Orozco's rebellion

Pascual Orozco Vázquez was born in 1882, the son of a shopkeeper in San Isidro, a village in Chihuahua. From 1902 to 1910 he worked as a muleteer, transporting precious metals, mostly silver, for several large mining companies in the Chihuahuan mountains. He also opened a store and eventually bought a gold mine, thus acquiring a substantial fortune. Until quite late, Orozco paid scant heed to politics but when a business competitor received special privileges from the Terrazas during the aftermath of the 1907 financial crisis, Orozco joined the anti-Reelectionists.

After Madero issued his Plan de San Luis Potosí, calling for a series of revolutionary uprisings against the Díaz government, the Club Anti-Reelectionista Benito Juárez began recruiting potential leaders in Chihuahua. On 31 October 1910 Orozco was appointed revolutionary chief in the district of Guerrero, and started operations. In December he captured Ciudad Guerrero, one of the first victories in the fight to overthrow Díaz. In the spring of 1911 Madero promoted Orozco to colonel, and then to brigadier general. On 10 May Orozco and Villa captured Ciudad
Once Madero was President he had refused to support Orozco’s candidacy for the governorship of Chihuahua against Abraham González but had appointed him head of the rurales and presented him with a generous settlement of 100,000 pesos for his services. Orozco nominally remained loyal to Madero until 3 March 1912 when he revolted, accepting the previously offered post of General-in-Chief of the Chihuahuan rebels. He organised an army, consisting of many of his own militiamen and other disillusioned Maderistas, whilst his supporters within the state government took over the legislature and many of the state offices.

The battle of Rellano, on 23 March, was the high-water mark of the Orozquista military campaign. Two days after it Orozco issued his revolutionary manifesto, the Pacto de la Empacadora, which called for the abolition of company stores, the payment of all workers in legal tender rather than company scrip, and other reforms. This gained him the support of many former revolutionaries, especially Zapatista peasants who deeply resented Madero’s moderate political stance. At this point Madero appointed Victoriano Huerta as field commander against Orozco. From May to June Huerta led his troops to victories and pushed Orozco north all the way to Ciudad Juárez, and on August 16 Huerta took that city as well. The Orozquista army split up and carried on guerrilla warfare in northern Chihuahua. Although they defeated the federals at Ojinaga on 11 September, Orozco was wounded in the battle and temporarily crossed into the United States, though his guerillas continued to plague the state.

After the decena trágica Villa, Carranza, and Obregón immediately announced their opposition to Huerta. Orozco, however, agreed to support Huerta if certain reforms were implemented (such as payment of hacienda workers in hard money rather than company store scrip): when Huerta agreed, Orozco publicly announced his support on 27 February. In May Huerta sent Orozco to the north, where he temporarily succeeded in slowing Villa, but there was no stopping the Constitutionalist forces. In late December 1913 the federals retreated to Ojinaga, which fell to Villa on 10 January 1914. Orozco escaped from Ojinaga and fled across the Rio Grande.

After further adventures Orozco was shot dead by Texas Rangers in August 1915.

Orozco and Terrazas

Some historians have argued that Orozco was financed by Terrazas and the conservatives, among others, as they hoped to use his uprising to destabilise the government, to encourage
American intervention and the overthrow of Madero and to put a stop to the agrarian reforms.

In the period between 1910 and 1915, Luis Terrazas essentially worked through his sons so there is some disagreement whether Luis Terrazas and Enrique Creel were directly involved in Orozco’s revolt or whether the initiative came from younger members of the family. In a letter to Creel, Terrazas protested his innocence but the U.S. consul in Chihuahua believed that one of the main instigators and backers was Federico Sisniega, Terrazas’ son-in-law[footnote]SD papers, 812.00/3424, Marion Letcher to Secretary of State, 20 March 1912. Letcher in another report wrote that the ”Terrazas organized, directed, and financed the Orozco rebellion” (SD papers 812.00/11043 Letcher to Secretary of State, 21 February 1914)[/footnote], whilst Abraham Gonzalez reported that one of Terrazas’ grandsons had fought with Orozco, while a son, who at first volunteered to do so and at the last moment withdrew, had offered a large financial contribution instead[footnote]AGN, Fondo Francisco Madero, caja 13, exp. 299-1, Abraham González to Madero, 10 November 1912[/footnote]. In his report of 29 July 1914 J. N. Amador reported that the Orozcistas included:

Juan Terrazas;
Luis Terrazas hijo, who had contributed $100,000, subscribed to the loan, offered his father’s cattle and said that he would take up $1,000,000 of the new $10,000,000 loan in his father’s name;
Luis Terrazas Bobadilla, son of Luis Terrazas hijo;
Juan A. Creel, probably the most fanatical of Orozco’s supporters. The Banco Minero not only paid for a sizeable part of Orozco’s loan in hard cash, but also lent support through its head office and branches in Ciudad Juárez, Parral, Jiménez, Camargo, Casas Grandes, etc. The bank fraudulently subscribed for bonds in the name of its clients: thus it put Elías Touché (a foreigner) down for $20,000 and Ignacio Henríquez for $10,000. Both said that they did not have the funds, so Gonzalo C. Enrile arranged for the bank to lend them the money, even though neither had dealt with it before;
Angel Calderón Urrutia, manager of the Ciudad Juárez branch;
Manual Mejia Borja, contador of the Ciudad Juárez branch;
Jesús H. Cuarón, cajero of the Ciudad Juárez branch;
José L. Torres, assistant book-keeper (ayudante tenedor de libros) of the Ciudad Juárez branch;
Federico Sisniega, Luis Terrazas' son-in-law (and manager of the Chihuahua branch of the Banco Nacional de México);
Lic. Rafael Horcasitas, another son-in-law;
José María Sánchez;
Lic. Manuel Prieto;
Lic. José María Gandara;
Lic. Don Guillermo Porras;
León I. Escobar, sub-manager of the Chihuahua branch of the Banco de Sonora, who proclaimed that he would give up his Mexican citizenship if Madero’s government triumphed. A
rich but incapacitated heir, by the name of Miller, had $300,000 deposited in this branch, earning 4% interest. Escobar told Enrile of this deposit and a judge agreed to changing it into Orozco’s bonds, since they offered 5% interest.

Abraham González claimed he had proof that Juan Creel was heard to say, in the Hotel Sheldon, El Paso, "This is impossible. Orozco gave me his word of honour that Abraham González was truly dead, because he had shot him himself. If this is true, he has mocked those of us who effectively help in the revolution and we will turn our backs so he drowns, given that he has cheated us (Esto es imposible. Orozco me dio su palabra de honor de que Abraham González estaba bien muerto, pues que había sido fusilado por él. Si esto es cierto, se ha burlado de los que le ayudamos eficazmente en la revolución y le volveramos las espaldas para que se hunda, ya que nos engañó)"

Certainly the Terrazas benefitted. About two weeks after he joined the rebellion, Orozco issued orders that the property of Luis Terrazas was not to be touched under any circumstances, and later the Orozquista administration reduced Terrazas' taxes to 50 percent of what he was paying under Abraham González. This, according to González, was the major reason why Terrazas supported the revolt.

State funds in the Banco Minero

The state government was apparently worried about the Banco Minero. On 1 March the Tesorería General arranged to transfer the $45,000 it had deposited with the bank to the branch of the Banco Nacional. However, when the cheque was presented on 2 March, Juan A. Creel said that he could not cash it as the bank was not open to the public, and on 4 March, that he...
could not pay it as Orozco had instructed otherwise. On the same day the $45,000 was handed over to Orozco’s Cuartel General{footnote}Informe of González, 30 July 1912{/footnote}. Abraham González later referred the matter to the courts{footnote}Informe of González, 16 September 1912{/footnote}.

**Orozco’s bond issue**

Orozco’s rebellion was financed by a forced loan, given legality by the pretext of a bond issue. On 19 March 1912, interim governor Felipe R. Gutiérrez, [authorised](#) the Tesorería General to issue $1,200,000 in 5% bonds of 1,000 pesos each, amortizable over ten years and redeemable at the victory of the revolution. Until the bonds were issued, investors were to be given a provisional [certificado](#) to be exchanged at a later date for the definitive bond{footnote}Periódico Oficial, 21 March 1912{/footnote}.

The bonds themselves were to be signed by the Gobernador Interino, Tesorero General and Jefe de las Armas{footnote}El Correo, 20 March 1912{/footnote}. In fact the bonds were signed by the Governor Felipe R. Gutiérrez, Tesorero General José Lamelas and Orozco’s [apoderado](#), Gonzalo C. Enrile, a member of the local oligarchy{footnote}AGN, Antiguos Bancos de Emisión, caja 302{/footnote}.

The government nominated a commission (Comisión de Préstamos y Empréstitos) under the presidency of Miguel Prieto y Parra to place the bonds with banks, businesses, industrialists and people with more than $50,000{footnote}Periódico Oficial, 21 March 1912. The full membership of the comisión was Manuel Prieto, Norberto Domínguez (manager of the Banco Nacional), Juan A. Creel (manager of the Banco Minero), Luis Terrazas hijo, Lorenzo J. Arellano, Eduardo Albafull and José Lamelas{/footnote}.

On 23 March Juan A. Creel informed the Banco Minero board that $175,000 had been assigned to the bank. Creel had raised objections, claiming it should be considered as a forced loan on the whole state, and that the Ley General de Instituciones del Crédito, the bank’s statutes, and the bank’s interests, free of any pressure, would not authorise a single peso, but he had submitted, as in the best interests of the bank{footnote}AGN, Antiguos Bancos de Emisión. Actas de Banco Minero, libro 5, 18 December 1909 to 5 January 1924. On the same day
Enrique Creel denied that the bank would take part in the issue (*El Paso Herald*, 23 March 1914). In all $277,000 ($247,000) were assigned to the Banco Minero and its clients, thus: Bond no. 12 might have been in place of Enrique Creel’s bond no 11. (AGN, Antiguos Bancos de Emisión, caja 285) *El Correo*, 22 March 1912 lists Banco Nacional $50,000, Banco de Sonora $50,000, Banco Minero $20,000, Banco Comercial Refaccionario $20,000. Later, Ramón Sáenz ($50,000) and Luis Siqueiros ($5,000) both felt that they had lost their money (*El Correo*, 6 August 1912).

Later Chihuahua governor Andrés Ortiz reported to Carranza that ‘a large number of bonds were taken over by the Terrazas family, to the amount of 500,000 [pesos] (as well as by local banks, which the family controlled almost totally)’ (AGN, Ramo Gobernación, box 88, exp 32, Andrés Ortiz to Manuel Aguirre Berlanga, 24 February 1919), but he might have been exaggerating to dissuade Carranza from returning the Terrazas properties.

<table>
<thead>
<tr>
<th>Certificado provisional shares</th>
<th>Number of shares</th>
<th>Value</th>
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<tr>
<td>2</td>
<td>175</td>
<td>$175,000</td>
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<tr>
<td>5</td>
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<td>52</td>
<td>2</td>
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</tbody>
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Enrique Creel, in Mexico City, wrote several letters to Chihuahua during this time. On 29 March he wrote to Juan Creel that *El Imparcial* had reported that the Banco Minero was disposed to subscribe a respectable amount to Orozco’s loan. Enrique denied the rumour. He thought that...
the rebels would soon make forced loans, but that the bank would comply, through threat of arms, under protest and witnessed by a notary and the Interventor. That night, while at Ernesto Madero’s house, Madero had informed him that the bank had taken up to $175,000 of Orozco’s $1,200,000 bonds and that Juan was a member of the commission that was sharing out the loans amongst banks and individuals. Enrique denied this, but Madero said that he was sure of his facts and that Juan had given his moral support to the rebellion from the very start. Enrique asked Madero to suspend judgement and he would find out the truth. He spent a sleepless night, worrying about the ramifications for the bank, if it was true, and the ridicule he would suffer for publishing his denials. He asked Juan to let him know the truth.\footnote{ST papers, Part II, box 1, letter Enrique Creel to Juan Creel, 29 March 1912} By the evening Enrique had received a telegram from his brother confirming part of what Ernesto Madero had told him, and he wrote again ‘with greater bitterness’. Juan had committed a grave error that could have fatal consequences\footnote{ST papers, Part II, box , letter, 29 March 1912}. On the same day Joaquín D. Casasus wrote to the bank’s board, that they, as the bank, should repudiate the actions of individuals and make a public protest both in Chihuahua and Mexico City\footnote{ST papers, Part II, box 2, letter, 29 March 1912}. Enrique acknowledged that Juan had been the victim of local pressures but felt that he had not considered the wider implications for himself and the bank, and that the consequences would be disastrous, if the rebellion failed. Juan should have refused to serve on the commission, and only accepted the impositions under protest and duress\footnote{ST papers, Part II, box , letter of Enrique C. Creel, 31 March 1912}. At a meeting on 12 April Juan Creel told Enrile that depositors had withdrawn funds and the bank had sent off all its metallic reserves to Mexico City and only had enough to cover ordinary business. If it had to pay the whole demand it would mean temporarily closing the bank, which in turn would reduce the money in circulation and cause businesses to close. Enrile therefore agreed to partial payments by means of cheques. He also said that Orozco had instructed that he should restore the $20,000 that Antonio Rojas had taken from the Juárez branch, so this amount would be deducted from the payment. Creel also said that the bank could not pay Enrique Creel’s $30,000 without instructions and did not have sufficient funds, but Enrile insisted on the bank’s combined total of $205,000. The bank’s interventor Ramón Cuellar, abogado Guillermo Porras, lawyer Bernardo Castro and Martín Falomir were also present at the meeting. Cuellar gave his advice that the payment was forbidden by law but in view of the circumstances the bank and manager should act prudently to avoid greater misfortunes, a view that Porras supported. The next day board members Prieto and Luis Terrazas hijo approved the manager’s actions\footnote{AGN, Antiguos Bancos de Emisión, Actas de Banco Minero, libro 5, 18 December 1909 to 5 January 1924}. By 12 April Juan had managed to give Enrique satisfactory explanations\footnote{ST papers, Part II, box 1, letter of Enrique C. Creel, 12 April 1912} but when Enrique received
copies of the minutes he felt that Juan had acted too willingly\footnote{ST papers, Part II, box 1, 22 April 1912}.

As for his own share of the exactions, Enrique wrote to Juan Creel that he did not have $30,000 available in the city and indeed wanted to avoid responsibility for contributing any amount. Juan should only hand over any valuables under protest and before a notary\footnote{ST papers, Part II, box , letter of Enrique C. Creel, 12 April 1912}.

On 16 July 1912 Enrique Creel wrote to the Mexico City newspapers denying Abraham González’s imputations about his brother. González was reported as saying that he had definite proof that Creel and his family, José María Sánchez and others had encouraged Orozco to rebel\footnote{El Diario, 17 July 1912}. However, on 19 July Juan was ready to leave El Paso and return to Chihuahua, though León Escobar, of the Banco de Sonora, had decided it was too early and was delaying a few days\footnote{ST papers, Part II, box 1, 19 July 1912}. Juan A. Creel made the following self-serving statement: “Under the concession of banking, which we received from the federal government in the time of General Díaz, the Banco Minero is not permitted to invest a single cent of its funds in a transaction the character of which is for political purposes. Our bylaws specifically state that it is illegal. The Banco Minero has not paid a single penny of its funds to the Liberal government until the 12th day of April, when I, as manager of the bank, was compelled to pay 175,000 pesos, which was the sum apportioned as our part in the bond issue legalized by the state legislature. We remitted this sum in exchange for the bonds, but it was under protest. It was done in the presence of a notary public and a bank examiner and several witnesses and the minutes were taken down by the same notary public\footnote{El Paso Herald, 16 April 1912}.”

On 31 August 1912, after the Orozquistas’ defeat, Governor Abraham González declared all their actions null and void\footnote{Periódico Oficial, 5 September 1912} and the bondholders lost their money.

**Cheques al portador**

By 27 March because a scarcity of hard cash was causing the banks difficulties in making change Orozco authorised the local banks of issue to issue bearer cheques or certificates of deposits (cheques al portador ó certificados de depósitos) in values of five, ten, twenty, fifty and one hundred pesos. Rather than stamp each certificate with the necessary tax stamp the banks could arrange to pay the necessary tax direct to the Administración del Timbre\footnote{Periódico Oficial}.
Orozco

, 28 March 1912. The local banks of issue at this time were the Banco Minero, Banco Nacional de México, and Banco de Sonora. The certificates could be used in paying taxes and other government dues.

*El Paso Morning Times*, 29 March 1912.

**Paper currency**

In his memoirs the adventurer Thord-Gray states that Orozco printed large amounts of paper money. Thord-Gray, *Gringo Rebel (Mexico 1913-1914)*, Miami, 1960. Thord-Gray, in writing about paper money, says ‘Orozco also printed large amounts while in control of Chihuahua during his insurrection against President Madero.’ and there are a couple of references in American newspapers. On 30 May the *Albuquerque Journal* reported that the Banco Minero had closed its doors for lack of currency to carry on business and that paper money “bearing the seal of the liberals” may be issued to provide a medium of exchange within the rebel zone.

*Albuquerque Journal*, 30 May 1912.

Whilst three days later the *Tucson Daily Citizen* said demoralized Americans were leaving Chihuahua as fast as they could and that the issuance of fiat money by the rebels was the last straw.

*Tucson Daily Citizen*, 2 June 1912. Certainly none of this Orozquista currency appears to have survived.