## THE MVOLUTION

of

HEXICO'S MARIONAL AND INTERNATIONAL POLICY
1933--1944

THE EVOLUTION

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MEXICO'S MATIONAL AND INTERNATIONAL POLICY

1933--1944

By

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#### PREFACE

since the promulgation of the Monroe Doctrine, and more particularly since the beginning of the Pan-American movement in the last century, the importance of a better understanding among the peoples of the Western hemisphere has become more and more evident and the need for it more and more apparent. This is especially true in the case of Mexico and the United States, not only because of their close geographical relationship, but also to an even greater degree because of differences in speech, customs, and laws between the Latin and the Anglo-Saxon peoples. The results of the Mexican War, depriving Mexico of a vast territory and adding it to that of her already more powerful neighbor, could not fail to give rise to further barriers to a proper understanding.

While the evolution of the policy of the United States regarding the Monroe Doctrine and the principles of Pan-Americanism has afforded a basis for much valuable historical investigation, such study has largely arisen and proceeded from the viewpoint of those whose chief concern was with the acts and interests of the United States. The position and interests of the weaker neighbors to the South have infrequently attracted the consideration of the historical investigator. Further, the national and foreign policies of Mexico and the South American republics have

been largely neglected except in so far as they may have affected or linked with that of the United States.

Now, what with the present war and the implications of the Good Neighbor Policy, it would seem that an investigation of the foreign relations and national policy of our nearest neighbor to the South might be in order; and, in view of what has just been said, it is believed that such a study should proceed from the viewpoint of Mexico herself, considered as one of the family of nations and not as a mere satellite of the United States. It is, therefore, the purpose of this exposition to deal with the policies of the Mexican government in accordance with the foregoing suggested principles; and for purposes of proper limitation only the developments of the past decade will be directly treated.

Any division of the subject matter will be more or less arbitrary, but a natural one presents itself in the fact that the salient features of Mexico's foreign policy fall in two main divisions: the one having to do with the oil Expropriations Decree of 1938, and the other with the growth of Pan-Americanism and Mexico's increased interest and participation in the various conferences.

Two main elements of a new Mexican national policy may be regarded as having their origin in the international aspects just referred to. Linked with the Expropriation Decree, there have arisen the activities of the New Party Revolution; and stemming from her long participation in

Pen-American affairs, have come Mexico's closer relations with the other American states in the present war.

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### Chapter I

#### LEGAL BASES FOR THE OIL EXPROPRIATIONS IN MEXICO

Contrary to an opinion commonly held in the United States, it may be shown that the oil expropriation in Mexico, far from being a proceeding of a flagrant and high-handed nature, had, in reality, quite firm foundations both in constitutional and international law.

The Constitution of 1917, Article XXVII, Section 1, provides that:

Only Mexicans by birth or by naturalization and Mexican firms have the right to acquire the dominion of lands, waters, and their powers or to obtain concessions of exploitation of mineral waters, or combustible minerals in the Mexican republic. Only Mexicans can acquire holdings.

The second paragraph of Section 1 provides that foreigners may acquire fixed holdings by special permission.

The state may concede the same right to aliens provided that they agree with the secretariat of relations to consider themselves as nationals with regard to said goods and not to invoke for the same protection of their governments, with reference to them; under penalty of losing to the state the goods which they had acquired through it.

From the foregoing one observes that the state has political power to concede or deny foreigners the right to acquire real property. Second, the foreigners must consider themselves nationals. Foreign corporations are excluded. The foregoing exceptions are of strict interpretation.

<sup>1</sup> George W. Stocking, The Mexican Oil Problem, 1

The president of the republic has the power to exclude foreigners from acquiring control of mines or lands. The president of Mexico has this power, since he is looked to for national defense; he can, therefore, keep the frontiers free from works which might be threatening. The legislation of 1917 makes the matter one of policy and of defense and looks to the president for control over such affairs.

Section 1 of Article XXVII of the Mexican Constitution also provides that within a belt of one hundred kilometers along the frontiers and of fifty along the coasts, no foreigner can acquire direction or dominion over lands and waters. Having met the foregoing provisions, foreigners must renounce their nationality if they are able to acquire partial dominion of property, such as the use, the income, dwelling, mineral concessions, royal rights conceded on movembles such as mortgages, services of peons, etc.

The law of 1892 said nothing about foreigners' rights to acquire mines. The law of 1856 was considered in force. Foreigners, accordingly, must ask special permission to acquire property, if it is located within the prohibited mone of twenty leagues. If a foreigner tries to acquire holdings within a mone of eighty kilometers along the frontier, he must get permission from the president of Mexico. From the foregoing, then, we see that gradually foreigners have been within certain limitations permitted to acquire property in Mexico.

Any nation has the right of defense; consequently, it has the right to prevent foreigners from securing strategic positions.

The law of March 26, 1894, on occupation and alienation of soil (Article 6) says:

Every inhabitant of the Republic, having attained his majority and legally capable of contracting, has the right in terms of the present law to public lands unoccupied, superfluous, and unneeded, in whatever part of the national territory and without limitation of extension; except that the nationals of adjoining nations and those naturalized therein, cannot by any right or title acquire free lands in the states bordering them.

The law of August 18, 1824, fixed a zone of twenty leagues within which foreigners were prohibited from acquiring real estate. Later, the law of April 6, 1930, Article XI, prohibited foreigners from colonizing in states of the republic which bordered on their own countries.

Afterward, came the Seven Laws passed January 10, 1827, Article XIII, of which says:

A foreigner cannot acquire in the Republic property roots if he is not naturalized in it, be married to a Mexican woman, and be subject to whatever slse the law prescribes relative to such acquisition.2

If foreigners are absent from the country for more than two years, they lose property rights except mines. The law of 1857 did not vary the law as to foreigners, as it does not carry any disposition which differentiates the foreigners from the Mexican as regards the possibility of

<sup>2</sup> Genaro Fernandez MacGregor, Revista Mexicana, I (March, 1919),31.

acquiring rooted property. Thus, no new system is set up by being found in the fundamental charter.3

The law of 1886, Article XXXI, declared in full force all the former laws with the exception that foreigners no longer have to reside in the republic in order to acquire lands vacant, state lands, or real estate. Mendez and Pardo attacked the validity of these early laws, but Mr. Vallardo says:

Matter for recent controversy in the press has been the effectiveness and even the constitutionality of all those laws relating the acquisition of real estate property. In my opinion, the conclusions of Padacio are correct.

Then came the law of 1857 which declared in Article V that the law of 1842 was valid. The law of 1856 under Comonfort validated all of the foregoing laws. Senor Gomez Palacio summarized the foregoing laws as follows: First, residence; second, that the property be not situated in prohibited zones; third, that those acquiring lands become citizens with respect to the lands or property acquired, that is, aliens shall not appeal to their own governments in case of dispute. If this latter course were permitted, the alien would thus enjoy a privilege and an aid denied the true citizen.

For thirty-six years, the petroleum companies attempted to treat Mexico worse than a colonial possession. Exploitation of the riches of the underground and shameful exploitation of the manual labor of the native

<sup>3</sup> Ibid.

population and of the Mexican consumer was practiced by the foreign petroleum companies. Mexico tolerated it all.4

Due to the attitude of the petroleum companies,

President Cardenas decided to apply a strictly legal disposition which the monopolies made inevitable. The Law

of Expropriation was passed by the Mexican Government in

1938. A small nation dared to require of all the powerful monopolies that they respect her Mexican law.

Petroleum, or "rock oil", has had an interesting history. Ancient peoples of Egypt, Palestine and Arabia, of Mesopotamia, and of Persia knew of petroleum. But the intensive use of petroleum and its industrial utilization are of recent date. In Mexico, also, although the Indians had known of petroleum, which they used as incense and as a medicine since the pre-Colombian epoch, the petroleum industry is of recent date. Toward the end of the Nineteenth Century, before the Mexican oil fields were discovered, the Standard Oil Company of the United States had made of Mexico, one of its most important contributors and also one of its most profitable ones as far as income is concerned. Standard Oil Company abused the situation. She imported crude oil from the American wells nearest Mexico; refined it in Mexico, and sold it with a gain which varied from 500 to 600 per cent.5

<sup>4</sup> T. H. Reynolds, The Progress of Pan-Americanism, 259.

<sup>5</sup> Tbid., 123, 124.

The industrial exploitation of Mexican oil pools began about 1900. The production that year was very modest; 10,345 barrels. But it began to increase especially after the year of 1911, reaching its height in 1921, when Mexico produced 193,397,587 barrels, which is about one-fourth of the world's production. The United States ranks first, but in normal times it did not produce sufficient for its own consumption and was accordingly obliged to resort to Mexico to cover her own deficit. From 1935 to 1938, the United States production increased by 24 per cent, while Mexican production increased 140 per cent. Without Mexico, "the universe would need petroleum."

The oil companies produced at low expense in Mexico, and made fabulous gains. Capital, in the form of machinery, was introduced into the Republic. Many exemptions were granted to the companies such as customs franchises, fiscal exemptions, and innumerable privileges, as well as oil rights, which the government conceded to the companies against the public will, and against public justice. Other advantages of the companies were:

The potential wealth of the nation; native labor paid with very small salaries; exemption from taxes; economic privileges and governmental tolerance.

These were factors in the rights of the petroleum industry.

<sup>6</sup> L'Espagnol de la Tramerye: La Lucha Mundial por el Petroleo, 40.

<sup>7</sup> Paul Boracres, The Mexican Petroleum: Is It a "Stolen Article" 3, 2.

Companies paid only subsistence salaries to the native workers, this being one of the characteristics of the imperialistic policies of the monopolies. The development of the labor movement in Mexico aided the workers in the improvement of their deplorable conditions. Mexican laws governing work were of some value to the laborer also. But in spite of everything, the situation up to 1913 remained greatly inferior to that of the petroleum workers of the United States. The average salary of the American worker was 16.13, while that of the Mexican worker of the same year scarcely reached 4.68 pesos (Mexican).

In 1937, due to the increase in the cost of living in the exploitation centers of Mexico, those salaries became reduced from 16 to 22 per cent by actual value.

Infamous quarters were provided for the Mexican laborers, while princely lodgings were provided for "confidence employees", all foreigners. The petroleum companies regarded Mexico as a colony from which they might exhaust the wealth without leaving anything in exchange. In the United States, the oil industry brought flourishing urban centers. Highways, railroads, hospitals, and schools sprang up around the centers of exploitation. None of this happened in Mexico. When the companies had exploited the mineral from beneath the earth, they emigrated, leaving no trace of their passage except uncultivated fields for men who no longer had land, money, or home.

B Reynolds, op. cit., 261.

<sup>9</sup> Ibid., 262.

The "Mexican Eagle" from 1911 to 1920 realized neat profits of 164, 248,000 Mexican pesos, that is, it recovered more than five times the capital of 30 millions which it had spent. In general, the foreign companies recovered at least ten times their capital during a ten year period. 10

According to the old Spanish law, petroleum has always been regarded as the property of the nation in Mexico. From the colonial epoch, the underground was a part of the inalienable property of the Crown. "The New Summary of the Laws of the Indies" even speaks of the mines and of all underground products as being reserved for the king.

Royal Ordinances proclaimed by King Charles III, May 22, 1783 says in Article 1 and 2, Title No. 5:

The mines are the property of my Royal Crown.... Without separating them from my royal patrimony, I concede them to my vassals in property and possessions....

And Article 22, Title No. 6, adds explicitly to the mines the "mineral substances and fluids of the earth."11

While Mexico was independent, every government which succeeded to power, even that of Emperor Maximilian, placed in Mexico by the intervention of Napoleon III, maintained strictly the principle of national ownership of the underground. The long dictatorship of General Porfirio Diaz was necessary to bring the violation of that principle by adventurers and powerful bankers.

<sup>10</sup> Boracres, op. cit.

<sup>11</sup> Reynolds, op. cit., 263.

After the triumph of the Revolution of 1910, the traditional principle of Spanish and Mexican Governments, just referred to, was reasserted. Paragraph 4 of Article 27 of the Constitution of January 51, 1917 reads as follows:

There corresponds to the Nation the direct dominion of all the minerals or substances which in veins, masses or pools constitute deposits whose nature may be different from the components of the terrain, such as...petroleum and all the solid, liquid or gaseous compounds of hydrogen and carbon. 12

This confirms the principle which was illegally violated by Diaz. Thus, the new Mexican Constitution reestablished the principle referred to. The fact is notable that Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Ecuador, Spain, France, Guatemala, Panama, Paraguay, Peru, Rumania, Salvador, Soviet Russia and Yugoslavia practiced the theory that the subsurface minerals belonged to the state, 13 The companies which worked in Mexico, therefore, according to the Mexican viewpoint, had no right to ownership of the oil. They had only concessions which permitted them to exploit the petroleum pools. The State had at all times the right to declare these concessions lapsed when any company violated its obligations. This is a universally admitted principle of law. "The lack of a proper advance of exploitation," or "failure to fulfill the laws of the nation" are motives sufficient

<sup>12</sup> Borseres, op. cit.

<sup>13</sup> J. Filhol, World Legislation of Petroleum, 75.

for declaring the concessions lapsed. Mexico did not expropriate the petroleum which is national property, since one can not expropriate a thing of which the Nation is the owner. By virtue of the rebellion of the foreign oil companies against Mexican laws, the companies thereby lost their privileges.

In 1930, Camille Aymard wrote a history of the Mexican petroleum question in the following terms:

In no other point of the vast world has the rivalry for petroleum between the United States and England shown itself to be so brutal, so cynical, and so prolonged. If, after a quarter of a century, Mexico is the scene of constant revolutions, of insurrections, which are reborn perpetually, of blows of State which are renewed ceaselessly, it is because that nation is the scene of a ceaseless struggle for the concessions of petroleum and that each group, English or North American, does not vaccilate in supporting to the last the part to which it has intrusted its hopes. 14

Antoine Zischka also declared in 1933:

The most brutal and the shortest war, consequently the most human, appears today to be the motto of all the petroleum magnates. But it has nowhere had greater proof than in Mexico ... . The sincere patriots and the bold generals, the governments and the bandits fought one another. Blood has been shed on every hand: there are secret agents everywhere .... It was necessary to resort to civil war to bring the petroleum gushing from the ground, while the Mexicans, distracted in killing onx another, did not have time to verify the concessions. to watch the amount of petroleum exported, to see if everything was according to the regulations of the nation .... Only Tampico was quiet, as if it wished to show the entire world the reason for all those revolutions: as if it were trying to make even the most obtuse see that the Mexicans were tearing one another to pieces in order to assure the possession of the Mexican petroleum to Deterding or to Standard Oil. 15

<sup>14</sup> Boracres, op. cit., 114. 15 Ibid., 122.

From the foregoing scholarly works, the writer wishes to draw the conclusion that competition between the English and American petroleum companies was the chief cause of the revolution within the Republic of Mexico. The petroleum companies, however, were not content with pushing Mexico through blood and fire by means of the disorder which they provoked. They fought the intervention of their respective governments, thus placing in danger the political independence and even the territorial integrity of the Mexican state, as happened in the armed intervention in the United States in 1914. These interventions in other places were not difficult to carry out. The economic power of the petroleum companies often allowed them to dominate their governments indirectly.

According to the Mexican government, during the period of the Harding administration "Standard Oil" dominated the government like an imperious mistress. "The Standard before everything" was the motto of Secretary of State Bughes, who then directed the foreign policy of the United States.

considering the importance attributed to petroleum in international affairs, it is not strange that the great imperialistic powers, desirous of guaranteeing by every means the domination of the petroleum sources of the world, have always been disposed to support the pretensions of the petroleum monopolies dominated by their subjects, even in the case of working against elemental justice. 16

<sup>16</sup> Reynolds, op. cit., 267.

It has been Mexico's lot to receive the sad lesson of this policy of brutal force, in which the weak nations are sacrificed to the appetites of the powerful imperialisms. The history of the Mexican petroleum question is weven of a series of abusive diplomatic foreign interventions and other interventions which began with the century and did not end until 1938.17

Mexico like all the states of Latin America has shown proof of tolerance for foreigners who hold concessions in the Republic, and has not wished to come to the point of keeping them from holding concessions of the products of the Mexican underground. But neither has it wished to be the victim of some of these foreigners who have abused the hospitality which has been shown them.

Mexico, in the Constitution of 1917, reestablished the traditional principle that the ownership below the surface belonged to the nation. Mexico, therefore, laid down certain conditions upon foreigners obtaining concessions.

Article 27, paragraph 1 in which those conditions are stipulated is conceived in the following terms:

Only Mexicans by birth or by naturalization and the Mexican societies have the right to acquire the domination of the lands, waters and their accessions, or to obtain concessions of exploitation of mines, waters, or combustible minerals in the Mexican Republic. The State can concede the same right to foreigners, provided that they agree before the Relations Committee to be considered as nationals with respect to said property and not to invoke, for themselves, the protection of their Governments, in reference to the former; under the penalty, in case of failing to keep the agreement, of losing to the benefit of the Nation the property which they had acquired by virtue of the same. In a strip of a hundred kilometers along the frontiers and of fifty along the shores, for no reason can foreigners acquire direct domination over land and water. 18

<sup>17</sup> Ibid., 267.

<sup>18</sup> Boracres, op. cit.

The precepts of this constitutional article were confirmed and extended by the Petroleum Law of December 31, 1925; by the Organic Law of the first paragraph of Article 27 of the Constitution which has just been quoted and by the by-laws of this law. Article 2 of this by-law of March 22, 1926 is edited in these terms:

The notaries, judges, Mexican consuls in the exterior and other functionaries upon which it is incumbent, will take care that in every constitutive writing of Mexican societies, whether they be civil or commercial, which have for their object acquisition, or of those who desire direct domination of lands, waters and their accessions outside of the prohibited zone, or concessions of exploitation of mines, waters, or combustible minerals in the Mexican Republic, it is designated expressly that every foreigner who, in the act of the constitution or at any former time, acquires an interest or social participation in society, shall be considered by this simple face, as a Mexican, and it will be understood that he will agree not to call upon the protection of his government, under the penalty, in case he fails to keep the agreement, of losing said interest of participation to the benefit of the nation.19

These two excerpts, in essence, mean that mines, waters or combustible minerals in the Mexican Republic can not be alienated except to citizens, and that foreigners acquiring concessions must become Mexican citizens. The Mexican law further means that should any foreigner who has so acquired any interest in subsurface minerals must not call upon his government, that is, the foreign government, for protection. Should individuals or corporations appeal to their government for protection, such individuals or corporations forefeit their concessions.

<sup>19</sup> Tbid., 268.

It may be pointed out here that Mexico is not the lone nation in Latin America in which there are oil fields to formulate a policy of national ownership, for instance, Argentina, Bolivia, Chile, Colombia, Ecuador, Guatemala, Panama, Peru, and El Salvador have similar provisions as to the ownership of petroleum or other minerals. In short, foreigners in Mexico and in the other republics of Latin America as named above, must consider themselves as nationals with respect to the property concerned; further, they agree not to call upon the protection of their governments in everything relative to said properties. Should they do so, they then have complete equality of rights with the nationals of the state in which they have acquired concessions. These Mexican laws, from the Mexican government standpoint, are indispensible restrictions imposed for the purpose of safeguarding Mexican sovereignty and make the state the protector against foreign imperialisms.

The message delivered by the President of Mexico, General Lazaro Cardenas, to the Nation on February 20, 1940, follows in part:

One of the outstanding questions which my Government has been called upon to solve is that connected with Agrarian Reform. Our fundamental standards in the premises are Article 27 of the Constitution and the present administration's program of government. We must, pursuant to these principles, procure a fairer distribution of wealth and improved living conditions for the whole people. No one attempts, by now, to deny the justice and the need of recovery of the land to the peasants, and yet such things as the drop in agricultural production and the higher

cost of living are ascribed to execution of Agrarian Reforms, and more especially to the Ejido or communal land system. An honest study of statistics and the obvious fact of the growth of our population, which necessarily implies a corresponding increase in the need for staple articles of food, clearly shows that the country has not gone backward. An attempt has been made to make defense of small holdings into a banner for the opposition, although the Executive himself has shown that full protection is granted to small holders when they are really men who work and not exploiters, who by means of fictitious transactions attempt to perpetuate the system of large estates.<sup>20</sup>

In pursuance of the reform as stated so concisely in the message of President Cardenas, one finds that the Mexican Government extended Article 27 of the Constitution of 1917 to lands owned by foreigners for agricultural purposes. It was an attempt of the nation to recover the land for Mexican peasants. Such lands upon being expropriated have been distributed to Mexican citizens. Such expropriation did not extend to small holders when they were really men who worked and did not exploit or who did not attempt by fictitious transactions to perpetuate the system of large estates. It was a part of the proletarian movement which had for its chief purpose the ownership of Mexican lands by Mexican citizens who tilled them.

<sup>20</sup> Boracres, op. cit., 277, 278.

## Chapter II

THE INTERNATIONAL ASPECTS OF THE EXPROPRIATION ISSUES

The Expropriation Law of March, 1938, grew out of a labor dispute. In 1934, several labor groups declared a strike, asking an increase of their salaries and an improvement of their living conditions. The companies attempted to evade the demands of Mexican laborers. In July, 1936, the Syndicate of Petroleum Workers which includes all the petroleum workers (18,000) in Mexico, met in Mexico. In the course of this Assembly the terms of a project of collective contract of labor for the petroleum industry were fixed. In spite of the efforts toward conciliation on the part of the workers as well as on the part of the public powers, the companies were arbitrary and refused to arbitrate the differences that had arisen between them and Mexican laborers. A general strike resulted (May, 1937). Since neither party was willing to arbitrate the differences which had arisen between the companies and the workers, the case was accordingly taken to the Supreme Tribunal of Mexico, and judgment was rendered March 18, 1938, condemning the companies. The companies. however, refused to consider said judgment. This attitude completely changed the nature of the conflict between the companies and the workers. Could the foreigners set aside

<sup>1</sup> Reynolds, op. cit., 280.

a state within a state? According to the views of the Mexican Government, Article 123, Section 21 of the Mexican Constitution which is quoted below was obtained:

If the patron refuses to submit his differences to arbitration or to accept the judgment pronounced by the council, the work contract will terminate and he will be obliged to compensate the worker with the gross amount of three months' salary, besides the responsibility which results to him from the conflict. If the refusal be from the workers, the work contract shall be terminated.

According to this provision of the Constitution of 1917, the foreign companies for the reasons stated above had forfeited their petroleum concessions in the Republic of Mexico for they not only defied the Mexican Government when they attempted to set aside the decision of the Supreme Court of Mexico, but they had also forfeited their rights to such concessions for they had violated the Mexican Constitution of 1917 in another respect: they had appealed to their governments for diplomatic protection.

In his speech to the Mexican people, General Lazaro Cardenas, referred to the attitude of rebellion of the companies and to the total paralysis of the petroleum industry. An excerpt from his speech follows:

It is an evident and clear case which obliges the Government to apply the Law of Expropriation in vigor, not only to subdue the Petroleum Enterprises to obedience and submission, but because, the work contracts between the companies and the workers having been broken by the Work Authorities, in order

<sup>2</sup> Tbid., 282.

not to occupy the Government with the settlement of the Companies, there would result the immediate paralyzation of the petroleum industry, occasioning incalculable evils to the rest of industry and to the general economy of the country.

The analysis of the message of the President of
Mexico produces the conclusion that Mexican industry,
public works, even the existence of the government itself,
were all jeopardized by the petroleum companies, for when
work ceased, political power would cease and chaos in the
economic life of the nation would result. Foreign companies thus had an economic stranglehold on the political
and economic activities of the Mexican nation. When the
companies refused to obey the mandates of the government,
and when they threatened to use their economic power, the
President of the Mexican Republic felt justified in applying the law of expropriation in order to bring the petroleum
companies to obedience and submission.

The diplomatic notes of the British Government directed to the Mexican Government were to the effect that "the
government of His Majesty does not discuss the general
right of a government to expropriate in the public interest
with the payment of the just compensation." But a little
while later that right was not only discussed, but it was
qualified as being "essentially arbitrary". The note concluded saying that:

Boracres, op. cit., 283.

<sup>4</sup> Ibid., 291.

The government of His Majesty finds no other measure to remedy this situation than the return of the expropriated properties to the companies. 5

The diplomatic experts of the foreign office, in demanding the return of expropriated properties to the "Mexican Eagle" as the only means of satisfying the British government were inconsistent in this demand, for the English government had sent a note to the French government on June 2, 1922, on the occasion of the Genoa Conference which concerned the petroleum expropriation in Russia. Article 8 of that note in its essential part is written thus:

The British government could not accept that theory (that of the French government). Every State has the right of expropriation -- whatever may be the nature of the private property-paying a just compensation. Since the most recent times all States have come to exercise that right. The French thesis is in contradiction with the first resolution of Cannes, since that thesis is opposed to a right recognized by all sovereign States of the World. The Government of Russia can restore the private property expropriated by it or it can compensate its owners; but in every case, this is a matter which only concerns the government of that country. To adopt any other point of view, the British government would have to repudiate a British principle and British practice. This government esteems it superfluous to point out that this is a common practice in France, the United States and the other states of the world. To try to impose upon the Russian government any other principle would be to demand of it that which no other sovereign state has ever been disposed to concede.

The above quotation means that the British Government had on June 2, 1922, conceded that a nation does have the right to expropriate the properties of foreigners within

Ibid., 292.

<sup>6</sup> Ibid.

the jurisdiction of the Republic provided the owners of said property receive just compensation. Mexico, therefore, had international law on its side. The British government was inconsistent on a second point when the payment of the third annuity, corresponding to the compensations voluntarily agreed to by Mexico in 1935, for damages and injuries occasioned to English subjects during the revolutionary period, was demanded. This was an infringement on the interior affairs of Mexico, for the third annuity was not due, although Mexico made the payment, but at the same time pointed out the inconsistency, for Mexico had the right under the agreement of 1925 to defer payments provided that the interest was covered. The Republic of Mexico further pointed out:

Many powerful states which commend abundant resources cannot be proud of being up to date in the payment of their pecuniary obligations.

The position of the Mexican government also finds a precedent for its action in the Washington Conference of 1889, and in the Montgvideo Conference of 1933 in which an agreement was approved concerning "Rights and Duties of States", Article 9 of which is as follows:

The jurisdiction of the states within the limits of the national territory extends to all its inhabitants. Nationals and aliens enjoy the same legislative protection and the protection of the national authorities, the aliens not being able to seek rights different from or more ample than those conceded to the nationals.

<sup>7</sup> Ibid., 293.

This same conference approved an important resolution concerning the "international responsibility of the state," in which it endeavors to:---"reaffirm once again as a principle of international law the equality of the alien and the national. That equality is the extreme limit of protection to which the alien can aspire within the positive legislation of the state."

It equally reaffirms the principle that diplomatic protection cannot be exercised in favor of aliens, but the latter may exhaust all the legal resources established by the law of the country in which they are residing. Cases of manifest denial of justice are excepted. These cases are interpreted in a restrictive manner, that is to say, in favor of the sovereignty of the state in which the conflict has been provoked.

From these authorities on international law, one readily gains the idea that a state has the right to control foreign corporations or the nationals of other governments resident within the borders of said republic.

Mr. Charles A. Thompson of the Foreign Policy Association of New York declared in a statement of said association, "from March 21," that is to say, three days after the expropriation, "the American Petroleum companies were pressing the Department of State to intervene in Mexico."9

The official protest of the United States government at the time of the Mexico Expropriation Decree was described in an article in <u>Business Week</u> for March 26, 1938, entitled "Puzzled by Mexican Oil Seizure." Two years of conflict between the American and British oil companies

B Ibid., 296.

Reynolds, op. cit., 200.

came to an end March 18, 1938, with the expropriation of the oil properties. The foreign managers insisted that they could not meet the extreme demands -- for both wage increases and the expensive social benefits -- which the workers demanded. The Mexican government insisted that the demands be met or that the companies evacuate. The foreign managers and their families were asked to leave, and the workers took charge of the properties. 10 Injunction proceedings were filed against the companies, and against the Mexican government; and protests were sent by both the Washington and London governments, but few people, either in industry or among those in authority in Mexico, believed that anything would come of these. The Mexican government stood firm in its position, although it had an enormous problem of taking over distribution of the expropriation properties. 11

Standard Oil Company of New Jersey and Royal Dutch
Shell had the largest holdings, but Sinclair and the
Standard Oil of California and the Richmond Petroleum
interests were also involved. The combined investments
of the American companies reported \$450,000,000 in value.
The foreign oil companies employed some 18,000 workers.

<sup>10</sup> C. A. Thompson, "Mexican Oil Dispute," Foreign Policy Reports (August 15, 1938), 122.

<sup>11</sup> W. S. Culbertson, "Foreign Interests in Mexico; With Discussion," International Affairs (November, 1938), 769.

<sup>12</sup> G. W. Stocking, "Mexican Oil Problem," International Conciliation (December, 1938), 491.

According to Mexico's Expropriation Law, the government was required to indemnify the oil companies for the expropriated properties within ten years. The Mexican government placed the value of \$400,000,000 on the foreign petroleum properties. The companies had listed their properties at \$450,000,000. In the case of the great ranches which had already been confiscated, the owners were compelled to accept government bonds as indemnity. Few people believed that these could be liquidated when they matured. This situation, with the losses which the railroads and bondholders suffered, offers the only criterion as to the money value of indemnification promises. 13

The Washington government made only feeble efforts to protect these American interests in Mexico, for to antagonize Mexico after the commencement of the Roosevelt administration would jeopardize the Good Neighbor Policy in all Latin America, which in turn would be playing directly into the hands of dictator nations in Europe and the Orient. In fact, Japan and Germany were ready to buy Mexican oil. 14

The position of the London government was of urging the British companies to agree to buy and distribute the

Value." Commercial and Financial Chronicle (September 7, 1940), 1364.

<sup>14</sup> B. D. Wolfe, "Oil and the Good Neighbor," Nation (April 27, 1940), 537.

oil of which they had just been "robbed". This proposal was one which did not influence Washington, because the United States was not dependent on foreign oil supplies. The proposal of the United States was political in nature; that is, a vigorous protest would have a detrimental effect on the good neighbor policy in Latin America as a whole; whereas, London was dependent upon large oil supplies which, according to the British viewpoint, should come not through the precarious Meditteranean route to England, but through the Atlantic. 15

Dr. Charles A. Thompson raises a question regarding the development of the United States-Mexican relations as the result of the expropriation laws. It was as follows: "What of the external problems which would be created by the seizure of the oil properties?" In the first place, the companies stood firm in their position that justice required the return of their properties, and that they would exhaust all legal recourse in the Mexican Courts. These companies accordingly filed an injunction, pleading that the expropriation law and the oil expropriation decree were unconstitutional. When this was denied by the Federal District Court, the companies later filed an appeal before the Supreme Court of Mexico. The American companies also presented to the Department of State a brief claiming

<sup>15</sup> Ibid., 537.

denial of justice. Secretary of the Treasury Morgenthau, in reprisal, announced that the monthly purchases of Mexican silver would not be continued after a certain date. 16

The government at Washington also presented a note of protest to Mexico City, the contents of which remained secret, but it was reported that Mexico's right to expropriate private property was unquestioned if prompt and adequate compensation for such action was made. Secretary of State Cordell Hull stated the position of the government of the United States when he said:

This government has not undertaken and does not undertake to question the right of the Government of Mexico in the exercise of its sovereign power to expropriate properties within its jurisdiction. This government has, however, on numerous occasions and in the most friendly manner pointed out to the Government of Mexico that in accordance with every principle of international law, of comity between nations and of equity, the properties of its nationals so expropriated are required to be paid for by compensation representing fair, assured, and effective value to the nationals from whom these properties were taken, 17

President Cardenas of Mexico replied to Cordell Hull's statement of policy in conciliatory terms, assuring Wash-ington that Mexico would honor its obligations. The exchange of notes cleared the air of tension which had accumulated following the expropriation decree and the suspension of silver purchases. Concord was further promoted by President Roosevelt's reported satisfaction with the progress of

<sup>16</sup> C. A. Thompson, "Mexican Oil Dispute," Foreign Policy Reports (August 15, 1938), 122.

<sup>17 &</sup>quot;Puzzled by Mexican Oil Seizure: U. S. and Britain Protests." Business Week (March 26, 1938), 12.

negotiations. Roosevelt favored the basing of compensation on actual investment, less depreciation, not on prospective profits.

But London's policy for a time was not parallel to that of Washington. A series of strong protests were issued by the British government, demanding the restoration of the properties—a fact which finally led to a breaking off of diplomatic relations between these two governments; however, Mexico continued her efforts to come to terms with Washington. Cardenas proposed that Mexico's oil exports would be sold to the companies at a price considerably below that prevailing on the world market, the difference to be applied as payment for the expropriated properties. 18

Secretary Hull, on July 21, dispatched a note in which the principles likely to guide Washington's future policy were laid down. The note referred exclusively to agrarian seizures, but it also forecast a general policy of the United States toward Mexican expropriations. The note contended that expropriation unaccompanied by prompt and adequate payment was contrary to accepted practices of international law, declaring that "the taking of property without compensation is not expropriation. It is confiscation. It is no less confiscation because there may be

<sup>18</sup> Ibid, 14.

an expressed intent to pay at some time in the future. 19

The American government also charged that while Mexico professed support of the principle of compensation, at the same time she had not observed this principle, for she had not paid for the oil property so expropriated; consequently, the United States government proposed arbitration. The governments of Washington and Mexico were both parties to the Inter-American arbitration Treaty of 1929. So the government at Washington suggested that the petroleum question should be arbitrated according to the terms of this treaty.20

The Mexican government, however, challenged the American position on international law declaring that:

No principle, universally accepted in theory or realized in practice, is found in international law which makes obligatory the payment of immediate compensation, nor even deferred compensation, for expropriations of a general and impersonal character.

Mexico raised by implication the question whether any far-reaching social change can ever be achieved without so-called confiscatory measures. This reference was to Mexico's agrarian seizure. The Mexican position was to the effect that foreigners could not expect to be given "a privileged situation" over Mexican nationals. The

<sup>19 &</sup>quot;Spoiled Neighbor: Hull's Note," Time (August 1, 1938), 7.

<sup>20 &</sup>quot;Agreement on Expropriated Property Between Mexico and the United States." Bulletin of the Pan-American Union (December, 1939), 725.

Journal of International Law (October, 1938), 759.

Mexican government did, none-the-less, acknowledge its responsibility for adequate compensation, but contended at the same time that compensation should be according to the capacity to pay and in accordance with Mexican laws. The government of Mexico accordingly proposed a settlement by bilateral negotiation, suggesting that each government select its representative who, together, would fix within a short period the value of the properties affected and the manner of payment. The negotiations were suspended during the Pan-American Conference at Lima, but the oil expropriation issue bore a definite relation to the European menace for the Nazis and the Fascists in Mexico were reported to be active in an effort to stir up hatred toward the United States government over the oil issue. Among the other efforts made toward conciliation, was the plan for a long-term contract for the operation of the respective companies of properties seized. The position of the United States was further amplified by Edgar Turlington when he stated that It was fortunate for the success of the oil expropriation of March, 1938, that Great Britain was preoccupied with the European situation, and that the United States was committed to the policy of the good neighbor. 22 The American government did back the

<sup>22</sup> Edgar Turlington, "Foreign Investments", Annals of the American Academy of Political and Social Science, (March, 1940), 16

oil companies to the effect that "adequate compensation must be paid for expropriated property before it is taken."

But Secretary Hull further clarified the American position when he said:

Prompt compensation...in the form of just and effective payment to the extent of a fair and equitable valuation of expropriated properties, is an obligation under well-recognized rules of international laws."23

The exigencies of the European situation continued to be such as to prevent any serious reprisals on account of oil expropriation or of the agrarian expropriations.

A policy of studied reserve was characteristic of the Washington government, for Secretary Hull remembered that the policy of the good neighbor could not be maintained except on the basis of reciprocity, that is, that foreigners resident in Mexico should have just treatment as Mexican citizens would expect just treatment within the United States. Of course, it should be remembered that many Mexican citizens had their properties expropriated also. April 3, 1938, Secretary of State Cordell Hull handed a note to Dr. Francisco Castillo Nejera, the Mexican Ambassador, suggesting arbitration of the dispute over expropriation of the United States oil properties. This note was the first in the oil dispute of the American government in almost two years. Washington had left negotiations to the companies themselves. Britain, however, took a firmer stand on the expropriation

<sup>23</sup> Cordell Hull, Department of State Press Release, (August 14, 1939).

of Fritish oil properties. It broke off diplomatic relations. Britain, then at war, needed oil more than ever. Lord Lothian, the British Ambassador, accordingly called on Scoretary Hull; although neither would comment on the interview, it was presumed at the time that the Briton attempted to secure further information on the American note. 24

The general opinion in Mexico was that Cardenas would reject the state department's arbitration suggestion, just as he did once before when the oil companies suggested this idea. This suggestion came in the midst of the campaign for the next presidential election, but even the supporters of the opposing candidate, who was advocating better relations with the United States, said they they would not oppose any decision made by Cardenas. Mexico later struck another blow at the foreign oil companies when the Federal Arbitration Board ordered them to pay the petroleum syndicate an amount of \$20,000,000 after violating the labor contract of March 17, 1938.25

The Mexicans even today celebrate the anniversary of the oil empropriation as a national holiday and are dead egainst arbitration. That attitude is well known in Washington. Secretary Mull knew that even if Mexico did agree to arbitrate, it would drag out the issue for years,

<sup>24</sup> Reymolds, Op. cit., 330.

<sup>25</sup> Wil Arbitration?", <u>Newsweek</u>, (April 15, 1940), 27.

nevertheless, he had three good reasons for suggesting arbitration:

1. To let Mexico realize that the United States had not condoned the expropriation;

2. To prod Mexico into making a settlement deal

with the oil companies, and

3. To bulwark the administration against Republican charges that its good neighbor policy is "kewtewing" to Latin-American banditry.

That Mr. Mull's proposal for arbitration was rojected by the Sexican Government will be seen from a review of a paragraph from "Time", May 15, 1940, titled "Oil Deal, Oil Note". On March 18, 1938, President Cardenas confiscated all foreign owned oil properties in Nexico. The reader will recall that the Nezican government.sccording to the Constitution of 1917 holds to the doctrine that Mexican resources belong to Mexicans. Cardenas charged that the foreign owners were not exploiting the fields properly, as they had been exporting only 60,000 barrels of Mexican oil per day, and that this could be increased to 200,000 barrels daily. However, under government operation, Maxican oil exporte dropped to around 45,000 harvels daily while monthly operation costs rose from 4.275.000 perce to 8,880,000. In order to bring about economy in the development of the oil resources. Mexico.encording to the source cited, was forced to dismiss one oil worker out of every six. 27

<sup>26</sup> Thid.

<sup>27 &</sup>quot;011 Deal, Oil Note", Time, ("may 13, 1940), 42.

One reason for all these headaches to Lazaro

Cardenas was due to the efforts of the foreign companies

of the two countries. The British and American oil com
panies presented a united front, refusing a market for

the Mexican government oil. Harry Sinclair made a sepa
rate deal with the Mexican government, but he was punish
ed by the United States government for breaking the united

front of the oil companies. 26

From the foregoing, it is clear that the policy of the United States was somewhat more conciliatory than that of Britain. The British government, due to the World War situation, was in dire need of Mexican cil, while the government of the United States was concerned as to the effect an austore stand would have on the good neighbor policy in Mexico and in Latin-America in general.

<sup>28 &</sup>lt;u>Told.</u>

## Chapter III

## MEXICO AND PAN-AMERICANISM

On April 14, 1941, the Honoreble Ezequiel Padilla, Secretary of State for Poreign Affairs of the Republic of Mexico, delivered an address in the hall of the Department of State, stating that the Pan-American ideal is cherished by that republic.

The ideal appeared at the dawn of our struggles for independence like a nebula that in time assumes a more distinct shape and becomes a system, the system of our unified continent.

According to the Mexican Secretary of State, Pan-American unity represents a vital militant and constructtve force based upon justice, independence and sovereignty.

Much has been said about a new political order in the world, but this new order "carved into the hearts of men with hat at end of sword and exalted by deeds of violence and the ravage of the weak, is not the expectancy of America." A statement which when interpreted, means that Nexico has not forgotten the draw of Bolivar--Pan-American unity. According to this statesman, Mexico has a particular mission, a proper scope, a rational spirit. By the Pan-American method of cooperation the spiritual and material resources of the continent must be marticled for the benefit of all America and for the benefit of humanity.

<sup>1 &</sup>quot;Pan-American Day in Mexico," Mexico News, (May 31, 1941), 4.

Mexico along with the other republics of the hemisphere, stands for united action against whatever forces may threaten the free and just destiny of the Americas. In the belief that American solidarity will firmly establish the reality of fraternity and justice, Mexico desires to live in a continent free from irreconcilable misunderstandings. The republic wishes to carry on under the assurance that human liberties are to be safeguarded by continental safeguards and support; and to cherish the conviction that the spectre of war emong our peoples will not east its shadow on our future generations -- these are the spiritual values which animate the Pan-American doctrine, and this ideal can find foothold only in this continent of the Americas. America alone is able to realize the democratic dream of mankind and the fraternity of nations. In the foregoing words, eggression from the outside must be prohibited by the combined efforts of twenty nations.

Plans for unity began as early as 1810 when the idea of the confederation of peoples was ventured in the Republic of Chile: and in 1811. Mexico declared itself in favor of an alliance of all the American Peoples.<sup>2</sup>

San Martin and O'Higgins in 1918 looked forward to a continental federation. In the past century, South America was a most interesting experimentation field of the fusion of countries; of the fraternity of peoples in

<sup>2</sup> Ernest Gruening, Mexico and Its Meritage, 31.

the midst of warfare, while their leaders trospassed seemingly artificial frontiers in the conquest of liberty.

when Bolivar, creator of five republics, in 1826 brought together the delegates of Panama, he was giving significant expression to the fraternal aspirations of all America. It was felt at that time, that the defense of the continent should be undertaken by all the countries of America, just as today Mexico upholds the Pan-American doctrine, lest it perish in the dangerous unilateral action of a single powerful nation.

Mexico, according to the Secretary of State, wishes the United States, as well as Canada, to be in this continental league. When Secretary Blaine strengthened the bases of the Pan-American union, the consciousness of the Mexican people acquired a more precise form. Thenceforward, the Pan-American doctrine has grown out of the theoretic stage into that of a practical reality. No doubt, the war has strengthened this spirit of cooperation between Mexico and the other American nations. Mexico feels that the advocates of the dispersion and segregation of the Western Hemisphere nations would cause us to become accomplices in its destruction.

Isolation is egotism and lacks forethought when Mexico is confronted by a nineteenth century warfare technique. Secretary Padilla says that isolation today is suicide and complicity of the blindest sort.

The European events of recent times have convinced Mexico that neutrality is impossible. The misfortunes of Yugoslavia and Greece are the tragic reply to the propagandists of isolation, of indifference to the segregation of our country. Physical obstacles, such as rivers, nowntain ranges, and oceans will be promptly overcome with the aid of applied science. Sterile spiritual resistance should also be overcome. Opposing interests must be harmonized. Utilitarian interests should come second to the spiritual values of continental unity. International profiteering without forethought or scruples is the energy that forges armaments and munitions, according to the Mexican Secretary of State.

The above statements indicate that the Republic of Mexico, at least as far as the present government of that country is concerned, has vecred away from isolation or segregation of the American nation in favor of continental cooperation as well as a more active part in the organization for the future peace of the world; and that the natural resentment and suspicion of Mexico toward the United States is, at the least, in the process of being allayed.

A brief review of Mexico's participation in the series of conferences since 1933 may make clearer her position with respect to the Pan-American ideal.

At the Seventh International Conference, held in Montevideo in 1933, the Mexican delegation signed the following conventions:

- 1. The Convention on the Citizenship of Women. 3
- 2. The Convention on Extradition.4
- 3. The Convention on Political Asylum, forbidding the giving of harborage to ordinary criminals, convicted in their own sountry, in logations, warships, or military establishments. 5
  - 4. The Convention on the Teaching of History.
- 5. The Convention on the Rights and Duties of the States.7

In ratifying the agreement concerning the Citizenship of Women, the Mexican delegation reserved the right that the Convention should not apply in cases contrary to Article 20 of the Law of Citizenship and Naturalization, which provides that a foreign women who marries a Mexican becomes a citizen only in case she has or outsblishes her residence within the national territory.

In signing the agreement on extradition, the Mexican delegation made a declaration respecting Article 3, Section f, that the law in Mexico did not recognize crimes against religion.

The other Conventions were signed without reservation or declaration on the part of Mexico.

At the Conference in Buenos Aires, 1936, the Mexican delegation signed the Convention for the Maintenance,

Jose Rodriguez Cerna, Compl., Pactos Inter-Americanos, II, 361-363.

<sup>4</sup> Ibla., 565-370.

<sup>&</sup>lt;sup>5</sup> Ibld., 571-372,

<sup>&</sup>lt;sup>6</sup> Idia., 373-376.

<sup>7</sup> Ibid., 377-381.

Support, and Recatablishment of Peace; the Protocal Relative to Non-Intervention; the Convention to Co-ordinate, Amplify and Cuarantee the Pulfillment of Existing Treaties; 10 the Treaty Relative to the Prevention of Controversies; 11 the Treaty Regarding Good Offices and Mediation; 12 the Convention on the Pan-American Mighway; 13 the Convention on the Encouragement of Cultural Relations; 14 the Convention on the Interchange of Publications; 15 the Convention on the Peaceful Orientation of Teaching, 16

All of these agreements were signed by Mexico without reservation as were the numerous resolutions and accords at the later Bighth International Conference held at Lina.17

C Told., 459-472.

<sup>9</sup> Ibid., 475-474.

<sup>10</sup> Told., 475-479.

<sup>&</sup>lt;sup>11</sup> Ibid., 421-422.

<sup>12</sup> Told., 408-495.

<sup>13</sup> Ibie., 456-487.

<sup>14</sup> Ibid., 488-490.

<sup>15 7016., 492-405.</sup> 

<sup>16</sup> Tuie., 490-497.

<sup>17 &</sup>lt;u>Ibid., 545.</u>

The eignificance here list in the fact that Maxico, while entering heartily into all necoures designed to promote harmony and good will, nevertheless, did not choose to yield in matters bouching her own severeignty.

Avile Camacho, President of the Republic of Mexico enswered a series of questions on the Mexican International Policy which the Secretary of the Confederation of Latin American Workers had brought to his attention. Since these questions throw light on the policy of the Government of Mexico with respect to the problems of the war, it is in order to give a resume of the answers which President Camacho gave to the members of the Pederation of Latin-American Workers.

The President said that the strength of the Mexican International Policy lies in its absolute clearness. The course of action which Mexico has adopted is based on the following fundamental principles:

- l. recognition of the democratic equality of nations:
- 2. respect for the rights consequent to the severeignty and independence of the mations;
- 3. A firm conviction that peace is not a regional or lacal guarantee, but a general universal condition, indivisible in its consequences and based on the principles of collective security of nations;
- 4. subordination of the individual aspirations of each nation to the limitations set forth by treaties.
- 5. condemnation of all unilateral acquisitions obtained by force;

6. friendly cooperation of states with strict adherence to the rule that no nation, regardless of its high cultural level or of the power of its economic, technical or military forces, may claim the right to intervene in the affairs of the other nations. 18

Here one observes only the principles for which Mexico stands, by the veering away from isolation as an international policy toward the concentrative method of cooperation for the defense of the continent. For several years Mexico has been developing its ports not only because of the greater requirements of mercantile traffic, but also because of the necessity of protecting the national territory. The great menace to America constituted by the present conflict has imposed upon the Republic the obligation of organizing the defense of the coasts of the country, in order that hostile acts of belligerent nations may be warded off. In truth, Mexico wishes to secure the republic in order to protect itself and in order not to weaken the front line of Pan-American solidarity. The army has likewise been strengthened for these purposes. It should be noted in this regard that the President of the Republic at this time, which was before Mexico entered the war, did not wish to imply that such acts were for warlike purposes but constituted a legitimate desire to prepare the country in event of an aggression; Mexico also waits to defend jointly the continental independence. 19

<sup>18</sup> Manuel Avila Camacho, "The International Policy of Mexico," National and International Problem Series, 8.

<sup>19</sup> Toid., 10-11.

While foreign capital was needed for the purpose of strengthening the defenses of the nation, at the same time, the President felt that the national interests demanded that such investments, whether in railroads or otherwise, should not jeopardise national independence. For this reason Mexico did not subordinate its economic system to the war effort of any foreign country. Furthermore the purpose of Mexico as stated by President Camacho was to

assure our laboring classes a constantly increasing development of our resources and to protect our industries and commerce from the economic limitations which the current state of warfare has brought about 20

None of the resolutions adopted at the conferences of Panama and Havana obligated the Republic of Mexico to interfere in extra-continental conquests, but in event of aggression against one of the American Republics, Mexico will not hesitate to enlist all of its forces in the common defense action of the hemisphere which will result in collective salvation; but at this point, early in 1941, Mexico had not entered any international agreement that would force the republic to participate in a war outside of the Americas. Yet it is quite significant that Mexico, even before Pearl Harbor, was willing to enlist all of its forces for the collective defense of the hemisphere.

Cooperation between Mexico and the United States was not the result of a military alliance, but the consequence

<sup>20</sup> Ibid., 11.

of a regional understanding for purposes of defense.

Wherefore, should the government of the United States
declare war on an Asiatic or European power, that fact
slone would not obligate Mexico to enter into the war.

At the same time, the President felt that under present
conditions as of the above, the destinies of an American
nation could not be severed from the destiny of the rest
of the Americas. 21 For "geographically, historically and
logically", said the president,

we constitute a democratic unity which the totalitarian powers will undoubtedly try to destroy, and
their victory would, sooner or later, imply the
obliteration of those postulates which constitute
the basis of our very existence as free and sovereign
states.22

The writer observes here that the Chief Magistrate of Mexico took the position that only those states that are willing to assume bravely and promptly the burden of their political responsibilities can save themselves from totalitarian chaos. Mexico along with the other Republics of the continent in the matters of common defense recognized that the absolute autonomy of states at this time depended upon collective action. Sacrifices implied by common defense are justified only by the desire to preserve territorial integrity and the sovereignty of the nation. The purpose of such collective action was also to protect

<sup>21</sup> Ibid., 11-12.

<sup>22</sup> Toid., 12.

Mexico and other Republics from foreign aggression.

Mexico through its President showed itself to be against the design of conquest borne in the other hemisphere.

One of the consequences of the second European war was the reduction of the markets of Mexico. By increasing its exports to Latin-American countries, Mexico wished to take advantage of its opportunity to restore the balance destroyed by the current situation; consequently, the Republic looked with particular favor upon the policy of encouraging commercial intercourse with the other nations of the continent.

To this end, the Embassy of Mexico has negotiated treaties looking toward the reduction of certain teriffs which obstructed Mexican commerce, and whenever possible, attempted to obtain minimum teriffs for Mexican articles. In order to carry out such treaties the spiritual solidarity which unites Mexico to the other peoples of the continent was mentioned.

In order to solve the problem of the insufficiency of transportation facilities, which at the opening of the Second World War assumed alarming proportions, the vessels of the totalitarian nations which were tied up in Mexican harbors were seized. Thus, the President of Mexico made fairly clear the international policy of the Republic of Mexico.<sup>23</sup>

<sup>23</sup> Tbid., 14-15.

The Licenciado Ezequiel Padilla, Secretary of Foreign Affairs of Mexico, in the address delivered at the Rio de Janeiro Conference made clear the International Policy of the Republic when he said that Mexico along with other republics would combat every form of activity harmful to the individual or collective security of the Americas.

Padilla stated that:

The issue in this war is not merely the benefit of one or more nations of this continent, but something bigger than that. If the outcome be adverse to the cause of democracy, we shall all be turned into colonies and fall under the Nazi and Fascist yoke. If the issue be favorable to our cause, bright horizons of international dignity, collective security and steady ascent to the fruitful practices of freedom, will open out before us.24

A large majority of the American people still believed in isolation up until January, 1943, but the secretary felt isolation to be impossible anywhere in the world. As the Secretary of Foreign Affairs of Mexico analysed the international policy of Mexico, he could see only two classes of people; those bound to the wheels of dictators, and those marching onward toward cooperation and a common destiny. No nation might henceforth evade falling into line on one side or the other. Inaction is itself but one way of making the choice. "Future isolation for peoples both large and small, will be only a crazy symptom of decline or suicide."25

<sup>24</sup> Ezequiel Padilla, "The Political Defense of the Americas," The National and International Problem Series, (1943) 11-12.

<sup>25</sup> Told., 12.

He declared:

cause of geographical destiny, nor diplomatic opportunism, nor because there is no other way open to us, 26 but because the whole of the Americas should support the cause of the democracies. He felt that this was the best way to defend Mexico's historical destiny for international security and her liberty. For this reason, Mexico voted unanimously with the other American Republics for the organization of the political defense of the continent as a whole against opened or veiled aggression by the common enemy. The larger republics, for strategic and military reasons, would be depended upon for the defense of the Americas. That military burden, very early, fell upon the United States. Its enormous resources, its wonderful technical organization, and its immense facilities for the organization of modern armies have made of that nation a mighty military power. For these reasons, the spokesman of the Mexican nation at the Rio de Janeiro Conference looked to the United States primarily for protection against aggression; for the rest of the nations of the hemisphere have so far lacked the resources and equipment indispensable in waging the battles of modern warfare, until the republics of the southern hemisphere were made strong militarily. Mexico, almost immediately after the Pearl Harbor episode, declared war upon the aggressors, feeling that "our bit on the front of production, actively and intelligently, "27

Mexico should defend a united America, not be-

<sup>26</sup> Ibid., 13.

<sup>27</sup> Ibid., 14.

would be the best course to follow. Thus, a united front of the Americas was built up at the Rio Conference. Sebetage, espionage, and subversive propaganda usus to be met in a collective manner. Mexico would be alert in the field and workshop alike. Padilla further stated:

Sabotage is the favorite weapon of the Nazi and Passist dictatorships. It often filters through the ranks of the workers, into which its agents creep and turn to account the fanaticism or the vencity of their accomplices.

In order to control espionage of the Fasciat powers a diplomatic brook with the fais powers was immediately made so that the Comman and Espanese consuls might coase to be seats for spying on the activities of the American coverment. Do it noted in this remark that the aggressor nations used the ombessies of their countries for the curposs of gaining information as to dates and destination of shier the and other information which would undermine the defense of the country and of the continent. Hazi soldiers have been taught from the cradic the art of apping for purposes of destruction. The Javanese were no exdeption to the rule. The Japanese government did not hesitate in 1941 to send peace envers to Washington to lull to sloop American watchfulness, while they prepared with impunity for the Pearl Hapbor atrocity. The ag-Aressor governments felt that the very cander of Hexico would prove the undoing of that Republic. They reasoned

<sup>28 &</sup>lt;u>Bid.,</u> lā.

that they would have only to press the button actuating the rusty springs of Latin-American rancor, to surround the United States with the accomplices of Maxism and Pascism in a hemisphere honeycombed by hatred and disunity.29

This proved an error in their calculations, for as soon as the Japanese attacked the United States bases in Hawaii and the Philippines, the Americans awoke to the fact that aggression was aimed at all the peoples, and realized that the time had come to show the clear and evident proofs of continental solidarity, which the historical moment required. One can see here emerging a continental doctrine rather than one of isolation. The hidden agents were prevented from stirring the smoldering embers of resentment by awakening distrust, by the collective action in stamping out the plots of the Axis agents. 30

Manuel Avila Camacho in speaking on "The Political
Defense of the Americas" recommended that the governments
of the American Republics regard collective action as
necessary

to prevent and suppress any activities directed, assisted or abetted by foreign governments, or foreign groups or individuals, which tend to sub-vert the domestic institutions, or to foment disorder in their internal political life, or to modify by pressure, propaganda, threats or in any other manner, the free and sovereign right of their peoples to be governed by their existing democratic systems. 31

Minorities or groups, according to Resolution 17 of the Third Meeting of Foreign Ministers of the Republics

<sup>29</sup> Ibid., 16-17.

<sup>30</sup> Ibid., 18.

<sup>31</sup> Ibid., 43.

would be prevented "from engaging in activities detrimental to the individual or collective security and welfare of the American Republics."32

was created. The seat was to be in Montevideo, Uruguay.

Mexico, in order to strengthen further, the control of Nazi
and Fascist agents, established by a decree the National
Emergency Committee for Political Defense, for the purpose
of cooperating in all matters connected with all matters
of the political defense of the country and of the American
continent. Technical advisers were secured to assist in
such control. Thus, Mexico again stated her policy and
established concrete means for cooperating with the rest
of the Americas in the defense not only of Mexico, but of
the continent as well. 33

In speaking of Mexico's position as to international relations, an American Congressman said to Lord Robert Cecil in the winter of 1937, "Do you still believe in this poor Society of Nations? It only flies with one wing..."

"In flying it has always lacked the American wing," sadly replied the old apostle of the "spirit of Geneva."34

This dialogue was recalled January 1, 1944 when Summer Welles, at the banquet of the Foreign Policy Association set forth in his magnificent speech, the grand project of

<sup>32</sup> Toid., 44.

<sup>33</sup> Toid., 44-45.

<sup>34</sup> Summer Welles, "Interamerican Window", Mexico News, (January 1, 1944) 4.

a new scolety of mations that will make from the ruins and miseries accumulated by the war.

Sad America not disapproved her own son, Woodrow Wilson, had she imported at Coneva her idealistic and practical spirit, had she appointed to the Geneva Consistes men of the first rank, and had she lout to the abstract system of the Past the real force of one demo-orable coalities, it is very possible that the war of 1850 would not have broken out.

The errors of the past, for which the world is paying so deadly today must not barden the future. It is
of embress importance to reveal that the plan of a nolitical organization of a new world, the most complete
and vigorous plan has already been formulated by a great
American who enjoys an unequaled authority smong his
compatitiots.

In "The world of Four Freedoms" Mr. Summer Welles has offered the first elements of a liberal democratic doctrine. In speaking on the Foreign Policy, he took a step forward indicating presidely the organization, the international mechanism that must be branslated into acts of realistic policy the principles of the Atlantic Charter.

What is the escence of Summer Welles' plan? The four great military powers: the United States, Great Epitain, the U.S.S.R., and China must make, without

waiting for the end of hostilities, a general past of which the following are the essential clauses:

- l. A decision to maintain in common, world peace-the cited powers will decide what military forces shall be devoted to this task. Other members of the United Nations must also be associates (and Mr. Welles cited principally some latin American countries and in Europe the fourth Spench Republic).
- 2. The signatory powers will establish the proceeders preparing, efter the war, the progressive fileamenthic for themselves and for all other notions.
  - 5. Each power that signs will be obliged to abstain from all action that could affect the sover-sign rights of other nations, at least when there are three more signing powers.
  - i. The signing powers will proclaim a common policy of realistic justice with rejert to Sermany and with other defeated countries to the end that those countries be permanently incapacitated to make new attempts against peace and liberty.
  - 5. The signing powers will be obligated to sot effect in a common manner, as fast as post-war conditions will allow, a world organization in which the four will be an integral payt. 55

In properting to we his plan of the political orgamination of the future veria. Hr. Welles vigorously
indisted upon the historic mission of America, about the
responsibilities that this country must accept without
locing the for her own benefit and of the whole world,
to provent new samplists. It is not sufficient to announce a plan. Its realization should be considered.

The above excerpts from the Jumer Weller' destrine were quoted with approval by "Fexico News" which indicates that Mexico no longer considers isolation possible or advisable.

<sup>35</sup> Ibid.

At the Rio de Janeiro Conference the Mexican delesation led by Padilla took a loading part. In three
speeches, during the course of the Conference, the
Mexican Secretary susmed up eloquently the true position of his country with respect to the Pan-American
principles, as well as the proper course of the DatinAmerican states in the war. In a speech before the
first countities, he affirmed the rights of the merchant
in peacetime, but want on to say:

We are not assembled here today to debate with honeyed words of peace, but be speak in terms of what continental security now so gravely threatened. There are many who would only admit that langer existed when bombers sore actually diving down over our heads, when people were being machine-pushed and homes zero being blasted from the face of the earth! That, mowever, would no longer be the hour of peace; it would be the hour of defeat! (Prelonged applause.)

We must come here, as we all of us have, in respect to the resolution of our peoples, ready to face the pain and burden of battle, if it has to be fought. Battle is no picnic! It means the destruction of material wealth; the sacrifice of life itself. Like a ficrouly burning pure onto which enthusiasts and caints cast their worldly goods, to save their souls, so peoples throw their material mealth, their economic existence, the lives of their sons, all that they have, into that gigantic bonfire from which their future will emerge cleaned and purified:

This is no time to defend noterial wealth -- the hour of eachilies is upon us! (Appleuse)

The profit metive, the thirst for gains, the unge to save and heard, sound as nothing when the morel assets of a people are at stake! At such a moment we may only seek closer approach in leart and hand with other peoples that uphone the same cause. Se

Padilla went on to warn the delogates of the need for quick and desirive action looking toward a closer

Janoiro," Rational and International Problem Series, 11, (1942) 19-25.

unity. To praised the universel stend of Orlinta and of the patterns in the patterns to the patterns of the University to the test of the patterns of the test of the patterns of the patterns of the patterns.

to of closer brotherhood between the peoples, from this end the propies, from this end the propies, from this end the propies, from this end the propies of this limited. We are all of an here finely resolved: we have absentionable the prevent our functions unity, in the midet of the gravest oir-publication unity, in the midet of the gravest oir-publication unity, of the introducts the benner of that functions unity, of the introducts like the introducts of their peoples, fleaks and mayor as a symbol of their peoples, fleaks and mayor as a symbol of their peoples, fleaks and mayor as a symbol of their peoples, fleaks and he confort, if need he, their wavings, their material confort, if her the caltacits of our declinics.

In a cocond speech, indivered before the inengral seesion, Indille pronuenced to powerful and elegant discourse which is, this writer believes, likely to be remainered, saids from a cortain florid atple, as one of the nest argues suppressions on Ron-Americanism. We reasoned the need for collective sation and veget this hardspace. To consider the involvation defense of this hardspace. To consider sith the provide of familiarie fall participation:

I wonk to bring this to a close by asknowledging with emotion that the twenty-one peoples of the Armitan, so we sight also say the plantous tenadien nation at well, if only in the spirit, are here assembled with inthe conviction of the

innestructible power of freedom and demoracy.
And or I send out, here in this mighty Brazilian
Republic-that wonderful mation, the hope and pride
of this Continent, abounding in limitless material
and spiritual wealth, equalitarian, telerant,
generous and beautiful, for which my can country
overflows with affection-a message of brotherhood
end unity to all the peoples of the Continent, I
desire to express Mexico's wish and belief that we,
at the deliberations of this historical assembly,
shall be guided by only one command-the supreme
imperative to defend the free destinier of the
Americas I

(Clamprous applause Resps the speaker on his feet for several minutes. Shouts of "Viva Mexico!")38

His third speech combained the implied assurance that Chile and Argentina would soon join in the general accord.

From the above it is evident that the Mexican government is fully constitted to the defense of this hemisphere, and that she, along with her sister states, is determined to follow the lead of the United States in the war and in the peace which is to follow. This fact is further indicative of the gradual disappearance of Mexico's attitude of distrust toward the United States.

Unfortunately for the relations of the United States with the Republic of Mexico Suring the first half of the ninetaenth century, the latter lost half of its territory as a consequence of the war with the United States in 1846 and in 1847. The Treaty of Susdalupe Midalgo ceded

TOLL 13.

to the United States practically one-half of the Republic of Mexico. The result of this treaty has been fear within the Republic of Mexico of the United States' motives. In fact, Bolivia, Chile, Equador, and Peru met at various times in Lima and in other capitals in order to deliberate on the situation of Mexico. 39

Fear of the United States extended from the Rio Bravo to Southern Argentine as the result of filibus-tering expeditions of William Walker in his efforts to invade on different occasions. As the result of his efforts to invade the territories of Central America on different occasions, the great slave interests of the South attempted to secure control of Cuba at the time of the Ostend Manifesto, 1854, and confirmed the suspicion, Mexico and other republics of the Western Hemisphere held toward the United States.40

when the United States drove Spain out of Cuba in 1898, and later forced the Platt Amendment into the Constitution of Cuba, there was ushered in a period of aggressive imperialism in the United States which lasted until about 1934 when President Franklin Roosevelt came into the presidency of the United States.

<sup>39</sup> Vicente Saenz, "Fear and Lack of Confidence of Mexico Toward the United States," Guion de Historia Contemporanea, (1942) 288.

<sup>40</sup> Thid.

me have already seen that the intervention of the mited lestes was even greater as a result of the opening of the Fanama Canal and of the project for the building of the Bicaraguan Guacl. Later interventions of the United States in the Caribbean area and in Historagua confirmed the suspicion which Hexide held as to the United States. Such interventions violated the political independence of these weaker republics. In order to counterest the influence of the United States in Mispanic-America to develop a spirit of Pan-imericanism, based on equality of the states of this bemisphere.

The conferences at Busnos Aires, Idna, Palacan, Havana, His de Janeiro, have held as a major eim, the climination of the unilateral policy of the United States and the substitution of multilateral action of the 21 republics respectively. President Wilson in a specth at Mobile, Alabama, in 1915, reasoured Hexico and the other Latin-Asserican Hapublics when he cald that the United States would never again violate the political independence or the territorial integrity of any of the other American states. The gave further essurance when he said: "Feace can cone only through confidence." Quoting further from President Vilson's speech:

It is necessary to conciliate the interests of the United States with those of the sister republics of Spanish America. We ask for ourselves, concessions and privileges. We search for our own convenience, without stopping to think if the

governments and the Scath-American peoples will or will not obtain advantages in favor of our emborages. When our interests and these of yours are taken into parallel account, then will they harmonize; when multually, we work for the good of them, and at the same time for sursciver, when we chall commons an era of approachment and of sympathy between the United States and our platters to the scath.

Infortunately, President Tilson's words did not harmonize with his solions. To maintained an armod intervention in Diomisque; he intervened in Tambe Domingo and in Thitl. The United States Marines invaded Panice at Yers Orga. President Milson took on active part in the policy of Juba. There grave errors could not analyze any conficence in the people of Panice.

Dub upon his coming to power, President Frontilin Received initiated in every form, the policy of conbinarizal American solidarity, minus economic imperialism.42

Professor Vicents Seens, in the book, Culon do Mistoria Contemporares, on page 201 states: "I sish to may that the policy of the good acighbor has been sincerely applied."

The sucher collectedges, however, that the second great war, the berkerity of the Rome, Herlin, Hokyo Amis; the Hazi-Passist prestration, the formidable German propaganda, and the constant action of the fifth column in Hispanic-America were factors in cementing

<sup>41</sup> Thid., 200.

<sup>42</sup> Tota, 201.

and in the evolution of Pan-Americanism. These dangers caused Mexicans to become alert; to prepare themselves and to work in fields and factories in order to strengthen the war effort of the United States. Mexico finds herself in accord with this policy now being evolved, due to the good neighbor policy and due to the menace from abroad. The Mexican historian referred to above quotes textually the words of Franklin Roosevelt:

The United States has the obligation of opposing with all of its resources, whenever it may be necessary for the purpose of defending the integrity of the Americas and for the purpose of using them in the defense of the independence of the Americas.43

The energetic attitude of President Roosevelt in confronting the Nazi-Fascist expansion in our midst is without doubt, similar to the action taken by President Monroe in 1823 against the powers of the Holy Alliance.

Josephus Daniels, recent ambassador to the Republic of Mexico, in speaking before the Secretary of Foreign Relations of Mexico and to the Diplomatic Corps of the continent pronounced phrases similar to those of Vice-President Wallace when he said:

It is pertinent that on this anniversary of the spiritual unity of America, the diplomats of 20 American Republics have gathered in this noble city of Mexico, situated in the mountains, in order to swear eternal friendship and consecration to the solidarity of the continent. United we conserve ourselves; divided we perish.44

<sup>43</sup> Told., 292.

<sup>44</sup> Ibid., 293.

The writer sees in this statement which was approved by the Mexican historian, evidence of a new spiritual development south of the Rio Grande.

Josephus Daniels further assured Mexico when he said that it had been a privilege for him to speak in the name of his country, and in doing honor to the American diplomats gathered in Mexico. He assured the Republic of Mexico that the United States stood for continental unification and the maintainance of its unity and its liberty based on peace and justice. 45

Mexico was pleased to hear Mr. Daniels compliment
Mexico on account of the revolutionary movement which
Mr. Daniels pointed out was evidence that Mexico did
not live in a static world. Of course, no one could
refer to Mr. Daniels as a communist. The thesis of
mutual American defense as has been pointed out clearly by President Roosevelt, Secretary Daniels and VicePresident Wallace has convinced Mexico that Washington
does not stand for a unilateral policy. Frankly does
there exist in reality an imperialistic danger coming
from Anglo-Saxon America? The author states that
"clearly the danger does exist," and that the HispanicAmericans do not wish consciously to fall into the
habit of closing their eyes to the evidence.46

<sup>45</sup> Ibid., 293.

<sup>46</sup> Ibid., 297.

The European war has strengthened the continental policy of Mexico. Mexico felt that its defense was in the thesis of the good noighbor, in the actual preachments of Anglo-Saxon democracy, and since the United States respected the weak nations. The national resources of Mexico, the strategic materials coming from her mines, the foods produced on the agricultural front have been pledged to Washington and the United Mations for the purpose of the removal of the European menace. The aggressive stand of the United States government against the Axis aggressions according to this Mexican triter is convincing evidence that Washington has turned from the aggressive policy of the "big stick."

The Rio de Janeiro Conference was consecrated to the solidarity of continental America. The totalitarian memore of dominating the entire world has produced a complete change in the relations between the United States and the Hispanic-American Republics.

President Roosevelt realized their first fruits in the Morth American Conference of Buenos Aires, celebrated in 1938:47 in that of Lima in December, 1930;48 in that of Panama, three years after the European conflict

<sup>47 &</sup>quot;Pan-American Conference at Buenos Aires," Review of Reviews, (May, 1936), 19-20.

<sup>48 &</sup>quot;Record at Lina," Current History, (February, 1939), 40-41.

started; in the one held in Havana in July, 1940:49 and in the Rio de Janeiro Conference inaugurated January 15. 1942 with the assistance of almost all the ministers of Foreign Relations of the Republics of America. In accord with the results of these assemblies, the Monroe Doctrine has been converted into a multilateral American instrument. The old and dangerous unilateral policy of Washington was replaced with a Pan-American doctrine based upon equality of nations whether large or small. weak or strong. A new spirit of solidarity and neighborly ties binds 21 republics of this hemisphere on a plan of equality of all of them, and of absolute respect for Mexico's independence and its sovereignty. These conferences together with the European menace have brought about free cooperation in the time of the crisis. essence of the resolutions adopted in the conferences referred to can be summarized in this form:

The United States will not permit the transfer of any colony of a European power to another European power in the continent nor in the territorial waters in this hemisphere; and if the peace, the security or the territorial integrity of any of the American republics should become menaced, all the others will take adequate means of defense. 50

A fitting conclusion to the present chapter may be made by taking note of two vital speeches, one by President Roosevelt and one by President Avila Camacho

<sup>49</sup> Howard J. Trueblood, "The Havana Conference of 1940," Foreign Policy Reports, (September 15, 1940), 2.

<sup>50</sup> Vicente Saenz, Op. cit., 281.

on the occasion of their historic meeting at Monterrey in April of 1943.

In his speech, President Roosevelt referred to the fact that the armed forces of the two nations would unite for the common defense of the two countries; that there exists harmony between the two executives and the armed forces of the two countries. He mentioned also the fact that Mexico has stimulated production and is producing strategic materials and vital necessities for the manufacture of arms in the United States for the purpose of defeating our common enemies. He pointed out that the Mexican Republic has sent thousands of Mexican laborers to the United States in order that they might contribute to agricultural production so vitally necessary for the war effort. Of no less importance, he observed, was the interchange of ideas between the two countries. The President commented on the fact that the frontiers of the two countries are not fortified and implied that exploitation of the Mexican people by corporations of the United States had definitely ended.

He assured the Mexican President that the government of the United States and the citizens of the
United States are disposed to contribute to the social
progress which Mexico has made. He suggested that there
exists an interdependence of our resources; also that

those of Mexico are being used in favor of the well-being of humanity and that it is time that the citizens of each American Republic realize that the policy of the good neighbor signifies that any menace which threatens one of them is a threat to the other, and he finally expressed the hope that this cooperation should be continued for the realization of our purposes in the period the post-war. 51

It should be remembered in this respect that the Republic of Mexico under the Cardenas regime as well ca under the rule of President Samethe has evolved a social policy, for instance, the expropriation of foreign-ouped lands and minerals to the use of the citizens of the Republic of Mexico. Both President Respect and Prosident Camacho assured the Newton nation that cooperation in the post-ear portod would not interfere with this progress of reform. Procident Gameho stated on another eccasion that the nation would economate in the solution of those national problems. He said that he had the faith and the necessary sense of responsibility to say that the nation would make secrifices, but that it will also sitempt to remedy the maladjustment of salaries in relation to the cost of living, and assured the groups affected that there will be an adjustment

a reid., 209.

which will allowinte such conditions as the mation on thusiastically straggles for the destiny of Nexico. 52

We wished to bring shout the harriony between the logitimate expirations of labor and of capital for the better cementing of a parmenont economic structure. He asked that the employers and laborers should resort to arbitration as a method of satuling disputes especially in this period of emergency. By this means he rould gain a convenient equilibrium between employers and laborars. He saked for an eigosphere of confidence and of sympathy in relations of capital and labor. This spirit would remove the hostility of closees and the perpetual unrest of society. By that policy the capitalist would have his capital secured, and onplayers would also be assured of a steady labor supply. He assured the nation that the lowicen masses would be protected exeinst the appetite of rich and powerful states. In order to defend these guarantees where bees is liberty, Mexico has found herself at war, but at the seme time. President Camacho said that the mation would have to sacrifice as all friendly people are sacrificing. 55

President Casacho went on to say that the nation had initiated the effort of importing immediately a

<sup>52</sup> Thid., 210.

<sup>55 &</sup>lt;u>1010</u>., 212.

price. In order that this situation might prevail, he said that there would be a strict control of cortain articles of consumption and that there would be an increase in the number of merchants in this sometrol. He assured the nation, furthermore, that action would be taken in establishing a system for buying and for selling by the state in order to establish stability in prices. He would suppress at the same time the desire for unsermoulous profits by intermediaries. He realized that complex problems in the matter of inspection, of transportation, of coordination and distribution of commodities would require government attention.54

Thus, at their meeting in Nonterrey, the heads of the two republics gave expression in definite form to the realization of the strong bonds of our common interests in war and peace; and they indicated the firmer basis upon which the Pan-American ideal has at last come to rest.

<sup>54 &</sup>lt;u>Ibl</u>6., 212-215.

## Chapter IV

# AN EVALUATION OF MEXICO'S MATICEAL POLICY

As has been suggested in the preface to this work, the national policy of Mexico in the last ten years has, in large measure, been closely allied to the broader international features already considered; namely, the acts of expropriation, and the growth of Pan-Americanism. The slow process of agrarian reform has a definite connection with the Expropriation Decree of 1938. While Mexico's participation in the war and her plans for peace are based on the principles of Pan-Americanism, a review of the more important developments of the last ten years should make the point clear.

In view of the major importance of the expropriation activities, it may be well here to consider briefly a few of the national rather than the international aspects of that question.

The expropriation of petroleum by the government of Hexico, 1938, was a historic event, because it signified the beginning of a type of economic independence of the Mexican people. It was a corollary of the triumph of the emancipation movement initiated in 1910 and renewed in 1915 whose objective was to bring a just rule, within which the natural riches should be equitably distributed, serving as a base for the economic development of the

great majority of the population and not alone for the profit of the privileged fow.1

The nationalization of the petroleum-the basic industry for the development of the numerous Mexican productive activities and for the transportation of primary
materials and manufactured products-would facilitate a
program of labor as developed by President Camacho: the
program which all Mexicans are obliged to follow from elemental patriotics.<sup>2</sup>

Four years of labor in the fields and in the refineries demonstrate the efficiency of labor and national technicians who are in the oil business and its derivatives. During this time in spite of the difficulties occasioned, the petroleum industry produced fuels and lubricants sufficient to most the necessities of the railroads and the factories, and in general terms satisfying the exigencies of the consumer of the nation. Also the sequisition of the different units which actually formed the petroleum fleet of Hexico has made it possible to meet the demands of the United States and Central America by exporting part of the national production. Mexican petroleum has a splendid commercial future according to spokesmen of the Hexican government and of the revolutionary party. The Mexican government also feels that

<sup>1 &</sup>quot;The Expropriation of Petroleum was the Beginning of Reonomic Independence of Mexico," 33 Months in the Service of the Revolution, 98.

<sup>&</sup>lt;sup>2</sup> Ibia. 99.

petroleum will be an important factor in the defense of the American continent, and will be an influence in the victory of the democracies. The Secretary of Foreign Affairs of the Mexican Republic, at the same time, stated that the Mexican government would see that the expropriated companies received a just indemnification in accordance with the respective values of the expropriated properties. This final aspect of the question, he thought, would be translated into a complement of the policy of the good neighbor with the United States, which should not result in resentment or a sharp controversy with the companies affected, especially when expropriation constituted a matter of national dignity.

Secretary Padilla also stated that, in spite of the disagreeable incidents connected with the expropriation issue, the relations between the people of the United States and of Mexico had remained cordial. Under the sign of unity and fraternity all of the Mexicons swore to conserve and increase the national patrimony provided by the expropriation of the petroleum industry and they felt that the base for the evolutionary progress of the country had been laid. Thus the sources of the wealth, such as natural resources would convert Mexico Into an

<sup>3 &</sup>lt;u>Idd</u>.

<sup>4</sup> Tbld., 100.

omportum of prosperity. 5 Political crises had been the rule and not the exception in Mexico since the overthrow of Mag. But with the abdication of Conoral Calles in 1935, the revolutionary cycle seems to have been sompleto. Although the popular notion that the Mexican Revolution beginning in 1911, was a projeterian movement has had general acceptance, the view that it was of bourgeois origin, designed and continued to perpetuate the power of capital and of the middle class, has had supporters. With the coming of the depression, the lot of the rooms was but little affected, but the economic position of capital was badly shaken. Hence, a spirit of unrest grose maong the groups dominating the Eatlonal Revolutionary Party which had before been controlled by Calles. After the casesination of General Obregon in 1928, Rubio Ortic, and later. General Rodriquez were set up with Calles in the background. Heither seemed to have the capacity to direct either the party or the government; so that, in the elections of 1934, General Cardenas was selected on the advice of Calles and was duly elected. The platform of the party called for the adoption of a six-year plan designed 60:

<sup>5 &</sup>lt;u>Tole.</u>, 102

Eation, (July 17, 1985), 67. Courthrow of Calles, of Ca

- l. advance the cause of the masses;
- 2. solve the agrarian difficulties;
- J. reorganize the national economy;
- 4. construct a vast system of public works;
- 5. establish socialistic education in the schools."

Although Cardenas had been selected by Calles, and elected through his influence, a division in the ranks of the National Revolutionary Party soon brought about a rift between the two; and the latter, who had been a virtual dictator since 1024 can constrained to retire from politics.

while the administration of General Cardenac is too close to us both in time and place for a proper evaluation, a certain trend is unmistakable. The attempted and partial fulfillment of the Six-Year Plan has led inevitably toward collectivism. The principal achievements were in the field of agrarian reform. Over 36,000,000 acros were turned over to some 300,000 peasant families under a communal system; but Cardenas was never a follower, nor even an admirer of the Soviet System with centralized central.

After the election of D. Manuel Avila Camacho to the presidency, the trend of agrarian reform toward collectivism was continued. In a speech to the Mexican farmers, July 8, 1941, he said that the economic base of the country is in the fields. The president was accompanied by

IDIG., 88.

<sup>8</sup> Told., 70.

<sup>9</sup> N. Weyl, "Mexico under Cardenas," American Mercury, 50, (July, 1940), 349.

<sup>10.</sup> Ibid., 350.

<sup>11 &</sup>quot;The Prosident's Progress for a Firm Motive in Agriculture," Dopt. of Information for the Secretary of Foreign Relations, 170.

members of the cabinet and outstanding personalities of
the government. He said further on this occasion that
Mexico shall aspire to be each day more a country primerily agricultural, and a nation of great industrial
development. He recalled Mexican industry into immediate
development in order "to the degree of permitting us to
enter into competition with the foreigners in world markets,
which is the evident purpose of every modern industrial
country."

He looked forward to the industrialization of Herico as a means of "satisfying our own methods of manufacturing products." This program would include an introduction of machinery which Herican merchants needed. In order to stimulate industrialization of the country, he would improve means of communication and the system of electrical energy; he would perfect the present methods for avoiding the loss of natural wealth and for transforming primary materials which "we actually export without manufacturing."

In order to correct this situation, he would promote the industrial progress of the country. This general tendency naturally would not exclude the possibility of exporting certain industrial products. One sees in these statements of the Chief Executive of the Mexican nation a desire to industrialize Mexico.

In order that Mexico may manufacture the things necessary for the Mexican masses, he sees that there is a difforential between the price foreigners pay for primary mattrials and the price which they receive for these same products when they are brought to Mexico by fereign traders. Such a policy would also give Mexican labor an opportunity to secure employment. The President also stated that Mexico does not wish to be an explusively agricultural that Mexico does not wish to be an explusively agricultural also stated that Mexico does not wish to be an explusively agricultural perpetuate its weakness, and remain exposed to the competition with the foreign economic systems which are stronger than those of Mexico. 12

As a platform leading to his election in 1939, Avila Camacho announced a program which, in the opinion of one observer, "may yet see a most forward-looking, non-communist democracy established south of the Ric Grande," Buder the plan, the citée or communal lend unit remains the basis of agrarian economy which is to be resolved to complete cellectivization. The main elements of the plan are established:

- l. land apportionment and Financial support of new ejides;
- 2. medianization of explositure:
- 5. extension of predicto opporatives.

This last is to be achieved by extending government banking and imposing a more rigorous governmental control on private banks.

Vocational, agricultural, and administrational schools are to be established; and irrigation, the most fundamental

<sup>12 &</sup>lt;u>Ibia.,</u> 170.

<sup>15</sup> D. W. Muschaus, "Mexico's Second Six Year Plan," Mew Republic, S 30, 1040, 106: 441-442

problem after apportionment, is to be under control of the state. The idea is to educate rather than force the peasants into collectivization. Hence, a great increase in the number of rural schools is called for.14

Almost a fortnight before the thirty-third anniversary of the revolution the capital felt excited over the
preximity of the feasts; the days which follow distinguish themselves by many commentaries and points of view
expressed in relation to the problems which affect in
some form the revolutionary movement. The fact that particular functionaries, journalists, revolutionaries, and
non-revolutionaries, express in public debate, favorable
and adverse to the regime, is interpreted as an unequivocal and authentic sign of the democracy which exists in
Mexico.

But they have not extinguished the echoes of the anniversary of the revolution when public opinion orientates itself in interpreting the significance that they
have in this year, after 36 months of the government of
President Camacho.

Wishing to interpret the general feeling of the regime an observer reduces to three fundamental periods the government of D. Manuel Avila Camacho. 15

<sup>14</sup> Ibid., 442.

<sup>15 &</sup>quot;Mexico in the War," Tiempo, IV, (December 3, 1943), 12.

lst period. Commencing with December, 1940 to
December 7, 1941, that is to say, from the time he took
possession of the government to the Japanese aggression
on Pearl Harbor, there appears a phenomenon whose direct
consequences did not extend to Mexico. The President
perhaps believed in peace, work and the rising development of the material liberties of the nation. The sign
was one of unity and hermony. Consolidating titles to
landholders and official guarantees assured prosperity
of the small agricultural landholders. The workers movement entered on its part a period of maturity during which
it would be difficult to annul their conquests.

The 22md of June, 1941, witnessed the Pazi aggression on the U.S.S.R. Forces divergent before, concentrated on a common purpose: struggle to the death against faccism.

The Japanese aggression on the United States brought war to the continent. Few hopes were held for peace.

End period. The 7th of December, 1941 initiated in Mexico a double policy: active participation in the defense of the continent and a maximum intensity in the battle of production. "The par--it is said--is in the factory and field," but the international consequences were not expected; Dexico broke relations with the Axis powers, raised that banner in the Conference of Rio de Janeiro and obtained a resounding triumph.

At the same time there began a new development in education which was more in accord with the aspirations of the people. The Ministry of Public Education outlined a program looking toward closer cooperation with the other republics, and opposing infiltration of totalitarian doctrines. The program called for concentration on the following points in teaching:

- 1. Mexico and the international situation, explaining why Mexico's future depends on the trlumph of the democracies.
- 2. Why Mexico defends democracy.
- 3. Analysis and refutation of Nazi-Pascist doctrines of racial superiority.
- 4. A review of the development of Pan-American principles.
- 5. Study of selections from vital speeches of Wallace, Daniels, and Camacho. 16

Thus Mexico encountered Axis aggression May 13, 1942.

This day a submarine of the totalitarian powers had cannonaded and sunk a Mexican ship Portreo del Tlano. Great popular manifestations were produced in the whole country. The
nation united itself against the enemy. It was necessary
for defense and honor to declare a state of war on the powers
of the Axis.

The 22nd day of May there gathered in the palace of the Council of Ministers of State the chiefs of antonomous departments that gave legal form to the drama of that hour.

<sup>16 &</sup>quot;Mexico Takes her Stand," School and Society, (June 21, 1941), 766.

On the 28th the house approved the presidential motion:
"To accept valiantly the realities and declare that beginning with this date there exists a state of war between our country and Germany, Italy, and Japan."

Srd Period. It was initiated then. It was the commencement toward a practical collaboration-exporting primary materials and elaborate production for the United Nations but not active participation on war fronts.

That Mexico's entrance into and participation in the war on the side of the United Nations was an outgrowth of her long adherence to and support of Pan-Americanism can hardly be doubted. Motives of national and continental security were paramount, yet the prompt and decisive action of the Mexican government was sufficiently inspiring.

President Avila Camacho's speech in the extraordinary session of the Mexican Congress may well be reviewed.

In an extraordinary session of the Congress of Mexico, May 28, 1942, the President of the Republic delivered an address in which he stated to the representatives of the country the motives that obliged executives to ask for the declaration of a state of war between Mexico and the totalitarian aggressors. In the address, he said:

I have come before you to comply with one of the gravest duties which the Head of a Nation has ever had to shoulder, that of presenting to the National legislature the necessity of resorting to the very last of the resources which a free people can dispose of to defend their destinies.17

<sup>17</sup> Manuel Avila Camacho, "Mexico in State of War,"
National and International Problem Series, 14, Mexico, 1942,

A masi substantine had just previously tempedated and suck in the Atlantic, a Monioun oil tenker, the "Potrero dal Mano". Hothing stopped the aggreeners-melther the neutrality of Nexiso, now the feet that the chip corried signals which could be readily observed, indicating the maticually of the thip, now the fact that all the lighte were on in order that the colors of the Hexican flag night be visible were sufficient to prevent the subscrine action. of the SS Mexicans on beend, only 22 were able to Feach Michi. Florida, and one of then died only a few botton later, as a result of the attack. Fortreen Peridans lost their lives as a result of this unprovoked attack. Mexibo. woon bearing of the attack framed an chargetic drotest through the Suedian Minister of Toroign Relations, which had taken charge of the Country's Interests in Italy. Carmany and Japan. In that document, Wonloo stated that if, starting from May 14, the country responsible for the agression should not render a satisfactory explanation as well so an essurence that proper indomification would be given for the demages done, and the suffering incurred, Mexico would be forced to take such sensures as nettional dignity dictated.

The Serman Chancellery even refused to receive the Mexican note. Italy and Japan did not reply to the protests.

But the totaliterian nations did not stop there. On the night of Wednesday, the 20th, another Mexican ship

"Faja de Oro" was torpedoed and sunk along the North American eastern seaboard under identical conditions. Six of a crew of 55 were lost, and 29 were picked up by the United States Coast Guards on May 22. 18 Diplomatic procezdure thus terminated. Mexico was faced with the necessity of making a quick decision. Accordingly, Mexico declared war upon the axis powers. The defense of Mexico was consistent with the Mexican tradition of decency and generosity. Lawful self-defense was the fundamental reason for Mexico's action. The Republic according to the Fresident would meet any attempts at aggression from the adversary by upholding the republic at any cost to the extent allowed by the Western hemisphere powers in a cooperative manner.

A report on Mexico's military effort estimated that by the end of 1943 the country would have 1,600,000 men trained in modern warfare and engaged in regular military practice. The bulk of the force was expected to be a type of citizens' militia, uniformed and reporting for military practice at least once a week---A decree issued by President Avila Camacho indicated that the Mexican ranks would be swelled by nationals of other countries. It specified that all resident male nationals of countries allied with Mexico, with some exceptions, would be compelled to enlist in the Mexican armed forces "in the event

<sup>18</sup> Ibid., 10.

of international war," which phrase was interpreted to mean in the event Memico sout troops to overseas battle-fronts. The order especially affects divisors of the United States imagench as their country accepted only with reservations the 1928 Havana Convention article for the treatment of foreigners. 19

In an affort to speed up the war effort, Mexico and the United States signed an agreement whoreby the two mations will cooperate to rehabilitate certain key lines of the Mexican Mational Railways.29

to indicate that Mexico has planned to take any notive part in the war unless it is brought to her shores. The condition of the Mexicon army has never been such as to render it a potent striking force. It is not reasonable to suppose that the type of citizens militia mentioned above could be intended for serious purposes of offensive action. One can but speculate here on the effect of fostering enlichment of Mexicary in the Army of the United States where the high pay should be attractive. With modern equipment and training, the Mexicans should make good soldiers.

Mexico, by reason of peace time planning, is in the varguerd of governments auxious to avert economic collapse

<sup>19 &</sup>quot;Mexico's Might," The Pan American, III, (Jamery, 1942), 48.

<sup>20 &</sup>lt;u>1014., 50,</u>

<sup>21</sup> R. D. Ringwood, "Hexico's Military Organization," Poreign Policy Reports, (June 15, 1943), 5.

after the war. Mexico has been planning since 1934. Hydro-electric plants and new irrigation systems for better distribution of population on arable lands are among the projects.

Nearly half the 60-odd members of the national planning council have expressed their views, most of them agreeing on three main dangers facing Mexico:

- 1. unsuitable migration from Europe and emigration of Mexicans to the United States;
- 2. reduction in domestic production because of "dumping" of commodities by foreign countries,
- 3. and unemployment.

The migration problem is now being studied.

Control of the importation of many articles, to give Mexico a weapon against "dumping" when warring countries cut prices to put their own people back to work has been decreed by President Avila Camacho. By protecting domestic factories, this also serves to combat unemployment.

Meantime, capital improvements continue, with the prospect they will be increased many fold after the war.

Mexico City has a big street-building program.

Road building continues; irrigation works are being built. Construction is stimulated by increased government revenues but hampered by lack of equipment and materials.

Mexico has considerable money in the United States.

More money has been put into circulation domestically.

Pripes have some up. Large quantities of foreign capital have entered the country. All this will be a boon when Maxino again and buy abroad.

The past-war planning council represents every shade of public opinion. Its chairmen, Cotevio Vojer Verques, said recently:

"Merkind will continue to demand liberty, social justice and security. The crisis which has torn the world apart is a noral crisis."

For this reason, the council streezes spiritual reconstruction. Poroign Minister Exequial Padilla outlined its basis as "frank international cooperation based on the principles of equality of all countries."

Nextcola post-war problems will be the same as now-formation of a well-knit nationality, a rise in living
standards, improved communications, and stimulation of
the Nexton occurs.

<sup>&</sup>quot;Mexico plans to Neep Cum Poople Bury," Stillweter News-Press, (Jume 13, 1944), 6.

# CHAPTER V

### SUMMARY AND CONCLUSIONS

As was suggested in the beginning, an analysis of the foregoing chapters reveals a definite trend in the evolution of Mexico's policies, both foreign and national. There has, indeed, been a rather close relationship between the two. The agrarian and economic reforms of the past ten years have been all but inseparably bound up with the broader international aspects of expropriations and Pan-Americanism.

The studies in regard to the Expropriation Decree of 1938 have revealed that the proceedings by the Mexican government were by no means acts of international banditry but were certainly in accord with the laws and Constitution of Mexico, and, though to a lesser degree, perhaps, with established principles of international law. This is without taking into account the undeniable abuses wrought by the oil companies, abuses so reprehensible as might have justified a sovereign nation in taking strong action even without legal warrant.

In the negotiations arising from the action of the Mexican government, two points are notable. One is that the attitude of the United States government was much more conciliatory than that of the British,

although the latter lost its severity after the beginning of the war with Germany in 1939. The other point
is that Mexico exhibited a firmness hardly to be expected from a weaker nation in a dispute with two great
world powers. Astutely, the Mexican government relied
on the implications of the Good Neighbor Policy to
soften the protest from our government, and on the precarlous position of England in Europe to prevent her
taking too drastic action.

The Mexican foreign policy has been closely allied to and has largely grown from her long and frequent participation in the Pan-American movement. Indeed, one of the earliest suggestions for an inter-American alliance came from Mexico in 1811. In the last decade, she has taken an active and sometimes leading part in the conferences held at Buenos Aires, at Montevideo, at Lima, at Panama, at Rio de Janeiro, and at Havana. In contradistinction to that of some South American republics, especially of Argentina, the attitude of Mexico has been consistently cooperative and progressive. The leader-ship of Padilla at Rio de Janeiro was particularly distinguished.

Of necessity the policies of Mexico have been largely geared to those of the United States, as a reference to Summer Welles doctrine and its acceptance make clear. Despite long-continued, and, we think, just

resentment and distrust toward the United States,
evidence of a greater understanding and solidarity was
presented in the interview between President Roosevelt
and Avila Camacho at Monterrey.

As has more than once been indicated the national policy of the Mexican government has been closely parallel to the international. It will be recalled that the agrarian revolution and the activities of the National Revolutionary Party grew out of the same principles as did the acts of expropriation. Indeed, it has been set forth that the Expropriation Decree was the beginning of the economic independence of Mexico. For the Decree was extended to lands upon which no oil was produced, and the foundations of the ejidal system of communal lands was introduced. While the program of the Six Year Plan under Cardenas was not fully realized, yet it bore such promise that it was continued with modifications by the present regime. The outlook is certainly toward collectivism, but the tendency has been to avoid the rigorous centralization exhibited by the Soviet system. The emphasis is more on the education and participation of the peasants and workers in administration.

Mexico's part in the war has not been such as to affect greatly the outcome, yet her stand has been firm and definite no less than it was prompt in being

taken. Her plans for peace are perhaps too nebulous to be clearly outlined, but, in the light of this study, the writer believes they will be predicated upon the Good Meighbor Policy on the one hand, and economic reform on the other.

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