



LONE STAR DAWN, MEXICAN LIGHT

Don Emilio Azcárraga Vidaurreta grew up believing that the Mexican-U.S. border was not a barrier but an imaginary line on a map. Born in 1895, he was raised in an extended family whose members settled and thrived in northeast Mexico. Helped by its customs occupations and businesses, the region boomed. Its main city of Monterrey was the gateway for U.S. companies seeking opportunities in Latin America. Azcárraga's father was a customs agent, and Don Emilio had watched the first exchange of commerce and fortune between the two nations: at his boyhood home of Piedras Negras, east of the river's big bend, where the terrain split at Eagle Pass, the Mexican and the U.S. railroad systems joined at the Rio Grande.

At the age of twelve, Azcárraga became a U.S. resident, attending middle school in San Antonio. After he completed high school in Austin in 1912, he worked in a shoe store during the day and attended classes at St. Edwards College at night. However, within a year he abandoned college and returned to Mexico: inspired by his success in his day job, his sights were set on forming his first business.

His start came when his sales receipts multiplied from pitching customers a line of Boston-made shoes. Toying with a plan that would allow him to return to Mexico, the eighteen-year-old traveled to Boston to meet the manufacturer. He praised the firm's shoes and insisted that it could expand its clientele by selling them throughout Mexico, a project he was eager to undertake. A warehouse in Monterrey was available. He knew customs protocols and where the railroads led. But he asked for one condition: that

the Boston firm not sell shoes in Mexico through any other distributor. The young Azcárraga succeeded and won the exclusive rights to sell the shoes in Mexico.¹

Azcárraga's first enterprise led to his first tenet of successful entrepreneurship: do business without competition. Settling in Monterrey in 1913, he founded a nationwide shoe distributorship. Its several years of profits prompted a second venture. This time, Azcárraga approached the Ford Motor Company. In 1922, Ford licensed him as its exclusive northeast Mexico dealer.² Azcárraga formed ninety-five businesses during his career. Except for one—television—they all had a common feature: they all began as monopolies.³

His next venture took him into broadcasting. In 1924, the Victor Corporation awarded Azcárraga the exclusive right to sell its Victor Talking Machine in Mexico. He moved to Mexico City. There, he contracted with almost all of Mexico's prominent singers and entertainers and founded a recording company called Mexico Music. Aware that Azcárraga's artists could boost phonograph sales, Victor executive and pioneer record producer Ralph Peer proposed that Victor and Mexico Music merge.⁴

But Azcárraga's interest had shifted from automobiles and phonographs to a different invention. The radio age had begun, and his brother had launched Monterrey's first radio station. Azcárraga was fascinated. A fortuitous event took him back to the United States. U.S. broadcast pioneer David Sarnoff recently had founded the Radio Corporation of America (RCA). In 1926, Sarnoff and RCA formed the National Broadcasting Company (NBC). At nearly the same time, Sarnoff arranged for RCA to acquire Victor. RCA Victor needed Azcárraga's Mexico Music.

In 1928, Sarnoff invited Azcárraga to New York. Sarnoff admired his fluent English, genial personality, and entrepreneurial promise. Sarnoff convinced Azcárraga to sell Mexico Music to RCA. Pledging to give Azcárraga good prices on RCA's transmitting and studio apparatus, Sarnoff partnered with him to launch a nationwide radio system in Mexico.⁵

Azcárraga had another backer: his wife. Mexico was suffering economically. Its five million homes were scattered in a poor country in an area one-third the size of the United States. There were no telephone lines that could feed programs to radio stations. In many cities, there were no radio stations. The expense of building the infrastructure that a national network required was more than Azcárraga could handle on his own.

He had married Laura Milmo in 1920. She had been born into an affluent family that owned banks, railroads, and mines. However, during the 1920s, the family's holdings were at risk. Mexico was reeling from the years of bloodshed and assassinations that followed its 1910 revolution. After insurgents who had plunged Mexico into civil war had forced a new constitution in 1917 calling for reforms and General Alvaro Obregón consolidated control, Obregón asserted his authority to confiscate farms and businesses and redistribute wealth. In these circumstances, a business that was so new that it was safe from nationalization may have seemed like a good bet, and Azcárraga was able to persuade the Milmos to redirect their fortune into radio.⁶

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In early 1930, Azcárraga acquired two radio stations, one in Monterrey, the other in Mexico City. That summer, he assembled a large group of musicians, entertainers, and announcers. On September 19, he launched Mexico's first national broadcast network from an art deco structure that resembled Sarnoff's Radio City.⁷ He named it XEW. Azcárraga convinced the government to permit it to transmit at 200,000 watts, which made it four times more powerful than the strongest stations in the United States. Its vast reach overcame the absence of interconnecting telephone lines. Affiliates rebroadcast the XEW signal from Hermosillo in the distant northwest to Mérida on the Yucatan Peninsula. XEW reached far beyond Mexico's southern border, and artists from throughout Latin America gravitated to it. Azcárraga soon had a corner on the Latin American entertainment market.

But Azcárraga realized that his success would depend on the Mexican government, which licensed XEW and all other stations. He wasted little time commencing a lifelong pursuit, courting government officials. His timing could not have been better. Mexico's first national political party, the Partido Revolucionario Institucional (PRI), had formed in 1929. Vowing to bring about democratic reforms and end years of political discord, the PRI claimed sole control of the Mexican government.

Azcárraga did more than fraternize with the new party's founders; he became a founding member.⁸ He offered party leaders an instrument for consolidating one-party rule and received virtually every radio license.⁹ As his biographer Alexander Olmos observed, Azcárraga placed "the

foundations of a rising Mexico on his vision . . . of modern mass media.” Because PRI officials believed Azcárraga’s claim that mass communication was a key to unlocking economic and social development, Azcárraga rose as a “key personage of Mexico during this period.”¹⁰

His newest monopoly was destined to be an empire. Hastening to add stations in every city and town, he completed the XEW network in 1935. By then, he had realized that his fortune was tied to his relationship with Sarnoff. Sarnoff partnered with Azcárraga knowing that a Mexican network would be an ideal stage for U.S. firms that wanted to sell their products in Latin America. Brokering deals and sharing the proceeds with Azcárraga, Sarnoff and NBC delivered a bounty of U.S. advertising to XEW.

Sarnoff’s rival, CBS chair William Paley, was also studying opportunities south of the border. After the government granted Azcárraga a second powerful Mexico City station, XEQ, he met with Paley. The result was a second partnership, this time with CBS. Azcárraga launched a second network, XEQ, in 1938.

Azcárraga became a billionaire. Each year, NBC and CBS directed tens then hundreds of millions of dollars in U.S. advertising into Mexico and into Azcárraga’s coffers.¹¹ In 1944, he bought out Mexico’s scattered film producers one by one and founded one of the world’s largest film-making companies, Churubusco Studios.¹²

His only son, Emilio Azcárraga Milmo, who had been born in 1930, watched Azcárraga build this media juggernaut. Unlike his self-made and affable father, the son was “a character full of contradictions” who was “obsessed with control.”¹³ His mother pampered him. But his father, dismayed by Emilio’s fondness for horses, cars, and movie stars, did not extend a loving embrace. To toughen him up, Azcárraga sent Emilio to the Culver Military Academy in Indiana. After dropping out, the son grudgingly accepted his father’s offer of a trainee sales post.¹⁴ On the eve of Azcárraga’s move into television, the two came together because the son needed a job and the father needed an heir to a billion-dollar corporation.

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U.S. Spanish-language television was sown from the seeds of Azcárraga’s only defeat. In 1946, he submitted a plan for Mexican television. It called for the construction of three national networks from three key stations in Mexico City he would own. But the year ended with a transforming election. Incoming president Miguel Alemán Valdés reorganized Mexico’s