

The Persistent "Mexican Question"

By Manuel Gomez

NO better example of the conspiratorial obscurity of the American capitalist press on matters of imperialist foreign policy can be found than the reports of the present Mexican situation. All one sees in the newspapers is that somehow or other, as if by magic, the differences over Mexico's oil and land laws have been "ironed out." The U. S. state department, which denounced the laws as inimical to American vested interests and loosed a furious assault against the Mexican government because of them, is now reported as completely satisfied. President Calles' regulations for applying the laws cause the New York Times to say that the conflict between the United States and Mexico "has reached an apparently amicable conclusion." To those whose memory extends over a period greater than 24 hours this happy solution must be extraordinarily puzzling. The laws were in accordance with Mexico's national-revolutionary constitution of 1917. As passed by both houses of the Mexican congress, they imposed important limitations—particularly with regard to the oil-bearing area near the seacoast—on the investment rights of foreigners in Mexico. Moreover, they provided that the foreign interests could not operate in Mexico under any conditions unless they first agreed to give up their old tactics of diplomatic bullying; that is, they would have to sign a statement agreeing to consider themselves as Mexicans before the law and pledging themselves to refrain from appealing to the diplomatic support of foreign representatives. American imperialism has indicated plainly during the last five months that it was ready to commit direct assault upon the sovereignty of Mexico rather than tolerate the oil and land laws. The Mexican government declared publicly that it would insist upon its national claims. How have President Calles' "regulations" reconciled these apparently irreconcilable differences? In other words, what is the present status of the "Mexican question?"

The newspapers are most unwilling guides here. One must wrench the truth from them. It is necessary to read carefully between the lines, to look for significant paragraphs buried deep in documents, to pick out sentences in speeches. When this is done it suddenly becomes plain that the "amicable" settlement of the U. S.-Mexican conflict is based upon the abandonment by the Mexican president of every important position that he had maintained.

Calles' "Regulations."

President Calles' regulations leave the American interests in undisturbed possession of their holdings, both within and without the so-called prohibited zones. They are permitted to extend their possessions also. In short, things are to be about as they were before the oil and land laws were passed. For all immediate purposes the laws are nullified in the supplementary regulations, issued ostensibly to put them into effect. Article 27 of the Mexican Constitution is to remain a dead letter, at least insofar as protection of Mexico against foreign capitalist monopolization is concerned.

Calles' Defiance Collapses.

During the course of the open and secret diplomatic offensive against Mexico—which had behind it the thoroly aroused forces of Wall Street and Washington and which included threats of a break in diplomatic relations, hints of possible invasion to protect American "rights," financial pressure of all sorts and hurried visits of oil magnates to Mexico City—there were repeated indications of a collapse on the part of the Mexican government. All Mexico, all Latin America, was behind President Calles in his public defiance of American imperialism. Organizations such as the All-America Anti-Imperialist League, with national sections in nine countries of Latin America as well as in the United States itself, rallied to his support in an effort to stiffen his resistance thru the pressure upon him of the united anti-imperialist front. But the counter-pressure from Wall Street and Washington was too strong. Calles continued to bluster that he would allow no outside power to dictate Mexico's laws to her, but he began to dangle more and more before Secretary Kellogg the promise of the forthcoming "regulations." In private his capitulation was much more definite.

The official correspondence, comprising ten notes and memoranda made public at last on April 11, shows, says the New York Times, "that the major American objections to the Mexican attitude have been removed."

The last Mexican note, dated March 27, gives a pledge that American interests in Mexico will not be deprived of their property but will be given renewable concessions confirming their old ownership titles.

Regarding the section of the land law dealing with agricultural property—which provided, among other things, that foreigners could under

no circumstances own more than 49 per cent of the capital in any corporation owning Mexican agricultural lands—the note of March 27 makes the following complete about-face:

"It is true that an alien who, prior to the going into effect of the law, represented 50 per cent or more of the total interest of any kind of association holding rural property for agricultural purposes, may retain the said interest without complying with Article 2 and that the right of his heirs to such interest in excess of 49 per cent is provided for in Article 6."

One of the most popularly prized sections of the land law (and one specifically provided for in Article 27 of the Constitution) is that which declares foreign landholders must agree not to invoke the aid of their governments in matters relating to their Mexican properties. Politicians had won much applause in Mexico by insisting vehemently that this provision was a basic principle of Article 27. However, in the correspondence with the U. S. state department, Mexico's foreign minister concedes:

"... Even tho an individual should renounce applying for the diplomatic protection of his government, the government does not forfeit the right to extend it in case of a denial of justice."

Thus every essential demand of American imperialism has been denied in words and conceded in fact. Mexico is in one sense worse off than before the oil and land laws were passed; for now the nine years' struggle to set up enabling acts for Article 27 has ended in disillusionment. The dreaded Article 27 has become something quite different. Equipped with enabling legislation at last, it has at the same time been stripped of its vital parts and its power to strike fear into the hearts of foreign capitalists has been destroyed. American imperialism has scored an important triumph.

The Mexican Question Remains.

What now becomes of the "Mexican Question?" Is it removed from the order of business of American imperialism? No one familiar with the situation will think of answering in the affirmative. The aims of Wall Street and Washington have been by no means attained in Mexico and the challenging aspirations of the Mexican people still stand in the way. Conflict is more certain than ever. The eventual outcome depends upon how soon the American working class realizes the necessity of militant support to Mexico, as the center of gravity for all Latin America in the common struggle against Wall Street.

The Significance of Mexico's Independence.

That Mexico, with her ore-studded and oil-rich territory lying contiguous to the greatest

imperialist power in the world, should have been able to preserve her independence while all the little nations around her have fallen absolutely under the Wall Street yoke is a fact whose significance has never been sufficiently estimated. The stubborn resistance of the republic immediately to the south of us has had consequences far beyond her own borders. It has acted to impede the rapid spread of U. S. imperialism over the South American continent.

Mexico's independence is no mere convenient camouflage, as in the case of Cuba, Santo Domingo or the Central American "republics." Economically, it is true, Wall Street has already intrenched itself in the country. Politically, while Mexico can scarcely be called a free agent (what small nation can?), she still stands unconquered. Her vigorous and enduring fight against foreign monopolists, her resistance to armed intervention, her neutrality in the war against Germany, her recognition of Soviet Russia—these things are unmistakable evidence of Mexico's independent line. The United States government, which appoints financial "advisers" as far south as Bolivia and which officially directs entire government departments in Peru, cannot boast as much control in Mexico as is implied in the term "sphere of influence."

The Beginnings of the "Mexican Question."

The "Mexican Question" has been before the American people, with brief intermissions, since the time of Porfirio Diaz. Mexico's revolution against feudalism, which was favored in its initial stages by the big capitalists of the United States, broke out before Mexico was a great oil-producing country. In 1911, when Diaz was overthrown, the production of crude oil in Mexico was 12,552,798 barrels; in 1921, when the output reached its peak, 193,397,587 barrels were produced. Ninety-nine per cent of all the oil produced in Mexico has been obtained since 1911. Oil was sufficiently important even in 1911 to be a factor in the revolution—with the British interests favored by and favoring Diaz, and the American interests backing Madero—but it was not the lure that it is today. American aggression at that time was therefore limited in its conscious objectives. It was limited not only because the temptation was not great enough but also because American imperialism itself, while already a mighty power going forward under the banner of the Rooseveltian traditions, had not yet really come into its own. In addition there was the rivalry of the British to consider; for the British occupied a strong position in Mexico, dominating railroads, public utilities and oil industry. Later, when American imperialism became surer, it determined to take over the country without further ado. The Pershing expedition and the occupation of Vera Cruz were tentatives in this direction. However,

the national-revolutionary forces of opposition in Mexico had also grown. These might have been swept aside if it were not for the approaching entry of the United States into the World War, which claimed undivided attention.

The Balance of Forces in Mexico.

The result of all this has been to create a peculiar jockeying position, a delicate balancing of forces, which left Mexico able to keep her head above water as an independent nation in spite of the indirect offensives that were hurled against her and in spite of serious encroachments on the part of American imperialism. Wall Street sought to play off one section of the Mexican revolution against the other, at the same time making use of the situation to completely displace her British rival. Armed intervention came more and more to the front as the ultimate desideratum of the imperialists, but in practise Wall Street was obliged to maneuver for control in Mexico thru financial and diplomatic pressure, thru bribery, intimidation, withholding of credit and subsidizing of counter-revolution.

Out of the policy of indirect offensive based upon a conscious program of ultimate invasion, come those recurrent conflicts which have been the distinguishing marks of what is spoken of in the United States as the "Mexican Question." The "Mexican Question" persists precisely because, with all the strength at the command of American capitalism, Mexico has not yet been made an integral unit of the American empire.

Mexico's Lure.

Copper, lead, silver and gold were the principal considerations of American capitalism in Mexico in 1911, and they are still of very great importance. Mexico occupies first place in the world as a producer of silver, second place as a producer of lead, fourth place as a producer of gold and a fifth place as a producer of copper. The bulk of the mining industry is in American hands, being completely dominated by the Guggenheim, Harriman and Ryan-Rockefeller interests.

Oil!

Oil, however, has long since come to the front as the most ardently coveted of Mexico's resources. The phenomenal development of oil as a fuel and the limited extent of the world's known resources have made this precious substance the gage of battle for rival imperialists from Mosul to Argentina. Great Britain and the United States are the chief antagonists everywhere in the world. Mexico, second only to the United States itself as a producer of oil, is an area of prime importance in the struggle. The United States, despite its own immense production, is importing \$200,000,000 worth of oil and

by-products from Mexico yearly. Much has been made of the decline in Mexican oil production since 1921. Some of this has been due to exhaustion of the wells but some is due to "pinching in" of wells to keep up prices on the world market. Nevertheless, Mexico's output last year exceeded 115,700,000 barrels. According to figures recently published by the Mexican government, Mexico has an extension of about 150,000,000 acres in the petroleum zone, and so far only 15,000 acres have been exploited. When we consider that this small portion has yielded a grand total of 1,260,368,720 barrels of oil with an estimated value of \$1,054,353,306, we realize the untold wealth yet in store for oil seekers, and the high returns received by the oil interests in Mexico. Standard Oil, which recently absorbed Doheny, dominates the field. Nearly 60 per cent of Mexico's oil output is controlled in the United States and American interests have an overwhelming preponderance in the ownership of the undeveloped oil lands. This control has not come without effort. The oil men have supplied a considerable portion of the "fuel" to the Mexican Question. Besides angling for special privileges with men inside the government, they had their hand in every rebel movement in Mexico during the past fifteen years. They have, on occasion, refused to pay taxes to the Mexican government, and on other occasions they have subsidized banditry in order to bring the government to terms. For months they maintained the bandit, Manuel Pelaez, in control of the oil fields against Carranza. The National Association of Petroleum Producers of Mexico has been in the forefront of the interventionist propaganda in this country.

Other Mexican products, such as zinc, sisal, ixtle, chicle, etc., are also of first-rate importance to American imperialism, which controls the market in each case.

Mexico's Foreign Trade.

Consideration of Mexico's foreign trade is most illuminating. In 1924 exports to the United States represented 80.16 per cent of the total, followed by Great Britain with 5.63 per cent, Germany 2.85 per cent, Cuba 2.62 per cent and France 1.36 per cent. Of the imports the United States furnished 73 per cent, Germany 7.25 per cent, Great Britain 7 per cent, France 5 per cent, Spain 2.33 per cent and other countries 5.42 per cent. Only three other countries do a greater volume of business with the United States than Mexico. The U. S.-Mexican trade in 1924 was valued at \$363,209,313. In 1925 it was \$302,162,269. This is a tidy sum, an item hardly to be sneered at, and one which clearly reflects the dominant position of the United States in the Mexican market.

However, it is the character of the trade quite as much as the volume which makes Mexico

such an important factor in the economics of American imperialism. Mexico sends to the United States raw materials necessary for American industry. She imports manufactured products. Furthermore her imports from this country include about \$20,000,000 of machinery, \$13,000,000 of iron and steel foundry products and \$12,500,000 of automobiles, tires, vehicles and rolling stock. This represents to a considerable degree fixed capital which links up the American iron and steel industry more and more tightly with Mexico's industrial develop-

ment—and which many times is actually merely an addition to direct American investment in the country.

Mexico fits "naturally" into the economic order of American imperialism. The results achieved by American finance-capital under present conditions already show vividly the gains to be secured by direct imperial monopolization.

These are some of the reasons why the Mexican Question could not be and is not now a dead issue.

(Continued in June issue).

