The Mexican Crisis

By Ellen Ward

(This article is one of a series dealing with the background and nature of the Mexican crisis.—Editor.)

* * *

By ELLEN WARD

MEXICAN news has returned to the front page after having been quietly tucked away among the financial sections. The events of the moment are almost as dramatic as the oil-expropriation decree launched by President Cardenas on the 18th of March. This decree announced the expropriation of all British and American oil lands in Mexico. The Cedillo revolt, following closely on the heels of expropriation, was provoked cleverly and prematurely by Cardenas for two reasons: first, it was easier to strike at and defeat Cedillo now than later when he might have succeeded in strengthening his movement, and secondly the manly gesture of Cardenas himself taking to the field to fight the bad hombre, would further consolidate and strengthen the popular feeling for Mexico's already popular president. In a little over a fortnight, he cleared the hills. But the problems created by the oil expropriation and the deep-going economic crisis are not nearer solution than they were four months ago. To get only a glimmering of the crazy-quilt of apparent contradictions in present-day Mexican policy, we must look at the soil from which it stems, and a brief historical summary would seem in place before the discussion of more recent events.

It is now generally accepted by students of Mexican political and social science that, during the last generation, Mexican government has followed some such pattern as this:

Every candidate for the Mexican presidency since Diaz has had to choose between popular peasant-worker support and that of the landowners and the Catholic clergy.

The peasants of Mexico are still the most numerous class, but large sections even today are under the domination of the landowners and the Church. The growing working class, despite a much more militant leadership in recent years, is still immature, badly organized and, in countless ways, tied to the government.

Till a decade ago, the landowners and clergy were still stronger than the masses of workers and peasants. Today, it would be safe to say that the balance is slightly in favor of the latter.

But what the landowners and clergy lacked in numbers they could more than make up thru their economic power. They were always able, at the shortest notice, to rush large numbers of armed forces into the field in an emergency.

This deadlock of class forces makes the government burocratic machine relatively independent of class control and capable of developing and fostering vested interests of its own.

Due to the opposing pulls of these two social forces, the government used to be in unstable equilibrium and very much dependent on the army. The army had the power to determine the ruler. It all depended on who could swing it and in which direction. In addition to this, the pressure of an outside force—that of foreign capital—has always existed.

From the point of view of the ruling group, the question of outside pressure was always a very complicated one. During the past generations, the president or the presidential aspirant has had to choose between British and American capital. Diaz favored America at first; but, towards the end of his long reign, he turned towards Europe and granted European, especially English interests, very generous concessions, as we shall see later when we analyze the former holdings of Royal Dutch Shell in Mexico.

President Madero, who followed Diaz, received support from United States interests and rewarded that aid by concellation of some of the concessions granted by Diaz to the English.

Victoriano Huerta, who succeeded Madero, was supported by the Church and the landowners and was backed by British capital.

It was the World War that pre-

(*Continued on Page* 6)

The Mexican Crisis

(*Continued from Page* 3)

pared the basis for a more stable regime by reducing the power of British finance in Mexico and by increasing American investment and influence. It was on the basis of this economic reality that Obregon, when he came to power in 1920, adopted the following combination as a foundation for his policy of government: to woo and win the peasant-worker block as the internal prop for his regime and to secure the support of American capital as the external.

Obregon had, of course, to make solid concessions to American capital without, at the same time, alienating the nationalist-minded, anti-imperialist masses; and to appear to be making concessions to the masses without alienating suspicious, conservative American capital. It was most difficult steering but Obregon appeared to be managing admirably. His rough mathematical formula for his pattern was: the masses could generally be kept contented, or if not contented, quiet at least, with a maximum of radical phrases and gestures and a minimum of actual deeds; while the hard-boiled American bankers were not too exacting as to phraseology but most insistent as to deeds.

This carefully worked-out Obregon policy for remaining in power was adopted by Plutarco Elias Calles, who became "the boss" in 1928, by the few short-lived regimes following his and controlled by him, and then by Cardenas himself.

Cardenas's Policy

President Lazaro Cardenas began where the "strong man" Calles left off, but, during the past year, he appears to be hammering out a policy which aims to upset the earlier balance—a policy which has given a little more land to the peasants, some concessions, which are mostly promises and revolutionary phrases to the workers, but decidedly increased opportunities for the native bourgeoisie to enrich itself at the expense of British and American interests. We assume, of course, in this statement, that Cardenas will be able to carry thru the oil-expropriation measure. But, before we go into detail on the oil situation, let us see what the predecessors of Cardenas were able to accomplish in pursuit of their general policy.

Thru the methods described above, Obregon completed the relative stabilization of the Mexican political structure. During his four years in office, he had made a settlement satisfactory to the United States on oil, debts and railways; had won American recognition; balanced the budget; restored a sound currency and banking system; and enriched a number of his friends, who were laying the foundation for the development of a native bourgeoisie. He was the first president to appropriate more money for schools than for the army.

He had further developed a stable and docile labor movement under government control and did the same with the peasantry. He checked the direct seizures of land and passed agrarian laws which whittled down the distribution of land to strategically selected peasant groups with provision for compensation of landowners in the form of government bonds acceptable in the payment of taxes.

Obregon handed over to Calles a going concern and a pattern of government which had turned out to be successful beyond belief for the ruling group and for foreign investments.

* * *

(Another article, describing the rise of Cardenas to power and his agrarian program, will appear in the next issue of this paper.—Editor).

DECLARED Maurice Thorez, general secretary of the Communist Party of France, in an address at Grenoble (Humanite, July 18, 1938):

"What is our Popular Front if not a development and even, in some sense, a rehabilitation of bourgeois democracy?"