

**Twentieth-Century
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**"Recent
United States-Mexican Relations:
Problems Old and New"**

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Recent United States–Mexican
Relations: Problems Old and New

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DURING the past century and a half, relations between the United States and Mexico have featured periods of harmony and times of conflict.¹ Although the United States welcomed Mexico's independence from Spain and received the first Mexican diplomat in 1822, many Americans coveted Texas and other territories to the south and west. The struggle by English-speaking Texans for independence and the subsequent annexation of Texas by the United States in 1845 resulted in the Mexican War of 1846–48. As a result of Mexico's defeat, the Treaty of Guadalupe Hidalgo conferred upon the victor more than half of Mexico's territory; thus Upper California and New Mexico, along with Texas, were brought within the United States.

Although the United States was prepared to encroach upon the sovereignty of her southern neighbor, similar ac-

1. For detailed accounts of United States–Mexican relations, see J. Lloyd Mecham, *A Survey of United States–Latin American Relations* (Boston, 1965), pp. 342–81; and two works by Howard F. Cline: *The United States and Mexico*, rev. ed. (New York, 1963) and *Mexico, Revolution to Evolution: 1940–1960* (New York, 1963).

tion by another power was not to be allowed. When French forces entered Mexico in 1861, strong protests were made by the Lincoln administration; however, preoccupation with the Civil War prevented effective action against France. With the end of that war, United States pressure was exerted; and in the spring of 1867 the last French troops sailed from Veracruz, leaving Emperor Maximilian to be captured and executed by the regime of President Benito Juárez.

In the years that followed, border incidents involving raids on United States territory by lawless Mexican elements created minor problems that marred relations between the two countries. But during the thirty-five years that General Porfirio Díaz dominated Mexico (1876–1911), outlaws were suppressed and the International Boundary Commission was established to deal with problems caused by the shifting course of the Rio Grande. Under Díaz, Mexico became a magnet for foreign capital; and United States citizens invested millions of dollars in Mexican land, railroads, oil, and mines. By 1910 most of Mexico's land, industry, and commerce was in the hands of foreign investors and a relatively few wealthy Mexicans.

With the outbreak of the Revolution of 1910 and the overthrow of Díaz in the following year, United States–Mexican relations entered a troubled decade that culminated in the United States naval bombardment and occupation of Veracruz and General John J. Pershing's punitive expedition into northern Mexico in pursuit of Pancho Villa. During the 1920s civil strife declined in Mexico, but application of provisions of the Constitution of 1917 adversely affected the interests of American landowners and oil men in that country. Meanwhile, American presidents granted or withheld recognition of Mexican governments as a means of seeking protection for the lives and properties of United States citizens in Mexico. During the Cristero Rebellion (1926–29) many

Americans called for intervention to protect the Catholic church against repressive policies of the Mexican government. Ambassador Dwight W. Morrow played a leading role in terminating that religious conflict and in causing the Mexican government to adopt a more conciliatory attitude toward United States interests, but the election of President Lázaro Cárdenas in 1934 led to new difficulties.

Cárdenas launched a sweeping land reform program that divested many United States citizens of their rural estates, and his support of militant labor unions resulted in strikes that were costly for American business interests. A labor dispute in the petroleum industry finally provoked expropriation of foreign-owned oil properties in March, 1938. This action caused powerful business groups to demand United States intervention, but President Franklin D. Roosevelt was more concerned about promotion of the Good Neighbor policy than protection of his country's oil companies. Subsequently, war clouds gathered in Europe; and in 1940 Mexican voters elected President Manuel Avila Camacho. Under the new president the Mexican government toned down the revolutionary zeal that had inspired policies detrimental to United States interests; also, Mexico entered World War II against the Axis powers and supplied vital raw materials and agricultural laborers to support the United States war effort. During the war American investors became interested in manufacturing opportunities south of the Rio Grande; at the same time the United States government began providing financial assistance for the purpose of speeding Mexico's industrial development.

Because post-World War II problems have been rooted in the international politics of the past, it is against this historical background that United States-Mexican relations since 1945 must be analyzed. In surveying significant developments in the relations of these two nations over the past

quarter of a century, attention has been focused on a variety of problems. Some are old, and some are new: disease and insects harmful to livestock, control and protection of alien contract labor, long-standing arbitration controversies, salinity of international rivers, fishing rights in coastal waters, interventionism in the Americas, and means of financing economic development. Some of these problems have been resolved fully; others have been resolved in part; still others remain unresolved and constitute challenges to the presidents and lawmakers, to the businessmen and diplomats, and to the concerned citizens of both countries. In general, it is apparent that a spirit of compromise and cooperation has prevailed in United States-Mexican relations during the post-World War II era. This contrasts sharply with the pattern of crisis and conflict in earlier decades. The objectives of this study are to determine how and why such a transformation has come to pass.

Foot-and-mouth Disease and the Screwworm Fly

Although not as dramatic as international problems involving recognition policy or charges of "imperialism," threats of disease to the livestock herds of the United States and Mexico have prompted cooperation that has become increasingly characteristic of relations between these two nations since World War II. Through joint efforts over a period of seven years, an outbreak of foot-and-mouth disease (or *aftosa*, as it is known in Mexico) was checked and then eradicated; more recently the Mexican government has cooperated to a limited extent with American efforts to free this country of screwworm flies and to make possible the eradication of the harmful insect from Mexican territory as well.

Although mainly a disease of cattle and swine, foot-and-mouth disease affects all cloven-footed animals. Prior to 1930 both the United States and Mexico suffered repeated costly outbreaks of the disease.² In that year a convention, signed by representatives of the two countries, became effective. It committed the United States and Mexican governments to take precautions against importation of "domestic ruminants or swine" under conditions involving a risk of introducing animals infected with foot-and-mouth disease or rinderpest.³ For a period of sixteen years no outbreaks of the former occurred in either country. Then in 1946, despite American protests, Mexico permitted the landing of two shipments of Zebu bulls from Brazil. The United States reaction was to close its borders to importation of all cloven-footed animals from Mexico. Later, when a survey by United States Department of Agriculture personnel revealed no evidence of foot-and-mouth disease in areas where the Brazilian cattle were located, the quarantine was lifted. In December, 1946, an outbreak of the disease was confirmed in the State of Veracruz; consequently, the quarantine was reimposed. The fact that the controversial Zebu bulls had been brought to the area where this outbreak occurred provided strong circumstantial evidence that earlier protests by United States authorities had been fully justified.⁴

Mexican efforts to check the spread of foot-and-mouth

disease were to no avail; thus United States assistance was requested. Realizing that neither charges against Mexico of convention violation nor quarantine efforts at the border would protect American livestock from the northward-advancing plague, Washington responded positively to the request for aid. Signed by President Truman on February 28, 1947, Public Law 80-8 authorized the Department of Agriculture to cooperate with Mexican authorities for the purpose of eradicating foot-and-mouth disease from that country.⁵ This prompt response could be cited as an example of the Good Neighbor policy in action, but it was dictated as much by the interests of the United States as by the needs of Mexico.

Directed by the Mexican-United States Commission for the Eradication of Foot-and-Mouth Disease, an intensive campaign was waged to free Mexico from the disease through slaughter of all infected or exposed cattle, sheep, goats, and swine. Finally, after some incidents involving armed violence by angry owners of condemned livestock, the Commission agreed to discontinue the slaughter method alone and to carry out a program combining quarantine, vaccination, and, "when necessary," slaughter. Subsequently, an effective vaccine was developed; and by December, 1954, authorities of both countries were convinced that Mexico was definitely free from foot-and-mouth disease.⁶

During the 1947-54 period, United States expenditures in combatting this threat to its multibillion-dollar livestock in-

2. See U.S. Department of Agriculture, Agricultural Research Service, Animal Health Division, *Foot-and-Mouth Disease . . . A Menace to North American Livestock*, ARS-91-58 (Hyattsville, Md., 1967), pp. 4-6.

3. U.S. Department of State, *Convention between the United States and Mexico: Safeguarding Livestock Interests through the Prevention of Infectious and Contagious Diseases*, Treaty Series No. 808 (Washington, 1930).

4. See Early B. Shaw, "Mexico's Foot-and-Mouth Disease Problem," *Economic Geography* XXV (1949), 1-3; John A. Hopkins, "The Joint Campaign against Foot-and-Mouth Disease in Mexico," *U.S. Department of State Bulletin* XVI (1947), 711; and Guillermo Quesada Bravo, *La Verdad Sobre el Ganado Cebú Brasileño, y la Cuarentena en la Isla de Sacrificios, Veracruz* (Mexico, D.F., 1946), *passim*.

5. See *Congressional Record*, 80th Cong., 1st Sess. (1947), 1070-72, 1305-19, 1345-46; and *U.S. Department of State Bulletin* XVI (1947), 454.

6. For a scholarly account of the Commission's work, see Manuel A. Machado, Jr., *An Industry in Crisis: Mexican-United States Cooperation in the Control of Foot-and-Mouth Disease* (Berkeley and Los Angeles, 1968). For informal descriptions of experiences by United States personnel, see Fred Gipson and Bill Leftwich, *The "Cow Killers": With the Aftosa Commission in Mexico* (Austin, Tex., 1956); and James A. Porter, *Doctor, Spare My Cow* (Ames, Iowa, 1956).

dustry amounted to \$136 million. Mexico's direct expenditures were lower, but the Mexican government supplied the indispensable services of large numbers of military and civilian personnel.⁷ Since 1954 there has been no recurrence of foot-and-mouth disease in either country; and the Commission for the Eradication of Foot-and-Mouth Disease has been converted into the Commission for the Prevention of Foot-and-Mouth Disease. In addition to its preventive responsibility, the Commission is currently involved in research and planning activities that promise to lead to eradication of yet another threat to livestock herds of both countries: the screwworm fly.

A female screwworm fly lays her eggs at the edges of wounds of warmblooded animals or of people. When the eggs hatch, tiny white worms enter the wound and feed on live flesh. An untreated infestation usually results in death for animals and even for humans. Research by United States Department of Agriculture scientists has resulted in development of a technique whereby man-reared sterile flies are produced from pupae exposed to cobalt-60 radiation; when released, sterile male flies mate with fertile females, which then lay infertile eggs. Since the female screwworm fly mates only once, continued release of large numbers of sterile flies can free an area of this insect within a few months. In this manner United States territory east of the Mississippi River was cleared of the screwworm in 1958-59 at a cost of slightly more than \$10 million.⁸

Because the screwworm fly is capable of traveling nearly two hundred miles, and perhaps farther, and since this in-

7. See Edward G. Miller, Jr., "Achievements of Inter-American Cooperation," *U.S. Department of State Bulletin* XXVII (1952), 703; and U.S. Department of Agriculture, *Foot-and-Mouth Disease*, p. 8.

8. See Edward F. Knipling, "The Eradication of the Screw-worm Fly," *Scientific American* CCIII (1960), 54-61.

sect is no respecter of international boundaries, permanent eradication of the pest in the Southwest is dependent on eradication in Mexico also. Beginning in 1962, with the consent of Mexican authorities, sterile flies have been air-dropped by American planes in northern Mexico so as to create a sterile-fly barrier.⁹ But recognizing the fact that an extension of the barrier farther southward would be even more advantageous to livestock raisers of both countries, the United States Congress in 1966 amended Public Law 80-8 to authorize the Department of Agriculture to cooperate with the Mexican government in carrying out screwworm eradication measures throughout Mexico. It was expected that such cooperation would be conducted on a cost-sharing basis and that the expense of establishing a barrier at the Isthmus of Tehuantepec or at the Guatemalan border would be much less than the \$5 million per year that the United States spends in maintaining the present barrier in northern Mexico.¹⁰ As he signed the measure on July 27, 1966, President Johnson described it as "another example of the spirit of cooperation and warm friendship which exists between the people of Mexico and the United States."¹¹ To date, however, arrangements have not been made for implementing a jointly financed eradication program. Meanwhile, some Mexican flies succeed in penetrating the existing barrier. As a result, stockmen in the Southwest continue to suffer animal losses from sporadic outbreaks of screwworm infestation; and in 1968 a resident of San Antonio, Texas, died from

9. U.S. Department of Agriculture, Agricultural Research Service, *Facts about the Screwworm Barrier Program*, ARS 91-64 (Hyattsville, Md., 1967), pp. 7-8.

10. For example, see U.S. Congress, Senate, *Eradication of Screwworms in Mexico*, Hearing before a Subcommittee of the Committee on Agriculture and Forestry of the United States Senate on S. 3325 and H.R. 14888, 89th Cong., 2d Sess. (June 23, 1966), *passim*.

11. *U.S. Department of State Bulletin* LV (1966), 232.

this cause.¹² Thus the screwworm fly problem has been resolved only in part; however, one agricultural problem that once provoked heated controversy was laid to rest at the end of 1964. This was the contract farm labor problem.

Farm Labor

From the days of World War II until the mid-1960s, millions of Mexican citizens came to the United States to perform farm labor in border states from Texas to California and, to a lesser extent, in other agricultural areas of the country. Those who crossed the border illegally, sometimes swimming or wading the Rio Grande, were called "wetbacks"; *braceros* entered the United States legally as contract laborers. Related problems of halting the stream of wetbacks and of guaranteeing equitable treatment for braceros figured prominently in United States-Mexican relations for over two decades.

According to the terms of notes exchanged on August 4, 1942, it was agreed that the United States government would serve as the primary contractor for bracero labor. This meant that a contract would be signed by the worker and a representative of the Farm Security Administration, with supervision by the Mexican government. American farmers, in turn, were required to subcontract with the Farm Security Administration for workers to fill their particular labor needs. Mexican officials were convinced that such an arrangement would best protect the braceros from unfair treatment.¹³ In

12. See "Bleak Outlook for Screwworm Program," *Farm Journal*, February, 1969, p. 42; "Screwworm Situation Described Critical," *Sheep and Goat Raiser*, September, 1968, pp. 10-11; and Mary K. Mahoney, "Screwworm Buildup Critical," *Cattleman*, October, 1968, pp. 23, 186.

13. Otey M. Scruggs, "Evolution of the Mexican Farm Labor Agreement of 1942," *Agricultural History* XXXIV (1960), 147-49.

view of widespread social discrimination against Mexicans in Texas, the Mexican government refused to allow the recruitment of braceros for employment in that state. Nevertheless, desperate wetbacks crossed the Rio Grande in large numbers, and the United States authorities made only limited efforts to deny Texas employers the labor supply that was deemed necessary. At the end of 1947 the United States government ceased to contract for braceros; and although arrangements were made for continuation of the bracero program, contracting was carried out directly between braceros and farmers or farm associations, with contract supervision entirely in the hands of the Mexican authorities.¹⁴

Unsatisfied with arrangements for bracero contracting and with the failure of United States authorities to curb employment of wetbacks, the Mexican government early in 1951 called for a review of the farm labor problem. In view of the American labor shortage caused by the Korean conflict, Mexico was in a strong bargaining position.¹⁵ During discussions held in Mexico City from January 26 to February 3, Mexican officials insisted that the contracting of braceros should be carried out by a United States government agency, as had been the case between 1942 and 1947. Department of State representatives agreed to this demand;¹⁶ and in June the United States Congress enacted Public Law 78, which authorized the secretary of labor to recruit braceros, operate

14. For a candid account of exploitation of wetback labor in Texas, see John McBride, *Vanishing Bracero: Valley Revolution* (San Antonio, 1963); also see two articles by Otey M. Scruggs: "The United States, Mexico, and the Wetbacks, 1942-1947," *Pacific Historical Review* XXX (1961), 149-64, and "Texas and the Bracero Program, 1942-1947," *ibid.*, XXXII (1963), 251-64.

15. *U.S. Department of State Bulletin* XXIV (1951), 188. For a summary of United States-Mexican farm labor agreements between 1947 and 1951, see George O. Coalson, "Mexican Contract Labor in American Agriculture," *Southwestern Social Science Quarterly* XXXIII (1952), 231-35.

16. *U.S. Department of State Bulletin* XXIV (1951), 300.

reception centers, provide for transportation from the recruitment centers in Mexico to the reception centers, provide subsistence and medical care during transportation and while at reception centers, assist braceros and their employers in negotiating contracts, and guarantee fulfillment of contract terms by employers.¹⁷

Following enactment of Public Law 78, diplomatic notes were exchanged on August 11, 1951, putting into effect a new Migrant Labor Agreement.¹⁸ Periodically amended and extended, this agreement served as the basis for the bracero program until the expiration of Public Law 78 at the end of 1964. During the intervening thirteen years the Mexican government pressed for higher wages and greater protection for braceros, but within Mexico some employers insisted that they were adversely affected by the labor drain that the bracero program produced. Other protests came from elements whose national pride was wounded by the spectacle of their countrymen traveling long distances to another country in search of better employment opportunities than could be found at home.¹⁹ In view of the unemployment problem prevailing in many areas of rural Mexico, and appreciating the fact that braceros returned with badly needed dollars that could be used to pay for imports from the United States, the Mexican government saw more good than evil in the program.²⁰ Within the United States, however, labor unions and other social action groups charged that Mexican contract labor had the effect of holding wages for farm la-

17. See *Congressional Record*, 82d Cong., 1st Sess. (1951), 7519-26, 7538-42.

18. *U.S. Department of State Bulletin XXV* (1951), 336.

19. See S. W. Coombs, "Bracero's Journey," *Americas XV* (1963), 7-11.

20. For a study of the impact of the bracero program on a Mexican state that supplied a large number of contract laborers, see Richard H. Hancock, *The Role of the Bracero in the Economic and Cultural Dynamics of Mexico: A Case Study of Chihuahua* (Stanford, Calif., 1959).

borers at low levels and of displacing native workers who could not compete with cheap foreign labor.²¹

When the House of Representatives voted on May 29, 1963, to reject a bill authorizing extension of the bracero agreement due to expire at the end of that year, Ambassador Antonio Carrillo Flores addressed a note to Secretary of State Dean Rusk in which he argued that termination of the bracero program would result in illegal but unavoidable employment of wetbacks. At the same time, he denied that utilization of braceros by some American employers had a harmful effect on employment opportunities for native workers. Perhaps of greatest significance, however, was the ambassador's expressed concern for the impact that termination of the bracero program would have on Mexico's employment situation.²²

Although the House of Representatives reversed its action and extended Public Law 78 for another year, with the end of 1964 the bracero program was terminated.²³ Thus some United States farmers, who for over twenty years had depended on foreign labor to harvest their crops, were faced with the necessity of offering wages that would attract American citizens to the fields or of investing in new machinery that would replace hand labor. At the same time, thousands of Mexican farm laborers were forced to seek other types of employment.²⁴ In a sense the bracero program had served as an escape valve for Mexico's rapidly growing

21. For example, see Ruth Graves, "Research Summary on Effects of the Bracero Program," report submitted to the Texas Committee on Migrant Farm Workers, Austin, Texas, January 11, 1961.

22. Dated June 21, 1963, the letter was first made public by Senator J. William Fulbright during the course of debate over extension of Public Law 78. See *Congressional Record*, 88th Cong., 1st Sess. (1965), 23172-73.

23. *Ibid.*, p. 23223.

24. For statements concerning problems of adjustment resulting from termination of the bracero program, see *ibid.*, 89th Cong., 1st Sess. (1965), 4472-84.

rural population; with the expiration of Public Law 78 this escape valve was closed. By its failure to extend Public Law 78, the United States government unilaterally liquidated the contract farm labor problem. This was a simple solution to a complex problem that involved Mexican national pride as well as economic interests. But if Mexico suffered economically as a result of the loss of dollars previously earned by braceros, in the future the proud nation would be spared the indignity of seeing tens of thousands of her best workers trek northward periodically in search of higher-paying employment on foreign soil.

El Chamizal and the Pious Fund

Also affecting Mexican national pride were two unsettled arbitration cases that had been subjects of widespread concern in Mexico for several decades, although most citizens of the United States were completely unaware of the disputes. Both cases had their origins in events that transpired over one hundred years ago, and both cases involved arbitration awards handed down in the early years of the twentieth century.

Under the terms of the Treaty of Guadalupe Hidalgo (1848) and the Gadsden Treaty (1853), the international boundary was established along the deepest channel of the Rio Grande; but subsequent to the Emory-Salazar survey of the 1852-53, the river moved southward at El Paso until some 600 acres of former Mexican territory known as the Chamizal tract had been added to the north bank. In 1895 the Mexican government placed before the International Boundary Commission the case of a Mexican citizen who claimed ownership of Chamizal land. When the commissioners failed to agree as to whether the river's movement

had involved accretion (slow erosion resulting in loss of title to the disputed Mexican territory and a change in location of the international boundary) or avulsion (sudden shift in the river channel that would affect neither property ownership nor boundary location), they recommended that a neutral commissioner should be appointed to act as an arbiter.²⁵ Subsequently, in 1910 an arrangement was made for the Honorable Eugene Laffleur, a Canadian jurist, to sit **with** the commissioners. When the case was heard in 1911, Laffleur ruled that the disputed Chamizal area should be divided between Mexico and the United States along the boundary that had been marked by the river's deepest channel in 1864. Insisting that the 1864 boundary could not be located and that the Commission must determine whether title to the whole Chamizal tract was held by the United States or by Mexico, United States Commissioner Anson Mills refused to accept the ruling and was supported in this action by the Department of State.²⁶

In the half-century that followed, repeated attempts were made to achieve a diplomatic settlement of the Chamizal dispute.²⁷ Few American citizens were aware of the unresolved problem; but within Mexico the matter was the subject of continued public discussion and was greatly exploited by anti-United States elements who appealed to Mexican nationalist sentiment.²⁸ Then in June, 1962, President John

25. See U.S. Department of State, *Proceedings of the International (Water) Boundary Commission, United States and Mexico. Treaties of 1884 and 1888. Equitable Distribution of the Waters of the Rio Grande* 2 vols. (Washington, 1903), I, 42-100.

26. For documents concerning the arbitration proceeding, see U.S. State Department, *Foreign Relations of the United States, 1911* (Washington, 1918), pp. 287-99.

27. For detailed coverage of the Chamizal case from its origin, see Gladys Gregory, "The Chamizal Settlement: A View from El Paso," *Southwestern Studies* I (1963), 5-38; and Sheldon Liss, *A Century of Disagreement: The Chamizal Conflict, 1864-1964* (Washington, 1965).

28. For example, see Mario Gil, *Nuestros Buenos Vecinos* (Mexico, D.F., 1957), pp. 135-39.

F. Kennedy visited Mexico and conferred with President Adolfo López Mateos on various matters, including the Chamizal controversy. As a result, in a communiqué issued on June 30, they announced that instructions had been given to United States and Mexican officials "to recommend a complete solution to this problem."²⁹ Over a year later, on August 29, 1963, United States Ambassador Thomas C. Mann and Mexican Foreign Minister Manuel Tello signed in Mexico City a convention providing for relocation of the river channel so as to satisfy, for the most part, Mexico's claim.³⁰ By a vote of 79 to 1 the convention was approved by the United States Senate on December 17, 1963.³¹ Then four years later, on October 28, 1967, Presidents Lyndon B. Johnson and Gustavo Díaz Ordaz traveled to Ciudad Juárez, where they participated in public ceremonies officially recognizing the boundary change and where they jointly declared, "We thus lay to rest a century-old dispute."³²

For most American citizens, this resolution of an old problem passed almost without notice. The war in Vietnam, the approaching presidential election of 1968, and other more pressing matters held their attention. In Mexico, however, the boundary change was treated as a matter of the greatest national importance. Although probably few Mexicans had a factual understanding of the legal aspects of the arbitration question, there was a conviction that Mexico's cause was just and that a major diplomatic victory had been scored over a more powerful neighbor.³³ From the standpoint of the United States government, the loss of a few acres of territory and the expenditure of a few million dollars required

29. *U.S. Department of State Bulletin* XLVII (1962), 137.

30. See U.S. Department of State, *United States Treaties and Other International Agreements*, XV, Part 1 (1964), 21-36.

31. See *Congressional Record*, 88th Cong., 1st Sess. (1963), 24850-73.

32. *U.S. Department of State Bulletin* LVII (1967), 684.

33. For examples of the extensive press coverage given to the Chamizal settlement, see *Hispano-Americano*, November 6, 1967, pp. 3-34; and *El Día*, October 29, 1967.

for relocation of the boundary constituted a small price to be paid for removal of a source of irritation that for so many years had affected adversely relations with one of Latin America's leading states.

Even before the formal boundary change, announcement of a diplomatic settlement of the Pious Fund claim gave evidence of the beneficial influence of the Chamizal agreement on attempts to resolve another long-standing problem. The Pious Fund had its origin in gifts entrusted to the Society of Jesus for the purpose of spreading Catholicism in Upper and Lower California. With the expulsion of the Jesuits in 1767, the Spanish crown took over administration of the fund; and after the termination of Spanish rule, the Mexican government continued to administer it. In 1842 President Santa Anna directed that Pious Fund properties should be sold and that the money obtained thereby should be placed in the national treasury; an annual interest of 6 percent was to be paid by the government in support of missionary activities in the Californias.

After Upper California became part of the United States under the terms of the Treaty of Guadalupe Hidalgo, the Mexican government refused to give the bishop of Monterey and the archbishop of San Francisco any further share of interest derived from the fund. On behalf of the two California prelates, the United States government sought a settlement before the United States-Mexican Claims Commission. Eventually payment was obtained of annuities due during the 1848-69 period. Then in 1902 a five-member Hague tribunal directed the Mexican government to make payments to cover unpaid annuities from 1869 to 1902; also, that tribunal declared that Mexico was obligated to pay perpetually an annuity of 43,050.99 pesos. Payments ceased with the overthrow of the conservative regime of General Victoriano Huerta in 1914; and during the half-century that followed, American diplomats failed in their attempts to ob-

tain resumption of Pious Fund payments for the benefit of the Catholic church.³⁴

In response to a United States note of December 4, 1964, discussions on the Pious Fund problem were renewed; and in April, 1966, a payment of 43,050.99 pesos was made as a token of good will. Then on August 1, 1967, a final settlement was effected through an exchange of notes in Mexico City. Under the terms of this settlement, Mexico agreed to pay the peso equivalent of \$662,099 to cover annuities that had accrued since 1914. The exchange rate of Mexico's peso in terms of United States dollars in effect on each annuity date was taken into account in arriving at this total. Also, in order to relieve itself of the obligation to pay future annuities, Mexico agreed to make a lump sum payment, equivalent to \$57,447. As explained in the Mexican note, "This amount has been determined by taking into account the fact that, at 6 percent per year, it would produce an annuity equal to the one fixed by the arbitral award of October 14, 1902."³⁵ Thus another arbitral case was finally disposed of; and, whereas the Chamizal settlement had been more favorable to Mexico, the Pious Fund settlement satisfied an American claim. Without doubt, the latter could not have been obtained had the United States not agreed to the former at an earlier date.

Rio Grande and Colorado River Waters

While negotiations concerning the arbitration cases were being conducted, United States and Mexican diplomats

34. See "The Pious Fund Case between Mexico and the United States" in James Brown Scott, ed., *The Hague Court Reports* (New York, 1916), pp. 1-54; and Francis J. Weber, "The Pious Fund of the Californias," *Hispanic American Historical Review* XLII (1963), 78-94.

35. U.S. Department of State, *Settlement of the Pious Fund Claim*, TIAS 6420 (Washington, 1968), p. 5.

were confronted with two new and related problems: increasing salinity of the Rio Grande and the Colorado River. This development brought heavy financial losses to certain farmers utilizing the waters of these international streams for irrigation purposes; consequently, agricultural interests demanded remedial action, which required new programs involving United States-Mexican cooperation.

With headwaters in the snow-fed streams of Wyoming and Colorado, the Colorado River winds in a southwesterly direction through 1,300 miles of United States territory, then forms the United States-Mexican boundary for eighteen miles, and finally cuts through Mexico for 100 miles before emptying into the Gulf of California. Rising in the state of Colorado, the Rio Grande flows southward, bisecting New Mexico; then for a distance of 1,200 miles, from El Paso to Brownsville, it separates Texas from northern Mexico before reaching the Gulf of Mexico. Both international streams traverse arid regions with millions of acres of fertile lands capable of producing abundant crops if properly irrigated. When the present United States-Mexican boundary was outlined by the treaties of 1848 and 1853, this border area was sparsely populated; but in later years, as population increased on both sides of the boundary and as irrigation projects were developed along the two rivers, disputes arose over division of limited water supplies.

Allocation of Upper Rio Grande water was arranged under the terms of a 1906 treaty, but repeated attempts to reach agreement on division of Lower Rio Grande and Colorado River waters were unsuccessful.³⁶ Finally, after lengthy formal negotiations begun in 1943, the Mexican Wa-

36. See Charles A. Timm, *The International Boundary Commission, United States and Mexico* (Austin, 1941), pp. 175 ff.; and Norris Hundley, Jr., *Dividing the Waters: A Century of Controversy Between the United States and Mexico* (Berkeley and Los Angeles, 1966), pp. 17-96.

ter Treaty was signed in 1944 and duly proclaimed by the presidents of both countries in November, 1945. Article 10 guarantees annual delivery to Mexico of 1,500,000 acre-feet of Colorado River water "from any and all sources."³⁷ Quality of irrigation water is as important as quantity; thus it is not surprising that later this provision was to become the subject of troublesome dispute.

Within sixteen years the Mexican government was complaining about the high degree of salinity of the Colorado River water received. In part this was due to decreased precipitation in the Rocky Mountain region and to increased American usage of Colorado River waters; but the principal cause was construction of the Wellton-Mohawk drainage channel to carry highly saline ground water pumped from Arizona farmland along the Gila River. Channeled for a distance of fifty miles to a point near the junction of the Gila and Colorado rivers, the Wellton-Mohawk drainage caused the Colorado River to reach a salt content of 2,700 parts per 1,000,000 parts of water during the last months of 1961. Since such water was unsuitable for irrigation purposes, Mexican farmers in the Mexicali area of Baja California refused to accept delivery; and the Mexican government protested to Washington concerning resulting crop losses.³⁸

A Department of State press release dated December 21, 1961, took the legalistic position: "The United States considers that it is fully complying with its obligations under

37. For authoritative analyses of the treaty, see Charles A. Timm, "Water Treaty between the United States and Mexico," *U.S. Department of State Bulletin* X (1944), 282-92; Charles J. Meyers and Richard L. Noble, "The Colorado River: The Treaty with Mexico," *Stanford Law Review* XIX (1967), 387-419; and Roberto Cruz Miramontes, "La Doctrina Harmon, el Tratado de Aguas de 1944 y Algunos Problemas Derivados de su Aplicación," *Foro Internacional* VI (1965-66), 49-120.

38. See Norris Hundley, Jr., "The Colorado Waters Dispute," *Foreign Affairs* XLII (1963-64), 495-500; Hundley, *Dividing the Waters*, pp. 172-75; and Don C. Piper, "A Justiciable Controversy Concerning Water Rights," *American Journal of International Law* LVI (1962), 1019-22.

the treaty, which placed no obligation on the United States to deliver any specified quality of water." Nevertheless, the State Department announced eight days later that "both Governments . . . will enter at once into intensive discussions seeking to resolve all questions at issue and to explore every possibility of removing the basic problem for the future."³⁹ Later, on March 16, Presidents Kennedy and López Mateos released similar statements concerning the urgent need for a satisfactory solution to the salinity problem. They revealed that United States and Mexican members of the International Boundary and Water Commission had been given forty-five days in which to formulate recommendations concerning remedial measures that should be taken. Qualified soil and water scientists were to be consulted by the commissioners.⁴⁰ Then at the end of Kennedy's state visit to Mexico in June, the joint communiqué summing up results of the Mexico City talks reported that the two presidents were determined "to reach a permanent and effective solution at the earliest possible time with the aim of preventing the recurrence of this salinity problem after October, 1963."⁴¹

Subsequently, American and Mexican scientists engaged in study and discussion; the Mexicali Valley's fall cotton crop was badly damaged by saline irrigation waters; leftist political agitators capitalized on resulting economic problems in Baja California; and some persons speculated on the possibility of taking Mexico's case before the International Court of Justice.⁴² Nevertheless, the month of October, 1963, passed, and no solution acceptable to Mexico had been reached. Few American citizens were even aware of the ex-

39. *U.S. Department of State Bulletin* XLVI (1962), 144.

40. *Ibid.*, p. 542.

41. *Ibid.*, XLVII (1962), 135.

42. See *Hispanic American Report* XV (1962), 207-28, 887, 989-90; XVI (1963), 234, 657.

istence of the problem; but for the people of Mexico, especially residents of the Mexicali area, it was a matter of great importance. Therefore, after conferring with President Johnson at Palm Beach in February, 1964, President López Mateos told reporters, "The main issue of my talks with President Johnson was precisely the excess of salt in the waters that Mexico receives from the Colorado River."⁴³ The importance of this matter was underscored further in the presidents' joint communiqué of February 22, which reported: "President López Mateos observed that the government of Mexico and Mexican public opinion consider that this problem is the only serious one between the two countries and emphasized the importance of finding a permanent solution as soon as possible."⁴⁴

Another year passed. Finally, on March 22, 1965, President Johnson announced that the United States and Mexico had reached an agreement on measures to be taken for resolving the Colorado River salinity problem. Formulated by the International Boundary and Water Commission, the agreement obligated the United States to construct and maintain at its expense a bypass channel for the purpose of carrying Wellton-Mohawk drainage to a point on the Colorado River below Mexico's Morelos Dam diversion facilities, which direct irrigation water to the Mexicali Valley. At times when Mexico receives large water deliveries, it will be possible to discharge above the Morelos Dam if requested by Mexican authorities. Regardless of whether the drainage is diluted with better quality water and utilized for irrigation purposes, or whether it is conveyed to the Colorado River at a point below the dam and allowed to pass unused into

43. *Ibid.*, XVII (1964), 113.

44. *U.S. Department of State Bulletin L* (1964), 396.

the Gulf of California, the agreement still specifies that drainage is to be charged against Mexico as part of the guaranteed annual delivery of 1,500,000 acre-feet of water "from any and all sources."⁴⁵ Built at a cost of \$2.5 million, the 13-mile bypass was completed in November, 1965.⁴⁶

In much the same way that the Wellton-Mohawk drainage canal produced a Colorado River salinity problem for the Mexicali Valley of Baja California, Mexico's El Morillo canal was carrying in the summer of 1962 a flow of 11,900 parts of salt drainage to the Rio Grande at a point near Mission, Texas.⁴⁷ This drainage had an adverse effect on crops of citrus, vegetables, seedlings, and cotton grown on 780,000 acres of irrigated Texas land and on similar crops produced on a smaller Mexican acreage. When Mexico failed to resolve the salinity problem, the International Boundary and Water Commission recommended construction of a conveyance channel to carry El Morillo drainage to the Gulf of Mexico.⁴⁸

On December 30, 1965, Presidents Johnson and Díaz Ordaz announced their support of the recommendation.⁴⁹ Subsequently, the United States Congress enacted Public Law 89-584, which authorized the Department of State to enter into an agreement whereby both countries share equally in construction, maintenance, and operating costs of a diversion channel to be built and managed by Mexico under supervision of the International Boundary and Water Commission. The act imposed ceilings of \$690,000 for total United States construction costs and \$20,000 for this coun-

45. *Ibid.*, LII (1965), 555-57.

46. Hundley, *Dividing the Waters*, p. 179.

47. *Ibid.*, pp. 219-20.

48. See excerpt from Senate Committee on Foreign Relations Report No. 1485 printed in *Congressional Record*, 89th Cong., 2d Sess. (1966) 20180-81.

49. *U.S. Department of State Bulletin LIV* (1966), 118.

try's share of annual operation and maintenance costs; also, it stipulated:

Before concluding the agreement or agreements, the Secretary of State shall receive satisfactory assurance from private citizens or a responsible group that they will pay the United States Treasury one-half of the actual United States costs of such construction, including costs of design and right-of-way, and one-half of the actual costs of operation and maintenance.⁵⁰

On September 19, 1966, at the time that he signed the act, President Johnson stated that nearly 90 percent of the required contribution had been raised and placed on deposit in the United States Treasury by Texans benefitting most directly from the drainage diversion project. Then on February 10 he announced that Mexico had begun initial construction work and that the channel would be completed in 1968.⁵¹ Actually, the project, which involved constructing a new channel of 24.6 miles and improving an old drainage facility fifty miles in length, was not completed until June 30, 1969.⁵²

From the Gulf of Mexico to the Pacific Ocean, the arid borderlands have serious water supply and utilization problems. Neither American nor Mexican citizens can live and prosper in this area without adequate amounts of fresh water of good quality. As long as water is the key to life and prosperity in the Rio Grande and Colorado River basins, it is probable that international disputes over water rights will

50. *Congressional Record*, 89th Cong., 2d Sess. (1966), 21894-95.

51. *U.S. Department of State Bulletin* LV (1966), 686; LVI (1967), 428-29.

52. See the International Boundary and Water Commission's brochure and map entitled *The Morillo Drain Diversion Canal: A Joint International Project of the United States and Mexico for Improvement of the Quality of Water of the Lower Rio Grande* (July, 1960).

arise; however, both the Water Treaty of 1944 and the recent experiences in dealing with salinity problems suggest that important steps have been taken toward developing a tradition of United States-Mexican cooperation in resolving such issues.

Coastal Fisheries

Not only have Mexico and the United States engaged in disputes involving the waters of international rivers, but they also have differed sharply over the issue of fishing rights in their coastal waters. Thus, an agreement establishing the width of those coastal waters wherein exclusive fishing rights are to be recognized represents another significant achievement in United States-Mexican relations since World War II.

On October 27, 1967, during the course of President Díaz Ordaz's state visit to Washington, Secretary of Foreign Relations Antonio Carrillo Flores and Secretary of State Dean Rusk met in the United States capital and exchanged notes for the purpose of effecting an agreement concerning fishing rights in the coastal waters of their countries. Earlier, at the Geneva Conferences on the Law of the Sea held in 1958 and 1960, Mexico had contributed to the defeat of United States proposals designed to establish for all nations the breadth of the territorial sea and the zone of exclusive fishing rights. Therefore, the 1967 exchange of diplomatic notes represented an attempt to deal on a bilateral basis with a portion of the greater problem that had been left unresolved at Geneva.

Territorial waters are defined as a maritime zone adjacent to a state's territory over which it exercises, or has the right to exercise, jurisdiction. During the eighteenth and nine-

teenth centuries, the United States and leading European naval powers were in general agreement that the width of this zone was limited to three nautical miles and that a littoral state might reserve fisheries therein for the exclusive use of its citizens.⁵³ At the Hague Codification Conference of 1930, however, several states insisted on wider belts of territorial waters; and although three miles was recognized as a minimum width, no agreement was reached on the maximum width.⁵⁴ On August 29, 1935, President Cárdenas issued a decree proclaiming the breadth of Mexico's territorial waters to be nine nautical miles. Later, in response to United States protests, Secretary of Foreign Relations Eduardo Hay insisted that there was no fixed rule of international law regarding the subject.⁵⁵

Although the United States continued to insist on the three-mile rule in regard to territorial waters and exclusive fishing rights, this position was undermined by an increasing number of more extensive claims advanced by other nations. Several Latin American countries came to share Mexico's disregard for the three-mile rule and advanced claims to territorial seas of six, twelve, and even two hundred miles in breadth.⁵⁶ Eventually, the United States was prepared to abandon the three-mile rule also. At the 1960 Geneva Conference, the United States joined Canada in sponsoring a proposal for a six-mile territorial sea plus an additional six-mile zone where a littoral state would enjoy exclusive fish-

53. J. L. Brierly, *The Law of Nations: An Introduction to the International Law of Peace*, ed. Sir Humphrey Waldock, 6th ed. (New York and Oxford, 1963), p. 203.

54. See Jesse S. Reeves, "The Codification of the Law of Territorial Waters," *American Journal of International Law* XXIV (1930), 486-99.

55. See U.S. State Department, *Foreign Relations of the United States, 1936*, 5 vols. (Washington, 1953-54), V, 758-70.

56. See C. Neale Ronning, *Law and Politics in Inter-American Diplomacy* (New York, 1963), pp. 106-25.

ing rights subject only to the limitation that historic fishing rights of other states would be recognized for ten years beginning on October 31, 1961. Strongly opposed by the Soviet Union and Mexico, this United States-Canadian proposal failed by a margin of one vote to obtain the necessary two-thirds majority of states present and voting. Had Mexico voted in favor of the measure, or even abstained from voting, the United States would have won a significant diplomatic victory, and the community of nations would have achieved the long-sought goal of adopting a badly needed rule for delimiting territorial waters and coastal fishing zones. Mexico was interested primarily in excluding American shrimp and tuna fishermen from her coastal waters in the Gulf of Mexico and the Pacific Ocean; and since these areas had been the scene of American fishing operations for many years, the Mexican government was strongly opposed to any arrangement that would recognize historic fishing rights.⁵⁷

In the aftermath of the failure of the 1960 Geneva Conference, several states proceeded through unilateral and multilateral actions to extend their territorial seas and exclusive fishing zones. Consequently, some American officials reached the conclusion that the time had arrived for the United States to enlarge its exclusive fishing zone even though no changes were made in regard to the width of the territorial sea. Complaints by American fishermen that Soviet fishing fleets were taking increasingly large catches

57. For a detailed and authoritative account of the 1960 conference written by the chairman of the U.S. delegation, see Arthur H. Dean, "The Second Geneva Conference on the Law of the Sea: The Fight for Freedom of the Seas," *American Journal of International Law* LIV (1960), 751-89. For criticism of Dean's article and for further explanation of Mexico's position, see Alfonso García Robles, "The Second United Nations Conference on the Law of the Sea—A Reply," *ibid.*, LV (1961), 669-75; Dean's response is printed on pages 675-80.

within the 3- to 12-mile coastal area spurred members of Congress to introduce bills for the purpose of establishing a 12-mile exclusive fishing zone. Significantly, Douglas MacArthur II, the assistant secretary of state for congressional relations, when queried by Senator Warren G. Magnuson, replied that his department was not opposed "to establishing a 12-mile exclusive fisheries zone subject to the continuation of such traditional fishing by foreign states as may be recognized by the U.S. government." Also, he commented that such action "would make it more difficult, from the standpoint of international law, to extend the zone beyond 12 miles in the future."⁵⁸ Thereafter, Public Law 89-658 was passed early in October, 1966. It established exclusive United States fishing rights within the 12-mile coastal zone, but authorized recognition of historic fishing rights of foreign states.⁵⁹

Thus the way was paved for negotiations between United States and Mexican governments regarding a problem that had been the source of friction for several years. Frequently, Mexico had complained about American fishermen encroaching upon her waters, and in some instances United States vessels had been seized and fishermen had been fined; but as long as the United States refused to recognize the 9-mile territorial sea limit, American diplomatic officials disregarded such complaints.⁶⁰ An end to this controversy,

58. This document is printed in *International Legal Materials* V (1966), 616-17.

59. For congressional debate on the measure, see *Congressional Record*, 89th Cong., 2d Sess. (1966) 13606-12, 24859-69, 25291.

60. Under terms of Public Law 680 (68 Stat. 883), owners of U.S. vessels "seized by a foreign country on the basis of rights or claims in territorial waters or on the high seas which are not recognized by the United States" are to be reimbursed by the secretary of the treasury for fines paid to secure release of a vessel and crew. For an account of the seizure of two U.S. fishing vessels by the Mexican government in February and April, 1962, see "State Responsibility and International Claims," *American Journal of International Law* LVII (1963), 899-902.

and a step toward resolution of differences that had divided United States and Mexican delegations at the Geneva Conferences, was suggested in a Department of State announcement on May 25, 1967, which stated that "informal and exploratory conversations . . . on fishery questions of mutual interest" had been concluded in Washington that date.⁶¹ Further discussions took place in Mexico City from September 11 to 19, and on September 21 a Department of State press release disclosed that "the delegations agreed on recommendations to their Governments which would regulate the fisheries of each country operating within the contiguous fishery zone of the other."⁶² Then on October 27, when President Díaz Ordaz was in Washington and at a time when the Chamizal settlement had brought United States-Mexican relations to a high point of harmony and good will, Secretary of State Rusk and Minister of Foreign Relations Carrillo Flores exchanged notes providing for reciprocal fishing rights during the 1968-73 period within 9- to 12-mile zones where Mexican and United States vessels had carried on fishing operations for shrimp and various species of fish "during the five years immediately preceding January 1, 1968." The agreement, however, stipulated that fishing in these zones is to be continued in such a manner that the total catch by American and Mexican vessels will not exceed the levels of the five years prior to that date. Concerning the matter of territorial waters, it is specified that the fisheries agreement

does not imply a change of position or an abandonment of the positions maintained by each Government regarding the breadth of the territorial sea, this matter not being the object of this agreement, nor does it limit their freedom to continue

61. *U.S. Department of State Bulletin* LVI (1967), 919.

62. *Ibid.*, LVII (1967), 475.

defending them in the international forum or in any of the ways recognized by international law.⁶³

The United States–Mexican coastal fishery agreement represents a compromise. Mexico has recognized American historic fishing rights in the 9- to 12-mile zone of Mexican coastal waters, although the Mexican delegation at the Geneva Conferences opposed recognition of any historic fishing rights. At the same time, while not recognizing Mexico's claim to a 9-mile territorial sea, the United States has accepted the Mexican claim to exclusive fishing rights within that area; and though American fishing vessels are to be allowed to operate in the 9- to 12-mile zone until the end of 1973, after that time it is agreed that American fishermen will be denied access to those waters also. Since relatively few Mexican vessels have fished in United States coastal waters as compared with the number of American vessels that historically have fished off Mexico's coasts, the agreement of 1967 represents an especially good bargain for Mexico. There may be reason to doubt, however, whether Mexico will be able to develop a fishing industry large enough to exploit fully the 12-mile coastal zone from which all American fishermen are to be excluded at the beginning of 1974. But regardless of what Mexico's fishermen may be able to achieve in the coastal waters that they will monopolize, a troublesome controversy has been settled.

Interventionism in the Americas

Unfortunately, there are other problems that have not been resolved. Prominent among the latter is the sharp dis-

63. U.S. Department of State, *Agreement between the United States of America and the United Mexican States on Traditional Fishing in the Exclusive Fishery Zones Contiguous to the Territorial Seas of Both Countries*. TIAS 6359 (Washington, 1968).

agreement between the United States and Mexico concerning diplomatic recognition and a related matter—interventionism.

Mexico's post–World War II policy of diplomatic recognition has been influenced by the Estrada Doctrine, which was spelled out by that country's minister of foreign relations on September 27, 1930. Condemning recognition practice "which allows foreign governments to decide on the legitimacy or illegitimacy of another regime," Génaro Estrada asserted that

the Mexican Government limits itself to maintain or recall its diplomatic agents, as it may deem advisable, and to continue to accept, also as it may deem advisable, similar diplomatic agents which the respective nations have accredited in Mexico, without judging, hastily or *a posteriori*, the right which foreign nations have to accept, maintain or substitute their governments or authorities.⁶⁴

Though the Estrada Doctrine pertained to recognition, in reality it enunciated the principle of nonintervention.⁶⁵ This policy reflected Mexico's long-standing opposition to United States intervention in Mexican affairs and seemed to offer a diplomatic way to avoid intervention in any other country's internal affairs.⁶⁶

64. Translated by Edna Monzón de Wilkie from text given in Luis G. Franco, *Glosa del Período de Gobierno del C. Gral. e Ing. Pascual Ortiz Rubio, 1930–1932; Relaciones Exteriores . . .* (Mexico, D.F., 1947), pp. 189–90.

65. Ann Thomas and A. J. Thomas, Jr., *Non-Intervention: The Law and Its Import in the Americas* (Dallas, 1956), p. 50. For comments by three prominent Mexican political figures (Marte R. Gómez, Vicente Lombardo Toledano, Emilio Portes Gil), see James W. Wilkie and Edna Monzón de Wilkie, *México Visto en el Siglo XX: Entrevistas de Historia Oral* (Mexico, D.F., 1969), pp. 137–38, 396–97, 525–26.

66. As early as 1918, for example, President Venustiano Carranza stated in his message to Congress: "No country should intervene in any form or for any reason in the internal affairs of another"; see quotation and discussion in Peggy Fenn, "Mexico, la no Intervención y la Autodeterminación en el Caso de Cuba," *Foro Internacional* IV (1963–64), 1–19.

The Estrada Doctrine has taken on a special importance in the Cold War era. Citing Estrada's principle of nonintervention, Mexico has refused to sanction an international hemispheric police force for the Organization of American States (OAS). Also, at the Tenth Inter-American Conference in Caracas (1954), the doctrine provided a rationale for Mexico's abstention from voting on the United States plan to censure implicitly "Communism in Guatemala." More recently it has been used to justify Mexico's refusal to support collective police action by the OAS against Cuban-sponsored guerrilla activity directed at other Latin American governments. For example, when Fidel Castro sought to export violence to Venezuela by sponsoring insurrection and political assassination, Mexico declined to vote for, or to honor, the OAS resolution to break diplomatic and economic relations with Cuba.⁶⁷

Having experienced United States intervention during the earlier years of this century, Mexico has reacted by formulating a general rule that precludes unilateral or multilateral intervention in any country's internal affairs.⁶⁸ Thus it may appear that Mexican foreign policy encourages guerrilla invasions by opposing collective intervention designed to deal with such actions. Actually Mexico is simply caught in a series of contradictions inherited from a traditional fear of American power. As for Mexico's Cuban policy during the past ten years, probably it can be explained best in terms of

67. See Olga Pellicer de Brody, "Mexico en la OEA," *Foro Internacional* VI (1965-66), 288-302; and Javier Rondero, "Mexico at Punta del Este," in Carlos A. Astiz, ed., *Latin American International Politics: Ambitions, Capabilities and the National Interest of Mexico, Brazil and Argentina* (Notre Dame, Ind., 1969), pp. 111-36.

68. See, for example, Foreign Minister Manuel Tello's outline of Mexican history in his speech at the Seventh Meeting of Foreign Ministers, San José, Costa Rica, 1960. Here Tello insists that once a revolution is underway, it must take its course without foreign intervention if a people are to learn from their experience. A summary of this discourse is given in *Política*, September 1, 1960, pp. 32-36.

a Mexican nationalism that is sensitive to all suggestions that Mexico's foreign policy should be subject to United States direction in any way. Because of a desire to see Latin America free of nuclear weapons, however, Mexico backed President Kennedy in the crisis of October, 1962, by asking Castro to remove offensive missiles from Cuban soil.⁶⁹ Also, in January of that same year, Mexico abstained and did not vote against Cuba's expulsion from the OAS or against prohibiting the sale of arms to Cuba, because, as her minister of foreign relations noted, "it seems without doubt that there exists a deep-rooted incompatibility between membership in the Organization of American States and a Marxist-Leninist political belief."⁷⁰

United States Investment in Mexico

Closely akin to Mexico's sensitivity concerning United States influence over her foreign policy is Mexico's preoccupation with a fear of "economic imperialism." In other words, Mexico is on guard against economic as well as political controls that might be exercised by her northern neighbor. Thus, in recent years, American private investors have been viewed by many Mexicans as dangerous instruments of imperialism.

Writing in 1952, Howard F. Cline described the period of United States-Mexican relations since 1940 as an "Era of Good Feeling" in which economic matters rather than political affairs had been emphasized; and he commented, "The flow of capital, goods, ideas, and men from the northern republic to the southern has been an important element in

69. See the Mexican Foreign Office declaration reprinted in *Política*, November 1, 1962, p. 3.

70. See *Política*, February 1, 1961, pp. 34-38, especially p. 38.

the economic and industrial revolution taking place in Mexico." ⁷¹ Cline's description of United States-Mexican relations extends into the 1970s. At the same time, one must recognize that the heritage of American intervention and influence in Mexico and other Latin American countries has continued to affect United States-Mexican economic relations. Despite denials from American businessmen and diplomats, some Mexicans are convinced that United States interests have conspired to dominate Mexico through economic means.

An example of this thinking is found in a book by José Luis Ceceña, a Mexican Marxist whose anti-United States ideas are rather typical of those frequently expressed in Mexico's intellectual circles. Ceceña charges that a very significant part of Mexico's economy is "controlled by four super groups [i.e., financial groups] that act as one monopolistic bloc making them the most important factor in the decisions of the [Mexican] private sector." He insists that the interlocking directorates of these four financial empires (Morgan Guaranty, First National Bank of New York, Du Pont-Chemical Bank, and the Chase-Rockefeller interests) not only control the economic life of the United States (along with the Mellon interests) but also dominate Mexico's most important economic activities. Ceceña claims that since the early 1960s foreign interests (83 percent United States and 17 percent other countries) have controlled 28 percent of the 2,000 largest companies in Mexico and have greatly influenced another 14 percent. "Control," according to Ceceña, involves ownership of over 50 percent of an enterprise's stock; influence refers to stock ownership ranging between 25 and 50 percent. Thus he insists that "only colonial territories and some countries cultivating a single

71. Cline, *The United States and Mexico*, p. 387.

crop present a situation of greater dependency than Mexico." Regarding this "economic occupation" of Mexico, especially by United States "monopolies," he is particularly concerned that United States capital has controlled or heavily influenced at least 69 percent of the capital in 10 of Mexico's 20 most important economic sectors. Noting that in the early 1960s 26 of the 40 most popular television programs were produced north of the border and sponsored by American firms, he sees evidence of both cultural and economic imperialism. Ceceña believes that Mexico is dependent on foreign capital (which makes Mexican development subservient to the international money market) and is exploited by "decapitalization" (which means that the remittance of profits abroad puts a brake on capital accumulation in Mexico). In order to cure these abuses, Ceceña would make the state the motor of development, nationalize banking and insurance operations, and limit foreign investment. ⁷²

Although the Mexican government has not seen fit to go to the extremes advocated by Ceceña and others of his persuasion, in this decade it has taken some steps to curb American influence within certain areas of the nation's economy. For example, the government purchased outright the foreign-owned light and power companies in 1960 and, in conjunction with private Mexican interests, obtained control of the Pan American Sulphur Company in 1967. Also, a new mining law of 1961 limits all new mining concessions to a maximum of 34 percent foreign capital; and, in order to encourage "Mexicanization" of concessions already granted, the government has offered a 50 percent tax reduction to mining com-

72. José Luis Ceceña, *El Capital Monopolista y la Economía de México*, (Mexico, D. F., 1963), pp. 108-9, 145-46, 155, 172-74, 177-78, 196-98. For another work that condemns United States foreign investment, see Pablo González Casanova, *La Ideología Norteamericana Sobre Inversiones Extranjeras* (Mexico, D.F., 1955). In contrast, see Manuel Gómez Morín in Wilkie and Wilkie, *México Visto en el Siglo XX*, pp. 208-9.

panies limited to 49 percent foreign capital.⁷³ In view of these actions by the Mexican government, American diplomats and investors are quite aware that continuing pressures and restrictions on foreign capital can be expected in the future.

Can such actions against foreign capital be attributed to a dramatic expansion of American investment activity in that country that has had a detrimental effect on Mexican businessmen? In order to answer this question, comparisons will be made between American direct investment since World War II and Mexican public and private investment during this period. First, however, it seems important to point out that between 1940 and 1946, United States direct investment decreased from \$358 million (1,970 million pesos at the exchange rate of 5.504) to \$316 million (1,534 million pesos at the exchange rate of 4.855); at the same time, total Mexican public and private investment increased from 793 million pesos to 3,287 million pesos. After 1946 American direct investment increased, but at a much lower rate than Mexican public and private investment; and by 1967 the former stood at \$1,342 million (16,755 million pesos at the exchange rate of 12.5) while the latter had reached 50,600 million pesos. Thus, the ratio of American direct investment to Mexican public and private investment reveals the following decline: in 1940, 2.5; in 1946, .5; in 1967, .3. Such a declining ratio suggests that the influence of American investment in Mexico has been reduced significantly since World War II and that complaints by Mexican nationalists against alleged domination by United States capital are rooted more in history than in present-day fact. Though some Mexicans

73. In *El Nacionalismo Mexicano y la Inversión Extranjera* (Mexico, D.F., 1967), Miguel S. Wionczek discusses nationalization of the electric power industry (especially pp. 138 ff.); the mining law of 1961 is discussed cogently on pages 245-48.

claim that American investment is harmful to Mexico because it causes a "decapitalization" by which profits are remitted abroad, this view is contradicted by current official United States policy that seeks to limit American private investment in foreign countries because it in effect "decapitalizes" the United States and produces a negative balance of payments. Without attempting to analyze in detail the controversial matter of repatriation of profits, it can be shown that income from American direct investment in Mexico has been relatively low. (The authors define income as the sum of dividends, interest, and branch profits paid to owners in the United States, after foreign taxes but before payment of any United States taxes.) At no time since 1950 has income as a percentage of book value for American direct investments in Mexico exceeded 9.7 percent; and in 13 of the 18 years between 1950 and 1967, income amounted to 6 percent or less. For example, in 1967 income on American direct investment totaling \$1,342 million amounted to \$62 million, which represents a 4.6 percent return. By any standards, this is a low return on invested capital.⁷⁴

Though one may argue that American capital may control certain Mexican industries, obviously American investors have not stifled the growth of Mexican national investment, as Ceceña would have us believe, nor has it "displaced, absorbed, or subordinated national investment."⁷⁵ Rather,

74. "Direct investment" includes all business enterprises in which U.S. investors have a controlling interest or an important voice in management (usually a 25 percent minimum of voting stock); and this investment excludes miscellaneous holdings of those stocks and bonds issued by foreign corporations or governments, which ordinarily are termed "portfolio investments." See U.S. Department of Commerce, Office of Business Economics, *Direct Private Foreign Investment of the United States: Census of 1950* (Washington, D.C., 1953), pp. 4, 27, 36-42. Data on U.S. investment has been developed from various sources and set forth in detail by the authors in their "United States-Mexican Relations Since 1940," a manuscript currently in preparation.

75. Ceceña, *El Capital Monopolista*, p. 177.

American investment undoubtedly has influenced Mexico's economic growth by encouraging establishment of industries that otherwise might not have been developed. In this process Mexican capital has developed supply and support industries and has organized competing companies.

The rapidly growing influence of American customs and styles on Mexican life cannot be attributed simply to American investment and advertising in Mexico; instead, such changes must be explained in terms of a common desire for peoples of the world, regardless of class or nationality, to be consumers as well as workers. But increased consumption in Mexico must await expansion of production facilities; this development, in turn, depends on a continued flow of capital into the country. Since the supply of Mexican capital is not sufficient, and since private foreign investment is not welcomed on an unrestricted basis, financial assistance must be obtained from other sources.

United States Financial Assistance to Mexico

Mexico's successful economic development since World War II has been predicated to a great extent upon extensive international financial assistance. Out of a total of \$1,954.1 million committed to Mexico during the 1946-67 period, 53 percent (\$1,033.5 million) took the form of United States grants and loans. The World Bank supplied 32 percent, and the International Development Bank provided about 10 percent. Lesser amounts were obtained from the International Finance Corporation and UN agencies; Alliance for Progress loans to Mexico from the Social Progress Trust Fund amounted to only \$35.5 million by 1967. Three-fourths of United States financial assistance for the 1946-47 period (\$776.3 million) was made available through the Export-

Import Bank for the purpose of financing United States exports to Mexico. Military assistance totaled a mere \$10.3 million, or about 1 percent. Of the \$1,033.5 million committed to Mexico by the United States over the 22-year period under discussion, about 87 percent took the form of loans, and the remainder was represented by grants. In only 2 of the 12 years between 1956 and 1967 did loans fall below 86 percent of the United States' net financial commitment. Mexico's position in relation to total international aid (\$1,954.1 million from all sources) may be summarized by noting that over 91 percent has consisted of loans that must be repaid at various rates of interest. Indeed, this is a tremendous burden.⁷⁶

As has been pointed out in an earlier study, Mexico appears to have discovered a key to development that involves devoting up to 36 percent of federal expenditures (1961) for amortization of, and interest on, the public debt.⁷⁷ Providing that the United States and the rest of the Western world continue to enjoy economic prosperity, Mexico may expect to obtain large loans that can be repaid with new loans. Should circumstances develop under which this financial assistance is no longer forthcoming, Mexico may experience painful financial difficulties. In this regard it must be emphasized that the United States exercises a strong influence over international lending agencies and that this country

76. Financial assistance data is based on information provided in the following U.S. Agency for International Development sources: USAID/Washington, Statistics and Reports Division, "Worksheet," January 10, 1969; *U.S. Overseas Loans and Grants and Assistance from International Organizations: (Special Report Prepared for the House Foreign Affairs Committee), Obligations and Loan Authorizations, July 1, 1945-June 30, 1967*, pp. 47, 163. Mexico's situation is in sharp contrast to that of Bolivia, which until 1963 depended on large grants rather than loans from the U.S. and international agencies. See James W. Wilkie, *The Bolivian Revolution and U.S. Aid Since 1952: Financial Background and Context of Political Decisions* (Los Angeles, 1969).

77. Wilkie, *The Mexican Revolution*, p. 279.

supplied slightly over half of the grants and loans received by Mexico during the 1946–67 period. In some years the United States supplied all financial assistance for Mexico, and in 1967 the United States share amounted to 67.4 percent.⁷⁸ Certainly, Mexican government leaders are very much aware that their nation's financial health depends in a large measure on the availability of new loans from the World Bank and the Inter-American Development Bank; and to an even greater degree is Mexico dependent on the ability and the willingness of her northern neighbor to supply loans and grants.

Conclusion

In view of the crises and conflicts that were so prominent in relations between the United States and Mexico during the three decades between the outbreak of the Mexican Revolution of 1910 and the end of the Cárdenas administration in 1940, the achievements of more recent years are truly impressive. How can one account for this turn of events? First, it is apparent that Mexican presidents since Cárdenas have followed policies of moderation that have provoked fewer conflicts with the northern neighbor. Second, and more important, is the fact that the United States has displayed greater readiness to make concessions to Mexican demands. While engaged in the Cold War struggle with the Soviet Union and Communist China, both the United States Congress and the White House occupants—especially under the administrations of Kennedy and Johnson—have shown great concern for maintaining cordial relations with nations of the Western Hemisphere. Given a

78. USAID, *U.S. Overseas Loans and Grants . . . July 1, 1945—June 30, 1967*, pp. 47, 163.

strong United States desire to minimize friction with Mexico while contending with the Communist powers in Europe and Asia, the Mexican government has been able to protect and advance its national interests through successful negotiations with the more powerful northern neighbor. Operating in the hostile and often violent atmosphere of the mid-twentieth-century world, policy-makers in Washington have found a friendly neighbor and a secure southern border much to be desired, especially if the cost is not excessive.

In regard to problems that have been fully or partially resolved, Mexico has been able to secure agreements on terms that have tested the ability of the United States to be a "good neighbor." Thus, after more than half a century of controversy, Mexico obtained most of the Chamizal territory claimed under the disputed arbitral decision of 1911. Subsequently, the Pious Fund dispute was resolved by an arrangement that allowed Mexico to make a lump sum payment to terminate what had been a perpetual annuity obligation. Negotiations relative to the Colorado River salinity problem resulted in payment by the United States of the entire cost of constructing a canal needed for the purpose of carrying Wellton-Mohawk drainage; on the other hand, when a similar problem developed in the Rio Grande Valley, the United States paid half the cost of constructing a canal needed for diverting El Morillo drainage through Mexican territory to the Gulf of Mexico. In the case of the 1946 foot-and-mouth disease outbreak, which appears to have resulted from Mexico's importation of Zebu cattle in spite of convention restrictions and protests from the United States government, the disease was checked and then eradicated through joint United States–Mexican efforts. Although the United States made a large direct financial contribution to the foot-and-mouth disease eradication program, in later years Mexico has not responded in a similar manner to United States

efforts to protect both countries from screwworm fly infestation. Scientists have developed a technique for eradicating the screwworm fly, and the United States Congress has authorized necessary cooperation with the Mexican government; to date, however, Mexico has not seen fit to enter into a large-scale eradication campaign conducted on the cost-sharing basis envisioned by American authorities. As for the coastal fisheries problem, through a 1967 bilateral agreement Mexico has obtained an arrangement whereby American fishermen will be excluded from waters within twelve miles of Mexico's coasts by 1974, despite the fact that American shrimp and tuna fishermen have fished for many years in a portion of this coastal zone. Probably the only settlement with which the Mexican government was not completely satisfied concerned the matter of contract farm labor. Here, as a result of political pressures exerted by American labor and other interests, Congress ended the bracero program that had been an important source of dollar exchange for Mexico and had provided employment for large numbers of Mexican rural laborers.

Major unresolved problems in the field of United States-Mexican relations concern the issue of interventionism in the Americas (particularly as related to Cuba and the OAS) and the means of financing Mexico's economic development. In regard to the former, the principal difficulty stems from Mexico's attachment to the antiquated Estrada Doctrine and a deep-seated fear of United States intervention in her internal affairs. As for the latter, Mexico has a strong preference for grants and loans from international agencies and foreign governments. Where direct foreign investment is allowed, restrictions have been imposed that are designed to ensure that certain private enterprises will be under Mexican majority control.

In recent years Mexico has come to rely less and less on