

sección especial
en idioma inglés

businessmen around the globe

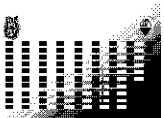
By the Editors of Fortune - 1967

BRUNO PAGLIAI

One of Mexico's most resourceful industrialists is fifty-six-year-old Bruno Pagliai, who was born in Italy, spent a number of years in the U.S., and who has been a Mexican citizen since 1946. Pagliai, who runs his affairs from a Mexico City penthouse office, owns a controlling interest in Tubos de Acero de Mexico, S. A. (Tamsa), which he organized in 1952 to manufacture seamless steel pipe primarily for Pemex, Mexico's government oil monopoly. In 1955, Tamsa's first year

of operation, it made a net profit of \$560,000. By last year, sales had climbed to over \$27 million and profits totaled \$3,200,000. This summer Tamsa, now working at 98.5 per cent capacity, will boost its production of steel tubing from 98,000 tons to 150,000 tons yearly. Pagliai is planning still further expansion, hopes to build Tamsa into a totally integrated operation with its own ore and coke subsidiaries.

Pagliai came to the U.S. in 1921 to join his father in Utah. Soon after, they moved to California. Bruno went to work first for the Bank



of Italy and later for himself in insurance and securities. By 1930 he had made and, for the most part, lost, his first million speculating in stocks. Thereafter, he began to acquire investments and powerful political friends in Mexico.

One of first major Mexican projects was organizing an insurance company, La Oceanica. More recently, he has been the largest private investor in the Dina-Fiat plant in Sahgún. He has started a specialty paper firm, and organized a fertilizer company. Last year he founded a combination finance company and management-consultant firm, Intercontinental S. A., in collaboration with such men as German industrialist Alfried Krupp and U.S. investment banker Charles Allen. This month he is putting together a synthetic-rubber plant.

As his ventures achieve success, Pagliai loses interest. He says, "I've got to build something, to see it going; . . . then I've got to build something else". His personal wealth is estimated at well over \$50 million. He and his wife, U. S. movie actress Merle Oberon, spend their money lavishly on cars, planes, houses (three), world traveling, and art. For more contemplative relaxation Pagliai turns to his collection of antique books and documents dealing with the Spanish conquest. For business inspiration, he looks further back in history to the Medicis, who he believes were the first to discover the manifold advantages of international cooperation in business.

July 1959

EUGENIO GARZA SADA

By title, he's just a member of a brewery's board of directors. But in fact, sixty-nine-year-old Eugenio Garza Sada is one of the leading businessmen in Mexico and the most powerful man in Monterrey, the Mexican industrial center where business life follows the bustling U.S. pattern. Garza Sada has little to say publicly about just what he and his family own and control. But it is conservatively estimated that he has something

to do with running no less than 100 Mexican companies—banks and supermarkets to textile mills and chemical plants—which have combined annual sales somewhere above \$300 million.

Garza Sada does admit to control of what is called "the beer group"—a complex centered about a brewery, Cervecería Cuauhtémoc, S. A. The group includes some logical associates of a brewery—glass, kraft-board, and malt plants—as well as such unlikely members as a sheet-steel mill and a finance company.

Eugenio's father, Isaac Garza, and his uncle, Francisco Sada, were among the original founders of the Monterrey brewery in 1890. The firm began to branch out by opening a bottle plant, Vidriera Monterrey, S. A., in 1909. Then in the Twenties it added facilities for manufacturing its own bottle caps, labels, and paper cartons. Garza Sada joined the staff in 1917 after graduating as a civil engineer from MIT. As he took over increasing amounts of responsibility, expansion began in earnest. In 1929 a second brewery was set up in Mexico City. Today Cervecería Cuauhtémoc has seven plants (including a brand-new one in Honduras), which last year produced two million bottles of beer (best-known brand in the U.S.: Carta Blanca).

In the Thirties, Garza Sada also began expanding Vidriera Monterrey into a versatile glass business. Now the firm has three subsidiaries that manufacture 90 per cent of Mexico's bottles and sheet glass and also produce tableware, enamel utensils, and gas stoves.

World War II forced Garza Sada into further diversification. Unable to get U.S.-made tin plate for bottle caps, he bought a secondhand rolling mill and founded a sheet steel company, Hojalata y Lámina. Today it rolls about half of the sheet used in Mexico. In 1957 it also began developing a new metallurgical product, sponge iron, a material used to replace scrap in steel production. A subsidiary, Fierro Esponja, now produces the new development.



Chemicals and M.I.T.

The most important venture in which Garza Sada's hand is apparent, though he won't admit ownership or interest, is Monterrey's fast-growing chemical industry. Strictly a postwar development, the Mexican chemical business began in 1946 when Celulosa y Derivados, S. A., was established to make rayon yarn and tire cord. Today this firm is a holding company with five subsidiaries producing synthetic fibers, cellophane, and basic chemicals. Minority interests in the chemical business are held by a number of foreign firms.

The father of six sons (all at work in the family business) and two daughters, Garza Sada lies in a two-story mansion in Monterrey's fashionable colonia Obispedo. He is a proficient organizer who likes to play for his nineteen grandchildren, but his chief avocation is guiding the fortunes of the top-flight Mexican model of his New England alma mater, El Instituto Tecnológico y de Estudios Superiores de Monterrey. Head of the foundation that supports Tecnológico, Garza Sada was among its founders in 1943. Now he keeps money flowing into the till from the treasuries of his own companies as well as other Mexican firms (his sales talk: "You'll be insuring the future industry of the country") Garza Sada also concerns himself with such diverse school problems as the caliber of the teaching staff and the cafeteria's breakfast menu.

November 1961

CARLOS TROUJET

"The one thing you have to be careful about with Americans," says Carlos Troujet, Mexico's top venture capitalist, "is to see that they get fair play." By seeing that they get it, Troujet is helping create a new climate for American risk capital in Mexico, where Troujet, already director of some forty-nine companies, is busily launching a dozen new ones ranging from factoring and food machinery to milling, tanning, plastics, and soft drinks. He estimates that he has brought \$100

million of new capital into Mexico in the last decade. At sixty, the husky (six feet two, 220 pounds) Troujet is a bouncy and exuberant as a man fifteen years younger and thirty pounds lighter, eats and drinks everything set before him and limits himself to five hours of sleep lest he miss some big new deal.

Troujet (pronounced True-yay) is doing as much as any man to break up the closed, family-held structure of Mexican business and spread its ownership through the public at large. Last year he pioneered a great Mexican mutual fund, whose \$8-million assets are providing seed capital for a wide range of new industries. "The consumer must participate in the country's economy," he says. "We must utilize the small savings in Mexico. That's what you did in the United States. The Mexican revolution has become an economic revolution." Last year he took an ad in the morning newspapers to announce the sale of \$160,000 worth of stock in his pulp-and-paper company, with a \$10 limit per purchaser; he listed two phones, answering many of the calls himself during the two hours it took to sell the whole issue.

Troujet, son of an immigrant French wine dealer and a Mexican mother, went to Mexico City's German Scholl, learned five languages (French, German, Spanish, English, Italian), began as an office boy in a bank, worked his way up through stock brokerage with a knack for making important friends. The most important he ever made was Miguel Alemán, becoming his banker and adviser before Alemán became president in 1946, and subsequently—with ex-President Alemán now a multimillionaire—became his chairman in his big co-venture with U.S. capital, the Continental Hilton Hotel in Mexico City. Troujet was also Hilton's partner in building the Hotel Las Brisas in Acapulco.

In 1952, together with another entrepreneur, the late Eloy S. Vallina, Troujet began his "Chihuahua complex," which now embraces the \$40 million Celulosa de Chihuahua paper-pulp mill (15 per cent owned by Italian capital, 8 per cent by Troujet); the \$4-million Viscosa de Chihuahua,



producing 30 per cent of Mexico's rayon output; Plywood Ponderosa de Mexico, producing 60 per cent of Mexico's plywood; Bosques de Chihuahua, a government concession cutting some \$6 million of timber a year. Since then he has branched into Aníbal Iturbide's Banco Comercial Mexicano (assets \$112 million) and Manuel Senderos' \$16 million insurance operation Mexico's biggest, with textile king Jerónimo Arango Sr. is modernizing the old Compañía Industrial de Orizaba textile mills to make garments for the discount chain run by Arango's three sons. His one flop was taking over Aerovías Guest from Winston Guest. He sold it to the Mexican Government in 1962 at a loss of \$5 million for foreign stockholders, as well as a loss of \$2,500,000 for himself and other Mexican backers.

Trouyet tries to interest all employees in stock ownership. After building a church for his Bosques woodcutters and persuading 300 common-law couples to be married in it, Trouyet, an ardent Catholic, gave each couple two shares (\$80 each) of company stock. His biggest coup in spreading public ownership of stock came in 1958, when there was talk of nationalizing money-losing Teléfonos de México, 74 per cent owned by I. T. & T. and Sweden's L. M. Ericsson. Trouyet raised \$24,600,000 of private capital to buy it, sold stock to some 50,000 Mexican

shareholders, raised \$1,800,000 worth with U.S. investors, launched it on a four-year \$200-million expansion and recently stepped down from chairman to vice chairman because his job was done.

"Their credit is now so good that they were able to contract for \$35 million worth of new equipment just on their own signature, with no other backing, at 5½ or 5¾ per cent with twelve years to pay."

Trouyet thinks his biggest contribution to Mexican business is to emphasize the importance of good management. "Mexico is becoming management-conscious. We are beginning to realize the importance of good management and good technicians." He lies working with Americans: "They're willing to let us run things, but they're always ready to help if we run into trouble." Trouyet refuses to wear formal clothes, calls himself the worst-dressed Mexican businessman, wears a single piece of jewelry in his lapel: a bright-eyed coyote made of small diamonds. In Mexican business slang, a "coyote" is a slick deal maker who moves shrewdly and secretly and knocks off limping strays. "I'm proud of being a successful coyote," grins ebullient Carlos Trouyet.

October 1964