande borderlands.⁵

Competing interests tempered Escandón's successes in transforming the borderlands. His military subordinates chafed at his leadership decisions and the power he wielded. Spanish settlers challenged his land policies and agreements to cooperate with indigenous people.

⁴ David J. Weber, *Bárbaros: Spaniards and Their Savages in the Age of Enlightenment* (New Haven: Yale University Press, 2005), 5-8.

⁵ Allan J. Kuethe and Kenneth J. Andrien, *The Spanish Atlantic World in the Eighteenth Century: War and the Bourbon Reforms, 1713-1796* (Cambridge: Cambridge University Press, 2014), 17, 335-336; Brian R. Hamnett, "Mercantile Rivalry and Peninsular Division: The Consulados of New Spain and the Impact of the Bourbon Reforms, 1789-1824," *Ibero-Amerikanisches Archiv* 2, no. 4 (1976): 273-305.

Religious orders, threatened by Escandón's trust in secular institutions, lobbied to have him replaced. All of these groups came together to successfully undermine Escandón's program, ensuring his plan was only partially implemented.

This chapter argues that, although Escandón was a military leader, he was also an entrepreneur. He convinced indigenous groups in New Spain to join his venture and utilized his network of well-positioned allies in the Spanish Empire who wanted to extend the liberal trade policies of the Bourbon reforms to New Spain's northern frontier. Escandón simultaneously worked to expand Spain's control of the borderlands and enrich himself by combining his diplomatic skills, military prowess, and commercial acumen. Under the liberalizing Bourbon reforms, Escandón represented a new kind of imperial official whose job was to advance commercial development which, in turn, meant a new fuzzy line between his public duties and private interests. In the first decade, he executed his plans with significant success. However, internal strife and backlash from powerful conservative groups undermined Escandón's project. Growing imperial problems within the Spanish Empire further caused the Rio Grande colonies to stagnate and become more isolated, leaving the borderlands partially constructed. Regardless, Escandón's project marks the first of many European attempts to remake the Rio Grande borderlands into an imagined commercial utopia.

Escandón had a clear model for blending Indians into European settlements. Constructing alliances with indigenous people had its roots in the Spanish conquest of Mexico. Hernán Cortés did not conquer the Aztec Empire with only 500 Spanish warriors and a dozen horses. He succeeded because he created alliances with Nahuatl speaking indigenous nations who lived on the periphery of the Aztec Empire and loathed the constant demand for tribute from the imperial

capital, Tenochtitlan. Often, those alliances were built by creating kinship bonds. Spanish men, including Cortés, engaged in relationships with indigenous women. Their offspring theoretically became the children of New Spain, as Spaniards, *mestizos*, and their Indian allies moved outward from Tenochtitlan to settle the colony.⁶

One of the most important alliances Cortés made was with the Tlaxcalans. After a brief battle on first contact, the Tlaxcalans invited the Spanish into their lands where they received Cortés with a welcoming ceremony and offered his men lodging. The Tlaxcalan leaders offered female slaves to the Spanish men creating a basis for kinship bonds between Spaniard and Tlaxcalan. From their first reception onward, the Tlaxcalans not only aided the Spanish in the conquest of the Aztecs, but they quickly adapted to and adopted Spanish norms in order to maintain Tlaxcalan ways of life. As a people who had constantly challenged the Aztec Empire for autonomy, they simply mobilized the strategies they utilized under one empire and applied them to another. For Nahuatl speaking people like the Tlaxcalans, the imperial structure itself changed very little. Spain merely overlaid itself upon the model the Aztecs had implemented. Administrative districts, town organizations, and even the *encomienda* system were familiar to both the Spanish and indigenous people.⁷ After the Tlaxcalans aided Cortés in his capture of Tenochtitlan, they helped build a composite Spanish-indigenous society that slowly spread northward into non-Nahuatl speaking lands.⁸

⁶ Mark A. Burkholder and Lyman L. Johnson, *Colonial Latin America*, 6th ed (New York: Oxford University Press, 2008); David L. Frye, *Indians into Mexicans: History and Identity in a Mexican Town*, 1st ed (Austin, TX: University of Texas Press, 1996); Colin M. MacLachlan, *Imperialism and the Origins of Mexican Culture* (Cambridge: Harvard University Press, 2015); Sean F. McEnroe, *From Colony to Nationhood in Mexico: Laying the Foundations, 1560-1840* (Cambridge; New York: Cambridge University Press, 2014).

⁷ The *encomienda* were large land grants given to prominent Spaniards who exacted tribute in labor and the products of labor from the native peoples who resided there.

⁸ Diego Muñoz y Camargo, *Historia de Tlaxcala* (Barcelona: Digitalia, 2001) 97-101; Susan Schroeder, Stephanie Wood, and Robert Haskett, *Indian Women of Early Mexico* (Norman: University of Oklahoma Press, 1997), 87-92; James Brooks, *Captives & Cousins: Slavery, Kinship, and Community in the Southwest Borderlands* (Chapel Hill:

Though the Tlaxcalans adapted to the imposition of the Spanish Empire in central New Spain, they had to cope with the destruction of the Aztec Empire and the imposition of European colonialism. The Spanish inflicted horrifying violence upon much of the indigenous population. Cortés's takeover of Tenochtitlan was an incredibly violent affair and though the Tlaxcalans aided the Spanish in Moctezuma's overthrow, they were not exempt from the political, social, and cultural warfare Spain directed at its new colony, not to mention the devastating results of communicable diseases. The best way indigenous people had to cope with the disaster of the disintegrated Aztec Empire was to continue with life as they knew it. Most indigenous people just incorporated the new Spanish agenda into their daily norms. For example, Spain sent missionaries to convert their new subjects to Catholicism. Priests performed mass baptisms declaring all those they baptized to be practicing Christians. Indigenous people had little understanding what that meant. They just adapted the European god and the saints to their own pantheon. Nahuatl notions of religion evolved to become a hybrid of their past beliefs and the new strictures the Spanish foisted upon them with no concrete idea of what they might become in the future. It was a cultural violence with no clear end to the victims.⁹

One area in which the Nahuatl successfully acknowledged and resisted Spanish violence was through language. By 1550, only thirty years after Cortés conquered Tenochtitlan, speakers of the Nahuatl language, including the Tlaxcalans, conformed Nahuatl to the Latin script and

University of North Carolina Press, 2002) 1-40. Doña Marina remains a contentious figure in Mexican historiography. For more on the various interpretations of her see: Cristina González Hernández, *Doña Marina (la Malinche) y la Formación de la Identidad Mexicana*, (Madrid: Ediciones Encuentro, 2002), 11-14; Frances Karttunen, "Rethinking Malinche," in *Indian Women: Gender Differences and Identity in Early Mexico* (Norman: University of Oklahoma Press 1993), 291-312.

James Lockhart, *The Nahuas After the Conquest: A Social and Cultural History of the Indians of Central Mexico, Sixteenth through Eighteenth Centuries* (Stanford: Stanford University Press, 1992), 3-5.

⁹ Patricia Lopes Don, *Bonfires of Culture: Franciscans, Indigenous Leaders, and Inquisition in Early Mexico, 1523-1540* (Norman: University of Oklahoma Press, 2010); Maclachlan, *Imperialism and the Origins of Mexican Culture*; Barbara E. Mundy, *The Death of Tenochtitlan, the Life of Mexico City* (Austin: University of Texas Press, 2015).

crafted documents to maintain indigenous records. They also adopted Spanish writing in order to defend their place within the Spanish bureaucracy. By turning their language into European script and adapting it to Spanish bureaucratic norms, the Tlaxcalans maintained an ever-present existence in the Spanish Empire. They flourished in central New Spain during the early years of Spanish dominance and spread throughout Northern Mexico as Spanish settlement crept northward. Nahuatl speaking people became key to Escandón's project in the eighteenth century as they made up a significant portion of the settlers who moved into the Rio Grande borderlands.¹⁰

As Spaniards and their indigenous allies slowly pushed the frontiers of New Spain northward, the Spanish Empire went through a series of reform movements. The most important imperial reorganization for the Rio Grande borderlands was the Bourbon reforms. Born out of constant warfare in Europe and indigenous revolts in the Americas, the Bourbon reforms began in the early eighteenth century with the goals of modernizing the empire through efficient and pragmatic policies that included reorganizing the imperial army and divesting religious orders of rural indigenous parishes. The Bourbon reforms also sought to curb smuggling by loosening trade restrictions to utilize market transactions for imperial gain. The settlement of the Rio Grande borderlands reflected the changes in the modern, reform oriented Spanish Empire.¹¹

By the mid-eighteenth century, the Bourbon appointed leadership in New Spain sought to settle the land adjacent to the northwestern Gulf of Mexico, a region called the *Seno Mexicano*.

¹⁰ James Lockhart, *The Nahuas After the Conquest: A Social and Cultural History of the Indians of Central Mexico, Sixteenth through Eighteenth Centuries* (Stanford: Stanford University Press, 1992), 3-5; James Lockhart, *Nahuas and Spaniards: Postconquest Central Mexican History and Philology* (Stanford: Stanford University Press, 1991); McEnroe, *From Colony to Nationhood in Mexico*, 123-125.

¹¹ Kuethe and Andrien, *The Spanish Atlantic World in the Eighteenth Century*, 1-28.

A vast swath of land, the *Seno Mexicano* ranged from the Nueces River in the north all the way south to the northeastern boundaries of Querétaro. Due to its size, varied topography, and unpredictable climate, Spain left the area virtually unsettled until the region posed significant security issues for its empire. Primarily, France and England had begun to make probing inroads along the Gulf Coast. Spain feared that if either of those competing empires gained a foothold, it would lose the region. Additionally, the *Seno Mexicano* had become a refuge for *indios bárbaros* and apostates who chose to flee from Spanish priests and soldiers who occupied the northern frontier. Leaders believed the region could be a proving ground for the modernizing principles of the Bourbon reforms.¹²

Before the Bourbons took over the Spanish imperial project, there remained two institutional frameworks on Spain's northern frontier that preceded Escandón's mixed colonization scheme: the mission and presidio system. Missions marked the first institution to expand northward because they were cost-effective and maintained the goal of acculturating indigenous populations to make them productive Spanish subjects who would defend the empire. Using missions also helped Spanish authorities justify their conquest by claiming they were spreading the gospel. Andrés de Olmos led the first mission to the *Seno Mexicano* in the mid-sixteenth century. A scholar of indigenous languages, Olmos brought Nahuatl-speaking people to the region around Tampico where he began studying the languages of nearby people to attempt to Christianize and Hispanicize the nomadic Coahuiltecans. Though he died of illness in Tampico without making significant inroads with the people along the Rio Grande, his effort

¹² Peter Gerhard, *The North Frontier of New Spain*, (Princeton: Princeton University Press, 1982), 358-368.

provided an example of utilizing indigenous allies to expand imperial control through missionaries.¹³

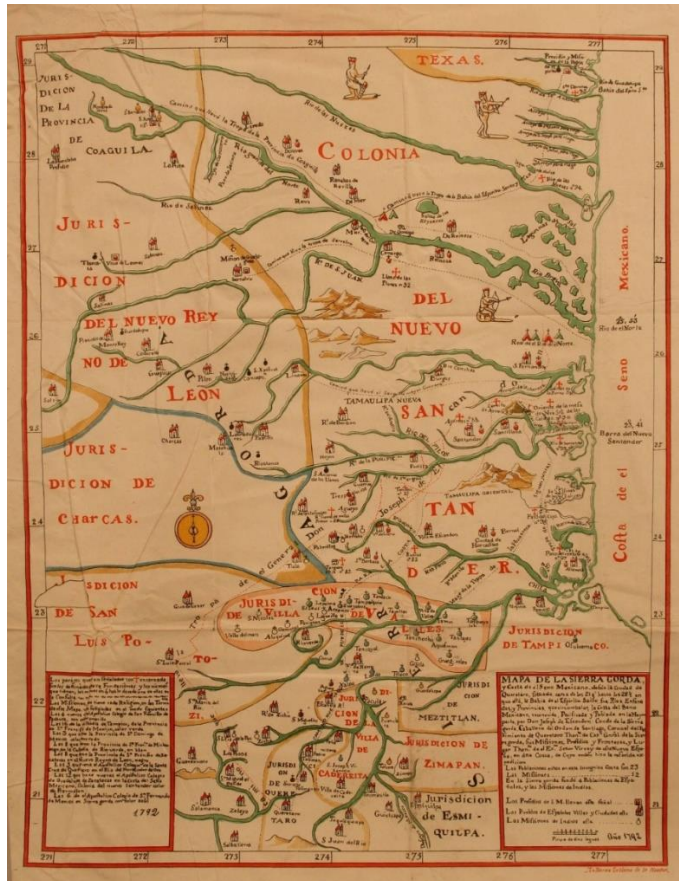


Figure 2 *Mapa de la Sierra Gorda*, 1792, Archival Map Collection, University of Texas Rio Grande Valley Library.

It took over a century after Olmos died for the Franciscans to return their attention to the Rio Grande borderlands as incidents of indigenous violence exploded on New Spain's frontier. Drought and Comanche expansion pushed the Lipan Apache from eastern New Mexico and the Texas Plains down to the Rio Grande and below. Poor rainfall accumulations drove the Lipanes

¹³ Juanita Elizondo Garza, "Indian and Spanish-Mexican Cultural Influence in the Lower Rio Grande Valley," M.A. Thesis, Pan American University, Edinburg, 1984, 29-32.

to seek lands with better access to freshwater. Additionally, the Comanche began to exert increasing power on the Southern Plains by the end of the seventeenth century, pushing southward into Apache territories. As the Lipan Apache moved to seek well-watered land and to avoid the Comanche onslaught, they challenged the Coahuiltecans for the limited resources in the Rio Grande borderlands. To stem the violence that crept southward, missionaries from Querétaro set out to proselytize and turn the raiding Indians into settled agriculturalists. The first mission to take hold in the *Seno Mexicano* opened at San Juan Bautista on the southern bank of the Rio Grande in 1699.¹⁴

The friars at San Juan Bautista quickly realized that their Christian zeal could not soothe the turmoil in the borderlands and requested military assistance. Help came in the form of the presidios, a highly developed defense network of stone forts connected by troops on horseback. The presidio system became a key part of Spain's strategy to defend the empire's outer boundaries, stifle indigenous violence, and stem incursions into Spanish territory from competing European empires. To help presidios achieve success, soldiers came from frontier populations who had an interest in their own defense. Having a stake in the place they defended helped ensure that the soldiers would commit to protecting the frontier. Through the mission and presidio, the Spanish Crown sought to strengthen its hold on the periphery of its empire.¹⁵

The plan of using missions and presidios to hold the frontier did not always work, as can be seen through the exploits of French merchant Louis Saint-Denis. In 1713, Saint-Denis and a small band of French explorers traveled through Northern New Spain building alliances and

¹⁴ Robert S. Weddle, *San Juan Bautista: Gateway to Spanish Texas* (Austin: University of Texas Press, 1968), 3-28; Pekka Hämäläinen, *The Comanche Empire* (New Haven: Yale University Press, 2008), 32-40, 129; W. W. Newcomb, Jr., *The Indians of Texas from Prehistoric to Modern Times* (Austin: University of Texas Press, 1961), 102-109.

¹⁵ Max L. Moorehead, *The Presidio: Bastion of the Spanish Borderlands*, (Norman: University of Oklahoma Press, 1975).

opening trade connections with Karankawa bands and other Indian groups along the Gulf Coast. They also navigated a large portion of the Lower Rio Grande and moved south of the river before the captain at the presidio San Juan Bautista found out about it. Saint-Denis eluded presidio scouts for months while he explored the Rio Grande, gained intelligence about the Spanish frontier, and made essential commercial contacts with indigenous people. Spanish officials responded by filing reports that the French had colonial designs on Spanish territory. "The French entered under the pretext of seeking cattle...but it has been concluded that they are investigating the land for Louisiana."¹⁶ They believed Saint-Denis was only the first of a wave of French settlers to overtake the Gulf Coast. Some even worried the French might drive all the way from the Gulf to New Mexico. The newly installed Bourbon leadership rapidly reconsidered Spanish policies regarding the *Seno Mexicano*.¹⁷

Saint-Denis revealed the limitations of the mission and presidio systems to secure the frontier from imperial incursions. His mercantile operations demonstrated that the French had commercial advantages over Spain and that trade could successfully penetrate Spain's frontier line. French traders ingratiated themselves into Indian customs, learned indigenous languages, and generally engaged in trade as level partners. French merchants accepted the importance of building kinship relationships with indigenous people all over their imperial claims in North America and Saint-Denis's expedition applied French knowledge of Indian trade when it entered Texas. Most importantly, the French did not have the same restrictions on Indian trade that Spain did. The Spanish actively avoided trading guns or ammunition to Indians in fear of those

¹⁶ Report of the Junta de Guerra y Hacienda to the Viceroy, December 2, 1716, Box 2Q177, Volume 27, 157-159, Archivo General de Mexico, 1538-1849, Dolph Briscoe Center for American History, The University of Texas at Austin, (Hereafter cited DBCAH).

¹⁷ David J. Weber, *The Spanish Frontier in North America*, (New Haven: Yale University Press, 1992), 160-162.

weapons being turned on them. The fact that the French willingly exchanged weapons made them attractive trade partners for indigenous people. The frustrations and fears of French commercial expansion influenced Spanish policy in the *Seno Mexicano*.¹⁸

Saint-Denis's expedition also coincided with a new monarchy in Spain. The Bourbon government emerged victorious in the War of the Spanish Succession in 1713 and took over the Spanish Crown from the Hapsburgs. The Bourbon regime sought to modernize the Spanish imperial structure, including military commitments and economic growth. The mission and presidio represented the outdated methods of the old regime. Bourbon administrators wanted to tighten Spain's trade system to make New Spain more profitable for the empire. Administrators believed that by cutting military expenditures, creating bureaucratic oversight and encouraging internal trade, Spain's American colonies would produce considerably more wealth than before. The margin of the empire along the Rio Grande seemed to be a perfect place to implement new imperial changes. The Bourbon regime just had to find an agent to execute the new course of action.¹⁹

After years of deliberation and politicking, the job of settling the *Seno Mexicano* eventually fell to Colonel José de Escandón. Born in Santander in Spain, Escandón made his home in Querétaro, the center of New Spain's commercial society. The Marqués de Altamira handpicked Escandón for the job because of the colonel's previous accomplishments in pacifying the Sierra Gorda. Another reason Escandón received his commission was that he spurned both

¹⁸ David La Vere, "The Caddo Chiefdoms of Texas," in Sam W. Haynes & Cary D. Wintz, *Major Problems in Texas History: Documents and Essays*, 2nd ed., (Boston: Cengage Learning, 2017), 41-46; Weber, *Spanish Frontier*, 172-186.

¹⁹ John Huxtable Elliott, *Empires of the Atlantic World: Britain and Spain in America 1492 – 1830* (New Haven: Yale University Press, 2007), 229-234.

the mission and presidio systems as turgid, believing that commerce and settled agriculture were the keys to long-term success. Escandón embraced the notion that open trade would lead to the permanent settlement of the *Seno Mexicano* but had the martial ability to use force in case commerce failed to bring peace.²⁰

Seeing the success of French commercial expeditions into the Rio Grande borderlands spurred Bourbon officials to embrace the notion that commerce would better secure the frontier than missions or presidios. For example, the Marqués de Altamira noted in a letter to the viceroy of New Spain that if the *Seno Mexicano* was settled with large communities instead of presidios or missions, trade would naturally expand between Texas, Coahuila, and Nuevo Leon. All the people on the frontier would benefit, which would result in a population dedicated to conserving the Spanish presence in the region. The Marqués de Altamira also believed that commerce would pacify the indigenous population of the *Seno Mexicano*. "The souls of the Gentiles and the apostates to the security and extension, not only of those borders, but all those who have plots of land, will be free with the open traffic of trade."²¹ Prominent members of the Spanish Empire were pushing to expand internal trade as a key to solving the frontier problem.

Bourbon policymakers listened to men like the Marqués de Altamira. Rather than send out more missionaries or build more presidios, the Bourbon reformers opted to acculturate *indios barbaros* into Spanish society through market mechanisms. By mobilizing the wage system, reformers hoped to utilize indigenous labor and Europeanize Indians. In practice, the wage system turned into debt peonage in which Indians were advanced wages and spent years working

²⁰ Patricia Osante, *Orígenes del Nuevo Santander, 1748-1772* (México: Universidad Nacional Autónoma de México, Instituto de Investigaciones Históricas; Universidad Autónoma de Tamaulipas, 1997), 102-107; John Tutino, *Making a New World: Founding Capitalism in the Bajío and Spanish North America* (Durham: Duke University Press, 2011), 7; Chipman & Joseph, *Notable Men and Women*, 127-133.

²¹ Report of El Marquess de Altamira, Archivo General de Mexico, 1538-1849, Box 2Q213, Volume 179, Part II, 531, DBCAH.

off the interest. For those Indians who failed to embrace Spain's enticements of peace, trade, work, and economic growth, the Crown endowed the military with the power to eradicate them through whatever means necessary. By the mid-eighteenth century, the *Seno Mexicano* became the focus for Spain's new colonization program.²²

Escandón got the job because of his military success, family connections, and business acumen. As a young man, Escandón made a name for himself in the Sierra Gordas as an Indian fighter and built a reputation within the frontier elite. He parlayed that into successful marriage proposals. His first wife, María Antonia de Ocío y Ocampo, came from an enterprising family in Querétaro. He invested the dowry he received from the marriage into the burgeoning local textile industry and began to identify himself as a *mercador*, or merchant. Tragically, Maria Antonia died in 1736 leaving Escandón with two small children. The next year, he married María Josefa Llera y Baises of a politically powerful family. Her father, Santiago de Llera Ruvalcuva, was a city councilman in Querétaro. Escandón's marriage and family network put him in contact with influential individuals in the Spanish bureaucratic chain. When Spanish leadership pushed to colonize the *Seno Mexicano*, the Marqués de Altamira knew of Escandón and persuaded the viceroy of New Spain to appoint the captain to fulfill the mission.²³

Escandón had the challenge of implementing the dual Bourbon reform policy of the velvet glove backed by the iron fist. Civilian villas rather than military establishments lay at the heart of Escandón's strategy, making the settlers the most important group of the entire project.

²² Reséndez, *The Other Slavery*, 238; David J. Weber, *Bárbaros: Spaniards and Their Savages in the Age of Enlightenment*, (New Haven: Yale University Press, 2005) 105-107; Weber, *The Spanish Frontier*, 229-230.

²³ Weber, *Bárbaros*, 105; Tutino, *Making a New World*, 192-209; Mario Alberto Cardenas, "José De Escandón, the Last Spanish Conquistador: A Study of Royal Service and Personal Achievement in 18th Century New Spain" (Thesis, Texas A&M University-Kingsville, 1999), 50-55, 66.

The Marqués de Altamira's brother-in-law, Domingo de Trespacios y Escandón, may have also been related to José de Escandón. See: María del Carmen Velázquez, *El marqués de Altamira y las provincias internas de Nueva España* (Mexico: Colegio de Mexico, 1976), 26.

They needed to be convinced to leave their homes, trek hundreds of miles across largely unmapped and rugged landscape to build towns from the ground up in a territory they knew to be inhabited by Indians who might violently defend against incursions. Escandón and the Spanish state had to build value into the venture in order to get enough volunteers who would be willing to exert such efforts. The first key to recruiting settlers was to draw them from the northern territories around Coahuila, Nuevo León, Texas, and Potosí so they were already familiar with the land and living at considerable distance from central New Spain. Escandón and the Marqués de Altamira demanded support from the authorities of those provinces to ensure settlers had access to the supplies needed to settle in the borderlands.²⁴

Tlaxcalans made up a significant portion of the settled population in New Spain's far north. From the end of the sixteenth century, Tlaxcalans and other Nahuatl speaking people aided Spain in settling its northern frontier. Nearly half of the towns and villas established in Nuevo Leon were founded by Tlaxcalan migrants. Many of the settlers that Escandón recruited came from the former Tlaxcalan settlements. Largely Hispanicized, the Tlaxcalans furthered the Spanish goal of Europeanizing the frontier.²⁵

Potential settlers, Tlaxcalan or not, needed material encouragement to leave the relative security of the settled frontier to enter the unsettled borderlands. Escandón offered settlers who traveled to the Rio Grande borderlands promises of land allotments for both farming and pasturing that exceeded anything they could attain farther south. Each family who decided to join the expedition received up to two hundred pesos to purchase supplies and offset the costs that would burden potential settlers. Escandón combined initial cash payments alongside future prospects in land and property to convince people to settle on the frontier. With these

²⁴ Osante, *Orígenes del Nuevo Santander*, 107-108.

²⁵ McEnroe, *From Colony to Nationhood*, 21-56, 123-125.

inducements, the first two settlements on the Rio Grande, Camargo and Reynosa, began with more than forty families apiece in the spring of 1749.²⁶

With town sites established, Escandón turned his attention to commerce and the potential for lucrative personal profits. In his report to the viceroy of New Spain, Escandón made a point to highlight the commercial advantages of the Rio Grande borderlands. All the salt lagoons that dotted the areas north and south of the Rio Grande drew his attention. Downplaying the lack of freshwater, he focused on the quality of the salt that the lagoons produced and the ease of extracting it in copious quantities. Enterprising individuals in Nuevo León already made semi-annual trips to the region to gather salt to sell in the south, but Escandón saw that the trade in salt from the Rio Grande borderlands could be expanded significantly and with remarkable success.²⁷

Salt was one of the most important commodities in the world in the eighteenth century. Salt preserved food, aided in the domestication of cattle, and remained an essential ingredient to silver mining. From before 2000 BCE, humans have used salt to cure and preserve fish and meat. Having huge salt deposits in the Rio Grande borderlands meant that potential settlers would be able to keep proteins in storage for lean times. With the region's lack of freshwater and semi-arid climate, Escandón likely envisioned that the people would encounter times of drought in which they would have to rely on salted food to get through.²⁸

The Rio Grande's abundance of salt lagoons and rolling grasslands would contribute to the creation of a successful cattle industry. Describing the terrain around the Rio Grande as,

²⁶ Florence Johnson Scott, *Historical Heritage of the Lower Rio Grande: A Historical Record of Spanish Exploration, Subjugation and Colonization of the Lower Rio Grande Valley and the Activities of José Escandón, Count of Sierra Gorda together with the Development of Towns and Ranches Under Spanish, Mexican and Texas Sovereignities 1747-1848* (Rio Grande City: La Retama Press, 1965), 18-30.

²⁷ Cunningham, "The Exploration and Preliminary Colonization the *Seno Mexicano* under Don José de Escandón," 72-74, 90.

²⁸ Mark Kurlansky, *Salt: A World History* (New York: Penguin Books, 2002), 6-8.

"very flat, with the exception of some low rolling hills and it is of beautiful quality for all kinds of planting and raising livestock due to producing the best pasturage I have ever seen in as far as I have traveled," Escandón clearly anticipated the ranching culture that would develop around the river.²⁹ Settlers who chose the area could produce enough livestock to not only sustain themselves, but to export beef on the hoof, wool, and hide in great quantity. Established saltworks from Rio Grande lagoons would allow for the long-term storage of surplus meat and the production of quality, exportable hide. The sheer amount of salt in the Rio Grande borderlands offered the possibility of a sprawling cattle industry for New Spain's frontier.³⁰

Salt deposits in the Rio Grande borderlands also meant that the region had a ready export commodity to ship south in exchange for necessary finished goods and hard currency. By the mid-eighteenth century, Spanish silver drove the entire Atlantic economy. Potosí and Zacatecas had grown into key producers of silver for Spain and the entire western world, but silver production relied upon the patio process for extracting silver from its ore. The patio process required significant quantities of salt mixed with mercury and copper sulfate to create the chemical reaction to free silver from its compounds. For decades, the Spanish had to ship tons of salt from Guadalajara or even the Yucatán to Potosí and Zacatecas. If the Rio Grande borderlands could produce efficient salt works, it would make the mining ventures more profitable and add to the economic stability of the new borderland settlements.³¹

The biggest problem Escandón saw for the commercial success of the Rio Grande borderlands was the lack of roads and ports necessary to ship goods into and out of the region.

²⁹ Cunningham, "The Exploration and Preliminary Colonization of the *Seno Mexicano* under Don José de Escandón," 77.

³⁰ Kurlansky, *Salt*, 10-12.

³¹ Kurlansky, *Salt*, 206-207; Carlos Marichal, *Bankruptcy of Empire: Mexican Silver and the Wars between Spain, Britain, and France, 1760-1810* (New York: Cambridge University Press, 2007); Anne Staples, "Mexican Mining and Independence: The Saga of Enticing Opportunities," in Christon I. Archer, ed., *The Birth of Modern Mexico, 1780-1824* (Wilmington: Scholarly Resources Inc, 2003), 151-153.

The development of transportation infrastructure became key to his mission to settle the *Seno Mexicano*. Escandón called for roads to be constructed from every settlement in the borderlands that would build upon the already existing system of indigenous pathways and connect with the key thoroughfares developed in Coahuila and Nuevo Leon. The idea was to shorten distances between way stations to make it more difficult for Indian raiding parties to plunder trading caravans. New roads would also allow for the rapid movement of Spanish troops to counter the speed of indigenous attacks. Commercially, the road system expanded communications on New Spain's northern frontier allowing for greater interconnectedness among the villas to build a regional market. Escandón set his entire enterprise to building roads to quash indigenous unrest and quickly jumpstart commerce in the borderlands.³²

The Nueces Strip, an area of land between the Nueces River and the Rio Grande, became a consistent frustration for Escandón. It proved to be a northern boundary for his road building project. Due to the desert-like conditions there and the power the Apache wielded near the Nueces's headwaters, the costs of building additional roads from the Rio Grande villas to San Antonio de Béxar outweighed the benefits. Reynosa and Camargo became the primary northern way stations. Travel to Texas remained limited to the Camino Real, a highway that connected Monterrey and Béxar. However, he pushed his subordinates to found a villa near the Nueces delta and develop a safe road connecting the Nueces to the Rio Grande that included stops with access to freshwater. The man he put in charge, Captain Pedro Paredes, set out with fifty families to accomplish the mission. Paredes found his task impossible as there was just not enough water between the Nueces and Rio Grande. Indigenous pathways provided better access to freshwater

³² Lawrence Francis Hill, *José de Escandón and the Founding of Nuevo Santander, A Study in Spanish Colonization* (Columbus: Ohio State University Press, 1926), 75; Osante, *Orígenes del Nuevo Santander*, 194-196; P. Koujianou Goldberg and R. Hellerstein, "A Structural Approach to Identifying the Sources of Local Currency Price Stability," *The Review of Economic Studies* 80, no. 1 (January 1, 2013): 175-210.

than any road the Spanish could build. He informed Escandón as much and abandoned the venture. Eventually, a small community named Dolores developed in the Nueces Strip about twenty miles north of the Rio Grande, but it collapsed within a decade. Escandón could not crack the Nueces Strip.³³



Figure 3 Rigobert Bonne, *Carte du Mexique ou de la N[ouve]lle Espagne contenant aussi le Nouveau Mexique, la Californie, avec une partie des pays adjacents*, engraving with applied coloring on paper, 28 x 40 cm. (Paris: chez Lattre, 1771). This map narrows the Nueces Strip and includes lakes to make it seem less of a barrier to settlement.

³³ Cunningham, "The Exploration and Preliminary Colonization of the Seno Mexicano under Don José de Escandón," 52. 95-96, 189, 199; Osante, *Orígenes del Nuevo Santander*, 194-195. Handbook of Texas Online, John Hazelton, "NUESTRA SENORA DE LOS DOLORES HACIENDA," accessed June 03, 2019, <http://www.tshaonline.org/handbook/online/articles/uen02>.

With the Nueces Strip cutting off northern extensions, Escandón wanted to open as many connections with the population centers in central New Spain as he could. He became increasingly preoccupied with establishing ports to connect the coast of the *Seno Mexicano* to the bustling port of Veracruz. However, barrier islands, shallow estuaries, and constantly shifting sandbars made the Gulf Coast of the Rio Grande borderlands a treacherous place for ships. He took his time to explore the coast to choose the best possible location for portage. Eventually, Escandón and his advisors decided the area near modern day Soto la Marina to be the most favorable. Though it could only accommodate galleys and smaller ships, it remained the most sensible location for a port in all the *Seno Mexicano*. As early as 1609, leaders in Coahuila and Nuevo Leon had looked to the area around Soto la Marina to build a port. They just had trouble covering the overland distance to the coast. Escandón's road projects eliminated that problem. The harbor at Soto la Marina remained imperfect, though. Deposits from the delta of Río Soto la Marina constantly pushed water from the harbor into inland lagoons decreasing the depth of the channel. Without regular maintenance, only shallow draft boats could use the port. Escandón's personal galley, the *Conquistadora*, was perfectly designed for the shallow harbor. With his small ship, Escandón brought much needed supplies into the borderlands at a speed that could not be matched by mule trains traveling overland, although he could not move goods in the bulk quantities the settlers needed.³⁴

José de Escandón combined his commercial and military prowess to build the Rio Grande borderlands. In just a few years, he settled more than six thousand colonists in the *Seno*

³⁴ Cunningham, "The Exploration and Preliminary Colonization of the *Seno Mexicano* under Don José de Escandón," 51; Jack E. Davis, *The Gulf: The Making of an American Sea*, (New York: W.W. Norton & Co., 2018), ebook; Osante, *Orígenes Del Nuevo Santander*, 191-194. Hill, *José de Escandón*, 111.

Mexicano. Funded mostly by himself and his network of supporters, including the Marques de Altamira, he seemed to be on the brink of reaping the personal profits from all the individual risk he took on.³⁵

By 1757, Escandón had finished the first stage of his plan to settle the *Seno Mexicano*. The region became the internal province of Nuevo Santander of which Escandón was named governor. In the decade after the establishment of the first settlements along the Rio Grande, the Spanish and their indigenous partners created a total of twenty towns in Nuevo Santander. The new road system and small port led to an upsurge of productivity. As Escandón anticipated, salt exports and cattle raising became the primary economic activities for the settlers. His plan to settle the region through commerce had come to fruition without significant complications.³⁶

After eight years of allowing Escandón the freedom to do as he saw fit on the frontier, the viceroy of New Spain decided that he needed to assess Escandón's progress. The Marqués de las Amarillas sent an envoy to investigate the settlements in Nuevo Santander in 1757. Following instructions, the leader of the inspection team, José Tienda de Cuervo, focused on Nuevo Santander's demographics, subsistence, transportation, and mineral wealth. All of his investigations and depositions painted a picture of an isolated colony that was growing rapidly but needed sustained trade with other regions and land reform in order to survive and prosper.³⁷

The frontier's burgeoning population struck Tienda de Cuervo as he toured the region. The population growth in the Rio Grande borderlands occurred for several reasons. One key source of growth was natural increase. For example, in Camargo's first year of existence, the

³⁵ Weber, *Bárbaros*, 105-106.

³⁶ Chipman & Joseph, *Notable Men and Women*, 142-149.

³⁷ Hill, *José de Escandón and the Founding of Nuevo Santander*, 106-139.

census of the town showed that seventy-two families settled there with twenty percent of the heads of household listed as *indio* or *mestizo*.³⁸ By 1757, during the time of Tienda de Cuervo's visit, the population had grown by seventeen families with most of those created through intermarriage. Many of the older children of the original settlers married one another to help build a tight knit, highly networked community. *Indio* and *mestizo* families blended in Camargo helping it to grow to one of the most stable settlements in the Rio Grande borderlands.³⁹

Other contributors to the rapid population increase included in-migration of entrepreneurs from neighboring Nuevo Leon and Coahuila. Revilla and Mier drew hundreds of migrants from Monterrey and Saltillo who sought to take advantage of the land for cattle and the salt deposits nearby. The first settlers of both towns came from Monterrey and they recruited heavily in their former hometowns to bring more settlers to their slice of the frontier. Also, being the closest Rio Grande settlements to Coahuila and Nuevo Leon made Revilla and Mier more attractive to potential migrants.⁴⁰

A final source of early population growth came from nearby Indians trickling into the new towns. The towns offered better protection from the intermittent raiding that still occurred in the region. During the 1750s and 1760s, the Comanche on the Texas plains were going through a political evolution. Several bands of the Eastern Comanche broke away from the main body to push their territory further south and east. Initially, this aided the formation of Spanish villas near the Lower Rio Grande because the Comanche avoided attacking settlements that might result in

³⁸ Provincias Internas, Archivo General de Mexico, 1538-1849, Box 2Q213, Volume 180, 4-25, (DBCAH).

³⁹ Sección de Historia, Villa de Camargo, Archivo General de Mexico, 1538-1849, Box 2Q180, Volume 56, 297-341, (DBCAH).

⁴⁰ Hill, *José de Escandón and the Founding of Nuevo Santander*, 97-99.

casualties. While that would change in the 1770s and 1780s, the division of the Eastern Comanche gave the Spanish an era of respite from concentrated raids.⁴¹

The area around Mier was particularly attractive to Indians who lived near the Rio Grande because of its location near an important ford in the river. However, some of the Indian families may not have chosen to settle in Mier voluntarily. With the growing saltworks near the town, owners needed labor to mine it and transport it. It is probable that town leaders forcibly congregated indigenous families to exploit their labor. The need for labor often resulted in settlers of the villas using debt or even physical captivity to draw local indigenous workers, in contrast to the agreements Escandón made with people like the Comecrudos. In two years, between 1755-1757, seven Indian families moved to and settled in Mier. The total population of the town grew by 106 people during those same two years. Indigenous migration combined with natural increase to create a steady growth rate in the population of the Rio Grande borderlands.⁴²

The growing population on the frontier needed greater access to trade and markets. Tienda de Cuervo focused a significant portion of his time trying to find a better harbor to open Nuevo Santander to trade within the Spanish Gulf of Mexico but failed to find anything that met with his satisfaction. He interviewed Escandón and the governor's most trusted helmsman, Bernardo Vidal Buzcarrones, about the best possible place to construct a new and bustling port. Both men suggested investing in improving Soto la Marina, but Tienda de Cuervo found the location to be wanting with too many sandbars and too shallow shipping lanes. He commandeered Escandón's galley and had Buzcarrones take him up and down the coast for a week looking for a better harbor. When he found none, he classified the coast as too expensive to

⁴¹ Hämäläinen, *The Comanche Empire*, 104-106.

⁴² Gilberto Miguel Hinojosa, *A Borderlands Town in Transition: Laredo, 1755-1870*, (College Station: Texas A&M University Press, 1983), 3-17; Hill, *José de Escandón and the Founding of Nuevo Santander*, 99-100; Osante, *Orígenes del Nuevo Santander*, 143; Weber, *Bárbaros*, 105-107.

trouble with. Tienda de Cuervo concluded that founding a sustainable port on the *Seno Mexicano* was going to require dredging and constant maintenance. The inspector left Escandón with his small dock and lone galley at Soto la Marina without recommending royal support for port construction.⁴³

Even though Tienda de Cuervo could not find a suitable harbor to expand sea trade to the borderlands, he recognized that Spain had to open more effective trade routes to the Rio Grande borderlands if Escandón's experiment was going to succeed. Cattle raising had quickly become the primary subsistence activity on the frontier because of the excellent pasturage and salt deposits. Cattle also reigned because, contrary to Escandón's initial reports, it was nearly impossible to grow surplus crops in the region. Rains came sporadically, often in monsoon conditions, leaving sown fields either flooded or dried out with drought. The settlers recognized that creating irrigation canals from the Rio Grande would require changing the entire landscape. The depth of the riverbed was so low that water only ever rose to the level of the surrounding land in times of flood. No irrigating canal dug by hand could be constructed from the river to water surrounding lands. This meant that when the borderlanders needed produce, they had to trade for it. At Mier, buyers from Monterrey exchanged their surplus maize for mules, wool, hides, and salt. The same trade occurred at Camargo, Reynosa, and Revilla with agricultural settlements farther south.⁴⁴

The soaring demand for essentials like corn and flour combined with arduous overland travel to the centers of exchange deflated the value of the goods produced in the borderlands. Even with Escandón's expanded road system, caravan transport remained costly, leaving the people in the Rio Grande borderlands to live at a deficit in the 1750s. Salt became the most

⁴³ Hill, *José de Escandón and the Founding of Nuevo Santander*, 110-111.

⁴⁴ Hill, *José de Escandón and the Founding of Nuevo Santander*, 110-111.

important form of exchange for borderlanders. In the best of market conditions, two fanegas of salt bought a fanega of corn.⁴⁵ In years of extended drought conditions, the price of corn might rise to be sixteen times more than salt. Tienda de Cuervo recognized that further integrating the borderlands into the greater market of New Spain would lower costs and improve the lives of the settlers.⁴⁶

The inspector looked to the last settlement established under Escandón as a model for how to better integrate the borderlands. Laredo originated with complete knowledge and acceptance that acquiring crops would have to come through overland trade. Laredo's founder, Tomás Sanchez, chose a location near the Camino Real that connected San Antonio de Béxar to Nuevo León and Coahuila. He and the Laredo settlers relied on the road to acquire the necessary foodstuffs to supplement their ranching subsistence, connecting to trade centers both north and south. Tienda de Cuervo found the entire system self-sustaining and applauded it for not costing the Crown anything. However, he still believed trade to be too isolated among just the townspeople and encouraged more use of the Camino Real. The people of the Rio Grande borderlands needed to market their goods in as many places as possible.⁴⁷

In response to Tienda de Cuervo's report, Escandón set to work building more infrastructures to allow Nuevo Santander to continue its growth. The most labor-intensive task he set was to construct a new road from Tampico to Monterrey. With this new east-west highway, villas to the north and south could more quickly move their products to either offload in the growing commercial center of Monterrey or transport north or south along the Camino Real.

⁴⁵ A fanega was a measure of volume that is roughly equivalent to 56 liters.

⁴⁶ Osante, *Orígenes del Nuevo Santander*, 197-198.

⁴⁷ Hill, *José de Escandón and the Founding of Nuevo Santander*, 128-139; Herbert Eugene Bolton, "Tienda de Cuervo's Ynspeccion of Laredo, 1757" in *The Quarterly of the Texas State Historical Association* 6, no. 3, (January 1903), 194, 198-203.

Escandón acknowledged the wisdom inherent in Tienda de Cuervo's report and took initiative to turn the report into a plan of action.⁴⁸

Parts of Tienda de Cuervo's report foreshadowed some of the problems that would grow to undermine the new province. Political maneuverings and disputes over land began to erode the delicate bonds Escandón built on the frontier that connected him to his military subordinates and the settlers. A member of the initial expedition to the *Seno Mexicano* wrote a scathing critique of Escandón's leadership and the founding of Nuevo Santander. Shortly after the province officially came into existence, Escandón removed sergeant major Antonio Ladrón de Guevara from his post as captain of the town of Santander for "reasons of health." Furious for his removal and jealous of Escandón's power in the colony, Ladrón de Guevara wrote his own report to Tienda de Cuervo criticizing the placement of each settlement in the colony. He argued that a key component to the failure of the Rio Grande towns to be agriculturally self-sufficient came from Escandón's poor decision-making and pursuit of personal profit. According to one of his subordinates, blame for the borderlands' isolation rested solely on Escandón and his entrepreneurial activities.⁴⁹

The settlers began to turn on Escandón in the second decade of Nuevo Santander's existence, too. Politics, defense, and questions over land combined to lead the settlers to protest the governor's rule. Politically, Escandón had appointed his most capable military officers to leadership positions in each newfound town. Initially, this proved appropriate because all of the townspeople were in charge of their own defense and it made sense to make a military leader

⁴⁸ Chipman & Joseph, *Notable Men and Women*, 142-143.

⁴⁹ Patricia Osante, "Un Proyecto de Antonio Ladrón de Guevara para las poblaciones de Nuevo Santander, 1767" *Estudios de Historia Novohispana* 49, no. 1, (2013), 170-191.

also the civic leader in the early years of establishment. The military officer in charge could quickly mobilize a militia and strategize with confidence to defend against attack from *indios barbaros*. As the roots of the colony took hold, the settled families began to challenge the military leadership. Not only did they want to hold the political power in their villas and not remain beholden to military control, but indigenous attacks had grown more numerous. As the eastern branch of the Comanche Empire consolidated and expanded, the Comanche increased raiding on settlements south of the Rio Grande. The military leaders in charge of the villas failed to provide adequate defense.⁵⁰

The settlers also grew restless about their land grants. From the commencement of Escandón's venture, settlers were promised grants for personal ownership of land. Even so, until 1767, most lands remained in common, or *ejido*. Individual families were allotted parcels on which to graze their cattle, but the land remained collective. Since Escandón refused to distribute title to individual owners, the land remained unsaleable. He argued that if he assigned individual titles, the colonists would leave the towns deserted to live on their own land. Without title, the settlers argued, no individuals could profit on the improvements they made to the land. Tienda de Cuervo received complaints about the practice of collective land use in 1757 and tensions grew to the boiling point a decade later, particularly in Camargo. There, the population had grown significantly since 1749. The original families worried that their promised grants would be parceled off to the newcomers instead of awarded to them. The first families felt entitled to the land Spain had promised and turned against their governor, Escandón, as the representative of a policy that hindered economic development. With the growing complaints about land

⁵⁰ David M. Vigness, ed., trans., "Nuevo Santander in 1795: A Provincial Inspection by Félix Calleja" *The Southwestern Historical Quarterly* 75, no. 4, (April 1972), 462-467; Hämmäläinen, *The Comanche Empire*, 219-232.

distribution and political leadership, the viceroy recalled Escandón and sent a new inspection team to Nuevo Santander to attempt to satisfy the settlers.⁵¹

The Crown stepped in to assert its power in the Rio Grande borderlands in 1767 with a royal commission headed by Juan Armando de Palacio and José de Ossorio de Llamas. Primarily, the commission was sent to rectify complaints about Escandón's failure to distribute lands to private owners. Palacio and Ossorio organized, surveyed, and distributed land to the settlers for private use and ownership. Sizes of the allotments were determined by how long a settler or his family had been living in Nuevo Santander. Those who lived there longer than six years received two leagues of pastureland and twelve *caballerías* of farmland.⁵² Those who lived there between two and six years also got two leagues of pastureland but only six *caballerías*. Finally, new migrants to the region only gained the two leagues of pasture without any farmland. In a decade, from 1767-1777, nearly all the land in the Rio Grande borderlands shifted from communal to private ownership.⁵³

As egalitarian as this land distribution seemed on paper, landownership consolidated quite quickly to the most wealthy and powerful families while indigenous people tended to be exploited. The best illustration of this can be seen at Reynosa where two families emerged to develop huge ranches and consolidate political and economic power. When New Spain announced it would grant title to individual landowners, Captain Juan Hinojosa and his son-in-law, José María de Ballí, applied for their portion of land north of the Rio Grande. Moreover, realizing the extent of lands to the north, both men made claims farther east where no other

⁵¹ Scott, *Historical Heritage of the Lower Rio Grande*, 60-64; Chipman & Joseph, *Notable Men and Women*, 142-143.

⁵² One league was about 4428 acres; one *caballeria* was approximately 108 acres.

⁵³ Scott, *Historical Heritage of the Lower Rio Grande*, 64.

colonists had applied. Using Hinojosa's familiarity with the Spanish bureaucratic system through his service in the army, he and Ballí acquired title to thirty-seven leagues of land beyond the standard allotment for first families.⁵⁴ Most of the lands they acquired had been seasonal gathering grounds for Coahuiltecan. The cattle the Hinojosas and Ballís set loose would disrupt the ecology and make gathering nearly impossible. The consolidation of private landholdings marked another point where settlers broke initial agreements with indigenous people.⁵⁵

Both the Ballís and Hinojosas continued to intermarry, developed strong ties to one another, and created one of the most influential family networks on the Rio Grande. Through claims issued to the Crown, purchases, and further marriage consolidation, the Hinojosas and Ballís came to hold a majority of the best lands around Reynosa, cutting out indigenous people and small holders. Similar processes occurred throughout the Rio Grande borderlands, as close family networks and vast landholdings came to replace association with Escandón as markers of local power. Families like the Hinojosas and Ballí's undermined Escandón's authority through their accumulation of wealth and power. They also maintained their power in the region for generations.⁵⁶

The clergy stationed in the Rio Grande borderlands also challenged Escandón's rule as governor. They argued that the missions retained very little power in the region. In fact, few of the settlements along the Rio Grande actually had a priest. The priest at Camargo had to travel to nearby parishes to perform baptisms, marriages, and funerals. In order to get attention for their

⁵⁴ That is an extra 164,000 acres.

⁵⁵ Chipman & Joseph, *Notable Men and Women*, 142-143; Scott, *Historical Heritage of the Lower Rio Grande*, 101-109.

⁵⁶ Omar S. Valerio-Jiménez, "Neglected Citizens and Willing Traders: The Villas Del Norte (Tamaulipas) in Mexico's Northern Borderlands, 1749-1846," *Mexican Studies/Estudios Mexicanos* 18, no. 2 (August 2002): 255; Scott, *Historical Heritage of the Lower Rio Grande*, 101-109.

plight, the priests argued that they could not effectively evangelize the "*yndios bárbaros*."⁵⁷ They claimed that Escandón had worked against the church at every turn in favor of his fanaticism for civilian settlement and promotion of commerce. An avalanche of complaints from borderlands soldiers, settlers, and clergy led to a full imperial investigation of Escandón.⁵⁸

In 1769, Escandón faced inquiry and trial about his conduct in Nuevo Santander. His private business dealings became the central focus of Spain's investigation into the governor. He had received forty thousand pesos from Mexico City each year to ensure the smooth functioning of the colony. This amount was supposed to be spread across the colony to pay soldiers, supply the garrisons, build roads, and generally improve the colony. Testimony from clergy, soldiers, and civilians indicated Escandón improperly used the Crown's funds. They claimed that the governor embezzled the money to increase his own personal wealth at the expense of the province. Escandón had to defend himself by showing exactly how he distributed the funds. Because he was practically the sole merchant in the region importing goods through Soto la Marina, all those who earned their wages eventually purchased goods from Escandón with those same wages. He distributed the funds every year and, throughout the year, much of the money returned to Escandón through trade. Rather than embezzlement, Escandón argued it was legitimate business transactions that contributed to his wealth. Though he died before the conclusion of the trial, his son satisfactorily proved that his father's business was legitimate, and that the governor utilized the funds as the state intended him to. The man Spain sent to the borderlands to encourage civilian-centered commercial expansion became the scapegoat of

⁵⁷ Colegio Apostólico de Propaganda Fide de San Fernando, "Informe a el Rey nro. sr. en su el consejo de indias, cerca de las misnes del seno mexicano," December 3, 1749, DeGolyer Library, Southern Methodist University.

⁵⁸ Chipman & Joseph, *Notable Men and Women*, 143-144.

military, clerical, and civilian leaders who felt threatened by Escandón's agenda. The personal risk he assumed for the commercial settlement of the Rio Grande borderlands proved to be his undoing.⁵⁹

Concurrently with the movement against Escandón, New Spain's frontier along the Lower Rio Grande faced increased indigenous raiding. Rather than sending salt, beef, and leather southward, borderlanders increasingly sent reports of the destruction of Spanish salt works and ranches. The Bourbon leadership adhered to the policies of using trade to try to draw the Comanche into the Spanish Empire. However, the policy relied heavily on the act of gift-giving. The Rio Grande borderlands lacked the resources to satisfy the powerful indigenous groups who resided in the region. With the Spanish being able to offer material incentive, raiding increased drastically. The increase in raiding further disrupted trade creating a violent cycle of economic decline. By the 1780s, the colony became noticeably isolated from central New Spain. The region lost its most important merchant. Roadways flooded out or became overgrown because travelers feared indigenous attack. The small port at Soto la Marina sat largely unused because no commercially minded successor replaced Escandón. Trade floundered because travel was so difficult.⁶⁰

The viceroy of New Spain sent yet another inspection team to assess the situation. Led by Félix María Calleja, the investigation recognized that a major shift in power took place on New Spain's northern frontier. The eastern half of the Comanche Empire had spread down to the Rio Grande, challenging the Spanish for supremacy in the region. The standard practices of trade and gift-giving that the Spanish used to achieve relative peace with the Coahuiltecans and Apaches

⁵⁹ Minnie Gilbert, "The Valley's Earliest Pioneers," in *Roots by the River* (Canyon, Texas: Staked Plains Press, 1978), 9-14.

⁶⁰ Hämäläinen, *The Comanche Empire*, 137-138; Osante, *Orígenes del Nuevo Santander*, 273-275; Weber, *The Spanish Frontier*, 227-235.

failed to assuage Comanche raiding parties. In addition to stealing cattle to grow their own herds, the Comanche destroyed ranches to assert their own power over the region. The Comanche forced New Spain to consider a new strategy in the Rio Grande borderlands.⁶¹

Calleja formed a new plan for New Spain based on the results of his inspection. He traveled throughout the Rio Grande borderlands taking oral histories from the residents and trying to figure out exactly how life on the frontier worked. The inspector used all the evidence he acquired to produce a two-part report, one that focused on the economic conditions of Nuevo Santander and another that outlined the territory's military conditions. Calleja's report vindicated Escandón by approving the founder's economic methodology. Expanding commerce and improving transportation infrastructure remained central to Calleja's strategy for reinvigorating the borderlands. Additionally, he offered radical suggestions for combating the powerful new Indians in the region.⁶²

Changing how borderlanders interacted with Indians became the central focus for Calleja. Essentially, Calleja wanted to blockade the Comanche to keep them from getting any manufactured products, thus crippling their ability to make war. He believed that cutting off supply would create such a demand among the Indians for European goods that they would change their lifestyle. Calleja wrote in his report, "The effect of the generous policy has been to convert the gifts into necessities of life, multiplying the robberies to satisfy the new demands. We would do better to guide them in the road to fulfilling those demands without crime."⁶³ He believed that by forcing Indians to engage in regular European-style market transactions they would change their warlike nature to become allies rather than enemies.

⁶¹ Hämäläinen, *The Comanche Empire*, 79; Vigness, ed., trans., "Nuevo Santander in 1795," 466.

⁶² Vigness, ed., trans., "Nuevo Santander in 1795"

⁶³ Vigness, ed., trans., "Nuevo Santander in 1795," 494-495.

In order to achieve his goal of Europeanizing the Comanche, Calleja proposed further market integration between the frontier and Mexico City. Trade had to be expanded and given priority. The best way to expand commerce in the borderlands was to build more roads. Transportation infrastructure had declined significantly in the two decades since Escandón's death. The road network Escandón worked so diligently to build had been devastated by the annual monsoon cycle. Water erosion washed out tracks and made transportation of goods impossible in spots. With improved roads, Calleja believed that more merchants would venture into the borderlands to exploit a waiting market, thus lowering prices and facilitating the movement of goods.⁶⁴

Good portage again became an issue because it had largely gone unresolved since the province's founding. Calleja called for a free and open port to be constructed on the Gulf Coast. The new port would be a hub for Atlantic goods to be imported on the cheap and transferred to Spanish merchants who would control the distribution to Indians in market transactions. A free and open port would also lead to an explosion of settlement, something Calleja desperately wanted. If the borderlands were peopled with more Europeans, marauding Indians would be overwhelmed into changing their lifestyle to match the majority population in the region.⁶⁵

The Spanish never had the opportunity to open a reliable port, improve roads, or expand commerce in the Rio Grande borderlands. The Mexican War of Independence broke out a few years after Calleja's report. Road systems remained the life blood of the borderlands' subsistence but often fell into horrible disrepair. For example, one of the roads from the Rio Grande delta to Monterrey became known as the *camino de viborero* because rattlesnakes and other vipers were

⁶⁴ Vigness, ed., trans., "Nuevo Santander in 1795," 479.

⁶⁵ Vigness, ed., trans., "Nuevo Santander in 1795," 480.

regularly encountered along the highway. Rather than beat back the snakes and use this faster route, travelers chose to adhere to river road that ran through Reynosa and Camargo. Lack of use and constant flooding led to parts of the snake road being submerged in marshland and left impassible. Missing ports and inconsistent road maintenance demonstrate how Spain left the construction of commerce in the Rio Grande borderlands incomplete.⁶⁶

As indigenous power increased, the settled people of the Rio Grande borderlands turned away from the blending of indigenous and Spanish. With the lack of ports and deteriorating roads, the population of the region stagnated. If residents wanted to expand their families, they had to look inward. Prominent Spanish families tended to only marry other prominent families. Families who owned large tracts of land wanted to consolidate their wealth. Limiting marriage to other wealthy families remained the easiest way to achieve that end. Indians became more segregated and separated. In 1789, Laredo and other Rio Grande towns developed a separate and distinct Indian census. This shift from inclusion to exclusion made building kinship bonds with the right families essential to any outsider who moved to the region.⁶⁷

The strength of the Comanche also inhibited the blending of Spanish and indigenous people on Spanish terms. Comanche bands in Texas built alliances with Tenewas, Kiowas, and Tawakonis. Former threats to Comanche power became threats to the Spanish and their allies. The Comanche became so powerful that they could control negotiations with New Spaniards. Borderlanders had to adjust to a Comanche way of life or risk destruction. Many on the frontier were taken captive and incorporated into Comanche bands. During the Mexican War of

⁶⁶ Jean Louis Berlandier, *Journey to Mexico during the Years 1826-1834*, vol, 2 (Austin: Texas State Historical Association and Centre for Studies in Texas History, 1980), 460.

⁶⁷ Hinojosa, *A Borderlands Town in Transition*, 18-20.

Independence, New Spain's frontier became even weaker allowing the Comanche to further solidify their power.⁶⁸

The era of promise brought about through Escandón's calculated settlement program quickly faded. The rapid rise of the Comanche Empire in Texas combined with local elites interested in maintaining their regional authority contributed to a period of stagnation. The political crises that wracked the Spanish Empire in the nineteenth century further isolated the region. The mission to create vibrant and sustained commercial activity on New Spain's northeastern frontier stalled. However, the example highlights important conditions for building commerce in the Rio Grande borderlands. Primarily, it required the full support of state agents and the backing of military forces. Escandón's biggest accomplishments came when he had the backing of New Spain's leadership and his military subordinates. His enterprise essentially disappeared when he lost their support. Additionally, any commercial venture had to account for indigenous power. Making connections with indigenous people and building bonds produced peace and encouraged exchange. Finally, the environmental aspects of the region created risk. Facilitating agriculture and maintaining transportation infrastructure had to be pursued with full knowledge of the area's drought and monsoon cycles. Disregarding any of these vital conditions opened entrepreneurial activity to failure.

After achieving its independence, Mexico inherited all of the problems Calleja outlined in his report on the northern frontier. Mexico also inherited a significant amount of debt from the colonial era. Taken together, Mexican officials had to creatively figure out how to grow the settled population of its borderlands without investing much money in defense or infrastructure

⁶⁸ James Brooks, *Captives & Cousins: Slavery, Kinship, and Community in the Southwest Borderlands* (Chapel Hill: University of North Carolina Press, 2002), 180-193; DeLay, *War of a Thousand Deserts*, 48-59; Hämmäläinen, *The Comanche Empire*, 186-189.

projects. Instead of looking to the indigenous population like the Spanish had, Mexico turned to the aid of foreigners, American and European, to invest in the Mexican frontier to finish building the Rio Grande borderlands.

CHAPTER 2
"UNREALISTIC EXPECTATIONS: THE BEALES COLONY AT THE INTERSECTION OF
MEXICAN IMMIGRATION POLICY, AMERICAN INVESTMENT, AND EUROPEAN
ENTREPRENEURSHIP, 1821-1836"

In late October 1833, Eduard Ludecus sat in a boarding house off Broadway in New York listening to Americans argue over business and politics. The German-speaking migrant had not gotten used to the rough American accent or the directness of their conversation. Just as he was beginning to question the wisdom of his move across the Atlantic, he heard the melodic baritone of an Englishman regaling another immigrant family about the bountiful opportunities that Mexico offered. Dr. John Charles Beales told anyone who would listen that he was the steward to an area of land of nearly eight million acres between the Nueces River and the Rio Grande. He just needed industrious Europeans willing to put in the work to transform all that arable land into a paradise. Through his personal charisma and storytelling abilities, Beales recruited migrants like Ludecus who were looking for opportunity and unsure if they would find it in the United States. The English surgeon pieced together a motley group of fifty-nine English, Irish, and German travelers willing to attempt an expedition that would take them another two thousand miles by sea and then more than two hundred miles overland in the wet, cold winter.¹

Beales successfully recruited colonists to travel with him to the Rio Grande borderlands because he was able to claim legal support from Mexico, financial support from an American

¹ Eduard Ludecus, *John Charles Beales's Rio Grande Colony: Letters by Eduard Ludecus, a German Colonist, to Friends in Germany in 1833-1834, Recounting his Journey, Trials, and Observations in Early Texas*, trans. Louis E. Brister, (Austin: Texas State Historical Association, 2008), 46;

investment group, and the potential for economic success. Beales carried with him a contract he signed with the state of Coahuila y Texas that described the land in which the colonists would settle and promised that the Mexican government would regulate the colony.² He also held \$4000 he received in New York from a recently formed land company and promised as much funding as the colony needed to succeed.³ Finally, Beales offered huge swaths of land to prospective colonists in a region that he described to be prime for agricultural development.⁴ The prospective colonists took Beales at his word because of the evidence he produced in the forms of contracts and cash. The entire project seemed a legitimate enterprise.

When the English doctor and his troupe of migrants from Europe entered Northern Mexico, they found themselves wholly unprepared for the rigors of life in the borderlands. The colony, named Dolores, was located about eighteen miles north of the Rio Grande on Las Moras Creek in the western corner of the Rio Grande borderlands. The big, bulky carts the colonists used to transport their meagre belongings from the Gulf to the foothills of the Sierra Gorda proved ill-fitted to the terrain and much of what they brought was lost on the road. The colonists were also surprised to learn of the threat Indians posed to their venture. Unknowingly entering Comanche and Apache lands until they actually arrived, fear of attack became a constant worry for all Beales's recruits. Though they built limited defenses and hired what few Mexican soldiers were willing to tag along, a catastrophic Indian raid remained both a real and imagined threat that undermined the settlers' morale. Furthermore, the fortunes of the venture rested on the

² John Woodward, *An Abstract of the Constitutions, Laws, and Other Documents Having Reference to and Including the Empresario Grants and Contracts Made by the State of Coahuila y Texas to and with John Charles Beales; Also Deeds of the Same from Him to John Woodward; to which is Appended and Argument Sustaining the Rights and Titles of John Woodward* (New York: Narine and Co, 1842) "Deeds," 28-31.

³ Carl Coke Rister, *Comanche Bondage: Dr. John Charles Beales's Settlement of La Villa de Dolores on Las Moras Creek in Southern Texas of the 1830's* (Glendale, CA: A.H. Clark Co., 1955), 26-30.

⁴ E. House, *A Narrative of the Captivity of Mrs. Horn, and her Two Children, with Mrs. Harris, by the Camanche Indians, after they had Murdered their Husbands and Traveling Companions* (St. Louis: C Keemle, 1839), 6-8.

shoulders of Beales's ability to lead the construction of a brand-new settlement in the arid wilderness of Northern Mexico. Underfunded with limited supplies, little in the way of defense, and poor management, it is little surprise that the colony failed.⁵

Beales's case marks an excellent example of where Mexican state interests intersected with European entrepreneurship and American land speculation in the Rio Grande borderlands. For Mexican officials, Beales brought European colonists to Northern Mexico. Whether they settled in Beales's colony or anywhere else in the vast borderlands proved a win for the Mexican policy of peopling the region with settlers who had no allegiance to the United States and who might "Europeanize" the few Mexicans living there. Mexico also hoped the European settlers would combat Comanche and Apache raiding in Northern Mexico. For European-born entrepreneurs, the venture brought them to the borderlands for relatively little expense. American speculators funded Beales's project hoping to use Beales to regain access to Texas land after the Law of April 6, 1830 closed American migration to Northern Mexico. At these intersections among Mexican government policies, American speculations, and European entrepreneurial interests, Indians expressed their authority through trade and violence that sometimes undermined and sometimes provided new opportunities for gain for all involved. Taken together, the three-year lifespan of Beales's colony provides insight into how politicians and entrepreneurs across the Atlantic world imagined they could modernize and capitalize on the Rio Grande borderlands.⁶

⁵ Ludecus, *John Charles Beales's Rio Grande Colony*, ix-xvii; Mary Virginia Henderson, "Minor Empresario Contracts for the Colonization of Texas, 1825-1834, II," *The Southwestern Historical Quarterly* 32, no. 1 (July 1928): 1-28; Lucy Lee Dickson, "Speculation of John Charles Beales in Texas Lands" (M.A. thesis, University of Texas, 1941).

⁶ There have been some excellent studies on the transnational characteristics of the Rio Grande borderlands in the era of Mexican Texas. For example: Andrés Reséndez, *Changing National Identities at the Frontier: Texas and New Mexico, 1800-1850* (New York: Cambridge University Press, 2005); Omar S. Valerio-Jiménez, *River of Hope: Forging Identity and Nation in the Rio Grande Borderlands* (Durham: Duke University Press, 2013).

Beales and his colonists were part of a growing group of non-Spanish Europeans to move into the Rio Grande borderlands. Increasing numbers of merchants from Western Europe moved into Matamoros seeking to profit on the new Mexican port city. Their respective states tracked the progress of foreign merchants through various mechanisms. For example, a key goal for vice consul Crawford when he traveled from Tampico to Matamoros was to assess the British mercantile impact on the Rio Grande. Were conditions in the region such that Britain should invest in expanding its state presence there? It was a question Crawford investigated for weeks and responded in the affirmative. By the end of the 1830s, Britain and other European states established consular agents along the Rio Grande who encouraged their expatriates to implement modernizing principles. Beales colony coincided with the growing European presence in the borderlands and the European tendency to want to transform people and place into a legible, uniform space.⁷

Deeper inspection into Beales's example also provides valuable insight into the conditions of settling the Rio Grande borderlands during the Mexican period. Beales's failure highlights the contingencies of settling the borderlands by contrasting it with American, Mexican, and even other European empresarios who established and maintained settlements in Texas. The conditions of their empresario grants and the decisions they made demonstrate key differences with Beales. Namely, they highlight the importance of geography and making local connections.⁸

For a study that highlights the transatlantic connections during this era see: Graham Davis, *Land! Irish Pioneers in Mexican and Revolutionary Texas* (College Station: Texas A&M University Press, 2002).

⁷ Joseph Crawford report to the British Foreign Office, April 1837, FO 50/109, TNA; C. A. Bayly, *The Birth of the Modern World, 1780-1914: Global Connections and Comparisons* (Malden, MA: Blackwell Publishing, 2004), 1-12; Peter Wagner, *Modernity: Understanding the Present* (Malden, MA: Polity, 2012), x-xi, 4.

⁸ Gregg Cantrell, *Stephen F. Austin, Empresario of Texas* (New Haven: Yale University Press, 1999); Davis, *Land!*; A.B.J. Hammett, *The Empresario: Don Martin DeLeon* (Kerrville: Braswell Printing Co., 1971).

This chapter argues that European-born colonists, Mexican government officials, and American speculators all had expectations that wildly diverged from reality regarding Beales's enterprise. The promise of free land and cheap access to developing markets drew European-born entrepreneurs to Northern Mexico, although they found the land to be arid and markets inaccessible. Mexican government officials believed European industriousness would reform the nation's northern frontier. American speculators thought the European colonists would improve the land and transfer it from Mexican stewardship to American private ownership. In practice, the entrepreneurial Europeans struggled mightily to make the colony succeed. As the colony broke down and the joint venture dissolved, the colonists had to rely on themselves to avert complete disaster as the Mexican government and American investors abandoned them to indigenous authority.

There remain only a few publications that focus on the Rio Grande colony.⁹ However, Beales's enterprise deserves more attention because of its timing and placement. Mexico granted Beales his contract in a time when Mexico sought to eliminate American immigration. Mexican officials believed Europeans to be more desirable as colonists and Beales's venture represents the result of that belief. Further, the colony was founded in a place that would become highly contested between Mexicans and Americans in the Nueces Strip. Entrepreneurs on both sides of the Atlantic believed the Rio Grande to be the next great waterway in the Americas, one that would rival the Mississippi River. Beales and his colonists were part of expanding European

⁹ Louis Brister, "Eduard Ludecus's Journey to the Texas Frontier: A Critical Account of Beales's Rio Grande Colony," *The Southwestern Historical Quarterly* 108, no.3, (January 2005), 369-385; Ludecus, *John Charles Beales's Rio Grande Colony*; Dickson, "Speculation of John Charles Beales in Texas Lands;" Carl Coke Rister, *Comanche Bondage*.

efforts to create rapid change by exploiting the Rio Grande's imagined potential to connect it with modern global markets.¹⁰

At the dawn of Mexican independence in the 1820s, much of the Rio Grande borderlands remained virtually unknown to Mexicans, Americans, and Europeans. Though Mexico laid claim to the entire territory, lands north and west of Laredo fell within the Comanche Empire and the Comanches defended incursions into their space with ruthless tenacity. In fact, Comanches proved to be one of the biggest concerns for Mexico as the state attempted to consolidate its inhabitants into citizens. Declaring all the settled people of Mexico as citizens regardless of European or indigenous ethnicity, Mexican leaders hoped to convert the highly mobile Comanche bands into settled people who would both defend and develop the nation's northern frontier, or at least bring an end to the regular conflict and hostilities that marked the borderland. The Comanche and their allies clearly understood that they held all of the power on the plains north of the Rio Grande and continued to live the way saw fit, raiding Rio Grande settlements for horses, cattle, and captives to sell in Santa Fe or San Antonio.¹¹

Mexico's leadership needed a secondary method to bring its notion of sedentary productive agriculture and commerce to a reality and it harnessed a scheme that Spain initiated in the waning days of its empire: the empresario system. The empresario system was a contractor program in which individuals would promote settlement of certain regions in exchange for land. This arrangement delegated the work of marketing and settling Northern Mexico to entrepreneurs, called empresarios, willing to undertake such hardships for the prospect of future

¹⁰ Pat Kelley, *River of Lost Dreams: Navigation on the Rio Grande* (Lincoln: University of Nebraska Press, 1986), ix, 7-8, 29-30.

¹¹ Pekka Hämäläinen, *The Comanche Empire* (New Haven: Yale University Press, 2008); Brian DeLay, *War of a Thousand Deserts: Indian Raids and the U.S.-Mexican War* (New Haven: Yale University Press, 2008).

rewards in the choicest and most profitable tracts they could acquire. While the empresario system remained imperfect in many ways, it succeeded in drawing hundreds of families to settle Mexican lands.¹²

For the individual accepting the contract, the process of colonization proved expensive, time consuming, and arduous. The most successful and famous empresario was Stephen F. Austin. Austin inherited his empresario contract from his father, Moses, and proceeded to colonize the region around the Brazos River. He diligently surveyed, mapped, and dispensed legal title to all the colonists who entered the lands upon which he was contracted to settle. He fully committed to the project, investing everything he had into it and settled in the colony himself to oversee its development. Importantly, he made key connections within Mexican towns with prominent families. In doing so, Austin hooked his colony into well-established trade and communication networks that allowed for its proliferation. His success earned him several leagues of quality, arable land to do with what he would. Notably, he became famous for his achievements as a Mexican empresario in both the United States and Europe, providing hope and unrealistic perceptions about an individual's prospects in the borderlands.¹³

From the Mexican perspective, the growing number of Americans who resisted Mexican laws and declarations became a primary drawback of the empresario system. One of the earliest

¹² H.P.N. Gammel (comp.), *The Laws of Texas, 1822-1897*, I, (Austin: The Gammel Book Company, 1898), 95-107.

¹³ Travel accounts of Texas became quite popular in Europe. One of the Beales colonists carried a copy of Mary Austin Holley's book with him. There also existed accounts from German travelers about Texas: Mary Austin Holley, *Texas: Observations, Historical, Geographical and Descriptive, in a Series of Letters* (Baltimore: Armstrong & Plaskitt, 1833); J. Valentin Hecke, *Reise Durch Die Vereinigten Staaten Von Nord-Amerika in Den Jahren 1818 Und 1819: Nebst Einer Kurzen Uebersicht Der Neuesten Ereignisse Auf Dem. Und West-Indien* (Berlin: H. Ph. Petri, 1821).

For more on Austin's colony see: Eugene C. Barker, *The Life of Stephen F. Austin, Founder of Texas, 1793-1836: A Chapter in the Westward Movement of the Anglo-American People* (Nashville: Cokesbury Press, 1925); Greg Cantrell, *Stephen F. Austin, Empresario of Texas* (New Haven: Yale University Press, 1999); Andrew Torget, *Seeds of Empire: Cotton, Slavery, and the Transformation of the Texas Borderlands, 1800-1850* (Chapel Hill: University of North Carolina Press, 2015); Sarah K.M. Rodriguez, "'The Greatest Nation on Earth': The Politics and Patriotism of the First Anglo American Immigrants to Mexican Texas, 1820-1824," *Pacific Historical Review* 86, no. 1 (February 2017): 50-83.

causes for Mexican anxiety over American colonization in Texas came out of Nacogdoches in 1826. Haden Edwards, an empresario with a grant that covered a large portion of East Texas, attempted to evict longstanding Mexican inhabitants of his grant if they did not pay him \$520 for title to their lands. Confused at their predicament, the Mexican families residing in East Texas appealed to the state of Coahuila y Texas for relief. After a long series of correspondence, Mexico cancelled Edwards's contract and expelled him from Texas. Infuriated, Edwards declared his colony in revolt naming it the independent Fredonian Republic. He and his brother Benjamin Edwards initiated a voluminous propaganda campaign to recruit Cherokees and other Americans to their cause. They failed in their recruiting mission and fled to Louisiana when a militia approached Nacogdoches. However, Edwards's campaigning rang loud in Mexico spurring worry in Mexico City.¹⁴

Leaders in Mexico City wanted a clearer understanding about what was happening in Texas. In 1827, Mexican general Manuel Mier y Terán headed a commission of scientists and artists from Mexico and Europe to survey the northern boundary of Mexico that the United States and Spain had agreed upon in the 1819 Adams-Onís treaty. The commission was also tasked to explore the northern territories and report on conditions, therein. While there, the general witnessed the problems caused by the American population that dominated the area. He found that many of those who resided in Texas loathed the Mexican government and believed it was a "...republic that consists only of ignorant mulattoes and Indians."¹⁵ He wrote extensively to Mexico City explaining the American problem in Texas and suggested policy shifts to achieve greater Mexican authority in that territory. One of his suggestions included expanding European

¹⁴ Barker Eugene C., *Mexico and Texas, 1821-1835* (Dallas: P.L. Turner Company, 1928), 49-51; Cantrell, *Stephen F. Austin*, 179-188.

¹⁵ Manuel Mier y Terán to the Governor of Coahuila y Texas, June 24, 1828, in *Texas by Terán*, ed. Jack Jackson, (Austin: University of Texas Press, 2000), 96.

colonization in Texas to offset American colonization. Mier y Terán's complaints and suggestions regarding the northern territories resulted in changes to the empresario system in 1830.¹⁶

Mier y Terán's report of conditions in Texas brought action from leadership in Mexico City in the form of an executive decree. Known as the Law of April 6, 1830, the decree most famously banned further immigration into Mexico from the United States. It also suspended empresario contracts not already fulfilled and declared an end to the importation of slaves into Mexico. Most importantly for Beales, the decree encouraged further colonization of Northern Mexico by Mexicans and Europeans.¹⁷

Officials in Mexico City deemed European immigration preferable as they noticed the positive outcomes of European colonization in Texas. Four Irish empresarios had received contracts to populate lands along the Nueces River and two Irish colonies emerged. Refugio developed under the partnership of James Power and James Hewetson, while San Patricio grew under the guidance of John McMullen and James McGloin. The Irish proved to be exactly what Mexico wanted for its northern frontier: pioneering Europeans who worked through astounding obstacles to develop settled agriculture in an otherwise sparsely populated sector of Mexico's northern frontier. To further satisfy Mexico, most of the Irish colonists were practicing Catholics whom Mexican officials believed would act as a buffer against Protestant American expansion into the Rio Grande borderlands. The gambit paid off as most of the Irish colonists embraced

¹⁶ Mier y Terán to the President of Mexico, June 30, 1828; Mier y Terán to the Secretary of Foreign Relations, July 7, 1828, in *ibid.*, 96-101, 104-105.

¹⁷ Decreto de 6 de Abril de 1830, April 6, 1830, Broadside Collection, The Briscoe Center for American History, The University of Texas at Austin; Eugene C. Barker, *The Life of Stephen F. Austin*, 256-284. Randolph B. Campbell, *An Empire for Slavery: The Peculiar Institution in Texas, 1821-1865* (Baton Rouge: Louisiana State University Press, 1989), 35-37.

Mexican culture, married Mexican spouses, adopted the Spanish language, and opened new trade routes between the trans-Nueces and the rest of Mexico. The early successes of the Irish colonies drove Mexico to seek more Europeans willing to take empresario contracts in the Rio Grande borderlands.¹⁸

With Mexico searching for new European-born empresarios, John Charles Beales found himself swept into three separate empresario contracts. The first contract Beales received came from his wife, María Dolores Soto y Saldaña. Soto y Saldaña came from a prominent family in Michoacán.¹⁹ She had been recently widowed when she met Beales. Her dead husband, Richard Exter, had been a successful merchant and speculator. He earned an empresario contract to populate the western plains of Texas, which he set out to do. Exter, also born in England, organized a land company with a partner in Baltimore that raised nearly \$400,000 in investments before he perished at sea in 1829. After Exter's death, the contract transferred to his widow, Soto y Saldaña, who encouraged her new husband, Beales, to execute it.²⁰

When Beales went to have the Exter contract transferred to his name, he found an entire network of Mexican speculators attempting to take over suspended contracts from American empresarios. He also engaged a ready partner in his brother-in-law, Fortunato Soto, whose position as a captain in the Mexican army lent more credence to Beales's appeals for contracts.

¹⁸ Davis, *Land!*, 3-9; 72-106; Jackson (ed.), *Texas by Terán*, 2.

¹⁹ The Soto y Saldaña family name carried a modicum of weight in the region as just a generation earlier, José Antonio Soto y Saldaña, a prominent licenciado, held an important position in the Valladolid Conspiracy in Michoacán in 1809 making the family publicly known as trustworthy patriots in independent Mexico. That trust allowed María Dolores Soto y Saldaña to retain her first husband's contract after his death and transfer it to her second husband after their marriage. For more on the Valladolid Conspiracy see: Margaret Chowning, *Wealth and Power in Provincial Mexico: Michoacán from the Late Colony to the Revolution* (Stanford: Stanford University Press, 1999) 76-81; Jaime E. Rodríguez O., *"We Are Now the True Spaniards:" Sovereignty, Revolution, Independence, and the Emergence of the Federal Republic of Mexico, 1808-1824* (Stanford: Stanford University Press, 2012) 91-96.

²⁰ Raymond Estep, "EXTER, RICHARD," *The Handbook of Texas Online*, <<http://www.tshaonline.org/handbook/online/articles/fex03>> [Accessed September 07, 2018].

Beales and Soto joined a network of Mexicans to acquire the contract for Benjamin Milam's grant that abutted the western portion of Austin's lands. Though more accessible than Exter's grant, these lands also remained isolated and largely unexplored. The mixed company of Mexican and English empresarios failed to introduce any colonists into either of Beales's first two contracts, but their failure put him on track to his Rio Grande grant. Trial and error became a theme for Beales as an empresario.²¹

The last grant Beales received drove him to make the effort to settle it with European-born colonists. On a map, his third empresario contract looked to be the most lucrative. Bound north and south by the Nueces River and the Rio Grande, respectively, the lands looked seemingly well-watered with river access to the Gulf of Mexico. In addition to the possibility of river transport, the old Camino Real that connected San Antonio de Béxar to Mexico City ran through the grant offering the prospect of access to markets both north and south. Further, Beales entered into his Rio Grande contract with another European-born partner, a Scotsman named James Grant. Though Fortunato Soto remained an important partner for his enterprise on the Rio Grande, Beales chose to abandon the Mexican speculation group in favor of a more European one.²²

James Grant had made a somewhat successful name for himself in Northern Mexico before his partnership with Beales. In the late 1820s, he settled in Parras, Coahuila, married a Mexican woman, María Guadalupe Reyes, and declared himself a Mexican citizen. While there, Grant acted as an agent for a British mining company and established his own furnace and cotton mill on his land hoping to capitalize on the region's iron ore deposits. His successful ventures

²¹ John Woodward, *An Abstract of the Constitutions, Laws, and Other Documents*, "Deeds," 14-15.

²² James Grant and John Charles Beales Petition for Empresario Contract, October 9, 1832, John Charles Beales Papers, Box 2E95, (DBCAH); Rio Grande and Texas Land Company Scrip, August 21, 1834, John Charles Beales Papers, Box BC OB 1830-1835, (DBCAH).

earned him a positive reputation in the state of Coahuila as a “man of progress” and one who might succeed as an empresario. Mexican officials hoped Grant would bring his modernizing principles and industrious attitude into the empresario system.²³

Beales and Grant shared important parallels. Both men left the British Isles to seek their future in Mexico, both married into Mexican families, and both sought opportunity in Mexico’s vast northern lands through the state-sponsored empresario program. These men not only speculated on real estate, they took a chance on the Mexican state leading them to profit. They represented a growing group of European-born entrepreneurs turning to Northern Mexico as the future for rapid economic growth.²⁴ Both Grant and Beales hoped to turn their empresario grant into a center for European settlement and incorporation into the modern Atlantic economy.

Furthermore, Grant's involvement suggests the possibility that the Rio Grande empresario enterprise was more than a simple profit-making scheme. Grant was an agent of the British Empire tasked with impeding American continental expansion. Beales may have been drawn into making his empresario contracts part of that British foreign policy agenda. While in Mexico City, the Beales performed research for the British Foreign Office and played on the same cricket club as the British consul general, Charles O’Gorman.²⁵ O’Gorman loathed American textile smuggling into Mexico because it cut into demand for British imports. He turned his focus to northern Mexico by 1830, encouraging the Foreign Office to expand consular activities in California and Tamaulipas.²⁶ His office was responsible for sending vice consul Joseph

²³ Stuart Reid, *The Secret War for Texas* (College Station: Texas A&M University Press, 2007), 24-25.

²⁴ Michael P. Costeloe, *Bonds and Bondholders: British Investors and Mexico’s Foreign Debt, 1824-1888* (Westport: Praeger, 2003).

²⁵ Michael P. Costeloe, “To Bowl a Mexican Maiden Over: Cricket in Mexico, 1827–1900,” *Bulletin of Latin American Research* 26 (January 2007): 112–124; Charles O’Gorman to His British Majesty’s Foreign Office, Sep. 17, 1829, FO 50/57 (UK National Archives, Kew; hereafter cited as TNA).

²⁶ O’Gorman to Richard Pakenham, Oct. 24, 1829, FO 50/57, (TNA).

Crawford to investigate Matamoros. It remains probable that O’Gorman urged Beales to pursue colonization in the borderlands to stem American smuggling. Creating a European colony on the Rio Grande would help achieve O’Gorman’s goal of keeping illicit American goods out of Mexico.²⁷

Once they acquired the Rio Grande contract, Beales and Grant set out to have it explored so that a suitable town could be established for them to boost and sell to prospective colonists. By the terms of the contract, the empresarios only had four years to settle eight hundred families on their prescribed grant in order to receive their rewards in surplus lands. They hired Beales’s close friend and fellow Englishman, William Henry Egerton, into the partnership to organize a party to quickly survey the land for settlement.²⁸ The exploration sapped most of the empresarios’ monetary resources since it required a military escort and at least one engineering specialist to properly choose a site that would sustain a rapidly growing population. Egerton chose a location on Las Moras Creek about eighteen miles north of where it spilled into the Rio Grande. He hurriedly relayed a message to Beales that a suitable town site existed.²⁹

Egerton’s report included subtle details about Beales’s grant that presaged the problems inherent in colonizing the arid land between the Nueces River and Rio Grande. In his investigation, Egerton found that the land in the Nueces Strip lacked water. He seemed worried that there were no streams or rivers in the area. Even the banks of the Rio Grande provided little optimism, as bad soil and limited access to water presented a problematic situation for colonists.

²⁷ Reid, *The Secret War for Texas*, 4–5; Walther L. Bernecker, “Between European and American Dominance: Mexican Foreign Trade in the Nineteenth Century,” *Itinerario* 21 (November 1997): 115–141.

²⁸ Grant from government of Coahuila and Texas to John C. Beales with Grant to him in fee of several leagues Also grant from Mr. Beales to Thomas E. Davis Es., November 3, 1833, John Charles Beales Papers, Box 2E95, (DBCAH).

²⁹ Woodward, *An Abstract of the Constitutions, Laws, and Other Documents*, 28-31; Carl Coke Rister, *Comanche Bondage*, 26-27.

However, Egerton produced a glowing report about the lands around Las Moras Creek. There, the water seemed perpetual and the soil a rich dark loam. He thought that "if a commercial town were established between Las Moras and Piedras Pintas, it would never fail of abundant supplies from the fertile lands of these streams."³⁰ Egerton's ambiguous report cooled Grant's enthusiasm for the project. He pursued other opportunities in Texas and left the work to fulfill the contract to Beales. With new insecurities and rapidly depleting cash reserves, the venture threatened to fail before it even began.³¹

Beales took the initiative and got creative. Likely building upon the model Richard Exter left behind with his conglomeration of investors in Baltimore, Beales sailed for New York to find financial backers for the Rio Grande colony. It did not take him long. Western lands were a hot commodity in the financial centers of the United States prior to the Panic of 1837, with investors dumping thousands of dollars on lands they would never see.³² With empresario contracts offering millions of free acres of land for merely enticing colonists to the area, Northern Mexico became a speculator's dream world. The primary driver for the demand in southwestern lands was the growing Atlantic cotton economy. Between 1829 and 1835, due to the explosion of textile manufacturing in Northwest England, the price of cotton nearly doubled, driving more planters to seek more land. Many Southern planters were willing to expand beyond the borders of the United States to find whatever lands they could for cotton production. The Rio Grande borderlands were directly in the pathway of the great land rush that was overtaking the U.S.

³⁰ William Kennedy, *Texas: The Rise, Progress and Prospects of the Republic of Texas*, vol. I, 2nd ed, (London: R. Hastings, 1841) 18, 175-178. Kennedy copied entire sections from Egerton's report and Beales journal for his history of Texas. He eventually became an empresario for the Republic of Texas and earned a contract for the area of land that basically encircled the same grant as Beales which I analyze in chapter 3.

³¹ Rister, *Comanche Bondage*, 26-27; Reid, *The Secret War for Texas*, 27-33.

³² Eugene C. Barker, "Land Speculation as a Cause of the Texas Revolution," *The Quarterly of the Texas State Historical Association* 10, no. 1 (1906): 76-95.

South.³³ However, the Mexican government had just blocked American migration into Northern Mexico with the Law of April 6, 1830. Savvy speculators in New York recognized an opportunity to invest huge amounts of capital to get ahead of Southern planters to profit on the land boom. Beales appearance in New York came at the perfect time for him to convince several investors to consider his project.³⁴

Beales enticed his investors by offering up to 5/8ths of all the land he acquired, which drew the interest of many monied land men. The most infamous speculator to invest in Beales's land company scheme was Samuel Swartwout, a New York merchant who was Aaron Burr's personal assistant during the Burr Conspiracy. Part of his responsibility in the conspiracy included seeking British assistance in a scheme to create an independent government in Mexico. Swartwout had contacts in the British foreign ministry and one of his close associates, Charles Williamson, worked as a land agent for a group of powerful British investors.³⁵ Williamson shared his strategies for land speculation with anyone who seemed interested. It is likely that Swartwout saw the future of land speculation in Northern Mexico and learned the business from Williamson. Swartwout continually invested in Texas land projects including the Galveston Bay

³³ This chapter is primarily concerned with land speculators in the U.S. Northeast. For more on Southern land speculation in Texas see: Edward L. Miller, *New Orleans and the Texas Revolution* (College Station: Texas A&M University Press, 2004); Torget, *Seeds of Empire*; Weber, *The Mexican Frontier*, 158-178.

³⁴ Edward E. Baptist, *The Half Has Never Been Told: Slavery and the Making of American Capitalism* (New York: Basic Books, 2014), 257-259; Sven Beckert, *Empire of Cotton: A Global History* (New York: Alfred A. Knopf, 2014), 103-114; Torget, *Seeds of Empire*, 157-161.

³⁵ Terms of indenture, John C. Beales to Thomas E. Davis, October 26, 1833, John Charles Beales Papers, Box 2E95, (DBCAH); Joseph Alfred Scoville, *The Old Merchants of New York City*, vol.4, (New York: Thomas R. Knox & Co. 1885), 251-257; George Brown Tindall and David E. Shi, *America: A Narrative History*, 5th ed (New York: Norton, 1999), 385-387; James E. Lewis Jr., *The Burr Conspiracy: Uncovering the Story of an Early American Crisis* (Princeton: Princeton University Press, 2017), 185-190; 443.

and Texas Land Company and Beales's Rio Grande and Texas Land Company, of which he took out a full 1/8th stake.³⁶

Swartwout was one of many New York speculators who invested in Beales's grant. Other prominent names and powerful New York landmen included Peter Gerard Stuyvesant, Francis Salmon, and William Burrowe.³⁷ These men, from distinguished New York families, looked to Northern Mexico as a haven for investment. Decades before the boom in railroad investment, monied businessmen in the United States' Eastern financial centers saw the future in the expansion of the cotton economy westward. They all believed the land in Beales's grant would yield exponential profits on their investments. Having done no investigation of the Nueces Strip nor creating a detailed plan for settlement, they were sure to be disappointed.³⁸

After spending only a few months in New York City, Beales became the principle agent of the Rio Grande and Texas Land Company, a brand-new consortium whose directors contracted a ship and placed advertisements for prospective colonists in New York, South Carolina, and England.³⁹ The company also laid out \$4000 for Beales to utilize in setting up the colony's first town. To make sure the empresario did not take too much latitude with the company's finances, the executive board of directors placed Irish-born Thomas A. Power as their

³⁶ Helen I. Cowan, "Charles Williamson and the Southern Entrance to the Genesee Country," *New York History* 23, no. 3 (July 1942): 260–74; Charles E Brooks, *Frontier Settlement and Market Revolution: The Holland Land Purchase* (Ithaca: Fall Creek Books, 2012), 18-20; 107.

³⁷ Terms of indenture, John C. Beales to Thomas E. Davis, October 26, 1833, John Charles Beales Papers, Box 2E95, (DBCAH).

³⁸ For an overview of investment from the East Coast into Western lands, see: John D. Haeger, *The Investment Frontier: New York Businessmen and the Economic Development of the Old Northwest* (Albany: State University of New York Press, 1981).

³⁹ Charles Edwards, "Colony of the Rio Grande and Texas Land Company," *New York Commercial Advertiser*, October 24, 1834; Charles Edwards, "Colony of the Rio Grande and Texas Land Company, To Emigrants and Others," *The Charleston Courier*, October 25, 1834.

own agent to catalogue the colony's progress and track Beales's spending. With this newfound financial support, the empresario began recruiting immediately.⁴⁰

The formation of the Rio Grande and Texas Land Company added a complicated layer to Beales's venture. By Mexican law and the terms of his contract, American colonists were unacceptable targets for populating the grant, but the law said nothing about American dollars. It seemed that if American investors profited from the sale of lands to European or Mexican tenants, then everybody got what they wanted. Mexico colonized its northern frontier with more European colonists; European-born entrepreneurs earned cheap land near the Rio Grande for new farms and businesses; and American land speculators regained access to the market in Mexican land. With his cash reserves and nearly sixty European-born recruits taken from New York boarding houses, Beales set out for the Rio Grande.

Two of the colonists, Eduard Ludecus and Sarah Horn, provided records of their experiences. When combined with Beales's company journal, they reveal keen insights into the ordeal of attempting to form a settlement in the Rio Grande borderlands far away from New York or Mexico City. They also show how drastically expectations differed from reality. Ludecus, a twenty-seven-year-old from the Saxe-Weimar duchy who quit a mercantile business to homestead on the Missouri River in the United States, joined up with Beales. He wrote a running narrative of letters home that his family had published and distributed throughout the German principalities.⁴¹ Additionally, Sarah Horn, a poor Englishwoman who married a small-

⁴⁰ Rister, *Comanche Bondage*, 26-30.

⁴¹ Eduard Ludecus, *Reise durch di Mexikanischen Provinzen Tumulipas, Cohahuila und Texas im Jahre 1834* (Leipzig: Johan Friedrich Hartknoch, 1837). Louis Brister has translated this work into English: Ludecus, *John Charles Beales's Rio Grande Colony*.

time commission merchant before traveling across the Atlantic with their family, related a gripping tale about her harrowing experience in the Rio Grande borderlands.⁴² The narratives provided by the Horns and Ludecus reveal the entrepreneurial nature of the colonists and the shock they experienced when they entered the borderlands.

Recruiting Ludecus as a colonist proved a significant victory for Beales. The former German merchant came with a mark of upper middle-class social standing. Eduard's father, Wilhelm, was the ducal court secretary to Karl August, the Duke of Saxe-Weimar, which provided the family with enough money and clout to have Eduard educated at the Wilhelm-Ernst-Gymnasium to prepare him for a career in commerce. From there, Eduard Ludecus landed a job with a commercial firm in Braunschweig under the guidance of an Herr Becher. Apparently bored by buying and selling of wool, Ludecus kept up on his study of English and saved his money to set out on his own adventure to America, but he did so without ever burning any bridges. Becher provided Ludecus letters of introduction to all the merchants he knew in America, including the German consul in New York City and a relative, F.M. Becker from which Ludecus procured further letters to commercial contacts in New Orleans and Matamoros. In Ludecus, Beales found a man he could view as a social equal, communicate with both the German and English-speaking colonists, and possibly exploit with his network of well-funded merchants who might invest in the venture to ensure its success. He just had to commit to keeping Ludecus happy.⁴³

Recruiting Sarah Horn and her family provided a different benefit for Beales. Since he focused his recruiting on boarding houses, most of those he convinced to travel to the

⁴² E. House, *A Narrative of the Captivity of Mrs. Horn, and her Two Children, with Mrs. Harris, by the Camanche Indians, after they had Murdered their Husbands and Traveling Companions*, (St. Louis: C Keemle, 1839).

⁴³ Ludecus, *John Charles Beales's Rio Grande Colony*, 42.

borderlands were single men and women. The Horns, on the other hand, remained a fully intact family of four. By the terms of his empresario contract, the Mexican government sought settlement of families, specifically. Having the Horns and a couple other families like them would boost his numbers and make it easier to claim his bounty from Mexico to pay off his investors. Additionally, Mr. Horn had mercantile experience that he could contribute to making Dolores a trading center. Both the Horns and Ludecus could help Beales build trade in the Rio Grande borderlands.⁴⁴

Beales had become a talented salesman of the land on the Rio Grande he had never seen. The promise of free land became his strongest pitch. To Ludecus, Beales promised one hundred seventy-seven acres of farmland and an additional lot in town for the German to build his home. He also promised regular steamboat arrivals from New Orleans to the colony through Matamoros. To crank the pressure up, Beales made the offer time dependent. Ludecus only had one day to decide if he would accept or miss the boat to the Rio Grande. Even though he thought it might be too good to be true, Ludecus took the offer. Similarly, Sarah Horn's husband, John Horn, became enticed by Beales offer of land and regular steamboat traffic on the Rio Grande. As a failing commission merchant who had taken a job clerking in New York, John Horn almost certainly found Beales's offer to be exactly what he was looking for when he and his family moved to America. The Horns and Ludecus would soon find that the sales pitch did not match the reality of Beales's colony.⁴⁵

Furthermore, both Ludecus and the Horns believed that the colony was well-funded and had the full backing of the Mexican government. Beales captivated Ludecus's attention with his

⁴⁴ Beales Empresario Contract with Mexico, 1833, John Charles Beales Papers, Box 2S165, (DBCAH).

⁴⁵ Ludecus, *John Charles Beales's Rio Grande Colony*, 46-47; E. House, *A Narrative of the Captivity of Mrs. Horn*, 6-8.

explanation of the creation of the land company and the financial layouts he claimed to have. According to Ludecus, Beales said that, "an association of wealthy people was formed, to whom he assigned his grant for fifty thousand dollars."⁴⁶ Ludecus believed that Beales set out to establish a colony with a small fortune. Correspondingly, Sarah Horn believed the Mexican government would have more of a presence in the construction of the colony. In her account, she cited Beales's contract and the urgency with which he undertook to fulfill it because Mexico was tracking the colony's development.⁴⁷ Advertising his colony with the lure of free land, financial stability, and government support, Beales took his first wave of colonists to set sail for the Texas coast. All the colonists had confidence that their prospects in Northern Mexico were limitless.

Problems arose as soon as the colonists were on the boat as tensions about supplies bubbled to the surface. Beales had promised to provision and transport a team of German-speaking laborers to the borderlands in exchange for six-months of work for the colony. The Englishman in charge of distributing food aboard ship unevenly distributed rations in favor of the English passengers, often taking far more than needed and depleting necessary supplies. Before the enterprise even reached the Texas coast, the people Beales put in charge created tensions and caused shortages that increased costs on what Beales would find to be an extremely limited budget.⁴⁸

When the ship reached the Texas coast at Aransas Bay in early December 1833, the passengers were surprised to see no permanent settlements or even anyone to help them unload

⁴⁶ Ludecus, *John Charles Beales's Rio Grande Colony*, 46.

The approximate value of \$50,000 in 1833 relative to today would come out to about \$1.5 million. For more on historical relative values, see: Samuel H. Williamson, "Seven Ways to Compute the Relative Value of a U.S. Dollar Amount, 1774 to present," <[http:// www.measuringworth.com/uscompare/](http://www.measuringworth.com/uscompare/)> [Accessed March 08, 2019].

⁴⁷ E. House, *A Narrative of the Captivity of Mrs. Horn*, 6.

⁴⁸ Brister, "Eduard Ludecus's Journey to the Texas Frontier," 371-372; Ludecus, *John Charles Beales's Rio Grande Colony*, 57.

the ship. The captain and crew merely lowered their goods into the shallows and left the colonists with Beales and Power as their only guides through the wilderness. Having no real means to travel overland other than the carts and wagons they brought from New York, they first had to procure oxen and mules to carry their goods, which took a full two weeks. While a few men traveled to Goliad to replenish supplies and buy the proper beasts of burden, the colonists were left to sleep in tents on the cold, wet, windy beaches.⁴⁹

When they finally left the coast, their entrepreneurial morale sunk significantly, as did their carts and wagons in the mud. Two carts broke on the very first day they had taken to the road. To make matters worse, the colonists had just been informed that Indians controlled most parts of the country and they would have to defend themselves with only the few hunting rifles and pistols they had carried with them. However, they had no idea how to differentiate between friendly and aggressive Indians. Colonists, like Sarah Horn, began to fear anyone they met on the road. Trust in the venture began to evaporate as everyone realized how unprepared they were for the rigors of the borderlands.⁵⁰

Conditions did not improve when the party reached San Antonio as the lack of supplies, financial strains, and indigenous power became obvious. The provisions Beales brought to Texas had been nearly wiped out. The road from the coast had also worn out the oxen and carts they had to purchase back at Goliad. In fact, the colonists lost four horses and twenty oxen in the 150 miles they traveled. Beales spent the last of the money he had hiring teamsters in San Antonio to escort them the remainder of the journey to the Rio Grande to avoid the same losses. He also

⁴⁹ E. House, *A Narrative of the Captivity of Mrs. Horn*, 6-8.

⁵⁰ E. House, *A Narrative of the Captivity of Mrs. Horn*, 6-8.

took out an additional loan of a thousand pesos so that they would have at least some money while on the road.⁵¹

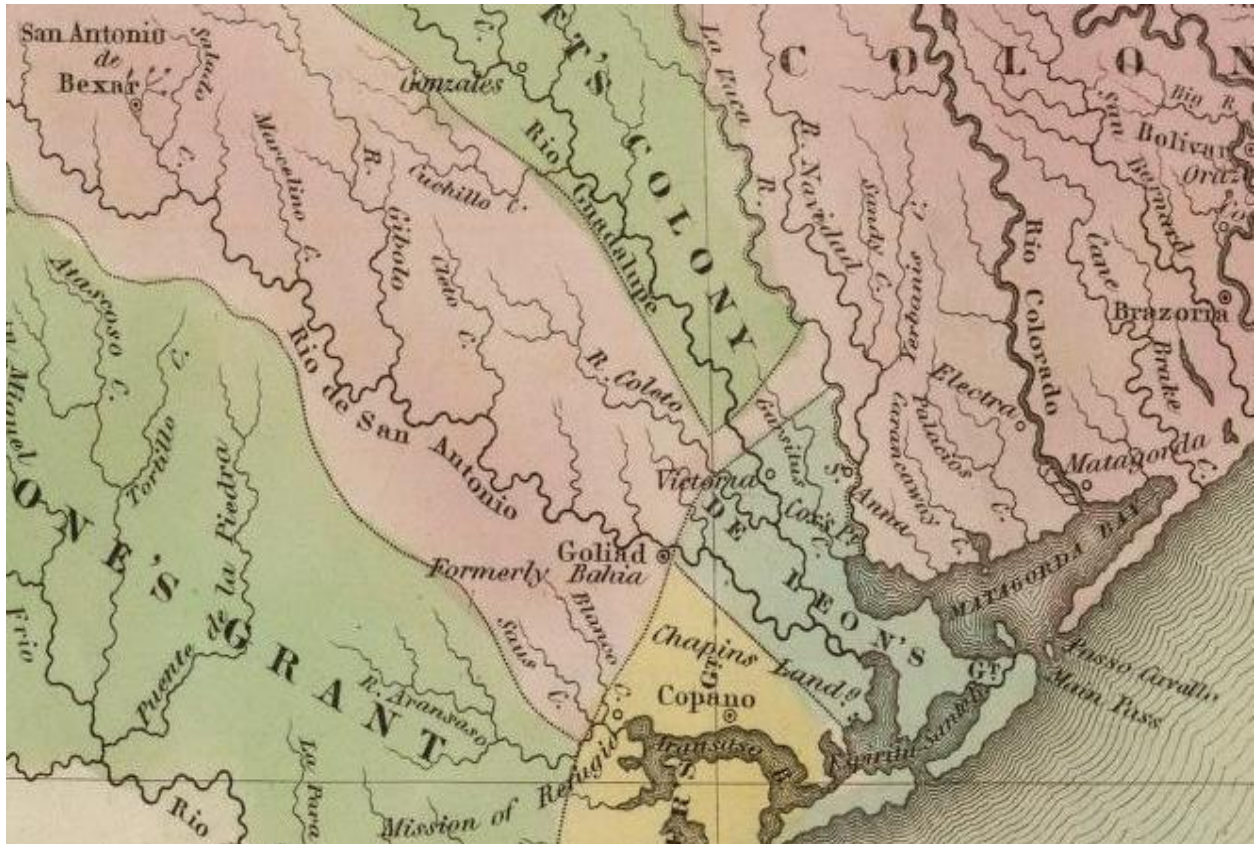


Figure 4 Thomas G. Bradford, *Texas*, (Boston: Weeks, Jordan and Co, 1838), David Rumsey Collection. Inset view of Aransas Bay to San Antonio.

To further decrease morale, the party found a man about five miles outside of San Antonio who had been attacked by Indians. Beaten and shot several times, he was attempting to crawl back to San Antonio to report his attack. In the mid-1830s, Mexico's relations with the Lipan Apache was at a nadir. In order to avoid continuing hostilities with the Comanche, Northern Mexicans chose to make war on the Lipanes throughout the 1820s. While this opened a

⁵¹ Ludacus, *John Charles Beales's Rio Grande Colony*, 100; House, *A Narrative of the Captivity of Mrs. Horn*, 9-10.

brief time of peace with the Comanche, travelers in Northern Mexico became open targets for Lipan Apache violence. It also did not ensure full protection from Comanche bands who still took advantage of the opportunity in vulnerable people on the road. Seeing this man's condition outside San Antonio draped a pall of foreboding over the colonists about their fortunes.⁵²

In March 1834, after nearly four months in Texas, the expedition finally reached the Rio Grande. The disappointment among the colonists was palpable. As Ludecus approached the river, he recognized the dismal state of the land and described the area in elegant detail: “We were still doubtful that there was a river in our vicinity when we saw it hardly a hundred paces in front of us. The sight of it, its murky, sandy water and its bare banks with only fifteen- to twenty-foot high cane and willows growing there made a very depressing impression on me and on all the others too. Everything is bleak and dead in its vicinity. Nature seemed to have died there.”⁵³ All of the entrepreneurs in the party also realized at first look at the Rio Grande that it was not likely a navigable waterway. The dream that Beales sold to the colonists of growing bountiful crops on cheap lands to transport downriver shriveled on the dusty banks of the Rio Grande. Life in the borderlands was going to be harder than any of them had imagined.

Shortly after they found the Rio Grande and turned toward the prospective town-site, Beales and the colonists came into a small camp of Shawnee hunters trapping animals along the river. Finding a Scotsman among them, Beales and several of the English colonists tried to engage the Shawnee in trade. They quickly shifted from colonists worried about their own survival to fur traders looking to strike up business connections among the local indigenous populations. Beales and the Shawnee struck a deal. The Shawnee would trade some of their furs

⁵² DeLay, *War of a Thousand Deserts*, 54-56; House, *A Narrative of the Captivity of Mrs. Horn*, 9-10;

⁵³ Ludecus, *John Charles Beales's Rio Grande Colony*, 118.

to Beales and the other mercantile minded Europeans, but the colonists had to agree to allow the Shawnee to accompany the traveling party to Las Moras. The offer proved mutually beneficial as the Indians would join into a larger group to be able to hunt farther north, taking them deeper into Comanche lands. The colonists gained their local knowledge in finding the best ford across the Rio Grande and indigenous allies in a place where they had none. Their pioneering attitude allowed for them to build local connections with a small band of Shawnee. They needed to make more connections with indigenous people in this place where Indian power reigned, and Mexican state power was extremely limited.⁵⁴

The limitations of Mexican state power can be seen in the militia Beales had to hire in order to protect colonists as they founded their first town. Mexico would not pay for the necessary troops to escort the enterprise from the Rio Grande to the town site. Instead, Beales had to sacrifice purchasing more food supplies at Presidio del Rio Grande in order to pay for the guards to see after the security of the town. Short on corn and out of flour, Beales presumed they would all subsist through individual gardens and hunting wild game. However, they still had seventy miles to cover to reach the place Egerton had scouted. The town site was quite isolated as the nearest Mexican settlement, San Fernando, was almost thirty-five miles south and required fording the Rio Grande to get there. Though Las Moras Creek produced more trees and vegetation than around the Rio Grande, the colonists were forced to use grass and cane to build their shelters. They also relied on thistle and branches to build their defenses against the possibility of a Comanche raid. Other than the assurance that the creek was fed from a spring not likely to dry up, the colonists faced mean conditions from the beginning.⁵⁵

⁵⁴ Kennedy, *Texas*, II, 46-51. Ludecus, *John Charles Beales's Rio Grande Colony*, 122-123; 126.

It was unusual for the Shawnee to have migrated so far south as the Rio Grande, but not unlikely. Both Beales and Ludecus described their short-term allies as Shawnee.

⁵⁵ Rister, *Comanche Bondage*, 44-46; Ludecus, *John Charles Beales's Rio Grande Colony*, 127.



Figure 5 Inset taken from Konen Marché, *Map of Texas* (Brussels: K. Marché, 1835), UTA Map Collection.

When Beales, his colonists, their escort of soldiers, and the Shawnee band reached the town site, which Beales named Dolores after his wife, they all set to work building a means for subsistence. For the Europeans, that meant trying to scratch out productive farms out of arid land. As noted in Egerton's report on the grant, water proved a significant demand for all the colonists. The colonists at Dolores threw all available labor at digging a ditch from Las Moras Creek in order to begin irrigating gardens, though Ludacus noted that the company planned on charging everyone a fee to draw from the creek to water their lots. The unrelenting sun compounded the lack of water. All of their initial crops shriveled and turned yellow after sprouting. None of the colonists knew the techniques of dryland farming. They all brought their notions of farming from Northern Europe where rainfall was rarely scarce. The colonists lost an

entire year's worth of crop because they lacked the essential knowledge of the region's growing conditions.⁵⁶

In the face of crop failures, diminishing supplies, and excruciating labor, the town fractured quickly along class and ethnic lines. Physically, the town lots were distributed according to wealth and social standing. The best lots had water access to Las Moras Creek while the less desirable holdings required long trips to get water or significant irrigation ditches to draw water to their lands. Beales claimed the finest location with the most fertile looking soil that seemed to irrigate itself. He had contracted with German and Irish carpenters prior to the expedition to build his home and demanded it be constructed with stone which was undertaken with great effort. The next best lots went to Egerton and the other Englishmen of high social standing who Beales brought with him. Ludecus, another German, Power, and Captain Soto were the only non-English settlers to receive lots on the creek. Other than Soto, none of the Mexican soldiers seem to have been granted land.⁵⁷

Politically, Dolores split along ethnic lines. By law, the colonists had to elect an *ayuntamiento*, or town council, with four official posts in order to gain recognition from Mexico as a legitimate settlement. Beales, naturally, pursued the position of *alcalde*, or town mayor, because of his status as *empresario*. Though the colonists had begun to turn on Beales for misleading them, no other challenger rose with enough support to assert a claim to the position. The colonists elected Egerton as *regidor*, or first officer under the *alcalde*, and another Englishman, Victor Pepin, as *regidor segundo*. The last position, *syndico*, went to Ludecus as the

⁵⁶ Ludecus, *John Charles Beales's Rio Grande Colony*, 147-154; House, *A Narrative of the Captivity of Mrs. Horn*, 12; John Opie, Char Miller, and Kenna Lang Archer, *Ogallala: Water for a Dry Land*, Third edition (Lincoln: University of Nebraska Press, 2018), 1-44.

⁵⁷ Ludecus, *John Charles Beales's Rio Grande Colony*, 131.

Germans got one of their own into an official position. As any problems crept up in town, individuals turned to their own ethnic representatives to settle disputes creating an atmosphere of distrust and resentment.⁵⁸

Aside from ethnic tensions, the biggest problem in town was clearly its economic woes. Beales had blown through the \$4000 the Rio Grande Land Company had allotted before the party had even gotten to San Antonio de Béxar. There, in order to purchase extra supplies, oxen, and repair broken carts, he took out an additional \$1000 loan on the company's credit just to get to the Rio Grande. Still thinking that Mexico would provide easy credit to its empresarios, he sent Captain Soto to Monclova with promissory notes to acquire a loan from the Coahuila y Texas state government, but Soto returned with only an official letter welcoming the colonists to the state. Thus, when the colonists began building Beales's house, he had no money to provision them.⁵⁹

To remedy the supply problem, Beales made the most fateful decision for the future of Dolores: he left. After being elected *alcalde* and distributing written title to lands to all the colonists, he announced he was traveling to Matamoros to draw another loan after only residing in the colony for two weeks. He planned to have an agent return to Dolores with the money while he sailed back to New York to restart the settlement process again with a new contingent of colonists. It was up to Egerton to oversee the building of the colony until Beales returned.⁶⁰

Beales's decision to leave demonstrated to the colonists that the empresario cared more about satisfying his investors than the people he convinced to move to the Rio Grande

⁵⁸ L.P. Curtis, *Anglo-Saxons and Celts: A Study of Anti-Irish Prejudice in Victorian England*, (New York: New York University Press, 1968); Ludecus, *John Charles Beales's Rio Grande Colony* 134-136.

⁵⁹ Brister, "Eduard Ludecus's Journey to the Texas Frontier," 378; Ludecus, *John Charles Beales's Rio Grande Colony*, 102.

⁶⁰ Kennedy, *Texas*, II, 51-56.

borderlands. Beales met the bare necessities of his contract by ensuring the colonists made it to his grant and providing them title to their lands. Unlike Stephen F. Austin, Beales made little individual effort to build connections with nearby Mexican towns or establish any sense of community among the people of his colony. He left the colonists to fend for themselves; which they did, making decisions that would benefit them individually regardless of the fate of Dolores. Further, by prioritizing recruiting efforts over the foundational maintenance of the town, Beales sought to reach the goals of the contract in order to receive his reward in land. Only through that reward would the Rio Grande and Texas Land Company become profitable. Beales was more incentivized to inflate the population in his grant than to oversee the successful settlement of it. Beales's colonists expected him to assist and oversee the settlement. When he left, he completely shattered their belief in the colony.⁶¹

With the colony clearly failing and the sense of community fracturing, individuals began seeking their own entrepreneurial gains. Seeing an opportunity in the town's economic hardships, Soto took all the saleable items he owned, including his wagon, oxen, and horses, and pawned them in San Fernando for food goods and basic supplies. He then opened a small mercantile house in Dolores to sell these necessary items to the colonists for exorbitant prices. He took promissory notes that Egerton distributed to prop up the town's economy at face value because he knew that they would be redeemable through his brother-in-law and the Rio Grande Land Company. While he did make a neat profit for himself, Soto's venture was much more successful at breeding unrest and resentment among the colonists.⁶²

As weeks went by without any infusion of supplies or hard currency, the laborers of the Dolores quit working. Furious, Egerton tried to hold them to the job based on contracts they

⁶¹ Cantrell, *Stephen F. Austin*, 135.

⁶² Brister, "Eduard Ludecus's Journey to the Texas Frontier," 378-379.

signed with Beales. Ludecus intervened, claiming that Beales broke the contract first by not providing adequate supplies. To further complicate the issue, the few Mexican militiamen Beales hired to guard the town became restless from not receiving additional pay. Fear of an Indian raid, deteriorating defenses, and declining foodstuffs put everyone on edge. After days of bickering and hard feelings, many of the Germans, including Ludecus, Power and other Irish laborers packed up and left. Ludecus traveled downriver to Matamoros to get out of the borderlands. Others resettled in nearby towns to try to continue their entrepreneurial dreams on the Mexican frontier.⁶³

A short while after Ludecus boarded a ship in Matamoros to leave Northern Mexico for good, the Horn family prepared to leave Dolores. Unlike the Germans who left due to ethnic and economic complaints, the Horns and other English colonists fled out of fear of Indian power. About forty miles from Dolores, a party of Comanche warriors descended on a rancho killing everyone and burning all the buildings. When news of the attack reached Dolores, the Horns panicked. The town was largely defenseless and if Comanche bands ranged as close as forty miles, it seemed only a matter of time before they raided the failing settlement. Sarah, her husband John, and their two sons left with a group of about ten other English to make for Matamoros. They never made it. Rather than take the road that ran along the Rio Grande, the English party traveled northeast to the Nueces hoping to avoid Mexican troops heard to have been gathering on the Rio Grande. This fateful decision led them directly to a Comanche raiding camp. The Horns and their party were attacked, all the men killed, and the women and children taken captive.⁶⁴

⁶³ Ludecus, *John Charles Beales's Rio Grande Colony*, 155-174.

⁶⁴ E. House, *A Narrative of the Captivity of Mrs. Horn*, 14-19.

When the Horns left Dolores, the indigenous politics of the Rio Grande borderlands had shifted considerably from when the Horns landed on the Texas coast. The tenuous peace between the Comanche and Northern Mexicans fell apart. The Lipan Apaches no longer posed a threat to Comanche power, meaning the Comanche no longer needed Northern Mexicans to fight them. Further, the influx of Americans into East Texas brought more American goods into Texas. The Comanche began to openly trade with Americans for everything they needed, including rifles and ammunition. The Comanche had few reasons to remain at peace with Mexico. Mexican ranches and small settlements in the Rio Grande borderlands became raiding targets. The rancho destroyed forty miles from Dolores marked only one of several raids in the region that year. The Comanche would eventually lay waste to the abandoned remnants of Dolores.⁶⁵

By 1836, rebellion erupted in Northern Mexico as Zacatecas and Coahuila y Texas pronounced against the Mexican central government drawing the ire of President Santa Anna and the Mexican Army. With Mexican troops marching through the borderlands to fight the Americans who had declared Texas independent, all empresario contracts went on hold. The few remaining Dolores colonists evacuated, leaving the town to wither and die under the desert sun. However, Beales's colony offers a significant and unique transnational perspective of the political economy of Northern Mexico broadly in the 1830s and the Mexican empresario system more specifically. Most empresario contracts assigned after 1830 were granted to Europeans and Mexicans who, to varying degrees, attempted to settle their lands with other Europeans and Mexicans. They took on government contracts with notions of huge rewards in land in the future only to find that the government with which they contracted needed them to extend its power in a

⁶⁵ DeLay, *War of a Thousand Deserts*, 62-70.

region in which it was essentially powerless. The Mexican federal government remained essentially bankrupt throughout the 1830s and its resources were already spread thin. Using foreigners with foreign money to colonize its northern territories made sense to Mexican lawmakers considering the nation's financial predicament. The imaginations and realities of both the lawmakers who granted the contracts and the empresarios who undertook to complete them diverged dramatically. Officials believed that empresarios would complete their contracts independent of state assistance, while European empresarios like Beales, used to a state apparatus with more capacity, accepted contracts assuming some sort of state or military protection. These diverging assumptions assured that many empresario contracts would fail.⁶⁶

Those failures never discouraged Americans from investing in Mexico's lands. From the moment of Mexico's independence from Spain, Americans tried to buy up as much Texas land as they could in the hopes of reselling it at great profit. Historians tend to focus on Southern investment in Texas land, but examples like Beales's Rio Grande and Texas Land Company demonstrate that speculators in the United States Northeast were just as interested in profiting on Texas lands as their Southern compatriots.⁶⁷ Northern Mexico captured the imaginations of monied land men throughout the United States.

In the case of Beales's colony, European-born entrepreneurs found themselves caught between Mexico's need to colonize its northern frontier and American greed for Mexican land. Thinking they were taking advantage of Mexico's generous land policies and the financial windfalls that American investment brought, European colonists undertook the task of building a

⁶⁶ Deposition of Thomas Herbert O'Sullivan Addicks, Nov. 18, 1839, John Charles Beales Papers, Box 2E95, (DBCAH); Graham Davis, *Land!*, 5-6; Carlos Marichal, *Bankruptcy of Empire: Mexican Silver and the Wars between Spain, Britain, and France, 1760-1810*, (New York: Cambridge University Press, 2007).

⁶⁷ Jesús F. de la Teja, Paula Mitchell Marks, and Ronnie C. Tyler, *Texas: Crossroads of North America* (Boston: Houghton Mifflin Co, 2004), 230; Edward L. Miller, *New Orleans and the Texas Revolution* (College Station: Texas A&M University Press, 2004), 53-54; Elgin Williams, *The Animating Pursuits of Speculation: Land Traffic in the Annexation of Texas* (New York: Columbia University Press, 1949), 1-37.

colony on the very edges of the borderlands. There, they found indigenous power dominated any support they might receive from Mexico or the United States. Regardless of what Mexicans, Americans, or Europeans wanted the Rio Grande borderlands to be, the Comanche had the power to make the region in their image.

Furthermore, the failure at Dolores shows how European-born entrepreneurs came together to bring their modern European notions of settlement and trade to the Nueces Strip, an area of land that remained largely unsettled through the entire Spanish period. Everyone involved believed that with their American resources and European industriousness, the hazards of the place would be easily surmountable. The obstacles they dismissed proved to be too powerful to overcome.

The Beales colony was not the last time European-born entrepreneurs attempted to settle the Rio Grande borderlands with migrants from Europe. When the Republic of Texas proclaimed its independence, its leaders fell back on the empresario system to populate its frontier. The French took particular interest in the Rio Grande borderlands to compete with the English and American empires in North America. This led European imperial agents to take a more active role in expanding European presence the region.

CHAPTER 3
"THE RISE, PROGRESS, AND PROSPECTS OF EUROPEAN-BORN ENTREPRENEURS IN
THE REPUBLIC OF TEXAS, 1836-1845"

The death of the Dolores colony did not spell the end of the empresario system nor did it conclude attempts by European-born entrepreneurs to create European settlements in the Rio Grande borderlands. As the Republic of Texas attempted to maintain its independence in the face of dire economic conditions, it, like Mexico before, turned to the empresario system as a strategy to boost its population and entice investment from Europe and the United States. The new republic also needed to continue to defend its claim to independence from Mexico, which never recognized Texas as a legitimate nation-state. Furthermore, Texas needed to stem Comanche expansion from the western plains into the east. By trying to settle Europeans in the Rio Grande borderlands between the Nueces River and the Rio Grande, Texas attempted to draw in European finance and create a buffer zone in the Nueces Strip between itself, Mexico and the Comanche Empire.¹

When Texas made the announcement that it would grant empresario contracts in the Rio Grande borderlands, European-born entrepreneurs scrambled to get one. Speculators from Britain, France, the German-speaking territories, and Belgium accepted empresario contracts to settle European colonists. A diverse set of empresarios from all over Northern Europe wanted to

¹ Bobby D. Weaver, *Castro's Colony: Empresario Development in Texas, 1842-1865*, (College Station: Texas A&M University Press, 1985), xi-xiv; 109-111; Andrew J. Torget, *Seeds of Empire: Cotton, Slavery, and the Transformation of the Texas Borderlands, 1800-1850*, (Chapel Hill: The University of North Carolina Press, 2015), 209-215.

colonize the Rio Grande borderlands and profit from their ventures. The British and French particularly took interest in acquiring contracts to grants between the Nueces River and the Rio Grande. They viewed the Rio Grande borderlands as a place with the potential to provide entrepreneurial success and support political ends for their imperial states.²

The political ramifications of the Texas Revolution reinvigorated the imaginations of European-born entrepreneurs who conceived of taking advantage of the newly altered borderland. Not only did they carry the same unrealistic dreams of people like Egerton and Beales that the Rio Grande borderlands would become an agricultural utopia on par with the Mississippi Valley, but added a new wrinkle in that they actively attempted to harness the power and authority of their own states rather than trusting the North American states in which they decided to invest. The Beales example revealed that the Mexican state and American financiers were fickle allies. As British and French entrepreneurs became interested in the Rio Grande borderlands, their governments' presence in the region also grew as state agents encouraged European-born entrepreneurs to seek empresario contracts from the government of the Republic of Texas. Conditions in the Rio Grande borderlands during the era of the Republic of Texas allowed European-born entrepreneurs to play the politics of diplomacy to try to attain land and personal wealth.³

This chapter covers two case studies: one involving French empresarios Alexander Bourgeois d'Orvanne and Armand Ducos and another involving the British empresario William

² The French did have a successful empresario under the Republic of Texas, Henri Castro. His example has been written about extensively. See: Weaver, *Castro's Colony*; Cornelia E. Crook, *Henry Castro* (San Antonio: St. Mary's University Press, 1988); Julia Nott Waugh, *Castro-Ville and Henry Castro, Empresario* (San Antonio: Standard Press, 1934).

³ Ephraim Douglas Adams, *British Diplomatic Correspondence Concerning the Republic of Texas, 1838-1846* (Austin: The Texas State Historical Association, 1918); Nancy Nichols Barker and A. Dubois de Saligny, *The French Legation in Texas* (Austin: Texas State Historical Association, 1971); Rudolph Leopold Bieseke, *The History of the German Settlements in Texas, 1831-1861* (Austin: Von Boeckmann-Jones, 1930); William Bollaert, *William Bollaert's Texas*, ed. W. Eugene Hollon and Ruth Lapham Butler (Norman: University of Oklahoma Press, 1956).

Kennedy. I argue that Bourgeois, Ducos, and Kennedy utilized their respective states bureaucracies to profit on speculation ventures in the Nueces Strip. Though they did their research to learn from previous mistakes, namely the Beales colony disaster, these European-born empresarios of the Texas Republic also failed to complete their contracts. Their projects foundered because they often accepted misinformation as fact and tied the prospects of their ventures to the geopolitics of the Atlantic world. Because they were agents of their respective states, Bourgeois, Ducos, and Kennedy could not disconnect their political and economic agendas. However, due to their abilities to draw European interest into the region, these entrepreneurs demonstrate exactly how Europeans tried and failed to make the Rio Grande borderlands a center for modernization and trade during the lifespan of the Republic of Texas.

After the battle of San Jacinto in April 1836, Texas nominally became an independent state. Mexico continued to assert its sovereignty and threatened military action, but the capture of Santa Anna assured the American Texans⁴ that, for a time, they could act independently. Almost immediately, Texas sought annexation to the United States. By September, the people of Texas voted overwhelmingly to enter the United States. However, they were rebuffed. Texas's adherence to chattel slavery and the rapidly spreading crisis of the Panic of 1837 cooled support for annexation in the United States Congress. Amid the threat of Mexican reconquest and the economic decline the Panic of 1837, Texas leaders, particularly Sam Houston, looked to Europe for political and financial support.⁵

⁴ I use the construction "American Texans" throughout this chapter to denote U.S.-born people in Texas. I intentionally eschew terms like "Anglo-Texan" and "Anglo-American" because of the notions of white supremacy wrapped in both terms.

⁵ Eugene C. Barker, "The Annexation of Texas," *The Southwestern Historical Quarterly* 50, no. 1 (1946): 49–74. Alasdair Roberts, *America's First Great Depression: Economic Crisis and Political Disorder after the Panic of 1837* (Ithaca: Cornell University Press, 2012), 176-179; Torget, *Seeds of Empire*, 179-191.

During the same span after San Jacinto, the British and French had become disillusioned with Mexico. Still saddled with millions of dollars of debt and constant political unrest in a time of global economic slowdown, Mexico failed to live up to the lofty economic expectations Europeans had for it. For example, two-thirds of the Mexican mining companies formed in London after Mexico's independence collapsed by 1830. Additionally, millions of pounds invested in Mexico yielded no return. French entrepreneurs had similar experiences and both the British and French came to feel duped by Mexican promoters and government officials. To compound European disappointment, the successful Texas rebellion ripped away a huge chunk of Northern Mexico and put it in the hands of Americans who sought to create their own slaveholders' republic on the Gulf of Mexico. Both the British and the French had adopted policies against chattel slavery and neither empire wanted to see the spread of the United States into Texas. Rather than stand by and watch Americans reap all of Texas's economic benefits, the British and French tried to capitalize on the disruption that Texas independence caused. They moved to gain influence in Texas to open economic inroads and political discussions about slavery.⁶

Texas courted any European diplomat or merchant interested in the new Texas Republic. Texas leaders understood that population growth was essential to the Texas Republic's success. More people in Texas increased the value of Texas's most abundant resource: land. While the Panic of 1837 spurred thousands of Americans to migrate to Texas, few settled in the Rio Grande borderlands. The Texas Congress created a new empresario program that gave the president the power to designate empresarios to both encourage and target migration. Sam Houston offered

⁶ Michael P. Costeloe, "William Bullock and the Mexican Connection," *Mexican Studies/Estudios Mexicanos* 22, no. 2 (August 2006): 275–309; Torget, *Seeds of Empire*, 202–210; Randolph B. Campbell, *An Empire for Slavery: The Peculiar Institution in Texas* (Baton Rouge: Louisiana State University Press, 1989), 35–50.

grants to European contractors to recruit European colonists to settle hundreds of families within their granted lands. A significant portion of the land the Republic of Texas granted to European empresarios lay in the Rio Grande borderlands and, more specifically, within the Nueces Strip. For basically the same reasons Mexico wanted Beales's colony to succeed, Texas promoted land in the Rio Grande borderlands to Europeans.⁷

Problematically, Texas had a spurious claim to the lands between the Nueces River and Rio Grande. The administrative territory of Texas since the Spanish era had only reached as far south as the Nueces River. After the Battle of San Jacinto, when Texas forces captured President Santa Anna, the Texas revolutionary government forced the Mexican leader to sign a secret treaty at Velasco recognizing Texas independence with the boundary at the Rio Grande. Mexico never recognized the treaty and continued to claim sovereignty over Texas. The Nueces Strip became a no-man's-land where Texas and Mexico both tried to assert their rights, but which neither could physically control.⁸

European-born entrepreneurs and state agents, though, accepted grants in the Nueces Strip believing that their respective governments would support Texas claims down to the Rio Grande. It was no secret that both the British and French wanted the Texas boundary to be the Rio Grande. A British commissioner tasked with suppressing the slave trade wrote matter-of-

⁷ Eugene C. Barker, "Land Speculation as a Cause of the Texas Revolution," *The Quarterly of the Texas State Historical Association* 10, no. 1 (1906): 76–95. George J. Morgenthauer, *Promised Land: Solms, Castro, and Sam Houston's Colonization Contracts*, (College Station: Texas A&M University Press, 2009); Jesús F. de la Teja, Paula Mitchell Marks, and Ronnie C. Tyler, *Texas: Crossroads of North America* (Boston: Houghton Mifflin Co, 2004), 227-233; Weaver, *Castro's Colony*. For more on German colonization in Texas see: Julia Akinyi Brookins, "Immigrant Settlers and Frontier Citizens: German Texas in the American Empire, 1835--1890." PhD diss. (Chicago: University of Chicago, 2013).

⁸ Randolph B. Campbell, *Sam Houston: And the American Southwest*, 3rd ed, (New York: Pearson Longman, 2007), 89-90; 123; David J. Weber, *The Mexican Frontier, 1821-1846: The American Southwest under Mexico* (Albuquerque: University of New Mexico Press, 1982), 251.

factly that the southern boundary of Texas was the Rio Grande.⁹ The French knew that the British wanted the Texas southern boundary to be the Rio Grande based on a supposed British offer to supply a loan to the Republic of Texas for the purchase of the Nueces Strip from Mexico.¹⁰ The French recognized that if they did not accept the Rio Grande boundary they might lose access to the Texas market. European-born entrepreneurs would be able to take whatever opportunities they could muster in the Nueces Strip knowing they would come with at least tacit approval from their respective governments.

Mexicans did not recognize any of these boundary assertions and continued to act within the Rio Grande borderlands with their own motivations. Some residents of the borderlands even tried to claim the region as a separate territory. A contention developed between regionalist Northern Mexicans and those who supported the national power in Mexico City. In a pronunciamiento declared in November 1838, the Plan del Rancho de Puntagudo, leaders from six towns along the Rio Grande claimed the Mexican central government incompetent and unable to defend its people from "the continuous hostilities of the barbarians."¹¹ Clearly, for federalist Northern Mexicans the expanding Comanche Empire proved to be a far more important issue than the emergence of the Republic of Texas or the increasing presence of Europeans. In the face of devastation and loss at the hands of indigenous power, the federalist representatives of the Mexican people of the Rio Grande announced that they would take care of themselves, disregard all national taxes, and seek justice for their region. Led by Antonio

⁹ James Hook to Lord Viscount Palmerston, April 30, 1841, in Ephraim Douglas Adams, ed. *British Diplomatic Correspondence Concerning the Republic of Texas, 1838-1846*, (Austin: The Texas State Historical Association, 1918), 31.

¹⁰ Dubois de Saligny to Thiers, October 30, 1840, in Nancy Nichols Barker and A. Dubois de Saligny, in *The French Legation in Texas* (Austin: Texas State Historical Association, 1971), 167.

¹¹ "Plan del Rancho de Puntagudo," November 22, 1838, retrieved from *The Pronunciamiento in Independent Mexico, 1821-1876*, University of St. Andrews, <https://arts.st-andrews.ac.uk/pronunciamientos/index.php>, (accessed October 17, 2017). Laredo, Guerrero, Mier, Camargo, Reynosa, and Matamoros represented the six towns.

Canales, this pronunciamiento became the basis for the Frontera del Norte, an attempt to create a single political body out of a huge swath of the Rio Grande borderlands.¹²

Conspicuously, the Frontera del Norte had no design for raising troops, funding, or governing the region. It only declared unity among the Rio Grande villas against central government forces. The rebellious and disorganized Northern Mexicans engaged in several skirmishes against centralist Mexican troops in the Rio Grande borderlands, turning the region into a dangerous warzone. Instead of fighting Comanche, Mexicans killed each other over the issue of how to protect the frontier. After a year of campaigning with limited resources, Canales and leaders from Laredo, Mier, and Reynosa met at Ciudad Guerrero to try to form a provisional government. In hopes of gaining recognition, as well as troops, supplies, and funding, the new government immediately sent an envoy to the Republic of Texas. Although Texas president Mirabeau Lamar declined to help, the envoy convinced a couple hundred Mexicans and Americans in Texas to join the fight. Canales and his small army fought until the end of 1840, resigned to defeat after failing to even control the small territory they claimed as the Frontera del Norte.¹³

European diplomats in Texas and Mexico had confused notions about the Frontera del Norte. The British remained relatively ignorant of the situation due to misinformation and

¹² "Plan del Rancho de Puntigudo," November 22, 1838.

In this chapter I will exclusively use the term "Frontera del Norte." Another popular name for the movement is the "Republic of the Rio Grande." In large part, this term was created by American newspaper men during the U.S.-Mexico War. For more on this brief and failed movement see: ¹² Josefina Zoraida Vázquez, "La Supuesta República Del Río Grande," *Historia Mexicana* 36, no. 1 (Summer 1986): 49–80; Beatriz Eugenia De La Garza, *From the Fontera del Norte: A Personal History of the Place and the People*, (Austin: University of Texas Press, 2013) 1-23; Milton Lindheim, *The Fontera del Norte*, (Waco: W.M. Morrison, 1964) 5-10; Fleeson & Dryden, *Republic of Rio Grande. And Friend of the People*, (Brownsville, Tex.), Vol. 1, No. 4, Ed. 1 Tuesday, June 16, 1846, June 16, 1846. (accessed October 18, 2017), University of North Texas Libraries, The Portal to Texas History, texashistory.unt.edu; crediting Abilene Library Consortium.

¹³ De La Garza, *From the Fontera del Norte*, 1-23; Brian DeLay, *War of a Thousand Deserts: Indian Raids and the U.S.-Mexican War* (New Haven: Yale University Press, 2008), 177-182; Lindheim, *The Fontera del Norte*, 5-10.

wishful thinking. Nicholas Maillard, an abolitionist writer who loathed the new slaveholders' republic in Texas, wrote the British Lord Viscount Palmerston explaining that the Republic of Texas ceded the territory southwest of the Nueces River to the Frontera del Norte so that a free and independent federalist republic could be created there. Maillard willed the Frontera del Norte into permanent existence so that it would repel Texas expanding slavery into the Rio Grande borderlands.¹⁴

The French legation in Texas, headed by Jean Pierre Isidore Alphonse Dubois de Saligny, viewed the Frontera del Norte as a small political disagreement between Mexican federalists and centralists. In June of 1840, Canales, the Frontera's military leader, traveled to Galveston to appeal to politicians and merchants for support of his scheme to create a federalist republic on the Rio Grande. Dubois de Saligny described Canales as a terrible military leader and thought his movement to be doomed. The French diplomat harbored deep anti-Mexican feelings and did not give Canales's movement to break away from Mexico serious consideration. Neither the British nor French understood the true power of the Comanche Empire as it disrupted unity among Mexicans along the Rio Grande.¹⁵

Despite the increase in Comanche raiding and the fighting between centralists and federalists in the region, Dubois de Saligny saw great potential in the Rio Grande borderlands for France. Based on conversations he had with merchants in Galveston, Dubois de Saligny believed the Rio Grande to be navigable all the way to Santa Fe. He imagined Santa Fe to be the center of a vast New Mexican mining industry primed for French exploitation. French commercial agents

¹⁴ Nicholas Maillard to Lord Viscount Palmerston, September 15, 1840, in Ephraim Douglas Adams, ed. *British Diplomatic Correspondence Concerning the Republic of Texas, 1838-1846*, (Austin: The Texas State Historical Association, 1918), 27-29.

¹⁵ Dubois de Saligny to Thiers, June 26, 1840, in Nancy Nichols Barker and A. Dubois de Saligny, in *The French Legation in Texas*, (Austin: Texas State Historical Association, 1971), 149-152.

had long desired access to Santa Fe, but French loss of territorial claims in North America after the Seven Years' War ended the movement of French merchants to New Mexico. If the French could develop a colony on the Rio Grande, Dubois de Saligny believed he could be the one to finally give France the full access to Santa Fe it had always desired. Through his networks within the Republic of Texas and French diplomatic agents, Dubois de Saligny inquired about land grants along the Rio Grande in order to establish a strong French presence in a place that he viewed to be on the precipice of an economic explosion.¹⁶

Before he could establish a French presence in the Rio Grande borderlands, Dubois de Saligny, as representative of France, had to work to make an excellent impression on the American Texans for the July Monarchy. The July Monarchy was born out of a highly fragmented French society in July 1830. An entrepreneurial group of French journalists, bankers, businessmen, and lawyers harnessed the power of newspapers to overthrow the conservative Charles X and install the more liberal Louis-Philippe, Duc d'Orleans, to the throne.¹⁷ The liberal, middle-class, government that took power lasted eighteen years. It produced a rapid, if uneven, industrialization in France and increased competition with Britain for markets and imperial power overseas. With its new industrial output and evolving policy to undermine Britain, French foreign ministers sought Texas as a place to sell its products and establish a new imperial

¹⁶ Nancy Nichols Barker and A. Dubois de Saligny, in *The French Legation in Texas* (Austin: Texas State Historical Association, 1971), 27-28; David J. Weber, *The Spanish Frontier in North America* (New Haven: Yale University Press, 1992), 196-198.

¹⁷ By "liberal," I mean in the classical sense. They believed in free-trade and state-subsidized infrastructure to support entrepreneurial growth. Leaders also believed themselves to be men of modern thought and sought to make France a modern imperial nation. All of these characteristics tended to translate to France's relationship with Texas and its attempts to colonize the Rio Grande borderlands.

presence in the Americas. The July Monarchy sent diplomats and operatives to Texas to investigate the new republic on the Gulf of Mexico.¹⁸

In 1842, French merchant Alexander Bourgeois d'Orvanne, along with his partner, Armand Ducos, became key agents for France regarding the Rio Grande borderlands. The former mayor of Clichy-la-Garenne, Bourgeois had networks at the intersections between business and politics in France.¹⁹ In fact, the Minister of Agriculture and Commerce, Laurent Cunin-Gridaine, sent Bourgeois to the Texas territory to semi-officially pursue reconnaissance and provide his judgement on the economic prospects Texas presented to France. Ducos also had important ties in French political circles, including the Minister of Finance, Jean Lacave-Laplagne. Ducos went to Texas to investigate a property claim from a French expatriate Joseph Barthet. Bourgeois and Ducos, both agents of the French government, traveled across the Atlantic to Galveston where they sought to make inroads for France in the borderlands.²⁰

While Bourgeois traveled to Texas with the singular mission of information gathering, Ducos had multiple responsibilities. Primarily, Ducos was in Texas to investigate the Barthet claim and seek reparations on behalf of France. Joseph Barthet, a Frenchman who worked as president of the Improvement and Banking Company out of New Orleans, made a claim on James Grant's estate in 1838. Grant, the former empresario who was a partner with John Beales, died during the Texas rebellion against Mexico. He actually helped lead a misguided attack on Matamoros that ended in an absolute disaster for him and those under his command.²¹ Grant had taken a loan out from Barthet's bank and the Frenchman sought relief from Grant's estate. Barthet

¹⁸ For an excellent overview of the July Monarchy, see: H. A. C. Collingham and R. S. Alexander, *The July Monarchy: A Political History of France, 1830-1848* (New York: Longman, 1988).

¹⁹ The politics of the July Monarchy was constantly intersected with business interests.

²⁰ Dubois de Saligny to Guizot, June 1, 1842, June 8, 1842, and June 15, 1842, in Nancy Nichols Barker and A. Dubois de Saligny, in *The French Legation in Texas* (Austin: Texas State Historical Association, 1971) 334-338.

²¹ Stuart Reid, *The Secret War for Texas* (College Station: Texas A&M University Press, 2007).

had first contracted with Adolphus Sterne to investigate Grant's estate and file a claim against it on Barthet's behalf. Sterne, a merchant and lawyer from Cologne, smuggled guns for New Orleans volunteers during the Texas rebellion. His connections between New Orleans and Texas, alongside his European background, made him a perfect agent for Barthet to hire to make his claim. However, Sterne failed to get relief, leading Barthet to seek assistance from his home nation, France.²²

Ducos met with about as much success on the Barthet claim as Sterne, a mission Dubois de Saligny described as hopeless. In order to gain some relief for Barthet, Ducos partnered with Bourgeois and engaged the Texas government for two empresario grants. The wording of the contracts allowed Barthet the right to an equal share on both grants. Ducos may not have fully succeeded on his mission, but he got his client at least the prospect of recuperating his losses through acquisition of Texas land.²³

Dubois de Saligny became quite interested in Bourgeois and Ducos when they informed him that they were pursuing empresario grants from the Texas government. He immediately jumped to work to aid them in their quest. If they acquired land grants, he wanted to be involved to ensure France's imperial and speculative goals. Dubois de Saligny had become a staunch supporter of Sam Houston and his policies, giving him access to a powerful political network in Texas when Houston was president. Through Dubois de Saligny's networks, Bourgeois and Ducos obtained two separate empresario contracts from the Texas executive, one on the Medina

²² Dubois de Saligny to Guizot, June 15, 1842, in *The French Legation in Texas*, 337; Harriet Smither and Adolphus Sterne, "Diary of Adolphus Sterne," *The Southwestern Historical Quarterly* 30, no. 2 (1926), 146-150; "Public Documents Printed by the Order of the Senate of the United States, Third Session of the Twenty-Fifth Congress, December 3, 1838," Vol. IV, (Washington: Blair and Rives, 1839), 411; Edward L. Miller, *New Orleans and the Texas Revolution*, (College Station: Texas A&M University Press, 2004), 37-41;

²³ Bieseke, *The History of the German Settlements in Texas*, 62-70; *Handbook of Texas Online*, Rudolph L. Bieseke, "DUCOS, ARMAND," accessed November 19, 2018, <http://www.tshaonline.org/handbook/online/articles/fdu04>.

River outside San Antonio and the other on the Rio Grande. Excited for the success of his compatriots, the French diplomat rushed a missive to his confidant, the French Minister of Foreign Affairs, François Guizot: "these two concessions cannot fail to expand our interests and influence in Texas."²⁴

As much as Dubois de Saligny expected his work to produce great strides for himself and France, Bourgeois and Ducos had their own interests. They had to settle at least five hundred families on their contracted lands to receive any benefit from the Texas government. The partners needed to quickly finish their business in Texas and head back across the Atlantic to recruit colonists to settle in the Rio Grande borderlands.²⁵

Even with empresario contracts in hand, Bourgeois still had work to do to put together his report for the French Minister of Commerce. He found his job to be quite difficult because of all the threats that bore upon Texas. Initially, he thought the best route to be through the archives of Texas that had recently been installed in Austin. That proved to be a dead-end as the people of Austin buried the archives out of fear of a colossal Indian attack. This fear and the responses to it forced Bourgeois to have to travel throughout Texas and the Rio Grande borderlands to assess the commercial viability of the region through oral interviews.²⁶

In 1840, the Comanche Empire expanded to one of its largest iterations as raiding threatened areas as far east as Matamoros and south all the way to San Luis Potosí. One Comanche band attacked Linville on Lavaca Bay, pillaging and burning the town. News of the violence that Comanche raiders inflicted on their targets spread fears that transcended ethnicity as Mexican, Texan, and European alike prepared to defend against an attack that may or may

²⁴ Dubois de Saligny to Guizot, June 15, 1842, in *The French Legation in Texas*, 337-338.

²⁵ *Handbook of Texas Online*, Nancy N. Barker, "DUBOIS DE SALIGNY," accessed May 30, 2019, <http://www.tshaonline.org/handbook/online/articles/fdu02>.

²⁶ Bourgeois d'Orvanne to the Minister of Commerce, May 26, 1842, in *The French Legation in Texas*, 332-333.

never come. The Comanche and other indigenous groups remained the dominant power in the Rio Grande borderlands regardless of whatever claims American Texans, Mexicans, or Europeans made.²⁷

Bourgeois completed his reconnaissance without meeting any Comanche warriors. His report provides considerable insight into how the French viewed the Rio Grande borderlands. One of the overarching themes of Bourgeois's report was that the Nueces Strip could become the place where France would stem the tide of American and British expansion. He believed that American ideas in the Texas population had become a groundswell that threatened to sweep beyond the Rio Grande. In order to combat it, Bourgeois suggested the French subsidize the continued presence of Catholic clergy in the region. In addition to stopping the spread of the United States, the French needed to openly compete with the British in terms of both formal colonization and commercial expansion. In his travels, Bourgeois noticed an influx of British immigrants in the Texas territory and worried that their presence would influence the political views of the Texas government. Also, British goods imported to Texas were of a significantly higher quality than what the French were sending across the Atlantic. Much to his chagrin, Bourgeois noticed that unscrupulous French merchants passed off fermented American grapes as wines from Bordeaux or Burgundy. He worried actions like this injured the national reputation of French industry. Bourgeois's concerns demonstrate how preoccupied the French were with U.S. continental expansion and British global influence.²⁸

²⁷ DeLay, *War of a Thousand Deserts*, 80-85; Pekka Hämäläinen, *The Comanche Empire* (New Haven: Yale University Press, 2008), 221-223; Cruger & Moore, *Telegraph and Texas Register* (Houston, Tex.), Vol. 6, No. 15, Ed. 1, Wednesday, March 3, 1841, newspaper, March 3, 1841; Houston, Texas. (<https://texashistory.unt.edu/ark:/67531/metapht48124/>; accessed April 26, 2019), University of North Texas Libraries, The Portal to Texas History, <https://texashistory.unt.edu>; crediting The Dolph Briscoe Center for American History.

²⁸ Bourgeois D'Orvanne to the Minister of Commerce, July 4, 1842, in *The French Legation in Texas*, 344-348.

In order to reap the benefits that everyone seemed to believe the future of the borderlands offered, Bourgeois provided a list of recommendations that the French Minister of Commerce should consider. Primarily, he wanted France to quickly pursue the creation of firm boundaries between Texas, the United States, and Mexico. He believed the permeable frontiers created constant hostility between Texas and Mexico, as well as opened Texas to annexation by the United States. Both situations were harmful to French interests and commercial hopes. He also imagined that established borders would end Indian raiding. Bourgeois inherited French notions of modernity. For the Frenchman, the idea of nation and territory were inextricable. Bourgeois did not recognize the legitimacy of the Comanche in the borderlands because they made no formal boundary claims. The Republic of Texas needed to have an internationally recognized politicized boundary line to be a legitimate nation-state. Anything less would mark Texas as being as backward as Mexico and that it teetered precariously on the verge of savagery.²⁹

To ensure the best outcome for France, Bourgeois suggested that the state should sponsor an emigration program to the Rio Grande borderlands so that French citizens "would carry with them our tastes, our customs, our needs, our principles, and the memory of their native land."³⁰ The best way to orient the Rio Grande borderlands toward France was to have French citizens populate the region. European emigration took a rapid uptick in the 1840s and Bourgeois wanted to capitalize on it. Most French migrants up to 1842 moved to Algeria, which had come under French domain in 1830. Bourgeois hoped to redirect emigrants to the Rio Grande borderlands so that they may modernize the region according to French precepts.³¹

²⁹ Bourgeois D'Orvanne to the Minister of Commerce, July 4, 1842, in *The French Legation in Texas*, 344-348; Thongchai Winichakul, *Siam Mapped: A History of the Geo-Body of the Nation* (Honolulu: University of Hawaii Press, 1997), 16; Peter Sahlin, *Boundaries: The Making of France and Spain in the Pyrenees* (Berkeley: University of California Press, 1991), 7.

³⁰ Bourgeois D'Orvanne to the Minister of Commerce, July 4, 1842, in *The French Legation in Texas*, 348.

³¹ C. A. Bayly, *The Birth of the Modern World, 1780-1914: Global Connections and Comparisons* (Malden, MA: Blackwell Publishing, 2004), 112-134.

Finally, Bourgeois wanted to ensure French access to the Rio Grande. Like most Europeans in the 1840s, Bourgeois believed the Rio Grande to be an essential waterway for inland shipping. French smugglers like Jean Lafitte and Ramon LaFon made substantial profits moving goods up the Rio Grande during the late Spanish era. Since Mexico's independence, the population of French merchants in Matamoros had increased. One of the most prolific European scientists in the borderlands, Jean-Louis Berlandier, published his calculations about how far various sized boats could travel upriver. He supposed flat-bottomed boats could cruise hundreds of miles inland. Bourgeois, collecting all this information, believed the best route to exploit such a promising new market would be through the concession of Point Isabel to France. At the mouth of the river, Point Isabel acted like a Gibraltar for the Rio Grande. Bourgeois concluded that the concession, along with the establishment of a state-supported French company in the region, would divert the Santa Fe trade to France.³²

When Bourgeois had acquired enough information to file his report, he departed the borderlands to join Ducos in recruiting colonists. In fact, he wrote the report on the ship returning to France. The report's focus on the Rio Grande and the issue of French emigration suggests that Bourgeois included his own interests while seeking to acquire the aid of the French government for his colonization scheme. In some ways, it worked. While he and Ducos were in eastern France recruiting farmers to colonize their grants, the French Minister of Interior became concerned about their actions and threatened to shut it down, fearing that the prospective colonists would be exploited. The July Monarchy was always in a tenuous state and most ministers avoided actions that might spur popular resentment among the poor.³³ However, other

³² Bourgeois D'Orvanne to the Minister of Commerce, July 4, 1842, in *The French Legation in Texas*, 348; Pat Kelley, *River of Lost Dreams: Navigation on the Rio Grande* (Lincoln: University of Nebraska Press, 1986), 24-25.

³³ Collingham, *The July Monarchy*, 19-21.

members of the French diplomatic community came to their aid. The Minister of Foreign Affairs, François Guizot, wrote the French Minister of Interior to settle his concerns. He claimed that Bourgeois and Ducos "present no suspicion of improper conduct or fraudulent speculation."³⁴ Guizot apparently agreed with Bourgeois' report and recognized that colonizing the Rio Grande borderlands with French citizens would give the French significant advantages, regardless of what might happen to the emigrants.

Even with the support of the French government, Bourgeois and Ducos failed to recruit enough French migrants to settle on their grants. Ducos essentially gave up on the venture in 1843 as the deadline to settle at least one-third of the total number of colonists came up on December 3rd of that year. Bourgeois, though, pressed eastward across the Rhine River to entice German-speaking people to settle in the Rio Grande borderlands. He made positive connections with German princes and became associated with an organization that called itself the Society for the Protection of German Immigrants.³⁵

The German principalities sought space for their people overseas in the 1840s as one strategy to offset the economic and social crises that affected agricultural regions throughout Europe. The U.S. Panic of 1837 was part of a larger global economic downturn that gripped Europe for most of the 1840s. Further, industrialization in the Rhineland took a heavy toll on the people in the southwest of the German-speaking territories, particularly Baden and Bavaria. Artisans were hit hard as industrial production displaced their work and contributed to a glut in labor supply. Pauperism became a serious problem for the German principalities to deal with. The 1840s also witnessed an explosion in the population of the German-speaking territories

³⁴ Guizot to the Minister of Interior, February 16, 1843, in *The French Legation in Texas*, 413.

³⁵ Bieseke, *The History of the German Settlements in Texas*, 71-76. In German the Society was called *Verein zum Schutze Deutscher Einwanderer*.

creating land and food pressure on top of the rampant pauperism. Rather than risk this volatile mix of poverty and desperation leading to violent revolt, German leaders turned to emigration as a method to ease the pressure. The Society for the Protection of German Immigrants was part of that program.³⁶

Bourgeois saw the benefit of the Society and the wealth of the twenty-one German noblemen who backed it and jumped at the opportunity. Regardless of his report about settling his grant with French citizens to expand French influence, he wanted to meet the terms of his contract to receive his bonus of title to the choicest lands in his grant. He recognized that the Society was serious about German emigration and sought to capitalize on the Society's vigor.³⁷

Bourgeois made two key decisions when he engaged the German society. First, he decided to abandon one of his empresario grants, giving up on the Rio Grande grant to focus on the Medina grant. He likely made this decision because his lands on the Rio Grande were more precarious than those on the Medina. Mexican army personnel crossed the Rio Grande and occupied parts of Bourgeois's grant twice in 1842. Additionally, Mexican landowners had documented title to most of the land in Bourgeois's grant that ran back to the days of Escandón.³⁸ Finally, the Nueces Strip proved to be an undesirable place for Europeans who saw it. One Swiss traveler wrote of the land north of the Rio Grande, "the most dreadful monotony seems to augment the ennui which one breathes here."³⁹ The Medina grant also offered certain benefits.

³⁶ David E. Barclay, "Political Trends and Movements, 1830-1850: The *Vormärz* and the Revolutions of 1848-1849," in Jonathan Sperber, ed. *Germany 1800-1870*, (Oxford: Oxford University Press, 2004), 46-68; Bayly, *Birth of the Modern World*, 158-160.

³⁷ Bieseke, *The History of the German Settlements in Texas*, 1-6; Tara Zahra, *The Great Departure: Mass Migration from Eastern Europe and the Making of the Free World* (New York: W.W. Norton & Company, 2016), 3-42.

³⁸ Florence Johnson Scott, *Historical Heritage of the Lower Rio Grande; a Historical Record of Spanish Exploration, Subjugation and Colonization of the Lower Rio Grande Valley and the Activities of José Escandón, Count of Sierra Gorda*, (Rio Grande City: La Retama Press, 1970).

³⁹ Jean Louis Berlandier, *Journey to Mexico during the Years 1826-to 1834*, vol. 2, (Austin: Texas State Historical Association in cooperation with the Center for Studies in Texas History, University of Texas at Austin, 1980), 422.

There was already a considerable and growing population of German-speaking immigrants in the area around San Antonio de Béxar and the Medina grant lay only about sixty miles west of the town. All of these conditions likely led Bourgeois to abandon his claim to the Rio Grande grant.

The second key decision he made was to attempt to inextricably tie the Society for the Protection of German Immigrants to the Republic of Texas through financial agreements to keep Texas attached to Europe and gain an extension for his empresario contracts. In the spring of 1843, he opened and managed negotiations between Ashbel Smith, the ambassador of the Republic of Texas to France, and the Society. He convinced the Society to offer a loan to the Republic of Texas for one million dollars to ensure the republic remained in existence through the Society's colonization process. Smith conferred with Bourgeois about the terms of the loan, then submitted it to the Texas Secretary of State, Anson Jones. Other than a stipulation that gave the Society remission of tariffs of up \$200,000 a year for ten years, Smith found it an excellent agreement and encouraged his superiors to consider it.⁴⁰

The loan and Bourgeois' relationship with the Society soon dissolved. The American Texans and the Germans could not agree on the tariff details of the loan and Bourgeois proved an inadequate middleman to fulfill the needs of both sides. They decided to adjourn discussions until June 1844.⁴¹ That timeframe extended beyond his contract's deadline. Bourgeois desperately needed Texas to renew his contract and kept at the topic. However, by the time Bourgeois could renew discussions between the Germans and American Texans, the Society removed Bourgeois from its association. Prince Carl of Solms, a key investor in the Society, traveled to Texas with Bourgeois to investigate the lands within his Medina grant. Solms found

⁴⁰ Smith to Jones, October 14, 1843, in George P. Garrison, ed., *Diplomatic Correspondence of the Republic of Texas*, vol. 2, part 3, (Washington: Government Printing Press, 1911), 1467-1468.

⁴¹ Bourgeois to Anson Jones, April 20, 1844, in *Diplomatic Correspondence of the Republic of Texas*, vol. 2, part 3, 1561-1562.

that most of the grant was bad land and hilly country. Solms considered it a positive turn of events for the Society that the loan through Bourgeois never came to fruition to allow for the renewal of his grant. Bourgeois's shell game was over.⁴²

The entire project failed before Bourgeois could settle a single colonist on his grants, but that should not preclude his colonization venture from study. In his entrepreneurial maneuverings to acquire title for Texas lands in the Rio Grande borderlands, Bourgeois encouraged the French government to seriously consider direct colonization of Texas, decided to colonize with German-speaking families instead of French, shrugged the responsibility of colonization onto German nobles, and convinced the Texas foreign office that they could acquire a one million dollar loan from the same German nobility in order to extend his contracts with the Texas government. Though he ultimately failed in his speculative scheme, Bourgeois's example provides insight into how European-born entrepreneurs could utilize states for their own ends and how these speculators imagined the future commercial success of the Rio Grande borderlands to be tied to Europe. Moving people from Europe to the borderlands, having them impose their culture on the region, and then selling those migrants goods from Europe remained a central pillar of their strategies.

⁴² Bieseke, *The History of the German Settlements in Texas*, 75-76.

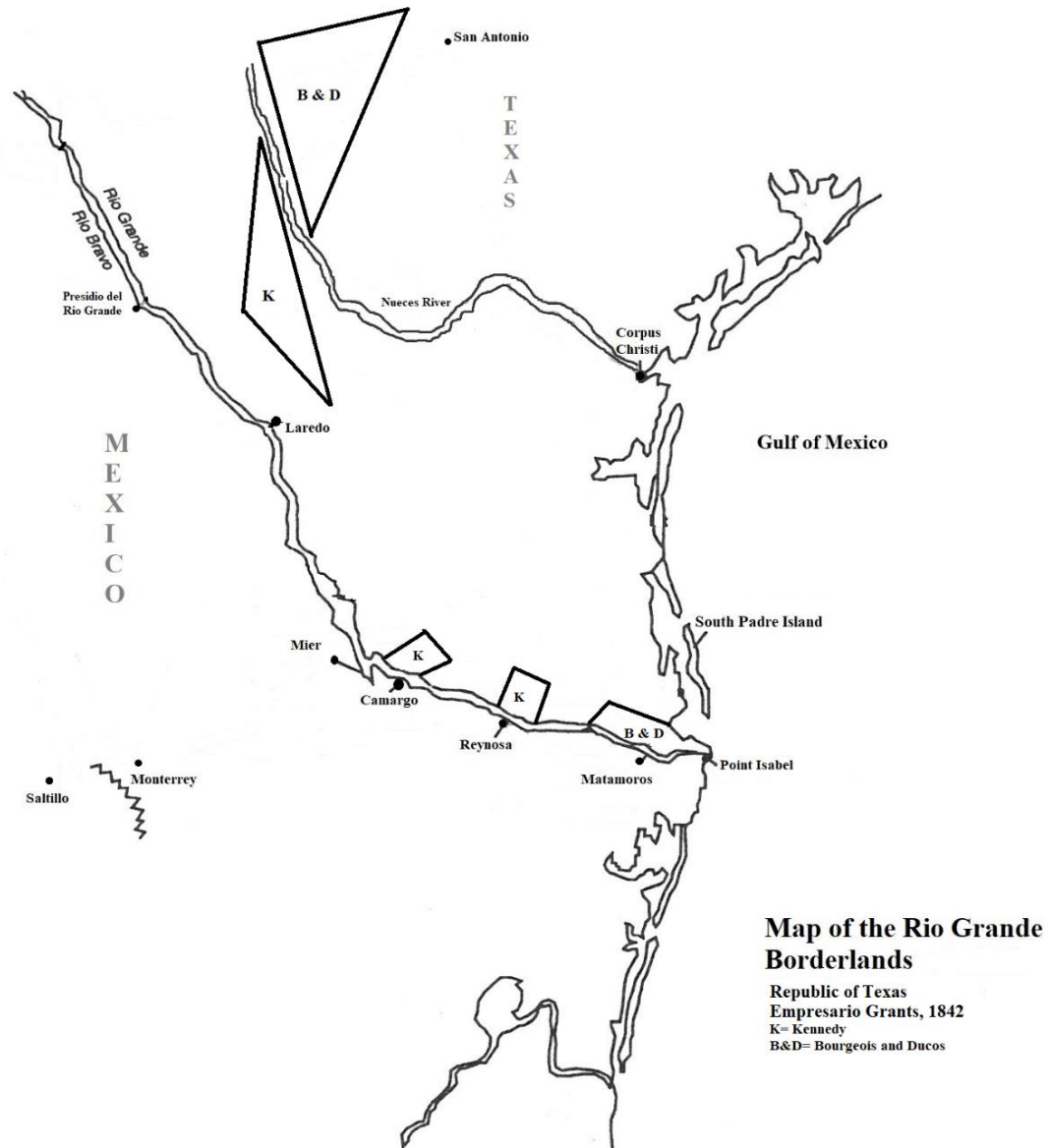


Figure 6 Map of the Rio Grande Borderlands Empresario Grants, Republic of Texas

The British sought many of the same goals as the French, and British entrepreneurs proved just as eager to attain state assistance. One particularly gifted individual was William Kennedy. Kennedy, born in Scotland and raised in Ireland, became a journalist interested in how the British Empire functioned. In 1838, he accompanied the Earl of Durham to Canada as a

minor diplomat. Afterward, Kennedy stayed in North America to explore the United States and investigate its state legislatures. He wanted to know how the legislatures worked in order to suggest applications of their functions of local rule in Ireland. When he learned of the new republic formed in Texas, he traveled there and saw opportunity in both land and politics.⁴³

In order to gain access to Texas land and politics, Kennedy fell back on his journalistic abilities. While in Texas, he collected data about its history and how its government functioned. He used that data to publish a book, *Texas: The Rise, Progress, and Prospects of the Republic of Texas*. Kennedy's goal for *Texas* was to help build diplomatic ties between Texas and Britain by highlighting a shared Anglo heritage. He learned through his travels in the United States that Americans tended to hold the British in contempt and wanted American Texans to feel otherwise about his compatriots. The book became an idealized description of Texas and American Texans, lauding the land, climate, and hearty nature of the American colonists who migrated there. At the same time, it denigrated Mexico as a "mixed population which, under the general name of Mexican, lay scattered within and adjacent to the Tropic."⁴⁴ Kennedy's *Texas* sought to connect the British and American Texans by painting Mexicans as being unable to properly develop the area because of their racial inferiority.

His second goal was to spark greater interest in Europe for Texas. The epigraph he chose for the book, from French diplomat Francois Barbé-Marbois, hints at the strategic thrust to bring Texas and Britain together: "Texas is one of the finest countries in the world; and yet the Europeans, eager as they have been to make conquests in America, have seemed, almost to the

⁴³ Adams, *British Diplomatic Correspondence*, footnote, 43.

⁴⁴ William Kennedy, *Texas: The Rise, Progress, and Prospects of the Republic of Texas*, Reprinted from the second edition in one volume, (Fort Worth, Texas: The Molyneaux Craftsmen, Inc, 1925), xix.

present day, ignorant of its existence."⁴⁵ The book tried to build connections to the "Anglo-American"⁴⁶ Texans for the British reader and explain how beautiful the land would be for a British emigrant.

Kennedy spent a significant portion of his book discussing the Nueces Strip, in part because he acquired much documentation from Beales's Rio Grande and Texas Land Company. His two most important documents related to the Rio Grande borderlands were William Egerton's investigative notes and John Beales's journal of the Dolores colony's settlement. Kennedy plucked the most positive details from their writings in order highlight all the beneficial aspects of Texas. Early in the book, Kennedy describes the land between the Nueces and the Rio Grande as "well adapted to farming" and "not to be surpassed for the raising of stock."⁴⁷ He goes on to compare the Rio Grande to the Mississippi and Orinoco rivers.⁴⁸ Similarly, Kennedy regurgitates Egerton's belief that Matamoros would become the next New Orleans, a vast port city to connect the Rio Grande borderlands with the entire Atlantic World. Whole sections of his book look almost like advertisements for Europeans to choose the Rio Grande borderlands for their future homes.⁴⁹

Texas gave the British writer access to many Texas leaders, including Sam Houston. Houston had read Kennedy's book and met him personally. The Texas president found Kennedy quite charming.⁵⁰ He also thought Kennedy might further Texas's standing within the British

⁴⁵ Kennedy, *Texas*. The quote was placed on the title page of the second edition of the book.

⁴⁶ Kennedy intentionally used the term Anglo-American to connect American Texans to England.

⁴⁷ Kennedy, *Texas*, 17-18. The passages Kennedy used to describe the Rio Grande early in the book were cribbed directly from Egerton's report on the region.

⁴⁸ Both rivers were the most recognizable rivers in the Americas. They remain two of the longest rivers in the Americas and both are navigable for most of their lengths. The Rio Grande was definitely not navigable for its entire length. In fact, steamships rarely made it farther upriver than Laredo, and even then, only in times of very high water. Egerton, however, promoted the navigability of the Rio Grande in his report. See: Kennedy, *Texas*, 53-60.

⁴⁹ Kennedy, *Texas*, 53-60.

⁵⁰ Sam Houston to William Kennedy, January 28, 1842, in Sam Houston & Eugene C. Barker, *The Writings of Sam Houston, 1813-1963*, vol. 2, (Austin: University of Texas Press, 1939), 450.

government. Kennedy, for his own part, accepted that role, but strove to make personal gains from his relationship with Texas leadership. In their conversations, Kennedy found that Houston and others were particularly interested in promoting European immigration to Texas. Since Kennedy's book was essentially a device designed to do just that, he received empresario contracts near where Beales's contract had been. He also earned an official position as Consul General of Texas to Great Britain. Like he had done with Bourgeois, and Ducos, Houston gave Kennedy the political means and economic incentive to convince European emigrants to move to the Rio Grande borderlands. Kennedy had the opportunity to succeed where Beales had failed in creating a British-led colony on the Rio Grande.⁵¹

Like his French counterparts, Kennedy tried to take advantage of every situation to sell the idea of populating his empresario contract with European emigrants to European state agents. By the time he got to Austin in early 1842, the economic situation in Texas had become dire. Kennedy noticed in his travels through New Orleans to Galveston that the financial situation in North America had reached desperate levels as the economic fallout of the Panic of 1837 continued. However, the depression kept the United States and Mexico from taking over Texas, leaving a prime opportunity for Britain. He wrote to George Hamilton-Gordon, Earl of Aberdeen and Secretary of State for Foreign Affairs, that if Texas remained an independent state, a British colony could be developed in Texas. The colony "would render her prosperous and populous supplying to British Emigrants a new field for their industry, and to our Manufacturers a profitable Market for their goods."⁵² Not only would a colony be profitable for Kennedy, but for all of Britain. He connected his own entrepreneurial success with the health of the British Empire.

⁵¹ Weaver, *Castro's Colony*, 14-16.

⁵² Kennedy to Aberdeen, Jan. 10, 1842, in *British Diplomatic Correspondence*, 56.

Kennedy did not tarry after he received his appointment as consul and his empresario contracts. In only a few months he built up a number of investors for his colonization program, two of whom were Scottish born. James H. Grieve, a lawyer, speculator and explorer, joined Kennedy because of his interest in lands in southwest Texas. In his travels, Grieve built positive relationships with Indian groups and became an important transmitter of information regarding Indian movements and motivations for the prospects of Kennedy's colony.⁵³ Kennedy hoped that Grieve would act as diplomat with the Comanche to stem the potential of a Comanche attack that the Beales colony always faced. Additionally, Robert Robson, a Scotsman from Dumfries who became a colonel in the Texas army, invested in Kennedy's enterprise. He gained vast wealth through slave labor and owned two separate plantations in Texas that produced cotton for export. Hoping to expand his holdings southwest, Robson invested a considerable amount of money on Kennedy's venture and even housed and supplied the survey crews tasked with plotting the land in the contracted grants.⁵⁴ It is likely that Grieve and Robson encouraged Kennedy to enlist Scottish colonists to settle in his grant. By the summer of 1842, Kennedy made straight for Scotland to begin recruiting colonists to make good on his contract.

While only tacitly acting as a consular official between Texas and Britain, Kennedy focused on populating his empresario grant. He claimed to Lord Aberdeen that he was in Scotland to visit old friends and new acquaintances; though he made a point to mention that he thought organizations like the Engineers Association of Scotland would make excellent sources to recruit unemployed workmen to emigrate to the Rio Grande borderlands. Kennedy, the savvy

⁵³ Carl Solms-Braunfels et al., *Voyage to North America, 1844-45: Prince Carl of Solms's Texas Diary of People, Places, and Events* (Denton: German-Texan Heritage Society and University of North Texas Press, 2000), 35; William Bollaert, *William Bollaert's Texas*, ed. W. Eugene Hollon and Ruth Lapham Butler (Norman: University of Oklahoma Press, 1956), 331.

⁵⁴ Bollaert, *William Bollaert's Texas*, 242-243.

journalist, used his writing skills to make subtle suggestions to the British Secretary of Foreign Affairs to benefit his empresario venture.⁵⁵

In addition to powerful government agents like Lord Aberdeen, Kennedy could count on approval from Parliament to help him recruit emigrants from Scotland. By 1842, Scottish industrialization had taken off and, for the first half of the nineteenth century, Glasgow often outpaced Manchester for output of textile products. Scottish success to rapidly industrialize compounded serious demographic displacements. Advances in agricultural production worldwide led to a drop in prices of the grains and oats Scottish farms produced in the late 18th and early 19th centuries. Landowners turned to more profitable products like sheep and cattle, displacing tenant farmers who migrated to urban areas to seek work. Additionally, because Scottish industry grew so quickly and efficiently, it drew labor migrants from England, Wales, and Ireland resulting in a broad and diverse group of extremely poor laborers in Scottish cities. While many members of Parliament agreed that the situation of the poor in Scotland needed to be rectified, few agreed on the means to do it.⁵⁶

One method Parliament considered in rectifying the situation of the poor in Scotland was emigration. Members of the House of Commons became aware in 1842 that the Poor Laws enacted for Scotland had done little to ease conditions there as the number of those living in abject poverty increased daily. Edward Ellice, a Scottish politician and member of the Liberal Party, proposed changes to the Scottish Poor Law to allow for using public funds to assist the poor in Scotland to emigrate out of the country. He believed that publicly supported emigration policies needed to be backed with other funding to ensure that those left behind would not suffer

⁵⁵ Kennedy to Aberdeen, August 01, 1842, in *British Diplomatic Correspondence*, 93.

⁵⁶ Sir George Nicholls, *A History of the Scotch Poor Law, in Connexion with The Condition of the People* (London: Knight & Co.: 1856), 205; I.G.C. Hutchison, "Workshop of Empire: The Nineteenth Century," in Jenny Wormald, ed., *Scotland: A History* (Oxford; New York: Oxford University Press, 2005), 207-240.

greater destitution than before their relatives left the country. He worried deeply that the situation within the urbanized lowlands may turn "fatal to the health and tranquility of the people."

Emigration along with general poor relief remained a serious option.⁵⁷

That Ellice brought the notion of publicly funded Scottish emigration to the floor of Parliament in the summer of 1842 might not have been a coincidence. Ellice and Kennedy knew each other, as both worked on Secretary Lord Durham's diplomatic team for a year in Canada. They clearly interacted in the same social networks that revolved around Lord Durham. Kennedy probably knew that Ellice's family owned large tracts of land in both Scotland and Canada and that Ellice would be attracted to acquiring more landholdings in the Americas. It is quite possible that when Kennedy traveled to Scotland to recruit colonists, he contacted his old colleague, now seated in the House of Commons, to see what he could do to make the movement of Scottish colonists to Texas easier.⁵⁸

Kennedy's hard work to promote his Texas lands in Scotland did not achieve the success he desired. Conflict in the Nueces Strip caused Kennedy and Lord Aberdeen significant vexation. Mexican military forces engaged in strategic raids on San Antonio and the Nueces Strip. In March 1842, General Rafael Vásquez crossed the Rio Grande and drove straight to San Antonio. The surprise attack succeeded, and he quickly took the city. Before Texas could organize a counterattack, Vásquez retreated back south of the Rio Grande, taking over a hundred prisoners with him. His attack demonstrated to Texas, and Europeans watching events, that the Rio Grande proved a highly permeable boundary.⁵⁹

⁵⁷ *Hansard Parliamentary Debates*, "Poor Law (Scottish)," HC June 17, 1842, v. 64, <http://hansard.parliament.uk> (accessed December 3, 2018).

⁵⁸ Jonathan Spain, "Ellice, Edward (1810–1880)", *Oxford Dictionary of National Biography*, (Oxford: Oxford University Press, 2013), <http://www.oxforddnb.com/view/10.1093/ref:odnb/9780198614128.001.0001/odnb-9780198614128-e-8651> (accessed December 06, 2018).

⁵⁹ Campbell, *Sam Houston*, 120-121.

Six months later, Mexico drove home the point that the Rio Grande remained an insecure border. General Adrián Woll, who grew up in France and became an officer in the Mexican army, led a new assault against San Antonio in September 1842. Woll successfully captured the city, marking the second time in a year that Mexican troops occupied San Antonio. Texas volunteers quickly reacted and engaged Woll's troops in a pitched battle at Salado Creek outside the city. The American Texans prevailed and Woll retreated back across the Rio Grande. Texas, then, took the initiative and launched an offensive on Mexican towns located south of the Rio Grande. Divided and poorly led, the Texas campaign fizzled at Mier by the end of the year. All of the fighting in the Rio Grande borderlands in 1842 showed Europeans the instability of the region.⁶⁰

By the time of Woll's invasion in September 1842, Kennedy understood that he could not settle colonists in a land wracked with constant warfare. Aberdeen noticed the same and wanted a stronger British voice in both Mexico and Texas to help alleviate the violence. Rather than use Kennedy as a tool to promote British colonization to Texas, Lord Aberdeen appointed Kennedy to be the British consul-general to Texas at Galveston. Aberdeen wanted Kennedy to use the clout his book created in Texas to advance a British oriented agenda in Texas. Namely, Kennedy was to promote greater trade between Texas and Britain and encourage Texas to adopt policies to abolish chattel slavery. Within a year, Kennedy shifted positions from journalist to author to empresario to Texas consul in London to British consul in Galveston. Kennedy jumped into his new post with vigor. However, he had to rearrange his affairs as an empresario in Texas.⁶¹

⁶⁰ Sam W. Haynes, *Soldiers of Misfortune: The Somervell and Mier Expeditions* (Austin: University of Texas Press, 1997); Campbell, *Sam Houston*, 122-124.

⁶¹ Kennedy to Aberdeen, May 22, 1843, in *British Diplomatic Correspondence*, 195-196; Torget, *Seeds of Empire*, 239-242.

When he acquired his post as consul at Galveston, Kennedy sold his rights to his empresario contracts, but did not surrender his interests in colonizing the Rio Grande borderlands. He helped negotiate a new contract with the Texas government that put his most trusted associate and agent in London, William Pringle, as the primary empresario of record on a new conglomeration of investors interested in settling British colonists in the borderlands. William Pringle was the son of Thomas Pringle, a Scottish poet who Kennedy admired. After his death, Kennedy wrote the epitaph for the elder Pringle's tombstone.⁶² Through all the time he spent exploring the Americas, Kennedy relied on William Pringle to handle his affairs in Britain. The new empresario contract was both a reward for Pringle's service and a way for Kennedy to remain a part of the venture. According to Lord Aberdeen, Kennedy had to contain all of his business activities within the Galveston area. Wanting to retain his hold on a potentially lucrative government position, Kennedy told Lord Aberdeen that he sold all of his interests in lands in the Rio Grande borderlands and would confine himself to act only in the capacity as an agent of the British government.⁶³ Pringle, on the other hand, could act any way he pleased regarding the lands near the Rio Grande. Pringle's contract, signed November 1, 1843, was almost identical to Kennedy's contract along the Nueces River. Only the names changed. Pringle, James Grieve, and Associates agreed to take on the responsibility to introduce six hundred families into the Rio Grande borderlands within three years' time.⁶⁴

The new company executed its contract with a two-pronged strategy. Pringle handled the European operations, trying to recruit colonists to travel across the Atlantic and mobilize political forces in London to make the process as easy as possible. Grieve had the responsibility

⁶² Sidney Lee, ed., *Dictionary of National Biography*, vol. XLVI, (New York: MacMillan and Co., 1896), 389-390.

⁶³ Kennedy to Aberdeen, October 24, 1842, in *British Diplomatic Correspondence*, 120.

⁶⁴ "Colonization Contract Between the Republic of Texas and William Pringle, James Grieve, and Associates," Copy, November 1, 1843, reprinted in *William Bollaert's Texas*, 380-384.

of surveying and mapping the lands in order to effectively be able to distribute title to the colonists who arrived. Grieve's survey team included William Bollaert, a British chemist, who kept a journal of his explorations of the Kennedy grant that illustratively contrasts the company's expectations for the Rio Grande borderlands with the reality of the region.⁶⁵

Foremost among the company's expectations was that the Rio Grande was navigable. What the survey team found on their travels never challenged their notions. Based entirely on hearsay and legend, Bollaert accepted the fact that an American navigated the river from Santa Fe to the Gulf of Mexico.⁶⁶ The survey crew never traveled far enough south to confirm or deny the legend. They remained almost entirely within the granted lands located along the Nueces River. Though Bollaert noted the severe lack of water in the region as well as descriptions of the ease with which Mexicans forded the Rio Grande, he never once questioned in his journal whether or not colonists could use the river to ship their goods to Matamoros.

The survey party's notions of the benefits of the Rio Grande played into other expectations the British surveyors had for the colony. Primarily, they believed that the settlements they built would replace San Antonio as the centers of trade in the Rio Grande borderlands. With a flare of haughtiness, Bollaert described San Antonio as a town filled with German and French merchants who he saw as contaminated by indolence and delay. He could not believe them able to compete with a well-established British colony. He imagined that, upon the land he described as poorly watered and filled with skunks and rattlesnakes, a thriving British town would rise to intercept the trade from throughout the Rio Grande borderlands and even

⁶⁵ Bollaert still called it the Kennedy grant even after Kennedy withdrew for the Galveston consulship.

⁶⁶ Bollaert, *William Bollaert's Texas*, 334.

draw in more of the market from Chihuahua. He basically ignored everything he saw about the country around him in favor of bad research and British industriousness.⁶⁷

The conclusion of Bollaert and Grieve's investigation of the Kennedy grant coincided with a reinvigoration of popular movements in the United States and Texas for annexation. This news riled British merchants in Texas who organized to craft a petition to Lord Aberdeen that should the United States annex Texas, Americans would gain a monopoly of trade in North America cutting out all opportunities for European traders. Kennedy received the petition, had Bollaert and Grieve sign it, and forwarded it to Aberdeen. Annexation would be a total disaster for his goals in Texas. He needed Britain to do whatever in its power to prevent it.⁶⁸

Shortly after signing the petition, Bollaert left Texas. He never had the opportunity to return to fulfill the contract or acquire the lands he desired. Within a few weeks, the project had been shelved indefinitely. One reason the venture was put on hold was that Kennedy intensely feared U.S. expansion in North America. By the fall of 1844, Kennedy recognized the precariousness of his grant in the path of American expansion. The piece of evidence that really spooked him was the "Raleigh Letter" that Henry Clay had published in the *National Intelligencer* in April 1844. Within, Clay outlined how the American people should temper their stance toward Texas. The United States had made binding international agreements to exclude Texas from its national body and should adhere to those agreements. However, Clay claimed that if any European nation attempted to colonize Texas lands, the United States should swiftly interfere. He declared for a full call to arms to prevent foreign powers from subjugating Texas.⁶⁹

⁶⁷ Bollaert, *William Bollaert's Texas*, 350.

⁶⁸ Ephraim Douglass Adams, "British Correspondence concerning Texas, XV" in *The Southwestern Historical Quarterly* 19, no. 1, (July 1915) 91-93.

⁶⁹ Henry Clay and Calvin Colton, ed., *The Works of Henry Clay Comprising his Life, Correspondence and Speeches*, vol 3, (New York: G.P. Putnam's Sons, 1904), 25-30.

Clay, who everyone understood to be against Texas annexation, would compromise his stance if it meant keeping Europeans, particularly the British, out of the Americas to forward his American System of building a strong domestic American market.⁷⁰

After reading Clay's speech, Kennedy distanced himself and the British government from the Texas empresario program. As the British consul-general to Texas, Kennedy had far more invested in Texas than just his empresario grant. His entire diplomatic career revolved around an open relationship between Texas and Britain. The last thing he wanted to do was be responsible for turning one of the most powerful men in the United States into a proponent for U.S. expansion into Texas. Kennedy turned his attention to the possibility of expanding sugar production in Texas, hoping to encourage American Texans to remain independent from the United States with offers of low tariff rates on both cotton and sugar. Because Kennedy blended his political goals with his economic speculations, a threat to one proved a threat to both.⁷¹

Kennedy's hopes for Texas died when the United States Congress passed the annexation bill on the last day of February of 1845. All Texas empresario contracts were put on notice for termination. The Texas state constitution soon after made it official, suspending all colonization contracts made by the Republic of Texas. Colonists who had settled retained their rights to the land, but contractors would have to pursue legal recourse with the state of Texas to receive any indemnity. Texas was to become a part of the United States. The geopolitics of the Atlantic world turned against Kennedy's colonization venture.⁷²

⁷⁰ Daniel Walker Howe, *What Hath God Wrought: The Transformation of America, 1815-1848*, (New York: Oxford University Press, 2007), 270-275.

⁷¹ Kennedy to Aberdeen, February 26, 1845, in *British Diplomatic Correspondence*, 451-453.

⁷² William F. Weeks, *Debates of the Texas Convention*, (Houston: J.W. Cruger, 1846), 35.

Bourgeois, Ducos, and Kennedy failed to fulfill their empresario contracts and attain wealth through vast tracts of Texas land. Bourgeois and Ducos manipulated powerful French and German leaders to support their settlement scheme. Bourgeois particularly became trapped within his own web of misrepresentation. Kennedy's failure proved even more disastrous for him because he lost his empresario grant and blundered his primary agenda as consul-general to Texas. Kennedy gambled on the geopolitics of expanding settlement in the Rio Grande borderlands and lost to American expansionism. However, all of their schemes reveal the manner by which Europeans sought to modernize the Rio Grande into a new center for European marketing. Bourgeois and Ducos anticipated the importance of Point Isabel to the Rio Grande. Though settlement never materialized on their Rio Grande grant, they sought to build a significant French presence where Atlantic shipping would come into the Rio Grande borderlands. Kennedy utilized his publications to both generate interest in the region and promote modernization through English industriousness. The imposition of the English culture of hard work would reform the borderlands into a center for Atlantic trade. Bollaert essentially repeated the same mentality in his survey journal. Their failures expose the way European-born entrepreneurs envisioned their place in the future of the borderlands.

From the time of José de Escandón's mixed colonies to William Kennedy's frustrations, European-born entrepreneurs viewed the Rio Grande borderlands as a place of great potential that needed European settlement to make it into an integral source of natural resources and a market for European products. Problematically for the entrepreneurs who undertook the risk, formal colonization schemes only met with limited success and resulted in lots of failure. While not successful, the colonization strategies maintained European interest and presence in the region. The failed colonization projects coincided with a growing community of European-born

entrepreneurial merchants in the already established borderlands towns. These merchants became the primary medium for other attempts at reorienting the borderlands toward the Atlantic economy.

CHAPTER 4

"TRANSNATIONAL MERCANTILE NETWORKS IN THE RIO GRANDE BORDERLANDS"

The United States annexation of Texas ended William Kennedy's dream of creating a British colony in the Rio Grande borderlands. The subsequent U.S.-Mexico War went further to drive home the point to the entire world that Americans were going to control all of the territory down to the Rio Grande. In addition to driving British influence out of Texas, Americans also wanted to push the U.S. market southwest to the Rio Grande to exclusively sell American-made manufactures in the borderlands. American merchants followed U.S. troops to the Rio Grande borderlands. Together, the U.S. army and a growing American merchant elite set to making the region into an American space.¹

With Americans taking over the Nueces Strip, European-born entrepreneurs had to adapt to the changed political economy of the Rio Grande borderlands. Rather than focus on settlement, European-born entrepreneurs who wanted to exploit the perceived wealth of the borderlands concentrated on commercial competition. They adopted strategies to tie the Rio Grande to the Atlantic World through vast interlocking, multiethnic networks that combined

¹ Amy S Greenberg, *A Wicked War: Polk, Clay, Lincoln, and the 1846 U.S. Invasion of Mexico* (New York: Alfred A. Knopf, 2012); Amy S. Greenberg, *Manifest Destiny and American Territorial Expansion: A Brief History with Documents* (Boston: Bedford/St. Martin's, 2012), 23-26; Lindsay Schakenbach Regele, *Manufacturing Advantage: War, the State, and the Origins of American Industry, 1776-1848* (Baltimore: Johns Hopkins University Press, 2019), 135-137.

family, state, and business connections which contributed significantly to the globalization of the Rio Grande.²

Mercantile networks became so essential to the borderlands in the 1850s because commercial competition came to dominate life. European migrants who moved to the region at the time wrote home trying to explain conditions in the borderlands to their peers: "An enormous rudeness is generally prevalent in this country. Nobody cares about enlightenment and education. Nobody lives intellectually. Everybody strives for money and for money only. Money is the idol that is worshipped."³ The American goal to push their manufactures in the region created an atmosphere where success meant seeking trade for profit.⁴

European-born entrepreneurs found space between the encroaching American merchant elite and the already established Mexican hierarchy in the borderlands. The Mexican elite flexibly responded to the changing circumstances of war and conquest. They utilized many strategies to increase their opportunities for prosperity, including engaging partnerships with Europeans who migrated to the region. The encroaching American merchants pursued schemes to acquire wealth, land, and power from established Mexican families. They also sought to monopolize trade and cut out their competition. European-born entrepreneurs built strong networks among themselves that often included Mexican elites and small-time American commission merchants. Since there was no clear blueprint for building a successful venture in the newly bordered land, individuals brought their own experiences and strategies to bear upon

² Jeremy Adelman and Stephen Aron, "From Borderlands to Borders: Empires, Nation-States, and the Peoples in Between in North American History," *The American Historical Review*, (June 1999), 816.

³ Henry Baumberger, San Antonio, Texas, to Father, beloved brothers and sisters, brothers-in-law, and friends, October 13, 1856, Henry Baumberger Letters, 1856-1867, Doc 5171, Daughters of the Republic of Texas Library, San Antonio, Texas.

⁴ Omar S. Valerio-Jiménez, *River of Hope: Forging Identity and Nation in the Rio Grande Borderlands* (Durham: Duke University Press, 2013), 139-144.

the puzzle and often built outward from already established family and ethnic networks. They also maintained connections with their states and state agents.⁵

This chapter examines two different networks established on the Rio Grande. The first, centered in Matamoros and Brownsville, became one of the vastest mercantile networks in the entire borderlands. Spanish-born José San Román began by creating transatlantic connections within his extended family and then tying them into local networks he built in an ad hoc basis. His Atlantic connections provided him with the material for exchange in the local market. Often, he sold his inventories through credit mechanisms that drew smaller merchants into his sphere of influence. He globalized business on the Rio Grande by drawing Americans, Mexicans, and Europeans into his systems of credit and material exchange.

Another, much smaller network in Laredo highlights the essential contributions of tightly knit multiethnic family connections in constructing a transnational business in the borderlands. The German-speaking John Z. Leyendecker pieced together his mercantile operation through marriage and family connections. He began locally by entering into the trust of Mexican elites in Laredo and then sought to tap into broader American and European networks. Both examples show how European-born entrepreneurs used multi-layered, interconnected systems to profitably

⁵ Janet T. Landa, *Trust, Ethnicity, and Identity: Beyond the New Institutional Economics of Ethnic Trading Networks, Contract Law, and Gift-Exchange* (Ann Arbor: University of Michigan Press, 1994); David Montejano, *Anglos and Mexicans in the Making of Texas, 1836-1986* (Austin: University of Texas Press, 1987), 24-75; Valerio Jiménez, *River of Hope*, 139-151; 238; Miguel Ángel González-Quiroga, "Conflict and Cooperation in the Making of Texas-Mexico Border Society, 1840-1880," in Benjamin Heber Johnson and Andrew R. Graybill, eds., *Bridging National Borders in North America: Transnational and Comparative Histories* (Durham: Duke University Press, 2010), 33-52; Alicia M. Dewey, *Pesos and Dollars: Entrepreneurs in the Texas-Mexico Borderlands, 1880-1940* (College Station: Texas A&M University Press, 2014), 36-37; John M. Hart, *Empire and Revolution: The Americans in Mexico since the Civil War* (Berkeley: University of California Press, 2002), 1-5; 21-31.

connect Europeans, Americans, and Mexicans together and make the Rio Grande borderlands a center of Atlantic trade.⁶

I argue that, through their alliances, European-born entrepreneurs tied Mexicans and Americans together and served as an alternative to the American merchant elite, pushing back against U.S. expansion. Both San Román and Leyendecker made connections as local as their neighbors and as global as merchants in Paris and Amsterdam. They also utilized their connections within American and European states to support their businesses. San Román and Leyendecker pursued and offered opportunities for those disillusioned with the new American commercial order to seek different pathways for exchange.

The U.S.-Mexico War dramatically reshaped the Rio Grande borderlands, particularly Laredo and Matamoros where Leyendecker and San Román began their respective businesses. The American occupation of Northern Mexico resulted in the establishment of permanent U.S. military garrisons, turned the river itself into a national boundary, and reorganized trade patterns. In Laredo, the U.S. army built Camp Crawford on the western outskirts of the town, which became the permanent site for Fort McIntosh. The camp and subsequent fort gave Laredo ranchers and merchants a ready local market for goods they never had before. Rather than having to ship everything north and south along the former Camino Real, which the army rebuilt as the

⁶ I chose to focus on San Román and Leyendecker in this chapter for several reasons. Primarily, there is a degree of separation between the two. They created their own networks without influence from one another. Also, they are geographically removed from each other but also within the same regional market allowing for a more effective compare and contrast analysis. Finally, they are both European born, but from very different backgrounds. Their examples show that, regardless of many other factors, European-born entrepreneurs turned to forms of human networking to develop their businesses on the Rio Grande and connect to larger markets after the U.S.-Mexico War.

San Antonio Road, Laredoans could produce and sell goods in their own neighborhood. The army brought a considerable boon to the local economy.⁷

Matamoros experienced the U.S. military occupation differently. The army constructed more efficient roads that cut travel times significantly. Soldier-laborers built new paths from Matamoros to San Antonio, Corpus Christi, and Monterrey. Wagon trains could move goods more quickly and safely inland than ever before. Furthermore, Matamoros merchants benefitted directly from American military occupation as they could sell to American military personnel. When Mexican customs houses closed after U.S. forces captured the city, goods imported from the United States and Europe entered the Mexican port duty-free for more than an entire year. Merchants fortified trade connections with ports all over the Atlantic at virtually tariff-free rates making Matamoros a popular entrepot for goods going into Mexico.⁸

For the Rio Grande borderlands, the most important results of the war came with the Treaty of Guadalupe Hidalgo. In the treaty, the United States and Mexico agreed to use the Rio Grande as a boundary between the two nation-states, which meant that Laredo fell into the United States while Matamoros remained in Mexico. However, the river remained a permeable fixture, as goods and people moved back and forth across it regardless of nationality. The boundary was too big and the need for goods and labor too strong. Instead of suppressing trade, the imposition of the border stimulated a rapid commercial increase because it encouraged

⁷ John A. Adams, *Conflict and Commerce on the Rio Grande: Laredo, 1755-1955* (College Station: Texas A&M University Press, 2008) 82-85

⁸ Milo Kearney and Anthony K. Knopp, *Boom and Bust: The Historical Cycles of Matamoros and Brownsville*, (Austin, TX: Eakin Press, 1991), 64-66; Adams, *Conflict and Commerce on the Rio Grande: Laredo*, 82-83; "Testimony taken by the Special Committee on Texas Frontier Troubles," Resolution of the House of Representatives, Report no. 343, January 6, 1876, 38-39.

construction developments, sparked transnational trade, and ensured greater protections against indigenous raiding.⁹

The imposition of the border set off a construction boom as people along the river began to build sister cities for those across the border. For example, former Mexican leaders in Laredo expanded upon parts of the city built south of the Rio Grande and dubbed the town Nuevo Laredo. North of Matamoros, entrepreneurial Americans began constructing the town of Brownsville as an American port to compete with Matamoros. Similar towns popped up all along the Lower Rio Grande in response to the new boundary. Each new town required significant material imports to survive and relied on regional merchants to provide for them.¹⁰

Another key element of the treaty was that it encouraged commerce between the U.S. and Mexico by cancelling all Mexican debts to the United States and reinstating the Treaty of Amity, Commerce, and Navigation between the U.S. and Mexico for eight years. Respect for trade, protections of property, and liberty of mobility between both nations became hallmarks of the peace agreement that proved difficult to change. When the United States or Mexico attempted to impose broad tariffs, merchants turned to smuggling to ensure continued movement of goods.

⁹ Consul Peter Seuzeneau to Secretary of State Lewis Cass, April 04, 1858, "Despatches from United States Consuls in Matamoros, Mexico, 1826-1906," Microfilm Mf79.01, reel 4, DeGolyer Library, Southern Methodist University; Leroy P. Graf, "The Economic History of the Lower Rio Grande Valley 1820-1875" (PhD Diss, Harvard University, 1942), 235-236.

¹⁰ Daniel D. Arreola and James R. Curtis, *The Mexican Border Cities: Landscape Anatomy and Place Personality* (Tucson: University of Arizona Press, 1993), 13-20.

Other important sister-cities to develop in this era besides Nuevo Laredo and Brownsville were Roma across from Mier and Rio Grande City north from Camargo.

European-born entrepreneurs in both the United States and Mexico took advantage of the permeable border to move their products as the market demanded.¹¹

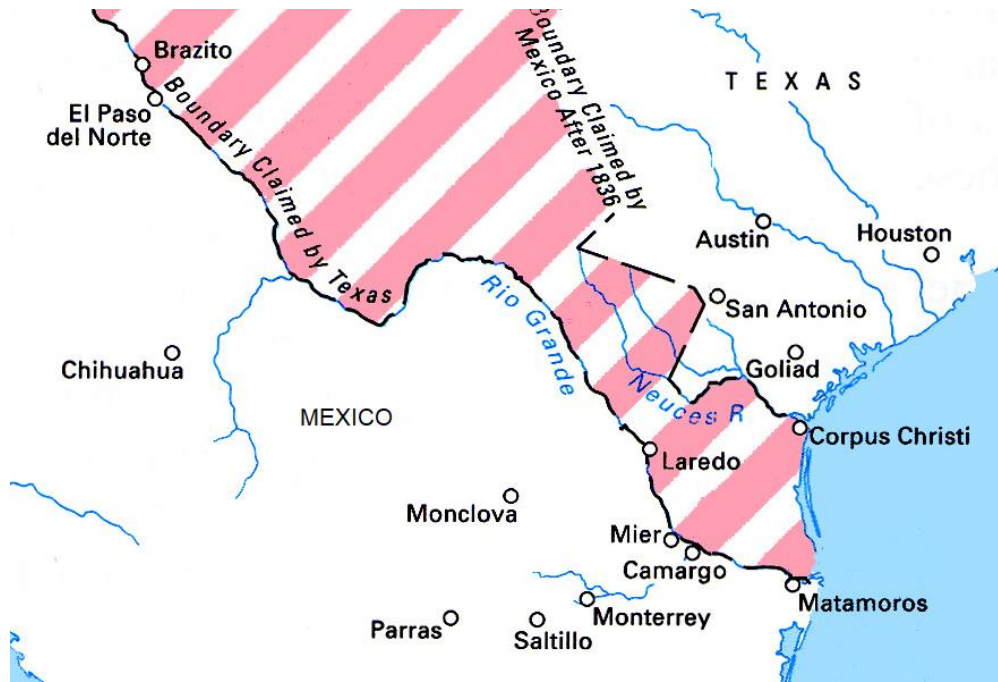


Figure 7 Map of disputed territory during US-Mexico War, 1846-1848, taken from:
<https://history.army.mil/brochures/Resaca%20de%20la%20Palma/Palo%20Alto.htm>

Finally, the Treaty of Guadalupe Hidalgo established that the United States would restrain and punish indigenous incursions into Mexico. This article of the treaty ensured a prolonged U.S. military presence along the border. It also promised merchants a feeling of security in opening trading relationships with indigenous people. The Comanche, still an

¹¹ Hamilton Fish, *Treaties and Conventions Concluded between the United States of America and Other Powers since 1776* (Washington: Government Printing Office, 1871), 544-556; Adams, *Conflict and Commerce on the Rio Grande*, 74; George T. Diaz, *Border Contraband: A History of Smuggling across the Rio Grande* (Austin: University of Texas Press, 2015), 13-36

extremely powerful society in the borderlands in the 1850s, held tremendous wealth in horses and cattle. European-born entrepreneurs built and maintained trading connections with Plains Indians in the shadows of U.S. army forts.¹²

The war and the Treaty of Guadalupe Hidalgo transformed the political economy of the borderlands in significant ways. It established U.S. sovereignty down to the Rio Grande, ensured a constant presence of American military personnel, and encouraged a broad class of American merchants to migrate to the region to capitalize on the nation's post-war expansion. Yet, the imposition of the border provided economic opportunity for those living south of the Rio Grande. Thousands of Mexican migrants moved to the border region to take advantage of the economic boom. Mexican merchants benefited from the expansion of trade, legal and illegal, along the Rio Grande. European-born entrepreneurs who migrated to the region had to find the best way to succeed within the newly bordered land. Some turned to constructing commercial alliances to compete with Americans. Others sought marriage and kinship relationships among the Mexican elite to establish themselves. Regardless of strategy, Europeans formed a significant portion of the population and had to find a way to flourish on the Rio Grande.¹³

Spanish entrepreneur José San Román was born in Bilbao in 1822. Bilbao, in the Basque region of Spain, was one of Spain's most important trade centers. Merchants of the city had long participated in the coastal trade with France and developed strong connections with British exporters. Marked by constant conflict during San Román's childhood, Bilbao was laid under

¹² Brian DeLay, *War of a Thousand Deserts: Indian Raids and the U.S.-Mexican War* (New Haven: Yale University Press, 2008), xiii-xv.

¹³ González-Quiroga, "Conflict and Cooperation," 44-48; Valerio-Jiménez, *River of Hope*, 3-4.

siege four separate times during the Carlist wars between 1833-1839. San Román left the violence of his birthplace to seek opportunity in North America.¹⁴

The Spaniard moved to New Orleans in the late 1830s to apprentice with an English merchandising firm, Thorn & McGrath. His apprenticeship reached maturation just as the U.S.-Mexico War broke out. Thorn & McGrath wanted an agent of its own on the Rio Grande to capitalize on the conflict. Soldiers carried money and wanted to spend it. The Anglo New Orleans company was more than willing to offer its dry goods stock on consignment to San Román knowing the Spaniard was multilingual with contacts at the Spanish consulate in Matamoros. Fluent in Spanish, English, and French, he could communicate to sell to Mexican and American troops.¹⁵ R.H. Thorn was personally excited to give San Román the opportunity to figure out how best to capitalize on the American war with Mexico to make them a fine return on their investment.¹⁶

San Román, who came from a border region in Europe, quickly learned how to be a successful merchant in the American borderlands. He observed that Matamoros was an itinerant town. Soldiers, merchants, journalists, speculators, and adventurers all came through the port during the war years. They needed a place to stay and somewhere to resupply. Within his first year there, he moved his store from near the river, where Thorn & McGrath suggested, to Calle Comercial, right across from the Exchange Hotel. He also became more assertive about the stock his patrons sent him by letting his them know “what kinds of goods will pay best.”¹⁷ He ordered

¹⁴ Raymond Carr, ed., *Spain: A History* (New York: Oxford University Press, 2000), 203-209; *Handbook of Texas Online*, Roberto Mario Salmón, "SAN ROMAN, JOSE," accessed August 26, 2019, <http://www.tshaonline.org/handbook/online/articles/fsa16>; William A. Douglass and Jon Bilbao, *Amerikanuak: Basques in the New World* (Reno: University of Nevada Press, 1975), 9-20.

¹⁵ He could also communicate in German.

¹⁶ Thorn & McGrath to San Román, December 14, 1846, Box 2G41, José San Román Papers, 1823-1934, (DBCAH); *The Daily Picayune*, (New Orleans, La.), Advertisement, January 13, 1852.

¹⁷ Thorn & McGrath to San Román, December 14, 1846, Box 2G41, José San Román Papers, 1823-1934, (DBCAH).

cotton shirts and pants, cloth caps, parasols, and other products that made sense for Northern Mexico's climate and the market to which he catered. Lastly, he learned the value of credit. Completely ignoring an explicit warning from Thorn & McGrath to trade only in hard currency, San Román extended credit to clients who seemed reliable. He quickly found that being a node in the movement of debt around the borderlands proved to be profitable and enlightening. In just his brief few months in town in 1846, he managed to sell \$3524.89 in goods on credit which he charged a reasonable 5% interest. Meaning, in addition to his commission for selling goods as an agent of Thorn & McGrath for that year, he netted himself an extra \$176.25.¹⁸ Through his network of debtors, he learned which markets were growing the fastest in the Rio Grande borderlands. With his extra profits and knowledge of the region, the Spaniard got out from under his first commission in little over a year and looked to expand beyond Matamoros.¹⁹

San Román first recognized the new market growing right across the river in Brownsville and moved to capitalize on it. Initially, he tried to hire a reliable commission merchant to take his goods on consignment to open shop in Brownsville. This way, someone else would do all the work of founding a new store while San Román reaped the profit. However, he found nobody he could trust to complete the expansion for him and decided to open a Brownsville store himself. By January 1850, San Román owned storefronts in both Matamoros and Brownsville.²⁰

¹⁸ According to MeasuringWorth.com, a tool created by the Organization of Economic Historians, \$176 in 1846 translates to approximately \$5000 in 2016.

¹⁹ Fleeson & Palmer, *American Flag*. (Matamoros, Tamaulipas, Mexico), Vol. 2, No. 110, Ed. 1 Saturday, June 26, 1847; (accessed October 20, 2017), University of North Texas Libraries, The Portal to Texas History, texashistory.unt.edu; crediting Abilene Library Consortium; Invoice of goods shipped by Thorn & McGrath, January 22, 1847, Box 2G41, José San Román Papers, (DBCAH); Ledgers November 1846-January 1849, Box 2G129, José San Román Papers, (DBCAH).

²⁰ Montejano, *Anglos and Mexicans in the Making of Texas*, 42-43; *American Flag*, Cameron County and Matamoros Advertiser. (Brownsville, Tex.), Vol. 3, No. 235, Ed. 1 Wednesday, November 22, 1848, (accessed October 24, 2017), University of North Texas Libraries, The Portal to Texas History, texashistory.unt.edu; crediting Abilene Library Consortium; *Centinela del Rio Grande*. (Brownsville, Tex.), Vol. 1, No. 11, Ed. 1 Wednesday, March 13, 1850, (accessed October 24, 2017), University of North Texas Libraries, The Portal to Texas History, texashistory.unt.edu; crediting San Jacinto Museum of History.

Having commercial houses in both Matamoros and Brownsville put San Román in direct competition with the most dominant members of the American merchant elite in the Rio Grande borderlands. Charles Stillman and Mifflin Kenedy formed the center of a commercial network that sought to monopolize trade on the Lower Rio Grande and cut out all other competitors. Connecticut merchant Charles Stillman founded Brownsville to draw trade away from Matamoros into an American port. He helped fund Mexican entrepreneur Francisco Yturria to open one of the first successful banks in Brownsville to capitalize on the dual-currency nature of the borderlands. Kenedy earned nearly every U.S. army transportation contract and purchased majority stakes in all of the steamships that plied the Lower Rio Grande until he and his partners controlled the means of travel from the Gulf of Mexico to the ports at Matamoros and Brownsville and beyond. Stillman and his associates developed a trade nexus in the Rio Grande delta that spread throughout the United States and Mexico. San Román had to connect with Europeans and other Mexicans and Americans to compete. San Román's efforts allowed him to position himself to push back against American economic domination of the borderlands.²¹

The Spanish-born entrepreneur realized his advantage lay in his transatlantic connections. San Román pushed himself to look outward from the Rio Grande delta to tap into his family networks and connections through Thorn & McGrath. He first utilized the mobility and expertise of his cousin, Augustin San Román, to integrate his firm more deeply into the Atlantic trade. Augustin San Román had followed José into an apprenticeship in New Orleans with a Spanish merchant house, Caballero & Company. Afterward, they partnered to connect the Rio Grande stores with some of the biggest markets in the western hemisphere. Augustin traveled to New York, Monterrey, and Paris to find suppliers for the goods most in demand on the Rio Grande,

²¹ Hart, *Empire and Revolution*, 22-26; Kearny & Knopp, *Boom and Bust*, 70-84; Leroy P. Graf, "The Economic History of the Lower Rio Grande Valley 1820-1875" (PhD Diss, Harvard University, 1942), 227-241.

namely British textiles, Mexican silver, and French wine. Through the connections Augustin built, José San Román was able to market the most popular products at some of the best prices.²²

José San Román also had a close family friend starting commercial activities in Havana. Simón Celaya traveled from New Orleans to Cuba as a commission merchant for Thorn & McGrath around the same time San Román went to the Rio Grande.²³ Celaya and San Román found that both their ventures became more profitable when they worked together. Celaya sold his stock for as much tobacco as he could get and shipped that across the Gulf of Mexico for San Román to sell at higher margins in Matamoros. They ran their tobacco scheme for several years until San Román's storefronts in Matamoros and Brownsville grew too large for him to manage alone. By the end of the 1850s, Celaya moved to the Rio Grande to manage one of San Román's stores. That did not end his connections with Havana, though. Celaya continued to import Cuban tobacco to sell in San Román's stores at cut rate prices. The San Román merchant house became a popular supplier of clothing, tobacco, and alcohol. His family and kinship networks paid dividends.²⁴

Maintaining his connections to Thorn & McGrath also proved to be a boon to San Román's growing mercantile operation. When he finished paying off his initial commission, the Spaniard could have gone his own way and cut ties with his former bosses. By remaining in communication and continuing to order supply from them, San Román benefited when Michael McGrath expanded to New York City. He opened a clothing firm with Scottish entrepreneur Robert Tweed. When their business expanded to New York from New Orleans, San Román

²² Augustin San Román to José San Román, May 16, 1855, Box 2G47, José San Román Papers, (DBCAH).

²³ Simón Celaya to José San Román, November 29, 1847, Box 2G41, José San Román Papers, (DBCAH).

²⁴ Simón Celaya Account, July 14, 1855, Box 2G48, José San Román Papers, (DBCAH); Jorgé Romano to Simón Celaya, June 6, 1858, Box 2G54, José San Román Papers, (DBCAH). They were paying about 2.5¢ for each Cuban cigar they imported. That worked out to be about 30% cheaper than the average price of a cigar in the United States. See: Carroll D. Wright, *Comparative Wages, Prices, and Cost of Living* (Boston: Wright & Potter Printing Co., 1889), 149.

gained access to partners he could trust in two of the largest markets in the United States. Both McGrath and Tweed also had connections with Anglo firms in London, Liverpool, and Manchester that the Spaniard could exploit. His family and business connections to the Atlantic market gave him an edge he needed to compete with the Stillman syndicate in the Rio Grande borderlands.²⁵

As San Román built the foundations of his Atlantic commercial networks in the years following the U.S.-Mexico War, American elites, including the Charles Stillman business group, worked to solidify their political and economic hold, locally. They moved into positions of local government, helped impose the American judicial system, and controlled law enforcement. The Stillman syndicate became deeply integrated with the new American political elite through the practice of lawyers who ensured their land investments and privileged trading status remained intact. The founder of Brownsville sought to make the town he created the seat of a regional commercial empire. Stillman and his allies' local power grew steadily after the war, often crushing outsiders and upstart merchants before they became a threat.²⁶

San Román needed to develop his network within the Rio Grande borderlands to build on his customer base and remain tapped into local information flows. His transatlantic connections were meaningless without local allies. He exerted great effort to link with other European-born entrepreneurs he could trust to create an organization to counter Stillman. Utilizing his multilingual skills and ability to manage credit, San Román connected with British, French, and Spanish merchants in the region. In doing so, he pushed against the American merchant elite. By

²⁵ McGrath, Tweed, & Co. invoice to José San Román, May 30, 1855, Box 2G47, José San Román Papers, (DBCAH); H. Wilson, *Trow's New York City Directory* (New York: John F. Trow, 1859), 512.

²⁶ Montejano, *Anglos and Mexicans*, 34-47; Hart, *Empire and Revolution*, 22-31.

the end of the 1850s, San Román sat in the center of a web of commercial activity in the Rio Grande borderlands.

The Basque entrepreneur believed the river transportation business to be the best foundation from which to organize Europeans in the borderlands to launch a counter to the Stillman syndicate. San Román initially allied with an American ship captain, James. B. Armstrong, who won a U.S. army contract over Kenedy's company. The Armstrong contract provided the sliver of hope for breaking down the Stillman syndicate's transportation monopoly. Armstrong earned the right to pilot boats loaded with goods to provide for the U.S. forts on the Rio Grande. He and San Román put together an investment group of European-born entrepreneurs, including French merchant Theophile Delmas, the Spanish de la Vegas brothers and the Scottish John Young, to purchase the ships *Swan* and *Guadalupe*. Those two steamships' physical presence on the Rio Grande represented an open challenge to the American merchant elite. They also offered an alternative to the American shipping monopoly.²⁷

John Young proved to be an important early ally for San Román's steamship scheme. Young moved to the Rio Grande borderlands before the U.S.-Mexico War and bought land north of Matamoros. He built positive relationships with members of the Ballí family. The Ballí's remained one of the most powerful families in the Rio Grande borderlands since the days of Escandón, primarily through their ability to acquire and exploit land. Young ingratiated himself to the Ballí family and married Salomé Ballí. The marriage proved mutually beneficial. Through

²⁷ Pat Kelley, *River of Lost Dreams: Navigation on the Rio Grande* (Lincoln: University of Nebraska Press, 1986), 55-71; Jane Clements Monday and Frances Brannen Vick, *Petra's Legacy: The South Texas Ranching Empire of Petra Vela and Mifflyn Kenedy* (College Station: Texas A&M University Press, 2007), 55.

James Grogan, an important partner in the group, has no identifiable birthplace on record. He may have been American or Irish. I cannot confirm. For a full list of investors, see: *Joseph San Romons and William Armstrong, Administrators of James B. Armstrong vs. The United States*, December 18, 1860, in Congressional series of United States public documents, Volume 1109 of United States Congressional serial set, (Washington, D.C.: U.S. Government Printing Office, 1861).

building kinship ties with a prominent and long-established Mexican family, Young expanded his land acquisitions. Intermarriage with European-born entrepreneurs like Young provided a protection for the Ballís to retain their land and social status in the face of American encroachment. Rather than rest on their already vast landholdings, Salomé and John Young continued to purchase land under U.S. jurisdiction, acquiring land titles sealed by the state of Texas to avoid any American attempts to usurp their land.²⁸

In addition to his landholdings, Young ran a small trade route along the Rio Grande and tried to construct a town northwest of Brownsville. The Stillman syndicate's monopoly on Rio Grande steamboat transportation caused him considerable vexation. Kenedy's shipping company charged exorbitant prices to ship to Young's landing on the Rio Grande. Kenedy's and Stillman's interests centered in Brownsville and another nearby town would undermine their plans. By 1855, Young, with the Ballí's backing, sought entry into the river transportation market. He engaged San Román and became a primary investor in his fledgling steamship company. Together, they offered legitimate competition to the Stillman syndicate for river transport.²⁹

With their own steamships plying the river, San Román, John Young, and their network of investors served the demands of the American army and became key providers of essential goods for the Lower Rio Grande. Armstrong used San Román's boats to supply the

²⁸ Mary Margaret McAllen Amberson, James A. McAllen, and Margaret H. McAllen, *I Would Rather Sleep in Texas: A History of the Lower Rio Grande Valley and the People of the Santa Anita Land Grant* (Austin, TX: Texas State Historical Association, 2003), 126-127. Florence Johnson Scott, *Royal Land Grants North of the Río Grande, 1777-1821: Early History of Large Grants Made by Spain to Families in Jurisdiction of Reynosa Which Became a Part of Texas After the Treaty of Guadalupe Hidalgo, 1848* (Rio Grande City: La Retama Press, 1969), 64. For more on Americans dispossessing Mexican-owned land, see: Armando C. Alonzo, *Tejano Legacy: Rancheros and Settlers in South Texas, 1734-1900* (Albuquerque: University of New Mexico Press, 1998), 146-178; Valerio-Jiménez, *River of Hope*, 180; Montejano, *Anglos and Mexicans*, 59-74.

²⁹ Amberson, et. al., *I Would Rather Sleep in Texas*, 7; 66-67; 155-158; Florence Johnson Scott, *Royal Land Grants North of the Río Grande, 1777-1821: Early History of Large Grants Made by Spain to Families in Jurisdiction of Reynosa Which Became a Part of Texas After the Treaty of Guadalupe Hidalgo, 1848* (Rio Grande City: La Retama Press, 1969), 64.

quartermasters at Fort Brown and Fort Ringgold outside of Rio Grande City with all the matériel to maintain their troop numbers. They also shipped goods to civilian customers. A key item for their freight business included lumber. The Rio Grande borderlands lacked significant tree sources other than mesquite, driving builders who wanted European-style buildings to import most of their lumber. Demand was such that San Román's boats pulled in about \$350 a month just shipping lumber upriver.³⁰

Stillman and Kenedy pushed back against San Román's European-owned steamship company. They went directly to the Quartermaster Department of the U.S. army to get Armstrong's contract transferred to the Kenedy company. Through outright bribes, Kenedy convinced the officers at Fort Brown to draw up orders to have San Román's ships inspected. The inspectors declared the boats to be unsuitable and recommended cancelling Armstrong's contract. In response, San Román sued both Kenedy's company and the Quartermaster Department. He and his investors earned \$17,000 from the U.S. government and, after a settlement, a 12% share in the Kenedy shipping company.³¹

San Román's venture into the river transport business demonstrated that European-born entrepreneurs in the Rio Grande could challenge Americans' push to dominate the region. Though San Román's steamship company ultimately dissolved, it won recognition from the U.S. government and cut into the Stillman syndicate's profits. San Román and his investors earned a monthly income from Kenedy's ships. The results of the settlement also drew Stillman and San Román into cooperative agreements. Rather than destructive competition and costly court battles,

³⁰ Swan Wood Book, 1857, Box 2G131, JSR Papers; *Joseph San Romons and William Armstrong, Administrators of James B. Armstrong vs. The United States*, December 18, 1860, in Congressional series of United States public documents, Volume 1109 of United States Congressional serial set, (Washington, D.C.: U.S. Government Printing Office, 1861).

³¹ Amberson, et. al., *I Would Rather Sleep in Texas*, 158-159; Kelly, *River of Lost Dreams*, 65-71.

the two sides entered a period of détente that lasted until the end of the U.S. Civil War. Further, San Román's brief stint as a riverboat owner put him in contact with European-born entrepreneurs upriver who became prospective connections to build his local network.

One of his most profitable upriver contacts was French-born John Decker. Decker migrated to the region as a baker but transitioned into a merchant by the mid-1850s. He moved to the newly founded town of Rio Grande City and, like Young, married a Mexican woman. By marrying into a local family, Decker was able to offset some of the risks of his entrepreneurship through the ready-made local network his wife's family offered. Using his wife's family contacts, Decker deeply integrated himself into the Mexican community around Rio Grande City and Camargo. Decker's new family connections also likely provided integral support in dividing responsibilities and decision-making for his business. The Frenchman found a rich market in Camargo for textiles and chose to push his family business toward selling cloth and finished clothing. However, he needed additional startup funding to turn a real profit. He turned to San Román to provide goods and credit to get his enterprise off the ground.³²

Credit became an essential resource in the borderlands in the 1850s. The end of the war and the gold rush in California slowed the movement of currency into the borderlands. The Commercial and Agricultural Bank of Galveston was one of the only American bank branches on the Rio Grande in the 1850s and it folded in 1858. There were banks in San Antonio and Monterrey, but they tended to refuse to loan to clients on the Rio Grande fearing their investment

³² Ancestry.com, "1860 United States Federal Census", Online Database, accessed November 22, 2016; Montejano, *Anglos and Mexicans*, 37; John Decker to José San Román, June 6, 1858, Box 2G54, JSR Papers; W. Gibb Dyer Jr. and Wendy Handler, "Entrepreneurship and Family Business: Exploring the Connections," *Entrepreneurship: Theory and Practice*, (1994), Business Insights: Global; Manju Puri and David T. Robinson, "The Economic Psychology of Entrepreneurship and Family Business," *Journal of Economics & Management Strategy* 22, no. 2 (June 2013): 423–44.

would disappear. Thus, the control of credit fell into the hands of local merchants like San Román or Charles Stillman. To get a loan, an individual had to be a known entity, someone the merchant-lender could trust. Often, gaining that trust meant finding access to the merchant's network.³³

San Román had grown careful about whom he lent money. Though he always needed to make positive connections in the borderlands to remain competitive, he needed every connection to pay off. Decker worked hard to gain the Spaniard's trust and made several maneuvers to enter San Román's network. First, he found a partner in fellow Frenchman Francois Bichotte. Bichotte had experience as a barkeep and grocer. They combined their acumen to open a store in Rio Grande City. The new partners got started through micro loans from small merchants in Brownsville, like the German Conrad Bloom and fellow Frenchman Victor Hasslauer. Both Bloom and Hasslauer had accounts with San Román. Rather than pay Bloom and Hasslauer back directly, they remitted payment to San Román to have him apply the credits to their accounts. Their payments demonstrated to San Román their reliability. Further, they showed the success of the business when they sold over \$1700 worth of goods to the Mexican consul in Brownsville, Manuel Treviño, who also had an open account with San Román. The Treviño sale earned Decker and Bichotte a line of credit.³⁴

Incorporating Decker into his network of European-born entrepreneurs proved to be extremely profitable for San Román. Decker's small mercantile house struck it rich during the United States Civil War buying and selling cotton at an important crossroads in the Confederate

³³ Dewey, *Pesos and Dollars*, 33; John M. Hart, *Revolutionary Mexico: The Coming and Process of the Mexican Revolution* (Berkeley: University of California Press, 1987), 111.

³⁴ Francois Bichotte to José San Román, January 16, 1858, Box 2G54 José San Román Papers, (DBCAH); John Decker to José San Román, September 21, 1858, Box 2G54, José San Román Papers, (DBCAH); José San Román Cash Book Journal, May 1858-May 1865, Box 2G131, José San Román Papers, (DBCAH); Ancestry.com, "1860 United States Federal Census", Online Database, accessed November 22, 2016

cotton trade. Decker took his cotton profits and invested in expanding his stores and buying land. By 1874, he was considered by one of the leading providers of commercial data in North America as the richest merchant in Rio Grande City. Decker became a lasting and powerful node in San Román's network in the Rio Grande borderlands.³⁵

In addition to his British and French associates, San Román made sure to connect with his fellow Spanish expats within the borderlands. Entrepreneurial Spaniards set up houses in most of the major cities in Northern Mexico. Vicente Lauregue in Montemorelos took a line of credit from San Román of over \$1700.³⁶ Additionally, Manuel Dosal in Ciudad Victoria engaged San Román to make sure that debtors throughout the Rio Grande borderlands paid their bills. He and San Román helped each other track individuals and their whereabouts. The Spaniards in the borderlands stuck together, shared information, and lent money. Their shared national origin contributed to a foundation for trust in trade. The Spanish-born network served an important role drawing Mexicans and Americans together in trade relations.³⁷

Most of San Román's Spanish contacts in Mexico were based in Monterrey. The historic crossroads of New Spain's northern road system, Monterrey benefitted most from the imposition of the border at the Rio Grande. Primarily, it liberated merchants in the city from the customs duties imposed at Matamoros as more American and Mexican smugglers forded goods across the river for trade in Monterrey. A trio of Spaniards, Mariano Hernandez, Valentín Rivero, and Francisco Armendaiz, took advantage of the rampant smuggling market. They found a mutually beneficial relationship with American cotton growers in Texas by founding a textile factory in

³⁵ Dewey, *Pesos and Dollars*, 31.

³⁶ Vicente Lauregue to San Román, April 27, 1858, Box 2G54, JSR Papers.

³⁷ Manuel Dosal to San Román, April 27, 1858, Box 2G54, JSR Papers; Landa, *Trust, Ethnicity, and Identity*, xi.

Monterrey. Planters made a little extra shipping their product tariff-free and the Monterrey merchants saved significantly on both the raw cotton and exporting the finished textiles.³⁸

Smuggling became big business along the border in the 1850s. Mexico, in dire financial straits after the U.S.-Mexico War, began imposing high tariffs as early as 1849. To ensure merchants paid their duties, the Mexican central government also introduced a permit system that required all freighters to announce the precise route of their shipments and carry a permit that indicated they had done so. The burdensome cost of tariffs and the risk of highway robbery with the permit system encouraged smuggling. As more robberies were reported on the roadways, fewer Europeans applied for permits.³⁹ Moving goods illegally came at much less cost. The illicit trade became so profitable during the 1850s that it underpinned the successful development of the towns of Roma and Rio Grande City in Texas. Often, European-born entrepreneurs, particularly in Monterrey, facilitated the illegal trade across the Rio Grande as overland routes led to that central city.⁴⁰

Problematically, the smuggling networks that ran to Monterrey often bypassed Matamoros/Brownsville.⁴¹ San Román remained connected to the Monterrey trade by moving goods upriver then having them smuggled across the border. In one case, Mariano Hernandez

³⁸ Juan Mora-Torres, *The Making of the Mexican Border* (Austin: University of Texas Press, 2001), 29-36; Alex M Saragoza, *The Monterrey Elite and the Mexican State, 1880-1940* (Austin: University of Texas Press, 1988), 42-51.

³⁹ C. Broyda y Cia. en Matamoros, un manifestor de efectos robados, December 08, 1851; C. Solis en Matamoros, un relación de prendas robadas por asaltantes, December 08, 1851; Pedro Hale en Matamoros, una relación de perdidas sufridas, December 06, 1851, Spanish Material from Various Sources, Matamoros Archives, vol LXII, Box 2Q281, (DBCAH).

⁴⁰ Graf, "The Economic History of the Lower Rio Grande," 286-290; Valerio-Jiménez, *River of Hope*, 144-147; George T Diaz, *Border Contraband: A History of Smuggling across the Rio Grande* (Austin: University of Texas Press, 2015).

⁴¹ Plenty of smuggling occurred around the area of Matamoros/Brownsville. However, Mexican and American officials made more successful efforts to clamp down on the illicit trade in the delta region than upriver. The success of Mexican authorities to exact tariffs at Matamoros led to an outbreak of violence called "The Merchant's War" in which the American merchants of Matamoros/Brownsville funded a Mexican federalist revolt against the Mexican army stationed in Northern Mexico. See: Graf, "The Economic History of the Lower Rio Grande," 320-332; Kearney and Knopp, *Boom and Bust*, 82-83; Amberson, et. al, *I Would Rather Sleep in Texas*, 133-141.

was quite specific about how he wanted an order of dry goods shipped. He demanded San Román ship his goods via the carrier Don Fernandez who would move the shipment up to Roma. From there, Hernandez was confident that "in Mier there is a safe person to do the importation."⁴² The border and national tariffs gave San Román incentive to inefficiently move goods northwest from Brownsville to cross the Rio Grande at Mier in order to reach the final destination to the southwest in Monterrey. Maintaining his regional networks forced him to embrace inefficiency.

The Basque trader from Bilbao probably had few qualms about smuggling and had learned tricks for the illicit trade back home. The smuggling of goods had been a part of Basque culture since the establishment of the Spanish-French border in 1512. The Basques developed strategies for continuing the smuggling trade in the face of increased state presence. For the most part, San Román tried to appear to adhere to the letter of the law and pay his taxes. He kept detailed records of the Mexican tariff schedules and went through legal means to petition unfair rates.⁴³ He also legitimately shipped tobacco, an item that Mexico highly regulated, to Monterrey straight from Matamoros.⁴⁴ San Román's penchant for making the illicit trade look legal helped him build a positive reputation among state agents and other merchants.⁴⁵

In an effort to stem the contraband trade, the state of Tamaulipas declared a free trade zone (*zona libre*) in 1858 along the portion of the south bank of the Rio Grande from Laredo down to the delta. Minus a small municipal tax that importers had to pay to local governments,

⁴² Mariano Hernandez to José San Román, August 11, 1855, Box 2G48, José San Román Papers, (DBCAH).

⁴³ Joseph San Roman, et al. to F. Gauties, Consul of France in Matamoros, September 20th, 1850, "Despatches from United States Consuls in Matamoros, Mexico, 1826-1906," Microfilm Mf79.01, DeGolyer Library, Southern Methodist University; "Protest of the Merchants and Residents of the City of Matamoros, Mexico against the acts of the Government of the United States and its representatives," January 16, 1866, Box 2.325/C113c, José San Román Papers, (DBCAH); Tarifa General de la Republica Mexicana, Box 2G41, JSR Papers.

⁴⁴ Bill of lading to Valentin Romero, November 16, 1855, Box 2G48, José San Román Papers, (DBCAH); Valentín Rivero to San Román, July 26, 1858, Box 2G54, José San Román Papers, (DBCAH).

⁴⁵ Douglass & Bilbao, *Amerikanuak*, 13.

merchants could move their goods freely into Northern Mexico. Many merchants took advantage. San Román moved entire inventories he had stored in Brownsville across to Matamoros. He also imported all of his stock straight to the Matamoros store and likely smuggled the merchandise he needed in Brownsville across the river. The free trade zone shifted the flows of contraband trade from south to north. However, smuggling still worked to connect Americans and Mexicans together rather than draw them apart.⁴⁶

By the end of the 1850s, San Román had solidified his commercial position in the region. He constructed a vast network that connected Europeans, Mexicans, and Americans in a web of exchange. He began by bringing his Atlantic connections to the borderlands then branching out locally. His networks helped him harness the powers of credit and lower his transportation costs through direct competition with the Stillman syndicate and smuggling. Though always aware of his position in the relationships he built, San Román slowly included a diverse group of individuals into his systems of credit and exchange.

John Z. Leyendecker represents how a European-born entrepreneur used marriage and the construction of local kinship networks to build a transnational business in the Rio Grande borderlands in the 1850s. Kinship ties were critical in Laredo because of its relative isolation and characteristic self-sufficiency until the U.S.-Mexico War. Newcomers who wanted to succeed in the local market needed to connect to established families to be trusted. Leyendecker worked within the traditional kinship structures and ingratiated himself to the Benavides family and other prominent members of the community. With the family's economic resources, social connections

⁴⁶ Adams, *Conflict and Commerce*, 85-88; Graf, "The Economic History of the Lower Rio Grande," 656-680; Mario Cerutti, *Burguesía, capitales e industria en el norte de México: Monterrey y su ámbito regional (1850 - 1910)* (México, D.F: Alianza Ed, 1992), 47-51.

and political clout behind him, Leyendecker grew his business and connected it firmly to international markets.⁴⁷

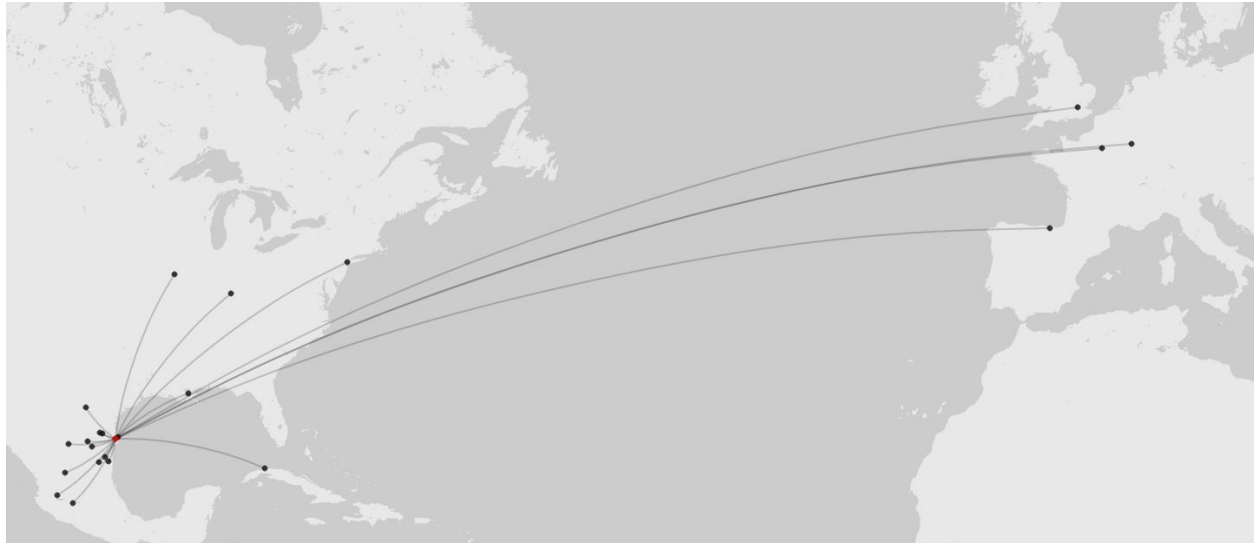


Figure 8 San Román's network in 1859. Map made in Palladio. <http://hdlab.stanford.edu/palladio/>



Figure 9 San Román's network in the Gulf of Mexico, 1859. Map made in Palladio. <http://hdlab.stanford.edu/palladio/>

⁴⁷ Gilberto Miguel Hinojosa, *A Borderlands Town in Transition Laredo, 1755-1870* (College Station: Texas A & M University Press, 1983); Alexander Mendoza, "'For Our Own Best Interests': Nineteenth-Century Laredo Tejanos, Military Service, and the Development of American Nationalism," *The Southwestern Historical Quarterly* 115, no. 2 (October 2011): 125–52; Jerry D. Thompson, *Warm Weather & Bad Whiskey: The 1886 Laredo Election Riot* (El Paso: Texas Western Press, 1991); Jerry D. Thompson, *Tejano Tiger: José de Los Santos Benavides and the Texas-Mexico Borderlands, 1823-1891* (Fort Worth: TCU Press, 2017).

Laredo's geographic placement forced it to be self-sufficient and made the town vulnerable to the constant threat of Indian attack. The town originated far from the rest of José de Escandón's original settlements. Tomás Sanchez founded Laredo north of the Rio Grande and far from the Gulf of Mexico. Its isolation bred a tendency among its residents to eschew outside influence, which carried over through the Mexican period and into the 1850s. Consistent Indian raids also increased Laredo's penchant for isolation. Comanche and Apache raiding parties ranged into the settlement stealing horses and cattle. Sometimes, they even captured Laredoans to kill, enslave, or trade. Indian raiding created a demand for trust networks and wariness of strangers. Laredo's history of self-sufficiency and Indian raiding forced its families to remain close to one another.⁴⁸

Even though the U.S. military occupation brought a modicum of economic integration and protection from Indians, Laredo faced new challenges heading into the 1850s. Laredo attracted newcomers willing to take advantage of the economic growth Fort McIntosh brought, which made the local population nervous. Leaders in the town quickly tried to stem the tide of strangers entering and leaving the town for fear of theft and violence. The board of aldermen passed a resolution in 1850 requiring all strangers in town to register with city officials. By 1854, the push to limit strangers in Laredo turned into full-blown vagrancy laws that led to indefinite incarceration of strangers until town leaders could ascertain their honesty. Unlike Matamoros, which had become a cosmopolitan port city that embraced Atlantic trade, Laredo was generally not a welcoming place to outsiders.⁴⁹

⁴⁸ Herbert Eugene Bolton, "Tienda de Cuervo's Ynspeccion of Laredo, 1757" in *The Quarterly of the Texas State Historical Association* 6, no. 3, (January 1903), 194, 198-203; Hämäläinen, *The Comanche Empire*, 220-221; Hinojosa, *A Borderlands Town in Transition*, 14.

⁴⁹ Hinojosa, *A Borderlands Town in Transition*, 70.

Laredo's isolation and cold embrace of migrants helped prevent a Stillman-like rise of an American merchant monopoly. Most of the Americans to settle in Laredo after the U.S.-Mexico War came from the ranks of the army. Few others saw the same opportunities in Laredo as those in Brownsville. Some opened small mercantile operations, but those targeted supplying Fort McIntosh. Most Americans in Laredo pursued political rather than economic power. To attain it, they had to win over the majority Mexican populace. As one historian of Laredo concluded, "They (Americans) often appeared more Mexicanized than *mexicanos* appeared Americanized."⁵⁰ Laredo resisted rapid shifts to the American commercial and political order.⁵¹

John Z. Leyendecker, born in the Duchy of Nassau in modern-day Germany in 1827, chose to make Laredo the home of his budding mercantile enterprise. His family moved to Fredericksburg, Texas in 1845. At the conclusion of the U.S.-Mexico War, he executed an effective endeavor on the Texas Plains outside of the U.S. Fort Chadbourne at Oak Creek. Built with another European-born entrepreneur, Anton Wulff in San Antonio, the Oak Creek store profited through trade with the U.S. army and Plains Indians. Though he described them as Chichimecas in his account books, the location of Leyendecker's store likely served Comanche and Kiowa bands. Indians sought out goods like food, bridles, and umbrellas for which they traded horses and animal hide. When he could get away with it, Leyendecker sold beer and whiskey to his Native American customers. That type of trade, though, could get his store shuttered as the U.S. army discouraged Indian drunkenness. Leyendecker received a stern letter from the commander at Fort Chadbourne to cease sale of any alcohol to Indians. "The laws of the United States regulating the intercourse of trade with Indians forbids the selling or trading of

⁵⁰ Hinojosa, *A Borderlands Town in Transition*, 71.

⁵¹ Adams, *Conflict and Commerce*, 76-79.

whiskey, or any ardent spirits..."⁵² In order to keep his business with the personnel at the fort, he did as he was told. For the most part, the Oak Creek store engaged in legitimate exchange with Indians and soldiers on the far west Texas frontier.⁵³

Leyendecker had to work through a cost-benefit analysis of moving to Laredo in 1854. The Oak Creek store broke even in 1853 and showed the possibility of profiting the next year. The price for animal skins was on the rise and his customer base already established. However, the store retained a low profit ceiling. Fort Chadbourne sometimes only held as few as fifty men and the Plains Indians' migration patterns shifted regularly. Fort McIntosh outside Laredo maintained higher troop rolls than Fort Chadbourne and Leyendecker could still trade with indigenous people around Laredo. The additional benefits of being nearer settled populations and the Rio Grande proved enticing. Leyendecker could also bring the full benefits of his multilingual upbringing to the Rio Grande. He was fluent in German, English, Spanish, and French. Wulff, who invested in Leyendecker and trusted him after the semi-successful venture at Oak Creek, encouraged the move south. Together, the European-born entrepreneurs would try their luck in the Rio Grande borderlands.⁵⁴

When Leyendecker arrived in Laredo, he realized opening a successful store there would be much more difficult than his Oak Creek venture. Americans already cornered the market to supply Fort McIntosh. The best opportunity he saw was marketing to the local populace. To do so, he had to ingratiate himself to the local elite. Initially, he rented a house from Josefa Treviño,

⁵² Fort Chadbourne Circular to Leyendecker, October 20, 1854, General Correspondence Box 2m315, John Zirvas Leyendecker Papers, (DBCAH)

⁵³ Francis Paul Prucha, *American Indian Policy in Crisis: Christian Reformers and the Indian, 1865-1900* (Norman: University of Oklahoma Press, 1976), 217-221; Indian Account Book, 1854, Oak Creek Store, Box 2m316, John Zirvas Leyendecker Papers, 1842-1979, (DBCAH).

⁵⁴ Account for Oak Creek, 1853, Oak Creek Store, Box 2M316, John Zirvas Leyendecker Papers, (DBCAH); Handbook of Texas Online, Charles G. Davis, "FORT CHADBOURNE," accessed June 21, 2019, <http://www.tshaonline.org/handbook/online/articles/qbf08>.

who explained to him the politics of the town.⁵⁵ The Treviños had been in Laredo since the days of Escandón and carried significant political clout. The family worked to maintain its role in town after the American occupation as Tomás Treviño was mayor and Albino Treviño held the position of Justice of the Peace through the 1850s.⁵⁶

The Treviños and the Benavideses remained close. Santos Benavides regularly had lunch with Andres Treviño, which likely helped facilitate Leyendecker's relationship with Santos. Benavides did not like the way other merchants in town did business and sought another outlet to buy the goods he needed. Trust meant as much to Benavides as it did to the rest of the Laredo inhabitants. Leyendecker's relationship with the Treviño's likely put him in contact with Santos Benavides and gave him a character reference.⁵⁷

Leyendecker's Catholicism further aided his character reference. He made his Catholicism a part of his personal record. His family kept documentation of his baptism, first communion, and confirmation. Additionally, in his memorandum book, he cataloged these early steps of Catholic ritual by defining which churches, priests, and sponsors were associated with his ascent to full Church membership. The German's religious background also helped him make business connections in town outside the Benavides family. Benito García commented that he appreciated Leyendecker's religion as a part of their pleasant relationship. "I am confident we can mediate any mistrust in our relationship through the good feelings of religion."⁵⁸ Since all of

⁵⁵ Leyendecker rented his room and store from the Treviños for twenty pesos a month, which he usually paid out three months at a time. Leyendecker always made sure to pay his rent on time or early in order to make a good impression on the prominent Laredo family. See: Rent Receipts, 1855-1859, J.Z. Miscellaneous Receipts, Box 2M317, John Zirvas Leyendecker Papers, (DBCAH).

⁵⁶ Thompson, *Tejano Tiger*, 191; Hinojosa, *A Borderlands Town in Transition*, 73.

⁵⁷ S. Benavides to Leyendecker, March 26, 1857, Benavides Letters, Box 2M314, John Zirvas Leyendecker Papers, (DBCAH).

⁵⁸ Benito García to Leyendecker, April 4, 1858, General Correspondence, Box 2M315, John Zirvas Leyendecker Papers, (DBCAH).

the original families who settled Laredo practiced Catholicism, Leyendecker's own religious affiliation likely contributed to his inclusion.⁵⁹

For Santos and the rest of the Benavides family, kinship cemented trust. Creating kinship ties through marriage became essential to the perseverance of Laredoans because of the town's isolation and the people's fear of outsiders. Santos's grandfather, José Benavides, moved to Laredo as an outsider near the end of the eighteenth century. In order to become a part of the town, he had to become a member of one of the trusted families. The elder Benavides married Tomás Sánchez's granddaughter, Petra Sánchez, creating a permanent kinship network with an elite local family. Leyendecker needed to do more than be Catholic and a good merchant to earn Santos Benavides's trust.⁶⁰

Overall, it made practical sense for Leyendecker to pursue marriage with a Benavides, but it helped that Leyendecker was smitten with Santos's younger sister. Leyendecker began courting María Andrea Benavides in late 1856. They apparently got along rather well. It seems that Leyendecker mentioned her often in his letters to his business partners who encouraged the German to have a "short court."⁶¹

⁵⁹ Leyendecker Memorandum Book, November 11, 1886, Genealogy, Box 2M317, John Zirvas Leyendecker Papers, (DBCAH); Carlos E. Castañeda, *Our Catholic Heritage in Texas, 1519-1936* (Austin: Von Boeckmann-Jones Company, 1936).

⁶⁰ Benavides Family Tree, Genealogy, Box 2M317, John Zirvas Leyendecker Papers, (DBCAH). Tomás Sánchez was the founder of Laredo.

⁶¹ Bart J. DeWitt to Leyendecker, January 8, 1857, Box 2M314, John Zirvas Leyendecker Papers, (DBCAH).

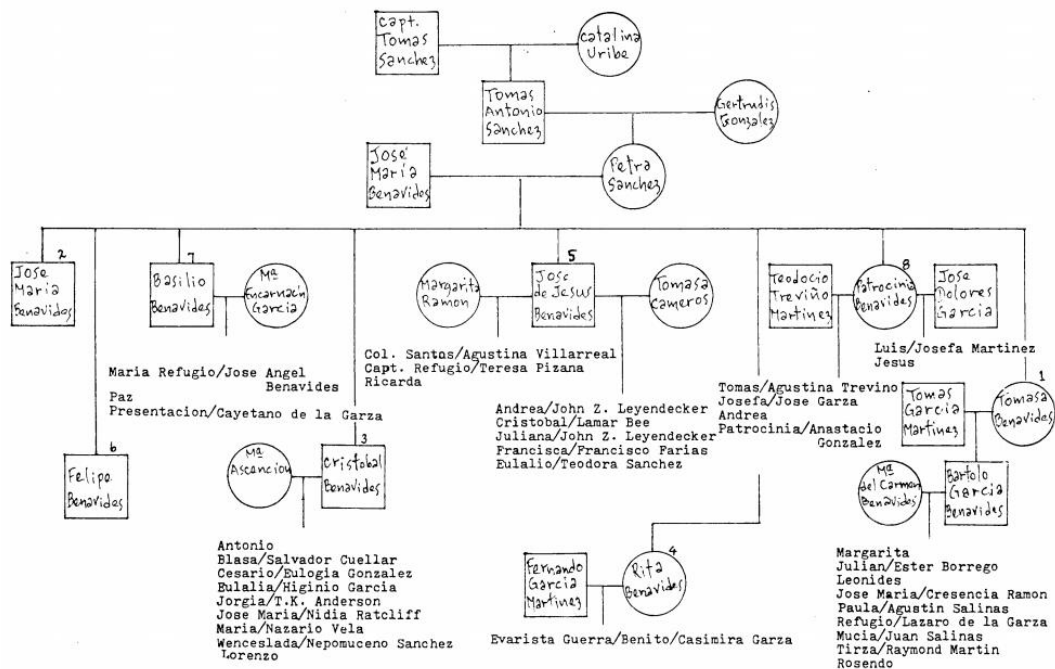


Figure 10 Benavides-Leyendecker Family Tree, in Felix Garcia, *The Children of John Z. Leyendecker*, 11

María Andrea Benavides was born November 10, 1835. She was the first daughter to José and María Tomasa Benavides and was eight years younger than Leyendecker. She received a Catholic education in Galveston under the tutelage of Jean-Marie Odin, the first Catholic bishop in Texas. She was smart, well cultured, and loyal to her family. She fell deeply in love with Leyendecker as their relationship progressed and wrote him often when he was away on business, encouraging him to return home as soon as possible to be with her. “I really miss you.

You know there is no other person that I have more confidence in taking care of me.”⁶² The courting period only lasted about six months, as Leyendecker and María Andrea Benavides wed in June of 1857. The marriage solidified Leyendecker's inclusion into the Benavides family and Laredo networks through kinship.⁶³

Their marriage declared the union to the entire town and was also meant to tie the Leyendeckers of Fredericksburg with the Benavideses in Laredo. They were wed at three o'clock in the morning on Pentecost Monday in the parish church in Laredo with Santos Benavides and his wife as sponsors and Leyendecker's pastor from Fredericksburg as a witness. Pentecost Sunday, or Whitsunday, is a festival event for the Catholic Church that commemorates the descent of the Holy Ghost on the Apostles. Pentecost Sunday marks such an important day, that the day after, Whitmonday, is devoted as an “Order of Worship.” Whitmonday has been especially important for Germans, as that day still remains an official holiday in Germany. The wedding day and time show that the families wanted the union on a particularly holy day and, by holding the ceremony on Whitmonday, recognized the inclusion of the German Catholic heritage into the Benavides's Spanish Catholic tradition.⁶⁴

María Andrea moved into the house Leyendecker leased from Josefa Treviño and helped him with his business. She received and organized his letters and communications and worked as a go-between for her husband and her family when Leyendecker traveled for business. With the help of her younger brother Cristóbal Benavides, María Andrea Leyendecker kept the

⁶² María Andrea Leyendecker to John Leyendecker, October 23, 1859, Box 2M314, John Zirvas Leyendecker Papers, (DBCAH).

⁶³ Leyendecker Memorandum Book, November 11, 1886, Box 2M317, John Zirvas Leyendecker Papers, (DBCAH); María Andrea Leyendecker to John Leyendecker, October 16, 1859, Box 2M314, John Zirvas Leyendecker Papers, (DBCAH); María Andrea Leyendecker to John Leyendecker, October 23, 1859, Box 2M314, JZL Papers.

⁶⁴ Leyendecker Memorandum Book, November 11, 1886, Box 2M317, John Zirvas Leyendecker Papers, (DBCAH); T., “The Church Calendar,” *Messenger*, (May 31, 1876) p. 5; “Whit Monday. (News),” *The Christian Century* 21, no. 13, (2003), 17.

Leyendecker merchant house in operation. She was particular about the account books and tracked when customers who owed them debt came into town. In addition to raising her new family and keeping it connected to her old one, María Andrea played an essential role in running John Leyendecker's business.⁶⁵

The importance of family connections to Leyendecker's business went beyond his ties to the Benavideses. When he and Wulff decided to move their business to Laredo, they knew they needed an additional investor to ensure they could get their store established. They brought in a new partner, Bart DeWitt. However, DeWitt was not independently wealthy. His mother held the family's wealth and she lent the money to Leyendecker on condition that Bart be a partner and Leyendecker pay her back directly. Catherine DeWitt lived in Baltimore and initially mistrusted Leyendecker and her son's venture in Texas. She much preferred the path Bart's brother took in going to Philadelphia and becoming a lawyer. By January of 1857, Leyendecker paid off his debt to Catherine DeWitt and her letters to him became far more cordial. Catherine was assured that her son's business partner met his obligations and that their store in Laredo could succeed. In her last letter to Leyendecker, Catherine suggested that the German make the trip to visit her in Baltimore. He was always welcome in her home. They were practically family. Leyendecker had established another important kinship connection to his mercantile network, this time through the American DeWitt family.⁶⁶

What Catherine DeWitt did not know was that the Laredo store suffered under a crushing amount of debt in 1857. Leyendecker had spent the hard currency he and Wulff had from Oak

⁶⁵ María Andrea Leyendecker to John Leyendecker, October 23, 1859, Box 2M314, John Zirvas Leyendecker Papers, (DBCAH).

⁶⁶ Catherine DeWitt to Leyendecker, February 7, 1856, B.J. DeWitt Letters, Box 2m314, John Zirvas Leyendecker Papers, (DBCAH); Catherine DeWitt to Leyendecker, January 9, 1857, B.J. DeWitt Letters, Box 2m314, John Zirvas Leyendecker Papers, (DBCAH).

Creek and DeWitt's loan on relocating to Laredo. He made good on his rent and impressed the Treviños with timely cash payments. However, they did not have the finances to stock their store. Wulff contracted a consignment agreement with Francois Guilbeau's merchant house in San Antonio. Guilbeau set the terms of the consignment, placing Wulff and Leyendecker in a subordinate position.⁶⁷

Francois Guilbeau had moved to San Antonio in 1839 to serve as the French consul for the region where he leveraged his diplomatic position into a flourishing commercial enterprise. As consul, he had the advantage of being privy to international information, close ties to the French and Texas governments, and the ability to import high demand goods cheaply. Guilbeau thrived as an import grocer, bringing in fruits and wines that sold at high margins. He was so successful that by the mid-1850s, he had built one of the most elegant homes in San Antonio that doubled as the French consulate during the U.S. Civil War.⁶⁸

For Guilbeau, the business relationship with Leyendecker and Wulff made sense. He could expand his business from San Antonio 150 miles south into the markets along the Rio Grande. It also allowed him to diversify outside of grocery items, as the Laredo store dealt in general merchandise. If Leyendecker and Wulff succeeded in their venture, he would continually profit as their middleman, providing goods on loan and making gains through interest. If the venture failed, he could take over and convert the Laredo store into a satellite to his San Antonio holdings or simply let the firm die. Together, Leyendecker and Guilbeau established a credit system that sent dry goods to Laredo in exchange for agricultural products shipped to San

⁶⁷ John Z. Leyendecker Account with Francois Guilbeau, 1857, Business Records, Box 2M316, John Zirvas Leyendecker Papers, (DBCAH).

⁶⁸ Jonathan Beecher, *Victor Considerant and the Rise and Fall of French Romantic Socialism* (Berkeley: University of California Press, 2001), 366; Nancy Nichols Barker and A. Dubois de Saligny, *The French Legation in Texas* (Austin: Texas State Historical Association, 1971), 339.

Antonio. Guilbeau accepted bushels of corn at a price of \$1 a bushel and hides at the market price in New York City. Whatever the French consul fetched for the hides on the New York market, he would apply half of the profit to Leyendecker's account. With their agreement, another European network began to develop in the Rio Grande borderlands.⁶⁹

1857 turned out to be a bad year for Leyendecker to rely on the hide trade in the United States. The Panic of 1857 hit New York and spread throughout the manufacturing centers in the American Northeast. Banks suspended operations and called in their securities. As a result, factories began to shut their doors, putting laborers out of work and ceasing demand for raw materials, including Rio Grande hides. The price of dried hides going into New York from the Rio Grande dropped to 36¢ a piece which meant that Leyendecker only earned 18¢ per hide he sent to Guilbeau. Considering the Laredo store owed Guilbeau \$2730 in debt, Leyendecker needed to make swift business in order avoid falling behind the interest.⁷⁰

To make up the shortfall, Leyendecker fell back on corn as a means to offset the drop in hide prices. A bushel of corn was worth more than five hides to Leyendecker. A month after he agreed to terms with Guilbeau, the German collected 336 bushels of corn from Nuevo Laredo alone. He shipped hundreds of those up to San Antonio to pay Guilbeau, which left the Frenchman flabbergasted. He sent a curt letter to Leyendecker telling him their arrangement had changed, "According to the fall of prices of hides at New York I advice (sic) you I cannot take

⁶⁹ Guilbeau to Leyendecker, January 4, 1857 General Correspondence, 2M315, John Zirvas Leyendecker Papers, (DBCAH).

⁷⁰ Charles W. Calomiris and Larry Schweikart, "The Panic of 1857: Origins, Transmission, and Containment," *The Journal of Economic History* 51, no. 4 (December 1991): 807–34; Eric Foner, *Free Soil, Free Labor, Free Men: The Ideology of the Republican Party before the Civil War* (Oxford ; New York: Oxford University Press, 1995), 24-25; "Market Report: Markets," *New York Daily Times* (1851-1857), March 24, 1857; Proquest Historical Newspapers: The New York Times, 2.

them at the same price offered to you. Also, I will not buy more corn."⁷¹ In a month, the business plan Leyendecker envisioned and enacted fell apart around him.⁷²

Leyendecker was desperate and he did what many desperate businessmen do; he took on more debt. Leyendecker recognized he was geographically removed from all of his creditors. He left Wulff and Bart DeWitt to take the heat from Guilbeau in San Antonio and contracted a new commission agreement with Preau & Couturie Co. Preau and Couturie marked Leyendecker's last shot to make the Laredo store work. Jean Preau, a French creole born in Louisiana, partnered with the Dutch consul attached to New Orleans, Amedee Couturie, and established a profitable import business in the Crescent City. They made their fortune in much the same way as Guilbeau, cheaply importing wine and liquor from Europe. The difference for Leyendecker was that Couturie would sell his Rio Grande hides in Europe directly, avoiding the tumultuous U.S. market.⁷³

Leyendecker commissioned to sell hides to Preau and Couturie for goods and cash. At the same time that Guilbeau offered Leyendecker 18¢ per hide, his new commission paid 23½¢. Unlike Guilbeau, Preau and Couturie had no interest expanding their business to Laredo. They just wanted a steady stream of hides to exchange on the market for the cheap booze that made them so much money. Further, his relationship with Preau and Couturie put him in a more enviable position. He personally negotiated their terms of exchange rather than leaving it up to the whims of the markets and merchants around him. By signing on with Preau and Couturie,

⁷¹ Guilbeau to Leyendecker, February 14, 1857, General Correspondence, 2M315, John Zirvas Leyendecker Papers, (DBCAH).

⁷² U.S. Department of the Treasury, Impost Books, Laredo, 1851-1914, vol. 1, National Archives, Fort Worth, Texas, 2791232.

⁷³ Martin Ruef, *Between Slavery and Capitalism: The Legacy of Emancipation in the American South* (Princeton: Princeton University Press, 2014), 144; Edward E. Baptist, *The Half Has Never Been Told: Slavery and the Making of American Capitalism* (New York: Basic Books, 2014), 381; George Brown Tindall and David E. Shi, *America: A Narrative History*, 5th ed (New York: Norton, 1999); 707-708.

Leyendecker gave the Benavides family and other suppliers in his network greater access to the European market for their goods.⁷⁴

Leyendecker grew significant connections in Mexico for the goods he sold in San Antonio, New Orleans, or Europe. One of his most important contacts was the governor of Nuevo Leon, Santiago Vidaurri. Vidaurri trusted the Benavideses and even stayed with them on his travels to the United States. Vidaurri's son-in-law, Irish-born Patricio Milmo, owned one of the largest mercantile houses in Monterrey. Another Monterrey merchant, Evaristo Madero, built a strong relationship with Leyendecker in the corn and hide trade. The German provided Madero an outlet for his goods in Texas and returned horses, mules, and European goods to Monterrey for Madero to resell for more grain and hide. Leyendecker's Mexican connections proved beneficial for all involved. Leyendecker was tying Mexicans into European networks so they had more access to global markets.⁷⁵

Throughout 1857, Leyendecker shipped Mexican hides from Laredo to San Antonio and New Orleans through Corpus Christi. He and his brother-in-law Cristóbal Benavides moved at least four hundred hides from Mexico across the Rio Grande and out into the international market.⁷⁶ He also took whatever else his customers were willing to pay for his goods. In one instance, he shipped nearly three tons of flour and beans to Guilbeau in San Antonio. The French merchant was not happy to be so overwhelmed with food goods, but credited Leyendecker several hundred dollars to his account for the effort.⁷⁷

⁷⁴ Preau & Couturie to Leyendecker, February 21, 1857, General Correspondence, 2M315, John Zirvas Leyendecker Papers, (DBCAH).

⁷⁵ Thompson, *Tejano Tiger*, 66-78; González-Quiroga, "Conflict and Cooperation," 44-48.

⁷⁶ U.S. Department of the Treasury, Impost Books, Laredo, 1851-1914, vol. 1, National Archives, Fort Worth, Texas, 2791232.

⁷⁷ John Leyendecker account with Francois Guilbeau, 1857, Box 2M316, John Zirvas Leyendecker Papers, (DBCAH).

Leyendecker worked constantly in 1857 to get out of debt. He even picked up additional work outside of his commercial enterprise. Leyendecker took advantage of the United States' expansion to the Rio Grande by taking on employment working for the state. He accepted part-time work as a U.S. customs agent for the port of Laredo. He was able to make a little extra money in that position and it facilitated his ability to import goods more effectively from Nuevo Laredo. Most of the agricultural products he shipped to Guilbeau came across the Rio Grande from Mexico upon which Leyendecker paid his duties. His position gave him a modicum of local control on the duties he would pay as he had negotiating power with his fellow customs agents on the border. There were certainly times he paid no duty at all. As a customs agent, he found an opportunity to merge his commercial interests with those of the state.⁷⁸

Leyendecker also became the postmaster for Laredo in 1858 allowing him access to price news, franking privileges, and further raised his standing in the community. Leyendecker's biggest shortcoming as a merchant in Laredo was that he entered agreements with his creditors in which they set the prices. He fell into so much debt with Guilbeau because the French merchant set the prices he would pay for hides and corn. Leyendecker needed up the minute pricing notices so that he would always know the value of the goods he exchanged. Being the postmaster placed him at the center of commercial communications in the Rio Grande borderlands. Additionally, he could send mail without paying postage. He took advantage of the regular mail coach between Laredo and Corpus Christi to ship his inventories at little to no cost. His partner, Santos Benavides, obtained a contract in the same year to run the mail coach from Laredo to

⁷⁸ U.S. Department of the Treasury, *Impost Books, Laredo, 1851-1914*, vol. 1, National Archives, Fort Worth, Texas, 2791232; Diaz, *Border Contraband*, 18-22, 178; Gautham Rao, *National Duties: Custom Houses and the Making of the American State* (Chicago: The University of Chicago Press, 2016), 1-14.

Corpus Christi. Together, their family network dominated the communications of a large swath of the borderlands making them essential members of the community.⁷⁹

Importantly, the Leyendecker and Benavides partnership helped solidify a strong connection between Laredo and Corpus Christi. The U.S. army had rebuilt the road during the U.S.-Mexico War to bring most of the supplies to Fort McIntosh from New Orleans through the port at Corpus Christi. However, traders avoided using the road in the early 1850s because of the threat of Indian raids and highwaymen. It was a risky venture for Benavides to take over the mail coach. That he and Leyendecker built it into the most important pipeline for Laredo's communications, imports, and exports speaks to the significant impact of their partnership on the Rio Grande borderlands.⁸⁰

By the end of the decade, Leyendecker worked off most of his debts and was becoming a prominent member of the Laredo community. The last invoice Guilbeau sent him recorded a total balance of only \$35. The German-speaking entrepreneur also sought to diversify his inventory that same year and placed a large order for textiles with another European-owned mercantile outlet in Roma, Texas. The end of the 1850s brought the promise of profits and success to Leyendecker's business. The local kinship ties he built combined with his network connections in the borderlands and beyond gave him an optimistic projection for the future.

Together, Leyendecker and Benavides connected Laredo more deeply into the regional market

⁷⁹ D. D. T. Leech, *List of the Post-Offices in the United States: With the Names of the Postmasters on the 1st of April, 1859 ; Also, the Laws and Regulations of the Post Office Department with an Appendix Containing the Names of the Post Offices Arranged by States and Counties* (Washington: John C. Rives, 1859), 83; David M. Henkin, *The Postal Age: The Emergence of Modern Communications in Nineteenth-Century America* (Chicago: University Of Chicago Press, 2006), 19-20; Richard R John, *Spreading the News: The American Postal System from Franklin to Morse* (Cambridge: Harvard University Press, 1998), 115-124; Thompson, *Tejano Tiger*, 63-64.

⁸⁰ Adams, *Conflict and Commerce*, 80-82; Thompson, *Tejano Tiger*, 63-64.

through kinship and trade and helped globalize Laredo by exporting hides to Europe and strengthening ties with growing port at Corpus Christi. They nudged Laredo out of its isolation.⁸¹

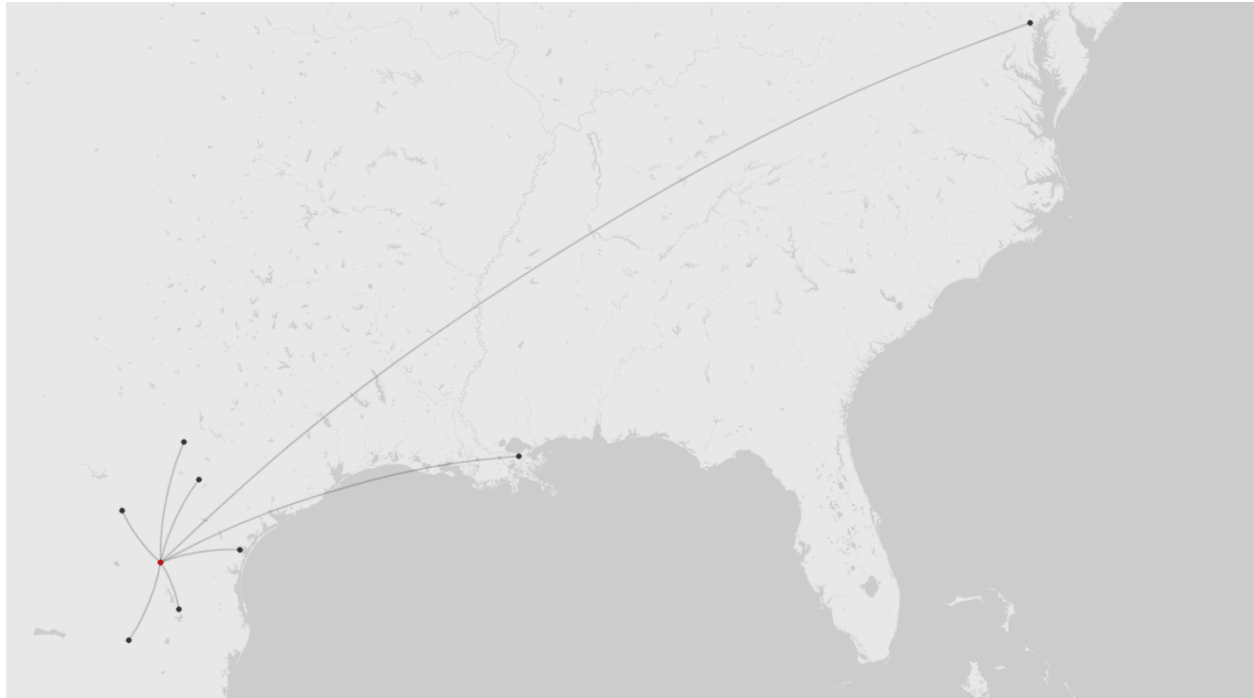


Figure 11 Leyendecker's network in 1859. Map made in Palladio. <http://hdlab.stanford.edu/palladio/>

José San Román and John Leyendecker built their networks around family, business connections, and the state. Because the social and commercial conditions in Matamoros/Brownsville were unlike those in Nuevo Laredo/Laredo, both merchants utilized different strategies to achieve their goals of creating profitable enterprises on the Rio Grande.

⁸¹ Guilbeau Invoice, 1858, Business Records, Box 2M316, John Zirvas Leyendecker Papers, (DBCAH); Stadeker, Mecklenburger, y Cox Invoice, Nov. 19, 1858, Business Records, Box 2M316, John Zirvas Leyendecker Papers, (DBCAH).

Regardless of strategy, they both created systems of exchange that tied the Rio Grande borderlands to global trade.

Prominent Americans recognized the powerful position of European-born merchants by the end of the 1850s. In the spring of 1859, the fiery South Carolina Democrat and U.S. consul in Matamoros, Richard Fitzpatrick, penned a letter to Secretary of State Lewis Cass complaining that few American cargoes entered the port at the Rio Grande and that most goods entering the city came from English manufacturers shipped on foreign vessels. Fitzpatrick went on to note that "the whole of the principal merchants in the trade are foreigners and have no sympathy for American interests."⁸² By foreigners, the consul meant Europeans, namely Spanish, French, German, and English traders who dominated the market in the U.S.-Mexico borderland. He loathed the idea that foreigners controlled the Rio Grande trade. Fitzpatrick believed that Matamoros should be an American port and the Rio Grande borderlands an American market. He was furious that European-born entrepreneurs not only competed with American dominance in the region, but that they had also become successful.

Fitzpatrick's letters reveal that American state agents worried that the United States' colonization project in the Rio Grande borderlands might fail. The American consul noted that most cargoes bypassed American settlements on the Rio Grande in favor of transport toward Monterrey. Those goods that did come into the U.S. were often smuggled to avoid paying American tariffs. The United States demonstrated very little control in the borderlands. Fitzpatrick feared that if Europeans continued to dominate the Rio Grande trade, the American towns would wither and die out.⁸³

⁸² See, for example, Richard Fitzpatrick to Lewis Cass, April 4, 1859, "Despatches from United States Consuls in Matamoros, Mexico, 1826-1906," Microfilm Mf79.01, reel 4, DeGolyer Library, Southern Methodist University.

⁸³ Fitzpatrick to Cass, October 01, 1859, "Despatches from United States Consuls in Matamoros, Mexico, 1826-1906," Microfilm Mf79.01, reel 4, DeGolyer Library, Southern Methodist University.

Fitzpatrick did not have time to change the commercial conditions of the borderlands. The United States ran headlong toward civil war by the end of 1860 and the consul left his position in support of the Confederacy. The French invasion of Mexico in 1861 brought further conflict and disruption to the region. The mercantile networks that European-born entrepreneurs built in the Rio Grande borderlands became essential to the region because of their stability. They also drove Atlantic commerce in a time of intense violence.

CHAPTER 5
"WALKING IN TALL COTTON: EUROPEAN-BORN ENTREPRENEURS AND THE BOON
OF THE ILLICIT COTTON TRADE, 1860-1872"

In 1862, English-born Joseph Morell was anxious all the time. From his store in Monterrey, he worried that the French would invade the city and kill him;¹ he believed Tamaulipas would go to war with Nuevo Leon leaving Northern Mexico in ruin;² he fretted his paper currency would become worthless;³ he suspected his partners were cheating him;⁴ he always thought some accident would befall his shipments.⁵ Most of all, he feared that the Union army would invade Texas and block the flow of cotton through the Rio Grande borderlands. The cotton trade became his most dependable source of income. He wrote Charles Stillman in Brownsville that he hoped "the Yankees will not stop our little business in Texas the only thing that keeps us alive."⁶ All of Morell's livelihood narrowed to one central product and it was threatened by so many factors beyond his control that he could barely cope.

The cotton textile industry had become the most important segment of the global economy as early as 1790. It was at the center of industrial and economic growth on both sides

¹ Joseph Morell to Charles Stillman, Nov. 18, 1861, Letters from various others to Charles Stillman, November 1861, Charles Stillman business papers, MS Am 800.27, (25), Houghton Library, Harvard College Library, <https://id.lib.harvard.edu/ead/c/hou02358c00065/catalog> Accessed September 12, 2019, (Hereafter cited as HLHCL)

² Morell to Stillman, July 29, 1861, Letters from various others to Charles Stillman, July 1861, Charles Stillman business papers (HLHCL).

³ Morell to Stillman, Feb. 25, 1862, Letters from various others to Charles Stillman, February 1862, Charles Stillman business papers, (HLHCL).

⁴ Morell to Stillman, July 27, 1862, Letters from various others to Charles Stillman, July 1862, Charles Stillman business papers, (HLHCL).

⁵ Morell to Stillman, Feb. 16, 1862, Letters from various others to Charles Stillman, February 1862, Charles Stillman business papers, (HLHCL).

⁶ Morell to Stillman, Nov. 27, 1862, Letters from various others to Charles Stillman, November 1862, Charles Stillman business papers, (HLHCL).

of the Atlantic in the nineteenth century. By 1860, the cotton textile industry became Britain's largest employer, the United States' single biggest industry, and had similar importance in France and Spain. All that industrial production relied on the availability of vast amounts of raw cotton and most of the cotton for global production came from the United States South. Enslaved people underpinned the South's cotton exports. The entire southern economy was founded on the capacity of the slave system to generate and distribute wealth. Entrepreneurial southerners utilized slave labor to acquire riches and compete in the market. They also invested in biological innovations to produce superior cotton varieties to increase the efficiency of slave labor. In conjunction with their prosperity, slaveholders retained significant political power which they wielded to push for U.S. territorial expansion and protection of the domestic slave trade. Enslaved people and the southern elites who mobilized slave labor contributed to the U.S. South, of which Texas was a part, being the leading global cotton producer.⁷

By the end of the 1850s, the free labor North openly challenged slavery's expansion, setting the North and South on a collision course toward civil war. Unified by resentment of southern power, devotion to the Union, and free labor ideology, northerners became determined

⁷ Sven Beckert, *Empire of Cotton: A Global History*, (New York: Vintage Books, 2014) ix-xxii, 242-246; Philip Leigh, *Trading with the Enemy: The Covert Economy during the American Civil War* (Yardley: Westholme, 2014), 1-14; James Oakes, *The Ruling Race: A History of American Slaveholders*, (New York: Alfred A Knopf, Inc., 1982), xi-xiii, 225-227; Edward E. Baptist, *The Half has Never Been Told: Slavery and the Making of American Capitalism*, (New York: Basic Books, 2014), xvi-xxvii; Alan L. Olmstead and Paul Webb Rhode, *Creating Abundance: Biological Innovation and American Agricultural Development* (New York: Cambridge University Press, 2008), 98-133.

For more on the history of slavery and capitalism in the United States, see Robert William Fogel & Stanley L. Engerman, *Time on the Cross: The Economics of American Negro Slavery*, (Boston: Little, Brown, and Co., 1974); Gavin Wright, *The Political Economy of the Cotton South: Households, Markets, and Wealth in the Nineteenth Century*, (New York: W.W. Norton & Co., 1978); Walter Johnson, *Soul by Soul: Life Inside the Antebellum Slave Market*, (Cambridge: Harvard University Press, 1999); Adam Rothman, *Slave Country: American Expansion and the Origins of the Deep South* (Cambridge: Harvard University Press, 2005); Seth Rockman, *Scraping by: Wage Labor, Slavery, and Survival in Early Baltimore*, Studies in Early American Economy and Society from the Library Company of Philadelphia (Baltimore: Johns Hopkins University Press, 2009); Calvin Schermerhorn, *The Business of Slavery and the Rise of American Capitalism, 1815-1860* (New Haven: Yale University Press, 2015).

to stop any further expansion of slavery. In the face of mounting northern demands, southern elites made the decision to secede. They imagined a partnership with Britain and other European powers that was unbreakably stitched together through the cotton trade. Even with the threat of full-scale war, secessionists remained uncompromising because they believed their importance to the global economy irreplaceable. Cotton weakened the connections between the North and South as northerners grew to revile slave power and southerners felt free to divest from the United States.⁸

The United States Civil War threatened American cotton exports to Europe. One of the earliest strategies for the Union was to blockade the Confederacy to prevent any cotton shipments leaving or munitions entering the South. The Union navy blockaded a thousand-mile coastline from Florida to the Rio Grande delta. However, due to the Treaty of Guadalupe Hidalgo, Law of Nations, and northern tolerance, the Union navy was mostly powerless to stop the movement of cotton out of Mexico on ships flying neutral flags. Further, tons of cotton flowed overland across the Rio Grande to Monterrey and other trading centers in Mexico. The Confederacy desperately needed to export cotton to fund its war effort and Europe required the fiber to keep the Atlantic textile industry running. The Rio Grande borderlands became the center of the movement of Confederate cotton to the Atlantic market.⁹

⁸ Eric Foner, *Free Soil, Free Labor, Free Men: The Ideology of the Republican Party before the Civil War* (New York: Oxford University Press, 1995), ix-xxxix, 310; Brian Schoen, *The Fragile Fabric of Union: Cotton, Federal Politics, and the Global Origins of the Civil War* (Baltimore: Johns Hopkins University Press, 2009), 201-259.

⁹ Robert M. Jr Browning, *Lincoln's Trident: The West Gulf Blockading Squadron during the Civil War* (Tuscaloosa: The University of Alabama Press, 2014); James W. Daddysman, *The Matamoros Trade: Confederate Commerce, Diplomacy, and Intrigue* (Newark: University of Delaware Press, 1984); James A. Irby, *Backdoor at Bagdad: The Civil War on the Rio Grande* (El Paso: Texas Western Press, 1977). William Diamond, "Imports of the Confederate Government from Europe and Mexico," *The Journal of Southern History* 6, no. 4 (November 1940): 470-503; Philip Leigh, *Trading with the Enemy: The Covert Economy during the American Civil War* (Yardley: Westholme, 2014); Mitchell Smith, "The 'Neutral' Matamoros Trade, 1861-1865," *The Southwest Review* 37, no. 4 (Autumn 1952): 319-24.

Unfortunately for those involved in the cotton trade, the Rio Grande borderlands remained incredibly unstable in the 1860s. The United States Civil War was only one of many conflicts that intersected the region. In Mexico, the War of Reform, a civil war between Mexican Liberals and Conservatives, reached its conclusion, but the Conservative losers immediately began courting French support to overthrow the Liberals and install a European monarch. Regional strongmen, like Santiago Vidaurri in Nuevo Leon, took advantage of the political instability to solidify their power. The extended Mexican civil wars and French Intervention also created power vacuums, like in Tamaulipas where an election to replace the governor devolved into a protracted battle between two factions that spilled into violence on the streets of Matamoros. Conditions were not any more stable north of the Rio Grande in Texas. Juan Nepomuceno Cortina published proclamations against American land appropriations and settler encroachment on the Rio Grande. He called on Mexicans on both sides of the river to rally and attack white landowners. Cortina and his men raided Brownsville and wreaked havoc on the countryside up and down the Rio Grande. Finally, the civil wars in the Rio Grande borderlands reinvigorated Comanche raiders who targeted ranches on the exposed frontier for horses and cattle. Soldiers, guerillas, brigands, rustlers, and raiders all ranged throughout the region making it an extremely dangerous place to move one of the most valuable products in the world.¹⁰

European-born entrepreneurs in the Rio Grande borderlands took on the dangers to position themselves as essential factors for the continued movement of cotton out of the U.S. South. They mobilized and expanded their networks to profit on the North American crises. San

¹⁰ Mark Wasserman, *Everyday Life and Politics in Nineteenth Century Mexico: Men, Women, and War* (Albuquerque: University of New Mexico Press, 2000), 106-135; Juan Mora-Torres, *The Making of the Mexican Border* (Austin: University of Texas Press, 2001); 41-51; Kearney & Knopp, *Boom and Bust*, 122-125; Jerry Thompson, *Cortina: Defending the Mexican Name in Texas* (College Station: Texas A&M University Press, 2013); Pekka Hämmäläinen, *The Comanche Empire* (New Haven: Yale University Press, 2008); 313-319; Ronnie C. Tyler, *Santiago Vidaurri and the Southern Confederacy* (Austin: Texas State Historical Association, 1973), 13-41.

Antonio, Monterrey, and Matamoros became central sites for cotton distribution. Entrepreneurial middlemen received support from European, Mexican, and American states. European consulate agencies encouraged the trade and tried to protect against seizures. Mexican officials tended to favor European-born merchants, particularly after the French invasion and the installation of Maximilian as emperor. Additionally, Confederate and even Union bureaucrats supported European participation in the cotton trade because of their own personal interests in the textile industry. The economic and political conditions in the Rio Grande borderlands offered the possibility for European-born entrepreneurs to rapidly acquire wealth if they were able to take advantage of favorable circumstances and avoid an ever-present catastrophe.¹¹

In addition to material profits, merchants in the borderlands hoped the explosion of the cotton trade would help them impose their notions of western modernity on the region. Across the globe in the nineteenth century, the cotton and textile industry facilitated freedom of commerce and a trend toward uniformity. If those conditions existed in the borderlands, merchants would have a more intelligible market in which they could more easily predict demands. European-born entrepreneurs believed the cotton trade could help them transform the borderlands into a modern global trading center.¹²

Even with the market opportunities and state support, obstacles contributed to many individual failures. Eruptions of violence destroyed lives and inventories, ethnic tensions flared, anti-Semitism ran virtually unchecked, and state policies forced individuals into positions of

¹¹ Matamoros Seizures (1863-1869), vols. 1-5, FO 5/1181-1185, The National Archives of the UK; Compañía Anónima de Navegación del Lago de Chapala y Río Grande documents, 1866-1867, BANC MSS M-M 1809, University of California Berkeley, Bancroft Library; Mark Wasserman, *Everyday Life and Politics in Nineteenth Century Mexico: Men, Women, and War* (Albuquerque: University of New Mexico Press, 2000), 112-132; Leigh, *Trading with the Enemy*, ix-xvii.

¹² C. A. Bayly, *The Birth of the Modern World, 1780-1914: Global Connections and Comparisons*, The Blackwell History of the World (Malden: Blackwell Publishing, 2004), 1-3; Peter Wagner, *Modernity: Understanding the Present* (Malden: Polity, 2012), 4-6

vulnerability. Even successful merchants knew that the boom could bust at any minute for any reason. Though the conflicts of the U.S. Civil War and the French Intervention in Mexico offered significant opportunities for European-born entrepreneurs to make economic gains, they also turned many lives upside down. Joseph Morell was correct to balance his optimism in the fortuitous cotton trade with the wariness that it could end at any minute.¹³

This chapter argues that the European demand for cotton and the political instability in the borderlands brought on by civil and international conflict remade the Rio Grande borderlands into a center of Atlantic trade in which European-born entrepreneurs rose to play a dominant role. Those who succeeded blended their already existing networks to connect nearly everyone engaged in the cotton trade. After the U.S. Civil War, those massive networks splintered. A group of European-born businessmen and a few American and Mexican allies reinvested their profits from the cotton trade in railroad transportation to modernize and try to keep the Rio Grande borderlands as a center for Atlantic trade. Their maneuvers put them on a collision course with Americans who imagined returning the region to a crossroads of North American trade.

The European demand for raw cotton in the mid-nineteenth century was insatiable which made the market for cotton incredibly stable. Between the economically tumultuous years of 1855-1860, prices of cotton exported from Galveston, Texas varied only \$4 per hundred pounds. In contrast, prices for corn and animal hides fluctuated wildly. For example, in 1855, the price of corn dropped 66% in the second half of the year from \$9 to \$4 per bushel. Hide prices saw and

¹³ John M. Hart, *Empire and Revolution: The Americans in Mexico since the Civil War* (Berkeley: University of California Press, 2002), 25-31; Omar Santiago Valerio-Jiménez, *River of Hope: Forging Identity and Nation in the Rio Grande Borderlands* (Durham: Duke University Press, 2013), 247-260; Pat Kelley, *River of Lost Dreams: Navigation on the Rio Grande* (Lincoln: University of Nebraska Press, 1986), 72-78.

even more dramatic change in 1857 when prices dropped from \$18 to \$6 per hundred pounds. Even with the Panic of 1857 in full swing, cotton prices per hundred pounds only dropped from \$13 to \$9 and recovered quickly, thereafter. The stability of the cotton market seemed to guarantee a return on investment for all involved.¹⁴

The outbreak of the U.S. Civil War made the future of the cotton market far more insecure. In an attempt to force European nations to recognize its independence, the South banned all cotton exports. However, none of the European powers wanted to recognize the Confederacy and risk war with the United States. By the time southern leaders realized the folly of their policy, the Union naval blockade was in place. Thousands of bales of southern cotton sat waiting to rot. Southern growers and European manufacturers needed to find a solution to their supply problems. Both turned to the Rio Grande borderlands as a possible answer.¹⁵

Northern Mexico proved an enticing place to move cotton out of the Confederacy and place in the hands of European textile manufacturers. Union forces could do little about the transnational cotton trade across the Rio Grande because the Treaty of Guadalupe Hidalgo declared the river neutral. Cotton traders capitalized on the river's neutrality by flying Mexican or European flags to avoid capture. As a result, Matamoros and Monterrey drew in tons of cotton during the 1860s. Matamoros became the key outlet for cotton exports. Total exports amounted to approximately \$4 million a month between 1863-1865. Monterrey fared nearly as well, solidifying its position as a Mexican center for textile manufacturing and for exporting necessary military supplies to the Confederate war effort. Furthermore, the mercantile networks that

¹⁴ Annual reports on shipping and navigation, trade and commerce, agriculture, and population and industries from the port of Galveston, pp. 48-83, FO 701/28, (TNA).

¹⁵ Beckert, *Empire of Cotton*, 246-248; John D. Pelzer, "Liverpool and the American Civil War," *History Today* 40 (March 1990): 46-52.

already existed in the Rio Grande borderlands had adopted a smuggling culture that matured for more than a decade before the expansion of the cotton trade. Borderlands entrepreneurs were well-prepared to capitalize on the illicit commodity exchange.¹⁶

Traders developed two key cotton roads that coursed from the Deep South, through Texas and into Mexico. They ran parallel to one another in order to avoid capture of a single route. The northern route moved through the Arkansas-Louisiana border, into Central Texas, down to San Antonio and across the Rio Grande at the ports of Nuevo Laredo or Piedras Negras. From there, the cotton could be hauled downriver along the Mexican river road or shipped to Monterrey. The southern highway began in Alleyton, Texas at the terminus of the Buffalo Bayou, Brazos and Colorado Railway. It tracked southwest, passing through Victoria and angling toward the Lower Rio Grande Valley into Brownsville and Matamoros. Because of the volume of traffic on the two thoroughfares, Alleyton and San Antonio became crammed with bales of cotton waiting for cartmen to carry it south.¹⁷

The demand to move all of that cotton touched the lives of nearly everyone who lived in Texas and Northern Mexico. Enslaved people were forced to plant, pick, and haul cotton. Mexican, European, and American laborers were drawn into packing, shipping, and handling bales. Women took on even more responsibility in labor and finance as they became heads of households with men conscripted to the war effort. Indigenous people also participated in the cotton times in various ways. The Comanche found opportunities to raid trading caravans and

¹⁶ Daddysman, *The Matamoros Trade*, 22-25, 30-33; Rodman L. Underwood, *Waters of Discord: The Union Blockade of Texas during the Civil War* (Jefferson: McFarland & Co, 2003), 63-65; Cerutti, *Burguesía, capitales e industria en el norte de México*, 74-87; Mario Cerutti and Miguel Gonzalez-Quiroga, "Guerra y Comercio En Torno al Río Bravo (1855-1867). Línea Fronteriza, Espacio Económico Común," *Historia Mexicana* 40, no. 2 (Winter 1990), 217-97; Mario Cerutti and Miguel A. González Quiroga, *El Norte de México y Texas, 1848-1880: Comercio, Capitales y Trabajadores En Una Economía de Frontera* (México, D.F: Instituto Mora, 1999), 51-75, 134-142.

¹⁷ Daddysman, *Matamoros Trade*, 107-109; Thompson, *Tejano Tiger*, 139-141; Mary Margaret McAllen Amberson, James A. McAllen, and Margaret H. McAllen, *I Would Rather Sleep in Texas: A History of the Lower Rio Grande Valley and the People of the Santa Anita Land Grant* (Austin, TX: Texas State Historical Association, 2003),

ranches depopulated due to the demands of war. The Choctaw participated directly in the Texas trade. They had their own cotton factor in San Antonio who negotiated prices of indigenous grown cotton and organized shipment to Mexico. The transnational cotton trade through Texas and Northern Mexico in the 1860s dramatically affected the lives of the borderlanders in various ways.¹⁸

One of the most dramatic effects came through conscription into the war effort. The Confederacy conscripted Americans, Mexicans, and Europeans living in Texas to man the carts to haul cotton to Mexico. Henry Baumberger, a brewer and shipping agent from Switzerland, had his life and business completely disrupted by the Confederacy. The government gave him an ultimatum to turn his shipping business to exclusively ship cotton to Mexico or face life as a soldier. Baumberger came to hate his "ruling lords" and wished "this damned war and all those who are to blame for it would go to hell."¹⁹ Baumberger was not alone, as many carters who crossed the desert of the Nueces Strip did so against their will.²⁰

To make matters worse, teamsters in the cotton trade lived a dangerous life. Comanche scouts realized the frequency and vulnerability of so much material moving across the open plains into their territory. Comanche attacks on cotton trains grew more frequent on the roads to the Rio Grande. Cart men like Baumberger constantly worried they would "fall a prey to the cruelty of the Indians."²¹ Other threats included guerrilla Union supporters who ranged

¹⁸ Debbie M. Liles and Angela Boswell, eds., *Women in Civil War Texas: Diversity and Dissidence in the Trans-Mississippi* (Denton, Texas: University of North Texas Press, 2016). Clara Sue Kidwell, *The Choctaws in Oklahoma: From Tribe to Nation, 1855-1870* (Norman: University of Oklahoma Press, 2007), 32, 47, 57-58; Mario Cerutti and Miguel Gonzalez-Quiroga, "Guerra y Comercio En Torno al Río Bravo (1855-1867). Línea Fronteriza, Espacio Económico Común," *Historia Mexicana* 40, no. 2 (Winter 1990): 383

¹⁹ Henry Baumberger to Dearest Relatives and Friends, Aug. 24, 1863, Folder 7, Henry Baumberger Letters, 1856-1867, Doc 5171, Daughters of the Republic of Texas Library, San Antonio, Texas.

²⁰ Amberson, et. al., *I Would Rather Sleep in Texas*, 199.

²¹ Henry Baumberger to Dear Relatives and Friends, Jan. 23, 1861, Folder 6, Henry Baumberger Letters, 1856-1867, Doc 5171, Daughters of the Republic of Texas Library, San Antonio, Texas

throughout South Texas. Juan Cortina, who began his uprising in 1859, continued his raiding into the 1860s. *Cortinistas* adopted positions against Confederate leaders in Texas and claimed support for the Union. The most successful of these Mexican-born Union guerrillas, Octaviano Zapata, recruited a militia of up to eighty men and attacked Confederate supply wagons near the Rio Grande killing most of the teamsters.²² They even hanged a Confederate judge as a public display of their power. Travel in the Rio Grande borderlands was dangerous business.²³

Eruptions of violence all along the Rio Grande had the potential to destroy entire business ventures before they had a chance to prosper. For example, one night near Christmas in 1861, a militia made up of Mexican soldiers and American mercenaries broke into an Austrian Jewish merchant family's dry goods store in Matamoros. With rifles and bayonets, the militia forced the Schlinger family out of their home, "without permitting them to take sufficient clothing to cover their nakedness," and into the road.²⁴ The men plundered the store and took all the clothing and goods they could carry. The soldiers verbally harassed the family who stood embarrassed and vulnerable in the middle of the commercial district of one of the busiest trade cities in North America. No one came to the Schlinger's aid and no punishment ever reached the responsible party. The Mexican government and the State of Tamaulipas tacitly admitted some fault and later awarded the family compensation for their injuries and losses, but the family had little recourse for the justice they desired.²⁵

²² Cushing, E. H. *The Tri-Weekly Telegraph* (Houston, Tex.), Vol. 29, No. 26, Ed. 1 Friday, May 15, 1863, newspaper, May 15, 1863; Houston, Texas, University of North Texas Libraries, The Portal to Texas History, <https://texashistory.unt.edu>; crediting The Dolph Briscoe Center for American History, (Accessed October 15, 2019)

²³ Thompson, *Tejano Tiger*, 123-124.

²⁴ Lucius Avery, U.S. Vice Consul Matamoros, "Memorial of Leopold Schlinger, September 26, 1869, Box 2.35/A72b, Leopold Schlinger Family Papers, 1833-1877, (DBCAH).

²⁵ Erhard Deposition, March 17, 1869, Santos Coy Deposition, September 24, 1869, Schlinger Deposition, April 2, 1862, Box 2.35/A72b, Leopold Schlinger Family Papers, 1833-1877, (DBCAH).

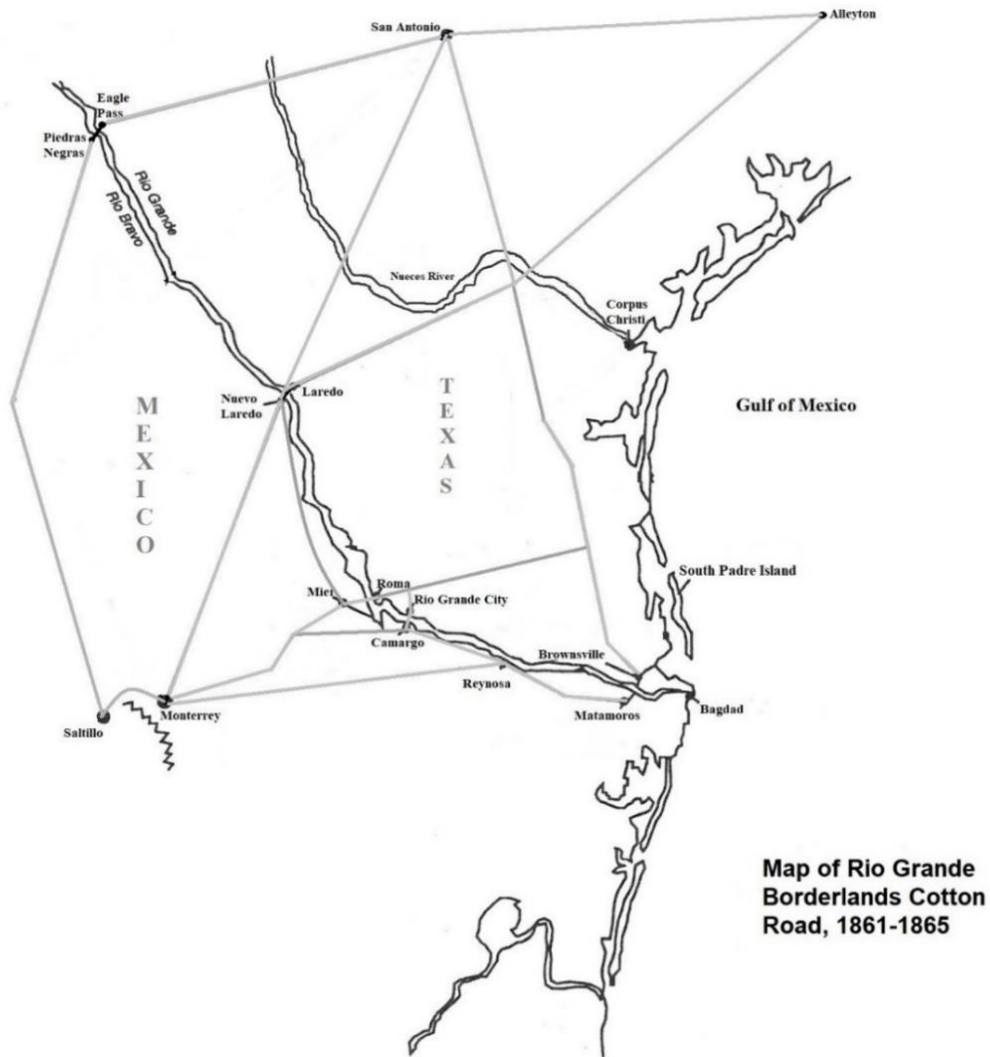


Figure 12 Map of the Rio Grande Borderlands Cotton Road, 1861-1865

The plight of the Schlingers was part of increasing political turmoil in Northern Mexico and anti-Semitism among merchants in the borderlands. In the fall of 1861, the election for governor of Tamaulipas became hotly contested. The liberal candidate, Jesús de la Serna, eked out a victory and received certification from the Juárez administration in Mexico City. His challenger, the conservative candidate, Cipriano Guerrero, declared a *pronunciamiento* against de la Serna and claimed victory for himself. Supporters of both sides clashed in cities throughout

Tamaulipas. A fight in Reynosa in October led to 5 killed. By November, the conservative mayor of Matamoros, with the support the local Mexican military commander, declared martial law within his city. The liberals in Matamoros called for support and received it in the form of General José María Jesús Carvajal and his mix of filibusters from Texas. Carvajal's troops combined with liberal resistance fighters and put Matamoros under siege. From November 1861 to March 1862, Matamoros remained in a state of civil warfare.²⁶

Individuals used the conflict in Matamoros as a means to inflict damage on political, economic, and social opponents. Those perceived as foreigners were especially at risk. The French had just revealed their ambition to conquer Mexico after the capture of Campeche. French expatriates faced reactionary violence all over Mexico, but particularly in Matamoros. Additionally, Matamoros was overcrowded with refugees and Union sympathizers fleeing the Confederacy. Carvajal declared that foreigners remained in Matamoros at their own risk and that he and his men "...would not be responsible for the lives or properties of foreigners remaining in the town."²⁷ They backed up their words. Frenchmen and Jewish merchants became the most frequent targets. In the first few weeks of Carvajal's siege, three French merchants died as a result of violence from one side or the other. It was Carvajal's men who invaded the Schlingers' home and robbed their store.²⁸

The attack on the Schlingers was also part of growing anti-Jewish feeling among the borderlands' population and European-born merchants were no exception. In addition to the fact

²⁶ *The Weekly Telegraph* (Houston, Tex.), Vol. 27, No. 35, Ed. 1 Wednesday, November 13, 1861; Joseph E. Chance, *José María de Jesús Carvajal: The Life and Times of a Mexican Revolutionary* (San Antonio: Trinity University Press, 2006), 173, 177-180; Kearney and Knopp, *Boom and Bust*, 120-123.

²⁷ *Daily True Delta*, published as *The Daily True Delta* (New Orleans, Louisiana), Vol. 25, no. 21, December 12, 1861.

²⁸ *The Weekly Telegraph*, (Houston, Tex.), Vol. 27, No. 39, Ed. 1 Wednesday, December 11, 1861.

that nobody came to the aid of the Schlingers during their public humiliation, mercantile correspondence regularly included comments regarding the Jewish community. Swedish-born John Vale explained to Charles Stillman that he did not associate with Sanders & Co. in Roma "on account of his mean, Jewish & lying principles."²⁹ Joseph Morell was just as direct in his opinions about Jewish traders. He believed their mere presence cut into his profits. "All kinds of goods are bound to go down, so many Jews are coming up to spoil trade as usual."³⁰ Jew-hatred was not restricted to the American borderlands. It became a growing trend in societies across Europe in the second half of the nineteenth century. Upwardly mobile Jewish families, like the Schlingers, became the most likely targets. Jewish entrepreneurs may have moved to the borderlands seeking what they hoped to be a pluralistic society. They found a population divided between Catholics and Protestants, though rigidly Christian and anti-Jewish. Protestant European-born entrepreneurs brought their anti-Jewish notions across the Atlantic with them. The Schlingers and others remained outside established networks and vulnerable to attack.³¹

Leopold Schlinger had developed very few local connections. Most of his cloth was imported from New Orleans and he and his wife, Regine, manufactured it in house into clothing, so they were not tied into the credit or labor networks in and around Matamoros. Additionally, since the Schlingers came to the borderlands as a single-family unit, there was no opportunity for intermarriage in order to build kinship relations until their child, Louis, reached maturity. Finally, since the Schlingers were Jewish, they did not make the same basic local connections

²⁹ Vale to Stillman, April 11, 1863, Charles Stillman business papers, MS Am 800.27 (21)-(39). (HLHCL).

³⁰ Morell to Stillman, May 27, 1861, Letters from various others to Charles Stillman, February 1862, Charles Stillman business papers, (HLHCL).

³¹ Steven Beller, *Antisemitism: A Very Short Introduction*, Second edition, (Oxford: Oxford University Press, 2015), 1-8; Esra Bennathan, "The German Jews at the Start of Industrialisation, A Comment," in Werner Eugen Mosse, Arnold Paucker, and Reinhard Rürup, eds., *Revolution and Evolution, 1848 in German-Jewish History*, Schriftenreihe Wissenschaftlicher Abhandlungen Des Leo Baeck Instituts 39 (Tübingen: Mohr, 1981), 151-155; Peter G. J. Pulzer, *The Rise of Political Anti-Semitism in Germany & Austria*, Revised edition, (Cambridge: Harvard University Press, 1988), xviii-xxiii; Dewey, *Pesos and Dollars*, 121-131.

with the predominantly Catholic and Protestant population in the region. Their position was on the fringe of every network. When a period of crisis struck Matamoros, the Schlingers held a relatively weak position that made them particularly vulnerable for attack, which highlights the point that divisions in Rio Grande borderlands went beyond Indian, Mexican, and American.

For those who avoided the violence in the Rio Grande borderlands or being rendered an outcast, the focus remained on profiting on cotton. Building broad, overlapping networks was essential to keep up with the cotton trade. With everyone working to profit on the same product and protect themselves from violent disturbances, a tendency toward cooperation slowly replaced competition. Most entrepreneurs aligned themselves with the Confederacy to ensure access to cotton supplies. They also supported Mexican leaders who would ensure the flow of cotton across the Rio Grande. Confederate Texas and Governor Santiago Vidaurri became part of the political glue that held together the mercantile networks that drove the cotton trade.

John Leyendecker and his family, including Santos Benavides, were tasked with protecting the cotton roads and ensuring Confederate cotton reached Mexico to be taxed to fund Vidaurri's regional empire. The networks that Benavides and Leyendecker built in the 1850s drew them into defending the cotton trade. By protecting the cotton road and facilitating cotton transport through Laredo, the Leyendecker-Benavides family network solidified into one of the strongest commercial entities in the region.³²

³² John A. Adams, *Conflict and Commerce on the Rio Grande: Laredo, 1755-1955* (College Station: Texas A&M University Press, 2008), 89-94; Félix García, *The Children of John Z. Leyendecker : A Brief Genealogical Sketch*, 1984; 23-28; Stanley Green, *Border Biographies*, 2nd ed., vol. 1 (Laredo: Texas A&M International University Border Studies Center, 1993), 7-13; Thompson, *Tejano Tiger*, 84-207; Jerry D Thompson, *Warm Weather & Bad Whiskey: The 1886 Laredo Election Riot* (El Paso: Texas Western Press, 1991), 14-29; Mario Cerutti and Miguel Gonzalez-Quiroga, "Guerra y Comercio En Torno al Río Bravo," 291-294.

The Leyendecker-Benavides network became inextricably tied to the Confederate cause for practical and business reasons. Practically, Laredo required a new defense structure. The Texas declaration of secession in February 1861 led to the removal of United States federal troops garrisoned in Texas forts. Major C.C. Sibley hastily moved his troops out of Fort McIntosh leaving Laredo without its most effective defense against Indians.³³ In less than a month, the Comanches took advantage. A party of over forty raiders attacked the ranches on the outskirts of Laredo killing at least sixteen men and capturing a number of women and children. The removal of federal troops offered the Comanche an opportunity to push back against American settlement and to boost their population through captives. Santos Benavides raised a militia of about sixty volunteers from up and down the Rio Grande to launch a counterattack against the raiding Comanche band. They caught half the band at a place called Paraje del Gato where a breakneck fight on horseback took place. Four Comanche and one of the militia fighters died in the battle. Significantly, newspapers across Texas picked up the story, noting Benavides's success at raising an effective militia so quickly. This led Texas to continuously call on Santos Benavides, along with his brothers Refugio and Cristóbal, to raise troops for the Confederate cause.³⁴

Santos Benavides and John Leyendecker both protected and profited from the business of civil war. Benavides did most of his work in uniform. He tracked down and snuffed out threats to

³³ Major C.C. Sibley to Major F.J. Porter, March 11, 1861, in Russel A. Alger, ed. *The War of the Rebellion: A Compilation of the Official Records of the Union and Confederate Armies* vol. LII (Washington: Government Printing Office, 1898), 134.

³⁴ *The Civilian and Gazette Weekly*, (Galveston, Tex.), Vol. 23, No. 52, Ed. 1 Tuesday, April 2, 1861, newspaper, April 2, 1861, Galveston, Texas, University of North Texas Libraries, The Portal to Texas History, <https://texashistory.unt.edu>; crediting The Dolph Briscoe Center for American History (accessed October 16, 2019); Charles DeMorse, *The Standard*, (Clarksville, Tex.), Vol. 18, No. 13, Ed. 1 Saturday, April 13, 1861, newspaper, April 13, 1861, University of North Texas Libraries, The Portal to Texas History, <https://texashistory.unt.edu>; crediting The Dolph Briscoe Center for American History (accessed October 16, 2019); Thompson, *Tejano Tiger*, 78.

the cotton trade. He chased *Cortinistas* and Union guerrillas all over the Rio Grande borderlands, ignoring the national boundary altogether. Union forces captured Brownsville in November 1863 and marched upriver to attempt to block the cotton trade through Texas. With Brownsville captured, Laredo quickly became the most important port for Confederate cotton and Benavides was tasked with defending it. The limited Union forces in Texas committed to three attacks on Laredo. Benavides and the militia under his command repelled all three, ensuring the continued movement of cotton across the Rio Grande from his hometown. Benavides's success solidified his command of the Rio Grande during the Civil War era.³⁵

Benavides military achievements coincided with commercial benefits. His family acquired military contracts to handle Confederate supplies at Fort McIntosh and elsewhere in Texas. He also assumed control of cotton shipments when he needed to. As the war dragged on and his men ran low on ammunition, Benavides captured wagon trains of cotton at Laredo that he sold for supplies for his men. While he contributed significantly to the Confederate war effort, Benavides concentrated on using the conflict to build his commercial holdings and local standing. His time in the Confederate army expanded his network and the prominence of his position in it.³⁶

As Benavides used his military position to grow the family's social currency, Leyendecker utilized the conflict to continue to expand his commercial network. His pre-war business partner, Bart DeWitt, joined the war effort to avoid conscription. DeWitt eventually went to work with the Texas Cotton Bureau, an organization designed to manage the cotton trade to snuff out corruption and guide cotton profits toward war materiel. The men who worked for the Cotton Bureau found ways to make themselves wealthy. Namely, the state purchased cotton

³⁵ Thompson, *Tejano Tiger*, 123-134; Adams, *Conflict and Commerce on the Rio Grande*, 89-93.

³⁶ Thompson, *Tejano Tiger*, 113, 187-188.

from planters using Confederate dollars then exchanged the cotton with Rio Grande merchants for hard currency. The rapidly inflating Confederate currency meant that Cotton Bureau agents could easily skim personal incomes off the top of cotton sales by turning worthless Confederate paper into gold and silver. One such entrepreneurial agent was Jean B. Lacoste from Gascony, France. DeWitt linked Leyendecker and Lacoste hoping the two could find a mutually beneficial relationship.³⁷

Carts formed the linchpin of the Leyendecker-Lacoste relationship. As Henry Baumberger could attest, Confederate Texas was at a constant shortage of wagons and carts to ship all of the cotton to Mexico and war materiel to Texas. Thanks to his family's connections to Vidaurri and Leyendecker's pre-war business of shipping agricultural goods to San Antonio, Leyendecker received regular shipments from Nuevo Leon by Mexican cartmen who could not be conscripted into Confederate service.³⁸ Lacoste in Matamoros knew that at least 600 bales of cotton lay stacked in Alleyton waiting for someone to pick it up and bring it to him. He had English merchants in Matamoros willing to pay almost 100% more per pound than the bureau paid the farmers. DeWitt told Leyendecker to "find all the carts you can" and make a trip downriver where he could "make a bargain."³⁹ Leyendecker jumped at the opportunity and mobilized at least forty Mexican cartmen to ship cotton in Texas. Leyendecker pulled in thousands of dollars in hard currency, the cartmen earned hundreds of dollars more than they

³⁷ DeWitt actually wrote a letter to Leyendecker on a Sweet & Lacoste Co. flyer: Bart J. DeWitt to John Z. Leyendecker, April 24, 1863, Box 2M314, John Zirvas Leyendecker Papers, (DBCAH); Roseann Bacha-Garza et al., eds., *The Civil War on the Rio Grande, 1846-1876* (College Station: Texas A&M University Press, 2019), 165; Charles R Porter, *Spanish Water, Anglo Water: Early Development in San Antonio* (College Station: Texas A&M University Press, 2011), 102; Ralph A. Wooster, *Civil War Texas: A History and a Guide* (Austin: Texas State Historical Association, 1999), 33-34.

³⁸ David Montejano, "Mexican Merchants and Teamsters on the Texas Cotton Road, 1862-1865" in John Tutino, ed. *Mexico and Mexicans in the Making of the United States* (Austin: University of Texas Press, 2012), 163-164.

³⁹ DeWitt to Leyendecker, July 24, 1863, Box 2M314, John Zirvas Leyendecker Papers, (DBCAH).

would have in Mexico, and Lacoste became a longtime business partner for the Leyendecker-Benavides commercial network during and after the conflict ridden 1860s. Leyendecker actively worked in the remaking of the Rio Grande borderlands into a hub of Atlantic cotton exchange.⁴⁰

Leyendecker's position as a successful shipping magnate in Laredo drew attention of old acquaintances interested in the booming Rio Grande trade. Charles Lege, a fellow German-speaking Confederate Quartermaster, wrote Leyendecker after nearly a decade of silence to tell him that Lege planned on visiting Laredo "to make some money."⁴¹ Lege openly admitted that he meant to presume on his old friendship to pump Leyendecker for information on how to succeed in business in the Rio Grande borderlands. Lege's imposition turned out to be a boon for Leyendecker as Lege became an agent for Richard King and Mifflin Kenedy and set up shop in Camargo. As the Union continued to threaten shipments from Alleyton to Brownsville from the coast, King and Kenedy redirected their cotton southwest to Laredo then down to Matamoros through their agents in Camargo. Leyendecker got to charge for his services of inspecting the cotton in Laredo and transferring it across the Rio Grande to his trusted cartmen in Nuevo Laredo. He was also given leave to draw on Kenedy's account in Matamoros if he needed to. Through Lege, Leyendecker gained access to the most prominent American businessmen in the Rio Grande borderlands which pushed him closer to the American network.⁴²

As significant as his networks north of the Rio Grande had become, Leyendecker's connections in Nuevo Leon proved to be just as profitable. In addition to his organization at employing Mexican cartmen in the cotton trade, he also had mercantile connections that paid

⁴⁰ Porter, *Spanish Water, Anglo Water*, 102; Miguel Gonzalez Quiroga, "Los Inicios de la Migración Laboral Mexicana a Texas (1850-1880)", in Ramirez M. Ceballos ed., *Encuentro en la Frontera: Mexicanos y Norteamericanos en un Espacio Común* (Mexico: COLEF, 2001), 357-358.

⁴¹ Charles Lege to Leyendecker, July 6, 1864, Box 2M314, John Zirvas Leyendecker Papers, (DBCAH);

⁴² Jockusch & Co. to Leyendecker, May 31, 1865, Box 2M314, John Zirvas Leyendecker Papers, (DBCAH); Lege to Leyendecker, May 31, 1865, Box 2M314, John Zirvas Leyendecker Papers, (DBCAH).

dividends. Much of the agricultural products Leyendecker dealt in prior to the war came from Evaristo Madero in Monterrey. Leyendecker kept importing grains from Madero, but also worked with him in the cotton trade. Additionally, the Benavides association with Vidaurri put Leyendecker in contact with the largest handler of Mexican cotton in the 1860s, Milmo & Co. Vidaurri's son-in-law, Irish-born entrepreneur Patricio Milmo, rose to become one of the wealthiest merchants in the Rio Grande borderlands as a result of the illicit cotton trade. Milmo and Madero combined to supply the Confederacy with Mexican flour which they exchanged for thousands of bales of cotton. Leyendecker often handled the transfer of those goods across the Rio Grande. By inserting himself in the Mexican trade and connecting with the most powerful merchants and political leaders in Monterrey, Leyendecker was able to thrust Laredo and the surrounding region into the global cotton trade.⁴³

Leyendecker became an essential middleman for the cotton trade. When Milmo partnered with Lacoste to sell and export cotton out of Matamoros, a trusted partner like Leyendecker received it and transferred it to Matamoros where Lacoste shipped it to his English partner, Henry Attrill, for specie, blankets, harnesses, saddles, and gray wool that Lacoste shipped back to Monterrey through Milmo and up into Texas to supply Confederate soldiers. Near the end of the war, Leyendecker became an Assistant Quartermaster. From that position, he organized purchases from Milmo and Madero for Confederate supplies that he distributed to Fort McIntosh and other military stations on the Rio Grande. Leyendecker used his position to more firmly tie the Confederate demand for supplies to the borderlands.⁴⁴

⁴³ Mora-Torres, *The Making of the Mexican Border*, 50; Adams, *Conflict and Commerce*, 92-93; Thompson, *Tejano Tiger*, 164-166; Tyler, 122-127.

⁴⁴ Arthur J. Mayer, "San Antonio, Frontier Entrepot" (PhD diss, The University of Texas at Austin, 1976), 477-483; Confederate States of America Quartermaster's Department records for Laredo, Box 2M318, John Zirvas Leyendecker Papers, (DBCAH).

Leyendecker and Benavides played key roles on the cotton road ensuring Confederate cotton made its way into Mexico and essential supplies came into Confederate Texas. In doing so, their network solidified locally and expanded regionally to include some of the most powerful businessmen of the era. Together, Leyendecker and Benavides made Laredo and its surroundings a key crossroads of the cotton trade between San Antonio, Monterrey, and Matamoros, facilitating the borderlands' role in the global economy.

Confederate cotton and the increasing power of Monterrey in the region proved fortuitous for Matamoros. The need to move cotton out of Mexico and heightened demand for war supplies combined to create an economic upsurge on the Rio Grande Delta. Entrepreneurs with already established mercantile networks were best able to take advantage of the boom time. They harnessed their networks to ensure cotton made it to port and expanded their networks in order to ship cotton across the Atlantic. Those networks helped offset losses to the Union blockade that still seized ships regardless of the legal loopholes surrounding the borderland. Merchants in Matamoros and its surroundings aspired to make their city a new center of Atlantic trade.

Matamoros and the small fishing village of Bagdad, directly downriver from Matamoros on the Mexican side of the mouth of the Rio Grande, burst into boom towns. Entrepreneurs moved there in mass making retail space a premium. Rents in Matamoros jumped 1000% between 1858-1863. The population of Bagdad exploded from maybe 100 people up to 15,000. The cotton trade created a space for expansion of other industries in the area. Nearby ranchers had a ready local demand for beef, carpenters and engineers had endless contracts to construct new buildings, saloon owners did not have enough space to sustain demand. Store owners could

barely keep enough beer, wine, and tobacco in stock. The cotton times offered a look into how Matamoros and its surroundings might look as an essential cog in the Atlantic trade machine.⁴⁵

José San Román, who accounted for more than 6% of the total amount of cotton exported from Matamoros between 1862-1865, built one of the largest mercantile networks in the borderlands at the time. The Basque trader's connections in Monterrey and other parts of Mexico helped facilitate the transformation of the Rio Grande borderlands to a center of global trade.⁴⁶

Monterrey became an important transfer post for Mexican cotton. Monterrey's position resulted from Santiago Viduarri's alignment with Confederacy, the already established merchant elite in the city, and shifting patterns of violence in Northern Mexico. Vidaurri and his son-in-law, Patricio Milmo, benefited from the high tariffs they could place on cotton crossing the Rio Grande and the war materiel and supplies they shipped to Texas. In addition to Milmo, there already existed a powerful group of European-born merchants in Monterrey who could handle the rapid influx of trade and population. While Matamoros remained the most important point of ingress and egress of goods and raw cotton, respectively, internal fighting and foreign invasions disrupted shipping. During the various *Cortinista* raids, civil violence in Matamoros, the Union invasion of Brownsville, and the French invasion of Matamoros, shipments needed to be stored safely. Monterrey became a key warehousing center. San Román utilized every connection he had in Monterrey to navigate the instability of the Rio Grande borderlands during the cotton times.⁴⁷

San Román's network of Spanish-born contacts in Monterrey gave him access to the city's resources. Mariano Hernández had a head start on the cotton trade through his textile

⁴⁵ Leroy P. Graf, "The Economic History of the Lower Rio Grande Valley 1820-1875" (PhD Diss, Harvard University, 1942), 489-490; Irby, *Backdoor at Bagdad*, 5-7.

⁴⁶ Montejano, "Mexican Merchants and Teamsters on the Texas Cotton Road, 1862-1865," 159-166.

⁴⁷ Cerutti, *Burguesía, capitales e industria en el norte de México*, 74-87; Tyler, *Santiago Vidaurri*, 50-51.

manufacturing investments. He already had direct lines to Texas cotton and the means to store surplus stock. He also expanded to open a Hernández y Hermanos storefront and warehouse in Matamoros that worked closely with San Román.⁴⁸ Valentín Rivero played an even larger role in San Román's cotton operation. Not only did he help facilitate the cotton trade, but Rivero managed important silver shipments to Matamoros ensuring San Román remained flush with hard currency to pay cart men and other cotton brokers. San Román's access to silver also allowed him to turn more of his attention to finance. Credit was his pathway to power. San Román became one of the most prominent lenders in the Rio Grande borderlands during the Civil War era. As smaller merchants turned to him for loans, he solidified his centrality to the cotton trade.⁴⁹

San Román's Spanish contacts helped him build stronger connections with English-born traders in Monterrey. C.W. Whitis specialized in brokering trade between Confederate Cotton Bureau agents and Liverpool cotton importers. Whitis's business partner, Asa Pullen, worked in Piedras Negras to ensure that shipments made it across the Rio Grande to be transported to Monterrey. The only missing link in Whitis's chain was a reliable facilitator in Matamoros to ensure his bales of cotton made it onto ships to cross the Atlantic. Rivero likely suggested Whitis seek out San Román to fill the gap in his supply chain.⁵⁰

Not only did San Román ensure cotton safely made it aboard ships bound for Liverpool, but he acted as a banker for Whitis and Pullen. When a client like Whitis shipped his cotton to

⁴⁸ After the Civil War, San Román took over the Hernández Hermanos holdings in Matamoros: Ledger for Hernández Hermanos, Matamoros, January-August 1864, Box 2G133, José San Román Papers, (DBCAH).

⁴⁹ Mora, *The Making of the Mexican Border*, 33-34, 92-93; Cerutti & González Quiroga, "Guerra y comercio en torno al río Bravo (1855-1867)," 245-247, 264-273.

⁵⁰ Asa Pullen to José San Román, July 2, 1865, Box 2G73, José San Román Papers, (DBCAH); E.M. Wheelock, *Reports of Cases Argued and Decided in the Supreme Court of the State of Texas During the Latter Part of the Second Annual Session of the Court, Commencing the First Monday of December, 1871* XXXVI, (St. Louis: Gilbert Book Company: 1882), 602-618.

Matamoros, San Román usually covered the freight costs on delivery, inspected the goods, arranged transport further downriver to Bagdad, and contracted loading onto transatlantic ships. After he took out his own expenses, he logged the remaining value into Whitis's account in his books. If a client like Whitis needed money right away, he could request a letter of advice which the client could take to a local firm, like Rivero & Cia., to withdraw sums from their account. The account transfers, of course, garnered their own fees making men like San Román all the wealthier. They also made the cotton trade work more effectively by ensuring people got paid. No matter where his business took him, if Whitis could get a message to San Román, he could get his money. Handling financial accounts quickly became one of San Román's most profitable roles. He was a key mover of both cotton and currency in this era.⁵¹

Joseph Morell's dealings with San Román brings the interconnectivity of the Rio Grande borderlands and the region's brief period as a center of Atlantic trade into perspective. The English-born merchant had been in Monterrey since the U.S.-Mexico War and formed a partnership with Charles Stillman and his company in Brownsville. Morell traded in various goods, but primarily bought and sold military supply. He likely supplied Carvajal's troops during the Merchant War and sold shot and powder to all sides during the Mexican Reform War.⁵² To stay in business, he paid regular tithes to Santiago Vidaurri and supported the governor throughout the 1850s and 1860s. Though his business often went beyond dubious into the realm

⁵¹ Pullen to San Román, July 2, 1865, Box 2G73, José San Román Papers, (DBCAH); C.W. Whitis to San Román, Sep. 15, 1864, Box 2G73, José San Román Papers, (DBCAH); José San Román Cash Book, May 1, 1858-May 31, 1865, p. 447, Box 2G131, José San Román Papers, (DBCAH).

⁵² Morell to Stillman, Feb. 26, 1862, Charles Stillman business papers, MS Am 800.27 (21)-(39), (HLHCL).

of outright malfeasance, his dealings connected Northern Mexico to the United States, Britain, and beyond.⁵³

Morell was a Stillman man, but the cotton trade was so vast and complex that he needed San Román to ensure his exports. San Román had earned a reputation as a trustworthy partner throughout the 1850s. It made sense for Morell to seek out the Spaniard in a time of need. Stillman sold much of the cotton he traded during the war in New York City. Problematically, Stillman's name was tied to the contraband cotton trade. Any cotton he landed in New York under his name risked confiscation. Morell helped fix that problem. He shipped Stillman cotton out of Matamoros under the title "José Morell, Monterrey" to avoid suspicion. During times he could not see to the export himself or he felt his identity compromised, he contracted San Román to do it. Though the Spaniard was a longtime Stillman competitor, the cotton trade pushed them all together.⁵⁴

The threat of a Union invasion and the naval blockade also helped draw mercantile networks together. San Román, Morell, Milmo, and other merchants in the cotton trade had to constantly be wary of the Union blockade. The easiest strategy was to make sure to transfer their goods in and out at Bagdad south of the mouth of the Rio Grande to avoid Union ships. San Román had a special agent in Bagdad, French-born Joseph Kleiber, to make sure his shipments remained on the Mexican side of the border safe from capture. Regardless, failure was common as American naval commanders stopped and searched European ships in neutral waters

⁵³ John M. Hart, *Empire and Revolution: The Americans in Mexico since the Civil War* (Berkeley: University of California Press, 2002), 23-25; John M. Hart, *Revolutionary Mexico: The Coming and Process of the Mexican Revolution* (Berkeley: University of California Press, 1987), 110-123; Mario Cerutti and Miguel Gonzalez-Quiroga, "Guerra y Comercio En Torno al Río Bravo (1855-1867). Línea Fronteriza, Espacio Económico Común," *Historia Mexicana* 40, no. 2 (Winter 1990), 255-271.

⁵⁴ Morell to San Román, Jan. 07, 1862, Box 2G61, José San Román Papers, (DBCAH); Hart, *Revolutionary Mexico*, 110-115; Marilyn McAdams Sibley, "Charles Stillman: A Case Study of Entrepreneurship on the Rio Grande, 1861 - 1865," *The Southwestern Historical Quarterly* 77, no. 2 (1973): 227-40; Montejano, "Mexican Merchants and Teamsters on the Texas Cotton Road, 1862-1865," 141-170.

throughout the Gulf of Mexico and Caribbean. In 1863, Union sailors boarded five British merchant ships in Mexican waters off the coast of Matamoros. The *Sir William Peel*, *Volant*, *Matamoros*, *Science*, and *Dashing Wave* were all impounded for carrying contraband. Since all the impounded ships were connected in some way to European-born entrepreneurs in the Rio Grande borderlands, the paperwork that impounds produced demonstrate the growing interconnectivity of the borderlands and importance of the borderlands in the global cotton trade.⁵⁵

Milmo and Lacoste relied heavily on the *Sir William Peel* for their cotton exports. Partially owned by Lacoste's partner, Henry Attrill, the *Sir William Peel* had over 1000 bales of cotton aboard when it was seized and sent to New Orleans for investigation. Certainly, John Leyendecker's cartmen had shipped the cotton to port to be loaded on the *Sir William Peel*. Union naval officers concluded to impound the ship because they found eleven guns on board and believed them to be contraband of war. Outraged, the British consul in Matamoros fired off letters of protest to the British foreign office that the cotton, shipped by Milmo & Co., was certified by the U.S. consul in Matamoros. It should never have faced seizure. The situation created a firestorm of controversy between the United States and Britain that lasted nearly a decade.⁵⁶

The seizure of the *Dashing Wave* interrupted San Román's shipments from Britain. The Spaniard had previously avoided using the *Dashing Wave* in his transatlantic trade. He had Joseph Railton & Sons of Manchester transfer his shipments of dry goods and other items off the

⁵⁵ George Brown Tindall and David E. Shi, *America: A Narrative History*, 5th ed (New York: Norton, 1999), 766; Daddysman, *The Matamoros Trade*, 165-168; Alger, ed. *The War of the Rebellion*, 228-229;

⁵⁶ G. Coppel to Lord Lyons, Nov. 16, 1863, Matamoros Seizures, FO 5/1181, TNA; Henry Howard, *Report by Her Majesty's Agent of the Proceedings and Awards of the Mixed Commission on British and American Claims* (London: Harrison and Sons, 1874), 102-118.

Dashing Wave in August 1862 because San Román knew the ship had a reputation for breakage and loss. Railton was happy to oblige, for a fee, because he was able to take advantage of San Román for two profitable commodities from Mexico: silver and cotton. The *Dashing Wave* lost the commission to ship £30,500 of goods from Liverpool to Matamoros. San Román chose to pay to have his goods shipped via two separate ships with additional costs rather than the *Dashing Wave*.⁵⁷

When San Román learned of the *Dashing Wave's* seizure a year later, he could probably only shrug and sigh at his luck with that ship. This time his business associate was the massive transnational Lizardi company. The Lizardi company had a long history with the transatlantic cotton trade. The merchant family first opened business in Veracruz in the 1750s and quickly grew into one of the largest firms working in the Gulf of Mexico. By the time of Mexico's independence in 1821, Lizardi owned mercantile houses in New Orleans, Paris, and London. Francisco de Lizardi and Co., the London house, worked in tandem with Manuel de Lizardi and Co., the New Orleans house and prominent cotton factor, to export cotton from New Orleans to Liverpool in the 1840s. Problematically for the Lizardi company, the Union blockade concentrated on New Orleans, severing the tie between the two Lizardi firms. F. de Lizardi and Co. had to find a replacement cotton factor. The firm sought inroads to the Matamoros trade.⁵⁸

F. de Lizardi and Co. found José San Román through one of San Román's business partners. Speculator H.N. Caldwell called on F. de Lizardi and Co. to jointly purchase cotton in Matamoros. Caldwell had £3000 in hand with £4000 on credit with San Román in Matamoros.

⁵⁷ Montejano, *Mexican Merchants and Teamsters*, 160; Joseph Railton to San Román, September 01, 1862, Box 2G61, José San Román Papers, (DBCAH).

⁵⁸ Linda K Salvucci and Richard J. Salvucci, "The Lizardi Brothers: A Mexican Family Business and the Expansion of New Orleans, 1825-1846," *The Journal of Southern History* 82, no. 4 (November 2016): 759-788; Thomas Courtland Manning, Francois-Xavier Martin, and Merritt M. Robinson, *Reports of Cases Argued and Determined in the Supreme Court of Louisiana and in the Superior Court of the Territory of Louisiana. [1809-1896]: 1846-1847*, vol. 21 (St. Paul: West Publishing Company, 1910), 281-291.

He wanted F. de Lizardi and Co. to put up another £5000 so they could get a huge bulk of cotton out of Matamoros in one transaction. Both Caldwell and Lizardi wanted San Román to handle the purchase. They shipped 12,000 gold sovereign coins to San Román via the *Dashing Wave* with detailed instructions on how San Román was to purchase the cotton, inspect it, and ship it to Britain. They gave San Román discretionary power to purchase from £7000 up to the full £12,000 depending on the market and quality of the product. Caldwell was sent personally to deliver the gold sovereigns and the instructions. When the Union navy seized the *Dashing Wave*, the gold disappeared. Caldwell fled the ship during its seizure and probably took the gold with him. All F. de Lizardi and Co. had to make its case against the United States was a bill of lading. After the incident with the *Dashing Wave*, San Román added a deposit in his cash book from Caldwell's company for £10,000. Though the seizure cost him a ship full of goods, a majority of the gold coins may have made their way into San Román's hands.⁵⁹

The examples of the *Sir William Peel* the *Dashing Wave* give insight into the growing interconnectedness of the mercantile networks in the Rio Grande borderlands. No matter how large the British firm importing cotton from the Rio Grande, be it Henry Attrill's company or the Lizardis, they needed middlemen who worked locally to ensure shipments. Their money could only go so far without the expertise and local networks of merchants like San Román and Patricio Milmo. Their local connections made it so that they knew when the high and low times would come. They also knew how to boost the value of goods to exchange them at the highest

⁵⁹ H.N. Caldwell to F. Lizardi and Co, Aug. 17, 1863; F. Lizardi and Co. to H.N. Caldwell, Aug. 18, 1863; F. Lizardi and Co to José San Román, Aug 21, 1863 in Matamoros Seizures August 1864-November 1865 FO 5/1184, (TNA); José San Román Cash Book, May 1, 1858-May 31, 1865, p. 333, Box 2G131, José San Román Papers, (DBCAH); "Brig Dashing Wave v. The United States," in Stephen K. Williams, *Cases Argued and Decided in the Supreme Court of the United States, December Terms, 1865-1867* (Rochester: The Lawyers' Cooperative Publishing Company, 1901), 621-625.

margins. Together, huge European firms and knowledgeable local middlemen made the illicit cotton trade function. Even with the failure and suspicion surrounding the *Dashing Wave*, F. de Lizard and Co. continued to do business with San Román because it was profitable in the long run.⁶⁰

San Román became such an important node in the transatlantic cotton trade because of his network of Europeans in the borderlands who directed cotton shipments down the Rio Grande to San Román's warehouses in Matamoros. John Decker in Rio Grande City and Camargo proved to be an important ally. San Román's budding relationship with Decker in the 1850s blossomed into an incredibly profitable partnership during the U.S. Civil War. Decker's company accepted tons of Confederate cotton at Rio Grande City, sorted it, transferred it across the border to Camargo, and shipped the prime cotton downriver to San Román. Decker sold the damaged and subpar cotton to other merchants. In exchange for sending San Román only the best cotton, Decker asked for small perks in addition to payment, like fine clothing. Their relationship proved mutually beneficial.⁶¹

Similar to Leyendecker, Decker's connections in Mexico gave him access to Mexican cartmen. Decker's wife, Antonia Morales, helped boost his standing in Camargo. Though not one of the original families to settle Camargo, the Morales family became important in Camargo politics after Mexico's independence from Spain. Decker opened a store in Camargo and the family had a home there. It is likely John Decker met Antonia Morales through local social and trade networks. When their daughter, Cecilia Decker, wed, they had the wedding in Camargo. John Decker had standing and connections in Camargo which helped him when he needed to hire

⁶⁰ Beckert, *Empire of Cotton*, 149; Daddysman, *The Matamoros Trade*, 156; Bill of Lading for the *Joven Rafael*, Oct. 14, 1864 and Bill of Lading for the *Angelita*, Oct. 15, 1864, Box 2G73 José San Román Papers, (DBCAH).

⁶¹ John Decker to San Román, Oct. 4, 1864, Box 2G73, JSR Papers.

Mexican cartmen to move tons of cotton. He had his best teamsters carry San Román's cotton in shipments that often exceeded four tons. Local family connections up and down the Rio Grande remained essential the movement of cotton and other goods during the era of globalization in the borderlands.⁶²

In Nuevo Laredo, another European who married into a Mexican family worked to make sure San Román's cotton made it to Matamoros. English-born Henry Redmond spent the 1850s trying to establish himself as one of the most powerful people on the stretch of the Rio Grande between Laredo and Rio Grande City. He married Refugio Diaz, daughter of Agapita and Teodoro Cuellar Diaz of Ciudad Guerrero, Tamaulipas. The Cuellars were one of the founding families of Guerrero and his wife's family allowed Redmond access to networks of power in the regional Mexican elite.⁶³ With the help of his new family and others, Redmond aided in the creation of Zapata County in Texas. He consolidated his political power in the county by holding the positions of postmaster, customs collector, justice of the peace, and county judge. He also controlled a virtual mercantile monopoly in the area. Redmond's power grabs made him enemies among Mexican ranchers and laborers in and around Zapata County. When the county had to submit its vote for secession, it set off a revolt. The county leadership, including Redmond, announced that anyone who failed to vote in favor of secession would be fined fifty cents. Dissidents who failed to submit a ballot were later ordered arrested, sparking rancher Antonio Ochoa to declare a *pronunciamiento* in favor of Juan Cortina's uprising and the Union cause.

⁶² The Laredo Archives, 1749-1838, reel 1, p.3, DeGolyer Library Microfilm, Southern Methodist University; *Camargo Church Marriage Records 1764-1913*, Grooms, Second Revision, (Corpus Christi: Spanish American Genealogical Association, 1995), 52; John Decker to San Román, Oct. 12, 1864, Box 2G73, José San Román Papers, (DBCAH).

⁶³ Before Mexico's independence, the Spanish called the town Revilla: Historia vol. 56, Nuevo Santander, Villa de Revilla, 410-423, Archivo General de Mexico, 1538-1849, (DBCAH).

Ochoa and over forty *Cortinistas* took over southeastern Zapata County and attacked Redmond's ranch.⁶⁴

Redmond's time in Zapata County was up. He closed shop and moved in with his wife's family in Ciudad Guerrero. He concluded a letter to Charles Stillman with an ominous statement, "We are living in very serious times."⁶⁵ From the relative safety of Guerrero, Redmond had to figure out how to provide for his family. He traveled upriver to Nuevo Laredo to start a new mercantile business where he had a couple friends and fewer enemies. One his most prominent contacts in the area was Santos Benavides, who had ridden south to defend Redmond's ranch when the *Cortinistas* attacked it.⁶⁶

From Nuevo Laredo, Redmond initially worked in the hide trade until the cotton market exploded. He utilized his experience with local government and the Mexican elite to his benefit. He paid the alcalde of Nuevo Laredo a percentage of each cotton shipment over the river and openly recorded payments of the municipal and federal tax.⁶⁷ He wanted to maintain Mexican support for his business in town. Redmond also gained support from the Brazos Manufacturing Company. Organized by planters in Brazoria County to build a textile mill using Texas state subsidies and cotton sales, the Brazos Manufacturing Company hired Redmond to broker sales of their cotton. He turned to José San Román to buy bulk shipments. In one transaction he sent over 103 bales to San Román in Matamoros.⁶⁸ Through the cotton trade in Mexico, Redmond rebuilt

⁶⁴ Thompson, *Tejano Tiger*, 85-87.

⁶⁵ Henry Redmond to Charles Stillman, May 7, 1861, Charles Stillman business papers, MS Am 800.27 (4-20) (HLHCL).

⁶⁶ Thompson, *Tejano Tiger*, 91-94; Christopher L. Miller, Russell K. Skowronek, and Roseann Bacha-Garza, *Blue and Gray on the Border: The Rio Grande Valley Civil War Trail*, (College Station: Texas A&M University Press, 2018), 137.

⁶⁷ Henry Redmond to José San Román, Sep. 05, 1864, Box 2G73, José San Román Papers, (DBCAH); U.S. Department of the Treasury, Impost Books, Laredo, 1851-1914, vol. 1, National Archives, Fort Worth, Texas, 2791232

⁶⁸ Henry Redmond to José San Román, Sep. 18, 1864, Box 2G73, José San Román Papers, (DBCAH); Norman L. McCarver, *Hearne on the Brazos* (San Antonio: Century Press of Texas, 1958), 22-23.

his mercantile business in the face of catastrophe. He also made sure that San Román received the cotton he needed from Texas.

During the cotton times in the Rio Grande borderlands, mercantile networks expanded, intersected, and melded together. As the cases of Leyendecker and San Román demonstrate, regional networks were essential to the movement of cotton out of Texas and into the Atlantic market. Individuals who had already crafted relationships of trade and trust took most advantage of the economic explosion that came with the political and social disruptions of civil war and foreign invasion. Because of the sheer volume of trade, former competitors had to work alongside one another to keep up. The violent factors that constantly threatened the trade forced them to work in tandem. Global forces came together to make the borderlands one of the most important regions for economic exchange between 1861-1867 and the people who lived there took advantage of the opportunity. Those who did hoped to retain the significance of the region in the decade that followed.

The end of the U.S. Civil War and decline of the cotton trade in the Rio Grande borderlands caused the vast regional networks to splinter. American and European networks aligned against one another, with new variations. And like in the 1850s, the fight was over transportation. Mifflin Kenedy and his partner Richard King still held the monopoly over steamship transport on the Rio Grande. However, the cotton times offered new possibilities for the movement of goods. By necessity, overland shipping became more effective. Merchants had mobilized shipping companies who improved the roadways. As roadways improved, the Rio Grande became less reliable. The volume of water in the river channel began to decrease considerably after the conclusion of the U.S. Civil War due to increased irrigation in Colorado

and New Mexico. Additionally, to further weaken the Kenedy and King monopoly, their partner Charles Stillman suffered a stroke in 1866 that affected the entire left side of his body and weakened his enterprising spirit. The time was ripe for San Román and others who wanted to overthrow the power of the Stillman syndicate on the Rio Grande.⁶⁹

More effective roads and competitive shipping threatened the Kenedy and King steamship monopoly. The cotton roads through Texas and Mexico were notoriously bad in the first years of the explosion of the cotton trade. In one instance, a wagon team left Pittsburg, Texas in September 1862 and arrived in Brownsville in July of the next year because of treacherous road conditions. By 1866, conditions improved as military and private companies worked on trouble areas to make them more passable. The expansion of Mexican shipping companies also threatened the river trade. After the war, all those companies had to compete for fewer transportation contracts lowering the cost of overland transport. Cart teams could be purchased on the cheap to bypass high steamship rates.⁷⁰

Natural and manmade changes had significant effect on the steamship business on the Lower Rio Grande. In October 1867, a major hurricane whipped through the Gulf of Mexico, skirting the Yucatan Peninsula and following the Gulf Stream to make landfall at the mouth of the Rio Grande. The storm completely destroyed Bagdad and caused considerable damage in Brownsville and Matamoros, ripping off the roof of the building that housed Kenedy and King's headquarters. The company also lost four ships in the tempest. What ships remained had less and

⁶⁹ Kelley, *River of Lost Dreams*, 72-85; Kearney and Knopp, *Boom and Bust*, 143-159; Amberson, et. al., *I Would Rather Sleep in Texas*, 279, 291-347; Sibley, "Charles Stillman," 239-240; Montejano, "Mexican Merchants and Teamsters on the Texas Cotton Road," 141-170; Jane Clements Monday and Frances Brannen Vick, *Petra's Legacy: The South Texas Ranching Empire of Petra Vela and Mifflin Kenedy* (College Station: Texas A&M University Press, 2007), 141-171;

⁷⁰ Montejano, "Mexican Merchants and Teamsters on the Texas Cotton Road," 145-151; Miguel Gonzalez Quiroga, "Mexicanos in Texas During the Civil War," in Emilio Zamora et al., eds., *Mexican Americans in Texas History: Selected Essays* (Austin: Texas State Historical Association, 2000), 57-62.

less water in which to ply their trade. From 1850 to 1870, the number of acreages using the Rio Grande for irrigation more than doubled. With each acre of cultivated land requiring approximately 900,000 gallons of water, the amount of water flowing through Northern Mexico and South Texas decreased considerably. New shoals appeared near Roma and Mier that blocked passage upriver. Natural conditions limited the value of steamboat transport.⁷¹

Charles Stillman's stroke further hamstrung Kenedy and King's transport monopoly. Stillman withdrew from the partnership and returned to New England. He left the management of most his Texas businesses to his brother, Cornelius. He and his son, James Stillman, reinvested most of his fortune in the National City Bank of New York. At the same time, both Kenedy and King were investing their cotton profits in land acquisitions north in Nueces County. Stillman never returned to the Rio Grande and Kenedy and King lost their focus on maintaining their transportation empire.⁷²

With their cotton profits and a weakened Stillman syndicate, European-born entrepreneurs like José San Román and his allies saw that the time was ripe to solidify the Rio Grande borderlands as a center of Atlantic trade from which they would reap the gains. A main railroad trunk line that ran along the river with spurs that ranged north to connect with the transcontinental lines and south to incorporate Mexican trade centers would make the towns along the river essential hubs, especially Brownsville and Matamoros since those towns would handle the imports and exports via the Atlantic trade. The railroad epitomized progress and modernity in postbellum America. Nearly every major rail line in the United States was built by

⁷¹ Kelley, *River of Lost Dreams*, 77; W. Armstrong Price, "Hurricanes Affecting the Coast of Texas from Galveston to Rio Grande," Technical Memorandum no. 78, Army Corps of Engineers, (March 1956), A22-A23; Monday and Brannen, *Petra's Legacy*, 155-160.

⁷² Sibley, "Charles Stillman," 239-240; Amberson, et. al., *I Would Rather Sleep in Texas*, 279; Monday and Brannen, *Petra's Legacy*, 145.

networks of friends who pooled finances, sold bonds, fought over congressmen, and manipulated newspapermen. They lobbied to gain allies through promises of profit and outright bribes. The notion of friendship masked their corruption. It also enabled them to compete with the corruption of their opponents. Being the first to claim a rail line to replace steamboats would give San Román and his partners the monopoly on transportation which they could use to leverage their competition out of business. It took time, patience, and political manipulation but San Román and his predominately European-born network used railroads to take control of the Rio Grande borderlands.⁷³

The skeleton for a rail line already existed along the river. During the Union occupation of Brownsville, soldiers hastily put down track from the town down to the Gulf in 1865 to ensure their supply line. Union steamships could take days to navigate the winding pathway of the Rio Grande just to cover the twenty-five miles from Fort Brown to the coast.⁷⁴ The federal government put the rinky-dink line up for sale after the war. Kenedy and King tried to make the purchase but were outbid by a silent owner. That fact became moot after the hurricane in 1867 washed away most of the track.⁷⁵

With the old line rendered derelict by the storm, Kenedy and King pushed the state of Texas to grant them the charter to construct a permanent railroad from the coast to Brownsville. They won the charter and proceeded to do nothing. They were not motivated to actually lay any track. Merchants in Brownsville and Matamoros knew the moment the King, Kenedy, & Company got the charter that they never intended to build the road.⁷⁶ People along the Rio

⁷³ Richard White, *Railroaded: The Transcontinentals and the Making of Modern America* (New York: W.W. Norton & Co, 2011), 93-130.

⁷⁴ Time book of the *Mustang*, 1864, Folder 6, Theodore M. Warner collection, Margaret H. McAllen Memorial Archives, Museum of South Texas History, Edinburg, TX.

⁷⁵ Kearney and Knopp, *Boom and Bust*, 142-143, 157-159.

⁷⁶ Joseph Kleiber to Simon Mussina, May 13, 1870, Letter book, Box 2E293, Joseph Kleiber Papers, 1860-1877, (DBCAH)

Grande still had to pay their steamship company or cartmen to ensure their supplies. Their high rates and preferential treatment of American merchants impeded the expansion of Atlantic trade on the Rio Grande.

An entire movement to transfer the charter to an organization that would build a rail line developed in secret. Any businessperson who wanted to support the transfer of the rail charter had to do so quietly to avoid financial ruin. For example, H.E. Woodhouse, a partner in the Stillman syndicate since 1854, wanted the convenience and speed a railroad would provide to the Rio Grande trade. Woodhouse was even willing to finance a majority of its construction. He organized with San Román through an intermediary, French-born Joseph Kleiber, who was a partner in San Román's mercantile network. Working against Kenedy and King threatened all of Woodhouse's investments in the Rio Grande borderlands. One of his partners claimed that "if the steamboat people knew that he connived (to build the railroad), they could and would injure him seriously in many ways."⁷⁷ However, he believed a rail line would at least double his business. It was worth the risk.⁷⁸

Though Woodhouse became the principle financial backer of the new Rio Grande Railroad Company, he was not the only prominent member of the old Stillman syndicate to break ranks. Francisco Yturria, the Stillman group's banker, also supported the new rail line. They both saw the future in using the railroad to reorient all the borderlands trade into and out of Brownsville/Matamoros. Yturria even tried to convince Charles Stillman's son, James Stillman, to invest in the project. Additionally, Irish-born Jeremiah Galvan, who worked with the Stillman syndicate as a front to ship Confederate cotton to New York, supported the Rio Grande Railroad

⁷⁷ Kleiber to Mussina, May 13, 1870, Letter book, Box 2E293, Joseph Kleiber Papers, (DBCAH).

⁷⁸ W.H. Chatfield, *The Twin Cities of the Border and the Country of the Lower Rio Grande* (New Orleans: E.P. Brandao, 1893), 21; Kearney and Knopp, *Boom and Bust*, 157-159.

Company's construction in spite of Kenedy and King in exchange for the company's endorsement for Galvan's run as state representative. A majority of the powerful business owners on the Lower Rio Grande turned against Kenedy and King in favor of actually constructing the railroad.⁷⁹

Though the organization of investors Kleiber recruited had the funds to ensure the road would be built, they still had to earn the official charter from the state of Texas. The Rio Grande Railroad Company began engaging politicians from the governor's office to the House of Representatives. Republican Edmund J. Davis spent the majority of the Civil War in Matamoros conspiring to bring down the Confederacy. He returned to Texas to win election to governor in 1870. He worked to get Democrats out of office and replace them with Republicans. In Cameron county, his choice was Ferdinand Schlickum, a book seller from Bergen. With Kleiber's encouragement, and probably some corrupt funding from San Román and Woodhouse, Schlickum introduced the bill to incorporate the company and carried it through to be passed. The Rio Grande Company took advantage of the era of Reconstruction and Republican rule to gain the political upper hand over the remains of the Stillman syndicate.⁸⁰

In all of the recruiting and politicking, San Román remained in the background. His old share of the King and Kenedy company was substantial and he did not want to threaten a mainstay of his income. However, his interest in the Rio Grande Railroad Company became obvious when the company's board of directors became public. San Román's closest partner, Simón Celaya, led the company as president. Under Celaya's guidance and the quiet funding

⁷⁹ Frank Daniel Yturria, *The Patriarch: The Remarkable Life and Extraordinary Times of Francisco Yturria* (Brownsville.: University of Texas at Brownsville and Texas Southmost College, 2006), 243-245; Monday and Vick, *Petra's Legacy*, 50, 145; Amberson, et al., *I Would Rather Sleep in Texas*, 356.

⁸⁰ Kleiber to F. Schlickum, June 24, 1870 and Kleiber to Schlickum, Sep 03, 1870, Letter book, Box 2E293, Joseph Kleiber Papers, (DBCAH); Monday and Vick, *Petra's Legacy*, 183; Friedrich R Wollmershäuser, *Passengers Listed in the Allgemeine Auswanderungs-Zeitung, 1848-1869 = Allgemeine Auswanderungs-Zeitung: Einträge Zu Passagieren, 1848-1869* (Morgantown: Masthof Press, 2014), 465;

from San Román, Woodhouse, and Yturria, the Rio Grande Railroad became a reality. Beaten, Kenedy and King sold the remains of their steamship company to Celaya, San Román, and their associates. For a brief moment in time, San Román and his network of predominantly European-born entrepreneurs took control of the Rio Grande market and focused on remaking it a center of Atlantic trade.⁸¹

In 1871, European-born entrepreneurs and their networks in the Rio Grande borderlands seemingly controlled the future of the political economy of the region. They held vast wealth, a transportation monopoly, and had sympathetic politicians in both Texas and Northern Mexico working to ensure their interests. Individuals like Joseph Kleiber assessed the situation with deep optimism about the transnational market he was helping to create. “Nearly all the Bridge material is up and the piling nearly finished. The water is very low and the weather magnificent...The telegraph began to work yesterday.”⁸² His excitement about the bringing the railroad and telegraph to the Rio Grande was palpable. He believed he was contributing to the modernization the Rio Grande.

Kleiber, San Román, and their partners also understood that they stood to lose it all with one wrong misstep. “I am sorry to say that there is some truth about the report of the road having been washed away but not to such an extent as was represented.”⁸³ Circumstances beyond their control constantly threatened their most important project. These entrepreneurs had to gird themselves for the possibility that things would fall apart.

⁸¹ Kearney and Knopp, *Boom and Bust*, 157-159; Yturria, *The Patriarch*, 243.

⁸² Kleiber to Woodhouse, Jan. 21, 1873, Letter book, Box 2E293, Joseph Kleiber Papers, (DBCAH).

⁸³ Kleiber to Woodhouse, Jan. 21, 1873, Letter book, Box 2E293, Joseph Kleiber Papers, (DBCAH).

During San Román and his network's rise to success, many other European-born entrepreneurs met disaster due to outbreaks of violence, state intervention, and anti-Jewish feelings. Comanche raiders, Union guerrillas, Mexican Liberal soldiers, Confederate troops, and others attacked ranches, sacked stores, robbed teamsters, and killed perceived enemies. Just being French born in Matamoros at the end of 1861 could be a death sentence. Others, like Henry Baumberger, faced the unsavory decision of being sent to the Confederate front lines or haul cotton across the desert. Jewish entrepreneurs often faced the brunt of random acts of violence, negative impacts of state intervention, and broad-based anti-Jewish sentiment like the Schlinger family did in Matamoros. While a few European-born mercantile networks rose to prominence, many failed.

For those European-born entrepreneurs lucky to persevere, it took nearly two decades to outmaneuver Americans. They did it through networking among themselves, using their networks to take advantage of the cotton trade, and reinvesting their wealth in railroads in the hopes of making the Rio Grande borderlands a hub of Atlantic trade. San Román, Celaya, Decker, and others in the San Román network executed their plan to undermine the Stillman syndicate and takeover the market. Using the railroad as an engine for change, they continued to push for the Rio Grande borderlands becoming a permanent center for Atlantic trade.

EPILOGUE

“AMERICANIZING THE RIO GRANDE”

The remnants of the American Stillman syndicate did not sit idly by waiting for Europeans to push them out of the Rio Grande borderlands market. On a Sunday evening in the spring of 1872, Mifflin Kenedy accosted José San Román in Brownsville. The steamship baron was furious that the Spanish-born entrepreneur challenged his shipping enterprise. He told San Roman that “he meant to make war to the knife.”¹ Though their business tottered on the precipice of failure, Kenedy and his partner Richard King repositioned themselves further north in Corpus Christi and enacted a plan to create their own railroad to cut the Lower Rio Grande out of the borderlands market. They utilized geography, the changing Texas legislature, and the generosity Mexican President Porfirio Díaz showed to American businessmen to recapture their power and cut out their European competition once and for all.

After they sold their steamship business, Kenedy and King refocused their business activities on ranching and removed their headquarters to Corpus Christi where they engaged the partnership of Texas railroad mogul Uriah Lott. Lott had worked as a shipping agent for King, Kenedy, and Co. in Brownsville in the 1860s. He moved to Corpus Christi and sunk all of his finances into building a rail line to Laredo in 1874. When Kenedy and King learned of Lott’s plans, they invested heavily and became primary shareholders in the company. They dumped

¹ Joseph Kleiber to H.E. Woodhouse, May 13, 1872, Box 2E293, Typescript of letter book. Joseph Kleiber Papers, (DBCAH).

tens of thousands of dollars into Lott's Corpus Christi, San Diego, and Rio Grande Narrow Gauge Railroad Company to ensure its completion. Kenedy and King had to see the construction of a railway to cut out European dominated Brownsville and Matamoros from the North American trade.²

In the process of building the Corpus Christi to Laredo railway, Lott, Kenedy and King gained the support of the state of Texas. Initially, they pursued a bond plan that included an attempt to extort \$300,000 from Duval and Nueces counties. Voters in Corpus Christi interpreted it as another railroad scam and the bond election failed. The public had just learned in 1873 of the levels of corruption railroad owners were willing to go to after the publication of the *Crédit Mobilier* scandal.³ Duval and Nueces counties did not want to be the next dupes of men in octopus suits. Not to be deterred, the Corpus Christi railroad group found another way to gain public support. Once a railroad line in Texas reached a distance of twenty-five miles of completed track, it qualified for state land bonuses. Kenedy and King lent the financial support for Lott to get to the twenty-five-mile threshold then petitioned Austin for land grants. In total, Texas granted 855,680 acres to the Corpus Christi, San Diego, and Rio Grande Narrow Gauge Railroad Company. Much of the excess land ended up becoming a part of the King Ranch.⁴

The next boon to Kenedy and King's railroad project came from Mexico. In 1880, the Mexican government granted a concession to build the Mexican National railroad from Laredo to Mexico City. Porfirio Díaz, a Mexican general who ascended to president in 1877 by

² Bruce Cheeseman, *Perfectly Exhausted with Pleasure: The 1881 King-Kenedy Excursion Train to Laredo* (Austin: The Book Club of Texas, 1992), 11-35; J. L. Allhands, *Railroads to the Rio* (Salado: Anson Jones Press, 1960), 17-32.

³ The *Crédit Mobilier* construction company used its position in the Union Pacific Railroad company to steer fraudulent contracts to their company, bilking millions in taxpayer dollars. See: Allen Brinkley, *The Unfinished Nation, A Concise History of the American People*, 7th ed, (New York: McGraw-Hill, 2014), 360.

⁴ Richard White, *Railroaded: The Transcontinentals and the Making of Modern America* (New York: W.W. Norton & Co, 2011), 62-87, 230; Cheeseman, *Perfectly Exhausted with Pleasure*, 21-22.

overthrowing a constitutional government, allocated millions of dollars in subsidies for American railroad development in Mexico. The Stillman family provided significant funding for Díaz's campaign which gave it the power to suggest that the Mexican National Railroad should run to Laredo, the southern terminus for the Corpus Christi, San Diego, and Rio Grande Narrow Gauge Railroad Company, owned by Stillman's former partners, King and Kenedy. When news spread that the Mexican National would be built to Laredo, Kenedy and King's railroad became one of the most valuable projects in the United States. They sold their rail line as quickly as possible. Kenedy and King managed to earn \$5 million for their unfinished narrow-gauge line from Corpus Christi to Laredo and essentially had a guarantee that somebody else would do the work to complete it for them.⁵

San Román, Celaya, and other members of the Rio Grande Railroad worked to avoid being cut out of the North American trade between Mexico and the United States. They also sought new partners for investment and state assistance. Francisco Yturria contacted Charles Stillman's son to probe the notion of Stillman financing the expansion of the Rio Grande Railroad. Stillman, with his goals wrapped up in the Mexican National, declined to invest. In fact, he wrote Yturria that he did not want to contribute to a rail line that would put Brownsville in "the hands of Woodhouse and the Spaniards."⁶ Further, Simón Celaya, the general manager of the Rio Grande Railroad Company, used his position as the Spanish vice consul in Brownsville to encourage European investment and expanded trade through Brownsville and Matamoros. It all amounted to very little. The Rio Grande Railroad was dying.⁷

⁵ John M. Hart, *Empire and Revolution: The Americans in Mexico since the Civil War* (Berkeley: University of California Press, 2002), 104-130; White, *Railroaded*, 215-216; Cheeseman, *Perfectly Exhausted with Pleasure*, 27.

⁶ Quoted in Frank Daniel Yturria, *The Patriarch: The Remarkable Life and Extraordinary Times of Francisco Yturria* (Brownsville: University of Texas at Brownsville: Texas Southmost College, 2006), 245.

⁷ J. L. Allhands, *Gringo Builders* (Dallas: J.L. Allhands, 1931), 110-112.

From 1881, the Rio Grande Railroad began a steep decline in carriage. A decade later, it was wrecked and robbed of nearly \$60,000 worth of silver. The company eventually defaulted and was reorganized under American ownership in 1910. Kenedy had declared war on San Román 1872. It took a little over two decades, but he successfully destroyed his European competitors on the Rio Grande.⁸

On reflection of the era of brief European dominance of the Lower Rio Grande, Mifflin Kenedy glossed over his failures and the nearness he came to ruin. In an interview he gave about his life, Kenedy claimed he gave up his steamboat business because he became interested in railroads.⁹ In his memory, Mifflin Kenedy's decision to sink his wealth in railroad-building came from personal curiosity and an entrepreneurial spirit. Lost in his narrative is the anger he felt at being outmaneuvered and the anxiety of knowing that the steamship conglomerate he helped build on the Rio Grande collapsed. In hindsight, the early 1870s merely marked a time of transition from steamships to locomotives. Kenedy's selective memory helped obscure and eliminate his European competitors from history.

Another contributing factor to European competition with American business in the borderlands being forgotten is that many of the Europeans involved often left the borderlands or melded into American networks. When the Dolores colony collapsed, Beales moved his family to New York City where he returned to his professional calling as a surgeon. He made claims to the Republic of Texas for the return of his grant but received little support. With the British consul-general William Kennedy interested in his same lands, Beales gave up his claims in

⁸ Allhands, *Gringo Builders*, 112-113.

⁹ Dictation from Mifflin Kenedy, Corpus Christi, Nueces County: 1889, BANC MSS P-O 133:9, Bancroft Library, University of California.

Texas by 1843.¹⁰ Not long after his own failures to create a British settlement in Texas, William Kennedy returned to England and fell back on his journalistic talents, living as a writer in both London and Paris.¹¹ After the collapse of the Rio Grande Railroad, José San Román left Brownsville/Matamoros and returned to Bilbao. He sold most of his holdings to Simón Celaya and other partners. Though he retired to his home in Northern Spain with a significant fortune, San Román had to cope with the knowledge that he briefly made the Rio Grande borderlands a center of Atlantic trade only to see that dream go unfulfilled in only a few years.¹² Joseph Kleiber also left the borderlands after the Rio Grande Railroad began its decline. He left the mercantile life altogether, moving north of Austin to try his hand in land and cattle.¹³ By leaving, entrepreneurs like Beales, Kennedy, San Román and Kleiber admitted defeat in the borderlands. Though they all left significant archives of documents behind them, their stories became subsumed in the narrative of American domination.

Other European-born entrepreneurs simply accepted American commercial domination and joined into American networks. With the new railroads running through Laredo, John Leyendecker capitalized on his connections to Corpus Christi with King and Kenedy to support Laredo becoming a crossroads of North American trade. He and the Benavides family committed to the Texas Democratic Party and worked toward Americanizing Laredo. They maintained business and political connections with Americans in Corpus Christi seeking to promote the interests of American trade with local power politics. In consequence, Leyendecker is less

¹⁰ Lucy Lee Dickson, "Speculations of John Charles Beales in Texas Lands" (Thesis, University of Texas Austin, 1941), 122-123.

¹¹ Handbook of Texas Online, Claudia Hazlewood, "Kennedy, William," accessed March 13, 2020, <http://www.tshaonline.org/handbook/online/articles/fke25>.

¹² Handbook of Texas Online, Roberto Mario Salmón, "San Roman, Jose," accessed March 12, 2020, <http://www.tshaonline.org/handbook/online/articles/fsa16>.

¹³ Kleiber to Joseph San Roman, Aug. 08, 1874, Box 2E293, Typescript of letter book, Joseph Kleiber Papers, (DBCAH); Handbook of Texas Online, John H. Hunter, "Kleiber, Joseph," accessed March 12, 2020, <http://www.tshaonline.org/handbook/online/articles/fkl08>.

remembered for his contribution in tying Laredo to the Atlantic cotton trade and more for Americanizing the town. His descendants know him for his positions as Postmaster General of Webb County and acting as both secretary and treasurer of Laredo. Indeed, Laredo opened John Z. Leyendecker elementary school in 1953, an institution designed to turn Laredo children into productive American citizens. Leyendecker is not remembered as a European-born entrepreneur who tried to modernize the Rio Grande borderlands and connect it to the Atlantic world. Instead, he was a German immigrant who achieved the American dream. Leyendecker's position as a European-born entrepreneur changed over time.¹⁴

Other significant European entrepreneurial failures in the borderlands have similarly been forgotten. French entrepreneurs made several attempts to establish mining companies and colonies in Northern Sonora. One notable example, in 1852, Lepine de Sigondis led up to eighty miner/colonists into the Santa Cruz Valley in modern day Arizona. The venture disbanded rather quickly, but Sigondis was provided French state support and resources through the French consulate in California.¹⁵ Meanwhile, a group of English and Canadian entrepreneurs tried a similar venture north of Austin, Texas. The United States Land Company, an organization of English investors, promoted their lands in Texas with the prospects of mining gold and copper. The company even hired George Catlin, the famous painter of the American West, to write a pamphlet to promote the colony of New Britain. The venture ended in absolute disaster and Catlin lost his entire gallery to creditors. These failures mark other attempts by Europeans to

¹⁴ Jerry D Thompson, *Warm Weather & Bad Whiskey: The 1886 Laredo Election Riot* (El Paso: Texas Western Press, 1991), 1-12, 29, 33-42; Félix García, *The Children of John Z. Leyendecker: A Brief Genealogical Sketch* (Laredo: Felix Garcia, 1984), 32; leyendeckeres.elisd.org.

¹⁵ Rufus Kay Wyllys, "The French of California and Sonora," *Pacific Historical Review* 1, no. 3 (1932): 351-353

leave their footprint in the borderlands and shows how persistent they were in establishing a European presence on the American frontier.¹⁶

Even through their failures and the imposition of American mercantile domination of the borderlands, European-born entrepreneurs did leave a significant mark on the region. José de Escandón's original settlements persist along the Rio Grande. John Beales's legacy of mismanagement informed William Kennedy and formed the basis of Kennedy's information about the borderlands. Kennedy, who actively sought to push against American expansion, may have actually helped expedite American intervention in the Rio Grande borderlands through his politicking in Texas. Alexander Bourgeois spurred the the most powerful German-speaking emigration network to focus on settling in Texas. The networks that Leyendecker and San Román built affected the entire transportation infrastructure between Northern Mexico and South Texas. Laredo would likely not have been the northern terminus of Mexican National Railway had San Román not succeeded in building the Rio Grande Railroad or had Leyendecker not already established connections between Laredo and Corpus Christi. All the European entrepreneurs in this study impacted the historical trajectory of the Rio Grande borderlands.

Furthermore, European-born entrepreneurs' consistent actions to move the Rio Grande borderlands into being an integral hub of the Atlantic economy through settlement projects and mercantile networks left an indelible impact on the European imagination. Even after King and Kenedy's triumph, European-born entrepreneurs continued to move to the Rio Grande borderlands. However, instead of trying to reorient the region toward Europe, the immigrants of the late nineteenth century were searching for the American dream and engaged in reforming

¹⁶ George Catlin, "Notes for the Emigrant to America to Accompany...the United States Land Company," Galveston Correspondence with Foreign Office, FO 701/30, (TNA); Richard H. Ribb, "CATLIN, GEORGE," *The Handbook of Texas Online*, accessed March 04, 2020, <http://www.tshaonline.org/handbook/online/articles/fca94>.

notions of American identity in the borderlands. Though they failed to globalize and modernize the Rio Grande in the ways they set out to, European-born entrepreneurs added to the diversity and complexity of borderlands society.¹⁷

¹⁷ Alicia M. Dewey, *Pesos and Dollars: Entrepreneurs in the Texas-Mexico Borderlands, 1880-1940* (College Station: Texas A&M University Press, 2014), 115-121; Omar S. Valerio-Jiménez, *River of Hope: Forging Identity and Nation in the Rio Grande Borderlands* (Durham: Duke University Press, 2013), 269-274.

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