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TO WHOM IT MAY CONCERN

—AN OPEN LETTER—

De la Huerta, the Bankers and Oil

And Other Matters of Interest Relating to Mexico

BEING A SEQUEL TO OPEN LETTER OF JUNE 3, 1922

"Why de la Huerta Comes to New York"

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—AN OPEN LETTER—

De la Huerta, the Bankers and Oil

The Devices of the Mexican Bolsheviks to Mislead Public Opinion in the United States

THE meetings of the international bankers with Senor Adolfo de la Huerta, "secretary of finance" in the cabinet of Obregon, which culminated on the 16th of June in the signing of an "agreement" in reference to the payment of the principal and interest of the Mexican debt—foreign, domestic, state, municipal and railroad—make up a very interesting record, both as regards proceedings and the results arrived at, which I will publish as a sequel to my open letter of June 3—**"Why de la Huerta Comes to New York."**

These meetings between the bankers and de la Huerta, which covered a much wider scope than had been publicly stated as contemplated before the conferences began, did not proceed as smoothly as sliding over greased glass. On the contrary, there were several strained situations where very plain language was used, and, on two occasions, I am informed, it looked very much as if the parleys were ended, particularly on the 12th of June, when a stage in the discussions was reached where both sides refused to yield and the meeting came to an end. De la Huerta had not expected to come to an agreement with the bankers when he came to New York and this break had not been unanticipated, but it had been forced on him sooner than he had hoped for to meet his personal plans.

The next day, however, he had a changed viewpoint. He had had a long conference with Obregon over the direct wire they had leased between New York and Mexico City to keep the "President" constantly informed of every stage of the proceedings, and had learned that the "government" considered it very important that some sort of an agreement be reached for its effect on the minds of both the American and Mexican peoples. The conference must not be allowed to break up without coming to some final conclusion that might be turned to advantage.

So de la Huerta sent out an olive branch to the bankers and the conferences were resumed, ending at 6 o'clock on the 16th with the signing of the "agreement" which has been so enthusiastically acclaimed as a great victory for both sides. The net result of all that was done—which those who are not more than superficially familiar with Mexican affairs do not appreciate—was simply this: The bankers secured an "agreement" with de la Huerta in which he acknowledged obligations which are actually corporate or private liabilities, as national debts, and he, in turn, had avoided any immediate payment on the interest account of the foreign-held bonds and had laid the foundation for a long delay, which is always the trick of a Mexican Bolshevik "statesman" of the Carranza school when he finds himself in a tight place, especially in connection with obligations to pay debts.

POINTS of interest in connection with the meetings of the bankers and de la Huerta are—Who were the negotiators and whom did they represent? What did they actually agree to do? What were the details of the negotiations? What are the legal aspects of the "agreement" signed? which will not become an actual agreement for a long time to come, if ever; and, Will Obregon approve de la Huerta's acts and thereby strengthen his political position as a candidate for the presidency of Mexico?

Mr. Thomas W. Lamont, of J. P. Morgan & Co., headed the bankers' committee, which represented English, French, Belgian, German and American holders of bonds of the exterior, interior, state, municipal and railroad debts of Mexico. The greater part of these debts are held abroad, as Limantour, secretary of finance under Diaz, was opposed to American capital securing too powerful an influence in Mexico and therefore placed all government securities in Europe, with the exception of one loan.

Senor de la Huerta, it is said, represented the "government of Mexico," which, under normal conditions, would mean the Mexican people. This is not true. Americans will get a far more comprehensive insight into current Mexican affairs if they will look on Obregon, de la Huerta and Calles, and their following, not as government, but as what they really are—Bolshevik usurpers who have stolen the government and treasury of Mexico for their own aggrandizement and enrichment, and who represent, not the Mexican people, but only a "dictatorship of the proletariat," disguised as "constitutional," actually composed of far less than one per cent of the population of Mexico. The rest of the people, held in subjection by force and fear, and by circumstances which they cannot control, have no voice in the politics or in the government of their country.

While Obregon & Co. enrich themselves at the expense of the Mexican nation, they throw a few crumbs to their "proletariat" to make them amenable to their commands and believe they are really a part of "government." These poor fools, deluded and really despised by their Bolshevik masters, do their bidding and maintain them in power and position to pose as "government" in furtherance of their sinister designs on the Mexican treasury and their own political fortunes.

Senor de la Huerta had no legal qualifications as a negotiator in these conferences with the bankers and what he did has no actual validity in law, either Mexican or international. It is true that he is a member of a politico-militaristic cabal of usurpers in Mexico City which may be said to be a "de facto" government, but this gives him no power to bind the Mexican people to any such "agreement" as he entered into with the international bankers, and any future legitimate government in Mexico can lawfully and properly repudiate it.

This "agreement" will not become a real agreement for a long time to come, if ever, for it will have to be ratified by all individual bondholders on one side, and by the Mexican Congress on the other, for under both the legal and illegal constitutions of Mexico, the Constitutions of 1857 and 1917, such a contract can only be accepted or ratified by the Congress—by majority vote of both senators and deputies.

For confirmation of this statement, see Section VIII of Article 72 in the legal Constitution of 1857, and the same section in Article 73 of the so-called Constitution of 1917. Both are identical and provide that the Congress shall "establish the basis upon which the Executive may make loans on the credit of the nation, approve the said loans, and **ACKNOWLEDGE** and order the payment of the national debt."

And here is another very important point that must not be lost to sight in considering the actual value of the "agreement" the bankers made with de la Huerta. The Constitution of 1917, on the authority of which the present Bolshevik government in Mexico claims to act, is illegal, null and void. The legal constitution of Mexico is that of 1857. There is no legal government in Mexico today. The outgoing Congress of Mexico, being elected under the Constitution of 1917, was illegal. The new Congress, elected in Mexico Sunday, 2d inst., was also elected under the spurious Constitution of 1917.

This election was also illegal; and this new Congress, which will not be organized and begin to function till September, will be illegal. It will have no power de jure to acknowledge, ratify or accept the "agreement" de la Huerta made with the bankers.

The "agreement" cannot be sent to the Congress for acceptance without the approval of Obregon. To gain all the time possible, he may withold his approval for many months, and then send it to the Congress, which can, of course, reject or accept it, or hang it up in committee indefinitely, as he may dictate. If it should be accepted, a subsequent legal government may repudiate it.

From any standpoint that one may look at the matter legally, the bankers' "agreement" with the Bolsheviks of Mexico is not worth the paper it is written on, for they have really not gained anything that they did not possess before it was made, except, perhaps, a point to their advantage in connection with the national railroads. But they wanted from the Bolsheviks an acknowledgment of the debts of Mexico, and they got it—perhaps with the idea in mind of showing later that, no matter what terms were made, they do not intend to pay, and that their participation in the discussions was merely a pretence to save them in American public opinion in connection with the recognition of Obregon, which their paid agents in this country are urging through every possible channel open to them, utterly regardless of expense.

On the side of the Bolsheviks, that the situation might not militate against the recognition of Obregon—although the matter has not the slightest connection with the real reason why President Harding and Secretary Hughes will not recognize him—they wanted a position created which would seemingly justify them in making further delay in meeting interest payments on foreign held bonds, for which they had collected millions through special taxation, and it was brought about. **If one wants to know what Obregon & Co. think of the position they have gained, he has only to appreciate the value to them of every delay, and the very important fact that it opens to them a clear fling at the Mexican treasury for several months to come and takes them from under direct, immediate pressure to turn the millions of special oil taxes over to the bankers.**

Remember what Obregon said to Calles and de la Huerta when they offered their resignations in May, 1921. They believed that he was going to surrender to Secretary Hughes' demands. He told them he would not concede anything to Hughes, but would play for delay—would drag out negotiations for a year or so—and they could all sit tight and do the best they could for themselves till they had to make their "get-away," or words to that effect. **This is the crux of the present situation.**

Delay! No one in politics knows what chick it may hatch. Delays were the keynote of Carranza's diplomacy and many practical results to him came out of those he very cleverly created. The Bolsheviks of Russia show a disposition to work the same game and will promise anything in a strained situation, so long as it will serve them to gain time, without the slightest intention of keeping their word. De la Huerta's really adroit play for delay through admitting, ultra vires, illegal concessions in the "agreement" he signed with the bankers, gives the Bolsheviks in Mexico full control of the Mexican treasury without reservations till next January, when they are in a strong position to create further delays of payments to the bankers on the ground that the Mexican Congress will not ratify the "agreement," as it contains what are really illegal concessions—acknowledging as a part of the national debt obligations which were not contemplated as national debts when they were originally contracted. The irony of this situation is that such objection would be unassailable as a proposition of law.

THERE was a very marked ruffling of the waters the first day of the meeting. A banker present said it was very interesting to enter into discussions, but some arrangement ought to be made to see that any agreement reached should be carried out, and suggested that some American be made the agent of the bankers in Mexico City to see that all conditions agreed on were fulfilled. De la Huerta grew very red in the face and remarked that such a course would be "a reflection *on the dignity* of the Mexican government." The banker looked the Mexican "financial secretary" squarely in the eye and said that he did not see how anything which did not exist could be "reflected on" by anyone.

Then de la Huerta raised the point that all that might be done during the conferences should be subject to the recognition of the Obregon government by the United States. The bankers replied, in effect, that they could not mix Mexican finances with Mexican politics, and after some discussion the subject was dropped. According to the theories of Mr. William Randolph Hearst, the international bankers, to be consistent with their subterranean purposes, should have intimated to Senor de la Huerta, very adroitly and diplomatically, that if he would give them just what they wanted in the shape of a contract to pay all Mexican debts, they would go to Washington at once and see "Charlie" and fix up the matter of recognition. Instead of that, they seemed very indifferent to anything except—"When do we get our money?"

Later there was a very spirited situation created over the discussion of the whereabouts of the $6,750,000 collected from the oil men last February under Obregon's decree of last June, in which he levied an oil export tax to be applied to payment of interest on the foreign debt. This money had been represented as being on deposit in the Banco Nacional in Mexico City, credited to this account. De la Huerta had brought Agustin Legorreta, general manager of this bank, to New York, to assure the bankers that the vaults of this institution really held this money.

But the bankers were wiser than the Bolsheviks thought. They knew that this money, or the greater part of it, as I stated in my letter of June 3rd, had been used to bribe Bolshevik "generals" to be good, who had started revolts that they might compel Obregon to give them large sums to submit to "pacification." The foreign bond fund looked good to the military "strikers," who do not believe in letting Obregon & Co. get it all; and so they made a reach for a part of it under circumstances that would compel compliance with their demands. When Senor Legorreta solemnly assured the bankers that this money was in his bank, they received what he had to say with a dry smile and a pinch of salt.

Then one of them who appreciates a humorous situation, even in business hours, gave de la Huerta a cold chill by suggesting that, as this money was lying idle in the vaults of the Banco Nacional, set aside for a specific purpose, and could not be used for any other, it could put no one to inconvenience to have it transferred to New York. He thought that should be done. De la Huerta fell back on the old stock excuse—"Reflection on the dignity of the Mexican government." The banker who thought that such a thing did not exist chuckled up his sleeve and the matter was dropped for the time.

The third and most serious disagreement, as I have said, occurred on the 12th of June, when the conference reached an impasse that was thought to be final. After the session ended de la Huerta had a long conference with Obregon over the direct wire between New York and Mexico City, as I have previously stated. He explained the situation and the bankers' demands. Obregon and his advisers had a talk in the National Palace and directed de la Huerta to reopen the discussions and to come to an agreement that would save their face. There must not be a break with the bankers. Some "agreement" must be reached. A break with the bankers might precipitate a very serious situation. The American people would believe they intended to repudiate the Mexican foreign-held bonds, and American newspapers that had been supporting them, might turn against them and "about face" on the proposition of recognition, which they now advocate. The Mexicans, too, had been led to believe that as soon as the agreement with the bankers had been completed, which de la Huerta had come to New York expressly to conclude, the Obregon government would be recognized by the United States.

Their only hope was to play for delay and continue to placate the Americans by seeming to desire to expedite payment of the bonded debts, and the Mexicans by keeping dangling before them the possibility of early recognition. The Mexican people were becoming insistent that recognition come, as they were beginning to realize that it is the only hope for Mexico. A deadlock with the bankers would make the Mexican people believe that the last prospect of Obregon's recognition was gone. There was dynamite in the situation. An "agreement" that could be used to effect delay would prevent its detonation—at least for a time. Make the concessions the bankers demand and get an "agreement." The situation it created could be met later, but to meet the exigencies of the moment an "agreement" must be reached.

In the meantime, too, the bankers were discussing things. What they wanted most was an "agreement" from the Mexican "government" acknowledging all the Mexican debts—and to get the national railroads out of the hands of Obregon & Co. The bonds would all be good in time—Mexico had never repudiated a debt—and the interest would continue to grow and would finally be paid, but every day the railroads remain in

the hands of the Mexican Bolsheviks means their further physical deterioration and loss in equipment value.

To get from de la Huerta an "agreement" to include in the public debt of Mexico all unguaranteed state and municipal bonds and the unsecured debt of the national railroads, and to bring about a basis for the return of the railroads to the stockholders, was worth conceding some conditions which he had refused to accept, for thereby they made points that could be effectively used in the future, even if Obregon refuses to accept the "agreement," or fails to live up to it.

So when de la Huerta sent out the dove with the olive branch to the bankers, they were in frame of mind to welcome the bird, and the discussions were renewed and reduced to written form and signed on the 16th. The "agreement" was written in English and Spanish. De la Huerta signed the English text, leaving the Spanish unsigned to await the approval of Obregon.

WHEN bankers get after a debtor, their first move is to dissect him to ascertain his ability to pay. That was what happened to Senor de la Huerta as "financial representative" of Mexico. He was well grilled as to the sources of all Mexican revenues and also in reference to all expenditures. The bankers, being staid and orderly in their make up, were much annoyed that the Mexican government had been run for years without the Congress adopting a budget. None had been adopted by the Congress since the days of Huerta (the Obregon government has never passed a budget), and it would seem that no living man could actually tell what the receipts and disbursements of the Mexican government had been since the days of Gen. Porfirio Diaz, who left a surplus of over 70,000,000 pesos (over $35,000,000) in the Mexican treasury.

Madero expended the entire receipts of government and the Diaz surplus and $35,000,000 more than the budget, and to this day no one can tell what became of the greater part of that money. His accounts were worse than complicated. Huerta's treasury department was a little careless, too, but he was never accused of profiting by it. It remained for Carranza to cap the climax, for he never made a financial statement during the entire time that he usurped the presidency of Mexico. Neither did he permit himself to be bothered by such a trifle as a budget.

Obregon, at least, has thrown a sop to public opinion in this direction. He has lately made a public statement of the finances of Mexico for 1921, a copy of which was printed in the Wall Street Journal of the 6th of June, showing revenues of 280,602,383 pesos, disbursements of 277,043,852 pesos and a surplus of 3,558,531 pesos. This statement is remarkable in two respects—the truth it tells, and the truth it indicates, but does not tell.

The bankers called de la Huerta's attention to the fact that in the fiscal year of 1910-1911 the revenues of the Diaz government, the largest in its history, amounted to but 111,142,402 pesos. Obregon's statement showed his "government" had received in the fiscal year of 1921 169,459,981 pesos more than the Diaz government had ever received in its best year.

Diaz managed, on his revenues, to conduct a government that challenged the admiration of the great statesmen of the world. He met all contracts in relation to bonds, whether domestic or foreign, promptly paid all interest on the foreign and domestic bonded debt, kept every state in absolute solvency so far as its public bonded or other debts were concerned, and carried forward great projects of public utility. His scrupulous honesty in public affairs, which was acknowledged the world over, maintained Mexican credit on a par with the highest in the world and enabled him to always borrow money at the lowest rates in either Europe or New York.

Diaz never regarded the Mexican treasury as an attachment of his own trousers' pockets. During the later years of his administration he always showed a great surplus each year. What a contrast today! Obregon, on revenues of nearly three times those of Diaz, has not met any part of the principal or interest of the bonded debt, domestic or foreign. He has even failed to pay petty expenses of the government such as the salaries of school teachers, and has looked on impotently, or complacently, while the entire financial system of the country has become even more corrupt and demoralized than under the administration of Carranza.

In examining the disbursements the bankers found 136,212,263 pesos charged to maintenance of "war and marine," almost one-half the entire revenues of the government, and practically 50 per cent more than Diaz ever had to run the entire government of Mexico in his best years. Then there was an item of 13,174,790 pesos for the "Department of Clothing Factories and Military Supplies," which carried the military expenses even higher. And all this money had been spent on the military establishment in the face of Obregon's public representations that the troops had been reduced 50 per cent. **WHY?** Could not the expenses of all departments be cut down and a general retrenchment made that would enable Mexico to pay its debts?

De la Huerta argued and re-argued against the cutting of the expenses of the departments of the government, particularly the military. **Under his skin he knew reduction of departmental expenses would be Bolshevik suicide. How could they hold their "proletariat" together if the money supply were shut off?** No reductions in this direction could be thought of for a moment. Of course, he did not tell the bankers this, but perhaps they saw the point. In all that de la Huerta said and did when with the bankers he showed by his lack of grasp of the elementary principles of governmental finance that it is a far cry from being a piano player in Sonora to the post of "financial secretary" of Mexico.

The bankers present who had met the great Limantour, one of the master national financiers of the world, could not but regret the tragic events that have placed the finances of Mexico in the control of a man of such small calibre mentally and limited experience financially, as de la Huerta.

HOWEVER, Mexico is the original Bolshevik country, and de la Huerta, Mexican "secretary of finance," is quite in accord in personal history, character and qualifications for that office with all the theories of the "Dictatorship of the Proletariat." I think this much-mouthed phrase should read: "Dictatorship to the Proletariat," for certainly the "proletariat" of both Mexico and Russia are subjects of the most absurd and irresponsible dictation and criminal exploitation in the history of modern civilization. In Mexico and Russia the "Red-Flag" and Bolshevik leaders have only been able to carry out their plans because the "proletariats" they have had to deal with have been, in the greater part, steeped in ignorance and as docile as cattle.

There is not a doubt but what observing what Carranza and the "Red-Flaggers" accomplished in Mexico as a result of utilizing to their purpose the ignorance of the greater part of the people, led the Germans to project Lenine and Trotzky into Russia to disrupt that country on similar lines. The "Red-Flaggers" in Mexico in 1914 attacked the institution of private property through wholesale illegal confiscations—and also the church—under the pretext of "reforms" begun in a "pre-constitutional period" which they declared that they might not be hampered by any law that would interfere with the carrying out of the "aims of the revolution." One of these "aims" was the despoiling of everyone who had property, Mexicans and foreigners alike. They regarded anyone who had property as an enemy, and to deprive their enemies of their property meant to render them helpless. They openly boasted that this was their purpose. Later they crystallized their "reforms" in the spurious Constitution of 1917, a constitutional pretext of legality of confiscation and robbery, under which no man's property in Mexico is safe today, whether he be native or foreigner.

In Russia, Lenine and Trotzky, beginning their hell-work in 1917, three years after Carranza and the "Red-Flaggers" began the disruption of Mexico, have carried out their purpose on less scientific lines. They have simply killed and robbed right and left, having in mind the same idea that inspired the Mexican "Red-Flaggers"—to render their "enemies," all people of culture and property, helpless by depriving them of their wealth and concentrating it in themselves. The psychology of the situation has been the same in both countries—a few bold and venturesome spirits have played on the ignorance and delusions of the masses to draw about them a sufficient following to enable them to usurp political power and enrich themselves by the seizure of national and private property. The "proletariat" of both countries now find themselves in abject poverty and misery, while the demagogues who have deluded them to their own purposes roll in wealth and luxury.

Think of it! In Russia the little Jewish journalist who was so poor when in New York that it is said he frequently passed the night on a bench in Bronx Park, now lives in a palace and possesses more actual power than the Czar ever had, and is said to command an army of 6,000,000 men, or the making of it.

And right here I want to repeat a prediction made three years ago. The Germans sent Lenine and Trotzky into Russia to disrupt that country and remove it as an antagonist in the great war. If Germany had won the war she would have controlled Russia through this device. Germany lost the war and the monarchy fell, but Lenine and Trotzky are none the less

German tools and this fact is being used to the advantage of the German republic. The first open indication of this was shown in the understanding recently signed between the Russian Soviet Republic and the Germans at Genoa. The next move will be an open military alliance—the plan of the Hohenzollerns when Lenine and Trotzky were first sent into Russia. Ultimately the original purpose of the Germans will be carried out and they will govern Russia—if the diplomacy of the world or a stronger power does not prevent it. The Germans may be restricted in the production of war material in Germany by the treaty of peace, but there is nothing to prevent them from manufacturing arms in Russia as an ally of the Russian Soviet Republic—which they are said to be doing.

In Mexico, Obregon, Calles and de la Huerta, and their immediate following, are acquiring great wealth. Obregon, the chick-pea farmer from Sonora, lives in Chapultepec castle, with a private residence on the side in imitation of Gen. Porfirio Diaz. Calles, the Sonora schoolmaster, who has become the leading spirit of Bolshevism in Mexico—a hard, cynical and unscrupulous man, who will let nothing stand in the way of his personal ambitions—lives in the Rancho de la Hormiga, the magnificent property of the Martinez del Rio family, which adjoins Chapultepec castle. De la Huerta, from Hermosillo, Sonora, who formerly earned his keep as a piano player under not the most commendable circumstances, lives in the Automobile Club, formerly one of the most exclusive in Mexico City, which is located in the gardens of Chapultepec castle, occupying the whole building. Always other people's property!

The deluders of the proletariat in both Mexico and Russia, it seems, run true to form and are in the closest sympathy, those informed say. I am told that some of the communications that pass between Calles and the "Third Internationale" would prove very interesting to the American people, whose government is marked for disruption by the arch-plotters of world-communism who have established themselves in Moscow. After what Calles did in Mexico to further the interests of Germany in the world war, it need surprise no one to learn that he takes an active interest in the plans of the "Reds" to destroy the American republic, and is not a stranger to secret agents of the Russian commune in the United States who are working to attain this end.

The American people would give this important matter much more attention, if they only knew the truth of the actual extent of Bolshevik propaganda going on here, inspired by the Russian "Reds." Even school children are being secretly tampered with. What can be done, even in a country like this, with an almost limitless "publicity" fund, is very practically shown by what has been accomplished in the creation of public opinion in favor of Obregon's recognition among people who would denounce him for what he is if they realized the truth.

No such disruption as has been brought about in Mexico or Russia is possible here, it would seem, but there is likelihood of very serious disturbances in the large labor centers, where working classes of foreign origin predominate. **Should such an exigency ever occur, the disturbers will find very quickly that they have to reckon with the small-town American, whose arms are as hard as his head, and who is convinced that economic common sense and respect of private property is far more preferable than a system of communism which can only result in tragedy and misery for the people and opulence and power for demagogues like the Sonora "Red-Flaggers," Obregon, Calles and de la Huerta in Mexico, and the saturnine Lenine and the sinister Trotzky in Russia. They are all birds of a feather.**

ONE could write a book on the record of the conferences between the bankers and de la Huerta in analyzing the intent and the effect of the many suggestions made on both sides and accepted or rejected; but I think I have made clear that the bankers laid the foundation, at least, to ultimately secure what they think they are entitled to, and that de la Huerta got just what he sought— a well-camouflaged device to effect a long delay in any settlement of the principal or interest of the Mexican foreign and domestic debt—and I will therefore relate what was really agreed to between the bankers and Senor de la Huerta, so far as I have been able to ascertain it. No one has taken me into his confidence. What I have learned has been attained on reportorial lines of inquiry, but what I state here is so nearly correct that someone will surely inquire as to who has "leaked."

Before taking up these points, however, I would like to refer to some matters of interest in relation to Mexico outside the scope of the bankers' conferences. On March 25, 1922, Senator Ashurst, of Arizona, read into the Congressional Record (See the Congressional Record of March 26, 1922) a memorial passed by the State senate of Arizona in which it was resolved—

"That the President be requested to recommend to the Congress of the United States that full recognition be extended to the Republic of Mexico, and to its President, the Hon. Alvaro Obregon," etc.

The preambles to the resolutions in this memorial are the mushiest stuff ever written about Obregon, with the exception of Dr. E. J. Dillon's eulogy of him, printed in the Nation, in which he compared him by name with several of the greatest statesmen in modern and current history. These Arizona effusions were undoubtedly inspired by the same Arizona State Senator who has been acting as an agent for Obregon in procuring the passage by State legislatures of resolutions advocating his recognition, "to force the hand of Secretary Hughes."

In this connection Obregon has been wasting the money of the Mexican people. He might just as well have hired that Arizona State Senator to go over and give the Rock of Gibraltar a shove, as to expect he could force Secretary Hughes to recommend his recognition by such expedients as procuring the passage of resolutions by State legislatures, which have only displayed an utter lack of information on the entire Mexican situation and therefore could have had no influence on the mind of the Secretary of State.

Funny that some one in the Arizona senate did not know that the recognition of a foreign government is exclusively the prerogative of the President, that it is extended on the recommendation of the Secretary of State, and that the Congress has nothing to do with it.. **It may be recalled by some that during the administration of President Lincoln a very determined effort was made to force the United States government to recognize the government of Maximilian. A resolution passed by the House of Representatives was the cause of Secretary of State Seward expressing himself as follows, April 7, 1864: "This is a practical and purely executive question, and the decision of it belongs, not to the House of Representatives, nor even to the Congress, but to the President of the United States."**

It is to be regretted that Senator Ashurst, instead of aiding the cause of Obregon through publicity in the Congressional Record, does not offer a resolution in the Senate of the United States to investigate why the Governor of Arizona does not make an effort to punish the American detectives who were parties to the kidnapping of Gen. Francisco G. Reyna, a Mexican patriot, in Nogales, last December. I told the story of this outrage in my open letter to William Randolph Hearst, dated March 30, 1922.

General Reyna was seized on the American side by Mexican soldiers through connivance with American detectives, taken over the line into Mexico and shot by Obregon soldiers in a graveyard before over 300 people invited to see the spectacle, within two hours after his capture. What has been done about it by the Governor of Arizona? Nothing, so far as I have been able to learn.

A very similar case occurred in Laredo, Texas, Wednesday night, June 7, when Gen. Lucio Blanco and Col. Aurelio Martinez were kidnapped, chloroformed, manacled together and thrown into the Rio Grande river, where their bodies were found on Friday, the 9th inst., on the Mexican side.

An investigation of this tragedy has brought to light a very startling state of affairs on the Mexican border. The statement is made that Blanco and Martinez were kidnapped by renegade American detectives in the employ of one high in the Mexican "government," directly or indirectly, who turned them over to Mexicans. For this crime, it is said, they were paid the sum of $20,000, and that the draft for this amount passed through the Milmo National Bank of Laredo.

When thrown into the river Martinez was shot through the head, dying immediately, and Blanco was jeered at while he struggled to save himself from drowning with the corpse of Martinez dragging him under water. About the same time the Mexican who had commanded the carrying out of this crime was found dead in the river, shot through the head, with the key of the handcuffs found on Blanco and Martinez in his pocket. He was killed, perhaps, to shut his mouth for all time.

The understanding of those who are close to the truth of things along the Mexican border is that someone high in the Mexican "government," directly or indirectly, has a band of assassins employed on the American side to deliver all active Mexican political refugees, dead or alive, on the south bank of the Rio Grande. The price per head is said to range from $5,000 to $100,000, in accordance with the prominence of the

person and his influence against the Obregon "government." General Murguia was to have been the next victim.

A fine situation in the United States, when the Mexican Bolsheviks can hire Americans to aid in the murder of their political enemies who are in this country. When all the truth is revealed, many who have felt called upon to shield Obregon & Co. from the odium of their lawless acts in Mexico, and out of it, will have a very hard time explaining their position. This comment applies to some newspapers, to paid press agents like Dr. Dillon, to "literary adventurers" who have misrepresented the truth for hire in connection with what has been going on in Mexico under the usurpation of the Bolsheviks, and to state legislators who have displayed so much sympathy for Obregon as a victim of the "sinister" obstinacy of the American government.

WHEN I referred to Senator Ashurst's reading of the Arizona Senate memorial into the Congressional Record last March, I only intended to call attention to the fact that at that time he also read into the Record several articles which were written by William Randolph Hearst and printed in his New York American and other newspapers. Last August Mr. Hearst began to advocate Obregon's recognition. By October he had become a very profound admirer of Obregon, and, after a visit to Mexico City, had such a bad case of Obregonitis that he threw overboard all respect for truth in connection with Mexican affairs, and printed, or allowed to be printed, in his newspapers, statements favorable to Obregon that were so far from the truth as to be really ridiculous.

(Any person who has not read my open letter to Mr. Hearst, published March 30, 1922, can learn much of interest from it as to his motives in supporting the cause of Obregon. Incidentally, Obregon has learned that the greatest mistake he has made in his campaign for American recognition was the acceptance of Mr. Hearst's support.)

But when I read the Arizona State senate memorial at this time, I could not resist the temptation to refer to the ignorance of procedure in reference to recognition it displays and to suggest how Senator Ashurst could spend his time to the greater advantage of the American people. I repeat, many Americans in high places will soon experience a very interesting time in trying to explain their advocacy of the recognition of the Mexican Bolsheviks. The revelations that are near at hand will create a startling sensation and will more than vindicate the position of President Harding and Secretary Hughes in every way.

On pages 4959 and 4960 of the Congressional Record of March 26 last, will be found a reprint of a story by Mr. Hearst, published in the New York American, sent from El Paso, Texas, November 10, 1921, headed "What I Found in a Month's Trip Through Mexico."

Mr. Hearst gave Marco Polo and the Baron Munchausen "quite a jar" in this yarn, for that is substantially what it is to anyone who knows the truth in connection with Mexico. Toward the end of the article Mr. Hearst wrote—

"The Mexican people like their government. They know that no government that they have ever had has done one-half as much for their prosperity and progress."

Oh, Wilhelm Randolfo! How can you make such foolish assertions about a government that has so thoroughly destroyed the agricultural industry of its country as to render necessary the importation of 11,168,000 bushels of corn, the food staple of Mexico, in the first ten months of 1921, to keep the people from starving, as against a total of 114,109 bushels in the entire year of 1919, and 344,763 bushels in the entire year of 1920? The notable increase of corn imports began in the year Obregon came into power. The corn imports into Mexico in the first ten months of 1921 cost the Mexican people $9,624,932 in gold.

Was that good political economy? Was that promoting their "prosperity and progress?" Is the passage of Agrarian laws that produce such results—compel an increase in corn importations of 10,823,237 bushels in ten months over a total of 344,763 bushels for the entire previous year—"doing for" the prosperity of the people? It seems to me as if Bolshevik Agrarian reform in Mexico were really "doing" them. You are very careless in your statements, Mr. Hearst, when you have a point to make. The disposition you show to disregard truth does not tend to increase respect for your kind of journalism in the minds of intelligent, thinking people.

Then Mr. Hearst continued: "They know that the highest that was ever spent for schools under former administrations was $9,000,000 a year, while the Obregon administration is spending over $50,000,000 on education, and purposes increasing that amount."

Mr. Hearst was again careless—this time in figures—for reference to Obregon's financial statement for 1921, published in the Wall Street Journal, June 16, shows that the Mexican "government" itself claims to have expended only 9,955,048 pesos on public education for that year, which, reduced to American dollars, represents $4,977,524 expended among 17,000,000 people. An expert on education could probably make interesting comments on this most extravagant expenditure for educational purposes among a nation of 17,000,000. Quite a difference between this sum and $50,000,000! But that is nothing to Mr. Hearst, who writes for his own private "public of 15,000,000 readers" with very full confidence that none of them know enough of the subject to doubt his statements, or contradict him.

Last November, December and January, Mr. Hearst kept his papers busy exposing a "plot of the oil men to overthrow the government of Obregon." No stone was left unturned to convince his "public of 15,000,000 readers" that he had stumbled on a terrible crime about to be consummated against "a friendly government." One of his assistants in this campaign, which was only inspired, of course, by righteous indignation over the terrible international crime contemplated, was said to be Robert M. Murray, the former correspondent of the New York World in Mexico City—who now lives there, or did a few months ago, in great affluence—who came here, it was reported, "with a roll of money big enough to choke a whale." Interesting if true; and if true, what was the money for?

One of the most flagrant assaults on truth in Mr. Hearst's exposure of the "great oil plot" was the statement that officers of the Department of Justice, some weeks before, had seized arms in the coal bunkers of a steamship which were being smuggled to rebels in Mexico, when the fact of the matter was that these arms were Thompson sub-machine guns intended for use against the British government in Ireland.

This fact was recently revealed in indictments found by the Federal Grand Jury in Trenton, N. J. This is the only shipment of arms seized in the port of New York in years, so there cannot be any mistake in their identification. Mr. Hearst would not expose any Irish movement against the British, a government friendly to the United States, but his young men could not resist the temptation to hook up this incident with the great "plot" they were exposing in which the desperate and unscrupulous American oil producers in Mexico were endeavoring to throw down his friend Obregon and raise Pablo Gonzalez to the presidency.

THE first that any of the oil men knew of the reprehensible crime in which they engaged, according to Mr. Hearst's newspapers, they read in his New York American. If Mr. Hearst's young men had got at the truth in their investigations, they would have learned that the leading oil producers who visited Obregon in Mexico City last September, came away from there pledged to support him for recognition, and that this pledge was kept and stood in force till their recent visit there, when they withdrew it openly to Obregon himself, for good and sufficient reasons.

Not a man connected with American oil production in Mexico has ever put up a dollar to aid the overthrow of Obregon, and all the "talk" that has appeared recently in Mr. Hearst's papers, in effect, that the late disturbances in Mexico were created to embarrass the Obregon "government" on the "eve of its recognition," and to discredit de la Huerta's "agreement" with the bankers, is just plain fake.

The statement made in the New York American Wednesday morning, the 5th inst., in a Washington dispatch, to the effect that the confession of a captured bandit showed that the Bielaski kidnapping was a plot hatched by New York oil interests, and that "both the neutrality laws of the United States and the criminal laws of Mexico are shown to have been violated," should be taken by legislators as a sufficient ground to pass a law making it an offence for a newspaper to print matter for the purpose of deceiving the people—or Mr. Hearst's papers, at least, for some of his writers certainly seem to have no respect for the truth.

On Thursday Mr. Hearst's papers, with other newspapers, carried a story to the effect that Mr. Bielaski had been accused of "kidnapping himself" by the Mexican government (a repetition of the Jenkins case) and was to be tried before a Mexican judge in Cuernavaca, the town south of Mexico City where the kidnapping took place. Last Friday evening Mr. Hearst's Evening Journal published a Washington dispatch of "Universal Service" covering this subject, which ended with the following paragraphs—

"Failure of American authorities in the past to deal decisively with plotting in the United States against friendly foreign countries, it is believed, caused President Obregon to determine that Mexico would itself act in the present matter.

"Delay by the United States in according Mexico diplomatic recognition is held to have been caused almost exclusively by the plotting of the oil interests with headquarters in the financial district of New York, who, by creating seeming disorder in Mexico have attempted to discredit the Obregon government."

Mr. Hearst, when you made your trip to Mexico City last October, did Mexican frijoles become as attractive to you as German pretzels? I note your papers are busy advocating the return of the dye patents to Germans, practically our only material benefit from the great war. Why always such active solicitude for Heinrich?

With his keen appreciation of the value of news, I have wondered why Mr. Hearst did not tell some of the more interesting incidents of his month's trip through Mexico, described in the article reprinted in the Congressional Record, March 26. He might have included the itinerary of the two palace cars that created so much gossip on the border, and he could have told the story of his advertising man who secured from the Obregon government a great contract for special stories to be run in his chain of Sunday newspapers, for which, I am informed, about $300,000 was to have been paid.

He could have told how he got this contract into his possession, and how he repudiated it, saying, I am informed, that he could not countenance anything like that; whatever was to be done for Obregon must be done as a "matter of principle." **PLUS WHAT?** He could have told, perhaps, why and how this advertising man landed in a Mexican jail, where he was held for eleven days, during which time his effects were thoroughly searched by the Mexican police. What for? Proofs of the existence of that advertising contract? When this young man was released he went through what he describes as "the greatest delousing time on earth."

Then Mr. Hearst might have included something of his real conversations with Obregon and some of the other eminent Bolsheviks he met while in Mexico City, relating what was said about "recognition" and his own past conduct toward Mexico, and the status in which the Bolsheviks, in their enthusiasm for reform at other people's expense, would hold his great estate of 7,500,000 acres of land in Chihuahua, and his other great properties in South Mexico, should he "do a little work" to help Obregon's standing with the United States government and his recognition.

There is no doubt but what Mr. Hearst's "public of 15,000,000 readers" would have been greatly interested in all this, and that it would have made a very sensational "scoop"; just the kind that Mr. Hearst most ardently admires. But for good reasons best known to himself—and some others—he did not refer to these incidents.

I UNDERSTAND that Mr. Hearst is a candidate for Governor of New York, and that his close political friend, William E. Connors, publisher of the Buffalo Courier, who is his campaign manager, thinks he is also made of presidential timber. Mr. Connors will find himself surprisingly alone in this thought before he gets very far.

What mystifies me, is how Mr. Hearst is going to explain to the communicants of the Catholic church in this state, and throughout the country, if he seeks the presidency, his keenly enthusiastic and very unscrupulous support of the recognition of Obregon, who inspired anti-Catholic outrages in Mexico, in opposition to the policy of our government, which is simply to make him bind his "government" to protect the lives, property and rights of American citizens in Mexico, before recognition is extended to him.

To explain opposition to this righteous policy alone is difficult enough for him—or anyone else, for that matter; but when it comes to justifying his opposition to our government and supporting a man like Obregon, who refuses to comply with a universally recognized principle of international law in respect to private property, and who was one of the first "Red-Flag" leaders to make an attack on the Catholic church and clergy in Mexico, when it became apparent that one of the purposes of the "revolution" was the destruction of religion—an idea subsequently made a key-note of Bolshevism in Russia by Lenine and Trotzky—he will meet a trying situation indeed.

Will Catholics endorse by their suffrages a man like Mr. Hearst, who, to accomplish some ulterior purpose of his own, will support, with all his great power over the minds of the uninformed, a man like Obregon?—the man who is a usurper of the presidency of Mexico, not only under the legal Constitution of 1857, but also under that of 1917, which he professes to recognize; the man who is openly charged with ordering the murder of Carranza, the one who made him, that he might rise to his place; the man who committed the outrages against priests and nuns in Mexico City attributed to him in the Fall Committee report, an official document issued by the United States government; the man who boasted that he had been followed all over Mexico by the maledictions of the Catholic clergy, and that **"no greater honor"** could be his; the man who, since he became "President" of Mexico, has permitted Felipe Carillo, Bolshevik governor of the Mexican state of Yucatan, to turn that state into a "Soviet government," where the Catholic church is limited by law to five priests, where young girls are systematically taught immorality and birth control to prevent illegitimate maternity, and where decent Catholic women are killed in the streets by bombs being thrown at them from the windows of houses when they parade in open, public protest against such terrible corruption of youth, as I showed in my open letter of June 3? An incident like this happened in Merida, Yucatan, a very short time ago.

How can Mr. Hearst seek the political endorsement of Catholic people in the face of his unscrupulous support of the recognition of Obregon? It will bother him some, I think, to meet this proposition; and also Mr. Connors, who, I believe, is also a Catholic communicant.

HERE are two items of information that will shed quite a ray of light on the Mexican financial situation and give the bankers something to think about. The first:—A craze for the development of Pan-American culture has broken out in Mexico. Senor Don Jose Vasconcelos, Obregon's minister of education, is one of the leaders of this cult. Development of the drama seems to be his particular interest. About two months ago a dramatic company from the Argentine came to Mexico City and attracted a great deal of attention. As a patron of arts and letters Senor Vasconcelos felt impelled to extend to this company his special, personal patronage, which brought him in contact with the leading comedienne, a very beautiful and talented artiste.

It was not long before Senor Vasconcelos felt that he must do something to signally show how much he appreciated the culture of this company, and especially its most charming comedienne, and so he arranged a fiesta in her honor intended to eclipse anything of the kind that had ever occurred in Mexico. **It is said that he did it—at an expense of 60,000 pesos Mexican, or substantially $30,000 in money of the United States.** This fiesta took place at the Grutas (caves) de Cacahuamilpa, in the State of Guerrero, one of the wonder spots of Mexico, the patron of the celebration furnishing special trains and automobiles and an entertainment and feast that would have done credit to a Roman emperor.

This exhibition of royal prodigality on the part of Obregon's minister of public instruction—**he spending $30,000 in one day in entertaining an actress from the Argentine**—presents quite a contrast to the circumstance that for far over a year the school teachers in Mexico have had great difficulty in collecting their salaries, and that one of them dropped dead from starvation last December while trying to collect the five payments in which she was in arrears. School teachers in Mexico City are supposed to be paid every ten days. She had not received a peso in over 50 days.

If you, Mr. Reader, want to know anything more about Senor Vasconcelos, look up his record in the reports of the Fall Senate Committee's investigation of Mexico.

If every American citizen would read this report there would not be such a great misconception in this country of the real character and motives of Obregon and the gang of "Red-Flag" Bolshevik freebooters who surround and support him. Any member of Congress will send you a copy, if you will write for it. These two volumes contain 3,550 pages.

Here is the second item: The Mexican commercial agent in Los Angeles was recently compelled to close his office. He had received no money from his government in six months and was forced to close up by the pressure of creditors whom he could not pay. A very significant circumstance.

General Diaz always managed to pay all the bills of Mexico, domestic and foreign, and showed a surplus, on government revenues, of 111,142,402 pesos in 1911, and of 106,328,405 pesos in 1910, and less in prior years. But Obregon, on revenues of 280,602,383 pesos, or $140,301,191.50 in American money, being 169,459,981 pesos, or $84,729,990.50 in American money more than Diaz received in revenues in his best year (which was

but $55,571,201 in United States currency), cannot keep open the office of his commercial attache in Los Angeles for "lack of funds." With $84,729,990.50 to spend in a year over the highest revenue Diaz ever had, the Bolsheviks have put the "cost of living" to Mexico up to a very high figure. What great things Diaz would have done for his country on revenues like that! There would have been no unpaid bills and no missing change from the cash box.

IS it not about time that some of the people who are advocating the recognition of Obregon because he is "redeeming Mexico" woke up to the truth? All the talk about the bankers and de la Huerta's "agreement" in reference to the Mexican debts bringing recognition "one step nearer" displays inexcusable ignorance on this subject on the part of those who make such assertions.

The making of a financial "agreement" between private bankers and a usurping Bolshevik "secretary of finance," that has yet to be ratified, to pay at some future time what ought to have been paid long ago, will hardly remove the objections of the United States government to the stealing of property, whether it be under Article 27, or the old-fashioned, strong-armed, bloody method of robbery by force and violence.

THE UNITED STATES WILL NOT RECOGNIZE OBREGON BECAUSE HIS GOVERNMENT IS "RED-FLAG" AND BOLSHEVIK—BECAUSE THE MEXICAN RADICALS, WHO UNLAWFULLY USURP GOVERNMENT IN MEXICO, MAINTAIN IN EFFECT THE ILLEGAL CONSTITUTION OF 1917, UNDER WHICH THE INSTITUTION OF PRIVATE PROPERTY, THE BULWARK OF MODERN CIVILIZATION, IS ATTACKED AND DESTROYED IN MEXICO; BECAUSE THE RADICALS WHO MAKE UP THE DE FACTO GOVERNMENT IN MEXICO WILL NOT COMPLY WITH THEIR INTERNATIONAL OBLIGATIONS AND BIND THEMSELVES IN DUE LEGAL FORM TO PROTECT THE LIVES AND PROPERTY AND RIGHTS OF AMERICAN CITIZENS IN MEXICO IN ACCORDANCE WITH THE PRINCIPLES OF INTERNATIONAL LAW AS RECOGNIZED BY EVERY NATION IN THE WORLD—EXCEPT MEXICO AND RUSSIA.

Bankers and bonds, and oil men and oil, have no more to do with this matter than the 40,000 American farmers and colonists who have been driven out of Mexico and had their property confiscated or destroyed, or the American mining men who have had their mines seized or ruined through being prevented from working them; and until all Americans are fully and equally protected in life and property and in all their rights in Mexico, neither the Obregon usurpation nor any other government in that country, will be recognized by the United States.

It is very curious to me that even such intelligent men as some managing editors and editorial writers must be, cannot seem to get it into their heads that the bankers and oil men have only an incidental position in connection with the recognition of Obregon by President Harding and Secretary Hughes. The settlement of their Mexican difficulties are only a part of the problem—not the whole—as the American public seems led to believe by the fact that so much stress is being constantly laid on their affairs in the news items appearing in the daily press, and that practically no mention is made of other interests.

Even the very brilliant editor of the Evening Globe, of this city, does not seem to see the real point, for he ended a pro-Obregon editorial published one evening a short time ago with these lines—

"If the oil men and the bankers are satisfied as to Obregon's good intentions, and the State Department has proof of his police power, even our stubborn Secretary of State cannot long delay recognition."

He evidently believes that the United States government is a bankers' and oil men's government, so far as relates to Mexico, and if these powerful interests are satisfied, Mr. Hughes should be; if he is also satisfied as to Obregon's "police power." I know that Obregon's "police power" is confined to about 5,000 doubly-armed, hard-fighting Yaqui Indians—and doles from the public treasury of Mexico. I know that Obregon knows that he may be assassinated any day by a coterie of the very men who fawn upon him. **I know that he is not asleep to his personal danger, and his plans are laid to protect himself in the event of an "explosion," which may occur at any time. Carranza tried to escape by rail. Obregon knows by experience that trains may be held up by many devices, such as mining the tracks, bribing engineers, etc., as they were with him. But an aeroplane—that is different. Once well in the air, in the high altitude of Mexico City, one could almost volplane to a rendezvous on the coast, and safety.** The Secretary of State of the United States certainly must have fully as many channels of correct information as to what is going on in Mexico as I have—I have no more than any other newspaperman may have who will take the trouble to seek the truth—and therefore I have no hesitation in saying that Mr. Hughes knows all about Obregon's "police power" and just how effective it is.

If he feels that Obregon should not be recognized, he has good reason for his opinion and the stand he has taken. Every American newspaperman who now supports Obregon would commend Mr. Hughes and back his stand to the last ditch—if he would seek the truth and not be misled into supporting the pretensions of a man who heads a "government" that will not hesitate at murder to gain its ends.

Keep in mind what happened to General Reyna, at Nogales, Arizona, last December, and what happened to General Blanco and Colonel Martinez within the last five weeks at Laredo, Texas. Remember what happened to Alberto Fuster, the great Mexican artist, who said in my presence here in New York, last December, that the Bolsheviks in Mexico City would soon have him killed in such a way that he would seemingly have committed suicide, because he would insist on saying openly that they had poisoned his friend, Gen. Benjamin Hill.

Senor Fuster was found dead in his room in Austin, Texas, about five weeks later, apparently having hanged himself. I wonder if his great paintings are still in the Mexican Embassy, in Washington. I told the story of this tragic incident in my open letter to Mr. William Randolph Hearst last March, and thought, perhaps, he might cause it to be investigated. It was news, was it not? Keep in mind what is going on in Laredo and watch events. Obregon has active friends in Texas—many in his pay—but his Bolsheviks cannot hire his political opponents murdered in that State, and get away with it, they will find.

THE New York Evening World of Friday evening, June 30, carried an editorial headed—"Have We Done Our Best By Mexico?" After a reference to the recent bandit "yarns" from Mexico, which it termed "fishy in the extreme," it observed that "only recently Obregon's financial agent had satisfied the bankers," and that "Recognition was imminent."

I think I have quite fully answered these points in what I have written herein, but I will repeat again—Whatever de la Huerta did with the bankers has nothing whatever to do with the quesion of the recognition of the Obregon government by the United States. **This is not only absolutely true in fact, but the President and Secretary of State have publicly so stated.**

Then the editorial writer of the Evening World said—

"IF THE UNITED STATES HAD RECOGNIZED THE OBREGON GOVERNMENT MONTHS AGO, WHEN THE MEXICAN COURTS GAVE DECISIONS AGAINST THE CONFISCATORY CLAUSES IN THE CONSTITUTION, THE SITUATION IN MEXICO MIGHT HAVE BEEN VERY DIFFERENT BY NOW."

My editorial friend is mistaken. The Mexican courts have not rendered any "decisions against the confiscatory clauses of the constitution." Decisions have been handed down in five oil land cases in actions in Amparo—the last resort in Mexican jurisprudence—which gave the oil companies relief in these five special instances, but these decisions have not the general effect attributed to them and cannot be given the broad interpretation of making Article 27 non-retroactive and non-confiscatory, as has been inferred by American newspapermen from interested Mexican misrepresentation. It is impossible to establish such a situation under Mexican law.

It is expressly provided in Section 1, Article 107, Constitution of 1917, which is a part of Chapter IV, defining the judicial power, that a judgment in Amparo **"shall always be so drawn as to affect exclusively private individuals, and shall confine itself to affording them redress in the special case to which the complaint refers; but shall make no general statement (decision) as to the law or act that may have formed the basis for the complaint."**

It will be seen from careful consideration of this constitutional provision that the Mexican Supreme Court cannot render a decision in Amparo that can be given general application as an interpretation of a law, or its application, and therefore no decision rendered, in itself, can be considered as establishing

a precedent. Each decision must stand by itself and cannot be construed as having any effect beyond the scope of the specific case to which it applies.

Under the rules of procedure in suits in Amparo, five similar decisions in an unbroken series of five similar cases involving the same propositions of law and fact, must be accepted as a guide by judges of courts of inferior jurisdiction; but such decisions do not bind the Supreme Court itself to follow them as a precedent for decision in any other similar case. The Supreme Court can reverse itself at will by simply giving "a reason" for its change of position on any legal question. The law, of course, does not define the character of the reason, or prescribe its sufficiency; it may be any colorable reason that the court may conjure up, either in the carrying out of its own purposes and will, or the command of the "President." Under present conditions in Mexico the Supreme Court takes orders from him, although that fact may not be publicly acknowledged.

Under these circumstances, one decision, or a hundred similar decisions, may be rendered in Amparo, but the law itself will still stand the same as it did before these decisions were handed down. They affect only the cases decided, not the law itself, and leave it open to any future interpretation that the court may see fit to render. Precedent has no place in Mexican jurisprudence and previous decisions can be entirely disregarded at any time. The Mexican Supreme Court can decide today that Article 27 is not retroactive and confiscatory in its application to some specific case, and then can turn around tomorrow and decide that it is retroactive and confiscatory as it applies to another exactly similar case, and be entirely within its rights.

Such a legal situation makes it impossible to accept the recent decisions of the Mexican Supreme Court as establishing the interpretation and application of Article 27 as non-retroactive and non-confiscatory as a fixed and unchangeable legal fact, as it practically would be under a decision of the United States Supreme Court, which is governed by precedent in its decisions, rarely reversing itself.

In connection with the wide latitude which Mexican law gives a Bolshevik Supreme Court to do as it pleases, or as it is ordered, it may interest the Evening World editorial writer to know that Senor Chief Justice Gustavo A. Vicencio, of the Mexican Supreme Court, recently sent a communication to "Universal," the leading "government" newspaper in Mexico City, in which he defended Justice Alberto Gonzalez in his assertion that all justices of the Supreme Court must have the right to change their positions on all legal questions as often as they see fit.

Imagine, if you can, such a proposition being made by Mr. Justice Holmes of the Supreme Court of the United States, and supported in a letter in the public press by Hon. William H. Taft, Chief Justice of that court. There would not be a dull editorial pencil in this country, in such an event. But this Bolshevik eccentricity happens to occur in Mexico under Obregon, and is therefore immune from adverse comment here. American editors do not know of these happenings? Well, I do; I read the Mexican daily papers. They can follow the Mexican press as well as I can—and to the same profit.

The Bolsheviks in Mexico claim that Article 27 is not retroactive, and cannot be so construed in its application to oil lands, because it only reiterates and confirms a legal fact that has always existed—that the oil in the sub-soil has always belonged to the nation. **They lose sight in this argument of the very important fact that, prior to the adoption of the illegal Constitution of 1917, all the laws of Mexico conferred on the owners of lands, as their exclusive property, all deposits of mineral combustibles, expressly naming petroleum.** It was not until the "Red-Flaggers" worked their "legal fiction" of national ownership of the oil in the sub-soil into the spurious Constitution of 1917, as a pretext to control the oil fields of Mexico to favor the Germans in the late war, that this idea had any place in Mexican law, so-called.

The first of the much talked about and misunderstood decisions in Amparo—accepted by many American writers as vindicating the position of Obregon, just as they evidently have impressed the writer for the Evening World—was rendered August 30 last. The four following were rendered May 12 last. What the legal points are in these latter decisions I do not know, as copies of them have not reached New York, but the essence of the one rendered last August was, that under a certain state of facts involving a question of "vested rights," taking particular care not to define "vested rights," so as to afford a loophole to crawl through in the future, "Article 27 "did not apply" in this particular case. This decision did not state, and was not founded in any way on the proposition, that Article 27 is not retroactive and not confiscatory in its general application, as it must have done to give it the force that is claimed for it. On the contrary, the decision was limited to "non-application" to that case only, which was a suit brought by the Texas Oil Company.

In the court of Common Sense one is a little puzzled to follow the Bolshevik argument that applying Article 27 to any but government-owned lands after May 1, 1917, is not giving retroactive effect to this article, for it is certainly retroactive in its effect on all lands to which title was acquired by oil operators, or anyone else, Mexican or foreigner, before that date. The truth is that the Bolsheviks made Article 27 apply to everything in sight in Carranza's decrees in 1917, and have tried to make it stick. For a long time Philadelphia lawyers have held the palm for reputation as adroit twisters of law and legal points in litigation, but the best one of them could learn much by spending a year or so in Mexico City under the Bolshevik regime.

Obregon himself stated recently, in a letter to the president of the Spanish chamber of commerce in Mexico City, to which the morning edition of the World gave nearly a column of space under a "scare head," that the provisions of Article 27 covered all lands, whether title was acquired prior to May 1, 1917, or not, and that Article 14 had no relation to Article 27, "which stands by itself and must be so applied." Article 14 declares that "No law shall be given retroactive effect to the prejudice of any person whatsoever." The article of the same number in the legal constitution of Mexico, the Constitution of 1857, says—"No retroactive law shall be enacted." Quite a difference, it will be noted. **Obregon's letter to the president of the Spanish chamber of commerce indicates that he holds that Article 27 is retroactive in relation to all lands in Mexico, which is undoubtedly his real position.**

What I have written in relation to Mexican law and the powers of the Supreme Court of Mexico may be taken as an answer to all points made in the news items which appeared in the New York City newspapers Friday and Saturday, the 7th and 8th insts., in which it was stated that the Mexican Embassy in Washington had issued a manifesto in effect that Article 27 had been declared "non-retroactive and non-confiscatory" by five decisions in Amparo, the last handed down May 12, which had established a "juridic basis" for this determination.

THOSE who read between the lines of the devices of Obregon & Co. see a very significant coincidence between the announcements made in the newspapers of Saturday, the 8th, in reference to Article 27 having been declared "non-retroactive and non-confiscatory," and the statements issued by Senor de la Huerta and Mr. Walter C. Teagle, President of the Standard Oil Co. of New Jersey. After concluding his talks with the bankers, Senor de la Huerta gave his attention to discussions with the oil men of the matter which they had taken up with Obregon in Mexico City several months ago, when they went there to present to him a plan to develop all the unexploited oil lands in Mexico through a great company to be made up of all corporations now producing oil in Mexico.

This plan made necessary, in the view of the oil operators, that they should be relieved of the impositions of Article 27. They could make no headway with Obregon, withdrew their pledge to support his recognition, and returned to New York. Senor de la Huerta signified his desire to talk the matter over with the oil men and conferences were arranged. "Talks" were had for several days, but no conclusion could be arrived at. De la Huerta would make no concessions whatever in reference to Article 27, and made a counter-proposition that the oil companies take the Bolsheviks "into partnership," the oil men furnishing the money for development and they the lands and the law. The oil men could not see that proposition and the conferences ended last Thursday, with the understanding that de la Huerta would take with him to Mexico City any propositions that the oil men wanted to send to Obregon.

The future of Obregon's government depends on the taxes paid it by the American oil interests. De la Huerta has added hundreds of millions in principal and interest to the Mexican national debt, if his "agreement" with the bankers be accepted by the Mexican Congress, after the approval of Obregon is affixed to it. Where is this money to come from? It would seem that the further development of the oil fields is the only possible source. This being true, would Obregon reject the colossal plan of the oil men to develop the unexploited fields of Mexico and cut off this vast source of supply of funds to his government by refusing to make any concessions in reference

to Article 27, if the Supreme Court had actually established by its decisions in Amparo that Article 27 is non-retroactive and non-confiscatory in its general interpretation and application, as it must do to give it the effect claimed for it? If the Mexican Supreme Court has actually done this, there would be no concession in this connection required of Obregon, there would be none for him to make, and the oil men would be free to go ahead with their work without fear of complications arising from Article 27. They will not go ahead because they know that the decisions rendered have no legal value from the standpoint of general application.

The truth is that the announcement made by the Mexican Embassy in Washington, Friday, the 7th., was timed to offset the effect of de la Huerta's failure to come to some understanding with the oil men because he insisted on maintaining Article 27, if the story of their negotiations should leak out.

The same thing happened, practically, in Mexico City last August when the presidents of the five big oil companies went there to discuss with Obregon the then recently imposed tax on oil. On August 30 the Mexican Supreme Court decided in a suit in Amparo, brought by the Texas Oil Co., that Article 27 was not applicable in that case because of a technicality that it but vaguely presented. Throughout this decision Article 27 is held to be retroactive and it expressly states that all legislatures, national and state, may pass laws under it which may be given retroactive effect.

This decision was immediately accepted by the press of the United States as answering Mr. Hughes' demands on Obregon. Now no treaty would be required! The whole tone of the comments made seemed to indicate secret sympathy for the "diplomatic triumph" of the Bolshevik usurper.

"President" Obregon addressed the Mexican Congress the evening of September 1, in which he was credited by the "New York Times" the following Sunday with having said:

"Inasmuch as the non-retroactivity of Article 27 . . . with regard to privately owned petroleum properties has been recently defined by decisions of the Supreme Court of the nation . . . which plainly guarantees the future regulations and applications of Article 27 . . . in full subordination to the principle of non-retroactivity . . . and the non-retroactive interpretation of Article 27 . . . considered already solved . . . it is not only unnecessary to incorporate them (this) in a treaty with a foreign government, but is also undignified, inasmuch as diplomatic relations are in suspense," etc.

Obregon must have known that he was making a deliberate effort to deceive Secretary Hughes, and public opinion in the United States, when he made this address to the Mexican Congress. He must have known that five successive decisions in Amparo must be filed before any "juridic basis" for his statement could be established at all, and that any such assertion as he made could have no foundation in fact. Mr. Hughes knew it, but the correspondents did not; so Obregon made a point in American public opinion, helped by newspaper writers who did not know and appreciate the twists in Mexican law, in which precedents have no place. A Supreme Court decision under the English law—our law—establishes the interpretation of a law; but under the old Roman law, on which Mexican jurisprudence is founded, a Supreme Court decision amounts to no more than a decision in some specific case. These facts show on their face that Obregon did not act in good faith.

On September 3, he came to an agreement with the oil men in relation to the payment of the oil export tax in outstanding "foreign-held" bonds, for which they were to form a syndicate to purchase at cut-rates in the open market—a proposition which he had no right to make, but which they were entirely within their rights to accept—and the oil men left Mexico City so impressed with Obregon that they had pledged themselves to support his recognition. Later they withdrew this pledge, as I have stated.

The decision in the Texas Oil Co.'s case in Amparo, Obregon's address to the Congress in which he represented Article 27 as having been finally adjudicated as non-retroactive, and his agreement with the oil men, were all "put up" to create public opinion to influence his recognition by the United States Government; but as we have a Secretary of State who happens to be a first-class lawyer and one hard to fool, and a President who does not think that he "knows it all," Mr. Obregon did not get very far ahead.

A similar situation is on now. The agreement de la Huerta made with the bankers, the announcement made by the Mexican Embassy in Washington last Friday in reference to Article 27, and an agreement with the oil men, which would have been made if Mr. Teagle and his associates had wanted Mexican Bolsheviks as partners, would have been a fine combination for the raising of another cry for the recognition of Obregon from people who will not see that all this has nothing whatever to do with whether or not he will bind himself to protect American citizens in Mexico in their lives, property and rights. **That is what President Harding and Secretary Hughes want and demand—and nothing else.**

The decisions in Amparo handed down by the Mexican Supreme Court in reference to Article 27, as I have endeavored to make clear, affect only five disputes over oil lands—and no more—and do not apply to, or affect in any way, the interests of the thousands of American farmers and colonists driven out of Mexico and impoverished, whose lands have been confiscated, or those whose lands are being "expropriated" under the Agrarian laws of the Mexican states, adopted under the authority of Article 27. Neither do these decisions affect the interests of American miners. Little, indeed, is ever heard of their concerns. There is not so much romance in the news of the despoliation of an American farmer, a ranchman, or a miner, as there is in the "shaking down" of the oil men, or in "playing fast and loose" with bankers. **Mr. Hughes is determined that the rights of such American citizens shall be protected as fully as the interests of American oil producers or bankers.**

I have shown, to the best of my ability, the exact truth in reference to Article 27 and the decisions made in reference to it, and have tried to make clear what is apparent to anyone who studies the question: That under Mexican Bolshevik law no legal situation can be created which will place American property in Mexico beyond the rapacity of the "Red-Flaggers."

Under these circumstances, the only way that American interests can surely be protected in Mexico is by the abrogation of the illegal Constitution of 1917, by a treaty which will take all Americans out from under its impositions, as Secretary Hughes suggests, **or by the re-establishment of legitimate government in Mexico under the legal Constitution of 1857—which, for some strange reason, seems to be most strenuously objected to by some American editors. Of course, the over 16,000,000 Mexicans who are not Bolsheviks have no rights in their own country, and have no justification to "conspire" to rid themselves of the "Red-Flag" incubus that has preyed on them for eight years.**

MR. EDITORIAL WRITER for the Evening World: Nothing has been done since Mr. Hughes made his statement to Obregon in May, 1921, defining the position of the United States Government in reference to recognition, to this day, to change its attitude. All the "Red-Flag" and the Bolshevik iniquities of the really illegal and void Constitution of 1917 are still held in full force and effect—and for this reason Mr. Hughes will not recommend to President Harding that the Obregon government be recognized. The oil case decisions, which have been accepted by the American press just as Obregon expected they would be, have no legal value and are merely a camouflage to deceive public opinion in the United States and to give Obregon's great army of publicity boosters in this country something to work on "to force the hand of Secretary Hughes" and bring about recognition.

The lack of adequate information displayed by the Evening World writer is unfortunate, for his editorial undeservedly reflects on the policy of President Harding and Secretary Hughes, and serves to place Obregon before Evening World readers somewhat in the light of a martyr to some expediency of government which has not been made clear to the people. This is not true, for the Harding Administration has no ulterior purpose in relation to Mexico. **Obregon & Co. have had their recognition by the United States in their own hands from the first. All they have had to do is to comply with international law—and they have refused, resorting to cheap and tricky expedients to deceive the American Government, and, when they fail, to befog the public mind of this country as to the real issue. That is why Obregon has not been recognized. The statement of any other reason by any one can only be regarded as a reflection on the maker's grasp of a very simple situation, or on his good faith.**

The concluding sentence of the Evening World editorial, suggesting that **"SECRETARY HUGHES COULD DO MUCH WORSE THAN RECOGNIZE OBREGON,"** would not have been written if the writer had known his subject. This observation also applies to this editorial in its entirety, and also to the editorial in the Evening Globe, to which I have referred. The worst thing Mr. Hughes could do for Mexico would be to recommend the recognition of Obregon and thereby continue in power the "Red-Flaggers" and

Bolsheviks whom Woodrow Wilson established in that country when he drove out General Huerta in 1914—to carry out one of his notions of advanced statesmanship—and became the political backer of Carranza, who never lost an opportunity to insult him and the United States Government when he thought he had become fast-fixed in the presidency of Mexico.

If Woodrow Wilson had never been elected President of the United States, Mexico would never have gone through the awful tragedy she has suffered since 1913, and if Joseph Pulitzer were alive Obregon would find scant comfort in the columns of either the Morning or the Evening World. He would fight the "Red-Flaggers" and Bolsheviks of Mexico with all the force of his great mind and would never cease while they dominate the Mexican people. **Certainly the columns of his papers would never have been used to help a Mexican Bolshevik create public opinion in this country adverse to our own Government in its policy of protecting the lives, property and rights of American citizens in Mexico, as was done in the Morning World, June 26, 1921, through the machinations of George Creel, press agent for Obregon. Joseph Pulitzer was an American in every thought and would stand by his Government to the last in any matter that affected American citizens and their rights. Quite a contrast between him and another great editor I could mention, and quite a contrast between his day and now.**

A CIRCUMSTANCE that I cannot understand is that really eminent men—cultured men of affairs, who are capable of getting at the truth for themselves—journalists, legislators, writers, some lawyers, and others of influence, will support the pretensions of Obregon in the face of the facts and his record, which show that he has been, from 1913, one of the most rabid haters of Americans among all the Mexican Bolsheviks, and has done as much, if not more, than even Carranza did to deprive them of their property and drive them out of Mexico.

All American pro-Obregon sympathizers ought to read his record as it stands spread on the minutes of the Fall Senate Committee, which investigated Mexico three years ago. His acts as commanding general when he took possession of Mexico City, August 12, 1914, as a Carranza "Red-Flagger," make up a chapter of horrors that is appalling. His wild Yaqui Indians killed people nightly in the suburbs of Mexico City to merely satisfy their thirst for blood, and he permitted it; perhaps incited them to commit these crimes to terrorize the people, who were opposed to this invasion from the North.

Citizens were shot for trivial offenses and their bodies, bearing placards, were hung by their necks on hooks on police station walls to intimidate those who, in desperation, might screw up courage enough to openly advocate opposition by force. But all were helpless, for there were no arms to be had to fight the outlaws. On several occasions bodies were marked "Shot by mistake," for effect on the public mind. To break the spirit of the people he attempted to starve them into abject submission by permitting only a small quantity of foodstuffs to be brought into the city each day. He shut off the water and electric light supply when it pleased him, and to further plague them, he stopped the street cars by seizing all the motor controllers and sending them to Vera Cruz. Then he got all the leading business men of the city into the principal theatre and surrounded it with his Yaqui Indians and refused to let them out till they had paid him an enormous sum in gold for the "benefit of the poor."

The crowning infamy of Obregon's occupation of Mexico City—which is well illustrative of the spirit of evil which seemed to possess him, and all "Red-Flaggers" in reference to religion—was his stabling of the horses of his men in the churches and his seizure of all the Catholic clergymen of the city, who, after being paraded through the streets, were shipped in cattle cars to Vera Cruz—to the protection of the American forces that had unlawfully taken possession of that city at the behest of Woodrow Wilson in his private war on General Huerta.

When the people, especially the women, protested against this outrage on the clergy, he turned machine guns on them. He refused to protect private property, and so publicly announced; evidently to lead the rabble of the city to start looting. When this device did not work, some of his soldiers were inspired to "start something" in this direction, perhaps with the thought that the mob would join them. The people opposed the robbery of buildings and churches, and so he sent other troops—not to protect the people, but to protect the looters.

Was not all this "Red-Flag" and Bolshevik? Do you believe the man who started his career in Mexico in this way—the man who was one of the original perpetrators of Bolshevik outrages in the world—can be any better today in heart and spirit than he was then? Hardly! Some types of political depravity are beyond reform. Can there be anything but the spirit of the Devil himself in the heart of a man who will boast that he has traversed the Republic of Mexico from end to end "followed by the maledictions of the priests," and then proudly exclaim, "What greater honor could be mine?"

Such is the record of Obregon as officially recorded in the minutes of the investigation of the Carranza government ordered by the United States Senate, open to all people who will take the trouble to read it. Such is the record of the man whom the United States Government will not recognize because he will not bind himself to protect the lives and property of American citizens in Mexico. Such is the man whom William Randolph Hearst, and some other "Americans," demand shall be endorsed by the recognition of our Government. Why, in the name of all that is decent in life—**WHY?**

The same query hangs over the heads of men in high places in this country who criticize the judgment in reference to Obregon of Secretary Hughes, an able and experienced public official, who is a great lawyer, who has been Governor of the State of New York, and a justice of the Supreme Court of the United States, and whose position on any public question has always been above suspicion of any ulterior motive. What do they know of Obregon at best compared with what Mr. Hughes must know through the records and the secret service of the State Department, and the other sources of information that only an official of his position can command?

If I had any thought that any of them had been influenced by the over $10,000,000 reptile recognition fund which Obregon has so effectively used in this country, the situation would be clear; but I know that they cannot be "reached," so I am in the dark as to their motives, unless it be they have conceived the notion that the bankers and the oil men are running the Mexican division of the State Department and will not take the trouble to learn the truth to the contrary.

THE scope of the conferences between the bankers and de la Huerta was much broader than it was thought it would be from the public announcements made prior to the meeting, as I have stated. It was generally thought that Senor de la Huerta came here only to discuss the foreign bonded debt, known as the "exterior debt"—which, supposedly, included the disputed Huerta issue of treasury bonds in 1913 and 1914—and payment of the interest thereon, for which the special oil export tax levied by Obregon, June 7, 1921, was set aside by decree.

By including in the discussions the entire funded debt of Mexico, foreign, interior, state, municipal and the bonded debts of the National Railways System—and, perhaps, other debts of which no public mention has been made—the importance of the conference was increased very materially and brought much closer to the interest of Americans.

Mexican railroad securities are very largely held in this country, while the other bonds are principally carried by Europeans, for whom J. P. Morgan & Co. act as American agents through the International Committee of Bankers on Mexico, of which Mr. Thomas W. Lamont, of that firm, is chairman. The interest of the Morgan firm in the Mexican debt is founded principally in this fact. They probably have little or no personal concern in this debt; but the interests of the actual holders of Mexican securities are in safe hands, as the results of the deliberations with Senor de la Huerta well demonstrate.

As I have not seen the "agreement" entered into between the bankers and de la Huerta, as I have stated, I have had to be guided somewhat by inference in relation to some points, especially the debts actually included in the understanding. The newspapers stated, June 17, that the debts embraced in this contract amounted to about $500,000,000 in principal, and to a little less than $200,000,000 in accrued interest.

As the totals practically match—$520,232,063.66 principal and $192,237,627.12 accrued interest as of January 1, 1922—I believe I am justified in the assumption that the bonded debts forming the basis of the bankers' "agreement" with de la Huerta included only (1) the national external debt, or foreign-held bonds; (2) the direct internal debt; (3) the railway and other bonds guaranteed by the Mexican Federation; (4) the state bonded debt on which the Mexican Federation had guaranteed the interest; (5) the bonded state and municipal debt not in any way guaranteed by the Mexican Federation; and (6) the

bonded indebtedness of the National Railways of Mexico, not guaranteed by the Mexican Federation, either in principal or interest.

Appended to this letter will be found a complete summary of all these debts in detail, showing in United States currency the amount of the principal, the interest accrued on each item as of January 1, 1922, the amounts that the original contracts governing these loans require to be paid as interest and into sinking funds annually, and the yearly interest charges figured as a separate item in connection with each obligation. To this I have added summaries of the bonded indebtedness of the railroads not included in the National Railways System, and which have no place in the preceding schedules, and other bonded indebtedness subject to depuration.

The latter schedule includes disputed Huerta bonds issued in 1913 and 1914, amounting to $68,301,602.12, on which interest amounting to $30,735,720.95 had accrued on January 1, 1922; bonds issued to cover Carranza's forced loans from Mexican banks, amounting to $27,039,973.86; bonds issued by Carranza to salaried employees of the "government" when salaries were being paid half in cash and half in bonds, which amount to $23,500,000; Obregon's 50,000,000 pesos ($25,000,000) Agrarian bonds, so-called, to be issued to "indemnify" landowners whose property has been "expropriated" under the Bolshevik contortions of Article 27, and an issue, comparatively small in amount, of so-called "Vera Cruz" bonds. The Vera Cruz bonds and the Salaried Employees' bonds have not yet begun to bear interest under the conditions of their issue. Obregon's Agrarian bonds are so unpopular many landowners will not accept them, claiming they are illegal.

In the event that Huerta bonds should be finally repudiated by a legitimate government in Mexico, which is doubtful, and Obregon's Agrarian bonds should be nullified, the principal of this account would be reduced by $93,301,682.12 and the interest accrued to January 1, 1922, by $30,735,720.95, but until these debts are legally adjudicated they can be held to be claims against the Mexican people.

The bonded indebtedness of railroads not included in the National Railways System amounts in principal to $85,368,585, with accrued interest as of January 1, 1922, of $33,452,034. It may be that the bankers and de la Huerta did not take up either the indebtedness subject to depuration, or the railroad indebtedness not included in the national railways. Whether they took up the former or not, it remains a public debt of Mexico till legally decided otherwise. As to the "outside" railroad debt, I have included it in these summaries because I saw an indication in the New York Tribune of June 18, that it had been considered, and from this I infer that it may be later included in de la Huerta's concessions to the bankers.

If this inference prove true, the debt announced by the bankers and de la Huerta will be increased by $230,967,304.98 in principal, by $71,758,947.63 in accrued interest as of January 1, 1922, and by annual requirements of $12,579,039.97 for interest and sinking funds, making the grand total of the Mexican debts—including all but one, an obligation to the Catholic Church of California, to which I will refer later—$751,199,368.64 in principal and $263,996,574.75 as interest accrued as of January 1, 1922, with a yearly requirement of $40,383,893.74 to meet interest and the sinking fund reserves which the contracts relating to these loans demand.

These summaries will serve to show the exact financial status of Mexico today, after eight years of "Red-Flag" and Bolshevik anarchy, very clumsily disguised as "constitutional government."

For the purpose of uniformity of figures, I have worked out each loan of English pounds sterling or francs in the six classes of bonded debts which appear to have been the subject of the Bankers' "agreement" with de la Huerta—and also in the other summaries—into dollars on the basis of the contract or legal rate of exchange, disregarding current rates, for the reason that the bankers and de la Huerta agreed that the original contracts covering all loans shall again come into full force and effect on January 2, 1928. I repeat, I have not seen the "agreement" signed by the bankers and de la Huerta, and do not know, therefore, what "kinks" it may contain, but as the original terms of the loan will again come into force after an interim of five years, I have thought it quite unlikely that anything would be done on the basis of the present abnormal differences in rates of exchange.

WHATEVER is set up in this "agreement" to be done from January 2, 1923, to January 1, 1928, is only an expedient to tide over a very deplorable financial situation, which is particularly regrettable to Americans because it would undoubtedly never have arisen had not Woodrow Wilson, when he first became President of the United States, taken it on himself to smash precedents and to actively interfere in the domestic affairs of the Mexican people.

If Mr. Wilson had let Gen. Victoriano Huerta alone in 1913, there would have been no "Red-Flag" revolution in Mexico, for he had pacified that country within ten days after the overthrow of Madero, and would have prevented it and, thereby, all that has resulted from it; Carranza would never have been heard of, except, perhaps, as a fugitive embezzler of state funds as governor of Coahuila; Villa would have been "attended to" as such men usually are in Latin-American countries; Obregon would still be a chick-pea farmer in Sonora; Calles would still be a schoolmaster in that state and de la Huerta would still be a piano-player; all upper and middle class Mexicans would not have been robbed of their property and large numbers driven from the country; the poor and peon class of Mexicans would not have had to undergo the awful miseries they have experienced; the desecration of churches, the assaults on and the murders of priests and the outraging of nuns, one of the blackest pages in all history, would never have occurred; the Mexican treasury would not have been robbed wholesale, as it has been from year to year; the agricultural, manufacturing and mining industries of the country would not have been practically destroyed, as they are today; a "Boxer" war would not have been declared on Americans, in which hundreds were killed, and fully 50,000 were robbed of their property and driven out of Mexico; far more than **A THOUSAND MILLION DOLLARS OF AMERICAN PUBLIC FUNDS** would not have been directly expended in useless and nationally humiliating military and naval expeditions, which made the rest of the world laugh up their sleeves, and in many other ways in connection with the Mexican "problem" which Mr. Wilson had blindly created, **and Mexico would not have become the original Bolshevik country of the world to serve as a pattern and guide to efficiency for Lenine and Trotzky in their disruption of Russia as German emissaries.**

If Mr. Wilson had not conceived his stupid obsession that "Huerta Must Go," in the face of Secretary of State Knox's recognition of the legality of Huerta's rise to the Presidency of Mexico, the American people would not have known the humiliation of a President of their election making their government the most cowardly thing on earth in the shape of government by declaring that Americans in Mexico were not entitled to the protection of their government in life and property, when his pet insurrecto, Carranza, began a "Boxer" war on them, inspired by his famous Saturday Evening Post "interview," in which he referred to American business men in Mexico, who had built up the great enterprises which had practically saved that country from bankruptcy years before, as "exploiters of the Mexican people."

If Mr. Wilson had not determined to break Huerta there would have been no attack on Vera Cruz, with its unacknowledged loss of American lives, and the humiliation of retirement from that city without the "salute to the flag" which he had demanded, the ostensible purpose of the attack: that city would not have been turned over to Carranza on American responsibility, placing the large number of nuns who had sought the protection of our flag at the mercy of his rabble—"one nun to each four soldiers" was the order—and there would have been no John Lind to inspire further attacks on the Catholic church, priests and nuns by careless remarks in his capacity of personal representative of the President, when he was told of them, that it was "a good thing for Mexico," or words that were taken to mean the approbation of the American Government; and there would have been no Wilson "policy" of allowing American nationals to be murdered, robbed and driven out of Mexico because he had not the moral courage to acknowledge his mistake in "creating" Carranza by breaking the man whom he had raised in the place of Huerta and "recognized" in October, 1916, to help his re-election to the Presidency. Mexico had been "pacified." He broke Huerta for no reason except his personal notion—why not Carranza for a thousand real reasons?

If Mr. Wilson had not conceived his obsession that "Huerta Must Go," the American people would not have undergone the humiliation of the Honorable William Jennings Bryan's antics as Secretary of State in insulting American refugees from Mexico who appealed to him in his departmental offices for relief. Henry Lane Wilson, American ambassador to Mexico, testified before the Fall Senate Committee which investigated Mexican matters that Mr. Bryan "ran the State Department like the back kitchen of a cheap restaurant."

Mr. Bryan has lately concluded that Darwin was wrong and is inducing an expectant world to listen to his ideas on this sub-

ject—in exchange for cash. In the story of Mexico from 1913 to date, he has before him an intensely interesting study in the "evolution" of destruction of a government, which began in an obsession conceived in the mind of a schoolmaster suddenly raised to a position of great world political power without adequate experience in public affairs. The rarefied atmosphere of the high place to which he had attained in less than three years of his entry into official life proved too stimulating to his pedagogic instincts, and so he started out from the first to teach the world new things in statesmanship, trying his first great idea on Mexico—"Huerta Must Go."

As Mr. Bryan contemplates this "evolution" of disaster to Mexico he may consider the part he played in it while Secretary of State, by conniving at shipments of arms to Carranza and Villa to break down the legitimate government of Mexico, and in allowing arms to be shipped to Carranza at the time of the Niagara conference, when a pledge had been previously given Huerta that no shipments of munitions of war into Mexico would be permitted while this conference was being held.

Any man who reads the record of the Fall Committee's investigation of Mexico in what it reveals of Mr. Bryan's conduct as Secretary of State in the Wilson-Huerta war, will be thankful indeed that his ambition to become President of the United States missed fire several times.

Mr. Wilson triumphed over Huerta, naturally, backed as he was by the resources in power and wealth of the great government of the United States—resources that he used without conscience, and certainly without the knowledge of the American people. If they had realized that he was running them into an expense of over a thousand million dollars to gratify his personal spite against Huerta, who would not bow to his behests with tearful eyes like a cowed schoolboy before a master, they would have stopped him without ceremony. **But they did not know the effect of what he was doing—and also of a lot of other things he did in reference to which they would have displayed great interest had they known what was really going on.**

Huerta had to "Go." Wilson forced him out by his attack on Vera Cruz. It was made for that purpose. It prevented Huerta from carrying out plans which would have defeated all those in rebellion against the Mexican government, and so Carranza, Obregon & Co. (senior partner now dead) had handed over to them an entire nation to do with as they pleased—and they certainly did it. The obsession of Woodrow Wilson that "Huerta Must Go" was the primary, initial cause of the disruption of Mexico, and of the recent conference between the bankers and de la Huerta, and of why Mexico has been converted from a prosperous, going nation into the practically bankrupt radical demagogy that it is today.

BUT let me get back to the bonds and the bankers and de la Huerta and what they planned to do for the financial relief of Mexico. When they got together in their final meeting, they brought the matters that had been under discussion to a conclusion very quickly and reduced their "agreement" to writing in English and Spanish. In the "external debt"—foreign-held bonds—de la Huerta agreed to recognize the six million pounds sterling borrowed by Huerta from English bankers during the early stage of Woodrow Wilson's war on him, which proved such a disaster to the Mexican people. These bonds, identified as Series A, issue of 1913, amount in principal to $29,100,000, on which interest had accrued as of January 1, 1922, of $13,968,000. The other bonds issued by Huerta, which I have set out in my summary of bonds subject to depuration, were not included in these discussions, I am told, because most of them are held by Mexican banks which Huerta "induced" to take as "a war measure" in his conflict with Wilson. He also placed some of them in England. The legality of the issue of these bonds has been questioned, but it is upheld by many high Mexican authorities, who contend they must be paid. Senor de la Huerta made no objection, of course, to acceptance of all items in the "internal debt," so termed because it is all payable in pesos (Mexican dollars), in Mexico, while the "external debt" is payable in foreign countries in pounds sterling, francs, etc.

Senor de la Huerta's acts, ultra vires, in this conference, so far as I know, were his acceptances as national debts of the bonded debts of the states of Vera Cruz, Tamaulipas and Sinaloa (No. 4), on which the interest only had been guaranteed by the government; the bonded state and municipal debts shown in summary No. 5, and the bonded indebtedness of the National Railways of Mexico (No. 6), not guaranteed as to principal and interest.

This means adding to the national debt of Mexico $11,564,923.44 as principal, and $5,180,122.34 interest accrued as of January 1, 1922, on account of the items contained in summaries Nos. 4 and 5, and $182,387,350.52 as principal, and $70,663,442.75 interest accrued as of January 1, 1922, on account of the bonded indebtedness of the National Railways of Mexico (No. 6) which are owned by a private corporation, or a stock company, in which the Mexican nation holds a small majority stock interest, giving it voting control.

By making these admissions of state, municipal and private corporate obligations as national debts, Senor de la Huerta added to the national debt of Mexico—if his acts be ratified and approved by competent authority—the very tidy little sum of $193,952,273.96 as principal, and $75,843,565.09 interest accrued as of January 1, 1922, carrying the total up to $520,232,063.66 as principal, and $192,237,627.12 interest accrued as of January 1, 1922. **This amounts to 1,040,464,127 pesos (Mexican dollars), in principal, and to 384,475,254 pesos (Mexican dollars), in interest accrued as of January 1, 1922.**

Such is the debt agreed on as the Mexican National debt. Now what did they decide to do with it, or about it?

PRINCIPAL—It was agreed that there shall be a moratorium in favor of the Mexican "government," to end January, 1, 1928, after which all the contracts in connection with these loans shall come into full force and effect and full payment of the service of the debts shall be resumed, making the annual requirements at that time for interest and sinking funds $27,804,853.77, or 55,609,708 Mexican pesos, to be paid in cash, to which will be added the annual liability of $5,000,000, or 10,000,000 Mexican pesos, incurred in the stipulation set forth in the following paragraph.

INTEREST IN ARREARS—It was agreed that all coupons for unpaid interest due as of January 1, 1922, shall be deposited in the hands of a trustee, and, beginning January 2, 1928, $5,000,000, or 10,000,000 Mexican pesos, shall be paid over to such trustee annually till this interest account shall have been liquidated, without bearing interest. As the interest in arrears amounts to $192,237,627.12, or 384,475,254 Mexican pesos, it will be noted that payment will not have been completed till about 45 years have elapsed.

CURRENT OBLIGATIONS—It was agreed that, beginning as of January 2, 1922, Mexico shall be required to pay annually the sum of $15,000,000, or 30,000,000 Mexican pesos, to be applied to the interest account of all the debts included in the "agreement," this amount to be increased annually in the sum of $2,500,000, or 5,000,000 Mexican pesos. Any balance between the actual amount due and the amount paid in cash, shall be covered by the issue of scrip, which shall begin to bear interest at the rate of 3 per cent per annum on January 2, 1928.

To illustrate this point—There will be $27,804,853.77 (55,609,708 Mexican pesos) due on January 2, 1923, and annually thereafter. According to the "agreement," $15,000,000 (30,000,000 Mexican pesos) is to be paid. If paid, a balance of $12,804,853.77 (or 25,609,708 Mexican pesos) must be covered in scrip, which will become interest bearing in five years. Scrip issues will be reduced annually by $2,500,000 (or 5,000,000 Mexican pesos), so that, by 1928, the increased yearly payments contemplated will practically bring the annual payments up to the normal annual requirement.

GUARANTEE—To guarantee the fulfilment of this part of the "agreement," it was stipulated that the entire amount of the oil exportation tax—which, since decreed in June, 1921, has brought into the Mexican Bolshevik coffer over $11,000,000 (or 22,000,000 Mexican pesos)—together with 10 per cent of the gross earnings of the National Railways of Mexico, shall be exclusively devoted to this purpose.

NATIONAL RAILWAYS DEBT—It was agreed that, in consideration of the Mexican "government's" guarantee by endorsement as a national debt of all the bonded debts of the Mexican National railways, shown in summary No. 6, that the holders of the mortgage securities of this corporation will, "for this occasion only," waive the right they possess to take immediate possession of the roads. And it was further agreed that the Mexican "government" shall immediately turn the railroads over to "the company owner," meaning thereby the stockholders, or to directors of their election and officers of their appointment; and that the Banco Nacional, of Mexico City, shall act as the agent to represent both parties to the "agreement" in Mexico City. Any disputes that may arise over the terms of the "agreement" shall be referred to arbitration.

SENOR de la Huerta is being very strongly criticised by Mexicans, both here and in Mexico City, and by several of the leading newspapers of Mexico that are not under "government" domination, because of the concessions he made to the international bankers. In this connection there seems to be no disposition to feel that the bankers did anything more than to make the best bargain they could in the interests of their clients in coming to an agreement in reference to settlement of the Mexican debts; but, they remark, it is to be greatly regretted that so important a matter should have fallen into such incompetent and inexperienced hands in the representation of Mexico.

One of the principal points of criticism is that Senor de la Huerta went into the conferences with the bankers without first establishing the actual powers of those with whom he was to confer—how far they were qualified to carry out any agreement reached in the negotiations. If they could not qualify to bind their principals he should have refused to enter into the discussions; and if they did qualify he should have insisted that the security-holders must be bound by the understanding reached. This he did not do, for as the "agreement" stands, I am informed, the Mexican government must fulfil important contractual obligations, while the bondholders are actually not bound to anything. He did not insist on adequate mutuality, which he could have attained had he been a more experienced negotiator in matters of international finance.

Of course his acts in consenting to transform private debts into public debts, and state and municipal debts into national debts, and then, to complete the cycle, to turn the entire bonded debt into an international obligation, in view of the fact that by far the greater part of all the securities involved are held in foreign countries, is the subject of almost endless discussion and criticism in financial circles.

In explanation of his acts, in conversation with prominent Mexicans in New York, Senor de la Huerta has argued that he saved many millions of expense to the Mexican people by avoidance of the payment of compound interest on the great unpaid interest account accrued as of January 1, 1922—$192,237,627.62. This agument is met by two points:—The bankers made no concessions in this matter, for the original contracts under which the loans were made did not provide for the payment of compound interest on interest in arrears, and by quotation of Article 363 of the rules of the Mexican Federal Code of Commerce, which sets up as law the well-established principle that—**"matured interest not paid, shall not earn interest."**

But as a matter of fact, Senor de la Huerta did agree to compound interest. The full service of the debts covered by the agreement with the bankers amounts annually to $27,804,853.77 in requirements for interest charges and sinking fund account. He consented to compounding interest when he agreed to the imposition of an interest charge of 3 per cent per annum after January 1, 1928, on the scrip issued covering any unpaid balances between the sums due annually during the next five years and the cash paid. These payments begin next January, covering the current year of 1922, a $15,000,000 minimum being required January 2, 1923, under the agreement, to be increased yearly by $2,500,000. What he consented to do in this particular is repugnant to the law of Mexico and ultra vires under the original contracts covering the loans.

He particularly aggravated the situation in relation to compounding interest by consenting to pay interest on the unpaid balances of the annual charges for the next five years, for which scrip is to be issued, as these obligations embrace interest on the debt of the National Railways, a private corporation, which he accepted as a national debt. This corporation would seem to come distinctly within the purview of the rule of the Mexican Federal Code of Commerce, which says that "unpaid interest shall not earn interest." This makes de la Huerta's concession on this particular point absolutely illegal.

To the payment of the obligations embraced in the annual interest and sinking fund requirements of the loans involved in the "agreement," Senor de la Huerta consented to apply the entire amount of revenue accruing from the export tax on oil imposed by Obregon in June, 1921, from which the Mexican "government" has already realized over $11,000,000 to date, **and also 10 per cent of the gross earnings of the National Railways of Mexico.** The latter proposition has created much comment. I will refer to it again later.

The most severe criticism of de la Huerta is of his act in accepting the unsecured bonded debts of the National Railways of Mexico, with their enormous accrued interest account, as a national debt of the Mexican people. This concession, at one swoop, practically doubled the debt of the nation, increasing it by $253,050,793.27, or 506,101,586 Mexican pesos.

He was, perhaps, induced to make this astonishing concession by the fact that the mortgage bondholders of the railroads could, because of the default in interest payments on the mortgage bonds, take over the roads, which act might have the effect of wiping out the stock and take the control of the lines from the hands of the Mexican government. I infer this, because I am told that the agreement between the bankers and de la Huerta says that the bondholders consent to waive their rights of foreclosure, "for this occasion only," in consideration of the Mexican government accepting the bonded debts of the National Railways as a national debt by endorsement.

THE NATIONAL RAILWAYS OF MEXICO, a private corporation formed under Mexican law, was organized in 1908, and in it the Mexican Central and the National Railroad of Mexico were consolidated. The new company was authorized to issue the following securities:—$225,000,000 in United States Gold Prior Lien 4½ per cent Sinking Fund Redeemable Gold Bonds, maturing July 1, 1957; $160,000,000 United States Gold of Guaranteed General Mortgage 4 per cent Sinking Fund Redeemable Gold Bonds, unconditionally guaranteed as to principal and interest and sinking fund payments by the Republic of Mexico by endorsement, maturing October 1, 1977; $30,000,000 non-cumulative 4 per cent first preferred shares; $125,000,000 non-cumulative 5 per cent second preferred shares, and $75,000,000 in common shares.

In the concessions for the organization of both the Mexican Central and the Mexican National companies, it was stipulated that they should become the absolute property of the Mexican nation in 99 years without reservation. When they were consolidated in the new company, The National Railways of Mexico, this stipulation was continued in force, together with the right of the government to take possession of the lines in any public emergency and for military purposes. On this authority, Carranza seized the railroads.

In consideration of the government guaranteeing the principal and interest of the $160,000,000 of "Guaranteed General Mortgage 4 per cent Sinking Fund Redeemable Gold Bonds," maturing October 1, 1977, it received $6,000,000 Prior Lien Bonds, $2,450,000 Guaranteed General Mortgage Bonds, and $63,730,000 in common shares, which gave it voting control. It also received $10,000,000 in first preferred stock, and $30,278,300 in second preferred stock, in consideration for bond and stock interests which it surrendered in the Mexican Central and the National Railroad. Its interests in the National Railways, outside its stock, amounted to but $8,450,000, the par value of its bonds.

If the bondholders were to take over the lines—the Mexican government itself being one of them—it would lose only its voting power and, possibly, some part of its preferred stock, with the certainty that in the lapse of time the roads will revert automatically to the government under the conditions of the original concessions to the roads making up the system. The bondholders would put in large capital to restore the roads, which are in a very sad condition, and in a very short time Mexico would have a practically new railroad system, which would do much indeed to restore the country to prosperity—if a decent government were in power headed by a man of such determination and honesty as Major-Gen. Felix Diaz. It is an open proposition if it might not be better to let the bondholders take the roads and rehabilitate them, for in a few years conditions might come about which would restore to the government its full stock interest and voting control.

I do not know, of course, just what Senor de la Huerta's impelling motives were in accepting the bonded debt of The National Railways as a national debt, but if he was moved to his act only by arithmetical considerations, to save the government $40,278,300 on the face of its preferred stock, he accepted as a national obligation of Mexico the debt of a private corporation amounting to $253,050,793.27, practically doubling the national debt. **THIS WAS THE SUBSTANTIAL EFFECT OF HIS ACT, NO MATTER WHAT HIS MOTIVES WERE.**

Another act of de la Huerta which is open to the gravest criticism, was his Bolshevik stipulation that 10 per cent of the gross earnings of The National Railways shall be applied to the payment of the annual interest and sinking fund charges on the bonded debt which he acknowledged. By what authority could he agree that the earnings of a private corporation shall be diverted to the payment of obligations not its own, particularly to the charges on such a hybrid combination of debts

as he agreed shall become the national debt of Mexico? An official of the government says that 10 per cent of the gross earnings of a private corporation may be taken and devoted to other than its legitimate uses! Is that not true Bolshevism? Would such an idea ever be entertained by any public official not a self-confessed Bolshevik? I hardly think so.

I note, too, that the "agreement" also calls for the return of the railroads to the "company owner" forthwith and "in good condition." I can appreciate that the "forthwith" clause will please Obregon very much, for it has puzzled him for some time how to keep the roads going. The provision, "good condition," will prove a poser for him, as the lines are very badly run down.

A SUPERFICIAL analysis of what Senor de la Huerta did while here conferring with the bankers seems to indicate that he gave much and got little for Mexico. He doubled the national debt and in return received but two easy-payment plans for the liquidation of back and current interest. But to one under the surface in Mexican affairs, things bear a different aspect. Perhaps Senor de la Huerta was not as complacent as he appeared and did much with an eye to his own political future. He undoubtedly tried to gain the good-will of the bankers. He wants to be President of Mexico and to possess the friendship of the international bankers would be a great help. How could he do more to gain it than to indicate to them that he would favor all the propositions in the "agreement" if he were to come into power? Was not the agreement he signed an indication of what may be expected of him if he becomes President of Mexico? **Undoubtedly.**

He has another strong backing, as I showed in my open letter of June 3. If he could combine these interests in his support, he would be in a very powerful position to combat Obregon, or anyone else, who may oppose him. Who can say that all this was not in de la Huerta's mind when he made the concessions to the bankers which no one seems able to explain, except on the hypothesis that in dealing with him it was "like taking candy from a child."

It is reported among Mexicans in New York that he has worked here as assiduously as a country congressman building up political fences, and he is said to have talked with a number of labor leaders who are known to entertain radical ideas. **HE IS A "RED-FLAGGER" HIMSELF, AND MAKES NO CONCEALMENT OF THAT FACT.** There is a powerful Bolshevik machine in this country. De la Huerta knows that its influence is "international," and therefore can be used to help him. Mexicans in New York believe that he lost no opportunity to cultivate those among the "Reds" who may be able to further his ambition.

His talks with the oil producers over their plan to form a great corporation to exploit the undeveloped oil fields in Mexico were very interesting. Some of the things he told them as to his own position, and that of Obregon, in relation to Article 27, would make very interesting reading for the public, especially to those who will insist on accepting Mexican misrepresentations that the recent decisions of the Mexican Supreme Court serve to make Article 27 of the spurious Constitution of 1917 "non-retroactive and non-confiscatory."

He could come to no agreement with the oil producers because he would not consent to make any recessions from Article 27, and they would not, I am informed, accept the Mexican Bolsheviks as partners in their great enterprise. **De la Huerta told them that Obregon would not consent to concessions to anyone in relation to Article 27 and would stand or fall in this position.** Further discussion as to Obregon's attitude in this respect is futile. Obregon is a Bolshevik and stands by the Bolshevik features of the Bolshevik constitution which he helped force on the Mexican people and stubbornly maintains to the detriment of his country. This is the truth. Why not accept it?

WILBUR BATES.

NOTE.—*In the forepart of the letter published herewith, referring to the Mexican bonded debts, I stated that there existed a certain national obligation to the Catholic Church in California, to which I would refer later. I did not do so, and this omission may be noted. It was not till after this communication had been completed that I was able to find the record of this debt in an old book printed in Spanish.*

I will not go into details of this matter further than to say that it had its root in claims of the Catholic Church in California against Mexico, which originated prior to its independence of Spain. Through the good offices of Secretary of State Hay, this claim was adjudicated by the Court of Arbitration at The Hague, October 14, 1902, which decided that Mexico must pay 1,420,682 silver pesos for annuities from February 2, 1869 to February 2, 1902, and from the latter date, annually, in perpetuity, the sum of 43,050.99 Mexican pesos ($21,525.50), to the United States government for the benefit of the Catholic Church in California.

I have no means of ascertaining what Mexico may now owe on this account, but finding the history of this debt enables me to present herein a complete and quite exact summary—my figures are based on all accessible records—of the amounts that will be required to meet annual obligations in connection with the Mexican national debt, if the agreement made between the bankers and Senor de la Huerta should be carried out, beginning January 2, 1928:

CALIFORNIA CATHOLIC CHURCH "PIOUS FUND"	$ 21,525.50
FUNDED DEBT	27,804,853.77
SINKING FUND, a/c Int. accrued as of Jan. 1, 1922	5,000,000.00
INTEREST ON SCRIP, issued to cover annual deficiencies to January 1, 1928	1,170,728.06
OTHER BONDED INDEBTEDNESS (subject to depuration)	8,194,823.71
TOTAL	$42,191,931.04
TOTAL IN MEXICAN PESOS	84,383,862.00

What a contrast between these figures and the less than $13,000,000, *or* 26,000,000 *Mexican pesos, to which Gen. Porfirio Diaz, supported by Limantour, a really great financier, had reduced the full annual service of the Mexican debt! These greatly increased national obligations are the harvest of financial disaster that the "Red-Flag" Bolshevik revolution in Mexico has brought on a patient people.*

Fortunately, another Diaz will shortly be on Mexican soil—a patriotic soldier and an honest man—who, inspired by the precepts and example of his great uncle, will devote the best there is in him to aiding the Mexican people to work out their manifest destiny.—W. B.

New York, July 12, 1922.
Personal address: No. 7, East 42nd Street.

STATEMENT OF THE MEXICAN FUNDED DEBT

BOND ISSUES	Amount Outstanding U. S. Currency	Accrued Interest January 1, 1922, U. S. Currency	Annual Interest and Sinking Fund Requirements U. S. Currency
(1) NATIONAL EXTERNAL DEBT.			
Foreign Held Bonds.			
City of Mexico ... 5% £ Loan, 1889	$ 6,843,119.31	$ 2,737,247.72	$ 700,644.07
Consolidated ... 5% £ " 1899	48,487,570.42	19,394,028.17	3,033,820.42
Gold Loan ... 4% $ " 1904	37,037,500.00	11,852,000.00	1,860,000.00
Gold Loan ... 4% Fr. " 1910	51,061,681.25	16,339,798.00	2,896,551.56
Treasury Bonds ... 6% £ " 1913	29,100,000.00	13,968,000.00	2,037,000.00
(Huerta Issue—Series A only accepted.) Total	$172,529,870.98	$64,291,073.89	$10,528,016.05
(2) DIRECT INTERNAL DEBT.			
Consolidated Silver ... 3%, 1885	$ 21,147,573.00	$ 5,075,417.52	$ 634,427.19
Consolidated Silver ... 5%, 1894	45,252,158.36	18,100,863.30	2,523,930.50
Provisional Certificates, Subv. Kan., Mex. & East RR. 4½%, 1905	221,987.36	79,915.32	9,989.43
Total	$ 66,621,718.72	$ 23,256,196.14	$ 3,168,347.12

STATEMENT OF THE MEXICAN FUNDED DEBT—Continued

(3) RAILWAY AND OTHER BONDS. Principal and Interest Guaranteed by Mexican Federation.	Amount Outstanding U. S. Currency	Accrued Interest January 1, 1922, U. S. Currency	Annual Interest and Sinking Fund Requirements U. S. Currency
Natl. Rys. of Mex. G. M. 4%, 1908	$ 50,748,575.00	$ 15,224,572.00	$ 2,029,943.00
Caja de Prestamos & 4½%, 1908	25,000,000.00	9,000,000.00	1,125,000.00
VC. & Pacific RR. Mtge. 4½%, 1910	7,000,000.00	2,520,000.00	315,000.00
Mex. Nat. Pack Co. 1stMtge 6%, 1913	2,919,750.00	1,401,480.00	175,185.00
Mex. Nat. Pack Co. 2ndMtge 6%, 1913	1,459,875.00	700,740.00	87,592.50
Total	$87,128,200.00	$28,846,792.00	$3,732,720.50
(4) STATE BONDED DEBT. Interest Only Guaranteed by Mexican Federation. (Accepted by de la Huerta as National Debt.)			
State of Veracruz 5%, 1901	$ 586,118.40	$ 234,447.36	$ 29,305.90
State of Tamaulipas 5%, 1902	448,310.80	179,324.32	22,415.56
State of Tamaulipas 5%, 1906	398,520.64	159,408.25	19,926.08
State of Sinaloa 5%, 1906	232,603.28	93,041.31	11,630.12
State of Veracruz 5%, 1906	330,937.60	132,375.04	16,546.84
Total	$ 1,996,490.72	$ 798,596.28	$ 99,824.50
(5) STATE AND MUNICIPAL BONDED DEBT. Neither Principal Nor Interest Guaranteed by the Mexican Federation. (Accepted by de la Huerta as National Debt.)			
Aguascalientes Silver, 5%, 1910	$ 647,920.00	$ 259,168.00	$ 32,396.00
Chihuahua Silver, 5%, 1900	299,040.00	119,616.00	14,952.00
Coahuila Gold, 6%, 1900	749,593.60	359,804.93	44,975.62
Durango Silver, 5%, 1906	797,440.00	318,976.00	39,872.00
Durango Silver, 5%, 1910	897,120.00	358,848.00	44,856.00
Jalisco Gold, 6%	996,800.00	478,464.00	59,808.00
Jalisco Gold, 6%	1,495,200.00	717,696.00	89,712.00
Jalisco Silver, 6%	418,656.00	200,954.88	25,119.36
Morelos Silver, 6%	90,708.80	43,540.22	5,442.53
San Luis Potosí Gold, 6%	634,463.20	304,542.33	38,067.79
City of Córdova Silver, 6%	413,323.12	198,395.10	24,799.38
City of Parral Silver, 6%	149,520.00	71,769.60	8,971.20
City of Puebla Silver, 6%	1,744,400.00	837,312.00	104,664.00
City of Saltillo Gold, 6%	234,248.00	112,439.00	14,054.88
Total	$ 9,568,432.72	$ 4,381,526.06	$ 547,690.76
(6) NATIONAL RAILWAYS OF MEXICO BONDED INDEBTEDNESS Neither Principal Nor Interest Guaranteed by the Mexican Federation. (Accepted by de la Huerta as National Debt.)			
Prior Lien, Gold Bonds 4½%	$ 84,821,115.00	$ 30,535,601.40	$ 3,816,950.00
Sinking Fund	.....	3,434,150.79	1,144,716.93
Nat. RR. Co. Prior Lien 4½%	23,000,000.00	8,280,000.00	1,035,000.00
Id. id. 1st. Cons. Lien 4%	24,740,000.00	7,422.000.00	989,600.00
Mex. Inter. RR. Prior Lien 4½%	5,850,000.00	2,106,000.00	263,250.00
Id. id. 1st. Cons. Mtge. 4%	4,206,500.00	1,261,950.00	168,260.00
Pan-Amer. RR. 1st Mtge. 5%	2,003,000.00	801,200.00	100,150.00
Id. id. Gen. Mtge. 5%	1,484,000.00	593,100.00	74,200.00
Mex. Central Ry. Priority 5%	1,374,000.00	549,600.00	68,700.00
Id. id. Cons. Inc. 3%	134,147.50	.....	.....
Id. id. Equipment 5%	450,000.00	168,750.00	22,500.00
Id. id. Car & Loco. Nots	662,456.30	201,600.00	25,200.00
Note 2-Yr. due June 1, 1915 6%	26,730,000.00	12,028,500.00	1,603,800.00
Id. 1-Yr. id June 1, 1915 6%	746,000.00	335,700.00	44,760.00
Id. 3-Yr. id Jan. 1, 1917 6%	2,460,325.09	1,180,963.68	147,619.51
Id. 3-Yr. Ser. B. Id. 6%	1,509,752.00	742,680.96	90,585.12
Id. 3-Yr. Ser. C. Id. 6%	813,054.63	390,295.92	48,783.28
Id. 2-Yr. due July 1, 1916 6%	1,403,000.00	631,350.00	84,180.00
Total	$182,387,350.52	$70,663,442.75	$9,728,254.84

SUMMARY OF THE MEXICAN FUNDED DEBT
Principal Computed in United States Currency

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MEXICAN REPUBLIC—		
(1) National External Debt	$172,529,870.98	
(2) Direct Internal Debt	66,621,718.72	
		$239,151,589.70
GUARANTEE DEBT—		
(3) Bonds—Principal and Interest Guaranteed by Mexican Federation...		87,128,200.00
STATE AND MUNICIPAL DEBT—		
(4) Bonds on which Interest only is Guaranteed by Mexican Federation...	$1,996,490.72	
(5) Bonded Indebtedness not Guaranteed by Mexican Federation.....	9,568,432.72	
	$11,564,923.44	
NATIONAL RAILWAYS OF MEXICO—		
(6) Bonded Indebtedness not Guaranteed by the Mexican Federation...	182,387,350.52	193,952,273.96
Total		$520,232,063.66
Total in Mexican Pesos (Approx.)		1,040,464,127.

SUMMARY OF INTEREST ACCOUNT
Computed in United States Currency

		Accrued as of Jan. 1, 1922		Annual Interest and Sinking Fund Requirements
(1)	On National External Debt	$64,291,073.89		$10,528,016.05
(2)	On Direct Internal Debt	23,256,196.14	$87,547,270.03	3,168,347.12
(3)	On Guaranteed Debt	$28,846,792.00		3,732,720.50
(4)	On State Debt, Interest Guaranteed by Mexican Federation	798,596.28	$29,645,388.28	99,824.50
(5)	On State and Municipal Debt, not Guaranteed by Mexican Federation	$4,381,526.06		547,690.76
(6)	On National Railway Bonds, not Guaranteed by Mexican Federation	70,663,442.75	$75,044,968.81	9,728,254.84
	Totals		$192,237,627.12	$27,804,853.77
	Totals in Mexican Pesos (Approx.)		384,475,254	55,609,708

BONDED INDEBTEDNESS OF RAILROADS
Not Included in the National Railways System

BOND ISSUE		Amount Outstanding U. S. Currency	Interest Accrued January 1, 1922 U. S. Currency	Annual Interest Requirement U. S. Currency
Interoceanic Ry. of Mexico:				
Deb. Stock	Due 1950, 4%	$5,750,000.00	$1,840,000.00	$230,000.00
2d. Deb. Stock	Due 1950, 4%	6,500,000.00	2,340,000.00	292,500.00
"B" Deb Stock	Due 1950, 7%	2,347,295.00	1,314,485.20	164,310.65
Mex. East Ry. Co. Ltd.:				
Deb. Stock	Due 1984, 5%	2,000,000.00	800,000.00	100,000.00
Mex. Ry. Co. Ltd.:				
Perpetual Debentures	6%	10,000,000.00	4,800,000.00	600,000.00
2d Deb.	Due 1960, 4%	2,407,000.00	866,520.00	108,315.00
Mex. Southern Ry. Ltd.:				
1st. Mtge. Deb.	Due 1990, 4%	4,306,590.00	1,378,108.80	172,263.36
Mex. Union Ry. Ltd.:				
1st. Mtge. Deb.	Due 1980, 6%	1,085,000.00	520,800.00	65,100.00
Prior Lien	Due 1980, 6%	825,000.00	396,000.00	49,500.00
Mex. Northwestern Ry. Co.:				
Prior Lien Bds.	Due 1928, 6%	8,355,000.00	4,010,400.00	501,300.00
1st. Mtge. Gold	Due 1959, 5%	28,000,000.00	11,200,000.00	1,400,000.00
Cum. Conv. Inc. Bs.	Due 1922, 6%	3,750,000.00	1,800,000.00	225,000.00
Michoacan & Pacific Ry. Co.:				
Pr or Lien Deb.	Due 1925, 6%	75,500.00	36,240.00	4,530.00
Mtge. Deb.	Due 1925, 6%	300,000.00	144,000.00	18,000.00
Michoacan Ry. & Mining Co., Ltd.:				
Prior Lien Deb.	Due 1919, 5%	135,450.00	54,180.00	6,772.50
Mtge. Deb.	Due 1919, 4%	515,000.00	164,800.00	20,600.00
Veracruz Terminal Co., Ltd.:				
Deb. Bonds	Due 1976, 4%	4,962,500.00	1,786,500.00	223,312.50
United Rys. of Yucatan, Ltd.:				
1st Mtge. Gold (Redeemable)	Due 1950, 5%	4,054,250.00	.....	202,712.25
Totals		$85,368,585.00	$33,452,034.00	$4,384,216.26

OTHER BONDED INDEBTEDNESS SUBJECT TO DEPURATION

BOND ISSUE		Amount Outstanding U. S. Currency	Interest Accrued January 1, 1922 U. S. Currency	Annual Interest Requirements U. S. Currency
Treasury Bonds	6%, 1913	$57,715,000.00	$25,971,750.00	$3,462,600.00
Treasury Bonds	6%, 1914	10,586,602.12	4,763,970.95	635,196.12
Carranza "Forced Loans" from Mexican Banks	4%, 1915	27,039,973.86	7,571,192.68	1,081,598.95
Veracruz Bonds	6%, 1917	1,757,144.00	.....	105,428.64
Salaried Employees' Bonds	6%, 1920	23,500,000.00	.....	1,410,000.00
Agrarian Bonds (issue pending)	6%, 1921	25,000,000.00	.....	1,500,000.00
		$145,598,719.98	$38,306,913.63	$8,194,823.71

GENERAL SUMMARY OF ALL BONDED DEBTS

TOTAL BOND ISSUE	Amount Outstanding U. S. Currency	Interest Accrued January 1, 1922 U. S. Currency	Annual Interest and Sinking Fund Requirements U. S. Currency
Funded Debt	$520,232,063.66	$192,237,627.12	$27,804,853.77
Bonded Indebtedness of the RRs. Exc. of the Mex. Nat. Rys.	85,368,585.00	33,452,034.00	4,384,216.26
Other Bonded Indebtedness subject to depuration	145,598,719.98	38,306,913.63	8,194,823.71
Grand Totals	$751,199,368.64	$263,996,574.75	$40,383,893.74
" " in Mexican Pesos (Approx.)	1,402,398,727	527,993,150	80,767,787

FAPECFT

F.J.GILLESPIE.
PROVINCIAL MANAGER

Petroleum 284

The Excelsior LIFE Insurance Co.

HEAD OFFICE TORONTO

WHEN WRITING ABOUT POLICIES
PLEASE GIVE NUMBER

BRANCH OFFICE:
STANDARD BANK BUILDING

VANCOUVER B.C. September 2nd 1922.

The Honourable.
The Minister of the Interior,
Parliament Buildings,
Mexico City.Mexico.

Honourable Sir;-

I have a friend who would like to go to your country and try to find oil. What are your regulations governing the finding,developing and producing of oil?. About what does crude oil sell for per barrel F.O.B. at Port?. At Railway Depot - say 300 miles from Port?. Any information you can let me have about oil,oil-fields etc., will be appreciated.

I have taken a keen interest in your affairs for the past thirty years.

Sincerely yours,

J. J. Gillespie

FJG/C.

E,47

FAPECFT

Petroleum 205

F. J. GILLESPIE.
PROVINCIAL MANAGER

The Excelsior LIFE Insurance Co.

HEAD OFFICE, TORONTO

WHEN WRITING ABOUT POLICIES
PLEASE GIVE NUMBER

BRANCH OFFICE:
STANDARD BANK BUILDING

VANCOUVER Sept 25th 1922.

Hon. Minister of the Interior.

Mexico City.

Mexico.

Honorable and Dear Sir;-

For years it has been the dream of a friend of mine to go to your country and see what he could do in your oil fields. Would you be so kind as to send me your regulations on the oil fields. Have you any new fields near transportation where a fellow could start in on a moderate scale?. He would spend any money he might make right in Mexico, and if he did well would help in any way he could to assist your administration. I will appreciate any information you may see fit to let me have. References;- Rt; Hon; William Lyon MacKenzie King, Premier of Canada, Ottawa, Ont., Hon. John Oliver, Premier of British Columbia, Victoria, B.C., Archbishop Casey, Vancouver. B.C., Hon; John Hart. Minister of Finance, Victoria. B.C., Mayor Tisdale. Vancouver. B.C.

Yours truly.

F. J. Gillespie

C. 47

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PROYECTO DE LEY ORGANICA DEL PETROLEO.

Art. 1/o.-Corresponde a la Nación el dominio directo de toda mezcla natural de carburos de hidrógeno que, en estado sólico, líquido o gaseoso, se encuentre en su yacimiento.

Art. 2/o.-El dominio directo de la Nación a que se refiere el artículo anterior, es inalienable e imprescriptible y solo con autorización expresa del Ejecutivo Federal, concedida en los términos de la presente Ley y de sus reglamentos, podrán llevarse a cabo trabajos dirigidos a descubrir y a explotar yacimientos de hidrocarburos.

Art. 3/o.-La facultad de explorar y explotar a que se refiere el artículo que precede, se adquirirá originariamente del Gobierno Federal, por conducto de la Secretaría de Industria, Comercio y Trabajo, mediante concesiones otorgadas conforme a las siguientes bases:

I.-Podrán otorgarse a individuos o sociedades, mexicanos o extranjeros. En lo que concierne a estos últimos, siempre que cumplan los requisitos exigidos por el inciso I del artículo 27 de la Constitución.

II.-En ellas se estipulará:

a).-Que los interesados establezcan trabajos regulares en la forma y plazos que los reglamentos respectivos señalen al efecto.

b).-Que no se traspasarán, en todo o en parte, los derechos derivados de esas concesiones a Gobiernos o soberanos extranjeros, ni se admitirán a éstos como socios o

asociados, ni se constituirá a su favor ningún derecho sobre aquellos, cualquiera que sea la forma u objeto - de esa constitución. (Muy mal redactado, casi ininteligible)

c).-Que se considerará como causa de caducidad de - la concesión cualquiera infracción de lo prevenido en- este artículo y además, la de falta de pago del impues to que por vigencia de concesión establezca la ley res pectiva. La caducidad será declarada administrativamen te previa audiencia del interesado.

Es necesario precisar con todo detalle las causas de caducidad

d).-El término de la concesión, que nunca excederá- de cincuenta años.

III.-Contendrán, en su caso, insertada como cláusu- la, la renuncia a que se refiere la parte final de la- fracción I de este artículo.

Art. 4/o.-En las zonas federales, terrenos naciona- les, baldíos, excedencias, demasías y demás de dominio- nacional, así como en aquellos cuyo título de propie-- dad hubiese expedido la Nación con reserva del subsue- lo, se otorgará la facultad de exploración y explota-- ción a que se refiere esta Ley, mediante concesiones - que, además de las bases enumeradas en el artículo 3/o., contengan las siguientes:

Precisar lo que es zona federal

I.-Una participación para el Fisco Federal en los - productos de explotación, que podrá variar entre el -- 15% y el 50%, según la región. (según la producción)

II.-Que no tenga carácter de exclusividad la conce- sión, cuando la zona de que es objeto, exceda de tres- kilómetros en su mayor extensión; excepto cuando la ex- plotación se conceda al colindante, caso en el cual la

No está en español

FAPECFT

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la exclusividad podrá abarcar igual extensión que la zona de colindancia.

III.-Obligación del concesionario, de explotar la zona concedida de acuerdo con los reglamentos y de modo que los intereses de la Nación no se perjudiquen por la explotación del yacimiento en terreno privado.

Art. 5/o.-Las concesiones otorgadas y contratos celebrados por el Ejecutivo, de acuerdo con las leyes anteriores, respecto a los bienes enumerados en el artículo anterior, serán ratificados con sujeción a lo que esta Ley dispone, mediante las concesiones que la misma autoriza; sin perjuicio de que el Ejecutivo haga uso de la facultad que le concede el párrafo final del artículo 27 de la Constitución, para declarar nulos los contratos y concesiones hechos por Gobiernos anteriores a 1917, en los casos a que se refiere el mismo precepto.

Art. 6/o.-Se confirman, mediante la celebración de los respectivos contratos-concesiones, los derechos que para la exploración y explotación petroleras pretenden tener:

I.-El superficiario que hubiere comenzado los trabajos de explotación petrolera antes del 1/o.- de mayo de 1917, y siempre que en la fecha de promulgación de esta Ley no hubiere cedido sus derechos.

II.-El último cesionario mediante contrato en-

tre particulares que llene alguna de las condiciones - siguientes:

a).-Que haya sido celebrado antes del 1/o. de may o de 1917.

b).-Que se derive del anterior.

c).-Que haya sido otorgado por el superficiario -- comprendido en la fracción I.

d).-Que se derive del anterior.

El derecho de confirmación se solicitará dentro del plazo de 180 días contados desde la fecha de vigencia- de esta ley;pasado este plazo se tendrá por renunciado ese derecho y no tendrán efecto alguno contra el Go--- bierno Federal los cnntratos cuya confirmación debe so licitarse, ni los derechos que pretenda tener el super ficiario.

Art. 7/o.-Los contratos de confirmación contendrán- los requisitos establecidos en las fracciones I y II,- incisos a), b) y c) y III del artículo 3/o. y además,- el de que su duración será igual al tiempo que estén - en vigor los contratos que se confirmen. Tratándose de superficiarios, los contratos de confirmación durarán- cincuenta años.

Art. 8/o.-Tendrán preferencia para el otorgamiento- de las concesiones a que alude el artículo 3/o., los - superficiarios no comprendidos en el artículo anterior. La preferencia se ejercitará dentro del plazo de tres años contados a partir de la decha de promulgación de esta Ley; pero dicho plazo quedará reducido a 180 días si se presentare solicitud de un tercero.

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Art. 9/o.-Los que con arreglo a esta Ley gozaren -- del derecho de exploración y explotación petroleras en terrenos colindantes a la zona federal, tendrán preferencia para obtener concesiones de la mitad adyacente, en los términos del artículo anterior.

Art. 10/o.-De acuerdo con el artículo 27 constitucional, no producirán efecto alguno respecto al Gobierno Federal, los contratos celebrados entre particulares después del 1/o. de mayo de 1917, que tengan por objeto la trasmisión de pretendidos o posibles derechos para la exploración y explotación petroleras y que no -- sean de los comprendido en el artículo 6/o.-

Art. 11/o.-Para los denuncios efectuados conforme a las disposiciones de los decretos de 31 de julio y 8 - de agosto de 1918, se observarán las reglas siguientes:

I.-Si la tramitación de los denuncios ha concluído- con la expedición del título respectivo, se canjearán- los títulos expedidos por concesiones otorgadas de conformidad con las disposiciones de esta ley.

II.-Cuando el título no ha llegado a expedirse, y - en la tramitación del denuncio respectivo no se ha presentado oposición, se sujetará el procedimiento ulterior al que señalem los reglamentos de esta ley para - el otorgamiento de las concesiones a que la misma se - refiere.

III.-Si existió oposición y el título no ha llegado a expedirse, resuelta la controversia con arreglo a -- los Decretos del 31 de julio, 8 y 12 de agosto de 1918, se otorgará concesión en los términos de esta Ley a --

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quien hubiere obtenido.

Art. 12/o.-Las controversias entre particulares que se susciten con motivo de la aplicación de esta Ley, - podrán, mediante acuerdo de todos los interesados, ser resueltas en la vía administrativa, por conducto de la Secretaría de Industria, o bien se resolverán por la - autoridad judicial, si no hubiere ese acuerdo.

Art. 13/o.-La industria petrolera es de utilidad pública; y, en consecuencia, no se protegerá con preferencia sobre ella a los actos que tengan por objeto el -- aprovechamiento, con cualquier fin, de la superficie.

Las disposiciones complementarias, determinarán la- forma y condiciones de la expropiación de la superfi-- cie para usos petroleros y la constitución de las servidumbres relativas.

Art. 14/o.-Es de la exclusiva jurisdicción federal todo lo relativo a la industria petrolera.

Art. 15/o.-Se consideran actos mercantiles sujetos a las disposiciones del Código de Comercio, en lo que no esté especialmente previsto por esta Ley:

I.-Las empresas petroleras.

II.-Los contratos que tengan por objeto la explora ción y explotación petroleras.

III.-Los contratos que se celebren con relación a- los carburos de hidrógeno a que se refiere esta Ley.

Los demás actos y contratos que se relacionen directamente o indirectamente con la industria petrolera, se regirán, a falta de esta Ley y del Código de - Comercio, por el Código Civil del Distrito Federal.

Art. 16/o.-Se faculta al Ejecutivo para expedir todas las disposiciones complementarias de esta Ley.

T R A N S I T O R I O S.

Art. 1/o.-Esta ley comenzará a regir

Art. 2/o.-Se derogan todas las leyes que pugnen con la presente.

México, a de octubre de 1922.

Es preciso reglamentar cuidadosamente la expropiación, las servidumbres, los impuestos, el registro de la propiedad petrolera, los daños y perjuicios a la propiedad superficial por trabajos de exploración ~~y explotación~~ y redactar el proyecto de ley en forma sistemática, clara y ~~concisa~~ precisa -

FAPECFT

Petroleo

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Petroleo

C. C. Secretarios de la H. Cámara de Diputados
~~Diputados al Congreso de la Unión.~~

México,
16
noviembre
1922.

Presentes.

~~Señores Senadores y Diputados al Congreso de la Unión.~~
Presente.

~~Muy señores míos:~~

El Ejecutivo de mi cargo cree de su obligación hacer del conocimiento de esa H. Asamblea, un sensible incidente surgido con motivo de la Reglamentación del Artículo 27 Constitucional, en lo que se refiere al petroleo, y que ha dado lugar a que se reciban dos notas informales del ~~Departamento de Esta~~ la Embajada Americana en México.
~~do del Gobierno de Washington~~, cuyas notas han sido contestadas con toda oportunidad, y, con tal objeto envio a ustedes copia íntegra de los cuatro documentos a que hago referencia, numerados del uno al cuatro.

El Ejecutivo de mi cargo ha seguido una política de absoluta discreción en todos los incidentes de caracter internacional que han venido surgiendo con motivo de la situación anormal que prevalece entre las relaciones de nuestro país y algunos otros con ---- los cuales no ha reanudado aún sus relaciones oficiales, por creer que la discreción aludida es un factor-

FAPECFT

indispensable en asuntos de esta naturaleza; pero en el caso presente considera que faltaría, entre otros, al deber de solidaridad para con ese Poder, si ocultara este penoso incidente precisamente en los momentos en que se dispone a poner sobre el tapete de las discusiones las Leyes Reglamentarias del Art. 27 Constitucional, entre las que figura la relativa al petroleo, y su silencio en un caso de esta trascendencia pudiera dar lugar a torcidas interpretaciones.

El suscrito está seguro de que esa H. Asamblea sustentará el criterio de que todos sus actos deben normarse en el interés público, sustrayéndose en lo absoluto a extrañas influencias.

~~Quedo de ustedes afectísimo y atento seguro servidor.~~ Suplico á Uds. se sirvan dar cuenta con esta nota á esa H. Cámara en sesión secreta.

Protesto á Uds. las seguridades de mi distinguida consideración.

Escúdo oficial de los Estados Unidos de Améirca.-
Un membrete que dice: Embassy of the United States of America.

México, October 19, 1922.

PERSONAL.

My dear Mr. Pani:-

In confirmation of our conversation last evening, I have much pleasure in sending you herewith a copy of a draft of the Organic Law on Petroleum. I have been told privately that this is the latest draft, but that additional changes might be made in this draft.

I shall appreciate it very much if an official copy may be furnished me for the information of the Department of State.

Very sincerely yours,

Signed: G. T. Summerlin.

His Excellency
Alberto J. Pani,
Etc., Etc., Etc.,
Present.

Enclosure: As stated.

México, octubre 19 de 1922.

PERSONAL.

Mi querido señor Pani:

Confirmando nuestra conversación de anoche, tengo el gusto de enviar adjunta una copia de la minuta de la Ley Orgánica del Petróleo. Se me ha dicho privadamente que este es el último proyecto, pero que cambios adicionales podrían hacérsele aún.

Le agradecería mucho si una copia oficial me pudiera ser suministrada para la información del Departamento de Estado.

De usted muy sinceramente

G. T. Summerlin

A Su Excelencia Alberto J. Pani,
etc. etc. etc.

Presente.-

Remitido como se dice.

FAPECFT

Escudo oficial de los Estados Unidos de América.- Un membrete que dice: Embasay of the United States of America.-

MEXICO. OCTUBRE 19/1922.

PERSONAL.-

Mi querido Señor Pani:-

Confirmando nuestra conversación de anoche, tengo el gusto de enviar adjunta una copia de la minuta de la Ley Orgánica del Petroleo.- Se me ha dicho privadamente que este es el último proyecto, pero que cambios adicionales podrían hacérsele aún.-

Le agradecería mucho si una copia oficial me pudiera ser suministrada para la información del Departamento de Estado.-

De usted muy sinceramente.-

G.T.SUMMERLIN.

A Su Excelencia Alberto J. Pani,

etc. etc. etc.

Presente.

Remitido como se dice.

FAPECFT

Escudo oficial de los Estados Unidos de América.- Un membrete que dice: Embasay of the United States of America.-

MEXICO. OCTUBRE 19/1922.

PERSONAL.-

Mi querido Señor Pani:-

Confirmando nuestra conversación de anoche, tengo el gusto de enviar adjunta una copia de la minuta de la Ley Orgánica del Petroleo.- Se me ha dicho privadamente que este es el último proyecto, pero que cambios adicionales podrían hacérsele aún.-

Le agradecería mucho si una copia oficial me pudiera ser suministrada para la información del Departamento de Estado.-

De usted muy sinceramente.-

G.T.SUMMERLIN.

A Su Excelencia Alberto J. Pani,
etc. etc. etc.
Presente.

Remitido como se dice.

FAPECFT

Escudo oficial de los Estados Unidos de América.- Un membrete que dice: Embassy of the United States of America.-

MEXICO. OCTUBRE 19/1922.

PERSONAL.-

Mi querido Señor Paul:-

Confirmando nuestra conversación de anoche, tengo el gusto de enviar adjunta una copia de la minuta de la Ley Orgánica del Petroleo.- Se me ha dicho privadamente que este es el último proyecto, pero que cambios adicionales podrían hacérsele aún.-

Le agradecería mucho si una copia oficial me pudiera ser suministrada para la información del Departamento de Estado.-

De usted muy sinceramente.-

C.T.SUMMERLIN.

A Su Excelencia Alberto J. Paul,

etc. etc. etc.

Presente.

Remitido como se dice.

FAPECFT

Escudo oficial de los Estados Unidos de América.-- Un membrete que dice: Embassy of the United States of America.--

MEXICO, octubre 19/1922.

PERSONAL.--

Mi querido Señor Pani:--

Confirmando nuestra conversación de anoche, tengo el gusto de enviar adjunta una copia de la minuta de la ley Orgánica del Petróleo.-- Se me ha dicho privadamente que esto es el último proyecto, pero que ciertas adiciones podrían hacérsele aún.--

Le agradecería mucho si una copia oficial no pudiera ser suministrada para la información del Departamento de Estado.--

De usted muy atentamente.--

C.J.[illegible].

A Su Excelencia Alberto J. Pani,
etc. etc. etc.
Presente.

Recibido como se dice.

FAPECFT

México, octubre 21 de 1922.

Señor don George T. Summerlin.
Embajada Americana,
P r e s e n t e .

Muy estimado señor Summerlin:

Tengo el gusto de acusar recibo de la carta de usted, fechada el 19 del corriente.

Sé que muy en breve será presentado al Congreso, por el Poder Ejecutivo, el Proyecto definitivo de Ley Reglamentaria del artículo 27, en la parte relativa al petróleo. Inmediatamente después que eso suceda tendré el gusto, de acuerdo con sus deseos, de enviar a usted una copia de dicho Proyecto de Ley.

Soy de usted, como siempre, atento y seguro servidor,

A. J. PANI.

FAPECFT

MEXICO. D.F.
oct. 21/1922.

Sr. Don George T. Summerlin,
Embajada Americana,
PRESENTE.-

Muy estimado Señor Summerlin:

Tengo el gusto de acusar recibo de la carta de usted, fechada el 19 del corriente.

Sé que muy en breve será presentado al Congreso, por el Poder Ejecutivo, el Proyecto definitivo de Ley Reglamentaria del Artículo 27, en la parte relativa al petróleo.- Inmediatamente después que eso suceda tendré el gusto, de acuerdo con sus deseos, de enviar a usted una copia de dicho Proyecto de Ley.-

Soy de usted, como siempre, atento y seguro servidor.-

A. J. PANI.-

FAPECFT

MEXICO. D.F.
oct. 21/1922.

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Embajada Americana,
PRESENTE.-

Muy estimado Sr. Summerlin:

Tengo el gusto de acusar recibo de la carta de usted, fechada el 19 del corriente.

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Soy de usted, como siempre, atento y seguro servidor.-

A. J. PANI.-

FAPECFT

MEXICO. D.F.
oct. 21/1922.

Sr. Don George T. Summerlin,
Embajada Americana,
PRESENTE.-

Muy estimado Sr. Summerlin:

Tengo el gusto de acusar recibo de la carta de usted, fechada el 19 del corriente.

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Soy de usted, como siempre, atento y seguro servidor.-

A. J. PANI.-

FAPECFT

MEXICO, D.F.
oct. 21/1933.

Hr. Don George T. Summerlin,
Embajada Americana,
PRESENTE.-

Muy estimado Sr. Summerlin:

Tengo el gusto de acusar recibo de la carta de usted, fechada el 19 del corriente.

Sé que muy en breve será presentado al Congreso, por el Poder Ejecutivo, el Proyecto definitivo de Ley Reglamentaria del Artículo 27, en la parte relativa al petróleo.- Inmediatamente después que esto ocurra tendré el gusto, de acuerdo con sus deseos, de enviar a usted una copia de dicho Proyecto de Ley.-

Soy de usted, con afecto, atento y seguro servidor.-

A. J. PANI.-

FAPECFT

Escudo oficial del Gobierno de los Estados Unidos de América.- Un membrete que dice: "Embassy of the Unted States of America."

MEMORANDUM

Original inglés.

With reference to the draft of a proposed Organic Law on Petroleum, a copy of which was sent personally to Mr. Pani on October 19, last, Mr. Summerlin is instructed by his Government to say to Mr. Pani that the draft petroleum bill above referred to is entirely inadequate in the matter of the protection of the lawfully acquired rights of American citizens.

México, D.F. November 15,1922.

Traducción.

Con referencia a la minuta de una propuesta ley orgánica del petróleo, una copia de la cual fue enviada personalmente al señor Pani en octubre 19 último, el Sr. Summerlin ha recibido instrucciones de su Gobierno para decir al Sr. Pani que el proyecto de ley de petróleo arriba mencionado es enteramente inadecuado para la protección de los derechos legalmente adquiridos por los ciudadanos americanos.

México, D.F., Noviembre 15 de 1922.

FAPECFT

Escudo oficial del Gobierno de los Estados Unidos de América.- Un membrete que dice: "Embassy of the United States of America".-

MEMORANDUM

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MEXICO. D.F. noviembre 15 de 1922.

FAPECFT

Escudo oficial del Gobierno de los Estados Unidos de América.- Un membrete que dice: "Embassy of the United States of America".-

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MEXICO. D.F. noviembre 15 de 1922.

FAPECFT

Escudo oficial del Gobierno de los Estados Unidos de América.- Un membrete que dice: "Embassy of the United States of America".-

MEMORANDUM

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MEXICO. D.F. noviembre 15 de 1922.

FAPECFT

Sello oficial del Gobierno de los Estados Unidos de América.- Un membrete que dice: "Embassy of the United States of America".-

MEMORANDUM

Con referencia a la minuta de una propuesta ley orgánica del petróleo, una copia de la cual fué enviada personalmente al Señor Puig en octubre 19 último, el Sr. Morrin ha recibido instrucciones de su Gobierno para decir al Sr. Puig que el proyecto de ley de petroleo arriba mencionado es enteramente inadecuado para la protección de los derechos legalmente adquiridos por los ciudadanos americanos.-

MEXICO, D.F. noviembre 15 de 1922.

FAPECFT

México, 16 de noviembre de 1922.

Señor George T. Summerlin,
Encargado de Negocios ad-Interim
de los Estados Unidos de América.-
Presente.

Muy estimado señor Summerlin;

Con referencia a su memorandum de ayer, que me fué entregado por el señor Winslow en la Embajada del Brasil y en el cual me comunica usted las observaciones que el Gobierno Americano hace al proyecto de Ley Orgánica del Petróleo, cuya copia me envió usted en su carta del 19 del mes pasado, el señor Presidente de la República desea hacer constar:

1.- Que ignora en lo absoluto la fuente de donde haya partido el proyecto de Ley a que se refiere y que obra actualmente en poder del Departamento de Estado de Washington, ya que en la fecha en que se sirvió usted remitirlo a esta Secretaría era desconocido, tanto del señor Presidente como del que suscribe y

11.- Que el Ejecutivo de la Unión no ha enviado aún a la H. Cámara de Diputados ningún proyecto relativo a la Reglamentación del artículo 27, en lo que se refiere a petróleo.

Me encarga, además, el señor Presidente de la República, manifestar a usted que el decoro y la Soberanía de la Nación lo incapacitan absolutamente para aceptar que las leyes——que son de la exclusiva competencia del Poder Legislativo Federal——reciban censuras previas de Gobiernos de otros países.

FAPECFT

Quedo, como siempre, de usted atento amigo y seguro servidor.

A. J. PANI.

Rúbrica.

FAPECIT

MEXICO. D.F.
nov. 16/1922.

Sr. George T. Summerlin,
Encargado de Negocios ad-interim
de los Estados Unidos de América.
PRESENTE.-

Muy estimado Sr. Summerlin:-

Con referencia a su memorándum de ayer, que me fué entregado por el Sr. Winslow en la Embajada del Brasil y en el cual me comunica usted las observaciones que el Gobierno Americano hace al proyecto de Ley Orgánica del Petroleo, cuya copia me envió usted en su carta del 19 del mes pasado, el Sr. Presidente de la República desea hacer constar:-

1.- Que ignora en lo absoluto la fuente de donde haya partido el proyecto de Ley a que se refiere y que obra actualmente en poder del Departamento de Estado de Washington, ya que en la fecha en que se sirvió usted remitirlo a esta Secretaría era desconocido, tanto del Sr. Presidente como del que suscribe y

11.- Que el Ejecutivo de la Unión no ha enviado aún a la H. Cámara de Diputados ningún proyecto relativo a la Reglamentación del artículo 27, en lo que se refiere a petroleo.-

Me encarga, además, el Sr. Presidente de la República, manifestar a usted que el decoro y la Soberanía de la Nación lo incapacitan absolutamente para aceptar que las leyes---que son de la exclusiva competencia del Poder Legislativo Federal-----reciban censuras previas del Gobiernos de otros países.-

Quedo, como siempre, de usted atento amigo y seguro servidor.-

A. J. PANI.

Rúbrica.

FAPECFT

MEXICO. D.F.
nov. 16/1922.

Sr. George T. Summerlin,
Encargado de Negocios ad-interim
de los Estados Unidos de América.
PRESENTE.-

Muy estimado Sr. Summerlin:-

Con referencia a su memorándum de ayer, que me fué entregado por el Sr. Winslow en la Embajada del Brasil y en el cual me comunica usted las observaciones que el Gobierno Americano hace al proyecto de Ley Orgánica del Petroleo, cuya copia me envió usted en su carta del 19 del mes pasado, el Sr. Presidente de la República desea hacer constar:-

1.- Que ignora en lo absoluto la fuente de donde haya partido el proyecto de Ley a que se refiere y que obra actualmente en poder del Departamento de Estado de Washington, ya que en la fecha en que se sirvió usted remitirlo a esta Secretaría era desconocido, tanto del Sr. Presidente como del que suscribe y

11.- Que el Ejecutivo de la Unión no ha enviado aún a la H. Cámara de Diputados ningún proyecto relativo a la Reglamentación del artículo 27, en lo que se refiere a petroleo.-

Me encarga, además, el Sr. Presidente de la República, manifestar a usted que el decoro y la Soberanía de la Nación lo incapacitan absolutamente para aceptar que las leyes---que son de la exclusiva competencia del Poder Legislativo Federal-----reciban censuras previas del Gobiernos de otros países.-

Quedo, como siempre, de usted atento amigo y seguro servidor.-

A. J. PANI.

Rúbrica.

FAPECFT

MEXICO. D.F.
nov. 16/1922.

Sr. George T. Summerlin,
Encargado de Negocios ad-interin
de los Estados Unidos de América.
PRESENTE.-

Muy estimado Sr. Summerlin:-

Con referencia a su memorándum de ayer, que me fué entregado por el Sr. Winslow en la Embajada del Brasil y en el cual me comunica usted las observaciones que el Gobierno Americano hace al proyecto de Ley Orgánica del Petroleo, cuya copia me envió usted en su carta del 19 del mes pasado, el Sr. Presidente de la República desea hacer constar:-

1.- Que ignora en lo absoluto la fuente de donde haya partido el proyecto de Ley a que se refiere y que obra actualmente en poder del Departamento de Estado de Washington, ya que en la fecha en que se sirvió usted remitirlo a esta Secretaría era desconocido, tanto del Sr. Presidente como del que suscribe y

11.- Que el Ejecutivo de la Unión no ha enviado aún a la H. Cámara de Diputados ningún proyecto relativo a la Reglamentación del artículo 27, en lo que se refiere a petroleo.-

Me encarga, además, el Sr. Presidente de la República, manifestar a usted que el decoro y la Soberanía de la Nación lo incapacitan absolutamente para aceptar que las leyes---que son de la exclusiva competencia del Poder Legislativo Federal-----reciban censuras previas del Gobiernos de otros países.-

Quedo, como siempre, de usted atento amigo y seguro servidor.-

A. J. PANI.

Rúbrica.

FAPECFT

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MEXICO. D.F.
nov. 16/1922.

Sr. George T. Summerlin,
Encargado de Negocios ad-interim
de los Estados Unidos de América.
PRESENTE.-

Muy estimado Sr. Summerlin:-

Con referencia a su memorándum de ayer, que me fué entregado por el Sr. Winslow en la Embajada del Brasil y en el cual me comunica usted las observaciones que el Gobierno Americano hace al proyecto de Ley Orgánica del Petróleo, cuya copia me envió usted en su carta del 19 del mes pasado, el Sr. Presidente de la República desea hacer constar:-

I.- Que ignora en lo absoluto la fuente de donde haya partido el proyecto de Ley a que se refiere y que obra actualmente en poder del Departamento de Estado de Washington, ya que en la fecha en que se sirvió usted remitirlo a esta Secretaría era desconocido, tanto del Sr. Presidente como del que suscribe y

II.- Que el Ejecutivo de la Unión no ha enviado aún a la H. Cámara de Diputados ningún proyecto relativo a la Reglamentación del artículo 27, en lo que se refiere a petróleo.-

Me encarga, además, el Sr. Presidente de la República, manifestar a usted que el decoro y la Soberanía de la Nación lo incapacitan absolutamente para aceptar que las leyes---que son de la exclusiva competencia del Poder Legislativo Federal---reciban censuras previas de Gobiernos de otros países.-

Quedo, como siempre, de usted atento amigo y seguro servidor.-

A. J. PANI.

Rúbrica.

FAPECFT

CC. Secretarios de la
H.Cámara de Diputados.

El C. Presidente de la República ha tenido a bien disponer se hagan del conocimiento de esa H. Asamblea, para los efectos a que haya lugar, los hechos siguientes:-

El día 19 de octubre próximo pasado, el Sr. Ingeniero Alberto J. Pani, Secretario de Relaciones Exteriores del Gobierno Mexicano, recibió una carta suscrita en inglés, por el Sr. C. T. Summerlin, en papel oficial de la Embajada de Estados Unidos de América, la cual, traducida fielmente es como sigue:-

"México, octubre 19 de 1922.- Personal.- Mi querido Señor Pani:-Confirmando nuestra conversación de anoche, tengo el gusto de enviar adjunta una copia de la minuta de la Ley Orgánica del Petroleo.- Se me ha dicho privadamente que este es el último proyecto, pero que cambios adicionales podrían hacerse aún.-Le agradecería mucho si una copia oficial me pudiera ser suministrada para la información del departamento de Estado.- De usted muy sinceramente.."

El documento inserto fué contestado el día 21 del expresado mes de octubre por nuestro Secretario de Relaciones Exteriores, en la forma siguiente:-

FAPECFT

"Sr. Don George T. Summerlin.- Embajada Americana.- Presente.-Muy estimado Sr. Summerlin:- Tengo el gusto de acusar recibo de la carta de usted, fechada el 19 del corriente.- Se que muy en breve será presentado al Congreso, por el Poder Ejecutivo, el Proyecto definitivo de Ley Reglamentaria del Artículo 27, en la parte relativa al Petroleo.- Inmediatamente después que eso suceda, tendré el gusto, de acuerdo con sus deseos, de enviar a usted una copia de dicho Proyecto de Ley.- Soy de usted, como siempre, atento y seguro servidor".-

Con estos antecedentes, el día 15 de noviembre en curso el Sr. Secretario de Relaciones recibió también en papel oficial de la Embajada de Estados Unidos de América, un memorándum en inglés, que traducido a la letra dice:-

"Con referencia a la minuta de una propuesta Ley Orgánica del Petroleo, una copia de la cual fué enviada personalmente al Señor Pani, en octubre 19 último, el Sr. Summerlin ha recibido instrucciones de su Gobierno para decir al Señor Pani, que el Proyecto de Ley de Petroleo arriba mencionado, es enteramente inadecuado para la protección de los derechos legalmente adquiridos por los ciudadanos americanos".-

El memorándum de referencia fué contestado el día 16 de este mismo mes, en los términos siguientes:-

"Sr. G. T. Summerlin, Encargado de Negocios ad-interin de los Estados Unidos de América.- Presente.- Muy estimado Sr. Summerlin:-Con referencia a su memorándum de ayer, que me fué entregado por el Señor Winslow en la Embajada del Brasil y en el cual me comunica usted las observaciones que el Gobierno Americano hace al Proyecto de Ley Orgánica del Petroleo,

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cuya copia me envió usted en su carta del 19 del mes pasado, el Sr. Presidente de la República desea hacer constar:- PRIMERO-que ignora en lo absoluto la fuente de donde haya partido el Proyecto de Ley a que se refiere y que obra actualmente en poder del Departamento de Estado de Washington, ya que en la fecha en que se sirvió usted remitirlo a esta Secretaría, era desconocido, tanto del Sr. Presidente, como del que suscribe; y SEGUNDO-que el Ejecutivo de la Unión no ha enviado aún a la H. Cámara de Diputados ningún proyecto relativo a la reglamentación del Artículo 27 en lo que se refiere a Petroleo.- Me encarga, además, el Sr. Presidente de la República, manifestar a usted que el decoro y la soberanía de la Nación lo incapacitan absolutamente para aceptar que las leyes-que son de la exclusiva competencia del Poder Legislativo Federal-reciban censuras previas de Gobiernos de otros países.-Quedo, como siempre, de usted atento amigo y seguro servidor.-A.J.PANI.- Rúbrica".-

El mismo C. Primer Magistrado de la Nación me encarga hacer del conocimiento de esa H. Representación Nacional, que, no obstante que el Ejecutivo Federal ha seguido siempre la práctica de tratar con absoluta discreción todos los incidentes de carácter internacional que hasta la fecha se han suscitado con motivo de la situación que prevalece entre nuestro país y algunos otros con los cuales no ha reanudado aún sus relaciones oficiales; en el caso presente considera que faltaría a su deber de solidaridad para con el Poder Legislativo, si ocultase el penoso incidente a que se contraen los documentos insertos, ocurrido precisamente en los momentos en que se dispone a poner sobre el tapete de las discusiones las Leyes

Reglamentarias del Artículo 27 Constitucional, entre las que figura en primer término la relativa al Petroleo; dando lugar, con ello, a torcidas interpretaciones.-

El Ejecutivo Federal tiene la firme convicción de que esa H. Asamblea sustentará invariablemente el criterio de que todos sus actos deben normarse en el interés público, sustrayéndose en lo absoluto a influencias extrañas.-

Protesto a ustedes las seguridades de mi distinguida consideración.-

SUFRAGIO EFECTIVO.-NO REELECCION.-

MEXICO. D.F. noviembre 17 de 1922.

EL SECRETARIO DE GOBERNACION.-

FAPECFT

CC. Secretarios de la
H.Cámara de Diputados.

El C. Presidente de la República ha tenido a bien disponer se haga del conocimiento de esa H. Asamblea, para los efectos a que haya lugar, los hechos siguientes:-

El día 19 de octubre próximo pasado, el Sr. Ingeniero Alberto J. Pani, Secretario de Relaciones Exteriores del Gobierno Mexicano, recibió una carta suscrita en inglés, por el Sr. C. T. Summerlin, en papel oficial de la Embajada de Estados Unidos de América, la cual, traducida fielmente en esto sigue:-

"México, octubre 19 de 1922.- Personal.- Mi querido Señor Pani:-Confirmando nuestra conversación de anoche, tengo el gusto de enviar adjunta una copia de la minuta de la Ley Orgánica del Petróleo.- Se me ha dicho privadamente que este es el último proyecto, pero que cambios adicionales podrían hacerse aún.-Le agradecería mucho si una copia oficial no pudiera ser suministrada para la información del departamento de Estado.- De usted muy sinceramente..."

El documento inserto fué contestado el día 21 del expresado mes de octubre por nuestro Secretario de Relaciones Exteriores, en la forma siguiente:-

FAPECFT

"Sr. Don George T. Summerlin.- Embajada Americana.- Presente.-Muy estimado Sr. Summerlin:- Tengo el gusto de acusar recibo de la carta de usted, fechada el 19 del corriente.- Se que muy en breve será presentado al Congreso, por el Poder Ejecutivo, el Proyecto definitivo de Ley Reglamentaria del Artículo 27, en la parte relativa al Petroleo.- Inmediatamente después que eso suceda, tendré el gusto, de acuerdo con sus deseos, de enviar a usted una copia de dicho Proyecto de Ley.- Soy de usted, como siempre, atento y seguro servidor".-

Con estos antecedentes, el día 15 de noviembre en curso el Sr. Secretario de Relaciones recibió también en papel oficial de la Embajada de Estados Unidos de América, un memorándum en inglés, que traducido a la letra dice:-

"Con referencia a la minuta de una propuesta Ley Orgánica del Petroleo, una copia de la cual fué enviada personalmente al Señor Puni, en octubre 19 último, el Sr. Summerlin ha recibido instrucciones de su Gobierno para decir al Señor Puni, que el Proyecto de Ley de Petroleo arriba mencionado, es enteramente inadecuado para la protección de los derechos legalmente adquiridos por los ciudadanos americanos".-

El memorándum de referencia fué contestado el día 16 de este mismo mes, en los términos siguientes:-

"Sr. G. T. Summerlin, Encargado de Negocios ad-interim de los Estados Unidos de América.- Presente.- Muy estimado Sr. Summerlin:-Con referencia a su memorándum de ayer, que me fué entregado por el Señor Winslow en la Embajada del Brasil y en el cual me comunica usted las observaciones que el Gobierno Americano hace al Proyecto de Ley Orgánica del Petroleo,

cuya copia me envió usted en su carta del 19 del mes pasado, el Sr. Presidente de la República desea hacer constar:- PRIMERO-que ignora en lo absoluto la fuente de donde haya partido el Proyecto de Ley a que se refiere y que obra actualmente en poder del Departamento de Estado de Washington, ya que en la fecha en que se sirvió usted remitirlo a esta Secretaría, era desconocido, tanto del Sr. Presidente, como del que suscribe; y SEGUNDO-que el Ejecutivo de la Unión no ha enviado aún a la H. Cámara de Diputados ningún proyecto relativo a la reglamentación del Artículo 27 en lo que se refiere a Petróleo.- Me encarga, además, el Sr. Presidente de la República, manifestar a usted que el decoro y la soberanía de la Nación le incapacitan absolutamente para aceptar que las leyes-que son de la exclusiva competencia del Poder Legislativo Federal-reciban censuras previas de Gobiernos de otros países.-Quedo, como siempre, de usted atento amigo y seguro servidor.-A.J.PANI.-Rúbrica"...

El mismo C. Primer Magistrado de la Nación me encarga hacer del conocimiento de esa H. Representación Nacional, que, no obstante que el Ejecutivo Federal ha seguido siempre la práctica de tratar con absoluta discreción todos los incidentes de carácter internacional que hasta la fecha se han suscitado con motivo de la situación que prevalece entre nuestro país y algunos otros con los cuales no ha reanudado aún sus relaciones oficiales; en el caso presente considera que faltaría a su deber de solidaridad para con el Poder Legislativo, si ocultase el penoso incidente a que se contraen los documentos inscritos, ocurrido precisamente en los momentos en que se dispone a poner sobre el tapete de las discusiones las Leyes

Reglamentarias del Artículo 27 Constitucional, entre las que figura en primer término la relativa al Petróleo; dando lugar, con ello, a torcidas interpretaciones.-

El Ejecutivo Federal tiene la firme convicción de que esa H. Asamblea sustentará invariablemente el criterio de que todos sus actos deben normarse en el interés público, sustrayéndose en lo absoluto a influencias extrañas.-

Protesto a ustedes las seguridades de mi distinguida consideración.-

SUFRAGIO EFECTIVO.-NO REELECCION.-

MEXICO. D.F. noviembre 17 de 1922.

EL SECRETARIO DE GOBERNACION.-

FAPECFT