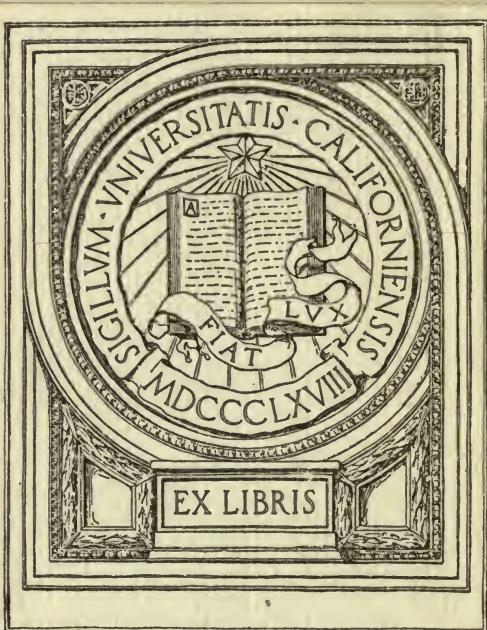


The Plot Against Mexico

L. J.
deBekker



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**THE PLOT AGAINST
MEXICO**





LA OFRENDA

By Saturnino Herrán, 1887-1918

THE PLOT AGAINST MEXICO

BY
L. J. DE BEKKER

WITH AN INTRODUCTION BY
JOHN FARWELL MOORS
Senior Member, Moors & Cabot, Bankers



NEW YORK
ALFRED · A · KNOFF
1919

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L. J. DE BEKKER

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DEDICATION

This book is dedicated to the author's colleagues in the Committee on Mexico of the League of Free Nations Association, in warm appreciation of their efforts to prevent an armed intervention in Mexico:

H. A. ATKINSON	PAUL KENNADAY
JOSEPH P. CHAMBERLAIN	MRS. EDITH SHATTO KING
ROYAL J. DAVIS	FREDERICK LYNCH
CARLTON J. H. HAYES	JOHN F. MOORS
S. G. INMAN	J. W. SLAUGHTER
PAUL U. KELLOGG	G. B. WINTON

STANLEY R. YARNALL

And

JAMES G. McDONALD,
Chairman of the Committee and
of the Association.

Sommer, (Berkeley) March 5, 1920, \$1.70

THE AUTHOR'S PREFACE

This is a fighting book. Its purpose is to expose and defeat the effort of a handful of plutocratic Americans to involve the United States in war with Mexico under pretext of an intervention, in order that our neighbour to the south may be permanently occupied, and that they may be free to exploit the enormous natural wealth of the Mexicans in petroleum, minerals and agricultural lands, to their own exclusive advantage.

In the hope of preventing publication of the series of articles in *The Nation* from which the book takes its title, a lawyer and the chief press agent of the interventionists represented to the editor of that journal that "The Plot Against Mexico" had no existence in fact, being the product of the overheated imagination of a gentleman whose artistic temperament dimmed his appreciation of facts. They meant me, but they really hit the President of the United States.

I did not discover or invent a Plot Against Mexico. If any one invented it, the honour must be ascribed to Woodrow Wilson. The following statement, given out at the White House, and never denied, was sent out from Washington March 25,

THE AUTHOR'S PREFACE

1916, by the Associated Press and published throughout the world:

“Convinced that powerful influences are at work to force an intervention in Mexico, Administration officials were today considering just what steps shall be taken to bring the agitation to an end. . . . President Wilson is said to be determined to stop the circulation of inflammatory rumours, and to take legal steps if necessary.”

I agree with Mr. Wilson's views as expressed in his address to Congress, August 27, 1915, when he said:

“We shall triumph as Mexico's friends sooner than we could triumph as her enemies, and how much more handsomely, with how much higher and finer satisfaction of conscience and of honour!”

And he was right beyond a doubt in believing in 1916 that powerful influences were at work to force an intervention in Mexico. These influences are more powerful in 1919 than they were in 1916. I hold no brief for the existing Government of Mexico, nor for any individual or corporation having interests there. My only purpose is to lay the truth before the great body of American citizens in order that they may not be led into an unjust war by a few score of greedy capitalistic adventurers.

L. J. DE B.

New York City, Oct. 15, 1919.

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SHALL WE INTERVENE IN MEXICO?

BY JOHN FARWELL MOORS

Senior Member, Moors & Cabot, Bankers.

Our national policy or, as it seemed to many people, lack of policy in Mexico was assumed in 1916 to be altogether indefensible. It was this even more than our attitude toward the European war which apparently justified Mr. Hughes in leaving the Supreme Court and becoming a candidate for the Presidency. He called our efforts, such as they were, to bring order out of chaos in Mexico "a confused chapter of blunders." He also said: "We have suffered incalculably from the weak and vacillating course which has been taken. We utterly failed to discharge our plain duty to our own citizens." Now, three years later, this is more than ever the settled opinion of thousands of Americans, who have summed up our Mexican policy derisively in two words: "watchful waiting." These thousands of Americans gave little heed in 1916 to the President's insistence that, serious as was our concern for our own citizens in Mexico, we owed it to the Mexicans themselves not to interfere unduly in their struggle for liberty after intolerable suffering

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under the fair exterior of the dictatorship of Porfirio Diaz. Today Mexico is still made to appear a land of contending bandits. Dr. Paul Bernado Altendorf, said to have lived in Mexico since 1914, sums up this common point of view thus: "Mexico is nothing more than an agglomeration of anarchist gangs who kill and plunder with no restraint but their own caprices." Similar views were given by Mr. William Gates in the *World's Work* for February, March, April and May of this year. Senator Fall of New Mexico has been promulgating them for years. Republican Floor Leader Mondell, Representative Hudspeth from Texas, Representative Gould from New York have done their best to emphasize them. When Mr. Hudspeth said: "The time has come when this Government should say to Carranza: 'You have not fulfilled your obligations in the protection of American lives, so we withdraw recognition of you and will put troops in Mexico to protect American lives till order is restored,' " Congress applauded.

On the other hand, on February 6 last, our Ambassador to Mexico, Mr. Henry P. Fletcher stated publicly: "President Carranza has accomplished great work in preparing for development and reconstruction, and in reorganizing the public service, and has made such headway that the various bandit leaders are now without real influence and are operating in small bands. Carranza is the real

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power in Mexico.” On January 7 the Boston News Bureau quoted L. H. Coley, manager in Mexico for the Ingersoll-Rand Corporation, as follows: “There is some interference from lawless elements in the Western districts, but not nearly so bad as for the last few years. Nearly all the mines are being worked, especially those owned by large foreign corporations.” On February 21, Mr. Elmer R. Jones, president of Wells Fargo and Co. in Mexico, which formerly operated on 14,000 miles of Mexican railroads, gave an equally optimistic view after a two and a half months’ trip through Mexico. In April, Mr. B. Preston Clark, highly respected in this city, speaking of the U. S. Smelting, Refining and Mining Co., made the following impressive statement to the Episcopal Church Congress in New York:

“It has been my privilege to be connected with a mining company operating in Mexico. About ten years ago we went there. We have tried to treat the Mexicans as human beings. We told them that we did not believe the current legend that no Mexican was worth more than two pesos a day, that with us, if a man did the work, he would fare just the same, whether he was American or Mexican, that in all ways we should respect them and their wives and families as we would our own. We went to it as a human proposition. The effect was prodigious.

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“This attitude brought out the best there was in those people and the best there was in us. For eight and a half years of revolution, under those Southern stars, the roar of our mills has never stopped. Today 7,000 men operate them, of whom 57 only are Americans (less than 1%).

“Mexicans hold important positions all along the line. I could spend an evening telling you that story. How we have fed them, fought typhus and influenza with them, and how they have done their part like men. Two things I must say. After Vera Cruz we insisted that all our Americans leave Mexico. The properties were left in absolute charge of Mexicans for eight months. They stole nothing; they allowed no one else to steal anything; they operated the plants successfully, and returned them to us in as good condition as when our Americans came out.

“On another occasion \$250,000 in bullion was stolen from the company. Our 6,000 miners of their own motion, when they heard of this, saw to it that that bullion was returned within 24 hours, and within 48 hours it was on a Ward liner bound for Liverpool. Do you wonder that I trust them?”

On May 4 an editorial, a column long, in the *New York Times*, entitled “A Visit to Mexico,” said: “Darkest Mexico was penetrated on March 29 from Laredo by a train of Pullman cars carrying fifty members of the San Antonio Chamber of

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Commerce and bound for the principal cities of the country so long ravaged by revolutionary bands. When the San Antonians returned to American soil, Mexico was no longer dark to them. It was not a disturbed and distressed country as they saw it. The visiting merchants had a halcyon time, traveling 3,000 miles and enjoying all the comforts of home. The impression that Mexico had been devastated by revolution the Americans found to be a grotesque exaggeration."

Production, exports and the earnings of foreign companies with property in Mexico all tend to confirm these many reports of comparatively stable conditions there and of a more and more successful outcome of the Revolution.

How is it then that in the general news columns conditions in Mexico are now almost daily painted as direful?

A clue to the mystery may perhaps be found in the potential riches of Mexico, particularly in the expanding production of oil. Mexico is said to be capable of producing 50% of the whole oil supply of the world and oil is said to be the world's most valuable product. The Carranza Government has sought by law to secure ownership, not only of all future sub-soil rights but until recently of retro-active rights. Last October, Mr. Frederick R. Kellogg, general counsel for the Mexican Petroleum Co., stated very clearly (*New York Nation*, Oct. 5,

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1918) the foreign companies' side of the case. "The oil companies," said he, "have opposed, and will oppose to the end, the attacks to which they are being subjected." The stock market showed its confidence in such opposition, for at the time of Mr. Kellogg's pessimistic article, Mexican Petroleum stock was almost doubling in market value.

On January 21, 1919, a financial news sheet announced modestly the formation of the "National Association for the Protection of American Rights in Mexico." The leading interests in this Association were then reported to be the Rockefeller Cos., American Smelting and Refining Co., Anaconda Co., and Mexican Petroleum Co. This association is now said to have a press bureau in most competent hands at 347 Fifth Avenue, New York, and others elsewhere. Its name appears with great frequency in the press, notably in connection with the attacks in Mexico on unknown American citizens, in whom it purports to take a deep interest. The large corporations which organized it are usually no longer mentioned, but the bureau chief has testified that he receives a salary of \$20,000.

On February 23 announcement was made by one of the leading banking houses in New York of the formation of an international committee of twenty bankers, ten from the United States and five each from England and France "for the purpose of protecting the holders of securities of the Mexican Re-

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public," etc., "with a view to such positive action as may be taken whenever circumstances permit."

Since then the dark pictures of Mexico have grown in number till now they appear almost daily.

An extraordinary broadside appeared giving the prophetic news that there would be a revolution in Mexico in June. Other extraordinary broadsides followed featuring Felix Diaz, who, with a redoubtable general, named Blanquet, has assembled, as it were over night, an army of 40,000 men and was marching on Mexico City. This movement, whatever it was in reality, collapsed; Blanquet was killed; Diaz became a fugitive.

Next, Zapata was made to appear the hopeful patriot of Mexico. But on March 15 he was said to be fleeing to the mountains and on April 11 he, too, was reported killed.

In May a triumphant march by Villa through Chihuahua had the front pages. He captured Parral; he advanced on Juarez; he had become miraculously transformed not only in strength but character. The *New York Sun* suddenly absolved him from responsibility for the Columbus massacre. The Washington correspondent of the *Boston Evening Transcript*, whose earlier castigations of Villa would fill a volume, had on May 3 over a column extolling him. Villa had been "grossly misrepresented," his military operations were being conducted "regularly and under a well-

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devised plan and not according to the methods of the banditti"; Gen. Angeles, Villa's "Provisional President of Mexico," was "chief of staff and one of the best soldiers in Mexico"; his sentries throughout Parral were "a guaranty of life, liberty and property"; he "requisitioned" \$50,000 from Spanish residents, "not for the equipment of his army, but for ameliorating conditions in Parral"; he was no longer the "drunken Villa" but was regarded by "his American friends" (whoever they were) as "one of the most uncompromising prohibitionists on the continent"; he "does not even smoke." The lower classes under rebel control were "more prosperous and contented than ever before." The article ends prophetically thus: "Villa is only one of several other local chieftains who stand ready to make serious trouble for the Carranza Government, when the time comes."

Villa, however, when he reached Juarez, was driven by United States troops perpendicularly down to his former level of unspeakable bandit. The Provisional President of Mexico disappeared. When June came there were left only the wrecks of three well-advertised revolutions and considerable mortality. The Carranza Government seemed to be more firmly established than at any previous time.

With the collapse of the revolutions extraordinary publicity was suddenly given to outrages

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on American citizens in Mexico. On July 8 the National Association for the Protection of American Rights in Mexico itself announced that the Executive Committee had decided "to use its utmost endeavours" to make these outrages "an international issue." The next day the *New York Times*, on "unusually well informed authority," told us that President Wilson would soon appear before Congress "and make an address on the Mexican problem, dealing with the matter along the lines of the McKinley message to Congress, which led to intervention with Cuba." On July 20 the overt act needed for intervention seemed almost, if not quite, to have taken place. "Outrage on American Sailors" said great headlines. "This is one of the gravest of the many grave incidents which have been staged in Mexico within recent months," said Acting Secretary of State Phillips. "Every sensible American knows the course we should adopt to stop these outrages. We ought to kill about 2,000 Mexicans," said Senator Ashurst of Arizona. Senator Fall was described as "one who gave free expression to his feelings." The losses, when officially reported, proved, however, to be only a watch, a pair of shoes and "some money"; the sailors had gone, contrary to orders, into bandit country; and the Mexican authorities were said to be most friendly and zealous to capture the wrongdoers. That indiscreet barometer of Wall Street

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sentiment, Mexican Petroleum stock, had risen on what was called the "tension" caused by this incident.

In July the Committee on Rules of the House of Representatives proceeded with the agitation. Ambassador Fletcher, the first witness, continued to speak well of the Carranza Government and said that Carranza's authority was now fairly well established over most of Mexico. He stated that he had records of 217 Americans killed in Mexico in eight years. "391," the National Association for the Protection of American Rights in Mexico was quick to assert.

The principal other witness before the Committee was William Gates, author of the articles last spring in the *World's Work*, who interested the Committee so much that it called him back for more testimony. Gates was described as an "archaeologist." The *New York Sun* said he came from Baltimore, the *World* and the *Tribune* that he came from California, the *Times* that he came from Cleveland. Gates testified that most of the bandits were Carranza men, and that most Mexicans would say, if they should hear of financial and possible military assistance against Carranza: "Thank God, you have redeemed belief in America."

Then, however, there was another collapse. David Lawrence pointed out in the *New York Evening Post* that Gates had written to H. L. Hall,

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Santa Monica, California, letters showing himself to be a "bridge" between the various rebel elements in Mexico, to have had Zapata's credentials as *persona grata* with all the revolutionaries, and to have had letters from Felix Diaz showing him "one of us." One letter says: "I write you this, as you represent Zapata, am now awaiting the return of the people from Paris, for things to climax. When they do I am ready. I hope we shall succeed." He cautiously added: "Of what is actually going on of real moment it is impossible to write as you can judge." Gates has publicly admitted these letters, but denies their obvious implication.

The appeals for justice from the Mexican Government have been given scanty heed by the people of the United States. On February 26, three days after the formation of the committee of twenty bankers, a prominent member of the Mexican Government registered a *caveat*. Said he: "If the new committee considers that the situation in Mexico is not as it was ten years ago, we can expect good results. But if the same error is made as by many who are interested in our affairs who wish Mexico to return to the basis of ten years ago, we can only expect the creation of new difficulties."

On July 26 the Mexican Ambassador at Washington addressed the people of the United States telling of the comparatively stable government now in Mexico. He compared the outrages there with

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those here after our Civil War. He stated that Mexico was paying two-thirds of its income to chase bandits. He pointed to the balance sheets of the big companies operating in Mexico as evidence of their prosperity.

On August 2 President Carranza said: "The petroleum companies have set out to engender ill-feeling between Mexico and the United States. They are doing this through the medium of some sections of the American press which are distorting facts to suit their own ends. Mexico is not opposed to the petroleum companies or to any other foreign investors. We merely require that, if such companies are to operate in the Republic, they abide by our laws."

From Mexico has come the charge that Senator Fall was behind a letter from Col. Charles F. Hunt to Villa, offering Villa a visit from Senator Fall and others, for the purpose of helping to push the campaign against the Mexican Government. Senator Fall replied: "Liars, of course, as usual." But he admitted that he had sent the State Department copies of the Hunt-Villa correspondence.

Warnings have come also from American sources. On March 17 the correspondent in Mexico City of the *New York World* wrote: "A campaign instigated chiefly by petroleum interests is afoot to force the next Republican Congress to intervene in Mexico." Early in April the *New*

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York Nation said: "There is reason to believe that efforts of serious proportions are being made to bring about war between the United States and Mexico. Bit by bit the propaganda is being spread with ostensible fortuitousness. Leading Canadian and American oil men go to Paris. In Paris these gentlemen meet with the other oil groups. The British Government has taken over large oil interests and is going into the business. Gen. Blanquet suddenly lands in Mexico and carefully prepared statements of his enterprise are issued in New York. A drive is on and the story of it is written plainly in the Blanquet propaganda. President Carranza is to be labelled pro-German and his régime is to fall into the category of Bolshevism." This point of view is now being instilled into us. With the collapse of the revolutions and of the Gates testimony, there is being placed under our eyes propaganda calculated to inflame our minds against Carranza by imputing to him pro-German activities against this country. Dr. Altdorf, already mentioned, who claims to have worked in Mexico under the guise of a "loyal German," is now making these charges.

On July 6 the *Christian Science Monitor* quoted John R. Phillips, who it says "has investigated and is thoroughly familiar with the whole problem":—"This recrudescence of the propaganda was all timed to go off in conjunction with the activities of

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various revolutionary leaders in Mexico. But these leaders, sent down there and financed by American interventionists, were disposed of by the Mexican Government forces. Villa's and Angeles' elaborately staged and widely heralded operations were abortive. Blanquet and Zapata were killed. All of this left the propaganda which was to synchronize on the American side with these bandits, high and dry, without excuse for its existence. But as the propaganda organs were ready for functioning, they were allowed to go on with their work of pouring their poison into the American press in a last desperate effort to accomplish their purpose."

More recently, Mr. L. J. de Bekker, a correspondent sent to Mexico by the *New York Tribune* to "write the truth about the situation," has given first-hand information. Mr. de Bekker was in Mexico during February, March and April, 1919. He found "peace and prosperity" in the greater part of Mexico, controlled by the Mexican Government, but "devastation and anarchy" in the oil region, where one Pelaez, "King of the oil fields," a bandit, employed by the oil producers, was in their interest forcibly defying the Mexican Government. The *Tribune* did not publish his views. When published elsewhere, these views drew on July 26 a reply from a body calling itself "The Association of Oil Producers in Mexico" and writ-

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ing from New York. In this reply the Association practically admits the forcible defiance of the Mexican Government by the foreign oil producers, for it says: " ' King' Pelaez's troops are operating in the oil fields only, far from any railroad, for the reason that the Government is attempting to confiscate their oil values." The reply insists that the companies are not "voluntarily" assisting Pelaez against Carranza, and that Pelaez is in effect a blackmailer who would destroy the oil wells if tribute were not paid him. Congressman La Guardia, though decrying the purposes of the Carranza Government, has confirmed in the following statement, the open warfare against that government waged by Pelaez in return for the tribute paid him by the oil companies: "The Pelaez faction is the best equipped, best uniformed army of all the factions. It is about 5,000 armed men under the command of Gen. Pelaez. These forces protect the oil industries from being robbed by the Carranza faction. It is supported and paid for by the oil companies. I understand that the pay is something like \$180,000 a month, and that several million dollars already have been paid to Pelaez for necessary protection."

Should we like it if the foreign owners of some of our factories should employ gunmen to kill our officials in the enforcement of our income tax law?

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Is not the Pelaez situation far more exasperating and ominous for Mexico than even this supposititious case would be for us?

So far the United States has not intervened, except to drive off Villa and to chase (vainly) the bandits who recently captured two American aviators. But Senator Lodge has appointed a Senate investigating committee which consists of Senator Fall, chairman; Senator Smith of Arizona, said to be the "conspicuous chum" of Fall, and the colleague of Ashurst, quoted above, and Senator Brandegee of Connecticut, whose point of view is typified by his comment on a recent article by ex-President Taft: "I never pay any attention to the froth he emits. Every time you throw a cake of soap into him, he emits whatever froth President Wilson wants him to." A committee could not have been appointed more predisposed to find for intervention.

The situation is further complicated by the fact that in the Monroe Doctrine are involved obligations as well as privileges. England and France have enormous interests in Mexico. As the Monroe Doctrine precludes them from themselves protecting those interests by force, they may be expected to turn to us to see that their interests and those of their citizens in Mexico do not suffer. We are their friends and want to remain their friends. "Watchful waiting" may seem as inexplicable to

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them now as it seemed to Mr. Hughes in 1916, and as it has long seemed to all Jingoos.

Let us not, however, deceive ourselves. "Propaganda" means the artificial dissemination of news calculated to produce a state of public opinion desired by those who disseminate the news. "Intervention" in the case of a strong nation, dealing with a weak one, is a euphemism for war. The phrase to "clean up" Mexico similarly means war upon her. Nine men in ten in the financial districts assume today that we should go to war with Mexico. They are doubtless ignorant of the fact that in 1848 the United States signed a treaty with Mexico agreeing to arbitrate all differences before going to war. No American should tolerate making this treaty a "scrap of paper."

On December 4 last, a typical item in a financial column said: "The outlook for companies operating in Mexico is believed to be brighter than it has been for a long time. The great expansion in the American army undoubtedly will exert a salutary effect on the obnoxious elements in the Southern Republic." With equal candour, on July 15 a correspondent of the *New York Times* in Coblenz wrote that the American army was drawing up plans for a Mexican campaign. "The military machine," said he, "has begun to do what the armies of European nations have long done, that is, draft plans of campaign against neighbour nations."

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This time our army was to fight “with the most modern weapons” with “the 1919 stamp upon them.”

Intervention thus conceived is not merely war, but aggressive war on the old and, we had assumed, discredited European basis, the war of a great nation on a little one.

There is food for thought at such a time in the views of labour.

The proceedings in New York, July 10, of the Pan-American Federation of Labour, have the following entry: A resolution introduced by Louis N. Morones, representing the Mexican Federation of Labour, was adopted, deploring “the campaign that for some time has been carried on to provoke an armed conflict between the United States and Mexico” and urging peaceful settlement of all difficulties. Similarly, Samuel Gompers, has said in an interview: “To my mind, it would be the gravest wrong which could be inflicted upon the people of the United States, as well as upon the people of Mexico, if the Jingo spirit which now seems to be in the course of manufacture should drive us into anything like a conflict with the people of Mexico. The President, with his associates, has negotiated a treaty of peace and in it established the covenant for the League of Nations. One of the highest purposes is the settlement of international disputes

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by peaceful means, and we cannot consistently advocate such high principles in our dealings with the European nations as provided in the covenant and then rush into an armed conflict with Mexico.”

Will not a righteous cry go up from labour that it is a capitalist's war, if we now intervene in Mexico? Will not another righteous cry go up from our new friends in the A B C countries that we have justified their former suspicions of us? Will not the whole world cynically compare our professions with our practice, and look upon us, not as leaders toward new and better international ideals, but as the nation which failed the world at the first test?

The politicians and the oil producers can easily persuade themselves that intervention will increase the production of supplies which the world needs. They can strike a responsive chord when they urge us to suppress outrages in Mexico, even though the outrages there may not be more reprehensible than they are here. Let us indeed agree with them that in Mexico, as elsewhere, we should seek to have justice done our interests and all reasonable protection granted our citizens. But where in all history will there be folly like unto our folly, infamy like unto our infamy, if the propaganda, to which we are wanted to give heed, should prove to be the bearing of false witness against a helpless

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neighbour, trying to struggle to her feet, and should deafen our ears to her appeals for mercy, and should lead us to sharpen our knives "with the 1919 stamp upon them" and attack her and ravage her lands and take to ourselves her riches?

CHAPTER ONE: THE PLOT AGAINST MEXICO

Is there a plot against Mexico? I believe that there is, and that it involves several high officials of the United States Government; that its object is armed intervention in Mexico, on some pacific pretext, the real purpose being permanent military occupation of the country, so that its internal affairs may be administered in accordance with the interests of the conspirators.

I believe that the originators of the plot are American oil men now operating in Mexican territory, or else greedy for an opportunity to begin operations there upon terms of their own dictation. I am aware that there exists a formidable publicity bureau created to poison the minds of the American people against Mexico, and that the publication of the truth regarding that unfortunate country will result in the publisher's being deluged with letters of denial, of protest, of personal vilification and abuse.

Proof is difficult—unless undertaken by an official commission empowered to compel evidence—and the evidence is largely circumstantial. But there is enough to justify such an inquiry, if only as

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a means of preventing a war of invasion. (Senator Lodge's appointment of the most notorious enemy Mexico has to head an "investigation" of Mexican affairs was the response to this suggestion.)

American and British oil interests in Mexico are centred in Tampico, in the State of Tamaulipas, but extend south along the coast of the Gulf of Mexico to Tuxpan, in the State of Vera Cruz. Seeing only Tampico, the visitor to Mexico would be impressed by the extent to which American influence has grown. This ancient Mexican port has developed into a second-rate Key West. It contains some tall buildings, and the only hotel in Mexico of the many in which I sojourned where the "scarlet creeper" is cultivated. Seeing only Tamaulipas, he would be convinced that the chief products of Mexico were oil and bandits, and would have registered the superficial impressions by no means uncommon among certain classes of commercial tourists. But having overlooked the cities of the Central Plateau, he would be ignorant of the real Mexico, and unable to contrast the peace and prosperity of the country, where the rule of the Constitutionalist authorities is supreme, with the devastation and anarchy wrought by bandits in the districts policed by "General" Pelaez on behalf of the oil men. In this land of contrasts Tampico is and always has been loyal to the Government established in Mexico City, and so are and have been the greater part of the

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political districts of Tamaulipas. The State Government has its seat at Ciudad Victoria, a town some distance from the port, and the governor, Dr. Osuna, who was at one time a Presbyterian missionary, possesses as complete an administrative organization as can be found elsewhere; but nowhere else in Mexico outside Villa territory is there such chaos as in parts of Tamaulipas.

A topographical map would go far toward explaining these contradictory conditions. In Tamaulipas as in Vera Cruz the descent from the cool country of the Central Plateau to the *tierra caliente*, or hot land of the sea-coast, can be accomplished in a single day. A chain of mountains blocks access from the interior to the coast, and to the average traveller there are but two routes open to Tampico, one from San Luis Potosi, the other from Monterey, which lies to the north of the former city—both cities on the direct line of traffic between Laredo and Mexico City. Other routes available for horse-men and pedestrians are known to the natives, whether bandits or *pacificos*, but have no commercial importance. Choosing the southern route because it was closer to Mexico City, I left San Luis Potosi at 6:30 A. M., bound for the oil fields. On the Vera Cruz line to the capital, and throughout the network of roads I had traversed in Central Mexico, Pullman cars were in use, and travel was in all respects as comfortable as in the United

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States; perhaps more so, in our days of congestion and Government control; certainly more agreeable than my rail journey from New York to Key West a few weeks earlier.

There were no Pullmans on the roads leading to Tampico. Pullman cars are expensive things, difficult to replace, even in these days of reconstruction, and "King" Pelaez of the oil fields considers it a patriotic duty to blow up any rolling stock belonging to the Constitutionalist Government, regardless of injury to the passengers, who are robbed, if still alive after the destruction of their train, and may enjoy the felicity of seeing whatever of their belongings the bandits have discarded burned while they await the means of returning to civilization.

In the most dangerous places on this dangerous journey, one of Mr. Carranza's soldiers found the cowcatcher a seat of honour from which to scan the tracks ahead for evidence of dynamite. His life and ours depended upon the accuracy of his vision. Two soldiers, swinging out from either side of the engine-tender, watched for broken rails, open switches, wrecked culverts, or other proof of a recent visit from the Pelaez following. And whether danger was apparent or not, one soldier stood, carbine in hand, on top of a baggage car which contained half a dozen of his fellows, ready to reply to fire from ambush, or take a pot shot at

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any bandit rolling rocks down upon us from the steep mountain side.

The beginning of the danger zone was marked in a most extraordinary way. Certain bandits who ventured from the hot lands or mountain fastnesses, where they can hide more easily than upon the open plain, had been captured and hanged to the telegraph poles. The bodies, when we saw them, appeared to have been mummified in the dry pure air, and swung to and fro in the breeze in a state of perfect preservation—except as to clothes. Neither I nor the good lady who looks after me is bloodthirsty, but we had heard so much of the frightful crimes committed by these Mexican bandits who style themselves patriots, revolutionists, and sometimes Villistas, that I confess we tried, not without success and a certain grim satisfaction, to photograph five of these cadavers.

As we ran into the hill country, valleys of wonderful beauty and fertility opened before us, and despite unsettled conditions shown by ruined villages and churches and the grouping of thatched huts as close as possible to the tracks, we saw that planting had been resumed in many places. The mountains did not lift their heads into the region of perpetual snow, and there was no such glorious giant as Orizaba towering above us almost the entire day, as when we journeyed from Vera Cruz to Mexico City; but we saw sheer walls of rock, like a greatly

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magnified palisade; vast heights, so nearly perpendicular that we wondered how the verdure clung to them; and rifts and chasms so deep that, after a glance, we instinctively drew back into the car. Creeping at a snail's pace along a narrow shelf of rock, we saw suspended from a spur nearly fifteen hundred feet below us a train of oil cars. These tanks, of course, and the oil they carried were the property of the Tampico oil men, but apparently they were en route to the wicked Constitutionalist authorities in Mexico City; so "King" Pelaez of the oil fields, who guards the jungle for the oil men, dynamited them—perhaps mistaking them for passenger trains.

We reached Tampico at midnight, several hours late, and with a prejudice against "General" Pelaez.

I had been told by the American Embassy in Mexico City that the oil men paid Pelaez, for guarding their interests, \$200,000 a month. Still, I was surprised to learn from the spokesman for the oil interests next day that they would like to see Pelaez president of Mexico, because he was their friend, and the only friend they had, as they were "in bad" with the Washington as well as the Mexican Government. Only a few months before Pelaez was content with \$40,000 a month blackmail, but the *Saturday Evening Post's* articles on Mexico got into his hands, and he "raised the ante."

Two years ago Pelaez and his staff lived at Terra

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Armenia, the big oil camp belonging to "El Aguila," otherwise Lord Cowdray's Mexican Eagle Company, and were represented by "General" Enriquez at Juan Casiano, the biggest of the camps owned by the Huasteca Petroleum Company, of which the founders were E. L. Doheny, and C. A. Canfield of Los Angeles. The "Generals" were not at home during my visit to Tampico, having been dispossessed by President Carranza's soldiers some weeks before; so I did not have the pleasure of meeting them. But the oil men spoke highly of them, and it may be that Pelaez is now dearer to them because he costs them more.

Carl Ackerman was more fortunate than I, two years ago. "Who is Pelaez?" he asked in Tampico. "An ignorant Mexican rancher," was the universal reply. "He is a revolutionist, like all of us, against the Carranza Government. He has a loyal army that protects our property and workers. Pelaez is king of the police in the oil districts."

"And Enriquez?" Ackerman questioned. "A Mexican doctor," answered the foreigners, "cultured, educated and refined. He had a drug store in Tuxpan." ("Mexico's Dilemma," p. 80.)

Unable to meet the "King of the Oil Fields," I said to the oil men: "Why don't you shut off this blackmail and make your peace with Mr. Carranza? No doubt your stockholders could use to advantage the \$200,000 a month you are giving

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Pelaez, and he doesn't seem to be delivering the goods." "We can't," was the invariable reply. "He would blow up our wells if we did. Besides, the State Department at Washington knows each and every payment we make to Pelaez, and approves it."

Of course a guard of United States marines would cost these gentlemen nothing. That is the first incentive to the plot against Mexico—extrication by armed force from a difficult situation—and at the expense of the American nation rather than of themselves.

And there would be money in it!

American oil men profess not to have made a cent in Mexico in years, although six months after my return from Mexico Doheny's company paid a 1918 dividend of more than \$14 a share, and Lord Cowdray's company paid a twenty-five per cent. dividend last January, and the Dutch Shell has paid thirty-seven per cent. and forty-eight per cent. in the last two years. And Mr. Doheny expects 1919 to be the banner year for opportunities developed and negotiations completed.

How much money? I cannot state the amount exactly, but one item of economy would be the export tax now levied on petroleum by President Carranza's Government.

According to official Mexican figures, this tax amounted for the year 1918 to \$5,560,198.95 in American money. The total value of petroleum

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exports for that year was 141,557,553.20 pesos, the peso being legally fifty cents American, although usually a trifle more valuable in the exchange. Exports might be increased and taxes eased off by American intervention.

Official Mexican figures show that twenty-four oil companies own their land in fee simple and pay no rent. Fifty-four companies pay an annual rental of less than five pesos (\$2.50) for one hectare (two and one-half acres). These companies occupy nearly seven-eighths of the oil land under exploitation. The total area rented by them is 3,325,490 acres, out of a grand total of 4,064,870 acres. On this they pay an annual rental amounting to \$589,320.54, or a little more than ten and a quarter cents per acre. Twenty-two companies pay annual rentals of less than \$5 per hectare upon 138,340 acres, amounting to \$166,254.84. One hundred and twenty-two companies pay more than \$5 per hectare. They occupy 175,087 acres and pay a total annual rent of \$2,443,457.72. Several companies pay from \$500 to \$2,016 per hectare, which raises the average, so that on the total acreage, as stated above, the total annual rent is \$3,449,033.22. Both rentals and tax rates are lower than in Texas or Oklahoma, but under American intervention they might be still further reduced.

The Mexican Secretary of Commerce and In-

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dustry estimates the value of all oil properties in Mexico at \$300,000,000, one-third of that sum being allotted to the wells. But in 1915 the Huasteca operators reported to their stockholders a physical valuation of lands at \$75,000,000, and have since increased their acreage. Other estimates, some by Americans, place the value of foreign oil holdings at one billion dollars. A stake worth playing for? But that is not all. Only the surface of Mexico's wealth in petroleum has been exploited as yet.

Recent efforts of the *New York Sun* and other dailies to whitewash Francisco Villa and his lieutenant, "General" Angeles, who, it is now pretended, is "Provisional President of Mexico," while Villa is merely his Secretary of War, shifts the limelight for the moment to the State of Chihuahua and the International Boundary. The *Sun* absolves Villa from the Columbus massacre on the ground that he was not in immediate command of his men at the time. No doubt the American people and the British Government have been equally misinformed regarding the murder of Thomas Benton in Villa's office, Juarez, April 9, 1914, and of the score and more of Americans whom Villa is officially charged with having slain. Conclusive evidence of the moral purity of Villa will be found in the fact that the American oil interests maintained a financial agent and a press

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agent with him for three years, which of course they would not have done had he not been as angelic as Angeles himself. And he is Mexico's foremost military leader. That was conclusively established at the Battle of Celaya, where General Obregon defeated the Villa army of 40,000 with a force half as large, and drove him back with a handful of the men who survived to the northern mountain fastnesses where he has since skulked, only re-appearing for a cattle raid from time to time until his last feint against Juarez. Villa's break with Carranza took place in September, 1914. Chihuahua has an area of 90,000 square miles—nearly three times the territory of the Kingdom of Ireland, but its population numbers only 227,000—which exceeds that of Springfield, Mass., by 2,000. Chasing bandits through cactus lands isn't easy work. If you don't believe it, ask General Pershing.

And a handful of men can do much damage and make a lot of noise. If you don't believe it, re-read the recent accounts of bombing outrages in American cities, and of riots in Washington, Chicago, Boston, Omaha, and elsewhere.

But how has Villa maintained himself in all these years?

Partly by stealing cattle, which find a ready market on the American side of the border, despite the efforts of the Border patrol to prevent smuggling, partly by robbing ranches and mines,

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but chiefly through the charity of his American friends.

“Innocent, well-meaning, but utterly deceived Villa,” writes the charitably minded Carlo de Fornaro (Carranza and Mexico). “If he only knew that the Cientificos, whom he accuses of having affiliated with Carranza, are really pulling their wires from New York, and using him as a tool to eliminate Carranza, and this because the First Chief intends to carry out all the radical reforms of the revolution.”

Mr. de Fornaro believes, and rightly, that the American press, though it cannot be bought, can be fooled. He tells how British oil interests spent 7,000,000 francs to corrupt the Paris press when Huerta was seeking a foreign loan, on the authority of Dr. Atl, now director of the Mexican National Art School, who exposed the facts in “L’Humanite.” Then he throws some interesting light on the press campaign for Villa in 1913, when “the Villa publicity reached its zenith,” and “as much as two hundred dollars was paid to a writer to get a story on Villa into a New York Sunday paper.”

“Even the Aguascalientes convention became a Punch and Judy show,” he writes, “managed from New York, and it was used as a convenient lever to oust Carranza and place a puppet in his stead. . . . In fact, all the interviews passed through the hands

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of an American press agent of Villa, and his manifestos, proclamations, and letters were written by the agents, and signed by Villa, who was absolutely ignorant of the contents of the documents."

In the midst of a new campaign against Mexico through the press, one wonders how intelligent editors can be deceived so easily. In the case of a great publication like the *Chicago Tribune*, owned by people who, as revealed in the Ford libel suit, are also interested in the Harvester Company and in the oil corporations, all of which are now in opposition to the present Mexican Government, some overzealous newspaper employé might occasionally stretch a point of fact in trying to "roast" Mexico.

The attitude of Mr. Hearst's papers is partly understandable on the grounds of that publisher's large property interests in Northern Mexico. But what about the others?

Melville E. Stone said a few years ago in the course of an address at the Pulitzer School of Journalism, "I once had luncheon with the editor of the *Paris Figaro*, Gaston Calmette. That day his paper had contained what purported to be a cable message from New York, recounting in thrilling phrase the story of a massacre of a large company of people by Indians on Broadway. I asked him why he published so absurd a tale. 'Ah,' said he,

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'there are sixty thousand brainless women in Paris. They are the demimonde. They read *Figaro* and these silly things amuse them.'

"This sort of journalism," Mr. Stone added, "is not the most profitable sort of journalism," a statement with which one may agree, and still wonder why it should be blazoned to the world by certain American newspapers in their efforts to please the anti-Mexican propagandists.

Perhaps even the great and powerful news gathering association of which Mr. Stone has been so long and with such distinction the directing genius is at fault. The Associated Press serves several newspapers in Mexico, and has its main office in the editorial rooms of *El Universal*, a daily with correspondents in all parts of the republic. Yet its dispatches from Mexico are meagre and far between.

On March 3, 1919, a Mexican official at a dinner given to visiting newspaper men in Mexico City, announced on the authority of the present Mexican Secretary of the Treasury that the petroleum controversy would be solved by eliminating the retroactive features of Article 27 of the new constitution. The representative of the Associated Press took the floor, and asserted that he would not wire this statement until it was made in official form, and criticized the Mexican officials for their lack of system in communicating information to the press.

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Not wishing to duplicate, but believing that the information should be cabled to New York, I asked the A. P. man if he really meant to "spike" the story, late that night, intending to cable it myself.

"Certainly I'll 'spike' it," he said. "It's plain propaganda, and I've been warned from headquarters to let propaganda alone. There's too much of it on both sides."

I shall not suggest to Mr. Stone that any member of his organization would be guilty of *suggestio falsi*, but here is a distinct example of *suppressio veri*, and precisely at the time when his old friends the Shanghai liar and the correspondent who frequently heard firing off the Mole St. Nicholas appear to have taken their abode in Washington and El Paso.

It is merely a coincidence, of course, that the oil, mining, and other interests now attacking the Mexican Government should have chosen as their chief press agent in New York a former general superintendent of the Associated Press office in Washington, Mr. Charles Hudson Boynton, whose father held that position before him. Mr. Boynton came to New York nearly ten years ago to engage in the brokerage business, and has been president of the American Russian Chamber of Commerce.

In a characteristic letter covering anti-Mexican oil propaganda, Mr. Boynton tells the editor that he has now assumed the direction of affairs for

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the National Association for the Protection of American Rights in Mexico, seeks "information as to the individual with whom we should deal whenever we have information which we think would be of news value," and concludes by a reminder of old A. P. friendship: "As my new capacity will bring me in touch with many old acquaintances, I hope that you will permit me in the near future to renew ours."

Frank J. Silsbee is associated as secretary with Mr. Boynton, who is styled "executive director," and the offices are located at 347 Fifth Avenue.

But the Boynton bureau is not the only concern handling anti-Mexican oil propaganda. There seems to have been an Association of Producers of Petroleum in Mexico at the same address, letters to which appear to sometimes get in Mr. Boynton's hands, and there is or was until recently, an "Association of Oil Producers in Mexico," which in last March issued a legal brief for circulation in our State Department, the foreign offices of other countries, and the diplomatic corps. It is rather well done, by a lawyer for the Standard Oil Co., I am informed, and in its summing up thus delicately hints at what will happen to church property, if the petroleum laws are not amended.

"Confiscation, like conflagration, spreads. If Mexico consummates the confiscation of oil fields contemplated in her newest constitution and de-

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crees, other confiscatory provisions of Article 22 of this constitution will be boldly applied as against foreign and native holders of lands. It is undeniable that such consummation will encourage similar spoliation of foreign owned interests in other new countries. The result will be commercial chaos and fatal retardation of industrial development in these new countries where development is so needed."

This association lost its punch by admitting that if the petroleum laws were amended, the oil people would have no further grievances against the Mexican Government, and probably will disappear. Of course they have grievances. Are not the Mexicans committing the lamb-like folly of muddying the wells from which the oil men drink? They have already manufactured the bases for a new set of grievances, as related in the financial columns of the *New York Sun* (morning edition), of June 7, 1919, where nothing appears offensive to the propagandists.

"News that the confiscatory feature of the Carranza subsoil nationalization decree is now a dead letter has reached operators of oil companies in the Mexican Tampico fields. They are going ahead with exploration and drilling without any interference from the Mexican authorities. All foreign oil interests in Mexico got together several weeks ago and agreed to keep on boring and bring-

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ing in wells without obtaining the new form of permit. This was drawn to compel obedience to the Carranza decree arbitrarily nationalizing Mexican subsoil without regard to property ownership or leased rights legally established before that decree was promulgated last winter. To obtain such a permit an operator had to sign an acceptance of the subsoil decree terms, and thereby relinquish by his own act his ownership or leasehold rights. Several new wells have been brought in by American companies since the decision of the operators to go ahead without government permission."

This unlawful conduct recalls the dicta of an oil man, widely published throughout Mexico: "If Mr. Carranza won't give us what we want, I'll go down into Mexico City and set up a government that will."

Even more dangerous to international peace than the more or less easily recognizable propaganda of the press, or the alarming and untruthful official appeals from the governor of a border State, or the intentional indiscretion of a public official like Mr. Speaker Gillett in blurting out an attack on Mexico at a gathering of pan-American public men chiefly concerned with improving relations between their countries and ours, is the veiled and scientific attack by lawyers and other employés of the oil interests in their private capacities.

Thus Mr. Ira Jewell Williams, of the Phila-

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delphia Bar, is always ready to reply to any article in which a favourable opinion of Mexico may be expressed, and to set the editor right. In so doing he encloses with his compliments a reprint of an article he wrote for the *Journal of the American Bar Association* on "Confiscation of Private Property of Foreigners Under Colour of a Changed Constitution." He writes on elaborate law firm stationery, but omits to add that he is president of the Panuco-Boston Oil Co., although he broke this rule in a recent letter to the *New York Times*.

Much more frank is Thomas Edward Gibbon, attorney of Los Angeles, home town of Messrs. Doheny and Canfield, who calls his book "a lawyer's indictment of the crowning infamy of four hundred years of misrule," dedicates it to the poor peon and his distinguished fellow townsmen, and echoes the demand for intervention. He has written *the* text-book for the interventionists, regardless of fact or of consequences, and his publishers are the Doubleday-Page Company, once supposed to be close to the administration of Mr. Wilson.

Careful reading of recent anti-Mexican oil propaganda shows that the press agency desires to impress four points on the public:

- (1) There is no plot against Mexico.
- (2) The plot against Mexico was discovered or invented by an author of artistic temperament.

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(3) The oil men are spending only \$30,000 a month in maintaining armed rebellion against the legitimate and recognized Government of Mexico through subsidies to the bandit Pelaez, and not \$200,000 a month, as they told the American Embassy in Mexico City.

(4) The oil interests are really engaged in missionary work in Mexico, seeking rather to benefit the down-trodden peon than to exploit the natural wealth of the country for selfish purposes.

These statements may seem contradictory, but they can be reconciled easily by any mind which has been thoroughly lubricated with petroleum. For my part, I rarely express doubt at any statement a press agent may make. It seems so useless. But points one and two are flatly denied in a document which is entitled to consideration:

WILSON TO END PLOT AGAINST MEXICO

(By the Associated Press)

Washington, March 25, 1916.—Convinced that powerful influences are at work to force intervention in Mexico, Administration officials were today considering just what steps shall be taken to bring the agitation to an end. . . . President Wilson is said to be determined to stop the circulation of inflammatory rumours, and to take legal steps if necessary.

I yield the honour of discovery, if it is an honour, to the President of the United States, who is thus

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denounced, I believe for the first time, as an author of artistic temperament.

His proclamation of an order to stop gun-running into Mexico would indicate that he really means business, and there is no doubt that the complete pacification of Mexico would quickly be an accomplished fact if unlawful traffic in arms and ammunition were stopped, and legitimate sales to the constituted authorities encouraged.

If the Police Department of New York City were denied the right to purchase weapons, and the gunmen and gangsters encouraged to buy automatics and ammunition in Jersey City, it is probable that there would be an increase of crime in New York, and there is no doubt about the effect of a similar policy for the last few years in Mexico. The number of murders of American citizens in the last nine years is the saddest of proofs that a definite policy is essential to peace along the border. Most of these murders were committed by outlaws armed with weapons of American manufacture, and trains have been blown up and bridges destroyed by dynamite "made in America."

Naturally the "flimsy" factory maintained by the interventionists in Washington, has been working double shifts behind closed doors for several weeks, for circumstantial evidence points to this as the propitious hour in which to force armed invasion of Mexico. The presidential terms of Woodrow

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Wilson and Venustiano Carranza are drawing to a close. Mr. Wilson, who has seized the republics of Santo Domingo, Haiti, and Nicaragua, without loosing the American grip on Panama, has thrice invaded Mexico without a declaration of war, and might be persuaded to do so again. Indeed, the very terms of his latest proclamation make it possible for him to establish or overturn any Government in Mexico, simply by instructing Mr. Lansing to whom munitions may be consigned. The next president of the United States may be of a different moral and political type. Moreover, Mr. Carranza may be replaced by one of those smooth diplomatists not uncommon in Latin-America, with whom it would be next to impossible to pick a quarrel.

But the "flimsy" factory has had a run of bad luck. No sooner had it obtained first page in every daily in the United States for a picturesque story of an insult to the American flag than the Navy Department admitted that a party of skylarking sailors, who had gone fishing beyond the outposts maintained by the Carranza Government around Tampico, had been robbed; and that they had gone into the bandit-land (ruled by "the King of the Oil Fields") without permission, and had carried no flag. Efforts to fix on Mr. Carranza's soldiers responsibility for the murder of an American citizen and the outrages committed on his wife by bandits

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also failed, although the shocking story would have received more space had not the race riots in Washington seemed bigger news. The evidence of Ambassador Fletcher likewise proved a great disappointment to the interventionists. Instead of half the territory of the republic being held by the rebels, as the *New York Times* proved by a map and a long article on the day of its interesting inquest into the death of Francisco Villa, Mr. Fletcher said that practically the whole country was controlled by the Government at Mexico City. However, Mr. Fletcher, who had spent many months in Mexico, had been deluded by the Carrancistas, as Mr. Hearst, who has not been in Mexico, proved by reprinting the *Times's* figures, and the *Times* has told its readers just how many men would be needed to conquer Mexico.

Still there are hopeful signs for the future from the point of view of the interventionist. The great State of Texas, which so carefully enforces racial equality and Christian good government that there has only been one negro lynched since the race riots of last summer, would like to conquer Mexico without aid from the Government at Washington. Furthermore, the *Times* refrained from killing Villa entirely, and the capture of Juarez by the angelic Provisional President of Mexico and Secretary of War Villa, which may be attempted again, would be a fine moral victory over the Carrancistas.

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And even if Juarez weren't captured, there would be found plenty of newspapers to devote a column on the first page to the glorification of Villa's victory, and his forbearance in executing only eight Carranza officials, and then deny the story next day in a stickful of type at the bottom of an inside advertising page. That was, of course, the way Chihuahua City was "captured" recently. It was briefly explained that Villa hadn't really captured the city, but was planning to do so; and so the eight Carranza officials came to life again! And most of our American dailies swallowed whole the extraordinary "evidence" presented by Mr. William Gates, although Mr. Gates is known chiefly from his propagandist articles in the *North American Review* and the *World's Work*. We are indeed a credulous folk.

Besides, this would be the opportunity to do something for the army now being withdrawn from Europe. America is well supplied with munitions, with poison gas, and with seasoned officers. These officers, especially those who are being detained in the service, and can account for the fact in no other way, expect an invasion of Mexico. Talk to them in confidence, if you don't believe it, and see what they say. From the greenest cadet to the oldest U. S. A. retired, they expect to "clean up" Mexico. And the thing is so easy—on paper. A retired colonel made the statement a few days ago



SELF PORTRAITURE

By Germán Gedovius
professor in the Nacional Academy

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that it would take only 200,000 men to conquer and pacify Mexico. But this is an exaggerated estimate. Plans have actually been drawn, and placed confidentially before more than one United States Senator and more than one member of the House of Representatives, showing that only 35,000 men will be required. These plans are familiar also to at least two men as remotely apart as New York and Mexico City, for both have talked to me about them, and their figures were identical, as told in a later chapter.

It must be admitted, however, that while the psychological moment for invading Mexico is near at hand, some of the separate movements which are designed to strike terror into the hearts of the Mexican officials, and which might have had that effect had they been simultaneous, have failed to synchronize. In order to make it appear that President Carranza controls only a small part of the 767,005 square miles of Mexican territory—five per cent., according to the information made public by a New York banker at a public dinner last winter—the *World's Work* carried a series of articles giving a personal estimate of the other "chiefs." Included among them, of course, was Emiliano Zapata. While the magazine was still on the news-stands, Zapata had passed to the Great Beyond, having long before ceased to be a real factor in the affairs of the State of Morelos, where he had

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once been supreme. An illiterate Indian, Zapata was none the less a master of guerrilla warfare. After his revolt against Huerta, that crafty soldier sent as many as 30,000 troops, armed with machine guns and cannon, against him. Zapata defeated small bodies of troops in many engagements, and when outnumbered, went into hiding. But when Constitutionalist rule was established in Mexico City, Zapata declined to acknowledge the leadership of Mr. Carranza, having been persuaded by Manuel Palafox, his secretary, that he, Zapata, should have been named for the presidency. Mr. Carranza, all attempts at conciliation having failed, sent General Pablo Gonzalez into Morelos last winter. Zapatista rule came to a speedy end. Zapata was killed, together with his friends, Mejia, Amoles, and Palacios; "General" Jaurequi was executed after a court martial, and Zapata's body, having been exposed for purposes of identification at Cuatla, was buried there on April 12. The death of General Aureliano Blanquet, following that of Zapata, put an end to the possibility of overthrowing the present Government of Mexico by concerted rebellion within Mexican territory.

The landing of General Blanquet in Mexico was planned and financed in New York, and was attended by a fine burst of press-agent eloquence in the New York dailies. Who paid the bills is not stated. Perhaps it was the German Government,

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which defrayed the cost, as newspaper readers will remember, of the proposed invasion of Mexico by General Huerta, just before that worthy was captured by United States authorities and placed in the prison where he died. The fact that Germany financed Huerta's attempt against Carranza is a further revelation of the astute double-dealing of that evil race, because, if you will believe the oil men, Carranza himself was pro-German, and this naturally leads to the inference that Germany must also have backed Blanquet. At any rate somebody did.

Blanquet was to join forces with Felix Diaz, who was said to control the States of Vera Cruz, Tabasco, Chiapas, Oaxaca, Guerrero, Michoacan, Jalisco, Guanajuato, Puebla, Hidalgo, San Luis Potosi, Tamaulipas, Nuevo Leon, Coahuila, Chihuahua, and the Territory of Tepic. Having been secretary of war under Huerta, Blanquet was expected to unite the forces of Zapata, Diaz, Villa, and Pelaez and thus form an armed ring around the Constitutionalist Government, and kill it by constriction, boa-fashion.

Unfortunately, at the time of his landing, Blanquet learned that Felix Diaz had abdicated his authority in all but one of the states named and taken refuge in Vera Cruz, where, with a few followers, he amused himself by dynamiting trains, until General Candido Aguilar put a stop to that

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sort of sport; after which he took to robbing hen-roosts. Villa, the leg he lost in the Columbus raid having been kindly restored by the New York newspapers, must have been courting the girl he married recently, as gravely chronicled in the same veracious journals on June 14, and Pelaez was fleeing before Carranza soldiers somewhere between Tuxpan and Tampico. Going first from New York to Havana, Blanquet and seven companions sailed for Mexico in a small vessel and landed at Palma Sola, some distance north of the port of Vera Cruz. Thence they made their way inland to the village of Chavaxtla, where they were welcomed by Pedro Gabay, one of the Diaz band; but while they were in conference, General Guadalupe Sanchez attacked them. Gabay fled, but Blanquet was killed, almost by the first volley, and with him died General Luis Amado, Colonel Traslosheros, and his private secretary. General Francisco Alvarez was court-martialed and shot.

Comments *La Revista Mexicana*: "In his death the followers of Madero and the supporters of the Constitutionalist Government see a just vengeance for the treason and assassinations in which he took part. They also see in the collapse of the movement so pretentiously heralded and advocated, the practical collapse at no late date of the efforts of Felix Diaz, who remains in hiding in the mountain fastnesses of Vera Cruz, and evincing, as he always

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has done, no 'stomach' for a fight in the open, but contenting himself with sporadic raids for plunder and murder, and with the issuance of bombastic proclamations."

It may be that the plot against Mexico will prove a fiasco as a whole, that the complete fabric will be no stronger than its weakest part, but it is a danger, more menacing to the United States than any other now presented by our highly complex foreign relations.

May we not hope that the financial controversies between citizens of the United States and our weaker neighbours can be solved by open diplomacy rather than by armed intervention, no matter by what altruistic professions violence is prefaced or accompanied?

Shall we throw to the winds the peace of a continent as lightly as though it were a mere "scrap of paper"?

Shall we deny to our next door neighbour to the south the right of self determination we should not dare deny to our next door neighbour to the north?

Let us not send for the bowl of P. Pilatus. After washing our hands we may be compelled to swear to all the world: "No, gentlemen. You mistake the odour. What you smell on our hands is Attar of Roses . . . not Petroleum."

CHAPTER TWO: THREE SOLUTIONS FOR OUR MEXICAN PROBLEM

In writing about Mexico I find that I have greatly displeased a small minority of my countrymen who advocate an armed intervention in that country, and threaten libel suits against all who oppose them. I am sorry for this, but console myself with the thought that the interventionists, although important because of great wealth and powerful political influence, number less than 2,000, while the people who would bear the expense, the brunt of the fighting, and the crime of war for conquest against a small nation, exceed 100,000,000.

Most of the interventionists have never been in Mexico, but have financial interests there in oil, mines, or ranches. This is the explanation of the difference between us. I *have* been in Mexico, and I have no financial interests there. When in Mexico I found no difficulty in obeying the laws of the country, and it seems to me that I would have been bound by them, if I had been the owner of an oil well. Perhaps great wealth modifies one's point of view. It seems to have had that effect in anarchistic Tampico.

But since the Mexican problem is one of our

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making, it ought to interest every citizen. Let us try to see it, therefore, as loyal Americans, fairly, squarely, and consider the possible solutions, of which I offer three.

The past of Mexico belongs to Porfirio Diaz. An Indian soldier, he grew in greatness almost to three score and ten, and until he became senile, the country grew with him. Before him there had been heroic patriots, wise theorists, far-sighted statesmen, but from the time of Montezuma, none save he alone was able to unite and direct the heterogeneous elements of the Mexican population in such a way as to give Mexico an honoured place among the nations. No viceroy was able to rule so firmly or so long. No president or emperor conceived of the material progress to which he guided his compatriots.

The present of Mexico belongs also to Porfirio Diaz, for the defects of his great qualities are still felt. The evil that men do lives after them, and the evil of Don Porfirio was both of omission and commission. His government was merely a military autocracy, powerful so long as he retained his mental vigour, and to undo the things wrought in his old age a revolution was inevitable. Neglect of public education for the masses, without which republican government is a farce, was the greatest of his sins of omission, and it will take years of hard work to give Mexico a literate electorate.

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The future of Mexico belongs to the revolution, of which Venustiano Carranza has been the presiding genius. In the year remaining of his term he will go far toward restoring the order and stability which characterized the rule of Diaz in his prime, but with a regard for the rights of the peon, the mechanic and the shopkeeper hitherto unknown in Mexico.

The constitution of 1917 forbids the re-election of Señor Carranza, and he will uphold the fundamental law he helped create.

Today in Mexico evolution is succeeding revolution, but civil war is costly, and the cost is still unpaid. Destruction of material wealth can be restored from the sources whence it was derived, mines of incredible richness, soil of inexhaustible fertility, a vast territory having docile labour, tremendous waterpower, and at least a third of the world's petroleum supply.

But Mexico has always been a debtor nation. In comparison with those of her three chief creditors, the United States, Great Britain and France, her debts are trivial; but these three powers having undergone a terrific strain, having spent in a month more than Mexico lost in ten years of civil strife, are becoming importunate. They are preparing to demand a cash settlement. Mexico's revenues are greater than ever, her prosperity is assured if she can find a way of placating her

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creditors, but at the present moment she can neither pay principal nor arrearages of interest. This doesn't mean that Mexico is bankrupt, for her assets are a thousand times in excess of her liabilities. It simply means that she can't convert these assets into cash quickly enough to avoid the danger of foreclosure.

The public debt of Mexico, the national debt, as we should call it, had reached the sum of 520,853,586.56 pesos in January, 1919. Bear in mind that normally the peso is only 50 cents in American money, and that the greater part of the debt is owed either on bonds without date or maturing many years hence, and all at low interest, and the total seems ridiculously low.

Unfortunately Mr. Carranza was compelled to finance the revolution without recourse to foreign loans, which were impossible, owing to the world war, and while his administration is able to pay its way, it has not been able to pay in full interest on the national debt, and of the total given above 92,170,899.61 pesos represents interest due this year or overdue. The total also includes the Municipal Loan of 1889, amounting to 12,525,815.47 pesos, which matures this year.

Mexico's estimated revenue for 1919 may be figured at a minimum of 180,000,000 pesos. If the Municipal Loan of 1889 were refunded, 115,000,000 pesos additional would more than square

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accounts for interest up to 1920, and no banker would hesitate to lend this sum or take up the 1889 loan if the three chief creditor nations, the United States, Great Britain and France sanctioned the transaction. Mexico's financial agents were told in New York nearly a year ago that the entire transaction could be financed here, if Washington could be induced to say "go ahead." In what other country is the money to be had? Japan?

The three powers named appear to have resolved to utilize the immediate necessities of Mexico to force settlement of:

- (1) The railways dispute.
- (2) The petroleum controversy.
- (3) Claims of their respective nationals arising from the revolution.

It must be borne in mind that when the revolution began the Mexican Government owned the control of 80 per cent. of the railways in the republic. In taking over the remaining fifth of the rails, "the high handed confiscatory act" of Mr. Carranza was therefore only 20 per cent. as heinous as that of Mr. Wilson, who likewise took over the railways of the United States when our country entered the war, and who seems to be in no hurry about returning them to their owners. Mr. Wilson, of course, merely followed the example of Great Britain and France in nationalizing the railways, but prior to these identical and necessary war measures, the

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press of all three countries denounced "confiscation of private property in Mexico," and editors still take a whack at Mr. Carranza on this subject, although instead of demanding a billion dollars to make good a deficit of a single year, Mr. Carranza has run the Mexican railways at a profit, and without raising the tariff for passenger traffic.

Soon after establishing his Government in Mexico City, Mr. Carranza returned the Vera Cruz road to the capital to private owners, in response to strong representations from the British Government, most of the shareholders being British; but as the owners were unable to prevent frequent interruptions of traffic from followers of the late Emiliano Zapata and of Felix Diaz, he was obliged to resume control six months later.

The Mexican Government has always professed that it would compensate the private shareholders as soon as it had the money, but large sums have been required for repairs and construction. I have before me as I write the statement of Felipe Pescador, who became director general of the national railways when Señor Pani went abroad. He says, March 19: "The National Railways of Mexico registered a gain in 1918 of 9,379,394.94 pesos in comparison with the receipts for 1917." He then calls attention to several new lines constructed during 1918, and to further improvements he believes to be justified in view of this proof of a business

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boom in Mexico. From what I saw of the country I incline to agree that Mexico is ready for railway expansion, and needs only ready cash with which to proceed. Col. Paulino Fontes, now at the head of the railways of the republic, is a man of energy and ability who learned the railroad business "from the ground up" by starting as a brakeman, many years ago, on a Texas railway.

The petroleum controversy is largely political. It is true that Article 27 of the new constitution of 1917 appears to confiscate all existing oil developments, but another section of this same fundamental law prohibits retroactive legislation. The Mexican Congress now has before it a measure to correct the confiscatory feature of Article 27, but it would be supreme folly in the Mexican Government to meet the demands of the oil men so long as they supply arms, munitions, food and large sums of money to such bandits as "General" Pelaez, who maintain an insurrection under pretence of guarding the oil camps.

An amicable arrangement can be made by American oil interests the moment they decide to conform to law and cease fomenting rebellion, but if, as the newspapers have repeatedly said, Lord Cowdray has sold his Mexican Eagle and other oil interests to the British Government, I have read the clause in the concession under which he operates by which such sale automatically annuls it. Lord Cowdray's

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company can have no great grievance against the Mexican Government, for it paid a 25 per cent. dividend last year, surpassed only by the 48 per cent. dividend of the Royal Dutch Shell, and as it is certain that the Mexican Eagle cannot pass title to a foreign government, it does not seem probable that Lord Cowdray would be selling gold bricks to Great Britain. Allied diplomacy was not in agreement in Mexico regarding the petroleum controversy last spring, but the presence of an American owner of vast Mexican properties at the conference in Paris may have had a harmonizing effect.

As to the claims of the Great Powers for damages arising from the revolution to their nationals, I was told by an American lawyer resident in Mexico City that Americans place their damages at \$100,000,000, and the French and British at \$100,000,000 more. I could not believe this statement until I had verified it through diplomatic channels. According to the figures prepared by Marion Letcher, American Consul in Chihuahua in 1912, American investments in Mexico totalled \$1,057,770,000; those of the British, largely in rails, \$321,303,000; the French, \$143,466,000, including \$17,000,000 in rails.

These railway investments in Mexico are sound, and the greater part of the money invested in mines, oil developments and ranches is secure, and how the claims of three sets of nationals for the destruc-

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tion of personal and movable property can ever have reached the grand total of \$200,000,000 is a mystery which can be solved only by the court of claims, international commission, or whatever organization has occasion to audit them.

Regardless of the justice of these claims, it is plain that Mexico's creditors are in a formidable position, and able to enforce whatever terms they may agree upon. They have money, ships, men, and the might that goes with them. Perhaps an agreement was entered into at the Peace Conference, in which case its nature will doubtless be disclosed when Mr. Wilson sees fit.

But after ten years of uncertainty and vacillation, Americans and Mexicans have a right to a definite declaration of policy at the earliest moment possible.

"What is Mr. Wilson going to do?" is the way Americans in Mexico put the matter.

"What is the new Congress of the United States going to do?" is the Mexican version of the same question.

And in Mexico you hear these questions on all sides, for it is perfectly understood down there that the attitude of her powerful neighbour to the north means prosperity or ruin to Mexico.

As Americans in Mexico see the situation, there are three ways of solving the problem of Mexico's future. Various minor modifications in plans were

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suggested, but all were reducible to these simple formulæ:

(A) Financial assistance, backed by good will of the American people, and genuine and intelligent co-operation by the Government at Washington.

(B) Refusal to Mexican overtures for financial assistance in combination with a solemn pledge not to meddle in Mexico's affairs at home or abroad.

(C) Armed intervention and permanent occupation of the Mexican Republic by the United States.

Either of the first two plans would be acceptable to a majority of the Americans in Mexico, and to the majority of the Mexicans themselves.

Employés of the American oil interests in Tampico, and a group of mine and ranch owners favour intervention, which would be fought by the population of the republic as one man and to the last ditch.

Let us consider briefly each of these possible solutions. I have shown, and I desire to emphasize the fact, that Mexico is *not* bankrupt. She is merely temporarily embarrassed, can be tided over by any one or all three of her chief creditors, and can, I believe, obtain the money elsewhere, if these three chief creditors will permit her to do so. There is today in actual circulation in the republic more than 80,000,000 pesos of gold and silver metallic currency, which is usually above par. The genius of Luis Cabrera placed the country on a gold basis under conditions which would else-

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where have been regarded as prohibitive, and stories to the contrary are mere propaganda.

If cut off from the United States for ten years by a Chinese Wall of sufficient height, the Mexicans could easily work out their own salvation. But her next door neighbour, the richest and most powerful nation in the world, gobbled up nearly half of the original territory of Mexico in the last century, and, in the opinion of intelligent foreigners, is about ready at this time to swallow the rest at a single gulp. This being the case, Mexico cannot finance herself except in the United States; and yet Luis Cabrera, now secretary of the Mexican treasury, assured me last winter that a loan of \$500,000,000 would suffice to put the country on a prosperous industrial basis, clear up back claims, and fully equip the railways for the additional traffic they will necessarily handle. Half a billion for such a program seems small when it is remembered that Director General Hines, of the U. S. Railway Administration, demanded \$1,280,000,000 from Congress to provide for the expected deficit of the railroads in 1919 alone.

Is it safe to lend money to Mexico?

Was it safe to lend money to Great Britain, France, Italy or Belgium?

Notwithstanding assertions of the interventionists that the Government headed by Mr. Carranza controls barely half of Mexico, any man who

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has been in Mexico within the last six months knows better. The fact is, the present Government of Mexico is the strongest since that of Diaz, and even men like former Provisional President de la Barra, now an exile in Paris, admit that Mexico can work out her own problem if the United States does not interfere by an armed intervention.

Terms of the proposed loan and conditions for its expenditure, if any, can only be made in Mexico City under the eye of President Carranza, who is in the habit of taking personal direction of all important matters. I have heard suggestions that the loan might be expended under the supervision of a commission of Mexican bankers, employing at least one American financial expert to act in an advisory capacity. Any stipulation of this kind must, however, be drawn with due respect to the dignity of the nation, as the Mexicans see it, and in matters of national honour the present Government is, to express it mildly, supersensitive. With an embargo on gun running actually enforced by the United States authorities, a genuine co-operation on the part of Washington in adjusting international differences, suppression of illegal acts by American corporations or individuals doing business in Mexico, in a word the friendly relations implied by our recognition of the Carranza Government, Mexico can be made as agreeable a neighbour as Canada, and that before the expiration of the presi-

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dential terms of Mr. Carranza and Mr. Wilson.

Refusal upon the part of the American bankers to assist Mexico financially, if coupled with a definite announcement by the Government of the United States that it will not interfere with Mexico's affairs, either at home or abroad, would result in the rehabilitation of that country almost as quickly as an American loan. Japan, grown rich in gold as a result of the war, could finance Mexico without ever missing the \$500,000,000 required. Harbour privileges on Mexico's West Coast, concessions as to a trans-oceanic freight route at Tehuantepec, oil concessions, safe-guarded to Mexico under the famous Article 27—any of these things would be a sufficient inducement to the financiers of Japan, of France, of Great Britain, if the United States would pledge non-interference.

Loss of Mexican trade would be the result of such a policy, but neither American business men nor the American Government have displayed much interest in Mexican trade, and the burden would fall on Americans now engaged in legitimate business in Mexico.

Of the third proposed solution of the Mexican problem—armed intervention—I would not write a line did I not know that plans for the invasion of Mexico were secretly drawn months ago, and placed before certain senators and congressmen who are supposed to have approved them. The

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project is too grotesquely insane to merit more than laughter from a self respecting, honour loving people, as the Americans proved themselves to be once more in the crucial test of the war against Germany. But grotesque as it is, secret intrigue, slimy propaganda, the use of tainted millions may easily bring about an international crisis from which war would seem the only way out. To avert this danger pitiless publicity is the only weapon.

I believe that the war from which the United States has just emerged triumphantly was a Holy War, and that the cause we upheld was that of civilization against barbarism.

Now that our wounds are still unhealed, when the lists of our dead are still incomplete, when we have cheerfully assumed such staggering debts that the cost of our Civil War seems picayune, Americans will not *knowingly* be forced into an unjust war against a weaker nation, a war of greed, of lust for conquest and spoliation, no matter upon what high sounding pretext.

We have been told that our war with Germany was to make such things impossible for all times to come, and I believe that we Americans are highly resolved that they shall be impossible.

I have spoken of plans. There may be several, but this one, simple and direct, was outlined to me by an American citizen in Mexico City last April almost word for word as it was suggested to me three

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months earlier by an American citizen in New York City.

“We won’t call it war, but pacific intervention, or some other name that will not alarm our people. We will begin by again seizing the Port of Vera Cruz, but this time we shall take Mexico City as well, and occupy the entire Federal District, which is all the territory we shall need to hold for some years. Not more than thirty-five thousand men will be required for this purpose, and there will be very little bloodshed, for the Mexicans are as tired fighting as any race in Europe.

“An educational campaign will be begun the moment our troops land. Proclamations will be scattered broadcast in Spanish informing the Mexicans that our only object in landing is to restore order, to build up Mexico, and to make life and property secure.

“There will be no trouble about getting educated Mexicans to assist in this educational campaign, and we will place such of them as can be trusted in ornamental positions in such numbers that the Government will still seem to be in the hands of the Mexicans.

“Our army will be used as the nucleus of a Mexican national army to be composed of natives, who will be well paid and comfortably clothed and fed, and who will make admirable soldiers, when officered by Americans. Of our own men, 15,000

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will suffice to hold Vera Cruz and the line of communications, and 20,000 will police the capital and surrounding territory until the native constabulary has been established. As the Mexican force increases in size, young Mexicans of good family will be encouraged to accept minor commissions, and American jurisdiction will be extended from the Federal District in an ever widening circle until the whole of the territories of the republic have been pacified and occupied."

I asked both my informants if they did not think in view of the lessons derived from our previous occupation of Mexico's chief sea-port, and our Punitive Expedition against Villa, it would be better to start with 200,000 men, but they were sure 35,000 would be enough, which figure corresponds pretty closely with the two divisions estimated as necessary by the American officers in Coblenz quoted in a cable to the *New York Times* of July 15. They were sure that 35,000 would suffice, that the capture of Mexico City could be effected within a month after landing at Vera Cruz, and that the whole of Mexico could be pacified in two years.

"What do we get out of it?" I asked.

"Mexico!"

Here in New York, there in Mexico, the answer was the same.

Mexico! 767,005 square miles; 14,000,000 of population accustomed in normal times to in-

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dustrious habits and low wages; 10 per cent. of the world's silver supply coming from the Federal District alone; the greatest petroleum fields in the world, already yielding nearly as much as those of the United States; agricultural lands producing everything from bananas to wheat.

On paper the scheme looks like the easiest and most profitable grand larceny ever conceived by Americans.

Would it be so in reality?

To the gentleman in New York I said: "Don't you think your figures are too low? Instead of an expeditionary force of 35,000, would not half a million be needed? Would it not cost us 200,000 in lives, ten years of hard fighting, at least two billions in treasure, and would we not at the end of ten years have earned the eternal hate of Mexico, the undying ill-will of all Latin-America, and the contempt of the rest of the world?"

I could see he had a poor opinion of my knowledge of Mexico, of finance, and of military matters, as he assured me that I was in error.

But having seen Mexico, and studied the Mexicans, I am now convinced that my own bill of costs was too low.

In ex-President Taft's time, when intervention seemed imminent, an official calculation is said to have been made as to the probable cost in money and in men. It was then estimated that some four

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hundred thousand soldiers would be required for at least two years, while the money cost would run into the billions.

“Since then,” the *New Republic* comments, “the standards of war expenditures, both in men and in money, have greatly advanced. . . . A million men and five billion dollars might suffice to subjugate Mexico; hardly less. Where are the men and the billions to come from? Must we resort again to conscription and to increased direct taxation, in order that the oil and metal profiteers may be secure in their projects of rapid enrichment?”

CHAPTER THREE: AN INTERVIEW WITH PRESIDENT CARRANZA

“We are beginning to understand President Carranza, and to think he is really a great man; but is he great enough? That is the question.”

And that question, propounded to me by the editor of a New York newspaper on the eve of my departure for Mexico, haunted me for weeks, until I became convinced that the answer should be in the affirmative, and so informed him.

My opinion of the man is based upon the tangible evidence of real achievement, upon personal contact, and upon the things said about Mr. Carranza no less by his friends than by his enemies.

One cannot spend much time in Mexico without realizing that in all the tragic years following the retirement of Porfirio Diaz, Venustiano Carranza is the one real leader evolved, the one man able to hold his own despite opposition at home or abroad.

One cannot travel extensively in the Mexican Republic without knowing that today the greater part of the country is at peace, that the complete pacification of the land may be expected the moment foreign aid is withdrawn from bandits posing as patriotic revolutionists, that business conditions

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have greatly improved, that reconstruction is actually under way, and that the guiding genius of law, of order, and of progress, is the President.

Such a man makes strong friends and bitter enemies. His friends praise him for his personal qualities and his sense of justice. They tell you frankly that they see no evil in him, and refer you to his political opponents for the shadows with which to complete your picture.

But his enemies do not attack his private character, or those public performances for which executive authority is solely responsible. They condemn him, as General Grant was condemned, because he loves his friends, and trusts them. In this they are not altogether wrong. In more than one instance, the President has been deceived by those calling themselves his friends, but not for long.

To the discontented, whether Mexican or American, it was my rule while in Mexico to listen patiently, and then invariably to slip in the question: "If Mr. Carranza has failed to make good as president, who can be depended upon to produce good results in that office?" No one had a candidate for the presidency until a Tampico oil man suggested the bandit Pelaez, and I incline to think he was spoofing.

Mr. Carranza is a big man, physically, towering over the heads of the average group of Mexicans.

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And he is a big man mentally, well educated, well read; a lawyer by profession, a planter by preference, a statesman through force of circumstances. For common sense, ability to judge men, and for quickness of decision, he perhaps has one rival in the republic. This man, who surpasses most Mexicans in vision, and is commonly spoken of as "the Brains of the Revolution," is Luis Cabrera, the President's devoted friend.

Of ancient and honourable Castilian ancestry, Mr. Carranza entered political life as a member of the State Legislature of Coahuila, represented this state afterwards as a federal senator, and was its governor at the time of the Huerta usurpation. When I knew him, in the spring of 1919, his sixtieth year, he was in his prime. Most Mexicans of the better class are horsemen, but the President was recognized as one of the best, and there are several of his officials who accompanied him on a fifty-seven mile ride to Cuernavaca who have promised themselves never to ride with him again. Of the details of his career from February, 1913, when as Governor of Coahuila he disavowed the Huerta government, newspaper files afford a complete record, which may be supplemented by examination of the semi-official biographies of Palavicini and others.

My purpose is to present the President of the United States of Mexico to the people of my own



ISABEL DE PORTUGAL
By Pelegrín Clavé, 1872-1890

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country by direct quotation of his views on important questions, with a sketchy record of the conversation when he received me in audience at the National Palace.

Mr. Carranza prefers to make his home in a private house on the Paseo de la Reforma which is in no way conspicuous among the palatial structures which front on that splendid boulevard, and sometimes uses the official summer residence in the woods of Chapultepec for state functions. Ordinary business, however, is transacted at the Palacio Nacional, a vast structure on the site of Montezuma's palace, affording ample room for the treasury department and the national museum as well as for the offices of the chief magistrate.

At four o'clock a fanfare of trumpets announced the arrival of Mr. Carranza, and I passed through a long series of antechambers to the handsome apartment reserved for public receptions. The President, who had been seated in an easy chair beside a small table, arose to greet us with a firm grasp of the hand and a pleasant smile. I say "us," because on this and subsequent occasions, I was accompanied by Oscar E. Duplan, secretary of the Mexican Embassy to Washington, whose fluent command of both English and Spanish makes him an admirable interpreter.

Following the custom of Spanish-American countries, I had submitted, with my request for an

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interview, a series of written questions. Mr. Carranza said that he had read these questions, and would dictate replies which would be sent to me later, but that he was prepared to discuss some of the matters thus brought to his attention, or to give any other information that might be deemed useful in promoting a good understanding between the American and Mexican peoples.

This good understanding, I ventured to suggest, had often been imperilled by deliberate misrepresentation of fact in the sensational press of both countries, to which the President assented. He believed, however, that the purpose of these publications was so well understood in the United States that their power to injure either a nation or an individual was practically gone. In explanation of the Mexican Government's toleration of a yellow press within its own territory, he said that he made it a rule to read every attack published against his administration, and to act upon any suggestion made for the improvement of any branch of the Government. Merely personal attacks against the President he had ceased to read, but if he suppressed personal criticism directed against himself it probably would have the effect of ending criticism of his Administration, which he regarded as too valuable to be dispensed with. I have reproduced this much of the conversation relating to the press because it amplifies Mr. Carranza's views on this

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subject as expressed in the formal questions and answers, which follow:

“I assume, Mr. President, that whatever misunderstandings have existed between your Government and that of the United States have been cleared up; that whatever differences remain will be speedily adjusted through diplomatic channels to the mutual satisfaction of both countries. My readers are profoundly interested in the reconstruction, in the future of Mexico, and I am sure that they desire the bonds of friendship strengthened between our peoples. What proof does Mexico desire of this increased cordiality of sentiment on our part?”

“Our relations with the United States are better each day, because having passed through the period of the war, the American people are now convinced that we remained actually neutral during an epoch when it would not have been to Mexico’s advantage to enter the world war. The best proof of friendship the United States can give us in the future would be to establish complete freedom of commerce and communications with us, and to follow a policy of non-intervention in our internal affairs, and, on the part of the American Government, to avoid occasions of friction by exercising greater caution in making representations or claims on behalf of foreign citizens residing in Mexico.”

“During a brief sojourn in this beautiful country

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I have heard from many sources of the policy of conciliation your Administration is putting into effect. I have witnessed the joy of certain Mexicans at one time suspected of designs against the Constitutionalist Government on being permitted to return home after years of exile. Has the time come when a general amnesty may be declared safely for all except the most dangerous characters among the exiles?"

"There are a number of Mexicans who abandoned their country and remain in exile without other reason than vague apprehensions, as they were not expelled from the country by the Mexican Government. All of these Mexicans have the permission of the Government to return. Some of the Government's political enemies have also been returning from time to time, after having manifested a strong determination not to take part in plots or conspiracies, and to keep the peace in all respects. Those who are responsible seriously for crimes committed in Mexico have no intention of returning. There is no thought of enacting a law of general amnesty until after the next elections have taken place."

"Given the moral support of the United States Government, and unrestricted access to Mexico for the purchase of guns and ammunition in our markets, how long would it take your Administration

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to rid Mexico of the skulking bandits who still infest isolated districts?"

"Assuming that complete freedom in the acquisition of arms could be counted upon, no help from the United States would be needed beyond a vigilance on the American border that would prevent the organization of parties of rebels and hinder them from obtaining supplies to be used afterwards in Mexico. Under such an understanding Mexico would be thoroughly pacified by the end of the current presidential term. But to achieve this, maintenance of an army will be required at the approximate annual expense of 150,000,000 pesos. Neither the time nor the money involved will seem too much if compared, for example, with the years and dollars expended by the United States in the pacification of the Philippines." (Note: Mr. Carranza's term expires December 1, 1920. The figures in pesos equal \$75,000,000.)

"Financial circles in the United States are keenly interested in the recent visit of Señor Nieto, of your treasury department, and in the proposed visit to Mexico of a group of Anglo-French-American bankers, regarding a proposed loan to Mexico. I can see the need of reconstruction and of public improvements in many directions, especially in the matter of railways and the stabilization of foreign loans. On the other hand, I have been told the

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Federal revenues have largely increased within the last twelve months, and that Mexico, having weathered the revolution without financial aid from foreign sources, is not incapable of continuing her development through internal resources. May I ask frankly if your Administration really desires a foreign loan, and if so, of what amount and for what purposes?"

"Mexico really believes that she does not need, and therefore does not wish to obtain a loan to cover official expenses, as we hope to be able to meet all outlay from our own resources, handled with economy and efficiency. Naturally, we should be glad to come to some agreement with our creditors whereby we should be allowed to resume the payment of interest on an equitable basis. We do not wish to promise blindly terms that we cannot fulfil, and hope to convince our creditors that any agreement must be based on Mexico's actual possibilities. All the economic and financial necessities of Mexico will be resolved when the flow of capital returns to its natural channel, much that is Mexican having been diverted to the United States, and when new capital is attracted to Mexico by the good opportunities for investment undoubtedly to be found here. The Mexican Government is disposed to give true, effective, and equal protection to all capital invested here, without either promising preferences and privileges to foreign capitalists, or creating

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unfavourable conditions among its own people. Knowledge of this attitude alone will, we hope, result in a great many investments being made here."

"Cuba will sell sugar to the United States this year to the value of \$450,000,000, and tobacco to the value of \$200,000,000. She will retain a handsome balance after having spent in the United States perhaps \$500,000,000 for machinery and supplies. Under normal conditions in Mexico, commerce between our countries ought to be five times as great. What can be done at this time to develop our industrial and commercial relations?"

"The best method of improving relations between the two countries is one which is already in operation; that is to say, facilitating and encouraging visits to Mexico from professional and business men in the United States, with journeys by the corresponding classes in Mexico to the United States, by means of which the people of both countries will acquire a better knowledge of each other. At present mere official relations between countries are of a very secondary importance when compared with those established by direct contact between professional and business men, merchants, manufacturers, students, and workmen."

"I am aware of the interest the President of the United States of Mexico has manifested in agricultural developments, and of those advantages of climate which permit Mexicans to cultivate with suc-

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cess the products of every zone; and I should be glad to know what may be expected in the way of irrigation and scientific land culture as a result of the impetus given under your direction by the Department of Agriculture.”

“Mexico must make a great effort to open up all the land that can now be cultivated, and our agricultural problem involves the education of the rural population, and the establishment of a system adequate to our conditions of agricultural credits (*Crédito Agrícola Refaccionario*) that will free the farmers from the ancient system of mortgage loans.”

“Education of the masses is one of the most serious problems of republican government. In my country the ignorant voter is a menace. In some Spanish-American countries he is a danger. What plans are being made for primary education, and for a graded course of instruction leading to the technical schools, now that Mexico has assumed control of secular education?”

“The nation has come to the conclusion that the chief effort that must be made in the direction of education shall be a considerable expansion of primary education, which at present is under the direction of the municipal authorities. Both the Federal and State Governments are trying to assist in the development of technical, agricultural, and industrial education, giving less attention to the

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universities and leaving them to private initiative. Meantime the Government prefers to give its best efforts to the extension of primary education."

"In our country as in yours freedom of the press is a constitutional guarantee, but with us the rights of individuals are safeguarded by statutory restrictions. In dealing with public matters I find at home as in Mexico a tendency to construe liberty as license. Allow me to quote your own words at a critical time in Mexico, because they precisely describe conditions in the United States during a period of trial, in regard to the newspapers of Mexico:

"It is well known that the abuse of liberty of speech and of the press in times past contributed importantly toward weakening the stability and prestige of the legitimate Government of the Republic, and to aid and encourage the audacity of its enemies."

"You are aware, Mr. President, that Mexico's worst newspaper enemies in the United States have also been the worst enemies of the United States. Shall these discredited publications be permitted to foment new misunderstandings between the Mexican and the American peoples? Or have they lost their power to do evil, now that their motives are clear to all?"

"At present any attempt to restrain the abuses of the yellow press would be interpreted as weakness

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on the part of the Government, and as dread of the free discussion of its acts. Although I realize that the attitude of many small newspapers is uncalled for and unjust, the Government has decided to take no steps to suppress them, unless they invite rebellion and assist with their propaganda those who would overthrow public order. When abuses of the yellow press reach a danger point, society will demand the enactment of laws by the legislative power that will safeguard private life and personal reputation by providing for the punishment of those responsible.”

The only question, either oral or written, to which the President declined a response was that relating to petroleum. Having been officially informed that the interpretation of Article 27 of the new Mexican constitution, which appears to confiscate oil properties, was still a matter of controversy between the governments of Mexico and the United States, I offered to transmit any statement he might care to make on this subject.

Mr. Carranza said that, having submitted to the Mexican congress a law intended to clarify this situation, until the congress had taken action, it would not be proper for him to discuss it.

I had also been officially informed of a rumour that, notwithstanding the clause in the new constitution making the President of the United States of Mexico ineligible for re-election under any circum-

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stances, Mr. Carranza's supporters might seek to continue him in power by means of an amendment to the fundamental law.

Mr. Carranza left no doubt in my mind on this point. Mexico, he said, had never really enjoyed a democratic government in the old days, a government with free elections at which the people could choose their chief magistrate. He regarded the law which prohibited a president from succeeding himself as a wise and necessary safeguard, if the people were ever to learn the means of self-government.

So ended my first meeting with a man who has left with me an impression of kindness, courage, and intelligence.

CHAPTER FOUR: A PRESIDENTIAL PROGRESS

There had been no attempt on the part of Mexican officials during my visit to conceal the ravages of the revolution. On the contrary I was invited to visit the districts in Morelos and elsewhere which suffered most from civil war in order to see the extent of reconstruction work necessary, and was disposed to do so until an inspection of the war photographs exhibited by the Alliance Française in Mexico City convinced me that the world might be weary of horrors. The waste of Belgium and northern France has been superlative. Mexican officials admitted that these scenes could not, fortunately, be duplicated in their country, and it was with a grateful sense of relief that I accepted President Carranza's invitation to accompany him to Guadalupe as an alternative, knowing that my last days in the republic would be spent in pleasant places, with congenial people, and under conditions which would be most favourable to the study of the personnel of the Mexican Government.

The presidential special consisted of six thoroughly modern coaches. Mr. Carranza's own car was that built by the Pullman company for

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General Porfirio Diaz. Thoroughly renovated inside and out, it looked like new, and contained every convenience of more recent invention. In order that the observation platform might be utilized, this car was the last. Next to it was an office car, beyond that a sleeper, then a baggage car, and finally the private car Coahuila, in which a group of American newspaper men found excellent accommodations. The decorations of the presidential section were uniform, the President's own car bearing the Mexican arms in colours on a large shield. In addition to this train, however, was another in which a car was reserved for correspondents of the principal Mexican dailies, flats on which were carried automobiles, box cars for horses and freight cars and ordinary day coaches converted into temporary quarters for a battalion of the presidential guard and its band.

It was apparent from the start that at least three of the best chefs de cuisine in Mexico were aboard and that there was something of a spirit of rivalry between them as to which should set the best table, a competitive instinct much stimulated by the frequency with which dinner visits were exchanged.

Clearly the affair was looked upon as a prolonged picnic, except by officials intimately associated with the presidential household. They knew what to expect, and were not, therefore, disappointed to find that President Carranza could find as many

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working hours in the day on train as in Mexico City. The others were made to feel that as guests of the chief magistrate they were free to come and go, and to amuse themselves as they pleased, attendance being expected, however, at the more important public functions. There was a delightful absence of formality, but always an abundance of that exquisite courtesy for which the Mexican is distinguished, even among Spanish Americans.

In the presidential party were Pastor Roauix, secretary of the department of agriculture, General Candido Aguilar, chief of the military operations in Vera Cruz, son-in-law of the President, and representative of his hospitality on the President's car; General Juan Barragan, chief of the presidential general staff, and probably the handsomest man in Mexico; Pedro Gil Farias, former newspaperman and private secretary to the President; Francisco M. Gonzales, controller general of the treasury; Manuel Amaya, first introducer of ambassadors; Mario Mendez, director general of telegraphs; General Heriberto Hara, minister designate to Cuba; Ernesto Perusquia, governor of Queretaro; Aurelio Gonzales, governor of Aguascalientes; J. Felipe Vaile, governor of Colima; Pascual Ortiz Rubio, governor of Michoacan; Col. Paulino Fontes, director of the Mexican railways; Dr. J. Aleman Perez, the President's physician; Ernesto Garza Perez, under secretary for foreign relations;

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Oscar Duplan, second secretary of the Mexican legation in Washington, and a number of the younger officers of the army.

Aguirre Berlanga, secretary of Gobernacion, and first minister, and Luis Cabrera, financial advisor to the President were left behind "to sit on the lid" in the capital, but later joined the presidential party, and before the return to Mexico Mr. Cabrera had resumed his post as secretary of the treasury.

The wife of the governor of Colima was the only woman on the train during the greater part of the time, but there was a constant ebb and flow of visitors of an official character from day to day.

The rate of progress maintained was suited to the taste of Mr. Carranza, and although the President is an excellent horseman, so much at home in the saddle that his friends dread the suggestion of a horseback ride, never knowing when it will end, or how fast a pace the President may set, he prefers a moderate speed when travelling by rail and invariably, almost, caused the train to be stopped at meal times. There were hours when one might have walked beside the train, and it was unusual for a twenty-mile rate to be exceeded. Moreover, as the President had not passed over the road to Guadalajara for more than two years, there were little receptions at every way station. Sometimes there would be songs by the school children, sometimes music by a military band, but invariably there

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was a gathering of the local notables, with a fringe of peon labourers in the background, and still further back, the women and children. And invariably the President was received with enthusiasm.

“It’s quite different from the reception accorded Mr. Carranza the last time we came over this route,” said one gentleman in the party. “Then there were crowds, as you see today, but the motive was curiosity. They were not sure that the First Chief would make a success of things, and especially, they were not sure what the First Chief would do for them. They were polite, but not deeply concerned, either at our coming or our going. Now, as you see, we are made to feel everywhere that we are among friends. The revolution has succeeded, and Mr. Carranza’s attitude toward the people is no longer a matter of doubt.”

Mr. Carranza’s attitude toward the people was, in fact, the occasion of a certain amount of alarm to some of us. We would crawl into some gaily decorated station, and after the national hymn, with which the train was always saluted, Mr. Carranza would sometimes receive a few of the local officials in his car, but would then descend for a little walk up and down the tracks, and in the course of this walk, none was so humble as to escape his notice, or too obscure to receive a pleasant salutation. The President was ready to talk with any

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peon who had anything to say, and there were hundreds of opportunities for attacks upon his person during these promenades. I ventured to speak to one of the officials about this carelessness in not watching over the President's safety.

"No one would think of injuring Mr. Carranza," said one of his household, "and besides he will not permit us to interfere in these matters. What do you think would happen to any man who attacked him?"

At any rate no one did attack him, but those of us who remembered the fate of certain American presidents could not help feeling that, however delightful the absence of ceremony, additional precautions by the secret service would have added to the comfort of these receptions.

The President while on this journey began his day's work at sunrise, spent several hours in going through his correspondence, and held conferences with the various officials on board in regard to their departments. He liked to see his guests daily, and apparently apportioned his time with such accuracy that no one could feel slighted or neglected. In conversation he is deliberate rather than slow, taking advantage of the presence of an interpreter, when talking with foreigners, to weigh his utterances carefully, but showing by his manner complete comprehension of what is said to him before the translation had been completed. In a word, Mr. Car-

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ranza understands English, and has been known to speak it on occasion, and reads it easily. His use of an interpreter is one of those little bits of humbug to which visitors in Spanish American capitals are quite accustomed. I have not heard, however, that he ever carried his pretence of ignorance to the extent that so irritated a recent French diplomatic representative in Mexico.

Assuming that an interpreter was necessary, the Frenchman called on one of the members of the cabinet, was politely received, and entered upon his very delicate negotiations at once. There were half a dozen exchanges of visits leading to nothing, but finally things came to a show down, and the Frenchman lost. Details of an agreement were reached, and a memorandum drawn, but when it came to the exchange of signatures, the Frenchman who was anxious to return home, called upon the minister without his interpreter. The man was ill, he explained in broken Spanish, and he begged that the minister would be kind enough to provide an interpreter from his own staff.

“It is not essential,” said the minister in excellent French, “for it will afford me great pleasure to converse with you in your own tongue, if you desire it.”

The Frenchman has never forgiven the minister, and yet the minister was entirely within his rights. Possibly some indiscreet things may have passed

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between the diplomat and his interpreter, as when a newly arrived American asked a friend who had been in Mexico several years to call on a landlord with whom he wished to arrange a lease on a house. They assumed that the landlord did not understand English, and discussed various stages of the bargaining freely. The would-be tenant had picked out a house for which he was willing to pay \$150 a month, although he admitted that it was easily worth \$200. The landlord thereupon exacted a long lease at \$175, splitting the difference exactly, and when the transaction was complete, wished his visitors good-bye in English.

To return to Mr. Carranza, one chief characteristic of the man is frankness. In the course of many conversations with him while on this journey, I found that he would either answer a question in detail, or decline to answer it at all. Thus when I suggested that if he wished to say anything about the petroleum situation or rather certain phrases of it which had been discussed in the press, he repeated that having sent a petroleum law to congress in which these matters were covered, he could not discuss them until congress had acted. When the Japanese concessions were filling first pages in the Mexican papers, he was unwilling to say anything, because the text of the American communication on this subject had not reached him.

I found, however, that he was deeply interested

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in some of the problems with which we are confronted in the United States, and that he could turn interviewer upon occasion himself.

Mr. Carranza feels that the one great problem in America for some years to come will be the adjustment of relations between labour and capital. He regards the increasing number of strikes, the Bolshevik propaganda, the I. W. W. agitations as symptoms of unrest which, if neglected, may lead to grave danger.

The danger may be averted, Mr. Carranza believes, by conciliatory action and wise legislation, but if a policy of repression is adopted, he feels that it will have merely a temporary effect. And the adjustment of the relations between capital and labour seems to him to be more important just now than the formulation of a world policy.

“The time to establish a League of Nations is after, not before the signature of the peace treaty,” Mr. Carranza said in the course of one of these informal conversations. “On the conclusion of a real peace it will be possible to organize such a league embracing all the nations of the earth, and only such a league can have real value.”

The exclusion of Mexico from the conferences in Paris had been deeply resented by the Mexican press, and had been regarded by certain of the officials as an insult to the nation. Mr. Carranza, however, had kept silence on the subject, and it was

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not until the second day of the journey that he saw fit to refer to the matter at all. Then it was in a playful way, for the President enjoys a joke as well as the next man, even at his own expense.

The talk had drifted to the national American card game, poker, which is highly popular in Mexico. Mr. Carranza commented that it was an excellent game, and that he had been fond of it.

I said that I fancied the President had played a pretty good game in his time, for in most of the diplomatic exchanges with other countries he had shown a complete mastery of the art of bluffing, by which I meant that when it came to an actual call, he always had the cards, and was thus able from time to time to rake in a good pot with a four-flush, or a small pair.

Mr. Carranza seemed amused at this notion, and remarked that if he had unconsciously built up that sort of a reputation, it might account for the action of the peace conferees in shutting him out of the game in Paris.

Mr. Carranza had admitted in the course of a long talk that he considered himself responsible for the conduct of every branch of the executive power, and that he thought it his duty to supervise the work of each department, and to exert direct authority in case anything went wrong. This feeling of responsibility, coupled with the necessity of building up a competent set of public servants who could be

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relied upon to carry out the principles of the revolution after the retirement of the present chief of state, is the explanation of so many young men holding high office.

Travelling in the leisurely way indicated, we were four days in reaching Guadalajara, one of the largest cities of the republic, and held by many to be the most beautiful, surpassing even the capital. There was a vast crowd at the station to welcome the President, and to accompany him to the newly opened hotel, St. Francis, which was to be the headquarters of the presidential party. The St. Francis, it may be noted in passing, would be a credit to New York, both as to architecture, convenience and service, a statement which would not be true of any other hotel I have seen in Mexico. The higher officers of state being provided for at St. Francis, other members of the party were made comfortable at the Hotel Fenix, and a round of festivities began on Saturday.

There was a parade of school children in honour of the President in the morning. Small girls were arrayed in the costume of the Mexican Red Cross, and the boys were, of course, scouts. There must have been five thousand youngsters in line, making a most creditable showing.

In the afternoon there was an elaborate dinner at the Country Club, offered by the municipal councillors in honour of the President, with covers

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for at least 1200. There were seven meat courses, five kinds of wine, and best of all, but one speech.

The following day was without a formal program, most of the presidential guests taking advantage of the opportunity to visit Lake Chapala, the greatest of the Mexican lakes, having a length of seventy miles, and a breadth in places of nearly thirty. In the evening there was a literary tea, followed by dancing, which was attended by Mr. Carranza and his entire entourage.

The entertainment was held in a newly completed public school, built of white stone and in the airy style suited to a climate which knows no winter. A string quartette played an early piece of Mendelssohn's; there were original verses by one Spanish and two Mexican poets, and operatic selections by an excellent baritone and a young soprano. Tea was then served at small tables, with sandwiches, salads, ices, etc., and the floor was then cleared for the dancers.

Monday the President and his guests resumed their places on train, and a start was made for Cocula, some thirty kilometers to the west, where the new road which will ultimately open up the Pacific port of Chamela to inland commerce now ends. Arriving late in the afternoon, the President laid the corner stone of the terminal building, and the ceremonies were at an end. Dinner followed at a hacienda, after an inspection of Cocula, and a

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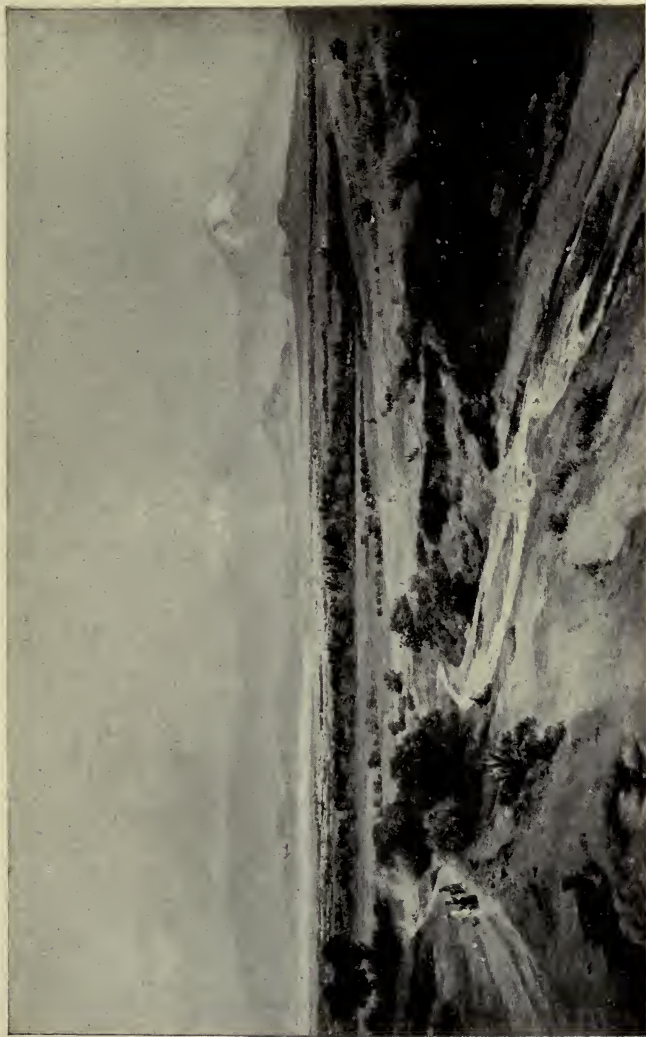
dance followed which lasted late into the night. It had been expected that Mr. Carranza would return to his car before night-fall, but the festivities having been prolonged until evening, bonfires were lighted along the entire stretch of road between the town and the railway with rather a startling effect.

The return to Mexico City was made without incident, but with the customary stops along the route, varied by little excursions into the nearby countryside.

The region traversed in this presidential junket is the richest of the central Mexican plateau. From the higher levels of the Valley of Mexico we passed gradually to the lower altitude and warmer climate of the lake district, through lands abundantly fertile, and capable of enormous yield. The President, himself a planter in his younger days, was sufficiently interested in a great dairy to make a personal inspection. He found a place devoted to the manufacture of cooking cheese in which 8,000 cows are milked daily. He also visited the irrigation plant at Chapala, realizing as thoroughly as the agricultural experts who accompanied him, that the most arid part of Mexico would bloom like a garden, were irrigation possible.

To those of us who were merely sojourners in the land, there were some impressive sights to which no reference has thus far been made.

Thus there was the battlefield at Celaya, at which



THE VALLEY OF MEXICO

By José M. Velasco

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Villa's army of 40,000 men was crushingly defeated by General Obregon, with half as many troops. The bandit who still terrorizes part of the northern border never recovered from this blow, which gave the Carranza forces undisputed possession of the greater part of the republic.

Then there was the little chapel which may be seen from the train at Queretaro, but which is worth a closer inspection, erected by the Austrian government in memory of the Archduke Maximilian, for some years Emperor of Mexico. Queretaro in an old fashioned Spanish town lying in a cup-shaped depression in the hills, and once Maximilian had been driven within it by the republican army, his fate was sealed. There could be no escape from the doom he met with his faithful lieutenants, Miramon and Mejia. Within the chapel are three stones marking the spot where these men stood to receive the bullets of a firing squad. This monument to an unfortunate Hapsburg prince, serves also, it seems to me, to point to the futility of foreign intervention in this ancient land.

At La Barca there were two things to be seen that some of us are not likely to forget. One was a vast residence fronting on the Plaza in which the main patio displayed unique mural paintings representing scenes during the French occupation. The other was a richly fitted up chapel in the principal church.

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Seeing a recumbent figure on a cot bed, we entered this chapel, and a small boy drew down the sheet which covered it to the chin. It was a life size wooden effigy of Our Lady, neither better nor worse than the average from the artistic point of view, but which possessed unusual interest from the fact that once a year it arose from its couch and talked.

Returning to Queretaro after having spent eight days with the presidential party, I made my acknowledgements to Mr. Carranza and said good-bye to his agreeable entourage, taking advantage of the special train on which Col. Fontes, director of the railways, was returning to Mexico City, in order not to miss connections for my return to New York.

There was a decided contrast between the speed of the presidential train and that of the director of railways, so great that I could not help remarking it.

“The reason is simple,” said Col. Fontes. “We must be careful about Mr. Carranza when he is on the road. He would be a difficult man to replace. A railway man can afford to take chances.”

CHAPTER FIVE: MEXICO'S NEXT PRESIDENT

The next president of the United States of Mexico will be a Man on Horseback. That's rather vague, for the proportion of Mexicans who don't ride about equals that of Hawaiians who don't swim. But it's quite as far as any prophet can go who knows that what he may write this year may be used against him next year.

However, it is quite certain that his name won't be Carranza. Don Venustiano will be content, according to his own words, in assuring a free election to the Mexican people, and even if he were disposed to be a candidate again, the new constitution of 1917 provides, Article 83:

"The President shall enter upon the duties of his office on the first day of December, shall serve four years and shall never be re-elected."

Reference to the fundamental law facilitates the process of elimination. No one can be President who is not a Mexican by birth, in full enjoyment of his rights, and the son of parents who are Mexican by birth. He must not be under thirty-five years old, nor have been absent from his country during the entire year prior to the election.

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Millions of men could qualify under those restrictions, but here is a constitutional "don't list" which brings the number of candidates down to a mere handful:

"He shall not belong to the ecclesiastical state nor be a minister of any religious creed.

"In the event of belonging to the army, he shall have retired from active service 90 days immediately prior to the election.

"He shall not have taken part, directly or indirectly, in any uprising, riot or military coup."

At the last election, held March 11, 1916, President Carranza, then first chief of the revolution, received 797,305 votes of the total of 812,928, the remainder going to other leaders of the Constitutionalists, including General Gonzalez, Obregon and Alvarado.

It is not surprising to find, therefore, that these soldiers are among the foremost candidates for the next election, although by no means the only ones. A list which passed muster as complete, ran through the Mexican newspapers recently, and introduced a number of civilians, more or less known outside their own country:

General Alvaro Obregon
General Pablo Gonzalez
General Salvador Alvarado
General Manuel M. Dieguez
Licenciado Luis Cabrera

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Licenciado Manuel Aguirre Berlanga
Ingeniero Felix F. Palavicini

It may as well be explained that in Mexico and in most Spanish-speaking countries, it is customary to prefix the professional title to a man's name, if he has one, and that "licenciado" means lawyer, and "ingeniero" an engineer.

Even this small list can be subjected to the same process of elimination, and to discuss the personality of the candidates may have the effect of a "close-up" on some of the gentlemen conspicuously identified with the Carranza Administration.

Don Luis Cabrera assured me, when I last talked with him, that his real ambition in life was to turn hacendado. He is country bred, having been born some forty-three years ago in a village in the mountains of Puebla, and having acquired the ownership of a small farm or hacienda, is eager to experiment in intensive agriculture.

At present Sr. Cabrera is secretary of the treasury, an office he has filled before, and with such shrewdness as to justify the designation bestowed upon him by the American colony in Mexico, where he is referred to as "the Brains of the Revolution."

Sr. Cabrera supported himself while studying law by writing for the newspapers, and suggesting ideas for cartoons. He was one of the first newspapermen to attack the Diaz régime, notwithstand-

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ing which he made a success in the law before turning to politics. Having been a congressman in Madero's time, he served as a diplomatic agent for Mr. Carranza, both in the United States, and throughout Central and South America, and then, as the President's confidential friend, took a leading part in the reconstruction work now underway in many parts of the republic.

Forced by circumstances into the law, which he detests, Sr. Cabrera is by instinct a literary man. He speaks French as well as he does Spanish, and converses fluently in English, German, and several of the Mexican Indian tongues. A delightful companion and an indefatigable worker, he is extremely radical in his political views, and no one who has heard his keen flow of wit and sarcasm would believe him capable of the smooth and flowing new version of "The Song of Songs." He treats this love poem *as* a love poem, and collates in an appendix the Vulgate, the Septuagint, the King James's Version and Luther's Bible with the Hebrew text when he wishes to justify a departure from the accepted translation. When you add that Sr. Cabrera's favourite recreations when he had more leisure were horseback riding, duck-shooting and playing poker, you only make more of a puzzle of a many-sided character. Having lost his father and two brothers in the revolution, and given it the ten best years of his life, Sr. Cabrera's friends feel

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that he has a right to quit the game if he wishes to.

Sr. Berlanga, at present minister of Gobernacion, a post which pretty nearly carries the rank of prime minister, is frankly more ambitious. He is believed to have been pro-German during the war, and in fact, looks more like a German than a Spaniard, having light hair and blue eyes with a ruddy complexion. As a candidate he just barely gets by the age-limit, but then the Carranza Administration is a Government of Young Men, and his youth is by no means conspicuous, General Juan Barragan, chief of the general staff being only 28.

Notwithstanding his youth, Sr. Berlanga has had much experience as an official. He explained to me one day that General Carranza ever had his eye open for young men of promise, knowing that the future of Mexico depended upon their development.

“The General tries always to accustom his subordinates to responsibility,” he continued. “He will appoint a young lawyer to a minor judgeship, and watch his decisions carefully. Then he may shift him into municipal administration, and if he makes good there, raise him higher in the administrative scale, even encourage him to become a candidate for governor. Then he may ask him to accept a sub-secretaryship in one of the departments, which may be followed by quick promotion to cabinet rank.

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“General Carranza cannot tolerate stupidity, dishonesty or laziness, and men afflicted with these faults do not last long under him. On the other hand, he is perfectly willing to overlook a failure, if he believes in his man, and will always give him a second chance on some other job.”

Consciously, or not, I think Sr. Berlanga was autobiographical in this discourse upon el Señor Presidente; which I give because it explains the rapid rise of more than one talented young Mexican.

Sr. Berlanga is perhaps the strongest candidate among the civilians now entered in the presidential stakes. He is widely known as the author of “Genesis de la Revolucion Mexicana,” a title which does not seem to need translation, and is personally very popular. It has been his duty as cabinet minister in charge of what corresponds to our department of the interior to enforce the church laws, and if a Catholic party re-appeared on the eve of the election, it probably would oppose him. Otherwise he might have a good chance, for the allied black list has been abolished, and nobody in Mexico cares whether a man was pro-German during the war or not.

Sr. Palavicini’s candidacy was not taken seriously when I was in Mexico last spring; not that he lacks ability or a following, but rather because of these facts—combined with his present occupation. An engineer by profession, he is a

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newspaper man by preference, and as such, guides the fortunes of *El Universal*, one of the three best papers in the Mexican republic. In the course of a very few years, especially in Spanish American countries, the average editor cracks too many heads to be able to run for office. He was minister of public instruction in the revolutionary government, spent some months in exile in New York, and took back with him some rather progressive journalistic ideas. He was a leader of pro-Ally sentiment during the war, and thoroughly exposed German propaganda at a time when Mexico was supposedly "neutral in thought as well as in action."

Of the military candidates the one best known to Americans is General Obregon, who toured this country not long ago on a mission of conciliation. It was Obregon, who, with 20,000 men, routed an army of 40,000 at Celaya, commanded in person by Francisco Villa and seconded by Felipe Angeles. The story as related to me by an American newspaperman who was present, may be given briefly. Obregon, knowing himself outnumbered, formed his men in a hollow square and dug in. Villa feinted an attack on one corner of this square, whereupon Obregon threw all his machine guns and field pieces to the opposite corner. When Villa opened his real attack with a cavalry charge, Obregon's shrewd guess enabled him to mow down men and horses alike. Four times Villa charged

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the same objective, each time meeting heavy loss. Then, at four o'clock, Obregon found his ammunition exhausted, and expected that another charge would destroy his command. Just then a supply train came in from Mexico City. Villa's fifth charge was repulsed, the Carranza forces took the initiative, and from the commander of an army of 40,000 well armed men, Villa had become a bandit again.

Angeles, the story goes, had advised Villa not to give battle, but to fall back on Guadalajara, a rich city where much loot could be secured, but Villa, eager to again establish himself in Mexico City, and knowing that he could never get together or hold so large an army, plunged into battle.

After Celaya, General Obregon became secretary of war in the revolutionary government of General Carranza, and when this merged into the present Constitutionalist régime, General Obregon retired to his hacienda in western Mexico, and has remained out of public life ever since.

His platform, widely published throughout Mexico, endorses the constitution of 1917, which he pledges himself to enforce, and he guarantees equal justice and privileges to Mexicans and foreigners alike.

General Pablo Gonzales, who has figured in the news recently as one of the Constitutionalist officers commanding troops sent against Villa, was a power-

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ful factor in the overthrow of Huerta. He drove the Huerta forces out of the northeastern part of Mexico, and by the capture of Tampico, made the collapse of that leader's power inevitable. More recently he was charged with the pacification of the State of Morelos, the last stronghold of Emiliano Zapata. An illiterate but resourceful leader of the Villa type, Zapata fought against Huerta, but declined to recognize General Carranza as First Chief of the revolution. For a time his sway extended over several of the southern states, but while an adept at guerilla warfare, he had none of the qualities of a statesman. Last winter General Gonzales led a small force into Morelos, destroyed the Zapatista organization, and with the death of Zapata in April, the pacification of that state was complete. What Huerta could not accomplish with 30,000 men armed with cannon and machine guns, Gonzales achieved with a force one-tenth as large. In political feeling, there probably isn't much difference between General Gonzales and President Carranza.

General Alvarado is at once the richest and the most radical of the military candidates. A major in command of 400 men in the Yaqui region, he joined forces with Obregon, then a lieutenant-colonel, in the revolt against Huerta, and in the early days of the revolution was second in command to Obregon. His most important recent task has

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been in the reconstruction of Yucatan, the State which exports most of the world's supply of henequin. General Alvarado is accredited with an amusing but highly effective piece of strategy during the Battle of Santa Maria. The Huerta troops had been driven back from their water supply, and fought with the utmost desperation to regain their position. There was hand to hand fighting for nearly twenty-four hours, at the end of which time, General Alvarado drove the Huerta troops into a watermelon field, and the men refused to fight.

Since his retirement from the army, General Alvarado has shown a strong interest in journalism, and is now the proprietor of a new daily in Mexico City, *El Herald*.

General Dieguez is at present commanding the forces operating against Villa in the north and Pelaez in the Tampico oil fields.

If he can "get" these two men, he may prove a formidable candidate, for he will have completely restored order in the northern part of the republic. If, on the other hand, he fails to beat Pelaez and Villa with larger forces than even have been employed against either bandit heretofore, he isn't likely to retain his popularity.

But, having fought the Huerta crowd to a finish in company with Obregon, Gonzalez and Alvarado,

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Dieguez is regarded as one of the ablest men in the Mexican army.

It does not seem probable that General Candido Aguilar will seek the presidency at the next election.

The rumour of his candidacy can be traced to American newspapers, soon after his arrival in Washington on a special embassy from President Carranza. I am not sure that he would qualify at thirty-five in December, 1920, and the fact that he is President Carranza's son-in-law would militate against his chances at this time. General Aguilar has been governor of the State of Vera Cruz, and secretary of state for foreign affairs, and can afford to wait his turn until later.

From what I have written, it would seem that the four best bets at this time in the great Mexican presidential handicap are:

Obregon
Gonzalez
Alvarado
Berlanga

Of course there may be several entries of dark horses within the next few months, and conditions may change greatly. At the moment it is anybody's race.

The next president of the United States of Mexico will find, when he takes office, December 1, 1920, that his powers are no greater than those ascribed

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to America's chief magistrate in times of peace. But the constitution of 1917 in defining the powers of the President differs from that of the American constitution on several points, which may be quoted:

"The President shall not absent himself from the national territory without the permission of the Congress."

"The right to originate legislation pertains to the President of the republic, as well as to senators and representatives in Congress, and to the State Legislatures."

The President's treaty-making power is ambiguously stated, for among the powers and duties mandatory upon him, one clause asserts that he is "to conduct diplomatic negotiations and make treaties," while it is elsewhere expressly stated to be an exclusive power of the Senate to "approve the treaties and diplomatic conventions concluded by the Executive with foreign powers."

Since this chapter was written a new candidate for the presidency has been announced in the person of the Mexican Ambassador to the United States, Ignacio Bonillas. Graduate of the Massachusetts Institute of Technology, married to an American woman, thoroughly familiar with American ideas, tactful and intelligent, Señor Bonillas ought to be persona grata to Americans, if he really intends to make the contest.

CHAPTER SIX: BY SEA TO MEXICO

On board the Ward liner from Havana to Vera Cruz was a young American business man returning to Mexico City after a sojourn in the United States who was kind enough to offer advice regarding newspaper work in Mexico. "You periodistas come down here," he said, "and see what you are told to see, and then we show you what we know you ought to see, and wait hopefully for the result. It is always the same. Poetry about the beauties of land and climate. Dull facts about trade. Nothing that will help us, and that should be your first object."

Perhaps he was right, but to refrain from comment on mere physical impressions would be to indicate a degree of insensibility to which no newspaper man willingly confesses.

Thursday evening the lights of Havana sank into the sea, and on Saturday morning, February 15, 1919, after steaming through quiet seas, with much heaving of the lead, we anchored in five fathoms as near the Port of Progreso as possible; that is to say, some five miles out.

Tedious discharge of cargo by lighter, and of passengers by tug meant hours of delay, and per-

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mitted the more adventurous to go ashore, and all to wonder that a port which had been for half a century second only to Vera Cruz should be so ill provided with accommodations for shipping.

Progreso, be it known, is the port of Merida, capital and chief city of Yucatan, one of the most prosperous of the Mexican States, and the centre of the henequen industry. It is also the natural port for the State of Campeche and the territory of Quintana Roo, the former producing lumber and chicle or chewing gum; the latter having a wealth of undeveloped forest and farm land. Progreso has 7,000, Merida 60,000 people, all dependent upon imports for food. The greater part of the Yucatan peninsula is a low and rocky terrain, fit for nothing but henequen, and with insufficient rain for other crops. Economic conditions have been unfavourably affected by the war in Europe, which has sent up the cost of living by depriving the country of necessary commodities from the United States, but in 1917 the declared value of articles invoiced at the American Consulate for the United States was \$35,881,988. In that year 125,595 tons of henequen, valued at \$34,959,937, were shipped to the United States, other exports being, in the order of value, chicle, raw cattle and raw deer hides, coffee, logwood, hair and sponges. Later figures are not available, but a sensational trend upward may be looked for in the next few years.

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In Progreso the price of a shave was \$1; of a bottle of beer, 60 cents; of a package of cigarettes, grading at 5 cents in Havana, 15 cents; of a pound of sugar, 25 cents; of a little dinner for four persons, \$60. Naturally, the price of labour has risen, and with it the price of henequen, and there is no probability of a return to normal conditions until supplies and shipping also return to normal. Meantime, people are doing the best they can. The Comision Reguladora del Mercado de Henequen, Yucatan's state commission for the regulation of the henequen market, not only fixes the price of that product, but acts as banker, and issues a paper currency which it has managed to exchange steadily at 50 cents American per peso.

But ask a planter of henequen, as I did. "Are you downhearted?" and the answer will be, "No." These people have something to sell which is a necessity, and of which they practically have a monopoly. They look forward to a better state of affairs, and believe that they see a beginning now. President Carranza is much interested in Yucatan affairs, and sent Luis Cabrera there to make a study of the situation. Mr. Cabrera spent several months in Merida, returned to Mexico City, made his report personally to the President, and will, it is understood, supervise plans for returning control of the henequen industry to the planters, ending the state monopoly.

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I am able to say on excellent authority that the Mexican Government is fully awake to the need of a better port than Progreso to drain this vast territory, and this is a matter which will be considered as soon as the financial problem now harassing all Mexico is solved. For the present the cost is prohibitive. Water is shoal along the greater part of the Yucatan-Campeche coast, and the planter I have already quoted estimated that the matter of piers and breakwaters at any site he had heard of would involve an expenditure of from 10,000,000 to 50,000,000 pesos.

At Vera Cruz one passes the customs with not more delay or inconvenience than in Havana.

Mexico's chief seaport has a capacious harbour protected by a breakwater and with forty feet of depth in the basin, enabling the largest vessels to lie up against the wharves. Normally the population is about 60,000. During the period following the evacuation by the American troops under Funston it was for a time the headquarters of General Carranza, then First Chief of the constitutionalists. Nearly 100,000 people, including the larger part of the American colony from Mexico City, crowded it for a time, and melted away when General Carranza returned to the republic's ancient capital.

At present it is clean and seems prosperous. Exports to the United States during the six months

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ended June 30, 1918, had fallen to \$2,086,380, as against \$7,242,781 for the corresponding period of 1917, so there still is abundant room for improvement.

A favourite topic of conversation on the steamer had been the frequency with which the Vera Cruz-Mexico City train had been held up by bandits, and the ever accurate returning business men had stories of wrecked stations, derailed cars and engines and the swinging cadavers of bandits who had been caught and shot, which were to be seen all along the route. We were told that it would be the part of wisdom to buy drafts on Mexico City in Vera Cruz, because while it was probable that we might get through in safety, it was certain that if we were stopped the bandits would take whatever money we had with us, and also our luggage, and perhaps our clothing.

This lurid fiction was not without a foundation in fact. So long as the central government was too weak to protect itself against the bands of patriotic "istas," whose argument in favour of universal freedom was the indiscriminate destruction of whatever property could not be carried off, the Vera Cruz line was the subject of attack. I can only say that had I listened seriously to all these friendly warnings I would have missed seeing the most enchanting and ever changing vistas of always lovely landscape it has ever been my good fortune to behold.

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I would have missed the glories of Orizaba, Mexico's highest mountain. I would have arrived at old age without ever being on a railway train from 6.15 A. M. to 9 P. M. under circumstances which made every moment of daylight a delight and the coming of the darkness a source of regret. I give the figures as a gentle suggestion for emulation on the part of our own railway administration, for the train left Vera Cruz on time and arrived in Mexico City to the minute.

Bearing in mind the warning that periodistas from New York are too much given to describing the beauties of the country, I refrain from telling of the contrast as the train rushes through the hot zone back of Vera Cruz, through the temperate climate where the character of vegetable life completely changes, until an altitude is reached at which wraps are essential to comfort and perpetual snow is in sight.

Perhaps it would be more worth while to tell why the journey is now safe. I will not say of the scenery, as Dicky Davis did of the coronation of the late Czar, that it is indescribable, but in making the attempt to portray it there would be danger of falling into poetry, like Mr. Wegg.

Credit is due in the first place to General Candido Aguilar, for some time foreign secretary in President Carranza's cabinet, and then in charge of reconstruction work in the state of Vera Cruz. I had

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the pleasure of meeting this gentleman during a brief stop at Cordoba and later, of visiting in his company a new aviation camp which is being constructed there in order to provide a strong corps of airplane scouts for mountainous districts.

General Aguilar has erected a series of blockhouses at intervals of ten miles along these isolated tracks, declared a military zone for fifty yards on either side of the track, connected the blockhouses by telephone and permitted it to be generally known that any unauthorized person found inside the fifty-yard line will be shot on sight. The new system has been in operation for a short time only, but there have been no attempts to interfere with traffic. Probably there will be none so long as vigilance is maintained, especially as armed guards are provided on through trains between the capital and its chief port. And as this book goes to press, night traffic has been resumed.

CHAPTER SEVEN: MEXICO CITY PROSPERS

In Mexico City on February the twenty-second, flags of the United States of Mexico flew at half mast from all public buildings. From a few private houses including the American Club, flags of the United States of America floated proudly in the breeze—proudly, I say, because there have been times in this city when such a display might have caused a riot, times happily gone, we may hope, to return no more.

It is unfortunate that Washington's Birthday and the anniversary of the murder of Francisco I. Madero, once president of the republic, and of Don José Maria Piño Suarez, vice president, must be commemorated on the same day, but there was no conflict between patriotic mourning on the part of the Mexicans and the equally patriotic rejoicings of the small American colony.

The entire press of the city next morning described in many columns and with profuse illustrations the three ceremonies held during the day in honour of Madero and Piño Suarez, in which federal and state officials took part, many patriotic and

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political organizations assisted, and in which oratory, music and flowers were offered to the memory of these victims of "the usurper Huerta."

And full justice was done to the celebration of Washington's Birthday at the American Club. This institution, which dates from 1895, occupies a large house on the Avenida 16 de Septiembre, and has managed to maintain itself during troublous times, and doubtless will share in the return of prosperity now underway.

The offices, a large dining room, and a ladies' room, are on the ground floor. The second story contains a large billiard room, library, lounge and bar. A goodly number of magazines and newspapers from many cities are to be found in the library, and there are pictures of all the American presidents from Harrison to Wilson. Of these the best is an early portrait in oil of Theodore Roosevelt.

The decorations consisted of the national colours of the United States and of Mexico, and those of the Allies. There were no speeches, but an excellent dinner was served, to the jazz band accompaniment of which Americans here appear as inordinately fond as if they were at home. The menu was as nearly American as possible, beginning with oyster soup, and including turkey, and ending with vanilla cream and coffee. Fish in Mexican style, and ravioli gave an exotic touch not unwelcome to the gourmet who sat opposite me.

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The cost, if one may be pardoned for satisfying the curiosity of the folks at home, was five pesos per plate, approximately \$2.50, exclusive of wine.

There were probably one hundred and fifty at dinner, and the dance which followed was prolonged by the younger people until an early hour next morning. On the assumption that the diners were representative of Mexico's American colony, I give the names, some of which may be familiar to people in the United States: George T. Summerlin, chancellor of the American embassy, and chargé d'affaires in the absence of Ambassador Fletcher; Major Robert Campbell, military aide, Henry R. Carey, M. Elting Hanna, H. L. Sylvain and family, E. Kirby Smith and family, C. B. Cleveland and family, E. W. Sours and family, Arnold Shanklin and family, R. T. Dobson and family, A. F. Godefroy and family, Lucien Ruff and family, W. B. Stephens and family, K. M. van Zandt and family, C. E. Cummings and family, W. P. Moats and family, C. Bland and family, Gerald Rives and family, H. Doorman and family, H. C. Baldwin and family, E. J. Wuerpel and family, F. E. Moore and family, J. J. Zahler and family, J. M. Galbraith and family, C. H. McCullough and family, J. C. Van Trease and family. A number of Mexican gentlemen and their wives were also at the dinner, and several representatives of the diplomatic corps, including the French Chargé d'Affaires,

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M. François Dejean; Baron Fugitaro Otori, the Japanese minister, and Keicho Ito, of the Japanese legation.

I have spoken of Mexico's returning prosperity as something underway. I do not think I can be wrong in this, for while, as a newcomer, I had no standards for comparison, I found a multitude of shops which seem to do a thriving business, and offered for sale every article of necessity, of luxury or convenience which is to be had in our own large cities. I found the streets which are wide and clean, thronged with people, of whom the proportion of the seemingly well-to-do would be normal for New York.

There are beggars, it is true, but there are beggars in all Spanish American cities with which I am familiar, some even in American cities of Anglo-Saxon population, and the guide-books assure us that street mendicants are no new feature of Mexican life. And if the splendid Avenida de la Reforma which connects Chapultepec park with that loveliest of city parks, the Alameda, shows fewer automobiles than Fifth Avenue, it must be remembered that the entire population of the federal district of which this city is the municipality is less than 1,000,000. The picturesque Indian with his sandalled feet, enormous sombrero and brightly coloured blanket is still here, but he has a right to be, for this, the oldest city in America,

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was the capital of his people in the Thirteenth Century.

However, unwilling to trust my own impressions, I formulated a series of questions, which I address to residents of every class. Some of the information thus presented I give in condensed form.

An American shopkeeper: "I have done more business within the last two months than at any corresponding period of the last six years. Of course the tourist trade was my mainstay, but I find that the Mexicans are beginning to appreciate one of my specialties, handwrought leather goods, and I am not only selling leather as fast as my workmen are able to turn it out, but have many orders ahead. I find a renewed demand for drawn work, which is a good sign, but we have not been able in a long time to get any of the linens required."

A Mexican official: "Conditions are, I believe, steadily improving, but I believe that you will find very little ostentatious display of wealth. The working people and the middle classes are better off, and there is more money in circulation than we have had in a long time. These things mean that we are beginning to get results. Wealth is being more evenly distributed, and the contrasts between extreme luxury and dire poverty are less striking than in many years."

A Spanish hotel proprietor: "We would be

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glad to give you a room and bath, especially if you expect to be here for some time, but at present we are full up. A group of American visitors has engaged in advance every available room, and we can do nothing for you until they depart. It seems like old times to have so many tourists from the north."

A Canadian banker: "Conditions are easier than they have been for some time. The return of prosperity involves the return of confidence, and I cannot say that this is complete, but I think we all feel a sense of relief when we compare banking conditions today with those we have gone through."

An American importer: "A complete understanding with the United States is the one thing essential to the commercial and industrial development of Mexico. When that has been arrived at, you may expect a boom in all lines. Until then, we will do the best we can, but the uncertainty of the past has been a most serious drawback. We all want to know what Mr. Wilson intends to do, if anything."

There are, however, more hopeful signs of a return to better conditions than are revealed either in the life of the capital or the observations of men and women long resident here.

Of primary importance I count the return of the *emigres*. Thousands of Mexicans of intelligence, wealth and position, were forced into exile, or re-

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tired from the country of their own free will, during what the Americans here refer to as "week-end governments," of which there was an all too rapid succession until General Carranza obtained control of Mexico City.

They are coming back. Some of the most important of the earlier régimes are here now. The Iturbides are here. Passengers with me on the Ward liner *Mexico* from Havana were General Camacho, a former brigadier of the Rurales, who had been in exile for five years, and Carlos Rincon-Gallardo, general of division under both Diaz and Huerta.

To return to mere personal impressions, let me describe a Sunday afternoon visit to the bull ring. The Federal Government of Mexico does not interfere with the State Governments, except in cases of necessity, but is supreme in the federal district, which corresponds to our District of Columbia. President Carranza disapproves bull fights and lotteries, hence the lottery has disappeared, and there are no more bull fights in the capital. The bull ring is a circus with seating capacity of 20,000. It has been used for opera, and this afternoon was the scene of an entertainment by Anna Pavlowa and company, which now includes as principals Wlasta Maslowa, Alexandre Volinine, Hilda Butzova, with Alexandre Smallens, formerly of the Boston Opera Company, as musical director.

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An old New Yorker myself, I shall not commit the folly reviewing a Pavlowa performance 2400 miles from Broadway, but will be content with saying that the bill included "La Flauta Magica" which the programmatical annotator pointed out is the work of Mario Petipa, of the Petrograd Imperial Theatre, and "is not to be confounded with the opera of the same name by Mozart," with music by Maestro Drigo; "Walpurgis Night," Ponchielli's "Dance of the Hours," Grieg's "Holland Dance," Grieg's "Anitra's Dance," and numbers by Kreisler, Lewandoswki and Lincke. Possibly the "Walpurgis Night" in the arrangement by Ivan Clustine may be new, and certainly it is charming. The audience to me was quite as fascinating as the dancers.

Prices in the bull ring are graduated by the sun, and fixed, of course, by the management. On this occasion the cheapest seats were one and a half pesos, the dearest, seven and a half pesos. The cheap seats are those on the sunny side, and the more expensive, those in the shade. Seats in the arena were four pesos, the highest price being charged for the boxes which encircle the arena. Mexico City is a mile in the air, and "sol" and "sombra" mean a marked difference in temperature, for at noon today the thermometer in my room at the Hotel de Geneve registered 65 Far. and its companion instrument in the sun marked 110.

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Under the circumstances I took general admission in the "sombra," with an excellent view of the stage from seats on the stone bench about the middle of the auditorium. The acoustics were excellent.

Probably a fifth of the eastern side of the amphitheatre was cut off by the stage, leaving seats for 6,000 in "the bleachers," if I may borrow a baseball term for application to the bullring. All these cheap seats were occupied. There must have been more than 4,000 more people in the shade, including the fashionable element in the boxes and in the arena. It was a good day for Anna, and I cannot figure how, after giving the ballet liberal support for a long run at the Teatro Principal, this city of half a million population could afford to spend 15,000 to 20,000 pesos for an open air performance unless business conditions were fairly good, even making due allowance for the fact that the Mexicans, like all Latin-American peoples—like myself—are melomaniacs.

A well dressed, good humoured, highly appreciative gathering it proved to be. The performance was scheduled to begin at half past four, but was late, and the people in "the bleachers" indicated their impatience by clapping with a triple rhythmic beat, and occasional catcalls, just as we might do at home at a ball game. But when the trumpet call announced that the curtain was about to be drawn,

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there was hearty applause, followed by complete silence.

This same signal, by the way, is employed at bull fights, to announce that another bull is about to be brought into the arena, and so, after the intermission, the trumpet sounded, some wag in "the bleachers" shouted "Otro toro!" (another bull) and the vast audience shrieked with laughter.

Caruso writes that he sang in "Carmen" at a rainy matinée in September, to a \$45,000 "house"!

CHAPTER EIGHT: JOURNALISM PAST AND PRESENT

Journalism in Mexico City has undergone many changes in the last quarter of a century. During the rule of Porfirio Diaz every encouragement was given to the press. It was the policy of the Government to patronize arts and letters, and in the Latin world the distinction between journalism, authorship, and magazine work is by no means finely drawn. Workers in all three classes are grouped in what I ventured to call in a little volume of essays "The Serio-Comic Profession."

Don Porfirio asked only that nothing be written against the Government. The publication that contravened the presidential policy of optimism disappeared. And Don Porfirio liked to see a foreign press in his capital. When he came into power he found the *Trait d'Union*, a French publication still issued under the name of *Le Courrier du Mexique*, which was established in 1849 and is the oldest daily in the republic today.

He helped along the American who founded the *Two Republics* back in the Eighties, and looked with favour on the *Mexican Herald*, which was a well written and thoroughly up-to-date American

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daily, still much lamented in Mexico. The *Mexican Herald* was a morning paper, but there was an English afternoon publication called the *Daily Record*, besides an *Anglo-American* weekly.

Toward the close of the Diaz administration there must have been nearly 250 publications in the capital, including trade papers. The vernacular press was headed by *El Imparcial*, and the Catholic organ, *El Tiempo*, the other dailies being *El Herald*, *El Mundo*, *El Diario*, *El Pais*, *El Popular*, *Mexico Nuevo*, *El Diario del Hogar*, and the organ of the Spanish colony, *El Correo Espanol*.

All of the publications named with the exception of the French daily have vanished, but that does not mean that the Mexicans have abandoned the pleasant and profitable habit of reading the daily papers.

Today the leading Spanish language dailies are the five issued in the morning, three of which carry Associated Press dispatches, and appear to have well organized reportorial and editorial staffs, and correspondents in all the important Mexican cities. Most of them also maintain branch offices in New York and in Spain. They are:

El Universal, now in its fourth year, and edited by Felix F. Palavicini. This is an independent newspaper having eight pages in its weekly day editions, and Sunday supplements.

Excelsior, now in its third year, and edited by Rafael Alducin, *El Universal's* chief rival. It is

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well written, newsy, and disposed to be friendly to the United States.

La Republica, edited by Heriberto Barron, is supposed to be owned by M. Aguirre Berlanga, whose candidacy for the presidency is referred to elsewhere. It has taken over the greater part of the staff and equipment of *El Pueblo*, the government organ, which discontinued publication in the summer of 1919. *El Pueblo*, by the way, was an excellent paper of its type. The editor was Gregorio A. Velasquez.

El Herald is the personal organ of General Salvador Alvarado, another presidential candidate. Alvarado is as much at home in a newspaper office as a bull in a china shop, and his startling indiscretion in attacking his country and its Government during an international crisis is not likely to be forgotten soon, either in Mexico or the United States.

The fifth morning daily is *El Democrata*, which was rabidly anti-American and notoriously pro-German during the war. It is in its fifth year, and is directed by Federico de la Colina. A change of management has been announced since the signing of the armistice. Its dispatches are furnished by "The Spanish American News Agency," with headquarters in New York.

The much lamented *Mexican Herald* moved from the capital to Vera Cruz on the occupation of that

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port by American forces. It did not come back. It is doubtful whether the combined American and English colonies in Mexico City now have sufficient numerical or financial strength to support an English daily, so *Le Courrier du Mexique* began the publication of an English section recently, and will continue, and enlarge this department, if it meets with proper support, and the Spanish dailies have English sections.

The afternoon newspapers are numerous but unimportant. Conspicuous among them are *A. B. C.*, a frank imitation of the Spanish publication of the same name, and *La Nacion*, which aims to be distinctively Mexican.

New weeklies of the cheaper type are constantly being born and dying of inanition. Usually they are devoted either to a personality which lacks a following or to a "cause" which declines to support it. A specimen is "The Voice of Misery" ("*La Voz de Miseria*"), which modestly admits that it speaks for the labour interests of the republic. The first issue was on March 1, 1919. Then there is a little handbill in Spanish which professes to speak for the Bolshevik movement, although Linn A. Gale makes the same claim for his English "journal of the new civilization," which bears his name.

President Carranza allows the widest latitude to publications in the republic, and apparently does not object to sensational attacks either on himself,

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his officials or his policies. He realizes the value of an intelligent press, but is disposed to show his contempt for "yellow journalism" in Mexico by ignoring it. At any rate, things are tolerated in print which would not have been permitted under the older régime. That does not mean, however, that President Carranza is equally disposed to overlook misrepresentation on the part of foreign correspondents here.

Press matter is filed in triplicate if addressed to foreign countries, and one copy goes to the censor.

There is what is known as the Law of 33 by which the chief magistrate is empowered to expel from the territory of the republic any objectionable foreigner, without explaining his reason for so doing, and without recourse for the individual "thirty-three." This fate has befallen many "periodistas norteamericanos," and may again.

"The Government is not concerned at the transmission of ordinary newspaper matter, or personal gossip," a Mexican official said to me. "We realize the difficulty of securing accuracy of information at all times, and make due allowance for the instinct which leads a man to send out a good story without too much investigation. But we see no cause for the toleration either of stupidity or malice. A first offence in either direction is overlooked, but if a second and third follow without an appreciable interval—"Thirty-three."

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After all, not such a bad law, and one which would have been extremely useful in the United States during the war.

The astonishing thing to me about the Mexican daily press as represented in the capital is its excellence. Newspaper men will admit that it is more difficult to publish the news in brief compass than in a blanket sheet, and the average size of a Mexican daily is eight pages.

Each paper must maintain a large enough staff to cover the official news, and all the departmental sources of information of the local as well as the federal Government. There is no city press service. Each paper must maintain its editorial writers, critics, and desk editors, as with us. But the Associated Press dispatches are received in English, and must be translated. That means fast work. The fact is, as soon as a piece of telegraph is received it goes to the translation department, consisting of a chief and two or three men, and by the time the last sheet of "copy" is turned in by the operator, all the rest of the dispatch has been translated and put into type.

Linotypes and modern presses are the rule. There is a weakness for illustrations and large headlines, but news judgment appears to be sound, and the dailies, considered by and large, are clean, well written, and well printed.

At a staff dinner given by *El Universal* where

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I was a guest, I counted at least four women employés, and was told there were others who contributed regularly, so here is one profession, at least, open to Mexican women of the higher classes.

I have not been able to make a complete survey of Mexico's provincial press, but the newspapers examined reflect the influence of the newspapers in the capital precisely as the French provincial newspapers do that of the Parisian dailies. It is rather startling, however, to note that Tampico is about to have an English daily.

Volume 4, No. 9 of the *Tampico Tribune*, which is dated March 1, 1919, says:

“A daily newspaper such as Tampico is entitled to have and which we shall endeavour to supply, must have a complete telegraphic news service, capable of competing with the Texas daily newspapers coming here, and those from Mexico City. It must have a competent staff of experienced newspaper men to handle the news and to report thoroughly and accurately the events of the city in which its readers are interested. This has been provided for. . . . The date of issue cannot yet be announced but it will be as soon as arrangements now being made are completed.”

CHAPTER NINE: MEXICO'S NATIONAL SCHOOL OF ART

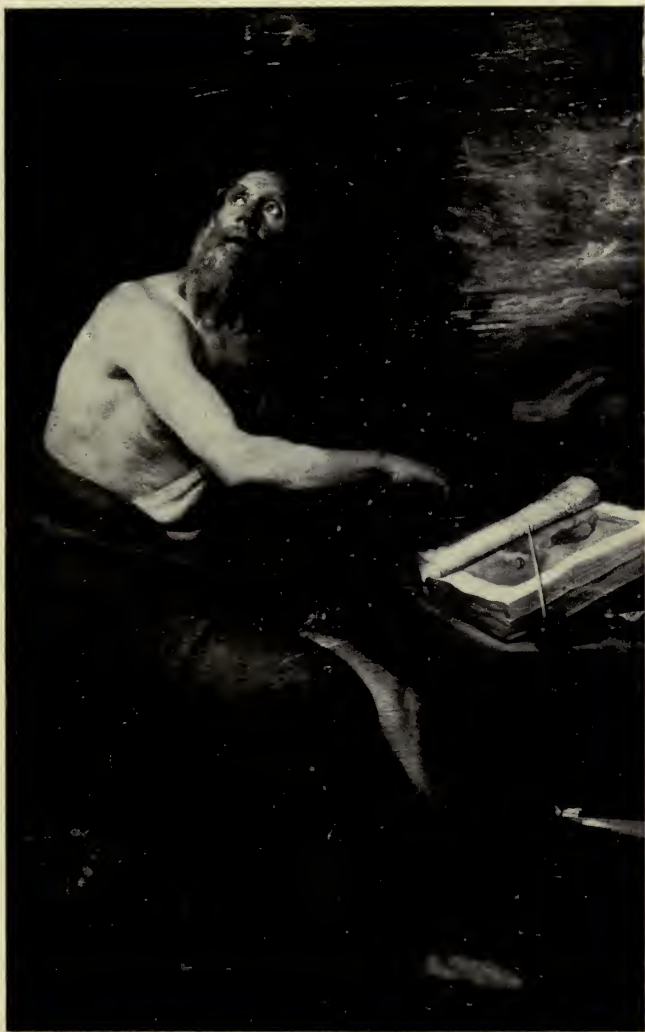
Mexico has developed a national school of art in a double sense, as the tourist may find, possibly to his surprise, certainly to his delight, on visiting the capital of the republic. Guide books, of course, refer to it, but in matters of art, seeing is believing, and it apparently has remained for me to bring back to America tangible proof in the way of photographs, some of which illustrate this book.

Mexicans, whether of Indian, Spanish or mixed blood, have always possessed the art creative instinct. Temple decorations and grotesque pottery of the prehistoric period, the latter revealing first an Egyptian, later a Mongolian influence, show craftsmanship of no mean order, and the picture writings of the Aztecs are hardly inferior to the illuminations on monkish manuscripts of contemporaneous moyen-age Europe. A striking example may be seen in the map of ancient Tenochtitlan which hangs in the National Museum, and might almost serve as an outline chart for the Mexico City of today, so little has the topography changed. Montezuma's Palace and the Great Teocalli occupied the sites of the present National Palace and

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Cathedral, and there is a mound, clearly drawn and with careful attention to distance which is unmistakably Chapultepec, now crowned as then by the summer residence of the ruler of the land, and indicated by the Aztec cartographer by a perfectly drawn grasshopper, Chapultepec meaning in the not yet extinct Nahuatl tongue, "grasshopper hill." Perhaps the vivid colours with which Nature has painted the Mexican landscape, the translucent atmosphere, and the intense brilliancy of the sunlight may have been the inspiration of all the races that have lived on the Mexican plateau, but the love of line and colour persists in the today in the commonest blanket, the crudest pottery of native fabrication.

In the wake of the Conquistadores came the Padres, and with them a passion for church building so intense that in a single district of Puebla with not more than 5,000 inhabitants there are three hundred and sixty-five religious edifices . . . all of which may be counted with the aid of a field glass from the pyramid of Cholula, even now a place of pilgrimage because of the shrine which surmounts it. With the multiplication of churches and convents grew the need of sacred paintings and holy images with which to adorn them. The church fostered and controlled a school of native artists . . . mere copyists, most of them . . . whose work is still preserved from the Rio Grande



SAN JERONIMO
By J. Gutierrez

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to the borders of Guatemala. It gave them new ideas of perspective, of realism, and sound pigments; nor did it discourage the imaginative faculty, although it prescribed the realm in which it might range to its own precincts. Best of all, it set before the painter some excellent examples of the best European art, for the church speedily grew rich in the New World, and Flemish, Spanish and Italian art was too pious a luxury to be deemed extravagant.

Laymen, too, imported many pictures and much statuary. Students of Murillo will remember that in his youth that master was seized with the desire to travel. Investing his small capital in a bolt of canvas, he cut it into convenient pieces, covered each with paint, and selling these pot-boilers to the West India export trade set forth upon his journey. Doubtless Valasquez, fashionable as a court painter, fared better in a financial way in his dealings with Spanish military and civil officials in Mexico, but until long after the end of the Colonial Period, Mexican art was almost wholly ecclesiastical. Nothing, in fact, of a distinctly national character, developed until the reform laws became effective in 1860, whereby civil government was disassociated from the church, a vast amount of church property sequestered, and public education made a function of the state.

Churches, public buildings, the homes of wealthy

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haciendados house thousands of these religious paintings, many of them unsigned, like the superb "Santa Cecilia," which some of my friends find suggestive of Guido, and which may, indeed, prove to be a faithful copy of some European masterpiece.

But the earliest of Mexico's painters were Spanish, not Mexican. Thus Baltazar de Echave, "el Viejo," called "the Mexican Titian," had formed his style in Venice, before settling in Mexico about 1590. And Sebastien Arteaga, a notary of the Holy Office, who shares with Echave the foremost place among earlier Mexican artists, had also studied in Italy before sailing for America. Of his many works, which vary greatly in quality "Los Deposorios de la Virgen" (the betrothal of Mary) is, I think, the most beautiful, although a Zurburan quality is so frequently encountered in his paintings that Zurburan's "El Castillo de Emmaus," valued at \$150,000, was long attributed to him. It is precisely this criticism of Arteaga that the admiring student will apply to most of the Mexican painters prior to 1860. All show some European influence, if not of an individual master-painter, then of a school, or of the church or the church's preferred artists.

Dating the Renaissance of Mexican art from 1860, one notes the turning away from religious toward purely national subjects, or those having historical or artistic significance.

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Thus Rodrigo Gutierrez devoted a large composition to the memorable session of the Senate of Tlaxcala, August, 1519, when the Cacique Xicotencatl swayed the Tlaxcalan nation to attack Hernando Cortes, although the Spanish adventurer was making war upon their ancient enemy, Montezuma, and had asked permission to march unmolested through the republic's territory. Surely the painter has seized upon a dramatic moment! Aside from the boldness with which the actors are represented, one cannot help being impressed with the enthusiasm of the younger leaders for war, while at least one of the older leaders of the council appears to be still doubtful of the issue. An antiquarian friend assures me that Tlaxcalan costumes and furnishings have been reproduced to the minutest detail, and that the painter sought his models among the descendants of these ancient republicans.

"The Courtyard of an Old House," by Jimenez, is drawn with such nicety as to be almost photographic. The colouring is subdued for the most part, notwithstanding the strong light in which the small girl is playing with her pigeon.

"Othello," by Gonzalez Pineda, seemed to have been studied from Salvini's famous impersonation of the Moor which would possibly have been familiar to the painter. That, at any rate, is the opinion of John Ranken Towse, the dean of New

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York's dramatic critics, to whom this photograph suggested delightful reminiscences. Pineda, while following tradition as to the Venetian colours of Desdemona, has declined to ascribe a negroid type to the unfortunate Moor, but gives him both in cranial formation and in a warmly tinted skin purely Arab characteristics.

"The Valley of Mexico," which according to the much travelled Bayard Taylor, is second only to that of Cashmere in loveliness, fascinated José M. Velasco to such an extent that he devoted at least three large paintings to it. In charm and delicacy of colour, and in the courageous fidelity with which he depicts so extended a view, they are difficult to choose from. That reproduced here only seems best for photographic purposes. The volcanoes of Iztaccihuatl and Popocatepetl which rear their crests in the background were some thirty miles from the painter's easel.

Soto's "Ahuehuetas de Chapultepec," apart from its value as a fine piece of landscape painting, will be of interest to students of natural history because the trees are the sole survivors of the immense tropical forest which flourished in the Valley of Mexico before the climate cooled to its present temperate average.

A fascinating historical study is the painting by Pelegrin Clavé, who was born in 1872, representing the last days of Isabel de Portugal.



OTHELLO
By Gonzalez Pineda

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The San Jeronimo of J. Gutierrez is a modern instance of devotion to religious subjects, justified by careful drawing of a striking pose, excessive care in the treatment of details, and a fine sense of colour.

The "auto-retrato" of German Gedovius is not only a clever bit of self-portraiture, but an example of racial fidelity to type. However much he may look like a Spanish cavalier of the older ages, Gedovius is one of the professors in the Nacional Academia.

It must not be supposed, however, that these paintings, selected as being representative of a distinctly national and Mexican school of art, alike as they are in microscopic brush-work, careful attention to detail, and an uncommon sense of colour values, are the best or the only ones worth seeing. There are dozens of painters, as proved by scores of pictures, well worth the attention of the art loving visitor in Mexico.

Nor is modern Mexican art exclusively national. No new movement abroad has been without its reaction in Mexico. Thus one will be reminded that Beardsley lived, that Zuloaga and Sorolla painted, that Goya and Zamacois are no more to be ignored than Murillo and Velasquez. Traces of impressionism and post-impressionism is there. The futurist . . . but no, I am not sure that the cubists have reached Mexico as yet.

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As an example of broad brush-work and the occasional use of a palette knife, it may be worth while to present "La Ofrenda," by Saturnino Her-
ran, who died last year, a youth of promise and of ultra-modern proclivities. It represents a family group in one of the boats which ply the canals of Xochimilco, providing the City of Mexico with fruits and flowers, and affording a pleasant outing to the tourist.

I spoke of Mexico having developed a national school of art in a double sense. Perhaps I have proved the existence of real painters in that lovely and much abused land, which is the main purpose of this little essay, but now, prepare to be startled. There are 1,400 students in the National Art School in Mexico City, devoting their time under competent instruction to painting, statuary and architecture. And I doubt if our own Art Students' League contains a finer or more ambitious lot of youngsters. The Academia de los Nobles Artes de San Carlos de la Nueva Espana, was founded in 1778 by Charles III of Spain, and took possession of its present home, back of the National Palace, in 1791. Like the national conservatories of music and declamation, it is a government institution, and removed from political influences, notwithstanding that fact.

There is a superb patio, containing an excellent selection of antique casts, useful for the student to

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work from, and the galleries display good specimens of the master painters of Europe, and a sufficiently large collection of the works of Mexican painters to cover the entire history of the subject from the earliest period, that of the Conquest, to date. Taken in connection with the historical paintings preserved in the National Museum, only a few steps away, the collection is ample for all the needs of the student until such genius has been displayed as should, in every part of the world, bring the award of a *prix de Rome*. There is everything to please the eye and instruct the mind. The one thing lacking to Mexican art is the kind of appreciation which manifests itself in money. One of Mexico's greatest painters, Luis Monroy, died this year. He had been obliged to follow the legal profession to gain the living which the world owed him for his art.

CHAPTER TEN: A STUDY IN MELOMANIA

There are few tall buildings in the Mexican capital, but in one of them, at Ia. Calle Nuevo Mexico No. 6, is the office of Maestro Julian Carrillo. From his windows on the fifth floor we looked across flat roofs where women were hanging out the family wash toward a massive pile of white marble at the lower end of the Alameda.

"Some day that building will be finished," said Carrillo, "and then Mexican composers will come into their own. Operas which exist in manuscript, symphonies, all will be heard. But when will it be finished? Who knows?"

"Fortunately I do," I said, "and I am glad to be the bearer of good news. President Carranza told me yesterday that he was resolved to complete the interior of the Nacional Opera before the expiration of his term of office. He would not promise, he said, to carry into effect the whole of the decorative scheme, but he realized the need of an auditorium for music and drama of the highest class, and as two-thirds of the estimated cost of 12,000,000 pesos had been spent already, he considered it good business to convert a property now useless into a producer of revenue."

A STUDY IN MELOMANIA

Carrillo smiled expansively, and remarked that he was now at work on his third symphony. I fancy this work will be ready for a public hearing by the time the Nacional Opera is thrown open to the public, that the news will have a stimulating effect on other Mexican tone poets, and that gentlemanly managers in divers music centres on both sides of the great pond will look longingly toward the time when music drama can be adequately staged in this music-mad capital. True there is to be a short season of opera when Lent ends, but opera in an ordinary theatre is quite different from opera in an opera house, and Mexicans hope their new temple of art will be the most beautiful in the world. Certainly it will be the largest in the three Americas.

I had gone to Carrillo seeking information as to the training of the military bands which give public concerts in all the larger cities of the republic. One in Vera Cruz, one in Guadalajara, one in Puebla, and three in Mexico City had demonstrated such astonishingly uniform excellence as to arouse my curiosity. The brasses were mellow, the woodwinds smooth, and the leaders none of them mere time beaters, although of course, differing widely both as to temperament and ability.

As New Yorkers may have forgotten Carrillo's attempt to found an "American Orchestra" here in 1915, it may be well to remind them that he speaks

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with authority, having been president of the International Music Congress held in Rome in 1911, that he was at one time director of the Mexican National Conservatory, and that he was concertmeister in Leipsic under Arthur Nikisch. Back in Mexico after many years in other lands, he teaches violin and composition, writes technical works on theory which are issued by Schirmer for Spanish American countries, and gives what leisure he has to original work.

Mexican bands, Carrillo affirms, owe their excellence to two things: careful preliminary training of the musicians in the conservatories, of which there are now two instead of one; and unremitting labour at rehearsals. He does not claim that the personnel of the bands is really higher than in other countries, but he insists that elsewhere, and especially in the United States, not enough time is devoted to rehearsals, and that where orchestras are abundant there is a tendency to look down upon military bands, and to relegate to them only the so-called popular music. He deplores the pride of the musician who thinks it beneath his dignity to direct or compose for a military band; and says that every conservatory pupil should be made to study a band instrument.

An enthusiast on bands?

Well rather.

The fact is that the average military band in the

A STUDY IN MELOMANIA

United States would not think of attempting the programs which are given here. Popular marches, an occasional overture, ragtime and jazz certainly, but not the symphonies of Beethoven, which are a feature of Sunday morning performances in the Alameda. Naturally the Police Band fails to produce the effect of the Philharmonic, the Symphony Society, the Bostonians, or even the minor symphony orchestras, but the adaptations are good, the educational value is immense, and the bands suffice to keep alive the sacred fires until in the good times that are coming, orchestral concerts and chamber music will cease to be a rare treat.

Lately Mexico has heard an annual series of twelve concerts by the Nacional Orchestra, but the Beethoven Orchestra, of which much was expected, has disbanded, and concerts of string quartette are to be listened to only in the conservatories.

The oldest of these institutions, the Conservatorio Nacional de Musica y Declamacion, is housed in an ancient palace which once belonged to the University of Mexico, not far from the Plaza de la Constitucion, and facing one side of the Palacio Nacional. There is an immense patio, with offices and class rooms opening upon the ground floor and balcony, and a teaching staff for all branches of musical and dramatic art and literature. The pupils number 200. The Free Conservatory, organized some years ago after a disagreement in

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the faculty of the older school, maintains separate quarters and staff, and trains 400 pupils. Both conservatories are subsidized by a grant from the Government, and both are apparently doing good work.

Mexico's earliest musicians, it need hardly be said, were chiefly concerned with church music, but in course of time a school of national composers has grown up, including many writers of dance music and songs, and some few men who have composed in the larger forms. Among the best known musicians who have written serious works may be named Milesio Morales, Ricardo Castro, Felipe Villanueva, Gustavo Campa, Manuel Ponce, Rafael Jello, and Arnulfo Viramonte.

Of Maestro Carrillo, I may say in parting, that he is the most distinctively American composer I have ever encountered, being in fact a full blooded American Indian, a native of the State of San Luis Potosi. Like most cosmopolites he is fond of New York, and may return for a visit within a year or so.

CHAPTER ELEVEN: BANDITS AND BOLSHEVIKI

“There is no danger of the Bolšhevik movement gaining headway in Mexico,” a distinguished Mexican official said to me. “Bolshevism is an international disease which must wear itself out, and which is highly contagious.

“Poor Mexico! How the world pitied us when our disorder first broke out. It was the first manifestation of the international epidemic, all our friends thought we were very sick indeed, and some went so far as to prepare obituaries. We felt pretty badly, too, there’s no denying it, but now Mexico is convalescent, and we all realize that we were fortunate in having a very mild attack. And now we are immune, and glad of it.

“Look at Russia, for example. There is the international disease in its acute form—smallpox where we had only varioloid. In fact I think that in Mexico we had only a bad case of measles.”

Certain it is that Mexico’s revolution began in bloodshed, and that pacification has been gradual; while to the contrary, Russia’s revolution began with the peaceful abdication of the Czar, and soon evolved into a region of terror, of which the end is not yet in sight.

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It is a matter of common knowledge in Mexico that the Bolshevik movement was encouraged there, as in Russia, by German gold—of common knowledge because *El Universal* published the whole record of slimy German propaganda in detail, with verification from the papers of the German minister, Von Eckardt.

Naturally the series of articles in this exposé attracted wide-spread interest throughout Mexico, and brought down upon the newspaper publishing them and upon its editor, bitter denunciations from the men and the interests involved. So sure was he of his facts and of the proof behind them that Felix F. Palavicini would reprint in *El Universal* the most eloquent of these attacks, usually without comment.

To be successful a Bolshevik movement must have the support of a large part of the masses, since it is evident that if both aristocracy and bourgeoisie are destroyed, only the proletariat remains. Now the proletariat of Mexico is eminently pacific. It will work if compelled to, or if in the humour; but it is easily fed, housed, amused; and it prefers to sit in the sun and smoke cigarettes and drink pulque to getting excited about the rights of man. Or if the day is hot it prefers to sit in the shade and drink pulque and smoke cigarettes.

The Mexican proletariat never heard of Karl Marx. It doesn't know the difference between

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Tolstoi and Vodka, and doesn't wish to. The Mexican proletariat doesn't read much. It can't. That was the fault of Don Porfirio Diaz, who had a whole generation in which to educate the lower classes, but didn't think they were worth it.

The part of the Mexican proletariat in the revolutions which have so often convulsed the country has been about as important as that of an army mule. Most of the time he has been forced into the army, and usually he has been glad to get out again.

The ruling classes have coaxed him with patriotic speech, and threatened him with divers punishments to keep him fighting, and the analogy will be stronger to any one who has heard a mule driver's monologue anywhere in Spanish America.

As long as the mule pursues his course with sufficient "get up and git," he is my darling, my angel, the son of a happy mother, and of a family blessed with many gallant brothers and virtuous sisters. But let the mule balk, and he is assured that he is bound for perdition, and that his entire family connection are of a most undesirable kind.

Mind you, I write of the proletariat of Mexico of today and yesterday, going back to the rule of Montezuma. Of the future I am not so certain. Mr. Carranza's Government is undertaking to open all the wisdom of the world to the proletariat through the public schools, and the time is coming

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when every Mexican boy and girl will be able to read and write. Still the day when Mexico can be interested in political theories learned out of books is at least fifteen years in the future, when it may be hoped that Bolshevism will have burned itself out.

Mexico, in fact, is just arrived at the stage when it can take up the matter of collective bargaining between labour and capital. It doubtless will have a progressive experience with unionism, guided and aided by the Government. But it seems perfectly plain that Bolshevism can have no growth unless it is supported either by the Government, the church, or the opposition to the Government.

Enemies of Mr. Carranza denounce the new constitution as a Bolshevik instrument, although a two years' test has thus far failed to justify them. Bolshevik publications, in English as well as Spanish, are permitted, but that is apparently because the Government makes a fetich of "liberty of the press."

A Bolshevik organization in the State of Vera Cruz sought to bolster itself up in the opinion of the public by electing to honorary membership General of Division Candido Aguilar. Aguilar declined in language which made it plain that he detests anything that has to do with Bolshevism. Clearly the Lenine-Trotsky theories have no place in Mexico.

The church isn't trying to build up a party here

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just now. The archbishop of Guadalajara and the archbishop of Mexico have returned, and other prelates have resumed their labours. The church wishes to make friends, and if the church has ever manifested sympathy with Bolshevism outside Mexico, I do not recall it. I fancy, indeed, that if the Bolsheviks in Mexico can win the support of the hierarchy, the I. W. W. may convert that fine old gentleman, James, Cardinal Gibbons, to their way of thinking in the United States.

The remaining hope of the Bolsheviks would seem to be the opposition to the Government. At present there isn't any. Regardless of previous political affiliations, the best class of Mexicans today are trying to uphold the existing Government, to make it strong enough for security at home, and respect abroad.

There remain the bandits.

Have they not realized all the dreams of the Bolsheviks already?

But the bandits are not here to stay. They are doomed to disappear, as they always have when a stable government has been attained, here or elsewhere. Some say that Americans have a liking for bandits, a point on which I am not sure, as the newspapers tell of 10,000,000 cartridges shipped to "General" Pelaez, the bandit who rules the oil jungle back of Tampico. I also have a recollection of arms having been provided at one time from the

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United States for "General" Villa, which brings me to a story of that "patriotic" scoundrel that may be new north of the Rio Grande.

Villa announced to a gathering of his followers that President Wilson was the only man living with whom he would not shake hands. He declared that he had been shamefully treated by our first magistrate, and that he would never forgive him so long as he lived.

"He took me up, and made much of me," said the "Patriotic General," "and then dropped me just as suddenly. The only reason he would give was that I am a bandit. Why, I was a bandit when he took me up!"

Where do the bandits get dynamite?

That is a question the Mexican Government has been vainly asking for some time. The fact is they have been getting it, for they have neither the intelligence nor the facilities to manufacture it for themselves. Not only have they been provided with dynamite, but they have learned how to use it. Some years ago the bandits held up a south bound train in what was then regarded as Villa territory, and having looted it were much annoyed because they could not force the lock on a single car, which happened to be loaded with giant powder and detonators for a mining camp. So they set fire to the train, and were having a wild dance about it when there was a terrific explosion. When

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the smoke cleared away there were no bandits to be seen.

The Government's present effective but costly method of protecting the railways by means of blockhouses and armed trains was resorted to after the Zapatistas and Felicistas had discovered that a charge of dynamite placed under a rail could be exploded by means of an electric wire, the "patriotic" officer in charge remaining carefully under cover until after he had pressed the button, and being content with such spoils as were not destroyed in the explosion.

An American travelling man whose business compelled him to come through a danger zone several years ago, told me that on one occasion, after the passengers had been relieved of all their valuables, and in some cases of portions of their clothing and their shoes, they were all obliged to line up and listen to an address by the "general" in command.

"If you must come through these territories where you are not welcome," he said, "I wish you would not plunge into unnecessary danger by violating every means of safety. We are obliged to relieve our necessities as honest men by borrowing some of your superfluous wealth, but we prefer not to kill you. My boys are as gentle as lambs, but they have been persecuted so often that sometimes they are careless.

"When you hear firing, do not look out the win-

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dows. My boys are sure to think that where there is a head there is a gun, and they will pop at any head they see.

“And do not stand on the front or rear platforms. That is where a tyrannical government places its armed guards, who are not always in uniform. My boys will pop at anybody they see on a platform, and if you are hurt, it will not be their fault but yours.”

The etiquette of the road in those days was for the passengers, when firing began, to lie flat on the floor on their little tumtums, and wait until they were told to get up. If the bandits had been beaten off, they resumed their places as before. If the bandits captured the train, they would offer their silver, watches, rings, hand luggage, etc., having secreted gold or valuable papers, and sometimes got off very easily.

But not always. There are stories of women massacred as well as men, and of personal searches which are better not repeated.

Some three years ago the wife of a man prominent in the American colony was returning home over a route which was not altogether safe, when the train stopped suddenly. Instinctively she fell to the floor, and a second later a bullet crashed through the glass of the window where she had been sitting. This man had tried to be absolutely neutral in Mexican politics, but he got off the fence,

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and it was not on the side of the "general" who had nearly murdered his wife.

It is all very well, of course, for the scoundrels who rob and maltreat passengers, dynamite or derail trains, blow up bridges, to say that they are not bandits, but the chiefs of political parties who are making an earnest effort to heal the wounds and dry the tears of their beloved patria. In years past they have been believed, some of them, for a time at least, in our own country, but not in Mexico.

The decent Mexican looks upon a bandit precisely as a New Yorker does a gunman. He is to be put out of business in the quickest and most convenient way, and the less said about it the better. But a nightstick is not the surest of weapons for a New York policeman, and it does not seem that the quickest way of eliminating the bandits of Mexico is to embargo arms and munitions intended for the recognized Government.

CHAPTER TWELVE: IS MEXICO PRO-GERMAN?

“Is Mexico pro-German?”

That is a question I have been asking myself and others—Mexicans as well as Americans, during my first month’s sojourn in the Republic.

I shall try to answer it frankly, assuming that my own record as co-founder of La Ligue des Pays Neutres, of which Theodore Roosevelt was honorary president, and such men as Venizelos, Take Jonscu, Ruy Barbosa, Conde Romanones, heads of section like myself, places me above the suspicion of sympathy with Kaiserism and Kultur.

My answer is plainly and emphatically “no!”

The answer of the Mexicans is also in the negative, with the exception of a few who would like to make it appear that President Carranza was entirely too friendly with Herr von Eckardt.

In the case of Americans the nays appear to have it, but the reader will have to be content with a *vive voce* vote, for to attempt a roll call might place certain of our countrymen who have a stake in the country in an embarrassing position.

Mind you, I do not say that Mexico was pro-American during the war, or even pro-British, but

IS MEXICO PRO-GERMAN?

I believe that all Mexicans of the better class love France, and that for five years they secretly violated the injunction laid upon them, as upon others, to be "neutral in thought as well as in deed."

Officially Mexico was neutral.

Actually Mexico annoyed us by tolerating the most extravagant German propoganda, and by permitting an extensive system of communication to be operated between Berlin and South America and Spain through post, telegraph and wireless. This is precisely the course taken by the United States up to within a short time before the declaration of war, a course upheld by the American Government and a part of the American press, however irritating to a majority of the American people. Doubtless it was distressing to the Allied Powers who knew, as we all know now, that they were fighting for all humanity, not for themselves alone, and may naturally have felt that "he that is not for me is against me"; but it was in strict accordance with national and international law. We were told so by Washington.

When the United States entered the war, Americans were no less aggrieved by Mexican neutrality than the Allies had been by American neutrality. We are inclined, and perhaps with justice, to regard ourselves as spokesmen for the three Americas, and we felt hurt that Mexico did not follow the example of Cuba, which declared war against

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the Central Powers, or at least that of Haiti, which provoked a rupture of diplomatic relations. The fact that Cuba is bound to us in its foreign relations by the Platt amendment, and that Haiti has been occupied by Marines for three years, made no difference. It was our part to lead, and for the other sovereign states of the Western Hemisphere to follow.

Moreover, we were obliged to keep a large force of men on the border, and we were frankly afraid of "neutrality" in so near a neighbour. Having revised our own ideas of neutrality, we applied the revision to all the rest of the world. We thought of the Yellow Peril invented by William Hohenzollern and proclaimed to the world by our own yellow press. We ascribed to German money and intrigue in Mexico a power which, the event proved, it did not possess.

Was not this our attitude, and could not this attitude, conveyed in terms not too polite through the press, have produced an unpleasant reaction in Mexico?

In Mexico the situation was extraordinarily complex.

The whole policy of Porfirio Diaz had been founded on one axiom: "We must keep on good terms with the United States."

The wisdom of this course was perfectly apparent to every Mexican who sought to win supreme

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power after the retirement of Diaz. I venture to say that it is and has always been quite as plain to General Carranza as to any one else. But keeping on good terms with the United States has not been an easy matter. Washington did not make it so.

Let us try to see things from the Mexican point of view.

In the first place, Mexicans remember certain historical episodes quite well. Only this year there died one of the generals who had tried to resist our invasion of 1846-47. It cost us a trifle of 25,000 men and \$166,500,000 to beat the Mexicans at Palo Alto, Resaca de la Palma, Vera Cruz, Cerro Gordo, Churusbusco, Molino del Rey, Casa Mata, and to fly the Stars and Stripes on the Palacio Nacional Sept. 14, 1847.

When the settlement was made February 2, 1848, by the Treaty of Guadalupe-Hidalgo we took in payment New Mexico and Upper California, comprising 522,955 square miles of territory, and "rectified" the Texas frontier by making the Rio Grande the boundary from its mouth to El Paso. We assumed claims of American citizens against Mexico amounting to \$3,250,000, and paid to Mexico \$15,000,000. It was a better bargain than the Louisiana or Alaska purchases, but ever since, like Warren Hastings, we have been astonished at our own moderation.

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The Mexican remembers, of course, that 1847 was the sequel to the liberation and subsequent annexation of Texas, and that these two acts of spoliation reversed the territorial rank of the two countries, making the United States first where she had been second.

Writing as an American whose family furnished five soldiers to the American forces in the war with Mexico, I cannot well condemn the course of the United States in taking what it apparently thought was essential to its development, but I certainly will not attempt to justify it on moral grounds. Nor can I blame the Mexican for remembering that which we would like to have him forget.

Apparently he had forgotten it during the rule of Porfirio Diaz, but the United States found occasions to remind him of it—the seizure of Vera Cruz, and the Punitive Expedition under General Pershing.

Mexicans were as completely mystified by these extraordinary proceedings on the part of the United States as were Americans. They could not and can not understand why the United States should have taken forcible possession of the chief seaport of the republic without a declaration of war, nor can they understand why, having obtained control, the American forces were withdrawn. I cannot either, but doubtless a satisfactory explanation may be given a generation hence, when the history

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of Mr. Wilson's administration is written with the proper perspective, and with due access to the secret archives of the State Department.

Neither can Mexicans understand why General Pershing should have been sent in friendly territory to capture a bandit who had formerly been on the best of terms with the United States, and why he retired to the United States without accomplishing the purpose for which he entered Mexico.

Diplomacy, as represented by Lane Wilson and John Lind, and William Bayard Hale is still unintelligible to the Mexicans. It may be illustrated by an anecdote I heard here of the departure of Lind.

His conferences with Huerta having been unproductive, Mr. Lind called in a group of representative Americans, and asked their advice. They had none to give, whereupon he decided that the time had come to deliver an ultimatum. It was duly written and read to the Americans, and they were asked what the result would be. One of them replied that there wouldn't be any result.

"What?" cried the super-envoy. "Do you think Huerta will dare to ignore the armed power of the United States of America? He will reply, and at once, or I will withdraw from Mexico, and war will follow."

A messenger was accordingly dispatched to find Huerta, who happened to be out of town for the

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time being. He returned to the Palace in the afternoon, and the message was presented. He read it and laid it aside. Being informed that an immediate answer was expected, he glanced at it again, and said he saw no occasion to hurry.

“But Mr. Lind will depart for the United States on the six o’clock train if he does not receive a reply.”

“Mr. Lind is at liberty to leave Mexico when he pleases,” said Huerta, with a grin; “but if he wishes to go at once, see that a presidential private car is placed at his disposal.”

Mr. Lind on receiving this message, prepared to depart, but he again called in his acquaintances in the American colony before going to the station.

“It is war, gentlemen,” he announced with more than usual solemnity. “I shall be on United States territory within twenty-four hours, and will immediately telegraph a statement to Washington. The President will declare war against Mexico the next day. I tell you this, so you may get out of the country as best you may.”

None of the Americans took Mr. Lind seriously enough to follow his suggestion about quitting Mexico.

And nothing happened.

Uncertainty as to the intentions of the United States with regard to Mexico was, until American troops got into action in the Argonne, accompanied

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by a disposition to undervalue the American fighting force. At the time we were building up a great army, that army which was to deliver the coup de grâce to the Hun fighting machine, a Mexican military official spoke of our troops as "Chocolate Soldiers" in the course of a conversation with an American friend. He was at great pains, I am glad to say, to apologize for this, after our men had shown their worth, and gave our troops the superlative praise they deserved.

Clearly, the Mexicans understood nothing of our motives in entering the war, and still less of our strength. All they could see was the threat of an invasion from the north.

We did not take the trouble to enlighten them until the war was practically over. We did nothing until it was too late to accomplish anything to offset the propaganda of the Central Powers. Mr. Creel's bureau offered long stories for publication, free of charge, where the German Legation offered short stories, and paid for their insertion.

The pro-Ally press of Mexico had the greatest difficulty in obtaining news print at a time when the German Legation was supplying its subsidized newspaper with all it could use.

But to say that, even under such conditions, Mexico was pro-German, would be far from the truth.

Mexico had her experience of French invaders

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under Maximilian of Austria in the Sixties, and licked them thoroughly. That episode Mexicans could easily forgive. Mexico had been in the closest of financial and commercial relations with France. Good Mexicans like good Americans expected to go to Paris when they died. Well to do Mexican women clothed themselves in French gowns, saturated their bodies with French perfumes and their minds with French novels. Mexican millionaires loved to spend their money on French furnishings for their homes, French wines for their tables, and as much time as possible in Paris. France, the art centre of the world, France the Latin, Catholic, republic, appealed to Latin, Catholic, republican Mexico in the time of her greatest sorrows.

And Mexico remained strictly neutral.

Why?

Because the Mexicans would not fight beside the Yankees.

They disliked us, and they distrusted us.

But we are necessary to them, and they know it. I am inclined to think that they dislike and distrust the Germans quite as much as they do us. And the Germans are not merely not necessary to them; it will be, as they see it, a matter of years before the Germans can even be useful.

The dislike and distrust of the Mexicans for

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Americans is based largely upon a misunderstanding for which we are in part to blame.

The dislike and distrust of Mexicans for Germans is based upon a perfect understanding of the Teutonic character and aims.

President Carranza's course during the war reflected public sentiment accurately. He did nothing against the United States that could justify a charge of broken neutrality. He did nothing for the United States that would involve Mexico with the Central Powers.

He did not, as his critics so often say, back the wrong horse. He watched the race without making a bet, and is content with the result, but he could not have forced his people into an active alliance with the United States, even to help France.

This is the truth as I see it.

And people in Mexico have seen a great light. They will no longer oppose the plans of the President for a rapprochement within the United States. They seem now to be willing to forget and forgive.

Under the circumstances, ought not the initiative to come from us?

CHAPTER THIRTEEN: THE DEMON AS LICOR DIVINO

At a time when the press is devoting editorials to the dangers threatening Mexico as a result of prohibition in the United States and the plans of the American Whiskey Trust to establish six giant distilleries in the chief cities of this Republic, I am able to say on the highest authority that no concessions will be granted for distillery purposes. When the project was outlined to President Carranza, his only comment was that the Mexican Government was not so badly in need of money as to wish to profit from vice.

Nevertheless there was quite a tempest in a teapot as a result of the recent visit of el Señor J. McRead, representing American whiskey interests. He found that there were admirable sites for distilleries, that an abundance of grain could be obtained suitable for malting, and he assumed, perhaps, that Mexicans are a thirsty race. What more natural than to transplant Peoria to, we will say, Monterey?

I take it for granted that the American whiskey men really planned an export business, meaning to benefit by the cheapness of labour and materials in

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Mexico, for there is no reason to believe that they have failed to hear of pulque, the form in which the Demon Rum is best known to and best loved by the masses of the Mexican people. If they haven't heard of pulque—

Sabe que es pulque,—
Licor divino?
Lo beben los angeles
En vez de vino.

Which may be freely interpreted: “Don't you know that pulque is liquor divine; the drink of the angels in place of wine?”

In our own glorious republic whiskey men always have been good business men, and ought therefore to know that they cannot compete with a national drink which is to some extent an agricultural by-product, and which is so cheap that at manufacturers' prices a plain souse may be purchased for two cents, a complete jag for three cents, insensibility and a fine headache for five cents, and a murderous fit of the D. T. for a dime!

What then is pulque?

The question is much more easily answered than the one propounded several years ago by President Taft: “What is whiskey?”

Pulque is merely the fermented juice of the Maguey plant, which thrives without cultivation

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on the Mexican plateaus, and is valuable for many other purposes than the production of intoxicating drink. It furnishes a vegetable parchment not less durable than vellum; twine, rope; both needles and thread; molasses and vinegar, and roofing for houses. It acts as a binder for friable soil, and its enormous root formation conserves moisture during the dry season. Corn and barley are grown between the long rows of maguey. Without the maguey there is a probability that this arid land would become a desert. That, at least, is the opinion of many of the most intelligent land owners, and as corn is an important if not the most important food crop, and Mexico is now exporting barley, national prohibition of pulque does not seem possible until a substitute for the maguey can be found for other agricultural purposes.

Propagated from suckers, the maguey attains enormous size, and in the course of five years or more, is ready to blossom. It is, in fact, our Century Plant, but the leaves attain a length of ten feet, and the flower stalk rises to from twenty to thirty feet above the ground. But before the maguey flowers its central stalk is cut down, and the heart of the plant is scooped out to form a bowl, which soon fills with "aguamiel" (honey water). The plant, which would have died after flowering, continues to yield fluid at the rate of from a gallon to a gallon and a half daily for a

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period of from three to five months, depending upon the skill of the men who handle the job. The usual method of removing the liquid is for the workman to suck it into a pipette formed of a calabash. When the calabash is full he closes the bottom aperture with his finger, and then releases it into such a pig or sheepskin as was used for carrying wine in the memorable days of Don Quixote. Then he scrapes the cavity from which he has emptied the aguamiel, so as to keep the wound of the heart of the maguey fresh. If he is a good workman and removes but the outer layer of the plant, it will continue to yield its sap for five months. If he is careless or unskilful, and wounds the plant too deeply, it may die in three months or less.

The aguamiel is sweet, slightly astringent, and aromatic in flavour. The odour is not unpleasant, and the aftertaste bitter. Carried in its skin bag to the hacienda or farm house, it is poured into a large vat, or a cow-skin hung upon a wooden frame, depending upon the size and importance of the establishment, where a small quantity of stale pulque is added to start fermentation. In twenty-four hours the aguamiel has been converted into the pulque of commerce, a milky looking and sulphurous smelling liquid, and is shipped to the larger centres of population, where it retails at five times the cost of production. It was estimated some

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years ago that the consumption of Mexico City amounted to 100 or more carloads daily, at a cost of 20,000 pesos a day. Doubtless there has been no diminution in the cost during the revolution.

As to the effect of the national drink on the people there is a wide difference of opinion.

Dr. Felipe Valencia, a Mexican physician of distinction who has travelled much and observed greatly, asserts that pulque is the curse of the nation, just as mate is of the people in extreme South America. He considers that its effect is much more deleterious than that of beer, and that the constant use of pulque in large quantities is certain to wreck both the moral and physical structure of the addict. Having been invited to contribute a series of articles to *El Pueblo*, the official newspaper of the Republic, based upon the results of travel in the United States and South America as well as Europe, he exposed the pulque evil and attacked it in every way he could. Dr. Valencia is far from being an extremist. He likes a good glass of wine, and approves of beer in moderation. He would also approve of pulque if the lower classes could be brought to approve of moderation in consumption, a thing that now appears impossible.

On the other hand, a Mexican aristocrat assured me that he always drank a small glass of pulque daily, and believed that it had valuable tonic qualities, and was an aid to digestion.

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The effect on the Mexicans who are neither of the aristocracy of birth nor of brains is unmistakable. There is more drunkenness here than in Cuba, and about as much as would be found in Kentucky before that State went dry. The pulque drunkard is quarrelsome, and drifts easily into crime.

The upper class Mexican considers himself a gentleman, and he is. The lower class Mexican calls himself a "hombre" (man), and has a code in which personal courage ranks first in importance.

Two anecdotes will suffice to show the effect of pulque on the "hombre" where a thousand might be told. A dispute having arisen between two peons as to which was the braver man, one bet that he would stand in front of an electric train. The wager was to be paid in pulque. The tram smashed one pulque addict into pulp, and the other, considering the death of his friend a great joke, went to the hospital after having tried to consume the entire amount of the wager at a sitting.

Two friends and neighbours started home from a pulque shop arm in arm. It was necessary, since neither could have walked well alone. A quarrel arose over some trivial circumstance, in the course of which one "hombre" called the other a liar. Both drew their knives, and began carving each

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other in a deliberate and not unskilful manner. By-standers called the police, but did not interfere. When the police arrived, one man was dead. The other, holding together a gaping wound in the abdomen with his hands, walked to the police station, and lived long enough to explain to the officer in command that he had "fallen on a piece of glass."

A real "hombre" does not think of asking the police to assist in the settlement of personal affairs, nor does he "squeal."

His ethics are those of a similar strata of society which sometimes get into print in American newspapers.

A majority of the passional crimes, perhaps even of all crimes of violence, may be traced in Mexico to pulque.

More than an hundred years ago, when Count de Revillagegido was viceroy, pulque paid a revenue in Mexico City of 800,000 pesos per annum, on a consumption of about 100,000,000 quarts.

The consumption has decreased, but pulque is still the greatest of Mexico's evils, despite a dozen attempts at reform. Mescal and tequila, both distillations from the cactus, are said to be even more injurious than pulque itself. Fortunately, they are less popular, because more expensive.

I have no prejudice against the Demon Rum in any of the forms in which he has been manifest to

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me, and no distaste for pulque. But I must confess that what I say about pulque is based on observation rather than experiment. So far as I am concerned, its odour is against it for purposes of beverage, and I am compelled to admit that, from the point of view of hygiene, it is probably the dirtiest alcoholic ever marketed.

But the problem of pulque is one of immense difficulty for the Government. Prohibition might produce worse evils than the beer strikes which have taken place in Great Britain. The Government would not, I believe, hesitate to attack the evil at its source, but for the immediate effect on the soil which would result if the maguey were no longer cultivated. And but for pulque the maguey would not be cultivated.

The Government, on the other hand, recognizes the instinct for stimulant which prevails throughout humanity. It hopes to devise a scheme for regulation short of prohibition. But while it is trying to solve the pulque problem, it will not complicate matters by authorizing new establishments for the distillation of grain. As evidence of freedom from fanatical sentiments, either for or against the use of alcohol, it is worth nothing that the tariff on the importation of foreign wines has recently been reduced. The import tax on a case of champagne was 140 pesos. Today the tax is only 40 pesos.

CHAPTER FOURTEEN: TRADE AND COMMERCIAL CREDITS

If the Germans are decidedly "under all," their organization is intact. They will sell American goods if they can get them until they are able to substitute German goods. So free are they from racial antipathy that they will sell British and French goods—if they can get them—until German manufactures can again be imported.

For the last five or six years some of us who know a bit about Latin America have been preaching to American business men that never again would they have such an opportunity to extend and solidify their exports, but quite in vain. They could not get ships. They did not like long credits. Patriotic motives gave Europe the preference. There were a thousand reasons for inactivity, most of which when put to the acid test, were based on the matter of credits.

South of the Rio Grande are 100,000,000 people, inhabiting countries of vastly greater natural wealth than Europe, who have been driven, in some cases against their wish, to the markets of the United States. During a period when billions have been lent to Europe, the rule enforced has

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been cash with order or draft against bill of lading, in dealing with the Latin countries of the New World.

What will happen is this. If the Germans fail to regain their dominant position, it will be assumed by France and Great Britain, who are already actively exploiting Cuba and Mexico, and probably the twenty republics further south as well.

Writing in *Collier's* some months ago, former President Restrepo, of Columbia, made this plea:

“Have faith in us, North America. The European producers and commissions readily give us six and nine months credit. North Americans dislike to give us even three months credit. They prefer thirty days credit, and many give us not a day, yet they give a longer credit to their own people. We do not understand why this is so. These credits have helped European commerce enormously.”

To confine the discussion of credits specifically to Mexico, and as showing the kind of competition to be expected by Americans from the rest of the world, I present in condensed form information prepared for the American Chamber of Commerce in Mexico by Edwin W. Sours, general manager in Mexico for R. G. Dun & Co.

Prior to the war British exporters sold to large Mexican houses in open account, charging 4½ per

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cent. on unpaid balances. Sales to small concerns were as close as possible for cash, drawing through a bank on shipping documents. The rate on unpaid balances during the war has been raised to $5\frac{1}{2}$ and in some cases to 6 per cent. In sales of textile machinery, in which a large trade had been established between England and Mexico, the custom was one-third with order, one-third against shipping documents, and one-third when the machinery was in operation; but exceptions were made when competition required, and six to twelve months credit was allowed.

The British system was largely followed by the French exporters, but the French were more generally represented by resident agents, and an enormous trade in dry goods was carried on here by French firms who maintained purchasing agencies in Paris. Credit was very freely extended in the sales of wines and brandies, amounting to six months or more.

The export trade of Germany had assumed large proportions through a different system from that employed by England and France. Not only were agents and representatives established in Mexico, but travellers came frequently, and it was their custom to sell both to the larger houses in the more important cities, but also to the small trade in the interior towns. To these buyers credit was extended freely for a term of six and eight months

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and even longer. The principal German trade was in hardware, both heavy and small, toys, drugs, chemicals, leather and shoemakers supplies, machinery, electrical goods, etc.

The British sold cotton and woollen goods, linens and laces.

The French sold silks and novelties.

The Americans sold what they could.

Since the war the bulk of Mexico's foreign trade has necessarily been with the United States, although Spain, which had chiefly exported wine, canned goods and wooden ware to Mexico, has developed a fair sized trade in shoes, dry goods, and various articles made by hand.

The United States had, before the war, built up a trade in machinery, hardware, typewriters, shoes, papers, printing supplies, and has been supplying temporarily practically all the other lines enumerated.

Mr. Sours notes the American tendency to insist on cash or cash against shipping documents, and tells a story to illustrate the situation.

"A very large order was placed for dry goods by one of the leading houses here, of unquestioned credit, with an American house. The Americans were requested to ship the order, sight draft for bill of lading, but refused. They were then asked to turn over the shipping papers to the buyers' bankers in New York, who happen to be one of the

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best known financial institutions there. This was refused and strict cash in hand exacted as a condition for shipping the goods. The order was cancelled."

As a result of such practices, Mr. Sours thinks considerable dissatisfaction exists, and it need occasion no surprise should the importers of Mexico show an inclination to return to their European connections and curtail as far as possible their purchases in the United States.

The time has now come, of course, when this shift of international trade is possible.

The Ward Line has now increased its service via Havana to New York to pre-war frequency, a steamer a week. But the Compagnie Generale Transatlantique has resumed its service to Vera Cruz, and it is expected that a group of English capitalists will inaugurate a new service with British ports.

And the country has been full of British and French commercial travellers, all desirous of renewing old relations, which are quite different from those in vogue in the United States.

The "drummer" who goes into Mexico and expects to start work the first day with a line of sample cases is doomed to disappointment. It is not done any more. He will find that his French or British colleague goes about it in quite a leisurely way. First a brief morning call, then a day or two later



THE SENATE OF TLAXCALA
By Rodrigo Gutierrez

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a luncheon, with social gossip, and no talk about business. Perhaps a visit to the theatre, if the city is large enough to support one. Then a suggestion from the Mexican business man that he needs certain supplies, and the order is booked.

Of course this isn't our way of doing business, but after all it is pleasant, and in the end involves the exchange of money for goods.

A New Yorker traveling for a chemical house has learned the trick. "These people," he said, indicating the class with whom he did business, "are not merely my customers, they are my friends. In many cases I dine at their houses, and at the time for me to catch a train to come here from the last town I visited, my biggest customer in that place, who had entertained me delightfully, took me to the station in his car."

CHAPTER FIFTEEN: FINANCE AND THE BANKS

Nothing could be more opportune than the proposed visit to Mexico of a committee of American, French and British financiers. They will be received courteously, hospitably, and it is the impression here in well informed circles that the Government will lay its cards face up on the table. (This article was written in March, 1919.)

But, to quote a Mexican gentleman who knows local conditions, they will find that Revolution has been succeeded by Evolution, that Mexico today has sufficient means for actual expenses, and needs money only for the purposes of reconstruction. Once a friendly understanding between the two Governments has been reached, the financial situation will quickly right itself, in his opinion, as it will involve the matter of credits rather than of cash. And there is every reason to hope, from the Mexican point of view, that the few existing differences are now being adjusted in a manner which will prove satisfactory to both Mexico and the United States.

“Imagine yourself dealing in a business way with a young man of twenty,” continued my in-

formant, "and then, after a lapse of ten years, resuming relations with him. He will have matured somewhat, will he not? He will have gained both wisdom and experience."

In a word, what Mexico desires most of all is the friendship of our country, because Mexico believes that co-operation in business matters will follow.

During a civil war finance moves in a mysterious way its wonders to perform. Ask any of the older generation in the South, where the notes and bonds of the Confederate States of America are still treasured because of a sentimental value which cannot be destroyed. Study the history of the Greenback party, or the rise and fall of the 16 to 1 epidemic, and it will appear that even in a period of reconstruction, financial problems are not clear to all alike.

The Evolution will frankly welcome foreign capital; the Revolution was aware that foreign support could not be obtained at any price. The Revolution maintained itself by revolutionary methods. The Evolution will be developed by constructive methods. The first step has been taken in the establishment of metal currency, which is abundant, with exchange maintained at the rate of two pesos to the American dollar.

The Mexican financial problem is triangular. It involves:

(A) Either a foreign loan or increased revenues

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to meet the cost of necessary reconstruction work, and for the expansion of agricultural interests.

(B) Settlement of the controversy over petroleum.

(C) Adjustment of the claims of foreign holders of the railways which have been nationalized.

To the Mexican who faces local conditions, whose present living and future state depend upon the security of internal credits, his side of the triangle is all-important. To the foreigner, whether American, French or British, either petroleum or railways looms much larger. To an unprejudiced observer whose interests are aloof from Mexico and from foreign capital invested there as well, the problem is complex, but by no means impossible of solution.

The matter of a foreign loan need not be discussed until something tangible develops. The petroleum controversy hangs fire for the present in the Mexican courts. The railway interests are no worse off for the moment than in our own country. Let us try to understand something of Mexico's budget, therefore, as a foundation for comprehension of the whole problem.

Mexico has been trying to work out a financial system adapted to present day conditions. To this end President Carranza appointed a "Comision de Reorganizacion Administrativa y Financiera," which at once availed itself of the services of

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foreign economists. A preliminary survey of the Mexican revenue problem, with suggestions for the reconstruction of the system was completed in July, 1918, by Dr. Henry Alfred E. Chandler, professor of economics in Columbia, which has been published with a foreword by Prof. Edwin R. A. Seligman, of the same institution. Prof. Seligman pointed out that "a fundamental defect of the old system was the multiplicity of taxes." And he asserted that "just as the French Revolution swept away at one blow the heterogeneous mass of complicated mediaeval taxes in order to replace them by a small number of well selected imposts, so the first task of the fiscal reformer in Mexico must be to introduce simplicity in the tax system. A few carefully chosen sources of revenue will be preferable to a jumble of partial and ineffective imposts."

This statement, much amplified by Professor Chandler, has been deeply pondered by Mexican statesmen, who appear also to have been impressed by these suggestions of Professor Chandler, made in 1917:

"A very important part of the wealth of the country is taxed very little or not at all.

"A large part of the productive wealth of the country is controlled by non-residents or aliens, and escapes a portion of its fair share of the state and national burden.

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“While the large percentage of wealth of the country is concentrated in the hands of the very few, the bulk of the tax burden of the nation rests upon the lower classes.

“Directly or indirectly, consumption instead of property or income, is one of the tax bases most used or finally reached.”

To prevent waste of public funds and provide a modern system of accounting, Henry Bruere, of New York, was invited to bring to Mexico a staff of accountants in order to install an audit office, and notwithstanding some opposition on the part of under officialdom, this system is now in operation.

But having taken counsel of American and other experts, the Carranza Administration decided upon the most sweeping reforms.

Luis Cabrera, secretary of hacienda (treasury), in a conversation with me some days ago, used a homely illustration to describe the situation. “Vegetation is so rank in our country,” he said, “that before we can do any planting we have to set fire to the fields. It seemed to me that in the multiplicity of laws and precedents we had inherited in relation to financial matters, there was nothing to do but destroy before trying to build anew. Naturally every change brought a storm of protests, but we weathered the storm.

“I found, for instance, that we were not taxing exports, and as our exports are entirely raw ma-

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terials, it seemed to me that we were overlooking an excellent source of revenue.

“When it became known that export taxes were in contemplation, I received a request for an interview from a lawyer, and when he came he brought with him a stack of books, all, he informed me, the highest authorities on economics and taxation, in order to prove that export taxes were impossible. ‘Neither Great Britain, nor France, nor Germany nor the United States, uses the export tax,’ he said. ‘It is contrary to the policy of all civilized countries.’

“It was in vain that I pointed out to him that the countries he named exported chiefly manufactured goods, not raw materials, and that our country differed in all respects from the economic needs of the powers he named.

“He went away despairing of the future of Mexico, and convinced that it was useless to argue with a man who couldn’t see reason.

“Ten years from now, he may be able to realize that we were right, for we obtained a large and necessary increase of revenue in a way which the people have hardly felt.”

On the same excellent authority I am able to say that the increase in the federal revenues during the last three months has been so great as to inspire new confidence throughout the administration.

To illustrate the importance of this one reform,

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the taxation of exports, I quote from reports of our Department of Commerce at Washington, the statement that imports from Mexico to the United States for the last fiscal year were \$140,000,000 and exports from the United States to Mexico during the same period were \$106,893,653. There has been a steady upward trend since 1912, when, according to the same authority, our imports from Mexico were only \$65,915,313, and our exports to Mexico \$52,847,129. In 1913 Mexico drew 48 per cent. of its imports from the United States, and sent in exchange 76 per cent. of its imports, and this proportion for the subsequent years has steadily grown in our favour.

In a message to Congress in 1918, President Carranza announced that the Government had been able to cover "all indispensable expenditures" out of the federal revenues. In 1917 the congress had approved a budget of 187,000,000 pesos. The budget, according to President Carranza's statement to the chamber of deputies, Sept. 26, 1918, should be based on a prospective income of \$149,384 pesos, of which I give the most important items:

Import duties.....	\$25,000,000
Export duties.....	14,000,000
Federal contributions (from the several states of the Republic)...	31,000,000

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General stamp taxes	13,000,000
Duties on gold, silver, etc.	13,000,000
Petroleum lands	7,000,000
Petroleum	12,000,000

While the Government is paying its way, and may be able to do much better in the future, it must be admitted that payment of interest on foreign loans has not been met. The treasury department figured that as the Government was wholly dependent upon immediate income, actual running expenses must first be met, and that it was better to pay the interest in part only, and until better times were at hand.

There has been no disposition, however, to repudiate any legitimate claims. It is true that at the beginning of the Constitutionalist Government it was resolved to repudiate all the loans Huerta might have made abroad, but, to again quote President Carranza's message to congress:

"Nevertheless, the Constitutionalist Government does not shirk the recognition of all legitimate obligations contracted previous to the revolution, and consequently considers as outstanding the debts covered by Huerta's administration with bonds or funds acquired by means of unlawful loans."

The amount of the public debt at the beginning of 1913 was approximately 427,000,000 pesos, and up to the beginning of the present year, interest due

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and pending payment to date approximated 75,000,000.

The four years' struggle before the Constitutionalist Government came into its own cost Mexico about 125,000,000 pesos of debt, of which the items are:

Paper money to be redeemed at 10 per cent. gold.....	80,000,000
Vera Cruz paper money.....	5,000,000
Loans from banks.....	20,000,000
Debts and amounts due employés....	20,000,000

Aside then, from the claims of the railways, which I propose to discuss later, the national debt of Mexico may be stated at 627,000,000 pesos, the greater part of which is at 5 per cent. Pesos have been and are now two for a dollar, so that reckoned in our currency, the obligations might be discharged for \$313,500,000, a sum which would be astonishingly small for a nation of 14,000,000 souls in normal condition and in times of peace. And Mexico's internal troubles lasted nearly a decade.

Maintenance of the army has naturally been the largest item of expense up to the present time, and will continue to be so until the few remaining "istas" are wiped out. The cost of civil war in contrast to civil government is strikingly shown in figures supplied by the general treasury covering

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the revolution's disbursements from the beginning of General Carranza's struggle against Huerta up to 1917, following his election as president of the republic. The total receipts for taxes collected by the treasury in this period were pesos 75,000,000 gold and 236,000,000 paper. The disbursements were pesos 95,417,400 gold and 855,818,900 paper. The war department received pesos 61,554,096 gold and 656,800,958 paper.

Material reduction has already been effected in the cost of the war department, so as to leave additional funds for agricultural development and public works, and figures to be presented at the assembling of the Congress in April next may be expected to give receipts and expenses in detail. And it is to be noted that the six months ended as this book goes to press have been both as to the extent of foreign trade and governmental income, the most prosperous in the history of Mexico.

CHAPTER SIXTEEN: RAILWAYS AND NATIONALIZATION

When I wrote in discussing Mexican finance that for the time being the railway interests here were "no worse off for the moment than in our own country," I had in mind, of course, the owners of stocks and bonds. Their property is in the hands of the Government, and is badly in need of repairs, improvements and new rolling stock, but it is a definite and valuable property for which the Government has given guarantees, and which must increase in value during the reconstruction period, for the natural wealth of this country is inexhaustible, and, under whatever government, the railways are essential to its development. Repairs and improvements are underway, new rolling stock has actually been purchased in the United States, machine and repair shops have been established, and it must be remembered that during the war, our Government almost crippled itself in the endeavour to supply railway material to France, and was not in position to supply the necessities of a neutral nation.

Where else was Mexico to buy?

I assume that the U. S. Treasury has been meet-

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ing interest on railway securities promptly. I feel convinced that the Mexican treasury will do so at the earliest possible moment. I assume that the return of the railways to private ownership in the United States the terms and the time, is still an open question. The tendency in Mexico during the last twenty years has been to nationalize rails, and the experience of the last few years has strengthened this tendency, and I see no manifestation of an inclination there to revert to private ownership.

Most of us can recall that when the revolution took possession of all railways in Mexico there was an outcry throughout the money markets of the world. Shareholders and bondholders alike were alarmed at what they regarded as confiscation of private property. The foreign investments were large enough to justify strong diplomatic representations, in which Great Britain, France and the United States, all took part.

But when our country took over the railways as a matter of military necessity, it was with the assent of people, press, and politicians.

If government control of rails was necessary in a foreign war, and if Mr. McAdoo was right in urging a continuation "for experimental purposes" of government control for a five year period after the war, perhaps Mexico, facing the difficulties of civil war, was justified in seizing the rails. Per-

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haps she is right is declining to consider a return to private ownership until Villa, Pelaez, and Felix Diaz have definitely retired from business.

However, conditions here and at home differed widely. Railway development in Mexico began during the rule of Porfirio Diaz, under concessions he granted to private companies. In most cases these concessions provided for the automatic return of the roads to the Government after ninety years, on compensation for rolling stock, buildings and materials on hand at the date of transfer.

The Government began buying stock in the three most important lines toward the close of the last century, and in 1906, having united the three most important lines under the name of the National Railways of Mexico, and owning 50.3 per cent. of the stock, extended its control over other roads.

In 1910, when President Diaz retired, the Government owned or controlled 8,200 miles of track. There remained under private ownership 7,800 miles, of which 3,000 was local narrow gauge of relatively small importance. To be exact the Government was a majority stockholder in a system comprising the National Railroad of Mexico, the Mexican International, the Hidalgo and North-eastern, the Vera Cruz and Isthmus, the Pan-American, the Mexican Southern, and operated the Interoceanic Railway of Mexico under lease. Most of the stock not Government owned was held by

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Americans, who were also interested largely in all other important lines.

In 1902 it was estimated by the American consul general that 70 per cent. of the \$500,000,000 American capital invested in Mexico was in railroads. Five years later, according to our Department of Labour and Commerce, the American investments had grown to \$750,000,000, of which two-thirds was in rails.

By 1912, Consul Marion Letcher, at Chihuahua, estimated the total American investments in Mexico at \$1,057,770,000, and British investment at \$321,303,000.

According to his figures railroad investments were as follows:

American capital.....	\$235,464,000
British capital.....	81,238,000
Mexican capital.....	125,000,000
Holdings in railroad bonds:	
American capital.....	\$408,926,000
British capital.....	87,680,000
Mexican capital.....	12,275,000

But while Mr. Letcher's figures are generally accepted as correct in regard to the amount of American, British and Mexican capital invested in rails, he appears to have overlooked the fact that the French have invested \$143,466,000 in Mexico,

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and that of this sum, \$17,000,000 is in railway bonds.

The total holdings of all other countries in Mexican rails is \$75,000 in stocks, and \$38,535,380 in bonds. The Mexican figures in the above tabulation are representative of private capital only.

What happened to the railways, however, is told thus by President Carranza in a message to congress:

“Since the First Chief entered the capital, the Government has felt the necessity of taking over some of the principal railway lines of the country, not only for the purpose of moving troops, provisions, arms and ammunitions promptly and at the proper time, but also to facilitate the necessary means of communication and transportation to the people in the territories occupied by the Constitutional forces.

“But when the revolution triumphed and rebel bands of importance were disbanded, I thought the time had arrived for returning these lines to their former owners, and, therefore, began by relinquishing the railway line running from this capital to Vera Cruz, known as the Mexican Railway.

“Since the railway was returned to its owners, developments have demonstrated that they are unable to keep it in service, as they could not prevent frequent assaults on trains by small bands of bandits. As it is of vital importance that this line

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be kept in operation and that passengers be protected, I have deemed it absolutely necessary to again take it over, and have appointed as its manager Lieutenant Colonel Paulino Fontes, who will carry on the administration independently from the other lines that make up the National Railway System.

“The First Chief has also just ordered the taking over of the National Tehuantepec Railway, appointing Mr. Rosendo Mauri, as manager.

“Finally, the attachment of the Alvarado to the Vera Cruz Railway, and the Terminal Station at Vera Cruz have been decreed.”

I hold no brief for the Mexican Government in the matter of its railway administration or anything else, nor am I about to make an appeal on behalf of American capital, but I have tried to explain control here where the Government is hard pressed for money, in the light of control in our own country, which is the richest in the world.

After making the above explanation of his motives in taking over the railroads, President Carranza admitted that the National Railways of Mexico were “debtors for capital and interest matured up to the first of July (1917) for the sum of 71,388,790.26 pesos.” Doubtless this sum has been considerably increased, as net earnings of the railways appear to be devoted to the expenses of Government, and the payment of interest has not

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been regarded as an "indispensable expenditure" for the time being. But the President added:

"The Mexican Government is responsible for part of that sum, which is that representing the interest on the 4 per cent. guarantee bonds of general mortgage of the National Railways, in accordance with the organization plan of said company and the decree of July 6, 1907, and which will up to the first of July of the present year (1917) amount to the sum of \$6,089,829, U. S. currency.

"This debt has been created by the impossibility of the company meeting such obligations, owing to the attachment of its lines in accordance with the dispositions of the railway law, and it possesses legal status derived from the obligations contracted by the Mexican Government towards the holders of the bonds of the above referred general mortgage."

Included in the roads taken over by the Government are:

Southern Pacific Railway of Mexico, which owns 1,341 miles of track, and is still operated through the American management representing the owners.

Mexican and Northwestern Railway Company, which controls 496 miles of track between El Paso and Chihuahua, or did until the "patriotic" Villistas wrecked it. Owned by British capital.

Mexico City and Vera Cruz road, built by British capital and operating 402 miles of track between port and capital.

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The American owned Kansas City, Mexico and Orient Railway, with 349 miles of track has not changed hands.

The director general of the Constitutionalist railways was an engineer, Alberto J. Pani, who was also secretary of commerce, industry and labour in President Carranza's cabinet. His last budget for repairs disclosed the following items, the figures standing for pesos: tracks, 27,393,617; in which are included the purchase of 16,000 cross ties, 86,671 tons of rails, tools, etc.; repair and reconstruction of buildings, 2,774,000; bridges, 8,558,000,048; new rolling stock, 5,000,000; repair of rolling stock now in use, 4,000,000, new fuel stations, 769,000; small buildings, loading stations, fences, etc., 379,000. The total bill would be on this estimate 31,873,665 pesos.

On the recommendation of the President, congress authorized a foreign loan of 300,000,000 pesos for the purpose of rehabilitating the railways, and of establishing a new national bank of issue, but up to this time the money markets of the world have been disinclined to make favourable terms, and the loan has not been consummated.

There is a probability, also that the matters of rails and banks will not be lumped together next time, which leads me to note that while I make no claim to special knowledge of banking matters, I seem to have acquired more information in a week

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than some of our largest banks possess, and that it is my duty to pass it along.

Finding only metallic money in use in Mexico City, I wished to open a small checking account, as a matter of convenience, and took the letter of credit issued by one of the best known banking houses in New York to the institution named in its printed list of correspondents.

Probably I was the only caller that day at the palatial offices of the Banco de Londres y Mexico. They seemed deserted, although an office force remained in possession, a very small office force indeed. Finally the manager presented himself, and explained that to his deep regret he could do nothing for me.

Was there any disposition to question either my identity, or the credit of my New York banker?

Not the slightest, but it seemed incredible that the so well known New York house should not be aware that for a period of six years the Government had not permitted the bank to transact business. I would do well to make myself known elsewhere, for example at the offices of the Bank of Montreal, Avenida 5 de Mayo.

Profiting by this excellent advice, I made myself known to the Bank of Montreal, where I speedily transferred dollars from a letter of credit into pesos at a much better discount than the peso and ninety centavos I had been obliged to accept in

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Vera Cruz, and was provided with a pass-book and check-book, such as we use at home, only, of course, with Spanish substituted for the English language. I was informed that a stamp must be affixed to all checks under 100 pesos to the value of five centavos, and to the value of ten centavos for each 100 pesos on checks for larger amounts.

And then I learned that there were two small but sound private American banks in the capital, a strong German bank, and plenty of other banks representing foreign or domestic interests. This aroused my curiosity regarding the "London Bank." I turned to the treasury of information I have so often quoted, President Carranza's speech to congress in 1917, where I found this explanation:

"Commencing with General Diaz's Government, the banking system of Mexico, placed on a concessionary basis, implied a system of privilege, the defects of which had been apparent a long time.

"The banks of issue of Mexico loaned to Huerta's Government to help it in its struggle against the Constitutionalist Government, approximately forty six and a half million pesos. Huerta decreed, in exchange, the obligatory circulation of their bills, which the constitutionalist government found still in circulation upon occupying the city of Mexico.

"The Constitutionalist Government, busy with other details of the campaign, could not immediately take up banking matters, notwithstanding the

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fact that it was notorious that the banks were its financially powerful enemies.

“The banks could not, on the other hand, re-establish the obligatory circulation of their bills, as, even if some of them held their reserves practically intact had they been required to redeem their bills at par, they would have been obliged to enter into liquidation.

“Inasmuch as the Government did not wish the large sums in metallic reserves massed by and stored in the banks to disappear, it preferred to take certain measures to prevent these amounts from being disposed of. To this effect a decree was issued, ordering the banks to complete their reserves. As this disposition did not obtain the desired results it became necessary for the Government to order the attachment of the banks. This was effected practically by merely placing the management of these institutions in the hands of an attachment board.

“The banking problem is still unsolved, for, although the constituent congress decreed the establishment of a national bank of issue, the definite standing of the banks has not and cannot be determined until the national bank of issue, which is designed to replace all other banking institutions, can be placed in operation.

“Forced by circumstances, the Constitutionalist Government was obliged to draw from the banks ap-

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proximately twenty million pesos, to cover its needs. This represents a debt toward the banks which the Government has assumed and recognized as a loan on short terms, and for which it is ready to offer a sufficient guarantee. I desire to call the attention of Congress to the fact that the Government drew money from the banks' reserves only when paper money became absolutely discredited and could not be circulated.

“I must point out also that the National Bank of Mexico and the Bank of London and Mexico alone loaned the usurper twenty million pesos.”

CHAPTER SEVENTEEN: PETROLEUM AND POLITICS

Primarily petroleum has been a political problem in Mexico, and still is. That one of the greatest sources of Mexico's natural wealth should be exploited exclusively for the benefit of foreigners, especially at a time when the Government needs funds for reconstruction purposes, is an absurdity quite obvious. Some form of taxation must be devised by which petroleum shall pay its share toward the common weal, and this can be achieved without conflict between Mexican and American interests when the political issue has been disposed of.

It is frequently said by the enemies of General Carranza, both in Mexico and at home, that he "backed the wrong horse" in the world war. This criticism would be well founded if applied to the oil interests at Tampico. They backed Villa to win, and at the quarter he may have been a nose ahead, but the race is over, and Villa is hidden in a cloud of dust among the "also rans."

Legislation based on the new constitution will eliminate the retroactive features of Article 27, which, as it now stands, appears to confiscate the

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property of the oil interests. In a word, Mexico will claim all future oil discoveries as the nation's property, without disturbing the private ownership of oil fields now in operation. Let Article 27, which I quote, speak for itself, but I am reminded of the question sometimes asked in our own glorious republic. "What is the constitution between friends?"

"The ownership of lands and waters comprised within the limits of the national territory is vested originally in the nation, which had, and has, the right to transmit title thereof to private persons, thereby constituting private property.

"Private property shall not be expropriated except for reasons of public utility and by means of indemnification.

"The nation shall have at all times the right to impose on private property such limitations as the public interest may demand as well as the right to regulate the development of natural resources, which are susceptible of appropriation, in order to conserve them and equitably to distribute the public wealth. For this purpose necessary measures shall be taken to divide large landed estates; to develop small landed holdings; to establish new centres of rural population with such lands and waters as may be indispensable to them; to encourage agriculture and to prevent the destruction of natural resources, and to protect property

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from damage detrimental to society. Settlements, hamlets situated on private property and communes which lack lands or water or do not possess them in sufficient quantities for their needs shall have the right to be provided with them from the adjoining properties, always having due regard for small landed holdings. Wherefore, all grants of lands made up to the present time under the decree of January 6, 1915, are confirmed. Private property acquired for the said purposes shall be considered as taken for public utility.

“In the nation is vested direct ownership of all minerals or substances which in veins, layers, masses, or beds constitute deposits whose nature is different from the components of the land, such as minerals from which metals and metaloids used for industrial purposes are extracted; beds of precious stones, rock salt, and salt lakes formed directly by marine waters, products derived from the decomposition of rocks, when their exploitation requires underground work; phosphates which may be used as fertilizers; solid mineral fuels; petroleum and all hydrocarbons—solid liquid or gaseous. . . . The ownership of the nation is inalienable and may not be lost by prescription; concessions shall be granted by the Federal Government to private parties or civil or commercial corporations organized under the laws of Mexico, only on condition that said resources be regularly de-

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veloped, and on the further condition that the legal provisions be observed.”

Article 27 likewise declares public ownership of inland waters, prohibits churches from owning real property, irrespective of creed, and declares all such property to be that of the nation. It likewise defines other real property rights of national, but not international interest.

The regular session of the Mexican congress is expected during the winter of 1919–20 to enact laws which will put Article 27 into effect, but without injustice either to the church or to the petroleum concessionaires.

The Mexican view of Article 27 is based on the old Spanish law of real property. The American view is based on the old English law of real property, by which the owner in fee is proprietor not only of the surface soil, but of all that is beneath, as of the air above. From the American viewpoint mining coal or iron or gold or silver or coal would not be justified beyond the territory to which operator had a legal right. But if by sinking a well, a man drained a vast territory rich in natural gas or oil quite beyond the boundaries of his own property, he would be within his legal rights, and an uncommonly lucky chap, much to be envied.

Spanish land grants conveyed merely the surface soil, suitable for agriculture, reserving

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mineral rights to the state. Coal, natural gas and petroleum were not specifically included because their value was unknown.

But if mineral oil is as great a source of wealth as ore, is it not logical to apply the legal principles governing mines in general? From the Mexican point of view it would be inconsistent to do otherwise, hence there is no probability that the Government here will recede from the application of Article 27 to future petroleum developments. But I doubt if it was ever seriously intended to confiscate the existing and developed oil fields. That feature of Article 27 was political.

The new constitution was signed and promulgated at Queretaro de Arteaga, January 31, 1917. It contains many radical features of which certain of the First Chief's wisest advisers disapproved, but which they were obliged to accept. General Carranza's power was not established on the firm basis now achieved, and the oil interests, although subject to the First Chief's customs authorities in Tampico, had set up a state within a state in the oil jungle, commanded by "General" Manuel Pelaez and "General" Enriquez, who pretended to hold subordinate authority from Villa, and who were therefore and are, rebels in the eyes of the then First Chief of the Constitutionalists, now President of the United States of Mexico.

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The oil interests justified themselves not only to themselves but to their Governments, by representing that it was necessary to maintain the security of their establishments, that Mexico's attitude toward the United States and the Allies was doubtful, that they had no concern with Mexican politics, that their business was to produce and ship oil, and if it was necessary to pay two conflicting sets of officials in order to do business, they were still obliged to do business.

I have heard it said in my own country that corporations are soulless things, organized to make money. Perhaps they are soulless. Certainly they sometimes lack vision, for what happened in the Mexican oil fields is precisely what happened some years ago in the Santo Domingo cane fields though on a much larger scale. American capital had developed a great sugar estate, and was preparing to put in a mill. Even a small sugar mill in these days costs \$1,000,000 or more. What the management desired above all things was security, so when a local political chieftain offered to establish a guard to prevent bandits from destroying the property, his offer was accepted.

The guard consisted first of half a dozen ragged fellows, who soon grew slick from good feeding, and began to assume an air of importance in the neighbourhood. In due course the guard became

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an army, and its chief a "General," and the whole outfit equally a nuisance to the Government and to the American sugar planters.

It was a cancerous growth which required a capital operation, this little "army" built up by American capital. In Santo Domingo City the "General" was referred to as a bandit, and a force of Marines was sent out to put him out of business. The "General" asserted that on his word of honour he was not a bandit but a patriot. That made no difference. Both "General" and "army" were exterminated.

In Tampico the "army" has had the same mushroom growth. Two years ago Carl W. Ackerman wrote, apparently on information derived from the oil men themselves:

"Pelaez and his army—estimated at 3,000 to 27,000 men, depending upon the authority quoted—get \$40,000 a month protection money from the oil companies. Carranza gets \$100,000, in taxes every month from the Standard Oil Company; \$200,000 a month from the Huasteca Petroleum Company, and more from the Lord Cowdray interests. The oil producers maintain Pelaez, his soldiers and his government, and they contribute more than any other foreign interest toward the revenues of the present Mexican government."

The retroactive feature of Article 27 was in retaliation. It was in line with a decree issued by the

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Constitutionalist Government in August, 1914, establishing a petroleum department, invalidating all oil transactions made during Huerta's administration, and with the assumption of Government control of oil production decreed in Vera Cruz, January 7, 1915. A petroleum commission was created for technical study, and it is an open secret that the Government has been conducting explorations for oil on its own account for several years.

Concessions granted to Robleda Coss y Brito for the exclusive privileges of exploiting petroleum in four zones of 100 kilometers each in the States of Taumalipas and Vera Cruz were cancelled. The same action was taken regarding concessions to De la Barra y Bringas in the State of Chiapas, and the Aguila Oil Co., S. A. (Cowdray's Mexican Eagle Co.). At the same time five concessions were granted for laying pipe lines for public use, and three pipe lines for private use. Concessions for the establishment of refineries and the extension of those already in use were granted to the Huasteca Petroleum Co. (Doheny) and the Aguila Oil Co., but steps were taken to put a stop to speculation in "wildcat" companies by the imposition of heavy inspection fees. More than 100 of these companies speedily disappeared.

Enough has been written to show that President Carranza has been making earnest efforts to control the oil industry, and why he has repeatedly de-

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nounced the oil corporations for their association with rebels and opposition to the established Government.

Perhaps the origin has been disclosed of the Carranza doctrine, the essential points of which are:

No nation should intervene in any form or for any reason in the affairs of another.

Nationals and aliens should be equal before the sovereignty of the country in which they reside.

Diplomacy should not serve to protect private interests.

It should be borne in mind that every oil concession has been made with a condition to which the concessionaires pledged themselves, that they should be regarded as Mexican citizens, with no right to diplomatic appeal.

Opposed to the Mexican official view regarding the retroactive features of Article 27, the position of the United States was voiced in a protest from Ambassador Fletcher, April 2, 1918, in which he said:

“The United States cannot acquiesce in any procedure ostensibly or nominally in the form of taxation or the exercise of eminent domain, but really resulting in confiscation of private property and arbitrary deprivation of vested rights.”

Similar protests were sent by Great Britain, France and the Netherlands, whose “vested rights”

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were concerned. Of the powers named, Great Britain is the only one largely represented in the oil fields at this time, her investments being estimated at \$100,000,000, as against \$200,000,000 of American capital. It is doubtful if the powers chiefly concerned are in complete accord as to diplomatic action here with regard to petroleum interests, but once the ownership of the oil fields held by foreign corporations is legitimated, the political phase of the oil problem will vanish.

There remains to be considered the future of Mexican petroleum production. It is boundless. During the first year of exploitation by the Doheny-Canfield company in the jungle to the west of Tampico, 1901, the production of oil was 10,343 barrels. In 1917 it had reached 55,000,000 barrels. A conservative estimate gives the capacity of the Mexican oil fields now partly exploited at 250,000,000 per annum.

No one in Mexico is so foolish as to believe that the fields in the five districts now shipping oil represent Mexico's entire wealth in petroleum. These districts are Ebano, forty miles west of Tampico; the Panuco, which includes the Topila region; the Huasteca, south of Tampico, the Tuxpan, including the Furbero region, and Tehuantepec-Tabasco, in none of which is development complete.

These figures mean, if they mean anything, that

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Mexico will be the greatest oil producing country in the world. Heretofore she has ranked third, the United States coming first, Russia second.

Do they mean also that, with oil fields to be discovered hereafter the property of the Government, of the nation, the United States of Mexico will be the world's richest republic?

Quien sabe?

CHAPTER EIGHTEEN: THE OIL MEN'S VERSION

To say that the oil men of Tampico are between the Devil and the deep blue sea is quite literal. The Devil is anarchy. On the land side there are two lines of rail communication, one leading to San Luis Potosi, the other to Monterey, both important cities on the main highway from Laredo to Mexico City. Twice within the last ten days I spent in Mexico the northerly route to Monterey was interrupted by bandits. The first time the train from Tampico was blown up some forty kilometers from that city. The passengers were not injured, but were robbed, and their luggage either stolen or burned. One American woman long resident in Tampico says that fourteen soldiers were killed on this train while attempting to defend it from the bandits, and that the commanding officer of the guard, who had entered the "first class" car, was so near her when he fell with a bullet through his heart, that her clothing was stained with his blood.

Having lost all her outfit, she returned to Tampico, and started north next day. Again the train

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on which she was a passenger was dynamited, and also the train to Tampico from Monterey, but no details filtered in as to the loss of life or property during my brief sojourn.

Communication between Tampico and San Luis Potosi has not been stopped, but is far from safe.

When I asked an oil man in Tampico why, on first attack on a train they had not cut off the blackmail levied by Pelaez, in which event he would have been wiped off the map several years ago, the reply came promptly that they paid Pelaez to protect their oil camps, and had no concern with what happened elsewhere.

“What would happen if you refused to contribute further to this outlaw?”

“Well, you see, he isn’t an outlaw, but a revolutionist. Probably if he failed to get his money he would blow up our properties. He is an oil owner himself, and guards our camps with his men just as he guards his own property.”

“But he doesn’t guard his own property very well,” I said. “Federal troops recently captured his archives covering the last three years, and when I left President Carranza at Queretaro a week ago, he was going over these records with much enjoyment.”

Getting a man’s office records, and getting the man himself were two very different things, the oil

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man thought, and all efforts to capture Pelaez would fail.

I had the pleasure of meeting a representative gathering of oil men, called for the purpose of presenting their side of the petroleum controversy. It was interrupted by a late comer with the news that bandits had just captured a payroll of the Huesteca Oil Company, after shooting two Americans and one Mexican who were guarding it, and as this little episode took place in the neutral zone, beyond the lines held by the Federal Government, and near the zone commanded by Pelaez, it seemed to me that "the King of the Oil Fields" must be tottering on his throne.

Enough of anarchy on the land side.

To the periodista from the States who had seen peaceful and prosperous Mexico under the rule of President Carranza, it seemed reasonably clear that safety lay in the deep blue sea, personified in the river by one Mexican and two American war vessels.

It was agreed at the conference with the oil men that no names should be used. They said with the utmost frankness that they had nothing to hope for either from Washington or Mexico City, and that whatever they might say would be used against them.

With no desire to increase the difficulties of a

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position already untenable, I agreed to suppress names, but pointed out to them that what I might say on their behalf would carry much less weight than if they said it themselves, taking full responsibility, and that a round robin could be drawn up which would divide this responsibility equally among all present.

“There is no way in which we can present our side except this,” the spokesman replied. “So long as the gentleman now in Paris remains at the head of the American Government it is useless for an American citizen in a foreign land to demand either redress or protection, and anything we say will be construed against us. We know this. We have tried to get a hearing in Washington, but without success.

“We are American citizens engaged in a patriotic duty. We have come into Mexico to develop the country, and we are doing it. Every dollar we have made is the result of hard labour intelligently applied. We have risked our lives as well as our fortunes down here, and while we have built up a great industry, and have made a city, the expenses of operating are so great that despite the vast amount of oil shipped we would all be ruined tomorrow if our plants shut down, as the investments exceed the profits to date.”

“Is there any truth in the rumour that the Tampico oil field is beginning to show signs of exhaustion?”

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“There are some symptoms of a decrease in the flow, and we have had experts at work for some time in the expectation that the supply can be nursed along for years to come. The Government, too, has been making a study of the situation, but while we are uncertain as to the future, we are still looking forward to new developments if the Mexican Congress legalizes our ownership of property we have already bought and paid for.”

“Mexican officials say that the petroleum law presented at the last Congress by President Carranza will be re-introduced, and that the confiscatory features of the new constitution will be eliminated, so that on all property purchased prior to the date on which the new constitution became effective your titles will be absolute. This is to be effected by means of an amendment to which Mr. Carranza will consent. There will also be an amendment providing for additional protection to owners of the surface soil, but the Government will not recede from its position that all future oil fields discovered shall be the property of the republic. Is there any reason why you cannot operate under the new law in extending your production?”

“We will not do any new business under such a law,” said the spokesman, who represents one of the larger American oil corporations.

“It seems to me that you are going too far there,” interrupted a man who is among the most important

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of the individual owners. "I have no objection to doing business under the new constitution, provided the royalties fixed are such that I can make a profit. In fact I have no objection to the new law in its application to all future oil transactions, although I agree that it would be a crime to take our properties from us after we have paid for the land and developed it at our own expense."

"It is possible," the spokesman resumed, "that some of you may be able to operate under the new law, but to make the attempt would, from our point of view, mean placing full reliance upon the promises of the Carranza people, and what we want from them is not promises but performances. Our experience thus far with the Government in Mexico City is quite as unsatisfactory as our experience with Washington, and we feel that we have nothing definite from either source upon which to base our course."

"Does it not seem possible to you that the Mexican Government resents the support the oil interests are giving to Pelaez? Would it not be easier to come to terms with Mr. Carranza, and to obtain the backing of the United States in support of your claims if you rid yourself of this Old Man of the Sea?"

"Not at all. Pelaez is our friend. We would like to see him president of Mexico, and if he were,

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we would get what we want. We have never had any assistance or encouragement from Mr. Carranza any more than we have from Mr. Wilson, and it would be folly on our part to turn down Pelaez, even if we could, to please either of them. Besides, the State Department at Washington is perfectly aware as to our relations with Pelaez, and has approved them from the beginning. Washington knows to a penny what we have paid and are paying Pelaez, and has never interposed any objection."

(An oil man testified before the Fall Committee that Acting Secretary Polk had been told of the arrangement with Pelaez, but the State Department has no record of this arrangement having been approved.)

"But even if Washington does not object to the payments to Pelaez, what is there to prevent you from cutting them off now, when he is obviously failing to give you the protection for which you are paying?"

"We are so situated that this man could destroy millions in property, and if we cut off his revenues he probably would do so. It is better to let things continue as they are rather than to court destruction."

"But do not these heavy payments in graft eat into your profits?"

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“We have no profits. We are able to keep things going, but I can't say how much longer we will be able to do so.”

“This is a most surprising statement. How is it that if the American oil interests in Tampico have failed to make a profit the Cowdray people were able to declare a 25 per cent. dividend for 1918?”

“I don't see how Cowdray could possibly have earned such a large amount last year. Of course he has certain advantages in shipping and marketing his products, which would account for a better business showing than we could make, but 25 per cent. must be an exaggerated estimate.”

“Suppose I tell you that the figures are from the company's report published in the *London Economist*?”

“That authority would not be questioned of course, but the fact remains that we are not making any money here, but are hanging on upon the theory that after the lean years there will be a succession of fat years. With proper encouragement from people at home, and protection from the Mexican Government, there is no reason why we should not eventually reap the reward of our labours here. There are times, however, when we have been so heartily disgusted that we have been on the point of giving up, and pulling out of the country. In fact, I so advised my people some time ago. I told

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them it would be better to pocket their losses and close up."

"What losses would there be?"

"The scrapping of a plant that has cost millions, and the impossibility of converting anything we have here into real money upon our withdrawal."

It was the sense of the conference that unless the Mexican Government actually carried out its promises regarding the elimination of the retro-active features in the new constitution regarding the ownership of oil discoveries, the situation as regards Mexico would be quite hopeless, that an appeal for protection or assistance from Washington would be equally hopeless, and some of the grievances of the oil men against both Governments were thus outlined:

Washington, at the time of the Vera Cruz episode, instead of helping the Americans in Tampico, ordered the two naval vessels then in port to sea, leaving the Americans at the mercy of a mob which was parading up and down the streets, shouting "Death to the Gringos!"

Washington apparently held to the view that Mr. Taft had given ample warning to Americans to get out of Mexico, and had assisted those who needed aid, and that if any were foolish enough to remain behind after this warning, it was their duty to take care of themselves.

While no one was actually injured during this

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demonstration, the Americans were embroiled with their British neighbours because their British neighbours declined to admit them to a stronghold prepared for their own nationals in times of emergency, and this feeling of ill-will engendered in times of stress has not wholly died out.

When Tampico business men sent representatives to Washington to lay their grievances before President Wilson, they were unable to see him. Referred to the secretary of the navy, they obtained no satisfaction from Mr. Daniels.

"Tampico," said Mr. Daniels, turning to the map. "Ah yes, here we are," and began running his finger along the coast midway between Vera Cruz and Progresso.

"No, Mr. Daniels, to the north of Vera Cruz," one of the committee said.

"To be sure," replied Mr. Daniels, turning his attention to a district some hundreds of miles further north. "Here we are, right on the coast."

"No, Mr. Daniels," objected another Tampico man, "not on the coast, but seven miles up the river."

No doubt Mr. Daniels was jesting, for one does not run a country daily for a score of years without acquiring a smattering of geography, but his pretended ignorance of the location of Tampico hurt, for these men had assisted in putting it on the map, and had seen it grow from a sleepy little Indian

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town of some three thousand inhabitants to its present proportions which are those of a prosperous semi-American city with tall buildings and a population of sixty thousand, and ambitions of a metropolitan character.

Against the Mexican Government the grievances are equally numerous and no less bitter.

American citizens have been denied the right to carry arms for their own protection. It being pointed out to some of them that on making application to the proper authorities a permit would be issued to them, both arms and ammunition were brought in, and the applications made and granted. Several days later both arms and ammunitions were seized on the ground of military necessity.

Taxes assessed in the municipality of Tampico amount to some \$1,500,000 per annum, a revenue wrongly said to be larger than that of Kansas City, but Americans have no voice in the administration of the revenues, and plans for civic improvements are promptly sidetracked if presented.

There are leaks between the Carranza officials in Tampico and the outlaws, as shown by otherwise uncanny knowledge of the routes of pay rolls, the amount of money carried, and the strength of the guard. No satisfaction has ever been had upon complaints arising from such cases.

Until recently it has been impossible to obtain protection from the Federal Government for the

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oil camps, so that the heavy payments of tribute to Pelaez have been a matter of necessity.

Finally, it is charged, but without proof, that many of the hold-ups which frequently take place between Tampico, which is controlled by the officials of Mr. Carranza, and the oil zone, which is guarded by "General" Pelaez, are the work of Carrancistas.

The oil men say that on the one hand they have contributed liberally of men and money toward winning the war for America, besides furnishing an essential war material. They insist that they are reputable American business men, entitled to their rights as citizens, even though resident in a foreign country, and that they have been insulted so uniformly when attempting to confer with American officials that they will not renew their efforts at an understanding with Washington until a Republican Administration takes office. On the other hand they are tired of smooth words and vague promises from Mexico City, and only definite actions will convince them of the reality of Mr. Carranza's good intentions toward them.

It was suggested to them, but in vain, that Washington had recognized Mr. Carranza's Government as the one and only legal government in Mexico, and that the United States would be hampered in its efforts to obtain a financial settlement by persistence

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on the part of the oil men in aiding a rebel with money and munitions.

It was suggested to them, but in vain, that Mr. Carranza's Government might be disposed to do more for them if their status was cleared from this political taint.

They are standpatters, these oil men, and are determined to hold their own, no matter at what cost. Perhaps the owners of oil securities in the United States may not agree with the position these gentlemen have taken, but they are at present in control of the Tampico oil industry, and will continue to run things to suit themselves—unless something happens.

No objection to the accuracy of this presentation of the oil men's version has been made by them, six months after its publication in the *New York Tribune*. Their statement regarding financial loss, however, I have found to be untrue, and I therefore doubt many of their other statements.

CHAPTER NINETEEN: MEXICO'S FUTURE BRIGHT

The future of Mexico, and indeed of every country, can be nothing but the outgrowth of the present. At present, says the Mexican secretary of the treasury, "Mexico is convalescent." If Mexico is on the way to recovery, which is my own opinion, President Carranza was not far wrong in expressing the hope that he would be able to leave a completely pacified country to his successor in office in December, 1920. In this event I forecast a bright future for our neighbour. Indeed, I venture to suggest the possibility that in ten years from now the people of Mexico may find themselves in the delectable position as regards taxation in which subjects of the Prince of Monaco are now unique—tax free.

It is not altogether beyond possibility that the nationalization of petroleum may make Mexico the richest nation on earth. Let us for the moment waive all thought of the Tampico and Tuxpan oil fields, which are almost wholly controlled by British and American capital, but exported in the year 1918, 58,560,553 barrels of petroleum—together with the political and financial questions in-

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volved. Waiving this, it is beyond the range of controversy that Article 27 of the new constitution of 1917 stands good in international law, once its retroactive features, which are contradicted by another section of the same fundamental law, are eliminated. That means that all future oil discoveries will be the property of the Mexican nation, and can be developed on a royalty system by which the operators will be allowed sufficient profits to encourage the investment of brains and money, but without giving the lion's share to foreigners—a lion's share which enabled Lord Cowdray's company to pay a 25 per cent. dividend last year, and the Royal Dutch Shell to pay dividends for the last two years of 38 and 48 per cent.

Ever since I got into the heart of Mexico I have had a strong conviction that the oil regions of the republic still undeveloped but known to the higher officials of the government, and perhaps to certain Americans also, vastly exceed the properties now exploited, affording, in view of the constantly increasing demand for mineral oil, the certainty of enormous wealth. I knew that Mexican, French, British, and American oil men had been exploring every part of the United States of Mexico for several years. I knew that these investigations had covered the Yucatan peninsula, Lower California, the States of the Central plateau, and those of the Pacific coast. The Mexican officials had been per-

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fectly frank with me in discussing financial affairs, giving me the very latest figures regarding the national debt, the foreign loans, the revenues, and the railways. No information was forthcoming on petroleum. I never met a more courteous or companionable lot of people than these same Mexican officials, and I had found them ready at all times to furnish information if sought—except when it came to petroleum. My “hunch” is that not more than a tenth of Mexico’s known petroleum resources are being operated as I write. I believe that if Mexico enjoys for ten years to come as peaceful a rule as that which now exists, her exports will be ten times as great as in 1918, and that nine-tenths of the increase will be of oil owned by the nation. Bear in mind that the population of Mexico is now under 15,000,000, and then take your paper and pencil and figure to yourself the extraordinary magnitude of the per capita wealth which will flow into Mexico from this source alone. Cuba’s profits in sugar will seem as a drop in the bucket.

Even if my “hunch” is wrong, however, peaceful development for ten years certainly means a bright future for Mexico. Mexico is naturally, as the Englishman says of his modern flat, “self-contained.” Her tropical coasts produce an abundance of bananas, the cheapest food in the world;

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of cocoanuts, which yield the cheapest and most wholesome vegetable oil for food, as well as sugar, and the tropical fruits, which are valuable for their delicacy and nutritive qualities. The temperate zone includes vast areas suitable to the cultivation of cereals in which, to take a single instance, the yield of corn is immense, and there are two crops a year. The pasturage for cattle and sheep surpasses that of any other country in America. The mines abandoned years ago by Spanish owners are yielding handsome returns under modern methods, and a single mine in the Valley of Mexico, reported in the latest book on that country as having been shut down since the retirement of President Diaz, is actually shipping 7,000,000 pesos a month in bullion.

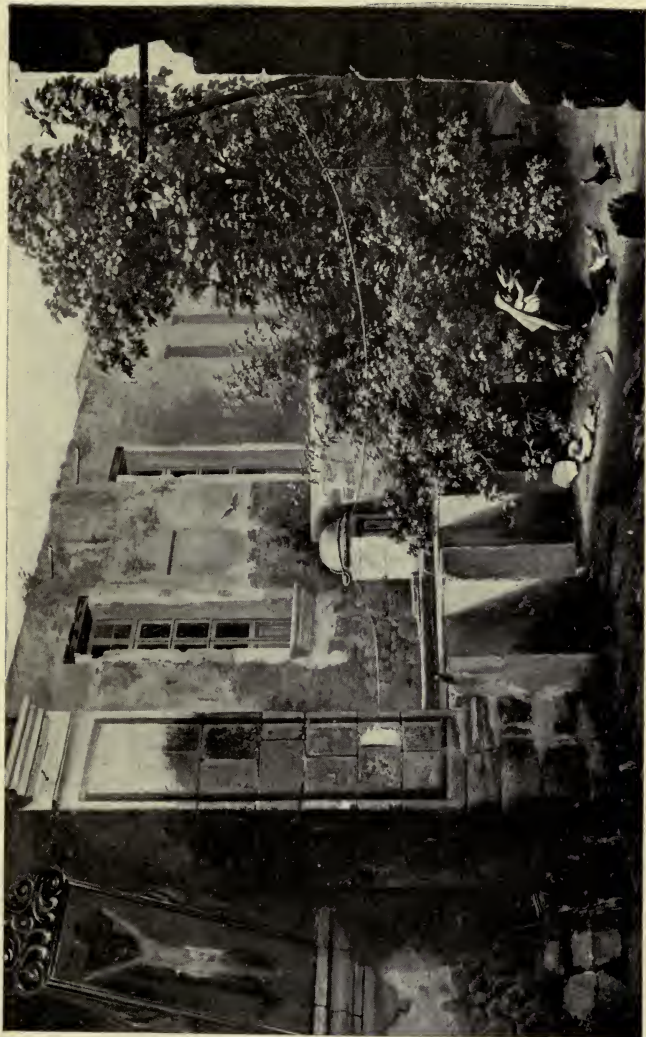
Mexico needs above all things peace, schools, and irrigation. No one knows it better than the Mexicans themselves. Mexico, which had a population of 30,000,000 when Cortez landed, and can support three times that population today, is, notwithstanding the long domination by Spain, the most American of all American countries, for the aborigines constitute 85 per cent. of the population, and this Indian element, which has dwindled under the oppression of centuries, has produced its fair share of the men who have distinguished themselves in the public life of their country. There are possibili-

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ties in the peon which neither Diaz nor any of his predecessors was willing to develop. What they wanted was peon labour.

What the Mexicans themselves want, and what I hope they may have, is a nation in which the standard of illiteracy shall be reduced from the present 80 per cent. to a point at which the only adults who cannot at least read and write will be the congenitally defective. That condition cannot be brought about in less than a generation, but I am happy to say that I saw the beginning of the system of universal education, the necessity for which is now admitted by all parties and all classes of Mexican society.

But if the germ of the future is in the present, it is worth while to make it clear that conditions in Mexico at this time are by no means as bad as they have been painted. One of the most astonishing bits of unintentional misinformation was furnished by a map of Mexico in a New York daily of June 22, which purported to prove that rebel forces rule one-half of Mexico. This map showed by various shadings the territory controlled by the rebel leaders. Were it correct, it would have been physically impossible for me and my good wife either to have entered Mexico last February, or to have left that country two months later, although our passports, with all due visés, would suffice to convince any court of justice that we are right in



COURTYARD OF AN OLD HOUSE

By Jimenez

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believing that we *were* in Mexico. This map shows that between Vera Cruz and Mexico City is a large tract of territory controlled by Felix Diaz. Yet we passed through, accompanied by a party of Mexicans who would have furnished a big haul to any bandit.

The map shows that on June 22 all of the State of Puebla and part of Guerrero were ruled by Emiliano Zapata, despite the fact that we had visited the City of Puebla, had dined with the governor in his palace, and returned to Mexico City without seeing any trace of disorder, and the additional fact that Zapata and the handful of followers remaining to him were killed by soldiers last April. The map shows that Felix Diaz and "General" Pelaez together rule practically all of the State of Tamaulipas and the northern part of Vera Cruz. Therefore we could not possibly have travelled from San Luis Potosi to Tampico to get a steamer for New York, and instead of finding the oil men in Tampico paying their taxes to the Carranza Government, we should have had to interview Diaz or Pelaez. Equally absurd, of course, was the assignment of all of Chihuahua, and parts of Durango, Sonora and Coahuila to Villa. This territory included the cities of Jaurez, Chihuahua, Parra, San Pedro, and Torreon, all of which, unless the American authorities in Mexico are mightily deceived, are loyal to the Carranza Government.

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Ambassador Fletcher has testified that Villa controls merely the land on which he is camping for the time being. Pelaez, who was retreating before the Carranza soldiers in Tamaulipas when I left Mexico, was estimated to have in all less than 200 men. These figures were given me by a Belgian oil inspector who had spent eighteen months in the oil jungle, and were not disputed by the oil men residing in Tampico. It is doubtful if Diaz has fifty followers, and it is certain that he was unable to prevent the destruction of the landing party led to his support last winter by General Blanquet, whose death occurred shortly after that of Zapata.

Conditions in Mexico are bad enough without any misrepresentation. The loss in property during ten years of civil strife has run into the hundreds of millions. A minor official who had taken part in some of the severest fights of the whole period told me that he believed the total sacrifice of human life had been not less than 1,000,000. Zapata left the rich State of Morelos, the centre of the Mexican sugar industry, in ruins, so that not a mill was standing, and for a time it was necessary for Mexico to import sugar. Villa has made it impossible to work some of the richest mines in northern Mexico even now. Pelaez still keeps from their homes scores of Americans who settled in the interior of Tamaulipas, attracted by the wonderfully fertile soil and the climate. It is doubtful if the great

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Mexican country estates, taking them by and large, would show today more than half the wealth in horses, cattle, sheep, or farm implements, that they possessed ten years ago. The railways of Mexico are badly in need of all kinds of rolling stock and equipment, and should be augmented by new lines to tap undeveloped mineral and agricultural lands. The international claims for damages from the United States of Mexico because of the destruction of foreign-owned property during the revolution now number 9,073, and may be expected to total \$400,000,000. It is true, of course, that claims of a similar nature have been settled on a basis of 1 per cent. There is still insufficient revenue to pay all interest and principal of government bonds. These are the worst features of the situation as it appears today.

To offset them the first asset is the will to live in peace and happiness, which, I believe, now animates ninety-nine out of every hundred Mexicans; the fact that the revenues are now \$180,000,000 per annum, more than at any period of the nation's history; that the greatest drain is the army, which is much smaller now than in years, and will be still further reduced as the bandits are subdued. Add to these facts increased profits from the railways, a better system of general taxation, a present prosperity everywhere evident in the Central States of Mexico, and an abundant supply of gold and

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silver money which is above par in exchange, and there are ample reasons for optimism as to Mexico. Only a continuation of war can complete the ruin of this rich country, and the Mexican people know it as well as we do.

OP. VI, AEVIA

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PRESIDENT CARRANZA'S MESSAGE

Delivered to the National Congress on September 1, 1919;
Reported by *La Revista Mexicana*.

On Monday afternoon, September 1, 1919, the regular session of the Honourable Congress of the Union met at 4.30 o'clock, upon which occasion President Carranza addressed that body, and the reports of the various Departments were read.

Preceding the perusal of the reports mentioned, the President spoke as follows:

Citizen Deputies:

Citizen Senators:

The circumstances recorded in the progress of the nation during the past year invest the communication which, in accordance with the Supreme Code, the Executive renders before you today, with a special interest, translated into the most favourable facts of the progress of the Republic in the whole of its affairs. The development of the country is so remarkable in this direction and so free in its vigour, that the same difficulties presented in the different classes concur to demonstrate the strength with which Mexican life is developing.

A comparison of the actual condition of things with that of the first days of May, 1917, when the pre-constitutional period had just expired, or an analysis of the evolutionary process of the different activities of the

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official and private machinery of the present moment as compared with the former period, demonstrates positively that there has been non-interrupted progress. The same state of affairs in which the Republic stands now, in the conclusion of the most serious of our revolutions, has not succeeded in obstructing the social, political and juridical development, equivalent to the pacific task of several years. The problems of reorganization and the phenomenon of accommodation need the results of administrative effort in the brief period mentioned.

Countless have been the hindrances which the Executive, in conjunction with the other Powers, has had to overcome, but the general results without doubt are satisfactory to the aspirations of the Union.

DEPARTMENT OF FOREIGN AFFAIRS

The Republic still maintains very good relations with all countries and has interrupted them only with Great Britain for the reasons expressed by the Executive to the Honourable Congress in the last report.

In order to cultivate and promote these diplomatic relations, the Government accredited several officials to represent Mexico abroad. Mr. Alberto J. Pani presented his credentials in France as Extraordinary Envoy and Plenipotentiary Minister of Mexico last March, and General Eduardo Hay was accredited last May before the Italian Government with the same capacity; Mr. Amado Nervo was sent as Extraordinary Envoy and Plenipotentiary Minister before the Governments of Argentine and Uruguay, where he presented his credentials in April and May this year, respectively; Colonel Fernando Cuen went to Chile under the same capacity and pre-

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sented his credentials there last April; General Aaron Saenz was appointed to go to Brazil as Plenipotentiary Envoy also, and presented his credentials last March; Mr. Alfonso Siller was accredited as Minister from Mexico to Peru, and assumed his post last April, while Mr. José Almaraz was appointed Minister to Nicaragua and Costa Rica; finally, last May General Heriberto Jara was received by the Cuban Government as Extraordinary Envoy and Plenipotentiary Minister from Mexico. We have also diplomatic missions in the United States of America, France, Italy, Spain, Colombia, Equador, Venezuela, Salvador, Honduras, Japan, China, Belgium, Norway, Sweden and Denmark.

The friendly governments for their part have also their respective missions in this capital, as for instance, the United States of America, Germany, Argentine, Austria, Belgium, Cuba, Chile, China, Spain, France, Guatemala, Honduras, Italy, Japan, Nicaragua, Norway, Sweden and Uruguay. On account of the heads of some of the foreign legations having been vacant, their Excellencies Alberto Yoacham Varas and Ezequiel Garcia Enseñat were accredited as Extraordinary Envoys and Plenipotentiary Ministers from Chile and Cuba respectively, and Honourable Cong Tsieng-Hwong as Chargé d'Affaires ad interim from China since last November.

Our Relations With the United States

On the 22d of December, 1918, the United States Embassy addressed the Foreign Office two notes regarding the oil question. The first one was a reply to Mexico's note basing our right to legislate on oil matters as has been done.

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Said answer expresses that the United States Government believes that Mexico is moved by the best intentions to settle the oil controversy and that this shall redound to the benefit of the good relations existing between both countries. The United States Government adds that Mexico's good disposition is expected to purport a reconsideration of all decrees and laws issued in regard to oil, and avails the opportunity to state that the United States have never pledged in any way through declarations of any of their rulers, particularly of their actual President, not to resort to diplomatic intervention in behalf of their citizens abroad whenever such intervention be justified. The same note rejects the argument presented by Mexico to the effect that if foreigners are given the right to make diplomatic claims in similar cases they would often be placed under conditions more favourable than those enjoyed by the natives; it is argued therein that the citizens of a country have, besides the ordinary judicial resources, the last one of changing by means of their vote the institutions or remove the authorities which may be detrimental to their rights; and that this prerogative is not enjoyed by foreigners, and, therefore, to forbid them to resort to the protection of their governments in case of wrong, would be to place them in a state of disadvantageous inequality regarding natives.

This note ends by saying that if the subsequent acts of the Mexican Government and its administrative or judicial authorities do not meet the expectations of the United States Government, it reserves the consideration of paying more attention to its citizens concerning this important matter; that the President has traced a well defined line between the policy of armed intervention and

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the policy of diplomatic intervention; on several occasions he has indeed expressed that he would not back up armed intervention in another country for the sake of selfish interests, and the complete exposition of the subject as made by the Mexican Secretary of Foreign Affairs evidently describes such case; but the President has never said that he would resign the right of diplomatically intervening in behalf of his fellow-citizens, which undoubtedly is a friendly method to protect legitimate national interests in order to prevent injustices. On the contrary—the note goes on—nowhere, as in the following paragraph quoted from one of his speeches made Jan. 29, 1916, has the President stated more clearly his favour to diplomatic intervention:

“Not only have the United States the right to protect life within their own boundaries, but they also have the right to demand equal and just treatment for their citizens wherever they may go.

“The United States Government asks for nothing else but ‘an equal and fair treatment’ for its citizens, and consequently entertains the sincere hope that the Mexican Courts called to decide on the legal questions implied in the oil regulations, shall protect in the lawsuits that have been brought or which may later on be started, the lawfully acquired rights of the United States citizens. Thus might the controversy be satisfactorily settled; however, if this hope should be disappointed, the United States Government must reserve to itself the right to consider the questions of interest more in favour of its citizens affected by this grave and important matter.”

The second note of the same date expresses that in case that the Congress should approve the laws and de-

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crees on oil, the United States Government wishes to renew the protests previously made.

The Department of Foreign Affairs answered acknowledging receipt.

The American Embassy protested against the circular orders given by the Financial Department relating to the collection of royalties from the oil companies. The Department of Foreign Affairs made the corresponding objections.

The United States citizens interested in oil properties in Mexico for their part initiated and maintain with a perfect organization, extraordinary strength and remarkable persistence a press campaign in the United States devised to impress the public mind of the country and the general mass as well as the members of both Houses by all possible means of the necessity to compel their Government to intervene in Mexico in order that our laws be drafted in perfect accordance with their personal interests, a finality which, of course, they do not frankly invoke, for they demand intervention on account of an alleged lack of guaranties prevailing in our country, an argument which easily impresses the public mind.

Unfortunately we receive frequent suggestions, more or less vehement, from the United States Government whenever we wish to adopt any changes which might purport some damage for the interests of the citizens of that country, such suggestions tending to restrain our liberty of legislation and to impair our right to develop ourselves according to our own judgment.

The most important case of this nature was that of the Richardson Construction Company, when diplomatic

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endeavours were made to have us revoke the decision to raise the taxes on a great land-holding, despite the fact that one of the causes of the revolution of 1910 was the lack of proportion between the value of real estate and the taxes paid thereon, and notwithstanding that one of the fundamental principles of the Constitutionalist Revolution was that of progressive taxation of landed estates, so as to compel the landholders to divide their large properties.

Still other cases of representations of that sort are recorded, as for instance in the following cases: On account of the raising of taxes or creating restrictions to the exportation of hides and cattle; on account of taxes imposed on production of metals and on mining claims; on account of the value of henequen having gone up, and recently, because the export duties on cotton produced in Lower California were increased.

In all these occasions the argument of the United States Department of State, whenever official notes have been exchanged, or that of the press when the action assumed a different character, has been that such taxes or duties are "confiscatory," this word having received such an amplitude that just by invoking it any limitation to our right to legislate seems justified.

The Mexican Government hopes that the Government of the Northern Republic shall respect the sovereignty and independence of Mexico, for to violate them under the excuse of lack of guaranties for its citizens or our legislation being detrimental to their interests would be an unpardonable transgression of the principles of International Law and morality, and would demonstrate

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that the greatest misfortune that may ever fall on a people is to be weak, and not able to protect itself by force against stronger nations.

On account of our geographical situation in regard to the United States of America and the close commercial ties binding us, several incidents of different kinds have arisen in the course of our international relations.

Last year a group of United States soldiers came across the boundary line into our territory to a town called El Mulato and a shooting ensued where an American citizen was killed and a Mexican fiscal guard was wounded. Our Embassy made the due representation and the United States Government answered that its soldiers had been indeed responsible for the incident, and that having been tried by a courtmartial two of them had been sentenced to one year imprisonment, two others to three years and one to five years.

Last year also a group of United States soldiers shot at a handful of Mexican farmers who were engaged in their work in our territory within the jurisdiction of Villa Acuña, Coah., and the Mexican citizen Angel Rangel was killed. Our Embassy presented the corresponding claim and the State Department informed that three United States soldiers had fired at the Mexicans, and they would be tried by a courtmartial. We have no information thus far regarding the sentence given to the culprits.

Last April our Embassy at Washington received a petition signed by many Mexican citizens located in Bartlesville, Oklahoma, complaining of the unjust persecution they are being made victims of in that region, be-

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cause David Cantu was beaten on the 16th of the same month by five or six American citizens. On the 18th several Mexicans who were together heard a public official of the locality express the opinion that Cantu should be whipped and hanged to a post, and on the 22d three United States citizens came indeed to the house where Cantu was working and hanged him and mistreated him without any justified reason. In that very place a Mexican Jose N. who worked in one of the cafés of the town was shot at by a dentist. Our Embassy in these as in all similar cases made representations and we know not yet whether the culprits were arrested and prosecuted.

Last April several soldiers of the United States Army invaded our territory through Vado de Piedra, jurisdiction of Ojinaga, Chihuahua, in pursuit of bandits, and they entered some twelve kilometers into Mexico. Once again through the same place they came into our territory and attacked the marauders, killing five of them. They accidentally wounded a young lady and a man. The corresponding representations were made through our Embassy to the Government at Washington, but we do not know yet if any action was taken to punish the soldiers responsible for the deed.

Last May the Mexican citizen Jesus Aguirre, who worked at a ship-yard in Rockport, Tex., was unjustly beaten and wounded by three American citizens, the local authorities paying no attention to the case. Our Consul in Corpus Christi informed that there existed a marked hostility toward our fellow-citizens in Rockport, for they are not admitted in hotels, boarding houses, lunch-

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counters, barber shops and other public places, while their children are confined in a special school under very deficient conditions.

In June this year the Board of Education of the State of California excluded the Mexican children from the official schools of Santa Paula, El Centro and other California towns, and sent them to the schools for coloured people. Our Embassy made the proper representation and the United States Government gave explanation of the case.

On the 15th of last June Villa and his followers attacked Juarez City, garrisoned by General Francisco Gonzalez, and having been defeated in three successive attempts to capture the town, Villa tried to provoke an international conflict by firing at the American side, where a few persons were wounded. On this account the troops of that country were sent across the boundary line into Mexico to disperse the "Villistas" and the next day re-crossed the line into the United States. General Gonzalez demanded the immediate withdrawal of the foreign forces, acting with all firmness and prudence.

Our Government protested against the invasion and made representations before the officials at Washington, and our Embassy was told in answer to our complaint that the sending of troops was intended merely as a protective measure and had for its only purpose to repel the aggression of the Villa followers.

Last July the Mexican military paymaster M. L. Palma was assaulted by three masked individuals in Marfa, Texas, and deprived of the money he carried with him to pay our troops at Ojinaga, Chihuahua. The chairman of the Grand Jury at Presidio, Texas, informed

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our Consul that after a close investigation the conclusion had been arrived at that even though the robbery had indeed taken place it was not possible yet to establish any responsibility, and that the paymaster, even being innocent, was partly to blame for having left Marfa so early in the morning. No arrest has been made thus far on that account.

In the same month of July the Mexican citizen Anacleto Salazar was killed by a drunken policeman in Eureka, Utah. The officer was set free, as though having acted in self-defence.

Again in July the Mexican citizen Francisco Rosales was beaten and robbed during the race riots that occurred in Washington. Our Embassy has made the due representations but the culprits have not been arrested.

At the same time a patrol of United States soldiers fired at several Mexicans in Los Adobes, Texas, taking them for deserters, and the Mexican citizen Julio Carrasco was killed. Our Embassy presented the corresponding claim and the United States Congress was recommended to pass a resolution for the payment of an indemnity to Carrasco's relatives.

Last August Jose Blanco and Elizondo Gonzalez, Mexican citizens, were attacked by a mob in the city of Chicago, and Blanco wounded in self-defence his assaulters, armed with a knife. On this account he was arrested. Gonzalez was taken to a hospital, badly wounded. The assaulters have not been arrested. Our Embassy made the corresponding representations to the Washington authorities.

In the same month three United States soldiers came across the boundary line down south as far as San Juan,

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Chihuahua. Our troops tried to capture the invaders, but they fired at our men and fled across the border, having killed a Mexican soldier. The Mexican Embassy presented the due claim, but thus far no news has been received of any action taken in that regard.

Some Mexicans have at times tried to go across the Rio Grande without complying with the laws and rules established to that effect, and unhappy accidents have occurred on that account, for the United States guards fire upon these people, wounding or killing them. Such was the case with Feliciano Hernandez and Reyes Payanes, killed that way in the jurisdiction of San Antonio, Chihuahua. Our Government has made the corresponding representations.

On several occasions United States aviators have come across the border and operated with their airplanes over our territory, and in all such cases our Embassy, by instructions of the Department of Foreign Affairs, has presented the necessary representations and protests, despite which the raids have been repeated.

Last August an airplane of the United States Army flew over into Mexican territory and landed near Falomir Station, on the line from Chihuahua to Presidio, some 112 kilometers from the border. Before any news was heard of the aviators' whereabouts, the United States authorities requested permission to have another of their aviators come over in search of the stray officers, which was granted on the 11th, and the Americans never made use of such permission. A band of twenty Villa followers captured the aviators and approached the border with them demanding a ransom. On this account United States forces invaded the national territory in

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pursuit of the kidnappers of their countrymen. The Mexican Government demanded of the Washington authorities the immediate withdrawal of the invading troops and protested against the invasion, which constitutes a serious and unwarranted violation of our rights that wounded very deeply the patriotic feelings of the Mexicans.

Unfortunately in the history of our relations with the United States of America this is not the only case of similar outrages. Whenever the authorities of that country have deemed necessary or convenient to invade our territory, they have done so, thus violating the rights of a friendly nation. It is not true that only at present, as a result of the abnormal circumstances of the Republic after the civil war, that Government has been adopting measures of that sort. Nor is it true, as some people dare affirm, that the attitude of the Mexican Government during the world war should be the cause of these frictions and of the complete disregard of our rights on the part of the United States; it shall suffice to recollect a few cases to convince ourselves that also in other stages of our history have occurred happenings like these we now deplore.

Around the year 1869, the Kickapoo Indians were causing serious damages to Mexico as well as to the United States. The Washington foreign office asked permission of the Mexican Government to send troops across the border in pursuit of the Indians. Mexico refused it, but gave orders to the Governors of the Northern States to co-operate with the United States forces. However, on the 21st of May, 1873, Colonel MacKenzie came across the Rio Grande, above Piedras

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Negras, with five hundred cavalymen of the United States Army, provoking the corresponding protests of the Mexican Government.

On May 28th, 1874, an armed force of the United States Army invaded our territory under the excuse of pursuing cattle thieves.

In October, 1874, the Governor of Texas, Mr. Coke, ordered the State Guard to pursue into Mexico a band of savage Indians.

In May, 1875, a group of armed men under the command of two Sheriffs of Laredo entered the Mexican town of Nuevo Laredo, pretending to capture some marauders who had fled into Mexico across the border.

On November 19th, 1875, United States forces came across the frontier in pursuit of cattle thieves. Our Government requested through its Minister at Washington that measures be adopted to prevent such transgressions and that further invasions of our territory be avoided.

In May, 1877, a certain number of United States soldiers, under Colonel Shafter, crossed the Rio Grande and came to Piedras Negras, intending to take from the public jail two individuals who were arrested there.

On May 27, 1877, the Governor of Arizona at the head of military forces entered Sonora in pursuit of Apache Indians.

In December, 1877, Captain Young and Lieutenant Bullis entered Mexican territory with a squad of cavalymen for the purpose of destroying the house of some moonshiners.

In December, 1877, 50 men from Apache Pass Fort crossed the boundary line into a point called Cajon de Las Alijas, Sonora.

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In January, 1878, when Colonel Shafter was called to appear before the United States Military Committee to inform on border matters and expeditions across the boundary after cattle thieves, he stated that in May, 1876, he had come into Mexico in pursuit of Lipan Indians, the result of his expedition being the capture of 19 of them and the destruction of their settlement.

On June 22d of the same year again United States forces entered Mexico under Colonels MacKenzie and Shafter, forty miles above Eagle Pass, under the excuse to pursue marauders. The forces included twenty companies of cavalry and various divisions of artillery, provisions for fifteen days, a heavy train and several experts. These American troops committed many depredations in the ranch known as "El Remolino."

On the 30th of June that same year our territory was once more invaded by United States troops in the jurisdiction of Capitan Leal (Las Vacas); the foreign troops were commanded by Captain Kelly and remained in our territory from the 24th to the 27th of July. They captured and took with them the Justice of Rio Grande.

In July of that same year Colonel MacKenzie again entered Mexican territory through a point close to Piedras Negras, according to advices from the Mayors of Sabinas, Zaragoza and Jimenez. This invasion was effected despite the continuous diplomatic opposition made by the Mexican Government.

In August of that very year United States troops from Forts Duncan and Clark came across the boundary line under Colonel Young, and entered the State of Coahuila in pursuit of a bandit named Arriola. The invading troops included two regiments of cavalry.

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At the beginning of April, 1879, a band of United States troops from Fort Bayard entered Mexican territory as far south as Ascension and intending to march on to Janos, but the band retreated at last, giving no excuse for the invasion but that they wanted to know those towns of the State for Chihuahua. There were 25 men in the band.

Still in the same year, on September 22d, the State of Chihuahua was again invaded. Six hundred men came in and pursued some Indians. Our Government notified the Washington authorities through our Minister there, that if the United States forces did not leave the country at once our troops would be ordered to fight them.

From the 5th to the 6th of October that very year United States forces commanded by Lieutenant Taylor pursued a band of Indians across the border.

In 1880 our Government made representations on account of the invasion made of Chihuahua through the towns of Lucero and Cantaros. The invading forces returned to their territory, claiming to have come across into Mexico because they lacked water and were looking for it.

In February, 1881, Lieutenant Morey entered Mexican territory with a platoon of soldiers as far south as the Candelaria range of mountains, in pursuit of some Indians.

On the same date a group of United States soldiers came across the border searching for a soldier who deserted in Tucson.

In May of the same year Lieutenant Bullis entered Mexico with his soldiers just above Las Vacas, pursuing some rebellious Lipan Indians.

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In November of that very year 30 United States soldiers under Lieutenant Gardey pursued Indians into Sonora.

In January, 1882, 28 men of the 4th Regiment U. S. Cavalry under Lieutenant MacDonald came across the frontier and were captured by the commander of the garrison at Janos for violating our territory.

In July of the same year a military force entered Mexico near Janos, under the command of Colonel William Ross. General Bernardo Reyes went to that point with his troops and disarmed all the foreign soldiers. Forty eight rifles and five Springfield guns were taken from them, while such soldiers were compelled to return to their territory.

On the 14th of last August several United States soldiers were firing at the peaceful inhabitants of a settlement called "Las Pompas," jurisdiction of Zaragoza, State of Chihuahua, about five o'clock in the afternoon. The people of that community had to seek refuge outside their settlement.

On the 19th of the same month three American soldiers entered Mexico at a border town called Barrancos de Guadalupe, jurisdiction of Ojinaga, Chihuahua, and fired without any reason at some Mexican peons who were farming in the field, wounding Juan Rey.

On the 23d of the same month came into our territory some United States forces through the town of Guadalupe, Chihuahua, in pursuit of some bandits, and cut off our telegraphic lines.

On the same date other troops entered the town of San Ignacio, in the State of Chihuahua, and took by sheer

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force with them to American territory several peaceful citizens of the place.

In all these cases the Mexican Government has made emphatic representations, as well as in any other instances in which our territory was violated or our sovereignty disregarded.

A great part of the Mexicans who on account of the world war were recruited in the United States, have already been dismissed although no news is available regarding some of them. Of all those sent to the front, it is positively known that five perished in combats or in shipwrecks, two in service accidents and one through sickness.

Our Embassy made the corresponding representations in all these cases.

Since the day when the United States recognized our Government, the Washington authorities had refused to attend the request of extradition Mexico made according to the Treaty. In May this year the State Department informed our Embassy at Washington that it was now ready to transact any extradition demands that the Mexican Government would present, and this offer has been kept.

The United States Government for its part has also demanded several extradition cases.

The American Embassy addressed our Foreign Office several notes asking for the capture and punishment of people guilty for crimes committed against United States citizens in our territory, and has constantly requested that fuller guaranties be extended them. Some concrete cases may be mentioned. At the end of November last year the United States Embassy communicated

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that the American manager of the Espada mines in the State of Jalisco, had been kidnapped. The bandits were pursued by our troops and the American regained his liberty in the first days of January.

In February the same Embassy advised that Messrs. William J. Devitt, Roy A. Mathewson and William H. Holmes had been kidnapped at Santa Eulalia by a band of Villa followers. The local authorities reported that on the same day of their capture those Americans were set free.

In March the Embassy informed on the kidnapping of Oscar Wallace at the ranch of Encinas, State of Coahuila. Despite the activities of our authorities only the corpse of the kidnapped could be found, but the bandits were taken and are now in the hands of justice.

Last June the Embassy advised that the United States citizen W. Tevots had been kidnapped by a band of Yaqui Indians in La Colorada, Sonora. As soon as our authorities learned the case, forces were sent to pursue the Indians and killed three of them.

Last July a boat of the United States Warship *Cheyenne*, manned by a few marines, steamed up the Tamesi River without taking the necessary precautions, and was held up outside the city by an armed group of men, who stole from the sailors their personal belongings and a small amount of money. As soon as our authorities got acquainted with the occurrence they tried to investigate the case and the culprits have already been found, arrested and prosecuted. They will suffer the corresponding penalty.

In the same month the United States Embassy complained that the American citizen Hiram Hughes had

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been arrested by the police at Tampico and had died of a wound inflicted on him. Investigations were made and the result was that Hughes had wounded himself, being drunk, according to his own deposition signed by his own hand.

In July also the same Embassy presented a claim for the murder of Mr. John W. Correll, committed in the State of Tamaulipas. As soon as the case was known our authorities sent troops after the bandits, and our soldiers succeeded in killing four of them and recovering things they had stolen. This property was given back to their owners while the other marauders who took part in the murder of Mr. Correll were captured and are now being prosecuted. A heavy penalty will be imposed upon them.

Still in July the Embassy advised that Mr. Lawrence L. Shipley was kidnapped in the State of Zacatecas. Our authorities gave at once the necessary orders to see that Shipley was protected, and this American regained his liberty five days later, sane and safe.

Also in July the Embassy complained that a young man by the name of Phillip R. Thompson had been kidnapped at the Miraflores Ranch, jurisdiction of Chalco, State of Mexico, and a ransom of \$1,500 was demanded by the bandits.

The Department of Foreign Affairs informed the Embassy that our Government, wishing to do for its part all that was possible to prevent international difficulties, offered to pay the amount demanded as ransom to save the life of young Thompson, intending of course to send the necessary forces in pursuit of the marauders.

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No ransom was needed to get Thompson out of trouble; the authorities stated that they had opportunely warned him of the danger he ran by going to the place where he lost his liberty.

The Embassy communicated that in the same month of July the United States citizen T. J. Castello had been robbed of a considerable number of cattle. Our forces started an immediate pursuit of the thieves and fought them, taking from them almost all the stolen cattle.

In May last year the United States citizen Whiteford was assassinated by bandits in the State of Nayarit. All the bandits who took part in that crime have been killed by our forces.

On the 14th of last August the United States Embassy complained about the offices of the Pen.-Mex. Fuel Company having been robbed in Tuxpan. In a second note the Embassy insisted that guaranties should be extended and had a few unkindly expressions to make. On the same date our authorities had already discovered that the thieves were four employés of the same company, two of whom were shot, part of the money stolen being recovered and returned to its owners.

The enunciation of all these cases is enough to prove that all charges made against the Mexican Government not to be willing or not to have enough power to punish bandits, are perfectly unjust.

On the 22d of last July the United States Embassy sent a note regarding the murder of Peter Catron, demanding the punishment of the murderers and that adequate measures were taken to prevent any further occurrence of assassination of United States citizens. The Embassy added that it had instructions from its Govern-

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ment to express to the Mexican Government that if the lives of these citizens continued under the same state of insecurity through the unwillingness or the inability of the same, the United States would be compelled to adopt a radical change of its policy toward Mexico.

The Mexican Department of Foreign Affairs answered in regard to the particular case in question, that the necessary measures were taken to punish Mr. Catron's murderers, and in regard to the last part of the note the reply was that Mexico has always shown perfect willingness to protect all foreigners residing within its territory, proving it with positive facts; that the protection afforded by Mexico to foreigners could not be absolute, for it does not exist in any part of the world; that our Government has always pursued all transgressors of the law, punishing them very severely; that the Government of Mexico has been earnestly and constantly working to pacify the Republic and has attained frequent successes, as proven by the death of Zapata, Blanquet and Ines Davila, as well as of many others of lesser importance; that wishing to prevent the United States citizens from being the victims of outrages they are exposed to, the Government suggests the convenience of having them concentrate in populated centres where full guaranties shall be enjoyed, and have them also ask for military escorts whenever they may need to travel or to remain in dangerous zones; finally, that a conspicuous case of Mexico's willingness to protect the lives and interests of the United States citizens was the offer made of escorts for the paymasters of the oil companies, an offer which has been refused. The Government has also promised to refund any amount of money taken from

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the paymasters despite their being escorted, and that for all the above reasons the Mexican Government was surprised at the threat enclosed in the last part of the note.

Our authorities have recently arrested in Tampico a United States citizen by the name of Sam Tolley, who has confessed to have committed several assaults in that region, and turned over a pistol and a rifle. He also gave information regarding another American citizen who took part in the assault. His reports on the bands of marauders who have held up oil barges are of great importance.

On several occasions our Government has endeavoured through our Embassy at Washington to secure the return of the custom duties which were collected in the port of Vera Cruz by the American forces during the occupation of that city, therefore belonging to the Mexican Republic. However, no satisfactory result has even been achieved, not even a categorical reply.

The cessation of the European war has ended many of the difficulties Mexico had connected with it, to which due reference was made in the previous report rendered by the Executive to the Honourable Congress of the Union.

The Mexican Republic observed, as it is well known, a perfect neutrality during that conflict, for even though certain enemies of the Government and people interested on various occasions expressed the opinion that the Mexican Government was not strictly neutral, it must be admitted that no one may at present nor shall ever be able to mention an act or omission of the Mexican Government to prove the slightest breach of our neutrality if judging in accordance with the most exacting principles

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of International Law, of the Treaties in force and of practices universally established.

But at the same time, most unfortunately, the rights of Mexico as a neutral were not always duly respected, for some United States warships remained in exceptional cases over twenty-four hours in our territorial waters, and have constantly been and still are anchored in Tampico, under the excuse of affording protection to their citizens.

When the struggle was over the Governments of the Allied Powers got together to constitute a League of Nations, to which it was said that almost all countries would have access under certain conditions; all of them were invited excepting a few, Mexico among them, and our Government has done nothing, nor shall ever do, to enter into that international society, because the bases upon which it was formed do not establish, neither as to its functions nor as to its organization, a perfect equality for all nations and all races, while the Mexican Government has proclaimed as the main principles of its international policy that all the powers of earth must have the same rights and the same obligations, and also that no individual may pretend to be placed in a privileged situation nor demand extraordinary protection in a country under the pretext of being a foreigner or for any other reason.

In view that the acceptance of the Monroe Doctrine was discussed at the Paris Peace Conference, the Government of Mexico found itself compelled to make a public declaration and notify officially the friendly powers, that Mexico had not recognized nor would do it,

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that doctrine because it upholds, without the consent of all the peoples of America, a thesis and creates a situation on which no opinion has ever been consulted with such peoples, and therefore that doctrine impairs the sovereignty and independence of Mexico and would constitute for all the nations of America a forced tutelage.

Last December the French Legation informed the Department of Foreign Affairs that according to the clauses of the Armistice signed at Treveris in November last year, the German delegates had agreed with the Allied powers not to dispose, without their previous consent, of any stock in money, securities, etc., owned in foreign countries by the German Government or by private German subjects, and informed also that measures would be adopted to deprive of such property whoever might acquire it through purchase or transfer of any kind, for all dealings regarding such property would be fraudulent. The Italian Legation addressed an identical note to our Foreign Office, to which the Mexican Government replied that it could not recognize any effect to that agreement within our territory, because it was against our Constitution, as also against a treaty still in force between Mexico and Germany, more so since the German authorities had given no special advice to Mexico in that regard.

The United States Embassy and the Legations of Italy and France in April ult., informed our Department of Foreign Affairs that the Supreme Allied Council of Paris had entrusted the United States Government with the mission to take from Mexican waters the merchant-

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ships belonging to citizens or subjects of enemy countries, and that the German Government would notify Mexico also in that regard.

The Department answered that it expected to receive Germany's advice in order to then resolve the case and such advice was received last July in our Department, expressing the agreement to place at the disposal of the Allies, while the armistice lasted, German steamships from 500 to 2,000 tons.

The official who was in charge of the British interests in Mexico addressed himself directly to the Executive, informing that, without including the sailships, the enemy ships referred to in the above mentioned notes should be delivered to the British Government instead of to the United States, as was said before, and that the only ship in the conditions described was the *Antonina*, anchored at Tampico.

Claims.—Some time ago the Mexican Government established the way in which damages would be paid for losses sustained during the revolution, by which a proof was given to the world that we were moved by a more liberal spirit than that shown by other Governments under similar conditions. It was resolved that natives as well as foreigners would apply to the Claims Committee to assert their rights, and in case of some foreigners disagreeing with the judgment of that board, the case would be submitted to the decision of a Mixed Commission, formed by a representative of the Mexican Government, a delegate of the Diplomatic agent from the country the claimants belong to, and a third one chosen by mutual agreement. The Claims Commission has already received applications made by foreigners, the num-

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ber of which, as well as the amounts, are as follows:

33	Claims presented by	Spaniards...	\$ 8,602,882.79
15	do. do.	Turks.....	3,434,196.66
19	do. do.	Germans.....	657,362.54
2	do. do.	French.....	282,841.32
2	do. do.	Italians.....	272,497.50
9	do. do.	U. S. citizens.	139,914.79
2	do. do.	Chinese.....	38,662.38
1	do. do.	Guatemalan..	20,000.00
1	do. do.	British subject	9,907.25
1	do. do.	Hollander...	7,700.00
1	do. do.	Austrian....	3,225.38

Total.....\$13,469,190.61

No foreign Government has ever opposed any objection to the purposes Mexico has in view regarding payment of indemnities. However, it is remarkable to notice the contrast there is between the small number of claims presented by some, as for instance, by British subjects and United States citizens, with the assertion generally made regarding the damages they have suffered. The Mexican Government has all reasons to believe that all claims shall be submitted to the respective Commissions, especially so on account of the recent changes made to the corresponding law and devised to meet objections of a secondary character made to the presentation of claims against the Government of Mexico for damages caused during our Civil War, since this Government has proved not only to be moved by a spirit of justice in this matter, but also to be most desirous of dealing with all equity and in a spirit of conciliation.

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On the other hand the Congress of the Union will vote the necessary amounts to pay the claims approved.

The relations between Mexico and Great Britain have been interrupted, as the Honourable Congress knows well and in spite of it the person who was in charge of that legation usually addressed himself to the Chief Executive in behalf of his fellow-countrymen. In view that this created a situation not only unnatural but also privileged and unacceptable even in case of that person being an Extraordinary Envoy and Plenipotentiary Minister well accredited, more so then, when such person had no recognized official capacity whatsoever; it became necessary to tell that gentleman that his behaviour was irregular and improper, especially so since a high authority of his Government had recently repeated in a public manner that Great Britain intended not to maintain relations with Mexico. It was also said that his presence in national territory was inconsistent with this situation.

Our diplomatic representative in Peru informed that the Government of that country had been overthrown, a new administration being organized under the Presidency of Mr. Augusto B. Leguía.

Our Legation in Costa Rica reported by wire that Mr. Tinoco had left the Presidency and General Juan Quiroz assumed the Executive Power.

Our relations with the Spanish-American countries have been now as ever most cordial and without the least friction, for on the contrary several occurrences have made evident once more the fraternal feelings of all the Indo-Latin peoples.

Unfortunately our Extraordinary Envoy and Pleni-

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potentiary Minister to the Republics of Argentine and Uruguay, Mr. Amado Nervo, died at Montevideo on the 24th of last May, and on this account the peoples and governments of Uruguay and Argentine made evident their fraternal feelings toward Mexico, and their extraordinary consideration for the deceased official. By official decree honours were paid him as Secretary of State, and a funeral of exceptional significance was held, attended not only by the Diplomatic Corps and certain officials, but even the very President of the Republic, His Excellency Baltasar Brun. That Government has notified our Foreign office that Mr. Nervo's remains will be sent to Mexico on board a Uruguayan warship, which will probably leave the shores of that friendly country in the first days of this month.

These tokens of singular courtesy speak very highly of the fraternal friendship and mutual sympathy binding all the Spanish-American Republics, for on this occasion there was not only the tribute paid by the respective governments, but also private citizens and the general public showed true affection for Mexico.

Last January our Extraordinary Envoy and Plenipotentiary Minister before the Government of Guatemala, General Jose Bermudez de Castro, died, and the Government of that sister Republic paid him on that account the honours due his high position. The corpse was brought to Mexico, where the Department of Foreign Affairs arranged the funeral proper for that distinguished official.

Last May the Republic of Salvador was shaken by several earthquakes and the Mexican Government contributed with \$20,000 to help the victims of that catas-

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trophe, as it could do no less for a sister Republic which has given us so many tokens of friendship.

Conventions have been concluded for the use of diplomatic mailbags with Peru in March this year, with Chile last May and with Costa Rica last July, these treaties to be in force as soon as the Senate approves them.

Boundaries.—The International Commission of Boundaries with the United States has been actively working, and it projects a new Treaty on distribution of waters from the Bravo and Colorado Rivers. The same body has been engaged in works connected with the removal of shoals in the lower Rio Grande.

In regard to our southern boundaries with Guatemala, nothing new has occurred except the reconstruction of a bridge called “El Talisman,” on the Suchiate River.

Our international trade relations have increased a good deal, and in order to meet the actual necessities connected therewith our Consular Service has been perfected, new offices being opened and we are endeavouring in all possible ways to fill vacancies by promotion of the oldest and most efficient clerks of the same offices.

The foreign governments have for their part appointed in several cities of the Republic 88 new consular representatives, and the Executive has granted 16 Exequaturs, 36 permanent authorizations and 35 provisional ones.

A good proof of the increase of our foreign trade are the figures recorded as income of our Embassy, Legations and Consulates on account of legalization of sig-

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natures, fees on Manifests and Consular invoices, Mariners registers and certificates, all of which gave the Government an income of \$7,255,315.94 during a period between September, 1918, and August, 1919, against \$5,669,389.94 recorded during the same length of time in the previous year, which means an increase of \$1,585,926.00.

During the fiscal year 1908-1910, which was considered the most flourishing during the time prior to the revolution, the collections made on the same account were only \$1,248,962.90, and therefore the income of last year increased over that sum by more than six million pesos.

The amount collected by legations and consulates is far above the whole budget of the Department of Foreign Affairs, the Embassy, the Legations and Consulates all together, for it amounts to \$2,400,000 more or less. Therefore the services of the Foreign Department not only furnish funds for their own expenditures, but also give the Erarium an income of considerable import.

In order to defend the rights of some Mexicans abroad the Government paid lawyers' fees during the period I speak of amounting to \$31,369.22, and repatriated needy Mexicans and helped others with pecuniary aid, spending \$21,623.56 on it through the Foreign Department.

Sixty aliens applied to the Department, requesting papers of Mexican citizenship, during the same months, and 55 certificates were issued.

According to Article 33 of the Constitution 67 foreigners were expelled from the country, belonging to different nations. The number of documents legalized by the Office in the same period was 4,856.

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Some 1,656 permits have been granted to foreigners to acquire real estate in the Republic, according to the prescriptions of Art. 27 of the Constitution. The detail is as follows:

Germans	127
United States Citizens.....	415
Austrians	18
Argentineans	3
Belgians	6
Cubans	6
Chinese	19
Danish	3
Spaniards	615
French	140
Greeks	3
Guatemaleans	1
Hollanders	13
Hondurenas	7
British Subjects	83
Italians	93
Japanese	2
Turks	59
Rumanians	1
Salvadoreans	3
Swedes	5
Swiss	19
Uruguayan	3
Norwegian	4
Hungarian	8
<hr/>	
Total.....	1,656

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THE PRESIDENT'S CONCLUDING REMARKS

At the conclusion of the reading of the reports of the various departments, President Carranza spoke as follows:

From a résumé of the aforesaid data you can obtain an irrefutable demonstration of the assertions made in the foreword of this report, in which I stated that the Republic had sensibly progressed in spite of the vain designs of the reactionaries and bandits. The interior administration is firm and has not been weakened by the elections of local officials. It is true that in some States elections have provoked effervescence, but the local troubles have developed in a legal form. Highly significant is the persistency with which our institutions have been transformed by means of the initiatives of law presented to the Congress, the decrees that the Executive has issued in use of its extraordinary powers and the regulations that have been approved upon an ascending scale of order and justice. The intervened properties have been returned to their owners, with the exception of those belonging to the responsible accomplices of the uprising in 1913, who have responsibilities clearly determined by our constitution. Nationals and foreigners have confidence in the interior conditions of the Republic and this is proved by the increasing of immigration and the return of Mexicans. The solicitation of concessions to invest capital in the Republic is a fact upon which the foreign press have made comment as well as the investors interested in bringing to Mexico their elements of labour. Comparison of the importations and exportations of the period previous

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to the revolution and the last year, 1918, in which the commerce of the world was very much restricted, shows that in spite of all circumstances our foreign commerce considerably exceeded that of the best years registered in our statistics. The exportation was almost double that of 1910. The public finances offer a decisive betterment. In 1917 the deficit was \$35,000,000, more or less; in 1918 it was \$18,000,000, and in the present year the expenses will be totally covered. The time is coming when the Government will begin to pay its debts.

The army has a disproportionate organization, as it was observed that an excess of officials over the troops always existed. At present the army is thoroughly organized, it is subject to ordinances, and it can be asserted that the discipline is habitual in almost all military components. The majority of the rebel leaders have died, and those that still menace the absolute pacification are dispersed. As proofs of the national development are the statistics of the departments of Communications, Industry and Commerce, and of Agriculture and Development, in comparison with the administrative volume of the preceding years. In fact, the railroads in exploitation during 1917 amounted to 11,068 kilometres, and at present they cover 13,784 kilometres, administered by the government. The postoffices in 1917 were 1,200, and at present they are 2,473. The postal routes in that year were 39,000 kilometres. At present they are 45,605. Postal drafts amounted to more than \$26,219,830 in the present year, while in 1917 they were only \$10,000,000. In 1917 1,057 kilometres of telegraph line were constructed and in this year we constructed 1,879 kilometres. The telegraphic drafts amounted in that

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year to \$4,000,000, and in the present year they were \$12,000,000. The mining titles issued in 1915, 1916 and 1917 were 578, and in the last year they amounted to 764, which shows an increase of more than double the amount. Patents of invention in 1917 were 500, and in the last year 832. Commercial marks registered in 1917 amounted to 450, and in the last year they were 1,032. Regarding agriculture and development, the concessions for exploitation of timber suspended in 1917 were granted again in the last year. They amounted to sixteen. One hundred and forty-six permissions for cutting hard wood timber were granted; 36 for the extraction of chicle, and 386 for the exploitation of other products. The agricultural school is in operation. We have continued the purchasing of agricultural machinery in great quantities to extend its use among the farmers. From the immigration, the prosperity of agriculture and industry, the equalization of the expenses and the income, the solidification of the administration, the accomplishment of all the revolutionary promises, especially that regarding lands, the watching of the finances of the government, the impulse given to our culture, and all the detailed news you have heard, you cannot doubt the importance of the labour of the administration which has given all the possible profits in accordance with its capacity in this period of world wide crisis.

The respectability of Mexico before all the nations of the world has been maintained with the energy and prudence demanded by internationalities. The causes of trouble can be divided into four different sections: Those regarding special conditions on the border of the United States; those originated by damages to foreign

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properties; those which refer to personal injuries of citizens of foreign countries residing in Mexico; and those arising from the application of the revolutionary laws. Regarding the first one, history mentions the frequent passage of American troops into the national territory and the problem principally is of policing for the safety of both countries. The invasions of American troops have been repeated since the middle of last century, and various arrangements have been projected with the object of prosecuting the bandits who cross from one country into the other. The government believes that this cause of trouble will disappear as soon as an agreement is reached to protect the border. Regarding the damages to foreign properties, it may be stated that in spite of the fact that a mixed commission of reclamations has been operating, only a small number of foreigners have demanded indemnizations for the damages caused by the revolution since 1913. As a proof of the goodwill the government has to repair even the damages caused by the bandits, there has been introduced into the law of the Commission of Indemnizations a new rule of covering the damages caused by bandits, when these damages are not caused by the imprudence of the injured person, and the authorities can be blamed with omissions, and also when the injured persons are not in sympathy with the bandits.

The law recognizes the damages to foreigners and pledges to the immediate payment of the indemnization with the same limits that are mentioned for the damages to properties. Regarding this point, it is to be stated that it is impossible for a government, especially after a revolution, to prevent in all the regions of the nation

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the attacks against nationals or foreigners. The efficacy with which the government has punished those responsible for offences against foreigners is very significant, when it is considered that Mexico and the United States have unfortunately been in the same circumstances regarding the attacks that the inhabitants of one country have committed against the citizens of the other. It would be desirable that the diplomatic representatives accredited in this republic should advise constantly their nationals to exercise more prudence with the purpose of avoiding the causes of trouble. The Executive hopes that when the cause of imprudence is removed, and the protection of the troops and of the police is intensified, the attacks will be more scarce and the difficulties will have less importance.

The foreigners residing in the country are so convinced of the sincerity of and efficacy of the government to give guaranties that in spite of the accidents occurring in our country the naturalization of citizens and subjects of other countries increases every day, because they have confidence in the authorities and in the laws, as is proven by the many foreigners that have adjusted themselves to the requisites demanded by the supreme law to obtain real estate.

The fourth cause of trouble is of a severe nature. It deals with objections that are practically a limitation to our national sovereignty. The revolution has put in force reforms that represent the welfare and the progress and tranquillity of the Mexican people, renewing its institutions in important branches, as that regarding lands and the exploitation of the natural wealth. The government desires to respect and consolidate the existent rights,

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but it absolutely cannot accept the limitation of the liberty of the Mexicans to be governed in accordance with their own needs. A conciliatory spirit and a desire for harmony in accordance with the law will be exerted to conquer the difficulties which may arise, but always maintaining firm our sovereignty. Mexico will comply with its obligations with nationals and foreigners. The doubts arising in this matter have been due only to mininterpretations of the conduct of the government, which is not capable of denying its legitimate obligations. The delay in the payment is due to motives that cannot be overcome at present.

The Executive has given a preferent place to the legislation on petroleum, as is proven by the peremptory character with which was sent the project of law to the Chambers on the 1st of May, when the extraordinary period of sessions was inaugurated.

The actual situation promises for the next year a greater progress in the conditions of the government. The Executive hopes that he will have the goodwill of the legislative and judicial powers, with the purpose of maintaining the increasing moral and material activities of the life of the Republic, as I have informed you. In conclusion, it is logical to conclude that if all the exterior troubles can be evaded or removed, the vigorous interior resurgence of the country will assure the fruits of all the sacrifices and will maintain its march in the development marked at present with a great success.

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PROOF OF THE PLOT; BEING A POSTSCRIPT BY THE AUTHOR

In accordance with Senate Resolutions numbers 106 and 163, the sub-committee of the Senate Committee on Foreign Relations met Monday, September 8, 1919, in the Senate Office Building, Washington to begin "an investigation of Mexican affairs." The sub-committee was clothed by these resolutions with all the powers of a high court of justice for the purpose of investigating "the matter of damages and outrages suffered by citizens of the United States in the Republic of Mexico, including the number of citizens who have been killed or have suffered personal outrages in Mexico and the amount of proper indemnity for such murders and outrages; the quantity of damages suffered on account of the destruction, confiscation, and larceny of personal property for such murders and outrages," etc., since the retirement of Porfirio Diaz; and the resolution also provided that "the said committee shall further investigate and report to the Senate what, if any, measures should be taken to prevent a recurrence of such outrages."

The sub-committee consisted of Albert B. Fall, of New Mexico; Frank B. Brandegee, of Connecticut, Republicans; and Marcus A. Smith, of Arizona, Democrat. Mr. Smith has been absent from the sittings of the sub-committee because of ill-health. Mr. Brandegee has frequently been absent, and the entire direction of the sub-committee's activities have vested in Senator Fall.

According to the Washington correspondent of the

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New York Sun, in announcing the appointment of the sub-committee to investigate Mexico:

“Mr. Fall for years has been demanding a vigorous policy in Mexico. He is at once the best informed man in Congress as to all Mexican affairs, and the most bitter critic of the Administration’s policy there. Likewise, he has been an outspoken enemy of the Carranza régime.”

According to the *New York Times*, in an editorial commenting on Senator Fall’s opening session as Chairman of this Sub-Committee:

“Senator Fall has never concealed his opinion of the course the United States Government should adopt in the matter. Speaking at the Lawyers’ Club in this city two years ago he said:

“I favour the immediate organization of an army of 500,000 men, ostensibly for the policing of Mexico or for the invasion of that country, to protect our citizens, if necessary. I do not mean that the United States should annex Mexico; that I would never agree to, but it should be kept in a peaceful condition as a buffer State between this country and the Latin-American republics to the south of it.’

“In the Senate on March 9, 1914, Mr. Fall urged the employment of the ‘land and naval forces,’ to protect ‘our citizens and other foreigners in Mexico,’ and to pacify the country. He affected to believe that the intervention he proposed would not be an act of war, but was sharply corrected by Senator Shively of Indiana.”

According to the *New York Globe* of September 9th:

“Senator Fall, on the other hand, left little doubt that he was there not to find out the truth about Mexico but to drag from the witness facts in support of his own pre-

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vious conviction. It is indeed unfortunate that at a crisis in our relations with Mexico this country's sole official investigation of the situation should be in the hands of a committee which is dominated by active interventionist beliefs, with a minority which is bitterly anti-administration. The truth can hardly be expected to come out other than badly battered through such a tortuous passage."

At all the sessions of the sub-committee included in this review there were present Edward L. Doheny, President of the largest group of American oil companies operating in Mexico; Harold Walker, his confidential representative; Charles Hudson Boynton, Executive Director of the National Association for the Protection of American Rights in Mexico, and press agent for various oil interests; Agnes C. Laut and William Gates, authors of numerous articles attacking the present régime in Mexico, some of whom were under subpoena.

The interest of the Committee on Mexico of the League of Free Nations Association was dual. First, the committee desired to establish by the testimony of those of its members who had recently visited Mexico that conditions there have greatly improved, and that there is no need of an intervention on the part of the United States; second, that an elaborate propaganda chiefly directed by the oil interests, was seeking to influence the press and to inflame public sentiment against Mexico, with a view to an American intervention.

As a member of the committee I feel that it has proved its case, although the efforts of Senator Fall to discredit its witnesses fill a large part of the first two volumes of the printed testimony, with which this statement exclu-

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sively deals. There is no doubt in my mind that Senator Fall will achieve his purpose of painting a picture of Mexico in the most sombre colours, in accordance with the phobia against Mexico which has been his distinguishing characteristic in public life.

At the beginning of the hearings, Senator Fall read into the record letters from James G. McDonald, chairman of the Executive Committee of the League of Free Nations Association, New York, one of which contained the following paragraphs:

“Several of the members of our Mexican committee have been in Mexico recently, and are in a position to give information regarding present-day conditions there. They will be glad to appear before your committee at your convenience.

“May we not venture to express the hope that the Senate sub-committee will exercise more discretion in its selection of witnesses than did the House Committee on Rules?

“Denunciations of a Government with which the United States continues to be in friendly treaty relations by a go-between for various bandit chiefs were widely exploited through the press recently, and as loyal Americans we hope your committee will not lend itself to similar propaganda.”

Dr. Samuel Guy Inman, executive secretary of the Committee on Co-operation in Latin America, and a member of the Committee on Mexico of the League of Free Nations Association, was the first witness. Senator Fall's attitude toward Dr. Inman and that of the other witnesses offered by the Committee on Mexico, was marked throughout by deliberate discourtesy which con-

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trusted strongly with the sympathetic attitude he manifested when E. L. Doheny, Agnes C. Laut, and various other witnesses representing the oil interests were testifying. Dr. Inman had been for ten years teacher of a mission school in Mexico, where he became personally acquainted with Mr. Carranza, whose farm was nearby, and had visited Mexico in the spring of 1919 to attend a missionary conference held there. Senator Fall desired Dr. Inman to give the committee precise information regarding the nationalization of women and the extent of venereal disease among little girls in Mexico. Dr. Inman denied that there was either law or custom for nationalization of Mexican women. The following dialogue is then reported on page 72 of the printed record:

THE CHAIRMAN. And you know nothing about the outrages of little children in Mexico which have filled the hospitals now with those children suffering with venereal diseases?

DR. INMAN. No, sir; I never heard of that.

THE CHAIRMAN. You have not been in the hospitals of Mexico?

DR. INMAN. No, sir.

THE CHAIRMAN. You have been writing about Mexico and conditions in Mexico?

DR. INMAN. Yes, sir.

THE CHAIRMAN. Do you not think you might very well have spent a few days in the city of Mexico and in the hospitals among these poor people?

DR. INMAN. If I had done everything you had suggested this afternoon, I never would have gotten to write that book.

THE CHAIRMAN. If you did not do some of those things, you should never have written the book. I have not written a book.

DR. INMAN. I hope some day you will write a book.

THE CHAIRMAN. I am going to write a chapter before we get through with this investigation.

We will be in recess until 11 o'clock tomorrow.

Dr. Inman told of extensive travels through Latin America for missionary purposes, and of the better-

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ment of relations between the countries visited and the United States, and added: "I believe our relationships to Mexico have a great deal to do with our relationships with all of Latin America. We are now in a new day in Pan Americanism. . . . I feel convinced that if . . . we should have armed intervention in Mexico that that would prejudice all Latin-American countries, and would set back this development of Pan American friendship in a way that could not be described; in a very, very, large way. Therefore I think that in all our dealings with the Mexican question we should take into account the whole of Pan America." He continued:

"In the second place, I would like to call the committee's attention to the interests of the missionary forces of North America in Mexico. There are probably 150 to 200 American missionaries in Mexico at the present time. They have had the best year in their history during 1918 and 1919. The mission schools are all crowded; the churches are crowded. From six hundred to a thousand people come together in one church in Mexico City every Sunday, and the churches are crowded to capacity in Mexico City, in Chihuahua, in Guadalajara, in Puebla, in Vera Cruz, in Yucatan, and I might say in practically every region of Mexico. These missionaries are scattered all over Mexico, in practically every part of the country. Their schools are crowded at the present time; their hospitals are overrun, and there are continual demands for their services."

Asked if he got his impressions of present day conditions in Mexico from the Mexican newspapers, Dr. Inman said:

"No, sir; I got it, first from my own experience down

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there in January, February, and March, and I got it from the missionaries who are located in all parts of Mexico and with whom I have continued correspondence. For instance, in January there were 22 representatives of mission boards who went to attend a conference in the city of Mexico. Some of them went into Mexico by way of Arizona and went down the west coast through Sonora, through Guadalajara to Mexico City; others came through El Paso, down to Chihuahua and Durango to Mexico City. Others came from Eagle Pass and others from Laredo down through Monterey and San Luis to Mexico City; others through Brownsville and Tampico to Mexico City; others from Vera Cruz. Some of these ladies and gentlemen had not travelled in Mexico and did not speak any Spanish, but they all arrived without any untoward event whatsoever, in the city of Mexico, and we had our conference there. I should be glad to read here a resolution that was passed at the time."

THE CHAIRMAN. Give the date of it, please.
DR. INMAN (reading):

The conference of Christian workers meeting in the City of Mexico, February 17 to 22, 1919, wishes to express its deep gratitude for the cordial way in which it has been received by all the people and for the fact that improved conditions and the open-mindedness of the people permit Christian work to be carried on in all parts of the Republic, with protection and welcome for the workers.

The 20 delegates from the United States, before arriving at the capital, have visited their work in all sections of the country, the routes of some being through Nogales, Sonora, Sinaloa, and Guadalajara; others through El Paso, Chihuahua, and Aguas Calientes; others through Laredo, Monterey, and Saltillo; others through Matamoras, Victoria, Tampico, and San Luis Potosi; and others through Vera Cruz, Jalapa, and Puebla. Such travel has been attended with no untoward incident whatever, and with a far greater degree of comfort than was anticipated.

Many encouraging evidences were found of the fact that the

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country is slowly but surely returning to normal conditions, socially, economically, and politically. While some outlying districts are still greatly disturbed, practically all the centres exhibit stable conditions.

We recognize keenly the many difficulties against which the Government is working in restoring the country to a normal life, and register our hearty sympathy with the Mexican people in their earnest struggle toward the real democracy.

We pledge ourselves to do all within our power to promote a closer friendship and clearer understanding between the two neighbouring Republics, both by making known in the United States the real developments and deep aspirations we have found among the Mexican people, and by encouraging in every possible way the increase of those institutions and movements which are set to aid Mexico in her struggle toward a new life.

In regard to the propaganda for an intervention in Mexico, Dr. Inman, who is the author of a recent book setting forth what intervention means, quoted the Field Secretary of the National Association for the Protection of American Rights in Mexico, as reported in a San Francisco newspaper, in part as follows:

“Seeking the support of local leaders, Maj. John G. MacDonnell, United States Army, one of Lieut. Gen. Hunter Liggett’s staff in France, arrived in San Francisco yesterday to promote plans to solve the Mexican problem. Maj. MacDonnell is field secretary for the National Association for the Protection of American Rights in Mexico. Membership in the association is held by more than 600 banks, industrial and commercial institutions in the United States. San Francisco will be asked to fall in line, Maj. MacDonnell says, in upholding Congress and the administration in whatever policy is mandatory for the correction of present intolerable conditions.

“The placid indifference with which killing of more than 300 American citizens in Mexico within the last few years is regarded,” says Maj. MacDonnell, ‘to say nothing of the attempted confiscation of American property

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worth more than a billion dollars, would appear to indicate the need for somebody to assume the leadership in arousing the torpid public conscience.

“Our association, for which I am seeking the support of San Francisco, was formed to arouse, organize, and lead public sentiment which would support Congress and the administration in taking, without further delay, whatever steps may be necessary to secure protection for the lives and property of American citizens wherever they may be and to compel that respect for the American flag which has been so conspicuously lacking in Mexico for the greater part of 80 years.

“We did not hesitate to take energetic steps for the protection of American citizens in China in the Boxer rebellion of 1900. We recognized the right and duty of a government to protect its citizens temporarily residing in foreign lands, when Italy demanded and received, without demur on our part, reparation for the lynching of some of its citizens in New Orleans. Indeed, the duty of a government to protect its citizens wherever they may be seems to be fully understood everywhere but in America today. That is the purpose for which governments are created.

“The Mexican situation concerns not alone those who have invested large sums in Mexico, nor the survivors of thousands of colonists who have lost everything they possessed and whose families have been murdered. It is a matter which vitally interests every man, woman, and child in America.

“Mexico is the haven or refuge to which the I. W. W. were sent to be tortured by German propagandists. The product of this joint labour of anarchy and kultur was

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Bolshevism, which was first put into effect in Mexico in all its details, even to public ownership of women and corruption of children. The truth is that there is no organized government in Mexico. Carranza is merely the nominal head of a movement and does not even control his own so-called government. The control rests in the hands of military chieftains who acknowledge no allegiance to Carranza, except that which is gained through being provided with money. Only one-half of 1 per cent. of the people of Mexico are responsible for the crimes that are committed there.

“‘Chaos is the only word which describes the situation when we attempt to view it as a whole. Under such conditions is it not imperative that America should be aroused to the menace of the southern border? Those who originated the National Association for the Protection of American Rights in Mexico thought so. And no violent protests against its aims and activities have emanated from Washington.’”

To offset that call to arms by a soldier who has not been in Mexico, Dr. Inman, a teacher knowing the country well, said:

“The officers of the Federal Council of Churches, the Chicago Federal Council of Churches, the missionary boards, the missionaries themselves in Mexico, and so far as I know the Christian leaders all over the United States, are entirely opposed to armed intervention. I have submitted certain editorials from the religious press to substantiate that statement.

“I do not care to create the impression at all, if it were possible, that things are all right in Mexico today;

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but I would like for all of us to realize that after a period of revolution every country has had in its history a period of reconstruction, and that Mexico today is striving with the same problems largely that we strove with in the time following the Civil War and the difficulties of catching Villa, for example, are similar to the difficulties we found in suppressing banditry, the James boys and others in the western part of the United States; and that conditions are gradually growing better; indeed, more rapidly than most of us in the United States have any idea of.

“As to Mr. Carranza, who is largely the bone of contention here, I believe that Mr. Carranza is an honest and capable man. I recognize his faults. He is ultra-internationalistic. He is very sensitive and the attacks of the American press on Mr. Carranza have caused him to be exceedingly sensitive as to what has been said about him here. He has been called a thief and a liar and a robber and everything that certain parts of the American press could invent.

“That has made Mr. Carranza naturally very resentful. I knew him as a neighbour in the State of Coahuila when I was director of the People’s Institute there several years ago. Knowing him as a neighbour, I formed a high opinion of him as a man, and his belief in a democratic form of government. I believe that he is not anti-American, for he has done too much for American schools; he has employed too many of the young men who have been educated in American institutions; he has sent too many teachers and students to the United States, and he has had friendship with too many American people in Mexico for me to believe that he is anti-

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American. I believe that he is very much pro-Mexican. He is trying to work out a policy of Mexico for the Mexicans."

Bishop Cannon, of the Methodist Episcopal Church South, who is in charge of the work of his church both in Mexico and among the Mexicans on the American side of the border told of improved material and spiritual conditions during his last visit to Mexico, saying: "I think, perhaps, we have had more accessions to the church this year, the old missionaries tell me, than they have had for many years." He continued:

"As an illustration, I went in at Eagle Pass about the 1st of August in an automobile, a Ford car, and drove through the interior of the country. I was very much amused to read something some gentleman had written, who seems to be a German—Altendorf, I think his name was—in which he said it was not safe for anybody to go down there, that they would be murdered. I went out in that car with a Mexican driver and a missionary and rode into the interior of the State of Coahuila, after dark, after 10 o'clock at night. I remember I stopped at Allende. I found the Mexican people there sufficiently prosperous to put down \$6,000 if our missionaries would put down \$6,000 to build a new church, to cost \$12,000 in a town of about 10,000, which I didn't think was very bad, even for the United States. Over in Saltillo a man came from Turan, which was either in Nuevo Leon or Tamaulipas, and said, 'If you will put down \$3,500, we will buy the lot and put in \$3,500 to build the church.'

"Now, those are straws, but they are the straws that come my way.

"We believe, gentleman of the committee, that the best

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solution for Mexico would be the largest possible amount of sympathy for them, the bearing with their mistakes, remembering that she has about 70 per cent. illiterate people who can not read a newspaper for themselves, and are dependent on other people to tell them what is going on in the world, and who are easily influenced by these things, and to realize that they have been and are under a tremendous handicap."

Dr. George B. Winton, another member of the Committee of Mexico of the League of Free Nations Association, also gave a favourable picture of the Mexico of today, although careful to show that recovery from the effects of the revolution was not complete. In his closing statement, Dr. Winton said:

"I might say just one word, Mr. Chairman, before I leave the stand. In deprecation of misunderstandings among those of us who are interested in Mexico, you will find among other things that I have written phrases that seem to point in the direction of a charge that there are persons interested in promoting intervention, and that they are active. What I wish to say in regard to that is that the weakening of the hands of the Mexican Government in the present juncture by painting very gloomy and exaggerated pictures of social and economic conditions in Mexico, creates the impression in the mind of the average man that the only way it can be remedied is by armed intervention. That is how it arises that sometimes the phrase is used that those who speak and write against Carranza are speaking and writing in favour of intervention. It is not a charge that they are intending to do that, necessarily; it is simply qualifying the outcome of their work. I am obliged to say that I have had

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a good deal of experience in that line, and I am afraid that is the tendency of it."

James G. McDonald, chairman of the League of Free Nations Association, and of its Committee on Mexico, gave a brief survey of the activities of the Association regarding Mexico, which set forth that:

"The immediate program is, first, syndicating gratis daily and Sunday feature material to the press throughout the country, presenting fact statements of actual conditions in Mexico.

"Second, co-operating with societies throughout the country interested in justice for Mexico.

"Third, preparing for a Mexican conference in New York City, and urging the holding of similar conferences elsewhere.

"Fourth, arranging, in co-operation with other societies, for a mass meeting at Madison Square Garden.

"Fifth, acting as a medium for the creation of a commission of five or six nationally known and representative Americans, to investigate and report on actual conditions in Mexico.

"Sixth, studying the situation from every angle, with a view to aiding in the formulation of a Mexican policy, at once economically sound and socially justifiable."

Mr. McDonald suggested the names of a number of gentlemen prepared to give first hand information regarding Mexico, offered to supply the committee with an auditor's statement showing receipts and expenditures with the names of all contributors since the formation of the Committee on Mexico, and suggested that a similar auditor's statement be required from the National Association for the Protection of American Rights in Mexico.

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Another witness was the author of this book. I was asked if I received money for my services from Mr. Caranza, although the chairman had in his possession when putting the question an affidavit in which I had disclosed the sources of my income and the nature of my employment for a ten year period, and stated that I was still a confidential employé of the United States Government on indefinite leave of absence.

I then read a memo of which part is quoted:

I am a member of the Mexican Committee of the League of Free Nations Association and of the association itself, and have been chiefly responsible for the activities of the committee in its attempt to reply to the propaganda favouring an intervention in Mexico.

Having been threatened with a libel suit by the Association of Oil Producers in Mexico in their letter published in the *Nation*, I have avoided any specific mention of the oil interests by name. The *Nation* of July 26, 1919, page 108—

THE SECRETARY. What is that reference, please?

MR. DE BEKKER. The *Nation*, of July 26, 1919, page 108. But assuming that the statements made before the committee are privileged—I am right in that, am I not, Senator?

THE CHAIRMAN. If you desire to claim privilege; yes, sir.

MR. DE BEKKER. I do desire to claim privilege.

I give the list of the oil interests concerned, which Mr. McDonald our chairman, did not have in his possession when testifying before the committee: California Petroleum Co., Continental Mexican Petroleum Co., Freeport & Mexican Fuel Oil Corporation, Huasteca Petroleum Co., Mexican Gulf Oil Co., Mexican Petroleum Co. (Ltd.), of Delaware, Mexican Petroleum Corporation, National Oil Co., Pan-American Petroleum & Trading Co., Panuco-Boston Oil Co., Port Lobos Petroleum Co., Snowden & McSweeney, Southern Oil & Transport Corporation, Standard Oil Co. of New Jersey, Tamiahua Oil Co., The Texas Co., Tuxpam Petroleum Co., Union Oil Co. of California, Union Petroleum Co. Among the most active individual propagandists are Edward L. Doheny, leader of the entire group of oil interests operating in Mexico; I. Jewell Williams, a Philadelphia lawyer, who is also president of the Boston-Panuco Oil Co.; and Burton W. Wilson, a New York lawyer in the employ of the Standard Oil Co., or those of its subsidiary corporations operating in Mexico. Charles Hudson Boynton, at one time superintendent of the Associated Press in Washington, is the press agent for this group. The list

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is probably not complete, but Mr. Boynton can give a complete list of the Association of Oil Producers in Mexico, of which he is also press agent. All of the corporations above named are members of the National Association for the Protection of American Rights in Mexico, of which Mr. Boynton is "executive director" (which may be interpreted press agent), with offices at 347 Fifth Avenue, New York; Frank J. Silsbee is styled secretary of the National Association for the Protection of American Rights in Mexico, and in the absence of these persons the office appears to be in charge of Harry W. Berbie.

I then suggested that C. H. Boynton, Agnes C. Laut, and William Gates might throw additional light on the propaganda of the oil companies for an intervention in Mexico, offered various instances of specific propaganda, including the Altendorf letters issued by the National Association for the Protection of American Rights in Mexico, the "atrocities" stories of Miss Laut and her picture fake in the *Independent*, the fake map of Mexico in various newspapers, and other proof of a circumstantial nature pointing to a plot to intervene. The following colloquy occurred toward the close of my testimony:

SENATOR BRANDEGEE. Give me circumstances that caused you to believe there is a plot in this country to force armed intervention in Mexico.

MR. DE BEKKER. I would say for one thing, Senator Fall's presence as head of this committee, as shown in my letter to him.

SENATOR BRANDEGEE. One minute. Who put up that plot?

MR. DE BEKKER. I am sure I do not know who did that.

SENATOR BRANDEGEE. Do you mean to say that because the chairman of the Committee on Foreign Relations of the United States Senate appointed Senator Fall chairman of this committee, that is evidence of a plot to force armed intervention in Mexico?

MR. DE BEKKER. That, I would say, is strong circumstantial evidence.

SENATOR BRANDEGEE. That is what you call strong circumstantial evidence?

THE CHAIRMAN. You claimed immunity in your testimony. If you read that, you read it without any immunity. You are not going to read that into this record.

MR. DE BEKKER. I see I am not.

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The letter referred to was in the form of an affidavit, and Senator Fall had repeatedly refused to admit it to the record, possibly because it contained pointed references to the Senator's notorious hatred of Mexico and Mr. Carranza.

Miss Laut, for whom Senator Fall at once called the first and only night session of his committee, and who had represented herself while in Mexico to be the correspondent of the *Saturday Evening Post*, told how she met some members of the National Association for the Protection of American Rights in Mexico, and was asked if she would make a report on economic conditions to various members of the Association.

Senator BRANDEGEE. That is the Association for the Protection of American Rights in Mexico?

Miss LAUT. Yes, sir. I was asked to make that report, because, after all, the stability of a country depends on human conditions, and that is what I wanted to get. I agreed to do that. Shall I go right on with my visit to Mexico?

The CHAIRMAN. Yes. But first, how were your expenses paid down there, if any one paid them?

Miss LAUT. That brought up a very fine point. I agreed that I would make them a report if they would pay such expenses that would make it possible for me to take a constant companion, because I saw an international scrap coming, and I know the danger of blackmail in those international scraps, and I always take with me on those trips a married sister or an unmarried sister. I always go on such long trips, purely as a protection from misrepresentation, with a sister. They agreed, not the protective association, because it was not fully formed, but they agreed personally that the expenses of that trip would be sufficiently covered to take along a companion to cover blackmail protection.

Miss Laut testified that her present job was linking up the financial interests with the churches, to help Mexico, and said that a single article she wrote brought in \$40,000 in contributions.

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The CHAIRMAN. By what organization of ministers or churches was that money paid?

Miss LAUT. Senator, it rather scares me to say that the money was paid to me personally; that the only way that I could keep free of any charge that I had handled that money through a personal account, I immediately indorsed it over to the head of the Latin-American Church Bureau.

The CHAIRMAN. Who was that?

Miss LAUT. May I give you that name in executive session or shall I do it now? I will give it to you now. Dr. Teeter. The witnesses so far know so little of what the churches are actually doing that they do not know that the big church movement is under way in Mexico now and the members of the movement are in Mexico now working on that.

Miss Laut was indignant at the thought that she or any of her associates favoured an intervention in Mexico, saying:

“We are told in the Bible that we must bear the infirmities of the weak. It seems to me the same Good Book says that you shall not bear false witness against your neighbour. At the very time that the charge was made that the oil interests were financing intervention, the oil interests had put up \$40,000 to help the church campaign, the union of Protestant and Catholic churches, to place before the American public the necessity of helping Mexico.”

Her view of how not to intervene was expressed as follows:

Senator BRANDEGEE. What effect would it have in Mexico if this Government did intervene, with an army announcing that it came to establish order and stop the banditry and to help them to help themselves to set up some form of government of their own, that they were not going to stay there or annex their territory or anything of that kind? Have you any means of forming an opinion as to how that proposition would be received by the people of Mexico?

Miss LAUT. Well, I have been told by their own leaders that if such a beneficent pacification were undertaken and followed by thousands of cars of food that a hurdle 16 feet high would not

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stop the population coming en masse behind and supporting the movement.

Senator BRANDEGEE. Well, I have heard both sides. I have heard people state both opinions. I see that some of the military chiefs of Mexico state that any attempt by this country to send troops there and establish order would combine the whole population of Mexico against us, that the Carranzistas and all the bandits would immediately make common cause against the invader. I wondered whether you were able to form an opinion about the probabilities of that?

Miss LAUT. I think it is pretty largely politics for home consumption.

Senator BRANDEGEE. It seems to me now—I do not know how you look at it—but it seems to me no financial interests in this country can back up such an angel down there and endow him with the necessary funds to help this armed movement without being charged with fomenting a revolution in a foreign state with which we are at peace, and our Government certainly could not do it as a government without laying itself liable to the same charge.

Miss LAUT. But, Mr. Senator, we are not at peace. We don't keep a border control at a cost of \$150,000,000 if we are at peace.

Senator BRANDEGEE. But we have not declared war on them.

Miss LAUT. I know, but the peace is not there. We are simply fooling ourselves, bluffing ourselves.

Charles Hudson Boynton, press agent for various petroleum associations, and "executive director" of the National Association for the Protection of American Rights in Mexico filed articles issued by the National Association for the Protection of American Rights in Mexico, including atrocity stories, which occupy a special place of honour in Part 2 of the printed record, pages 438 to 468, but without including the monthly bulletin of his organization, nor the mimeographed sheets issued to the Washington correspondents by his branch bureau there.

Senator BRANDEGEE. We have asked the other representatives of these other associations that have appeared before us what their salaries were; that is, the publicity men, so to speak. What is your salary?

Mr. BOYNTON. \$20,000 a year.

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Mr. William Gates was permitted to read into the record his correspondence with Secretary Baker, but has not testified since the U. S. State Department forwarded to Chairman Campbell, of the House Committee on Rules, the letter accrediting him to Mr. Campbell from the bandit Amezcua, then in Havana. The death of Amezcua has subsequently been reported from Mexico City. He had attempted to return to Mexico to assist in revolutionary schemes.

It will be noted that the Protestant Missions operated from the United States are keenly opposing the proposed intervention, many of the witnesses appearing before the Fall committee being identified with these organizations. The Catholic opposition is now being voiced in an influential section of that church's press. The Committee on Mexico therefore should call especial attention to the eloquent and pathetic appeal issued from Chicago, April 4, by three Mexican Archbishops, then in exile, now in Mexico, thanks to a reconciliation effected by Mgr. Burke:

The late war has spread desolation and destruction over large areas of the earth: has shaken our social fabric to its foundations: has left in a maimed, starving, and plague-stricken condition multitudes of our fellow-men: and has filled the world with the lamentations of the bereaved and the suffering. As the common father of mankind and as the custodian of the Christian world, the Sovereign Pontiff has appealed to us all in the name of God and for the sake of humanity, not merely to bind up the wounds of our civilization, but, through steadfast advocacy of justice to all peoples, also to point the way to permanent peace and goodwill. Even while we in

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love and charity labour to fulfil this duty which Christianity imposes upon us and which the Holy Father so eloquently requires of us, there are others who fan old fears, and rekindle old hates. A small, selfish, but very powerful minority still pervert and obscure the interests of the plain people. The rights of the weakest continue to be sacrificed to the interests of the strongest.

In Mexico, anarchy is abetted by a few aliens; and our people are angered by unwarranted foreign interference in their domestic concerns, an indignity which a proud and sovereign race cannot lightly endure. The purpose of these activities is made plain by a press which is filled with the threats and portents of a new war, the work of a small group of heartless or thoughtless men against our own well-beloved people of Mexico.

We, the undersigned bishops of Mexico, sustained in our exile by our faith and trust in God and by love of our country, share the hopes and tribulations of our people. We rejoice in their gladness, and grieve over their sorrows. And in obedience to the command of our blessed Lord and Master, Jesus Christ, in conformity with the behest of His Vicar, our Sovereign Pontiff, and dominated by our ever vigilant solicitude for the safety and well-being of those committed to our care, we are impelled to appeal to the citizens of the United States and to the citizens of the Republic of Mexico to be patient and forbearing the one with the other, lest the amity which just men desire to preserve and to foster should be disrupted by the machinations of the evil forces that are now arrayed against it. We desire that wise counsel should displace all thoughts of violence in the consideration of such differences as exist, or as may be

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created, between our dear land of Mexico and the land of our refuge. Between lands linked in a common destiny by nature and by sentiment, free lands intended by God to help each other in harmony, mutual confidence, and disinterested friendship, in the fulfilment of the high purposes for which He has created them—peace, the peace of God and the Church, should prevail.

We, as representatives of the Church which has under our leadership and in our persons suffered persecution at the hands of the Mexican Government, appeal in our anguish especially to all who are bearing burdens unfairly placed upon them by the Mexican authorities. Before those who are burdened, we would give testimony of our abiding faith in the essential justice of the Mexican people, and our unalterable trust in the ultimate triumph of all just causes placed before the tribunal of our people. We, homeless shepherds whose folds are wrecked and ruined, and whose flocks are scattered and sorely beset; we who are bound in conscience to abate no effort till the trust be fulfilled that God gave to our care; we urge mutual patience and forbearance, for our trust in the Mexican people is absolute. And proclaiming that trust before men, shall we appeal in vain to the fair-minded moulders of American opinion that they refrain from thoughts of violence and instruct their public in the ways of charity, and of peace settlement of all difficulties? We appeal especially to those in the United States who in good faith have made our cause their own, reminding them that the temples of God are the hearts of His people and that the mission of His Church is to create peace and good will among men. The principle on which our Church is founded will insure a peace of

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justice, for the capacity of the Mexican people to respond to the mission of the Church is limited only by the artificial and temporary barriers which restrict our functions. Finally we appeal to the faithful in the United States and in Mexico to join us in our prayers that God may be pleased speedily to remove all occasions of misunderstanding between these two sovereign states so that the American and the Mexican peoples, each preserving its own sovereignty, may dwell together in perfect peace now and for ever.

FRANCIS PLANCARTE

Archbishop of Linares

LEOPOLD RUIZ

Archbishop of Michoacan

FRANCIS OROZCO Y JIMENEZ

Archbishop of Guadalajara

