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Luis A. Jáuregui

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Mining in Mexico
Oral History Project

Luis A. Jáuregui
By W. Noel McAnulty, Jr.

March 6, 1996

M: This is March 6, 1996. I'm in Mexico City visiting with Luis Jáuregui about his experiences of mining in Mexico. Luis, thank you for your time. Could you just tell us, briefly, how you became interested in mining and how you got started in the mining business?

J: Now, that's a very good question. My sister used to work. When I was in school here in 1937, she was working for the San Rafael Anexas in Pachuca and I used to visit her every weekend. You know, I was in boarding school here in Mexico City and every weekend I went. Later, she moved to ASARCO on Madero 55...in the old days, you know. I was talking about 1937. And I spent Sundays [there]. They had an aerial, one of those that brought the- what you do you call it- the ore in the...

M: Aerial tram.

J: Aerial tram, that's it. And I spent Sundays seeing those things and smelling the cyanide in the flotation plant and all that and that sort of attracted me. And, of course, the gossip was that the mining engineers, also, always made money in dollars. And it was a hell of a lot of money, you know, and all that.

So that took me back to Durango where I was born and I studied secondary and I studied prep school and then I went to El Paso. Why El Paso? Because I had a sister there. I could live with her. And Texas College of Mines gave us tuition as low as residents of El Paso to all Mexicans. That's the reason the Mexicans went to Texas College of Mines. We used to pay twenty-five dollars a month, I mean, per semester...twenty-five dollars per semester. So all those things combined brought me to El Paso even though all my friends in Durango, I say most of them, all of them came to Mexico City. Everybody from Durango came to Mexico City to study either mining engineering or either doctors.

Anyway, I'm the only one that went to El Paso because of my sister and because I liked mining. And I just finished there. I started in August, 1942 and I finished in January, 1946. I was there three and a half years. The reason for three and a half years was because I took the summers. I went to summer school.

M: So then what was the first job you had after you graduated?

J: The first job was in Fresnillo. In Fresnillo I used to do surveying like all the beginners, but after about three months of working I found out that I could do the work in four days instead of six. So I talked to the boss and I said, "Why don't you give me those two days and I'll educate myself to learn drilling, to learn about lumber, to learn about everything in the mines." And they liked that, even Luis

Villaseñor, who was in those days my boss in there in that particular part of the mine. He put me to work on ventilation. He put me to work on the hoist. He put me to work in drilling and testing bits on my own time. I finished all my work in four days and I was educated. Because in those days we used to work until five o'clock on Saturday all six days.

M: What do you remember about the conditions of the mine and the living conditions at Fresnillo when you first went there?

J: Excellent, excellent. They were old houses, but they were all very comfortable.

M: This was the colonia there. What did they call it? Proaño?

J: No, I lived in La Quinta, the same place where Luis Villaseñor used to live and another fellow by the name of Rey. That was different. That was outside of Proaño.

M: Okay.

J: And I was a bachelor. I went there and I was a bachelor and I lived in Proaño, but I was married in 1947 and brought my wife to Fresnillo and spent the days going from small house to small house. I had been married only two months when they needed somebody to go to Barranca El Cobre, to the Rio Uriqui in Chihuahua. And I'm the only one that volunteered. So I sent my wife back to El Paso and I went to the mountains. I was there three months. When I came back they gave me a house. They gave me gas. That was the first time any house had gas. And, of course, they raised my salary. I made a

little more money. But by 1948- they paid me in pesos- by 1948 the devaluation came and I was making less dollars than when I started, (chuckles) so I decided to do something about it. And being my wife was an American citizen, it wasn't very hard to obtain a working visa in the United States...a resident visa, as a matter of fact.

So I went back and I worked, first, for Paul Lance in the subdivision business. You know, it wasn't very interesting. There was no jobs, so I went to see him and I said, "What do you want me to do? I can work with you if you think I can be of any use." And he goes and pulls out a map about six feet long in a roll. He pulls it out and he said, "Here's a subdivision." And he tells me, "How long would it take you to make one of these?"

M: This was in El Paso?

J: In El Paso. You know, he caught me because I didn't know anything about that. I saw it and I said, "How about two weeks?" So [now] he throws it [back at me] and he says, "It took him six months! I lost my job." Anyway, he said, "Okay, I'll give you a hundred and fifty dollars a month." I said, "Okay. I accept on one condition, yes. Give me twenty-five dollars a month raise or you fire me." And I worked for him six months. And he didn't want me to leave because I did make those maps from scratch in two weeks. Believe it or not, I did. I made money for him.

M: Do you remember what subdivision that was in El Paso?

J: Well, Terry Allen, Penado, Hacienda...there's a whole lot of them. You probably don't remember any of them.

M: No.

J: Terry Allen is not very far. It's very near to that Catholic school. What's the name of it?

M: Loretto.

J: Right, not very far from that...Terry Allen. I own a house there. And the other one is Alta Mira. They had these houses with one bedroom, one living room and one kitchen, and one bathroom for four thousand dollars.

Well, anyway, but I had this thing that I had to go back to the mining. So the next thing to mining was the handling of machinery for the mining industry. So I got myself a job with Denver Equipment Company through Mr. Jim Davis who was purchasing agent for AS&R...a little *palanca* (chuckles) like we call it...so I went back. So I started working for Denver Equipment Company.

M: Where?

J: First in El Paso. Then they sent me to Denver and Colorado Springs to learn about how they make the machines and this and that and all that. So I was in Colorado Springs, mostly in Denver. And I visited Colorado Springs to see about that. And then I came back to El Paso and I started visiting all the mines, imagine, in the four largest states I could find. In Mexico, it was Chihuahua and Sonora. In the United States, it was Arizona and New Mexico. Boy! That was traveling...no air

conditioning, (chuckles) nothing. Remember those hot days on that highway? Impossible to believe unless you were there.

M: How would you compare some of the big mines, say, in Arizona and New Mexico to the big mines in Sonora and Chihuahua?

J: Well, they're similar, you know. They opened pits like Santa Rita Copper Company in Bisbee and Douglas and all those. But there's not very...except for the size of it and the plants, especially in Cananea. Because in Cananea, of course, they had the three C's [Cananea Consolidated Copper], which was the low grade project that they had in those days. They were expanding their flotation plant. That's why we got the sales, you know...very nice people.

So the process is very similar. There's not great, big differences...like saying, "Oh, the labor in Mexico is cheaper." No, those mines operated on machinery practically. All they had to do was know how to handle the machinery.

M: So there really wasn't that much difference?

J: There wasn't much difference except the size. Cananea was a big one. Santa Rita was depleted. I mean, it was working very low in those days, yeah, but underground mines I didn't see, anyway, in New Mexico and Arizona. In Mexico, yes, of course. I mean, I visited all the mines in Santa Bárbara. And by the way, I did my school work in Santa Bárbara, Chihuahua, in summer of 1945. And I worked there in all the mines. I visited Santa Eulalia Mine, the Santo Domingo Plant. I even went all the way to La Bufa del Carmen, which is in the

Rio Uriqui way the hell down and one of the most beautiful experiences I've seen. You know, I drove all the way from Creel all along that road and into this cut when it was already about eight o'clock. When I started going down I saw the plant. You could see the lights way down there. You didn't know how deep it was, but you could see the plants way down there. So I drove all the way down and when I crossed the bridge the mine was up there, the plant was up there. It was terrific. So I was there visiting and, well, many other mines.

In Sonora I got me a man that was renting a plane. And, you know, there were many places you could go. Well, you could go, say, six hours, seven hours, in the car. So he rented me the plane. He flew it for fifteen cents a mile. Can you imagine? Incredible! A Piper, so that's how I... . Of course, I smuggled some of my...I mean, I visited some of the mines I shouldn't have like Fresnillo because I worked there.

M: Sure.

J: But Fresnillo was out of my...I only covered Chihuahua, but I visited some in Durango and I visited Monterrey. The purchasing agent- who was the purchasing agent? He was there for many years- I don't know, I'll remember later- in Peñoles. Who was he? I met him many years later when he was free-lancing. He sold me a hoist years later. Okay, what else do you want to know?

M: Well, after your worked for Denver Equipment what did you do?

J: One night, about midnight- I was living in the Terry Allen house- when the telephone rings and it's Western Union: "You have a telegram here. You want us to read it?" I said, "Sure, go ahead." "CAN YOU MEET MR. ASHLEY AT NAICA"- on such and such a day- "FOR THE SHIFT ENGINEER'S JOB?" So I went to that and they hired me. Fresnillo hired me back in Naica.

M: And what year was that about?

J: 1951.

M: [19]51.

J: And I spent there almost five years until I had an accident in (points to eye) this eye, but it wasn't a mine accident. It was on a Fourth of July celebration. My eye was gone and that sort of started changing my whole living. I went back to El Paso to work for the same fellow, Paul Lance. He even established a mining part of his business so I could take care of it.

But I received one day right then and there a letter. I opened the letter and it was from Baroid Division International. You know, it's funny how they got that. I'm going to tell you how.

M: Okay.

J: When I was working in El Paso an American fellow, Bob Lintner, was working with me. We traveled together sometimes. And sometimes he went one way and then, I guess, he went to Texas. You know, he went all the way to Houston. One day they asked

him in Houston if he knew a Mexican who could speak Spanish, but was a mining engineer and a Mexican citizen. Well, he only knew one. (laughter) It was me! So they sent that letter and I made an appointment and said that I could go see them. I went all the way to Houston. They interviewed me there and they said, "Well, let me talk to the fellow that's in charge of that, okay?" Two weeks later this fellow comes to El Paso. Well, he didn't cross the border. We met in Juárez. We had lunch there and he hired me. Two weeks later I was in Monterrey on the fourteenth of February, 1956.

M: So was this the first of the Baroid operations in Mexico?

J: It was when I started learning about barite. Salvador [Treviño] says I'm an expert on barite. I didn't know anything. Well, of course, I knew the rock, (chuckles) but I didn't know the mining and the factors and all that stuff.

M: Well, what was Baroid's principle activity then at that time? Were they actually mining barite in Mexico?

J: Absolutely nothing. They started from scratch. See, National Lead had several dormant companies here in Mexico. They just made one and said to operate it. It was called Compañía Minera Cerro Negro. And I just was mining engineer. I had a secretary and later they sent me a geologist to help. All three of us worked for almost five years. And the purpose of my job was to send them barite. How I got it they didn't care very much, so I sent them, believe it or not, in 1957 I shipped 200,000 tons to Corpus Christi.

M: To the U.S.?

J: To Corpus Christi.

M: Crude? Just raw ore?

J: And they were flabbergasted because when the auditors told them that we had made one million pesos in profit they couldn't believe it. They didn't know what to do. They didn't expect any profits in Mexico.

M: So where were most of the...

J: I always made money for the people I worked for.

M: Where were most of those barite mines? Were you mining it yourself or purchasing barite?

J: No, we had several claims. The main one was in Galeana, where always, you know, the good barite is in Mexico, but I also had near Tlatlelan in Jalisco, in south of Torreon, shipping in Camacho, shipping in San Ysidro, and shipping in Acacio...all those three places. There was a fellow in Gómez Palacio, an elderly man. He was an excellent man. He was a Mexican, but his name was Robert Ross. The family...all Mexican. But he was extraordinary. I hired him as a contractor and he mined all those mines- I just visited with him and he was an excellent man- for until the mines lasted, of course.

But in [19]59 there was an anti-trust. The government in the United States filed a suit against Macobar and Baroid Division for anti-trust- monopoly, rather. So in those days we were acquiring all the Morenos mines and mills right here in Puebla. And we were about to close the deal when this

thing came up and I said, "We're just not going to be in Mexico anymore." Well, you know, they tried to send me to Corpus Christi or Camamu in Brazil. They had a mine there. It was barite. They still have it. No, they don't have it anymore. Oh, yes, they do because Baroid now belongs to Dresser, the old enemy. You know, (chuckles) that happens in the United States.

Anyway, Carlos Weiss, a fellow who lives in Mexico City, he had mines, he hired me. He said, "You want to work with me? Don't go anyplace. Just stay with me." And that was it. I worked for him ten years.

M: In Monterrey?

J: Monterrey.

M: And were you working in mining?

J: Barite.

M: Working barite, still?

J: I started selling barite to PEMEX for the first time in 1961. And from there on we just made money. In 1970 I was convalescing from a terrible cold, the flu I think it was, when Mundo Aruguelles came to my house and he said, "How would you like to handle Macobar de México...management for Macobar de México?" And I said, "Well, I think so." And I talked to Carlos Weiss and he said, "Sure, go ahead." So as soon as I got well, on the first day of March of 1970, I started operating Macobar de México, which later we changed the name to Baramín. The reason for changing was Macobar de México

sounded very much like a foreign company and, besides, nobody knew how to spell Macobar so you had to be spelling it a hundred times on the telephone. So I worked for Baramín for twenty-one years. I made money. All the companies I worked for made money.

M: But now in those later years, say, anytime after the [19]60s, was the majority of the barite market in Mexico for PEMEX?

J: Yes. We sold... With Baramín I sold continuously for eighteen years...50,000 tons a year to PEMEX.

M: Did you have your own grinding facilities then?

J: Yes, we had them in Linares. We had one and then we acquired the one that used to belong to Carlos Weiss. And then we moved that to Monterrey because I was grinding bentonite for the pelletizing plant of Fundidor. But that wasn't a very good business, so I sent some of the barite that I operated in Chihuahua, near Parral, and I operated another mine near Monterrey. There were several mines, you know. I sent the ore to Monterrey. And I sold to PEMEX 10,000 tons a year from the Monterrey plant. It was a good operation. Then after that I retired in the beginning of 1991.

M: Were there particular difficulties of being a supplier to PEMEX?

J: We had to play chess with them. That's it. You know, they used to call me the- let's see if I can remember it...what's the name of that Carlo Leoni- the godfather because I'm the one that made all the dealsw, but on behalf of all the... .

I couldn't supply 300,000 tons to PEMEX even if I had it. But they were all like the Gutiérrez and the other ones in Sonora and Nuevo Leon, which is Minar, and some small ones. They used to buy the crude from me, grind it, and they'd send it to PEMEX. Anyway, I dealt with PEMEX for eighteen years. And we always got what we wanted. We would, you know, cry and tell them that we were ready to go broke, the same old story, until we just made them cry and they accepted the increase in price that we were asking for. It worked, it worked.

But after I left things started going in different directions and I don't know exactly what happened, but things didn't go right from there on. Baramín was forty-nine percent Dresser and fifty-one percent Fundidor. But after I left Dresser decided they didn't want any more and they sold to their Mexican partners, so now Baramín is a Mexican company...one hundred percent. That's as far as I know. I know they struggled because PEMEX has changed methods. Now, they have drilling contractors. Now the drilling contractors buy their own materials, so the deals are different. PEMEX still buys some, but as I understand they buy, oh, maybe 100,000 tons a year, something like that. So that's it. Another question? What am I going to do from now on? Try to survive! (chuckles) No, I have no problems. I don't think so...for the next fifteen years.

M: Well, you spent most of your professional career in the nonmetallics business.

J: Yes, it ended up like that. I started with the metallics and I liked the metallics, but when the thing came, you know, I started the nonmetallics. I worked some with fluorite, you know. I prospected some fluorite. I sold some fluorite, to IMMSA. I sold fluorite, but, you know, we were small or no good and I had to stop. But I tried everything...bentonite, too, I sold to PEMEX, oh, around 10,000 tons of bentonite a year. That's it. That's the story.

M: What do you think of some of the changes that have gone on...recent changes in the mining law that let foreigners back in?

J: Well, that's good. That's very good. It should have been that way all the time. But, you know, Mexico is a nationalistic country and sometimes it's too nationalistic, but what can you do? I mean, what foreigner can do damage? They don't do any damage. Everything is sold to the smelters in Mexico or exported like everybody else exports. Even before that with forty-nine percent they could take their dividends out if they wanted them. I mean, there's really no great change, except for the good. I'm glad it's...and now you can be a hundred percent owned over there.

M: Do you see...are you particularly optimistic about the mining business in general in Mexico? And what about the possibilities for nonmetallic minerals in Mexico?

J: The nonmetallics..always good, but always with a big problem. You have to transport the son of a guns. About one hundred

percent of what you produce you have to transport. And that's what beats you sometimes in fluorite and barite mainly. Because you could see...if you go to the stope you blow a thousand tons. It didn't cost you much, but start moving it and you find out...to the hoist. You hoist it, you put it into the car. You dump it over there then take all the way to where ever the customer is...in this case, north. PEMEX in the southeastern part of Mexico is terrible...very costly. And to the rate now that they are exporting. And it's hell, you know. A truck crosses once a day. If it's any good they make three trips a week. It's very costly...transportation.

Whether it's barite, whether it is fluorite, whether it is limestone, excuse me, dolomite...most of it. But its alright, it's an industrial mineral. It's needed, absolutely needed, no question about that. Even fluorite, we thought it was going to disappear because of the ozone hole and all that. It's alright. It's needed.

Now, the metals, too. But like I said the lead has been going down because they acquired a bad reputation. Like lead...lead has a terrible reputation. Even National Lead changed their name. Now, it's called NL Industries. (chuckles) That's a very smart move. People don't like to hear National Lead. The word "lead" means that how many children have died of lead. Okay, so the price of lead has gone down. They don't use it in gasoline anymore. Zinc, yes, that will survive. That will survive. It goes down...up and

down. Copper...they always need copper.

M: Well, are you pleased with the selection you made to be involved in the mining business? Has it been an interesting profession for you?

J: Yes, I made money in it. I mean, let me see, I liked it in the first place even when I started working and made practically nothing. Along the way I never worked for anyone but the one that was paying me. I never had a personal business except when I went to a stock broker or going to the bank. But outside of that, I have never had a personal business, especially in mining. Every time I had a- for instance, I had several claims. When I left the company I signed them over to the company. Never had a conflict of interest. That's it. Alright, what else do you want to know? How many in the family? I can tell you the date, even the hour they were born.

M: Luis, thanks very much. I appreciate your time.

J: Do you want me to sign that thing?

End of Interview