

NO "MEXICAN SOVIET" YET --- OBREGON ANOTHER KERENSKY

— By Linn A. E. Gale. —

Capitalists need feel no tremors and radicals no glee over the prospect of the early establishment of a "Mexican Soviet" as predicted in a United Press dispatch from Washington, May 3. There will be no Soviet here just yet. Some day, but not now.

The Obregon administration will be "safe and sane but progressive." Obregon will be another Kerensky, trying in all sincerity, no doubt, to improve the standard of living of the workers and at the same time to permit the oil and mining interests to gain bigger profits, seeking to grant to the workers the demands that Carranza promised but never fulfilled while still endeavoring to retain the friendship of the United States.

Unlike Kerensky, Obregon may rule for several years, but, like Kerensky, he will eventually fail in his efforts to mix conflicting elements and to prevent the irrepressible conflict.

Mexico's next revolution

will be a Social Revolution.

Just as the liberalism of Carranza, auspiciously initiated, developed into gross corruption, waste of funds and brutal tyranny, which brought the downfall of the regime, so the liberalism of Obregon, no matter how honest may be the motives of the man, must culminate in a similar surrender to the bourgeoisie that will mean another revolt, sooner or later.

Despite the unsavory character of some of those who supported the recent revolution, and despite the fact that its fruits will be reforms but not fundamental social changes, it must not be forgotten that the Mexican masses are undergoing an awakening that is ominous for capitalism. When they find that this upheaval has brought them but minor improvements in their condition, their swing to the Left will be still more pronounced. They will no longer dally with Liberalism. They will demand Soviets—and get them.

Carranza fell because the people thought he had sold out to the same Wall Street that he had so long resisted. He also fell because of the support that personal enemies, bandits and some bourgeois politicians gave his opponents. But the primary cause was the general feeling that Bonillas, the government choice for President, was Wall Street's man, and that the story of the \$1,000,000 campaign fund furnished by New York bankers, was true.

The masses flocked to Obregon because they thought he was the champion of the common people. They liked his brusque, unostentatious manner. They admired him more than ever on May 9 when he rode on horseback into Mexico City and, in his shirt-sleeves, his face unshaven for at least a couple of weeks, he made a speech from the balcony of the plain, old-fashioned St. Francis Hotel. They still admire him and they are willing to give him time to accomplish what they want—if he will. But if he doesn't—and it will be practically impossible for him to, even if he tries—they will throw him overboard even as they discarded Carranza.

Wall St. Planned Long Civil War—and Intervention.

There is some reason to think that American finance-capital is putting up the money for the election of Bonillas and in urging Carranza to send troops to Sonora to force Obregon's people to vote against their favorite son, deliberately sought to precipitate civil war. It is also likely that my original statement that guns were furnished the Sonorans from the United States, was true, and that American Big Business coldbloodedly played one side against the other. I am certain that I was right in saying that Wall Street expected a long-drawn out civil war which would make intervention inevitable, and result in a repetition of the Texas incident of 1848.

But developments were different than Wall Street anticipated. The people had supported Carranza as long as they considered him the enemy of Wall Street when he thrust Bonillas on them, they revolted. Their revolt was genuine and almost spontaneous. The fact that the revolution was bloodless and met practically no opposition, proves this. The people were a unit or nearly so.

Seeing the immense popularity of Obregon, Wall Street changed its tactics. Seeing how unanimous was the backing of the people, it realized that there could be no civil war—all the fighters would be on one side. So it made overtures to Obregon. And meanwhile Obregon, fearful of interference from above the Rio Grande, was making overtures to American Big Business to protect himself. Thus the two parties to the contract came together—the one because to subsidize a revolutionary government would be cheaper than to finance a counter-revolution or wage a war against it, the other because afraid of being attacked and overthrown.

Indirect Control of Mexico.

So there will be no armed intervention. No annexation. No repetition of the Texas case or the Panama affair. None of these things will be necessary. Obregon has compromised sufficiently satisfactorily.

American finance-capital will get what it wants—or most of it. It is very probable that Obregon will insist on a better enforcement of labor laws, on better wages and better working conditions generally in return for the friendly manner in which he will deal with American capitalists here, but the fact remains that he will not undertake anything radical.

"Soviet Mexico" is still some distance away. Instead of a proletarian dictatorship, Mexico is scheduled to have a form of Liberalism like, perhaps, what William Jennings Bryan might initiate if he were President of the United States.

A big business boom is already anticipated by merchants, miners and oil men. The worries of those Americans who remembered Obregon's vigorous tactics of a few years ago, have disappeared with the authoritative assurance that there will be "no rough stuff." Stores are painting their buildings. Business men are buying more stock. Credit facilities which grew pinched in the last few weeks, are

stretching out again. The Y. M. C. A. is planning considerable extension of its work having just received a donation of \$1,000 from the munitions department and a pledge of a steady bonus of \$100 a month from the government-owned railroad. These remembrances were promised by the outgoing regime in the days when Carranza thought he was going to elect Ambassador Ygnacio Bonillas and was lavishly spending money alleged to have come from Wall Street. The Y. M. C. A. people were fearful that the new administration might not respect the promise, but their fears have just been set at ease. The \$1,000 has already been paid. The railroad money will be paid shortly, the officials explaining that they must wait a week or so as Director General Fontes of the Carranza government, took all the funds away with him when he fled. However, the money is a sure thing, and confidence has been restored in the "Y" as well as elsewhere.

Bidding for Popularity.

The Obregonistas made themselves popular with newspapers at the outset by cutting down the mailing rates on second class matter to 4 centavos a kilo. The rate had been 6 centavos and the Carranza postmaster general had raised it to 10 just a few weeks ago.

The national mint is busy coining a new supply of 5, 10 and 20 centavo pieces to relieve the wretched shortage of small change, due to speculation in silver and bronze, that had caused vast inconvenience and even suffering during the past few months and at different other periods in the Carranza administration.

An amnesty has been promptly declared for all former exiles who left Mexico under Carranza as well as for adherents of Carranza who opposed the Obregon revolution, providing, of course, that they lay down arms. Political exiles in Mexico who came here from the United States and other countries to avoid participation in the war or to escape persecution, will be protected, it is expected. When I interviewed Obregon in February, he told me that no political fugitive here would be extradited back to his own country.

Efforts will be made to put the educational system of the country on a respectable basis, it is also claimed, and there is certainly need enough of it. At present the City of Mexico maintains only 95 primary schools with an attendance of 35,491 pupils, less than half the number of two years before. Steadily the money that should have gone to schools has been cut down to permit bigger graft for generals and politicians under Carranza. The big teachers' strike of a year ago was the result of the non-payment of salaries to the teachers of the Federal District for several months. In 1910, at the time of the last census, there were 42,400 children over 6 years of age who could not read and write and in the whole Federal District an illiterate population of about a quarter of a million souls. The figures would be no less today. Obviously, there is opportunity for useful work if the new administration undertakes it honestly.

While there is reason to believe that the new regime will be in many respects an improvement over the preceding one, it must not be forgotten that it will be so deeply obliged to American Big Business that it will be able to do very little that conflicts with the profits on foreign investments. Insofar as it can improve conditions without touching those profits, it will be free to do so, but the minute incomes are hit, it will have to compromise or face the old, old threat of intervention. Obregon is too wise to throw away the political prize that he wanted, by blindly defying Wall Street. In all probability, he will yield as gracefully as he can whenever mooted points come up.

Placating American Big Business

Every possible effort has been made by the leaders of the revolution to make American interests friendly and to pave the way for recognition by the government in Washington. In an exclusive interview with the Associated Press in Tacubaya, a town in the suburbs of Mexico City, on May 8, General Obregon declared:

"What strengthens the United States strengthens Mexico. What weakens the United States weakens Mexico. My ideal for the relations between Mexico and the United States is to make the international border like the Canadian boundary, withdrawing troops, except customs officials. Carranza's interpretation of the Monroe doctrine was a mistake, although I believe Carranza was perfectly sincere in his belief that his policy was best for Mexico."

Governor de la Huerta of Sonora, Provisional President of Mexico, told a United Press correspondent: "I have a great, strong desire to see Mexico a field for safe investment, for honest and legitimate investment in accord with the spirit of the world.... The revolutionary government promises stabilization of the Tampico oil question. As we feel that the real interests of the government and the oil companies are the same, we will meet at the proper point. We promise a satisfactory and sensible arrangement." "You do not feel your government can be called Socialist?" he was asked. "Absolutely not," was de la Huerta's answer. "It is entirely directed to democracy and seeking the betterment of the poorer classes by orderly means."

Robert V. Pesqueria, financial agent of the revolutionary government, has stated that "the revolution proposes to consolidate all the elements of the country for united peace and progress and to respect foreigners and their interests, with which we aim to maintain the most cordial relations."

Ralph H. Turner, Mexico City correspondent for the United Press, told me the other night that he "guessed Obregon would be good, all right, and cooperate with American Big Business."

A dispatch in the Kansas City Post of May 12, said: "It was learned that an agent of General Obregon, leader of Mexico's revolutionary armies, visited New York last week for a series of

conferences with big business interests. The Obregon side, General Ramon de Negri, carried Obregon's pledge to protect American citizens and American property rights in Mexico."

The Wall Street Journal remarked a short time ago that petroleum companies need not be disturbed over the increase of the export duty on petroleum from 30 cents to 54 cents a ton, scheduled to go into effect May 25, for "from all appearances Carranza will not be in Mexico on the date when the increase is scheduled to go into effect."

An extra of "El Heraldillo de Mexico," the Mexico City daily owned by ex-Governor Alvarado of Yucatan, erstwhile "Socialist" (?) and now alated for Secretary of the Treasury according to reports, carried an account of a banquet in New York attended by E. L. Doheny, Secretary of the Interior Lane and representatives of the Standard Oil Co., the Continental Rubber Co., the Texas Oil Co., the Southern Oil Transport Co., Island Oil Co., United Fruit Co., Continental Oil Co. In this banquet, according to "El Heraldillo," Obregon was acclaimed as "the men that Mexico needed" and great satisfaction was expressed with the termination of the revolution.

The attitude of a prominent official in the Texas Oil Co. is of interest as revealing the change of mind that he experienced. In the first few days of the Obregon uprising he told certain persons confidentially that the situation looked very bad. "Obregon is as bad as a Bolshevik," he asserted. Some days after Obregon had entered Mexico City, however, he told these same persons that he was satisfied that "the new government is going to do the right thing and Obregon won't repeat any of his radical business of a few years ago." He had previously declared that "Bonillas would be a much better man for American interests. He was plainly for Bonillas would be a much better man for American interests." He was plainly for Bonillas in the first place but later received assurance that the new administration would do nothing antagonistic.

Tampico correspondents assure me that the "Socialist Party" in that city held a convention that endorsed Obregon almost unanimously, but which appears to have been organized by Obregonistas as a campaign auxiliary, having no previous existence, is practically a bourgeois organization. At the convention the subject of Russia was not mentioned, the word Bolshevism was taboo, and the principal speakers for Obregon asserted that he would "enforce labor laws already existing." That this had not been done heretofore, is true enough, and if the promise is kept, the workers will benefit materially yet this can hardly be confused with Socialism.

The status of labor in Tampico has been especially wretched for although high wages are paid in many cases by the petroleum companies, the prices are outrageous and far out of proportion to the wages. It is practically impossible to get for less than \$1. American money, a dinner that costs the equivalent of 30 or 35 cents, American money, in Mexico City. Colonel Orozco, a Carranza appointee and friend, was head of the police department during the old regime, and his brutality in dealing with the labor unions was notorious. Both I. W. W. unions were forced to suspend meetings, their halls shut up and their members beaten and jailed as automatically as in the United States. Although the Carranza officials constantly fought the American corporations and tried to force them to pay higher—and quite justifiable—taxes, they were in turn grafting and spending public funds with shameful extravagance, and anybody who dared expose their rottenness, was browbeaten, bullied or bribed into silence.

Writing from Tampico, a friend says, "The Labor situation is quiet here at present but may develop strikes at any time, as wages while higher than the average in Mexico, are far from equaling the terrific cost of living. I am continually astounded by prices of food and clothes."

C. F. Bertelli, Universal Service staff correspondent, in a Paris dispatch to the American press, says that the Obregon revolution was planned and financed by a group of wealthy Mexican exiles in the French capital. He names Francisco Iturbide, millionaire backer of General Angeles, whose revolution of a little over a year ago ended abruptly when he was captured and executed; Jose Diaz, Mexican rubber king, cousin of Porfirio Diaz, whose estates in Yucatan and Tehuantepec were confiscated by Carranza; Ramon Garcia, adviser to the late Victoriano Huerta; Jesus Ignacio Hiramias, millionaire Diaz follower; Juan Estrada, Mexican song writer living in Madrid; Hiraldo Cabrerias, colonel under Madero, and J. Y. Limantour, minister of finance in the Diaz regime, as the abettors of the scheme. Josse Diaz, he says, is now going to London as head of the English branch of the revolutionary junta, the object of which, according to his information, is to replace the "scientificos" and restore the iron reign of the days of Porfirio Diaz.

Such a story is by no means improbable and Bertelli is too dependable a news correspondent to send it out without a strong belief in its reliability. It is notorious fact that Obregon has utilized the services of any and all classes in his uprising against Carranza, and it would not be surprising if he had the financial backing of the old Diaz leaders who have been exiled since Carranza came into power.

Obregon's Compromise Means New Revolt.

It is probably incorrect that Obregon was directly financed by American interests as I and many others believed originally. Inasmuch as these interests were really trying to elect Bonillas President and Carranza had "flopped" and joined hands with them, it seems that the Obregon revolt was the real protest of the Mexican people generally against the attempt to put a semi-American, alleged to be Wall Street's choice, in the presidential chair. The spontaneity and unanimity of the support Obregon received, while due part-

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ly to his popularity was due more largely to the public desire to show resentment against political dictation, especially dictation supposed to proceed from the United States. The plot to buy the election for Bonillas, proved a fizzle, and the popular outburst, getting beyond all possibility of control, was allowed to run its course. Then

American Big Business set about it to make friends with the man who was swept into power on this wave of wrath. Evidently it is going to succeed.

...American capitalism may not know it, but by subsidizing the new revolutionary government and diverting the natural fruits of the revolution away from the Mexican people, it is kindling the flames of another uprising not many years hence.

And Mexico's next revolution will be a Bolshevik Revolution!
